

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2024



City of Killeen, Texas



CITY OF KILLEEN



City of Killeen, Texas

Annual Comprehensive Financial Report

**For the Fiscal Year Ended
September 30, 2024**

Prepared by:

Finance Department

Judith Tangalin, CPA, CGFO
Executive Director of Finance

Lorianne Luciano
Assistant Director of Finance

Latashia Cherry
Controller



CITY OF KILLEEN



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CITY OF KILLEEN



INTRODUCTORY SECTION





CITY OF KILLEEN





March 31, 2025

To the Honorable Mayor, City Council, and Citizens of the City of Killeen, Texas:

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatement.

Pattillo, Brown, and Hill LLP, a firm of licensed independent certified public accountants, has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2024. The independent auditor’s report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally-mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report, not only on the fair presentation of the financial statements but also on the audited government’s internal controls and compliance with legal requirements with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Killeen’s separately issued Single Audit Report.

The independent audit of the financial statements of the City also includes a Passenger Facility Charge Compliance Report designed to meet the special needs of the Federal Aviation Administration in accordance with the Passenger Facility Charge Audit Guide for Public Agencies.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Profile of the government

The City was founded on May 15, 1882 by the Santa Fe Railroad and named in honor of a civil employee of the railroad, Frank P. Killeen. In 1884, the City had a population of 350 and consisted of a post office, a cotton gin, and two grain mills. The 1941 population of 1,265 rose to 7,100 in 1950, due primarily to the activation of Fort Cavazos (formerly Fort Hood), a military base on the City’s northern border, which began functioning in 1943 and was designated a permanent military installation in 1950. The City was incorporated as a municipality on March 3, 1949. The City continues to grow with an estimated population of 163,142 as of September 30, 2024, after adjusting for the U.S. Census Bureau – 2020 Profile Data and forecasting forward.

Killeen is situated along Interstate 14 which intersects Interstate 35 approximately 17 miles east and U.S. Highways 281 and 183 approximately 30 miles to the west. Waco is located 65 miles to the north and Austin is 70 miles to the south. The City encompasses an area of approximately 56.350 square miles. Two large lakes, Lake Belton and Lake Stillhouse Hollow, are located near the City. These lakes offer excellent fishing, camping, and water sports with 168 miles of shoreline.

The Killeen Downtown Historic District is listed in the National Register of Historic Places. The area is recognized for its historical and architectural significance. Historically significant properties range from a late 19th century Romanesque Revival bank to early 20th century stone and brick commercial buildings and early postwar modern offices and stores. Several churches also contribute to the area’s historic significance.

Killeen has been a member of Tree City USA by the Arbor Day Foundation for 19 years. This year, the Parks Department planted 100 new trees. The Tree City USA program is sponsored by the Arbor Day Foundation, in partnership with the U.S. Forest Service and the National Association of State Foresters.

In addition to its 23 parks, the City has two skate parks, golf and disc golf courses, a fitness center, one public swimming pool, a family aquatics center, a splash pad, four jogging/walking trails, and a variety of athletic fields. Parks and Recreation programming includes athletic leagues, camps, recreation classes, and specialty events throughout the year.



The City provides services in addition to parks and recreation to its citizens to create an exceptional quality of life. Major services provided include police and fire protection; emergency medical services; water, sewer, and solid waste utilities; two airports; two libraries; and a civic and conference center.

The City of Killeen operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council which consists of a mayor and seven council members. The City Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government and appointing department heads.

The Council is required to adopt an initial budget for the fiscal year no later than September 20 preceding the beginning of the fiscal year on October 1. This annual budget serves as the foundation for the City of Killeen's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The legal level of control (the level at which expenditures may not legally exceed appropriations) is the fund.

Local Economy

The City of Killeen is situated within the geographic center of Texas and is positioned within 180 miles of every major population center located in the State. Being strategically located along Interstate 14 near the junction of Interstate 35 is an economic advantage and continues to attract growth and development into the area. Key activities and indicators within and/or adjacent to the City are:

- **Military**

Fort Cavazos (formerly Fort Hood), adjacent to the City of Killeen, is the U.S. Army's largest active-duty armored post and home to the III Corps Command Group and the 1st Cavalry Division. Covering 218,823 acres across Bell and Coryell counties, it plays a vital role in the local community.

As of the 2023 Texas Military Preparedness Commission Biennial Report, Fort Cavazos directly supports 59,695 employees, including 38,642 active-duty military personnel. These service members and their families, comprising about 49,610 dependents, significantly impact the local economy. The base's total economic contribution to Texas in 2023 was an estimated \$39.1 billion, including \$22.9 billion in GDP and \$10.9 billion in disposable personal income.

Fort Cavazos has several key partnerships with the City of Killeen, including mutual-aid agreements between the City's Fire Department and the Fort Cavazos Directorate of Emergency Services for emergency management and wildland fire support. Killeen also partners with Fort Cavazos on animal control services, which helps reduce costs and improve efficiency.

In recognition of these collaborations, Fort Cavazos and local partners received three Department of the Army Community Partnership Awards in 2023 for their work in protection, airfield maintenance, and emergency management. The strong relationship between the City of Killeen and Fort Cavazos continues to foster job creation, community development, and enhanced public services for both the military and local residents.

- **Education**

Texas A&M University – Central Texas (the “University”) was established on September 1, 1999, as Tarleton-Central Texas. It became a stand-alone university on May 27, 2009, as a member of the Texas A&M University System. The University offers upper-level, state-supported educational opportunities. The overall campus development follows the University's master plan, which includes 19 academic buildings totaling 1,600,000 square feet, four general-use buildings totaling 325,000 square feet, a student union recreation/wellness center, a conference center, a dining hall, 1,800 beds of student housing in five phases, athletic and recreation facilities, a 30,000-person capacity football stadium, a 10,000-person capacity baseball field, an 8,000-person capacity indoor arena, 22 acres of outdoor recreation space (soccer, track, tennis, softball, etc.), and parking for 6,000 cars. The University has been dubbed the second-largest economic development to occur in the region, second only to the establishment of Fort Cavazos.

Central Texas College (CTC) is a two-year community college with the main campus in the City and with special campuses at military bases scattered over the United States and the world. CTC also has special classrooms aboard ships in the U.S. Navy. CTC was established in 1967 and offers the following degrees: Associate of the Arts, Associate of Science, Associate of Applied Science, and Associate in General Studies. Affordable quality



education is provided in more than 40 areas of study and CTC offers wide educational and training opportunities for those students who do not select a degree or certificate program.

- **Hospitals and Health Centers**

Advent Health is a full service, nonprofit hospital with more than 300 physicians in 43 specialties. The facility offers an expanded 24-hour emergency center; general and same-day surgery suites, including laser and endoscopy; advanced diagnostic imaging capabilities, including Magnetic Resonance Imaging (MRI), CT scan, nuclear medicine techniques, cardiac-cath lab for diagnosing heart blockage and other heart-related problems, x-ray imaging and ultrasound; a nationally ranked mammography center, and more.

Baylor Scott & White Clinic – Killeen is an extension of Baylor Scott & White Health offering expertise and treatment options in the areas of kidney disease, pediatric care, primary care, and psychology. Baylor Scott & White has three locations in the City of Killeen, Killeen West, and Specialty Clinic, expanding their areas of expertise to include cosmetic and plastic surgery, digestive diseases, imaging and radiology, among others.

West Killeen Medical Home, part of the Military Health System, opened its doors October 1, 2018 and is expected to support approximately 8,500 family members and retirees. West Killeen Medical Home's location allows military members and their families to seek medical care without having to travel to an on-post facility.

SignatureCare Emergency Center opened its doors January 31, 2019 in Killeen. The facility offers 24-hour emergency services for minor and major medical emergencies, pediatric emergencies, on-site medical lab, and testing. SignatureCare Emergency Center promises to function as a hospital-based emergency room with one major difference being a short wait time.

- **Housing Starts and Construction Permits**

There were 652 single-family housing starts in Fiscal Year 2024, compared to 488 in Fiscal Year 2023. According to the most recent release from the Census Bureau, 48.6% of the dwellings in Killeen are owner-occupied.

- **Rankings**

The City of Killeen, Texas, has received several notable rankings in 2024:

Fastest-Growing City: For the second consecutive year, U.S. News & World Report ranked Killeen as the second-fastest-growing city in the United States.

Affordable College Town: WalletHub recognized Killeen as the ninth most affordable college town in the nation.

Growth and Affordability: GoBankingRates.com named Killeen the most affordable, fastest-growing city in the United States.

- **Public Safety**

The City of Killeen has a comprehensive, four-pronged approach to communicating with the community. This system includes the CodeRED Emergency Notification System, the City News Alert System, the Outdoor Siren System, and social media channels. Additionally, the newly created Real Time Crime Center enhances public safety efforts by providing law enforcement with immediate access to real-time data, enabling a faster and more coordinated response to crime-related incidents.

Long-term financial planning

- **Debt Administration**

Killeen has previously authorized the issuance of certificates of obligation, limited tax refunding bonds, and general obligation refunding bonds. Proceeds from debt issues other than refunding bonds have been used for capital improvements.

The City also works with its financial advisor to monitor the conditions of the tax-exempt credit market and issue refunding debt to decrease outstanding obligations when it can lower its cost or as needed to manage the City's tax rate.

- **Financial Governance Policies**

The Killeen City Council adopted comprehensive financial governance policies on February 19, 2025. These policies establish guidelines for budget development and administration, fiscal monitoring, auditing and financial reporting, inter-fund loans, inter-fund transfers, capital equipment and projects, cash management, internal controls, grants, debt, and fund balance.



The debt policy establishes guidelines for the planning, implementation, and evaluation of the debt program and the City's ability to service such debt. The debt policy is designed to provide guidance to all participants in the capital improvement process. As project requests are evaluated and funding decisions are considered, the acceptable level of debt issuance and tax and fee increases should be clearly indicated.

The fund balance policy establishes the fund balance required to be maintained by the General Fund as 18 to 22% of operating expenditures. Any balance above 22% will be transferred to a capital improvements fund. Accordingly, all enterprise funds must maintain a working capital balance of 18 to 22% of operating expenses with excess funds transferred to an enterprise capital projects fund.

Major initiatives

An important priority established by City Council in the FY 2023 budget was to increase public safety presence downtown. The FY 2023 budget included the addition of a Downtown Engagement Unit that included the addition of a Sergeant and four Police Officers that will focus on citizen engagement, provide staffing at community events in the downtown area, communicate with business owners, and patrol City parks. The unit will build a stronger partnership with our community and enhance safety in the downtown area.

On May 24, 2022, City Council approved an Intergovernmental Support Agreement with Fort Cavazos for animal care that became effective October 1, 2022. The agreement will have a significant impact on the City's ability to provide animal services throughout the city and on Fort Cavazos. The FY 2023 budget included funding in the amount of \$1.3 million for 12 new employees for animal services, four trucks with animal cabs, and other equipment and supplies needed to provide services under the agreement. All costs associated with the agreement will be paid by Fort Cavazos.

The FY 2022 budget allocated \$29.12 million in Coronavirus State and Local Fiscal Recovery Funds (ARPA Funds) for major initiatives. These funds support a variety of projects, including public safety, emergency services, infrastructure, and community programs. Some key initiatives funded by ARPA include personnel support, grants to the arts, deferred maintenance for the Hotel Occupancy Tax Fund, the Emergency Operations Center, Public Safety Premium Pay, the Boys and Girls Club, mental health programs for both Police and Fire, public parks (e.g., Conder Park, Long Branch Park), gap sidewalks, backup generators for water and sewer pump stations, and more. As of September 30, 2024, 64% of these funds had been spent, with all funds allocated to projects.

In November 2020, City Council hired a consultant to develop a comprehensive plan for Killeen's future growth. After extensive public meetings and feedback from citizens, city representatives, and stakeholders, the plan, titled Killeen 2040 Forward, was finalized and accepted by the City Council in August 2022. This plan outlines how the city will grow and evolve over the next two decades, with an emphasis on community priorities and quality of life. Killeen 2040 serves as a roadmap for anticipating and managing future growth, ensuring it aligns with the needs and desires of the community.

As part of the Killeen 2040 Forward plan, a major initiative to revitalize downtown Killeen has been launched. This includes the hiring of a Downtown Revitalization Director to oversee the transformation of the area. Key actions include implementing a Vacant Structure Registration ordinance, establishing a Downtown Advisory Committee, and launching a dedicated Downtown Killeen webpage with valuable resources. Additionally, some ARPA funding has been allocated to host quarterly downtown events, attract vendors, and bring citizens into the area. Business assistance grants have also been provided to help start or reopen businesses in the downtown district.

On July 11, 2023, City Council approved the issuance of \$32 million in Certificates of Obligation bonds to fund several important capital improvement projects. These include the Police Parking Expansion, Police Evidence Storage Building, a new Parks Maintenance Facility, Skylark Fixed Base Operator Building, Park Construction and Renovation, and a new Fleet Services Facility. This bond issuance had no impact on the interest and sinking tax rate, as expiring debt offset the cost. Additionally, Standard & Poor's (S&P) upgraded the City's long-term and underlying credit rating from "AA-" to "AA" in June 2023. S&P cited factors such as a broad and diverse taxpayer base, strong financial management practices, and stable economic growth in their analysis.

In FY 2024, the City of Killeen continued its \$22 million investment in public safety infrastructure with the development of Fire Station No. 4 and the Emergency Operations Center. Located at 9132 Trimmier Road, the 41,239-square-foot facility will include apparatus bays, training classrooms, dormitories, and support services. The Emergency



Operations Center is funded through the American Rescue Plan Act (ARPA), while Fire Station No. 4 is funded from the Capital Improvement Program (CIP) Fund. Scheduled for completion in late 2025, this project is aimed at improving emergency response times, supporting population growth, and strengthening the city's preparedness.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Killeen for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the 33rd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

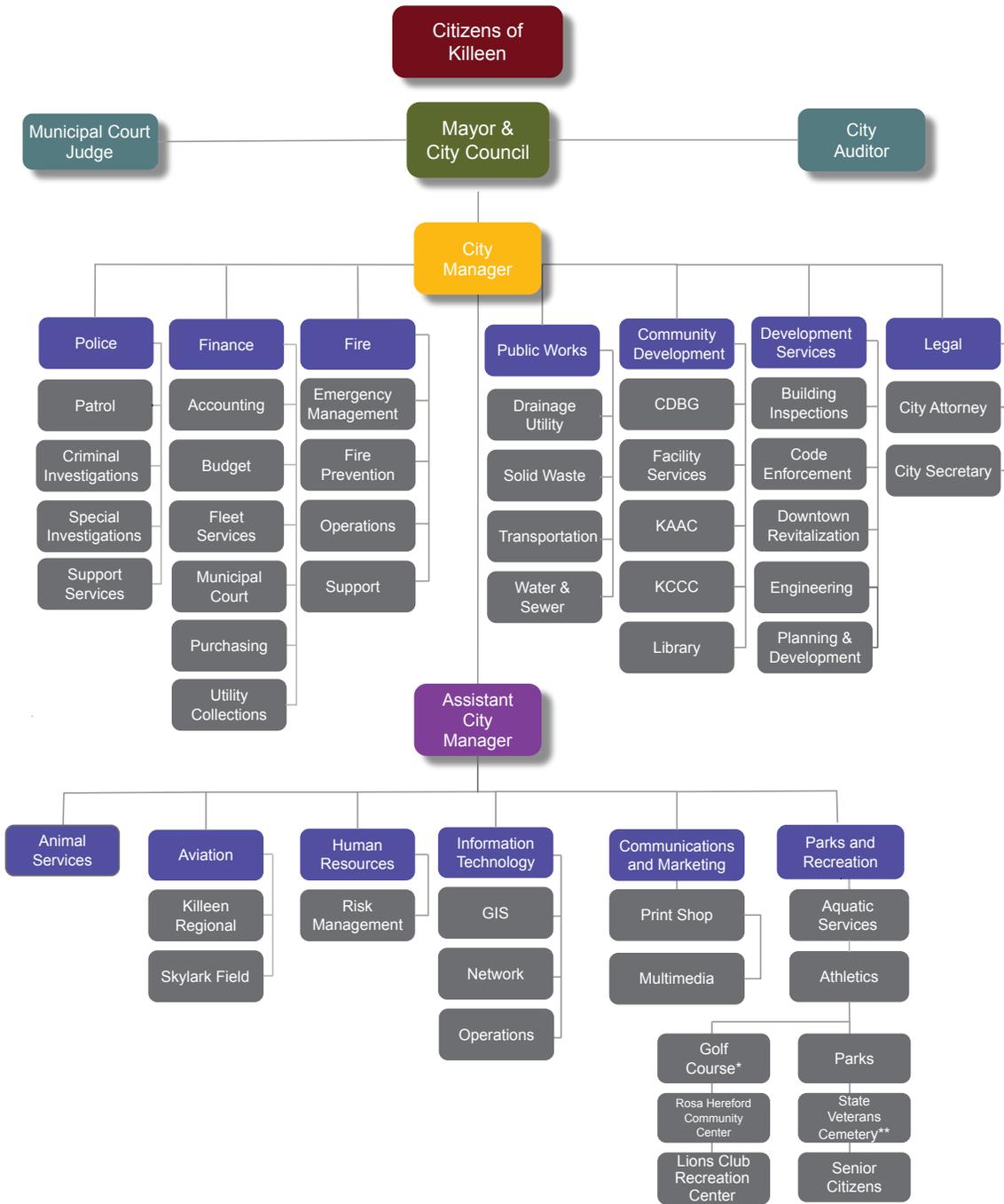
The City of Killeen also received the GFOA's Distinguished Budget Presentation Award for the fiscal year ended September 30, 2024. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report. We also wish to express our sincere appreciation to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Killeen's finances.

Judith Tangalin, CPA
Executive Director of Finance

Lorianne Luciano
Assistant Director of Finance

Latashia Cherry
Controller



*Although the accounting structure places this division in the Parks & Recreation department, all authority lies with the City Manager, not Parks & Recreation.

**Although the accounting structure places this division in the Parks & Recreation department, all authority lies with the Assistant City Manager, not Parks & Recreation

City of Killeen, Texas
List of Elected and Appointed Officials
September 30, 2024

Elected Officials

Mayor
 Mayor Pro Tem
 Councilmember – District 2
 Councilmember – District 3
 Councilmember – District 4
 Councilmember – At Large
 Councilmember – At Large
 Councilmember – At Large

Debbie Nash-King
 Jessica Gonzalez
 Joseph Solomon
 Nina Cobb
 Michael Boyd
 Riakos Adams
 Jose L. Segarra
 Ramon Alvarez

Appointed Officials

City Manager
 Assistant City Manager
 City Attorney
 City Auditor
 Chief of Police
 Fire Chief
 Presiding Municipal Judge
 Executive Director of Aviation
 Executive Director of Communications
 Executive Director of Community Development
 Executive Director of Recreation Services
 Executive Director of Finance
 Executive Director of Human Resources
 Executive Director of Information Technology
 Executive Director of Planning
 Executive Director of Public Works

Kent Cagle
 Laurie Wilson
 Holli Clements
 Matthew Grady, CPA
 Pedro Lopez
 James Kubinski
 Kris Krishna
 Michael Wilson
 Janell Lewis Ford
 Tiffanie McNair
 Vacant
 Judith Tangalin, CPA
 Eva Bark
 Wilfred Resto
 Edwin Revell
 Jeff Reynolds



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Killeen
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO



CITY OF KILLEEN



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of the City Council
City of Killeen, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Killeen, Texas (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Killeen Economic Development Corporation, whose assets were \$13,387,201 and revenues were \$1,739,263. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Killeen Economic Development Corporation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently known information that may raise substantial doubt shortly thereafter.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS





CITY OF KILLEEN



As management of the City of Killeen (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 11-15 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$460.1 million (*net position*). Of this amount, the unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors, was \$65.6 million.
- The City's total net position increased by 51.8 million. This growth was driven by a \$6.3 million increase in charges for services and a \$7.8 million rise in tax revenues, reflecting ongoing population and economic expansion. Additionally, investment income grew by \$8.8 million, primarily due to the recognition of a market gain that offset losses recognized in the prior year.
- Expenses increased by \$15.8 million compared to the prior year; however, they represented 72 percent of total revenues, an improvement from 81 percent in the previous year. This indicates that revenue growth outpaced the rise in expenditures, strengthening the City's financial position.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$151.3 million, an increase of \$3.0 million in comparison with the prior year.
- At the end of the current fiscal year the unassigned fund balance for the general fund was \$34.4 million, or 30.4 percent of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$29.1 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation, sick, and compensatory leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, planning, culture and recreation, and maintenance. The business-type activities of the City include aviation, solid waste, water and sewer, and drainage utilities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. Tax Increment Reinvestment Zone #2, although legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 40 - 41 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the capital improvements project fund, 2023 CO bond fund, and the debt service fund because they are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column labeled as "Other Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund and special revenue funds, except for the KPFC and Park Development Benefit Fund. Budgetary Comparison Schedules have been provided for the general fund and budgeted special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 42-45 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the operations of the airport, solid waste, water and sewer, and drainage utility activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for activities that provide services to other funds on a cost reimbursement basis. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport, Solid Waste, Water and Sewer, and Drainage Utility funds, all of which are major funds of the City.

The basic enterprise fund financial statements can be found on pages 46-50 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the City. The City has one private-purpose trust fund, which is reported under the fiduciary funds. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 51-52 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 54-88 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to qualifying employees and general fund budget and actual schedule of revenues, expenditures and changes in fund balance. Required supplementary information can be found on pages 91-97 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and budgetary comparison schedules can be found on pages 100-145 of this report.

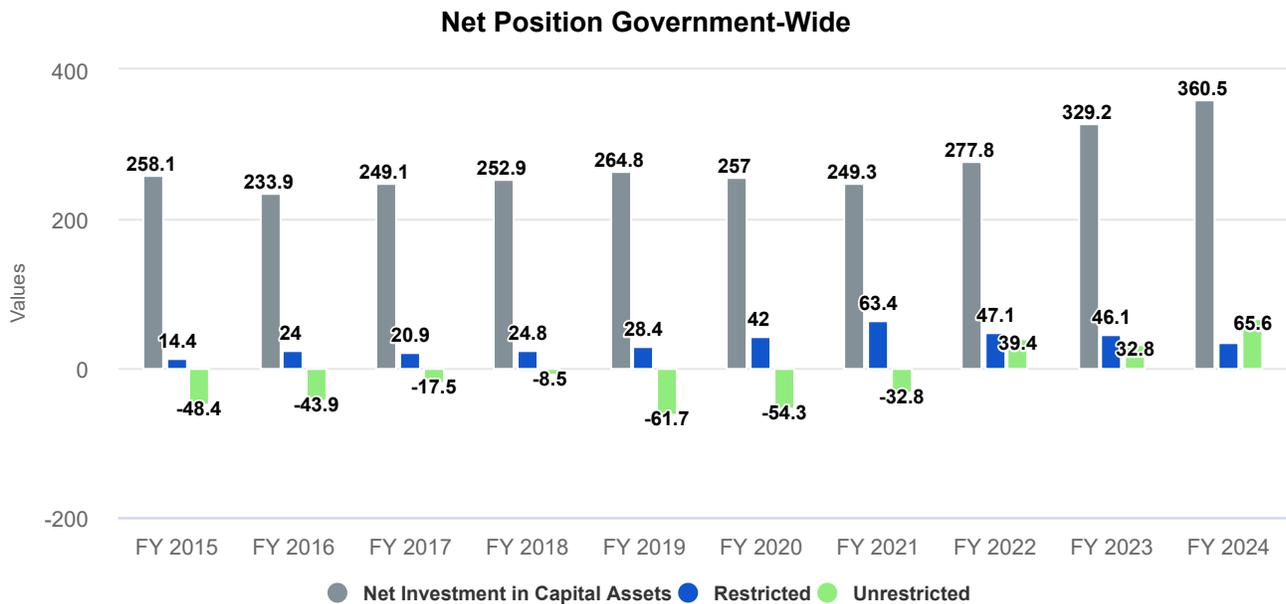
Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$460.1 million at the close of the most recent fiscal year.

Net Position (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 182.8	\$ 189.0	\$ 88.2	\$ 88.1	\$ 271.0	\$ 277.1
Capital assets	234.8	218.8	282.9	264.3	517.7	483.1
Total assets	<u>417.6</u>	<u>407.8</u>	<u>371.1</u>	<u>352.4</u>	<u>788.7</u>	<u>760.2</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	6.7	7.3	0.3	0.3	7.0	7.6
Deferred outflows - pensions	26.0	48.4	3.2	7.4	29.2	55.8
Deferred outflows - OPEB	1.4	1.7	0.4	0.5	1.8	2.2
Total deferred outflows of resources	<u>34.1</u>	<u>57.4</u>	<u>3.9</u>	<u>8.2</u>	<u>38.0</u>	<u>65.6</u>
LIABILITIES						
Current liabilities	22.7	34.6	11.4	8.9	34.1	43.5
Noncurrent liabilities	267.2	287.7	56.5	64.8	323.7	352.5
Total liabilities	<u>289.9</u>	<u>322.3</u>	<u>67.9</u>	<u>73.7</u>	<u>357.8</u>	<u>396.0</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - leases	-	-	2.0	1.2	2.0	1.2
Deferred inflows - pensions	1.9	14.0	0.2	2.5	2.1	16.5
Deferred inflows - OPEB	3.7	3.0	1.0	0.9	4.7	3.9
Total deferred inflows of resources	<u>5.6</u>	<u>17.0</u>	<u>3.2</u>	<u>4.6</u>	<u>8.8</u>	<u>21.6</u>
NET POSITION						
Net investment in capital assets	108.0	99.2	252.5	230.1	360.5	329.3
Restricted	26.8	23.1	7.2	23.0	34.0	46.1
Unrestricted	21.4	3.6	44.2	29.2	65.6	32.8
Total net position	<u>\$ 156.2</u>	<u>\$ 125.9</u>	<u>\$ 303.9</u>	<u>\$ 282.3</u>	<u>\$ 460.1</u>	<u>\$ 408.2</u>

By far the largest portion of the City's net position, \$360.5 million, reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, equipment, and systems), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



(1) Information has not been restated for GASB 68 and 75 implemented in 2015 and 2018, respectively

An additional portion of the City's net position, \$34.0 million, represents resources that are subject to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position, \$65.6 million, may be used to meet the City's ongoing obligations to citizens and creditors.

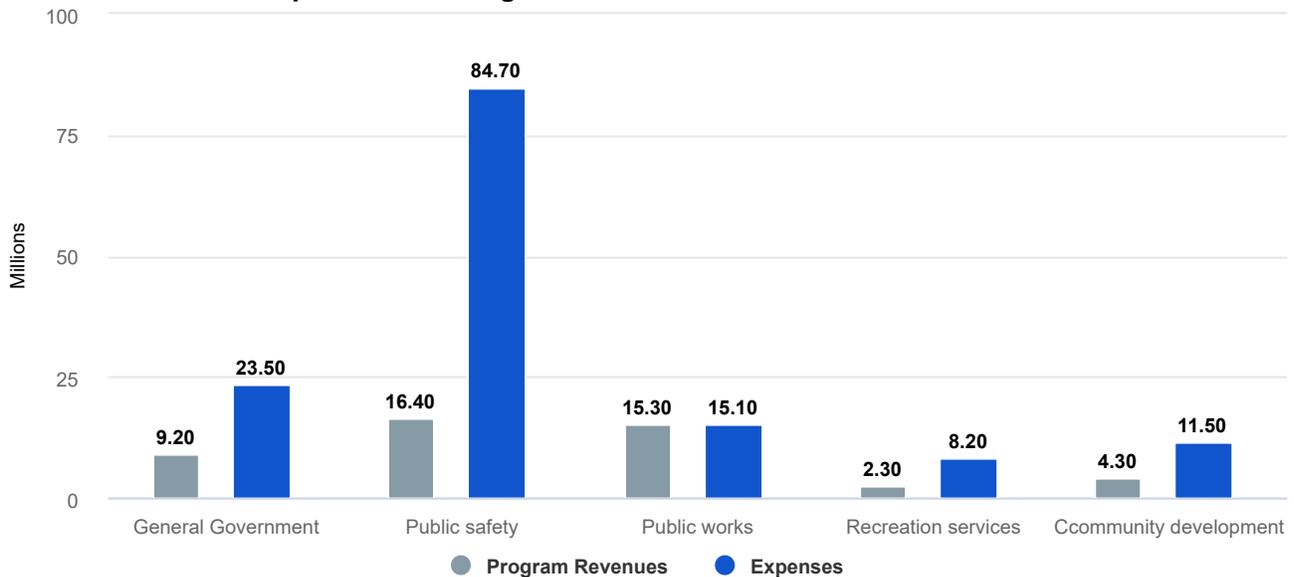
The City's overall net position increased by 51.8 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$30.3 million, bringing the total to \$156.2 million. Key revenue increases from the previous year include a \$7.8 million rise in taxes and a \$7.4 million increase in investment income. Expenditures also increased by \$12.1 million. The ratio of expenditures to revenues was 88 percent, an improvement from 90 percent last year, indicating better alignment between revenue growth and spending.

Changes in Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Total Activities	
	2024	2023	2024	2023	2024	2023
Revenues						
<i>Program revenues:</i>						
Charges for services	\$ 24.9	\$ 25.0	\$ 87.3	\$ 80.9	\$ 112.2	\$ 105.9
Operating grants and contributions	14.3	15.2	1.1	-	15.4	15.2
Capital grants and contributions	8.3	5.9	13.4	15.4	21.7	21.3
<i>General revenues:</i>						
Property taxes	64.7	56.9	-	-	64.7	56.9
Franchise fees	5.4	5.6	-	-	5.4	5.6
Sales taxes	39.3	38.3	-	-	39.3	38.3
Interest and investment income	11.8	4.4	3.6	2.3	15.4	6.6
Insurance proceeds	-	0.5	-	0.1	-	0.6
Gain on sale of capital assets	0.2	0.2	0.3	0.1	0.4	0.3
Lease revenue	-	0.2	0.1	0.1	0.1	0.3
Total revenues	<u>168.9</u>	<u>152.1</u>	<u>105.8</u>	<u>98.9</u>	<u>274.7</u>	<u>251.0</u>
Expenses						
General	23.6	21.7	-	-	23.6	21.7
Public safety	84.7	78.4	-	-	84.7	78.4
Public works	15.1	13.5	-	-	15.1	13.5
Recreation services	8.2	8.6	-	-	8.2	8.6
Community development	11.5	9.7	-	-	11.5	9.7
Interest on long-term debt	5.8	4.9	-	-	5.8	4.9
Airport operations	-	-	8.9	8.6	8.9	8.6
Solid waste	-	-	21.0	19.3	21.0	19.3
Water and sewer	-	-	38.5	38.5	38.5	38.5
Drainage utility	-	-	3.9	4.0	3.9	4.0
Golf course	-	-	1.6	-	1.6	-
Total expenses	<u>148.9</u>	<u>136.9</u>	<u>73.9</u>	<u>70.4</u>	<u>222.8</u>	<u>207.2</u>
Change in net position before transfers	20.0	15.3	31.9	28.5	51.9	43.8
Transfers	10.3	9.1	(10.3)	(9.1)	(0.0)	-
Change in net position	<u>30.3</u>	<u>24.4</u>	<u>21.6</u>	<u>19.4</u>	<u>51.9</u>	<u>43.8</u>
Net position at beginning of year	125.9	101.4	282.3	262.9	408.3	364.3
Prior year adjustment	-	0.1	-	-	-	-
Net position at end of year	<u>\$ 156.2</u>	<u>\$ 125.9</u>	<u>\$ 303.9</u>	<u>\$ 282.3</u>	<u>\$ 460.1</u>	<u>\$ 408.1</u>

Expenses and Program Revenues Governmental Activities



Business-type activities. Business-type activities increased the City’s net position by \$21.6 million. Key revenue increases from the previous year include a \$6.4 million rise in charges for services and a \$3.7 million increase in investment income. Total expenditures amounted to 73 percent of program revenues, reflecting the ability of these funds to generate sufficient revenue to cover operating costs.

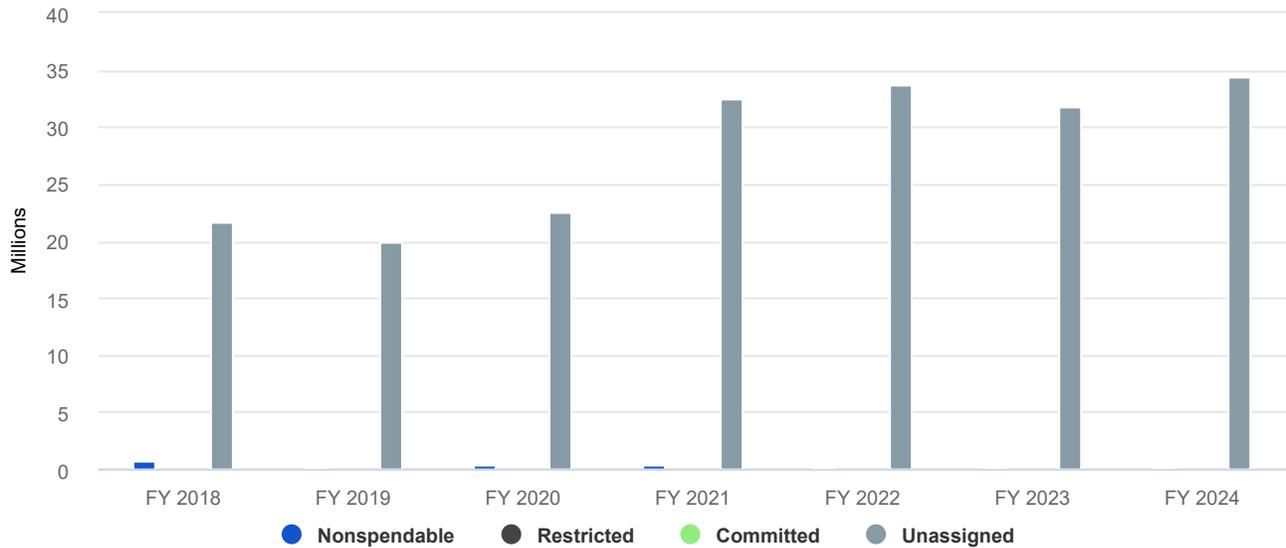
Financial Analysis of the City’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of the end of the current fiscal year, the City’s governmental funds reported combined fund balances of \$151.3 million, an increase of \$3.0 million in comparison with the prior year. Approximately \$34.36 million is unassigned *fund balance*, which is available for spending at the City’s discretion and \$31.3 is assigned for capital projects. The remainder of fund balance is either *nonspendable* or *restricted* to indicate that it is 1) not in spendable form (\$4.5 million) or 2) restricted for particular purposes (\$81.1 million).

Components of Fund Balance General Fund



The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$34.4 million, while the total fund balance increased to \$34.6 million. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 30.4 percent of total general fund expenditures, while total fund balance represents 30.6 percent of that same amount.

The fund balance of the City’s general fund increased by \$2.5 million during the current fiscal year. General fund transfers out total \$11.3 million and transfers in total \$10.7 million in the current fiscal year. The major transfers were:

- A transfer of \$10.8 million was made to the Governmental Capital Improvements Fund, allocated as follows: \$2.8 million to fund governmental capital improvement projects in cash; \$3.2 million for new and replacement fees; and \$4.8 million to transfer excess fund balance to the capital improvement fund, in accordance with the Financial Governance Policy, for governmental capital improvements.
- Indirect cost allocations transferred from the solid waste fund, water and sewer fund, and drainage fund in the amounts of \$3.4 million, \$6.4 million, and \$0.7 million, respectively.

The capital improvement fund had a decrease in fund balance during the current year of \$2.0 million. For the current fiscal year the transfers from general fund to the capital improvement fund were \$10.8 million, and transfers from other nonmajor funds total \$1.3 million, transfer out to the information technology fund of \$0.7 million and the capital outlay expenditures were \$21.5 million.

The debt service fund, the remaining major governmental fund, had an increase in fund balance during the current year of \$0.7 million to bring the year end fund balance to \$4.8 million. The fund received revenues of \$15.2 million in property taxes, \$2.6 million from a TXDOT reimbursement program based, and \$0.4 million in investment earnings. Total expenditures amounted to \$17.5 million for debt service payments.

The 2023 C.O. Bond Fund experienced an increase in fund balance of \$1.3 million during the current year. The fund received revenues of \$1.8 million in investment earnings and incurred expenditures of \$0.5 million.

Proprietary Funds. The City’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the airport, solid waste, water and sewer, drainage, and golf course funds at the end of the year amounted to \$2.6 million, \$8.0 million, \$25.9 million, \$7.5 million and \$0.2 million, respectively. The combined growth in net position for all funds was \$21.6 million. Other factors concerning the finances of these funds have been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. Differences between the original budget and the final amended budget amounted to a \$7.1 million increase in net appropriations, and can be briefly summarized as follows:

- The budget for transfers to the governmental capital improvements projects fund increased by \$5.7 million, including \$4.8 million from excess fund balance and \$0.9 million in additional funding for capital improvement projects.
- The general government expenditures budget increased by \$1.6 million to account for ARPA-funded projects carried forward from the prior fiscal year, which is offset by a corresponding increase in intergovernmental revenues.
- Budgets across multiple departments increased by a total of \$1.6 million to support ongoing programs, projects, and equipment purchases carried over from the prior fiscal year.

Final Budget Compared to Actual Results.

The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Taxes	\$ 92,885,838	\$ 90,894,179	\$ (1,991,659)
Intergovernmental	6,277,507	5,644,029	(633,478)
Charges for services	6,338,655	6,914,509	575,854
Fines and fees	3,050,843	3,501,995	451,152
Investment earnings	1,448,305	5,918,522	4,470,217

The shortfall in tax revenues was primarily due to property tax collections falling \$1.1 million below projections. The budget assumed a 98.5 percent collection rate of the certified total levy, but actual collections were approximately 96 percent. Additionally, the shortfall in intergovernmental revenue was mainly attributed to unspent American Rescue Plan Act (ARPA) funds, which were budgeted but not utilized, resulting in revenue not being recognized in the current year.

Additionally, charges for services increased by \$0.6 million, which includes a \$0.3 million increase in EMS revenues and a \$0.3 million increase in other income, such as rebates and refunds. Investment earnings also saw a significant rise of \$4.4 million, primarily due to a recognized market gain in securities that offset losses recognized in prior years.

A review of actual expenditures compared to appropriations in the final budget showed no significant variances, with one exception. Actual expenditures for the police department within the public safety function totaled \$39.7 million, which was approximately \$2.5 million lower than the budgeted appropriation of \$42.2 million. This variance was primarily due to personnel vacancies throughout the year.

Across other departments, unfilled positions resulted in additional savings of \$0.4 million. Furthermore, \$0.6 million in budgeted supply expenditures remained unspent, while \$1.2 million allocated for miscellaneous services and charges was not utilized.

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2024 amounts to \$517.7 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, furniture and equipment, vehicles, and infrastructure. The total increase in capital assets for the current fiscal year was \$34.5 million.

Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Land	\$ 9.6	\$ 9.2	\$ 1.8	\$ 1.8	\$ 11.4	\$ 11.0
Construction in progress	27.4	9.6	49.5	27.1	76.9	36.7
Buildings	44.8	47.8	51.6	53.7	96.4	101.5
Improvements other than buildings	-	-	106.6	113.4	106.6	113.4
Furniture and equipment	9.1	4.4	7.0	3.4	16.1	7.8
Vehicles	10.7	9.5	4.9	4.8	15.6	14.3
Infrastructure assets	133.2	138.4	61.5	60.1	194.7	198.5
Total	\$ 234.8	\$ 218.9	\$ 282.9	\$ 264.3	\$ 517.7	\$ 483.2

Major capital asset events during the current fiscal year included the following:

- \$11.2 million in airport projects, of which approximately \$1 million was funded by Customer Facility Charges and Passenger Facility Charges.
- \$11.7 million in construction-in-progress, including solid waste facility upgrades, water and sewer infrastructure improvements, drainage system enhancements and various street improvements.
- \$17.7 million in construction-in-progress for streets, facility improvements, park enhancements, and infrastructure projects, including investments in public safety and community facilities.
- \$2.3 million in various street and sidewalk improvement projects, including pavement rehabilitation, sidewalk expansion.
- \$7.3 million of water, sewer, drainage, and street infrastructure was contributed to the City by developers.
- \$9.2 million for the purchase of heavy machinery and equipment, including cranes, loaders, and other specialized vehicles to support public works, solid waste management, and infrastructure maintenance operations.
- \$6.7 million for the purchase of various vehicles, including fleet replacements for public safety, utility service vehicles, and other departmental needs to ensure reliable transportation and service delivery.
- \$3.7 million for Subscription-Based Information Technology Arrangements (SBITAs) related to IT service agreements and cloud computing arrangements in compliance with GASB 96.

Additional information on the City’s capital assets can be found in Note III.E on pages 65-68 of this report.

Long-term Debt

At the end of the current fiscal year, the City had total outstanding debt of \$222.9 million, of which \$209.0 million was bonded debt. This includes \$122.9 million in general obligation bonds and \$50.7 million in certificates of obligations, both backed by the full faith and credit of the City, as well \$35.4 million in revenue bonds issued by the City's business enterprises.

Outstanding Debt (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ -	\$ -	\$ 35.4	\$ 40.0	\$ 35.4	\$ 40.0
General obligation bonds	118.2	130.6	4.7	5.8	122.9	136.4
Certificates of obligation	50.7	52.0	-	-	50.7	52.0
Plus unamortized bond premiums/ discounts	10.8	11.9	3.1	3.3	13.9	15.2
Total outstanding debt	<u>\$ 179.7</u>	<u>\$ 194.5</u>	<u>\$ 43.2</u>	<u>\$ 49.1</u>	<u>\$ 222.9</u>	<u>\$ 243.6</u>

The City's total debt decreased by \$20.7 million during the current fiscal year (including premium/discount amortization balances).

The City maintains the following ratings from Standard & Poor's and Fitch Ratings:

City of Killeen Bonded Debt Ratings September 30, 2024

Bond Type	Rating	
	S&P	Fitch
General Obligation Bonds	AA	AA
Certificates of Obligation	AA	AA
Utility Revenue Bonds	AA	AA-

All taxable property within the City of Killeen is subject to the assessment, levy, and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution limits the maximum ad valorem tax rate for home-rule cities such as the City of Killeen to \$2.50 per \$100 taxable assessed valuation for all purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum rate for all general obligation debt service calculated at the time of issuance based on 90% tax collections. The current debt limitation for the City is \$139.3 million, which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note III.K on pages 82-85 of this report.

Economic Factors and Next Year's Budget and Rates

The following economic factors and priorities were considered in developing the 2025 fiscal year budget:

The budget was developed based on a tax rate of 65.73 cents per \$100 valuation, representing an increase of 3.65 cents over the FY 2024 tax rate of 62.08 cents. Over the past five years, the tax rate decreased significantly from 74.98 cents in FY 2020 to 62.08 cents in FY 2024, demonstrating a commitment to fiscal responsibility and efficiency. However, the FY 2025 tax rate increase of 3.65 cents was necessary to ensure adequate funding for essential services. Killeen continues to experience growth in both population and property valuation, with the net taxable value increasing by 4.23% to \$11.3 billion, including \$153 million in new growth.

The value of tax-exempted property grew by \$397 million, bringing the total to \$3.65 billion. Of this amount, property value exempted under the disabled veteran exemption increased by \$327.3 million (18.5%), reaching a total of \$2.09 billion. This exemption results in an estimated revenue loss of \$13.8 million, with the City expecting to receive \$2.1 million in State reimbursement for FY 2025, leaving a net revenue loss of \$11.7 million.

The City's legislative agenda remains focused on advocating for increased State reimbursement to offset the disproportionate impact of the exemption. Notably, State reimbursement was reduced by \$1.0 million in the 2022-2023 Biennium Budget due to mandatory COVID-19 cuts.

The budget was developed to establish a strong foundation for service delivery to Killeen residents. It aligns with City Council's goals and priorities, with particular emphasis on three key areas: 1) ensuring competitive pay, 2) hiring additional staff to maintain service levels, and 3) maintaining affordable healthcare plans for employees.

Significant progress has been made in recent years to provide employees with fair and competitive wages. The FY 2025 budget continues this effort by including a 4% cost-of-living increase for classified employees and public safety civil service employees. Public safety civil service employees will also receive step increases per the pay plan. Additionally, FY 2025 marks the beginning of a phased approach to compressing at least one step annually for the Police Officer and Fire Rescue Officer pay plans. In this first phase, the pay plans will be reduced from 18 steps to 17, with the annual salary for step 18 now occurring at step 17. Adjustments for salaried employees are also incorporated to ensure compliance with the latest Department of Labor salary threshold regulations.

The adopted budget includes 1,362.87 full-time equivalent (FTE) positions, an increase of 31.81 FTEs over the prior year. This includes 18.59 new positions, such as 3.59 FTEs for the reopening of the Rosa Hereford Community Center, 3 Service Worker positions to establish a Litter Crew, 1 Senior Construction Inspector in Engineering, 4 Solid Waste Worker positions for bulk collection, and 7 positions at Killeen Regional Airport to support airfield maintenance through an Intergovernmental Service Agreement with Fort Cavazos. Additionally, adjustments in the current year resulted in a net increase of 13.22 FTEs, including 21 FTEs added when the City assumed management of the Texas State Veterans Cemetery and a reduction of 7.78 FTEs for positions no longer needed, such as those in the ARPA-funded Summer Youth Hiring Program and positions in Municipal Court and Parks and Recreation due to departmental reorganization.

Despite the addition of new positions, 55 requested positions remain unfunded. The ratio of employees per 1,000 population increased to 8.23 due to the inclusion of the 21 FTEs associated with the Texas State Veterans Cemetery. Without these positions, the ratio stands at 8.10, slightly lower than the current year. Addressing the need for additional employees to keep pace with the city's growth remains an ongoing challenge.

To ensure the best health insurance plan and rates for City employees, a competitive bid process was conducted. In June, City Council selected a new health insurance carrier, securing coverage at the current premium rates. As a result, there are no increases in employee or employer premiums for FY 2025.

The FY 2025 adopted budget also incorporates several City Council priorities established during the February 26, 2024, workshop. Funding is included for downtown events, northside infrastructure improvements, the HOP's MicroTransit System, aviation marketing, and a salary survey. Additional funding for code enforcement abatement in Development Services is also provided to address blighted homes and hazardous areas.

The Strategic Plan section integrates the six big ideas outlined in the Comprehensive Plan adopted by the City Council in August 2022. A matrix links these big ideas to each department's goals and accomplishments, marking a significant step toward using the Comprehensive Plan as a guide in decision-making for the budget and Capital Improvement Program (CIP) processes.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department:

City of Killeen Finance Department
802 N. 2nd Street, Building E
P. O. Box 1329
Killeen, TX 76540
(254) 501-7730
<http://www.killeentexas.gov>



CITY OF KILLEEN



BASIC FINANCIAL STATEMENTS





CITY OF KILLEEN



City of Killeen, Texas
Statement of Net Position
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Killeen Economic Development Corp.
ASSETS				
Cash and equity in pooled cash and investments	\$ 105,119,770	\$ 56,862,001	\$ 161,981,771	\$ 5,421,047
Receivables (net of allowances for uncollectibles):				
Taxes	8,545,398	-	8,545,398	-
Accounts	3,689,981	9,869,772	13,559,753	304,000
Accrued Interest	156,053	96,384	252,437	
Intergovernmental receivable	3,657,086	1,492,837	5,149,923	-
Lease receivable	-	2,007,756	2,007,756	
Inventories	416,897	476,019	892,916	-
Prepaid assets	4,454,952	15,842	4,470,794	-
Restricted assets:				
Cash and cash equivalents	56,706,953	17,403,974	74,110,927	-
Capital assets:				
Nondepreciable	36,982,296	51,361,714	88,344,010	5,731,463
Depreciable (net)	197,831,112	231,512,504	429,343,616	1,930,691
Total assets	<u>417,560,498</u>	<u>371,098,803</u>	<u>788,659,301</u>	<u>13,387,201</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	6,689,533	277,191	6,966,724	-
Deferred outflows - pensions	26,004,200	3,216,353	29,220,553	-
Deferred outflows - OPEB	1,454,011	399,398	1,853,409	-
Total deferred outflows of resources	<u>34,147,744</u>	<u>3,892,942</u>	<u>38,040,686</u>	<u>-</u>
LIABILITIES				
Accounts payable	8,906,398	7,643,957	16,550,355	8,791
Deposits payable	48,877	2,791,951	2,840,828	-
Unearned revenue	10,489,109	414,246	10,903,355	-
Accrued salaries payable	2,283,564	440,921	2,724,485	-
Accrued interest payable	956,638	138,320	1,094,958	62,500
Noncurrent liabilities:				
Due within one year	17,032,300	5,227,900	22,260,200	1,131,920
Due in more than one year	250,156,549	51,299,602	301,456,151	2,618,080
Total liabilities	<u>289,873,435</u>	<u>67,956,897</u>	<u>357,830,332</u>	<u>3,821,291</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - Leases	-	1,982,168	1,982,168	-
Deferred inflows - pensions	1,875,876	176,336	2,052,212	-
Deferred inflows - OPEB	3,681,024	1,008,774	4,689,798	-
Total deferred inflows of resources	<u>5,556,900</u>	<u>3,167,278</u>	<u>8,724,178</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	108,048,194	252,544,557	360,592,751	3,912,154
Restricted for:				
Debt service	6,190,664	3,472,534	9,663,198	-
Capital projects	-	3,644,930	3,644,930	-
Other purposes	20,688,641	-	20,688,641	-
Economic development	-	-	-	5,653,756
Unrestricted	21,350,408	44,205,549	65,555,957	-
Total net position	<u>\$ 156,277,907</u>	<u>\$ 303,867,570</u>	<u>\$ 460,145,477</u>	<u>\$ 9,565,910</u>

The accompanying notes are an integral part of this financial statement.

City of Killeen, Texas
Statement of Activities
For the Year Ended September 30, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Killeen Economic Development Corp.
Primary government:								
Governmental activities:								
General government	\$ 23,529,165	\$ 3,827,549	\$ 5,362,185	\$ -	\$ (14,339,431)	\$ -	\$ (14,339,431)	\$ -
Public safety	84,711,760	8,711,918	1,988,515	5,727,418	(68,283,909)	-	(68,283,909)	-
Public works	15,132,285	10,517,590	2,592,473	2,150,237	128,015	-	128,015	-
Recreation services	8,228,515	848,611	1,308,610	125,836	(5,945,458)	-	(5,945,458)	-
Community development	11,513,641	1,008,322	3,009,738	324,733	(7,170,848)	-	(7,170,848)	-
Interest on long-term debt	5,829,539	-	-	-	(5,829,539)	-	(5,829,539)	-
Total governmental activities	<u>148,944,905</u>	<u>24,913,990</u>	<u>14,261,521</u>	<u>8,328,224</u>	<u>(101,441,170)</u>	<u>-</u>	<u>(101,441,170)</u>	<u>-</u>
Business-type activities:								
Airport operations	8,893,689	3,870,584	801,295	8,181,239	-	3,959,429	3,959,429	-
Solid waste	20,987,987	26,100,841	8,405	-	-	5,121,259	5,121,259	-
Water and sewer	38,509,529	50,302,615	298,718	4,240,264	-	16,332,068	16,332,068	-
Drainage utility	3,904,834	5,267,224	-	978,704	-	2,341,094	2,341,094	-
Golf Course	1,668,608	1,780,405	-	-	-	111,797	111,797	-
Total business-type activities	<u>73,964,647</u>	<u>87,321,669</u>	<u>1,108,418</u>	<u>13,400,207</u>	<u>-</u>	<u>27,865,647</u>	<u>27,865,647</u>	<u>-</u>
Total primary government	<u>222,909,552</u>	<u>112,235,659</u>	<u>15,369,939</u>	<u>21,728,431</u>	<u>(101,441,170)</u>	<u>27,865,647</u>	<u>(73,575,523)</u>	<u>-</u>
Component Unit:								
Killeen Economic Development Corp.	1,479,458	397,440	865,000	-	-	-	-	(217,018)
	<u>\$ 1,479,458</u>	<u>\$ 397,440</u>	<u>\$ 865,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(217,018)</u>
General revenues:								
Taxes:								
Ad valorem taxes					64,718,048	-	64,718,048	-
Franchise fees					5,469,597	-	5,469,597	-
Sales and occupancy taxes					39,328,334	-	39,328,334	-
Investment income					11,766,500	3,653,756	15,420,256	304,757
Gain on disposition of capital assets					162,442	265,375	427,817	172,066
Lease revenue					-	111,339	111,339	-
Transfers					10,322,148	(10,322,148)	-	-
Total general revenues and transfers					<u>131,767,069</u>	<u>(6,291,678)</u>	<u>125,475,391</u>	<u>476,823</u>
Change in net position					30,325,899	21,573,969	51,899,868	259,805
Net position - beginning					125,952,008	282,293,601	408,245,609	9,359,193
Prior period adjustment					-	-	-	(53,088)
Net position - ending					<u>\$ 156,277,907</u>	<u>\$ 303,867,570</u>	<u>\$ 460,145,477</u>	<u>\$ 9,565,910</u>

The accompanying notes are an integral part of this financial statement.

**City of Killeen, Texas
Balance Sheet
Governmental Funds
September 30, 2024**

	General	Debt Service	Capital Improvements Project	2023 C.O. Bond	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and equity in pooled cash and investments	\$ 39,834,048	\$ -	\$ 36,515,554	\$ -	\$ 20,974,027	\$ 97,323,629
Receivables (net of allowances for uncollectibles):						
Taxes	8,216,276	121,547	-	-	207,575	8,545,398
Accounts	2,304,578	-	50,000	-	1,324,184	3,678,762
Accrued Interest	116,125	3,435	36,493	-	-	156,053
Intergovernmental receivable	382,186	2,557,993	-	-	716,907	3,657,086
Due from other funds	427,068	-	-	-	-	427,068
Inventories	72,282	-	-	-	15,089	87,371
Prepaid assets	139,304	-	4,315,648	-	-	4,454,952
Restricted cash and cash equivalents	-	2,209,236	-	33,490,426	21,007,291	56,706,953
Total assets	<u>51,491,866</u>	<u>4,892,212</u>	<u>40,917,695</u>	<u>33,490,426</u>	<u>44,245,073</u>	<u>175,037,272</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	2,683,619	-	5,296,376	59,834	814,758	8,854,587
Due to other funds	-	-	-	-	427,068	427,068
Other liabilities	48,877	-	-	-	-	48,877
Accrued salaries payable	2,118,080	-	-	-	69,620	2,187,700
Unearned revenue	10,376,499	-	-	-	60,525	10,437,024
Total liabilities	<u>15,227,075</u>	<u>-</u>	<u>5,296,376</u>	<u>59,834</u>	<u>1,371,971</u>	<u>21,955,256</u>
Deferred inflows of resources:						
Unavailable revenue	1,695,371	121,548	-	-	-	1,816,920
Total deferred inflows of resources	<u>1,695,371</u>	<u>121,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,816,920</u>
Fund Balances:						
Nonspendable:						
Inventories	72,282	-	-	-	15,089	87,371
Prepaid assets	139,304	-	4,315,648	-	-	4,454,952
Restricted for:						
Debt service	-	4,770,664	-	-	1,420,000	6,190,664
Capital Projects	-	-	-	33,430,592	20,749,372	54,179,964
Other purposes	-	-	-	-	20,688,641	20,688,641
Assigned for capital projects	-	-	31,305,671	-	-	31,305,671
Unassigned	34,357,833	-	-	-	-	34,357,833
Total fund balances	<u>34,569,419</u>	<u>4,770,664</u>	<u>35,621,319</u>	<u>33,430,592</u>	<u>42,873,102</u>	<u>151,265,096</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,491,866</u>	<u>\$ 4,892,212</u>	<u>\$ 40,917,695</u>	<u>\$ 33,490,426</u>	<u>\$ 44,245,073</u>	<u>\$ 175,037,272</u>

The accompanying notes are an integral part of this financial statement.

City of Killeen, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2024

Total fund balances - governmental funds balance sheet		\$ 151,265,096
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental funds are not financial resources and, therefore, are not reported in the funds.		231,147,391
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(180,909,361)
Vacation, sick leave, and compensatory time payable are not due and payable in the current period and, therefore, are not reported in the funds.		(14,744,248)
The other postemployment benefit obligation (OPEB) is not due and payable in the current period and, therefore, is not reported in the funds.		(9,667,110)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		(57,617,252)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred inflows – pensions	(1,838,144)	
Deferred inflows – OPEB	<u>(3,448,834)</u>	(5,286,978)
Deferred outflows of resources are not reported in the governmental funds:		
Deferred charges on debt refundings	6,689,533	
Deferred outflows – pensions	25,315,987	
Deferred outflows – OPEB	<u>1,362,282</u>	33,367,802
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,816,920
Internal service funds are used by management to account for any activity that provide good or services to other funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net position.		<u>6,905,647</u>
Net position of governmental activities - statement of net position		<u><u>\$ 156,277,907</u></u>

The accompanying notes are an integral part of this financial statement.

City of Killeen, Texas
Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended September 30, 2024

	General	Debt Service	Capital Improvements Projects	2023 C.O. Bond	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 90,894,179	\$ 15,208,749	\$ -	\$ -	\$ 3,141,548	\$109,244,476
Licenses and permits	2,348,862	-	-	-	-	2,348,862
Intergovernmental	5,644,029	2,557,993	6,289,096	-	5,519,312	20,010,430
Charges for services	6,914,509	-	-	-	10,751,946	17,666,455
Fines	3,501,995	-	-	-	254,628	3,756,623
Investment earnings	5,918,522	426,488	1,095,567	1,812,154	2,286,007	11,538,738
Contributions	16,000	-	-	-	131,424	147,424
Miscellaneous	388,259	-	743,531	932	2,178	1,134,900
Total revenues	<u>115,626,355</u>	<u>18,193,230</u>	<u>8,128,194</u>	<u>1,813,086</u>	<u>22,087,043</u>	<u>165,847,908</u>
EXPENDITURES						
Current:						
General government	18,332,397	-	21,339	276	10,208	18,364,220
Public safety	78,159,101	-	563	-	822,804	78,982,468
Public works	5,539,321	-	-	-	4,572,895	10,112,216
Recreation services	5,562,614	-	32,065	-	1,113,048	6,707,727
Community development	4,467,513	-	761,868	-	6,140,040	11,369,421
Capital outlay	939,903	-	20,718,446	550,704	5,290,869	27,499,922
Debt service:						
Principal	170,383	12,335,000	-	-	1,365,000	13,870,383
Interest and fiscal charges	-	5,206,063	-	-	883,440	6,089,503
Total expenditures	<u>113,171,232</u>	<u>17,541,063</u>	<u>21,534,281</u>	<u>550,980</u>	<u>20,198,304</u>	<u>172,995,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,455,123</u>	<u>652,167</u>	<u>(13,406,087)</u>	<u>1,262,106</u>	<u>1,888,739</u>	<u>(7,147,952)</u>
OTHER FINANCING SOURCES (USES)						
Insurance recoveries	392,762	-	-	-	-	392,762
Sale of capital assets	147,885	-	-	-	14,557	162,442
Leases issued	79,298	-	-	-	-	79,298
Transfer in	10,697,940	-	12,106,208	-	304,869	23,109,017
Transfer out	<u>(11,272,539)</u>	<u>-</u>	<u>(680,409)</u>	<u>-</u>	<u>(1,629,663)</u>	<u>(13,582,611)</u>
Total other financing sources (uses)	<u>45,346</u>	<u>-</u>	<u>11,425,799</u>	<u>-</u>	<u>(1,310,237)</u>	<u>10,160,908</u>
Net change in fund balances	2,500,469	652,167	(1,980,288)	1,262,106	578,502	3,012,956
Fund balance - beginning	32,068,950	4,118,497	37,601,607	32,168,486	42,294,600	148,252,140
Fund balance - ending	<u>\$ 34,569,419</u>	<u>\$ 4,770,664</u>	<u>\$ 35,621,319</u>	<u>\$ 33,430,592</u>	<u>\$ 42,873,102</u>	<u>\$151,265,096</u>

The accompanying notes are an integral part of this financial statement.

City of Killeen, Texas
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds \$ 3,012,956

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report all capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This reconciling item represents the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlay	27,499,924	
Depreciation expense	(15,750,616)	
	11,749,308	11,749,308

The issuance of long-term debt (e.g, bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt principal repayments	13,700,000	
Lease principal payment	155,201	
Lease issued	(79,298)	
Interest expense on bonds	(199,927)	
Amortization premium on bonds	1,050,287	
Amortization of deferred charge on refunding	(575,214)	
	14,051,049	14,051,049

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(1,536,012)	
Change in deferred outflows - pensions	(11,834,046)	
Change in deferred outflows - OPEB	292,782	
Change in net pension liability	8,694,523	
Change in total OPEB liability	611,293	
Change in deferred inflows - pensions	2,003,075	
Change in deferred inflows - OPEB	(1,122,425)	
	(2,890,810)	(2,890,810)

Some revenues in the statement of activities do not provide current financial resources and are not included in the governmental funds. This reconciling item represents the total of such revenues. 2,317,781

Internal service funds are used by management to account for any activity that provide good or services to other funds. The change of net position of the internal service funds is reported with governmental activities. 2,085,615

Change in net position of governmental activities - statement of activities **\$ 30,325,899**

The accompanying notes are an integral part of this financial statement.

City of Killeen, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-Type Activities					Governmental Activities	
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Golf Course Enterprise	Total Enterprise Funds	Internal Service
ASSETS							
Current assets:							
Cash and equity in pooled cash and investments	\$ 3,680,896	\$11,775,834	\$ 33,078,649	\$ 8,143,004	\$ 183,618	\$ 56,862,001	\$ 7,796,141
Receivables (net of allowances for uncollectibles):							
Accounts	146,767	3,064,468	6,013,830	644,707	-	9,869,772	11,219
Accrued Interest	13,823	13,105	58,930	10,526	-	96,384	-
Intergovernmental receivable	1,492,837	-	-	-	-	1,492,837	-
Lease receivable	1,340,661	667,095	-	-	-	2,007,756	-
Inventories	92,688	-	347,787	-	35,544	476,019	329,526
Prepaid expenses	-	-	15,842	-	-	15,842	-
Restricted assets:							
Cash and cash equivalents	3,644,930	-	13,759,044	-	-	17,403,974	-
Total current assets	<u>10,412,602</u>	<u>15,520,502</u>	<u>53,274,082</u>	<u>8,798,237</u>	<u>219,162</u>	<u>88,224,585</u>	<u>8,136,886</u>
Noncurrent assets:							
Property and equipment:							
Land	1,319,003	72,165	278,278	172,190	-	1,841,636	-
Buildings	2,056,660	12,348,867	91,922,338	-	-	106,327,865	-
Improvements other than buildings	102,126,020	-	109,604,326	8,382,438	-	220,112,784	-
Furniture and equipment	1,842,243	7,825,293	3,194,256	688,597	-	13,550,389	5,729,003
Vehicles	1,247,375	11,997,272	5,641,926	2,892,049	-	21,778,622	4,276,727
Infrastructure	16,012,240	1,764,850	46,425,392	11,455,433	-	75,657,915	-
Construction in progress	26,259,435	2,633,494	18,341,065	2,286,084	-	49,520,078	-
Less accumulated depreciation	<u>(65,716,238)</u>	<u>(19,793,775)</u>	<u>(109,574,896)</u>	<u>(10,830,162)</u>	<u>-</u>	<u>(205,915,071)</u>	<u>(6,339,713)</u>
Net property and equipment	<u>85,146,738</u>	<u>16,848,166</u>	<u>165,832,685</u>	<u>15,046,629</u>	<u>-</u>	<u>282,874,218</u>	<u>3,666,017</u>
Total assets	<u>95,559,340</u>	<u>32,368,668</u>	<u>219,106,767</u>	<u>23,844,866</u>	<u>219,162</u>	<u>371,098,803</u>	<u>11,802,903</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charges on refunding	-	115,587	140,154	21,450	-	277,191	-
Deferred outflows - Pensions	415,412	1,140,321	1,329,910	330,710	-	3,216,353	688,213
Deferred outflows - OPEB	91,438	167,074	121,403	19,483	-	399,398	91,729
Total deferred outflows of resources	<u>506,850</u>	<u>1,422,982</u>	<u>1,591,467</u>	<u>371,643</u>	<u>-</u>	<u>3,892,942</u>	<u>779,942</u>

City of Killeen, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities					Total Enterprise Funds	Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Golf Course Enterprise		Internal Service
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 1,710,438	\$ 2,390,404	\$ 3,460,156	\$ 50,870	\$ 32,089	\$ 7,643,957	\$ 51,811
Deposits payable	13,100	4,000	2,774,851	-	-	2,791,951	-
Unearned revenue	31,212	12,351	370,683	-	-	414,246	52,085
Accrued salaries payable	60,650	135,290	192,578	52,403	-	440,921	95,864
Accrued interest payable	-	11,380	125,132	1,808	-	138,320	-
Compensated absences	34,068	69,549	85,437	20,343	-	209,397	38,603
Lease payable	3,073	3,186	27,244	-	-	33,503	1,021,590
Current portion of bonds payable	-	620,000	3,860,000	505,000	-	4,985,000	-
Total current liabilities	<u>1,852,541</u>	<u>3,246,160</u>	<u>10,896,081</u>	<u>630,424</u>	<u>32,089</u>	<u>16,657,295</u>	<u>1,259,953</u>
Noncurrent liabilities:							
Compensated absences	306,615	625,936	768,936	183,090	-	1,884,577	347,435
Net pension liability	1,076,679	2,955,534	3,446,914	857,146	-	8,336,273	1,783,737
Total OPEB liability	648,987	1,185,653	861,310	138,175	-	2,834,125	650,931
Lease payable	4,047	4,269	10,316	-	-	18,632	1,365,220
Bonds payable net of unamortized premium (discount)	-	3,156,655	34,554,340	515,000	-	38,225,995	-
Total noncurrent liabilities	<u>2,036,328</u>	<u>7,928,047</u>	<u>39,641,816</u>	<u>1,693,411</u>	<u>-</u>	<u>51,299,602</u>	<u>4,147,323</u>
Total liabilities	<u>3,888,869</u>	<u>11,174,207</u>	<u>50,537,897</u>	<u>2,323,835</u>	<u>32,089</u>	<u>67,956,897</u>	<u>5,407,276</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows - Leases	1,332,083	650,085	-	-	-	1,982,168	-
Deferred inflows - pension	22,775	62,518	72,912	18,131	-	176,336	37,732
Deferred inflows - OPEB	234,179	424,052	303,083	47,460	-	1,008,774	232,190
Total deferred inflows of resources	<u>1,589,037</u>	<u>1,136,655</u>	<u>375,995</u>	<u>65,591</u>	<u>-</u>	<u>3,167,278</u>	<u>269,922</u>
NET POSITION							
Net investment in capital assets	84,361,350	12,946,382	141,191,577	14,045,248	-	252,544,557	1,279,207
Restricted for debt service	-	518,413	2,671,888	282,233	-	3,472,534	-
Restricted for capital projects	3,644,930	-	-	-	-	3,644,930	-
Unrestricted	2,582,004	8,015,993	25,920,877	7,499,602	187,073	44,205,549	5,626,440
Total net position	<u>90,588,284</u>	<u>21,480,788</u>	<u>169,784,342</u>	<u>21,827,083</u>	<u>187,073</u>	<u>303,867,570</u>	<u>6,905,647</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 96,066,190</u>	<u>\$ 33,791,650</u>	<u>\$ 220,698,234</u>	<u>\$ 24,216,509</u>	<u>\$ 219,162</u>	<u>\$ 374,991,745</u>	<u>\$ 12,582,845</u>

The accompanying notes are an integral part of this financial statement.

City of Killeen, Texas
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2024

	Business-Type Activities					Governmental Activities	
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Golf Course Enterprise	Total Enterprise Funds	Internal Service
OPERATING REVENUES							
Charges for services	\$ 3,870,000	\$ 26,100,695	\$ 48,241,182	\$ 5,267,224	\$ 1,780,405	\$ 85,259,506	\$ 17,219,266
Miscellaneous	584	146	2,061,433	-	-	2,062,163	11,916
Total operating revenues	<u>3,870,584</u>	<u>26,100,841</u>	<u>50,302,615</u>	<u>5,267,224</u>	<u>1,780,405</u>	<u>87,321,669</u>	<u>17,231,182</u>
OPERATING EXPENSES							
Purchase of water	-	-	9,798,803	-	-	9,798,803	-
Sewage treatment	-	-	5,235,370	-	-	5,235,370	-
Salaries and employee benefits	2,410,247	5,731,928	8,091,500	2,008,005	-	18,241,680	4,200,561
Repairs and maintenance	385,355	1,663,565	809,385	175,435	-	3,033,740	964,159
Supplies	103,549	871,879	720,127	159,428	-	1,854,983	131,957
Miscellaneous services and charges	1,266,491	2,445,343	4,965,318	389,962	1,668,608	10,735,722	9,257,445
Refuse disposal costs	-	7,607,655	-	-	-	7,607,655	9,410
Depreciation	4,728,047	2,565,132	7,626,991	1,147,060	-	16,067,230	1,605,539
Total operating expenses	<u>8,893,689</u>	<u>20,885,502</u>	<u>37,247,494</u>	<u>3,879,890</u>	<u>1,668,608</u>	<u>72,575,183</u>	<u>16,169,071</u>
Operating income (loss)	<u>(5,023,105)</u>	<u>5,215,339</u>	<u>13,055,121</u>	<u>1,387,334</u>	<u>111,797</u>	<u>14,746,486</u>	<u>1,062,111</u>
NONOPERATING REVENUES (EXPENSES)							
Insurance recoveries	200	8,405	55,483	-	-	64,088	-
Gain on disposition of capital assets	14,850	35,875	160,200	54,450	-	265,375	-
Lease revenue	-	111,339	-	-	-	111,339	-
Intergovernmental	801,095	-	243,235	-	-	1,044,330	-
Investment earnings	479,704	514,982	2,246,751	410,886	1,433	3,653,756	227,762
Industrial development	-	-	(362,527)	-	-	(362,527)	-
Interest and fiscal charges	-	(102,485)	(899,508)	(24,944)	-	(1,026,937)	-
Total nonoperating revenues (expenses)	<u>1,295,849</u>	<u>568,116</u>	<u>1,443,634</u>	<u>440,392</u>	<u>1,433</u>	<u>3,749,424</u>	<u>227,762</u>
Income (loss) before contributions and transfers	<u>(3,727,256)</u>	<u>5,783,455</u>	<u>14,498,755</u>	<u>1,827,726</u>	<u>113,230</u>	<u>18,495,910</u>	<u>1,289,873</u>
CONTRIBUTIONS AND TRANSFERS							
Capital contributions	8,181,239	-	4,240,264	978,704	-	13,400,207	-
Transfers in	-	4,000	239,100	-	73,843	316,943	944,282
Transfers out	-	(3,469,116)	(6,364,325)	(805,650)	-	(10,639,091)	(148,540)
Total contributions and transfers	<u>8,181,239</u>	<u>(3,465,116)</u>	<u>(1,884,961)</u>	<u>173,054</u>	<u>73,843</u>	<u>3,078,059</u>	<u>795,742</u>
Change in net position	<u>4,453,983</u>	<u>2,318,339</u>	<u>12,613,794</u>	<u>2,000,780</u>	<u>187,073</u>	<u>21,573,969</u>	<u>2,085,615</u>
Net position - beginning	<u>86,134,301</u>	<u>19,162,449</u>	<u>157,170,548</u>	<u>19,826,303</u>	<u>-</u>	<u>282,293,601</u>	<u>4,820,032</u>
Net position - ending	<u>\$ 90,588,284</u>	<u>\$ 21,480,788</u>	<u>\$ 169,784,342</u>	<u>\$ 21,827,083</u>	<u>\$ 187,073</u>	<u>\$ 303,867,570</u>	<u>\$ 6,905,647</u>

The accompanying notes are an integral part of this financial statement.

City of Killeen, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-Type Activities					Governmental Activities	
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Golf Course Enterprise	Total Enterprise Funds	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 3,928,842	\$ 26,050,253	\$ 50,527,647	\$ 5,332,155	\$ 1,780,405	\$ 87,619,302	\$ 13,033
Payments to suppliers	(1,782,904)	(11,292,662)	(20,357,715)	(972,335)	(1,672,063)	(36,077,679)	(8,537,427)
Payments to employees	(2,403,406)	(5,682,302)	(8,045,818)	(2,058,439)	-	(18,189,965)	(4,034,556)
Payments for interfund services used	-	-	-	-	-	-	17,219,266
Net cash provided (used) by operating activities	(257,468)	9,075,289	22,124,114	2,301,381	108,342	33,351,658	4,660,316
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Contributions/grants	801,095	-	-	-	-	801,095	-
Transfers in from other funds	-	4,000	239,100	-	73,843	316,943	944,282
Transfers out to other funds	-	(3,469,116)	(6,364,325)	(805,650)	-	(10,639,091)	(148,540)
Industrial development	-	-	(362,527)	-	-	(362,527)	-
Net cash provided (used) by noncapital financing activities	801,095	(3,465,116)	(6,487,752)	(805,650)	73,843	(9,883,580)	795,742
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contributions/grants	9,694,976	-	-	-	-	9,694,976	-
Purchase and construction of capital assets	(11,399,540)	(5,769,060)	(10,961,973)	(1,202,569)	-	(29,333,142)	(3,736,298)
Proceeds from sale of assets	14,850	35,875	160,200	54,450	-	265,375	-
Insurance recoveries	200	8,405	55,483	-	-	64,088	-
Lease revenue	-	111,339	-	-	-	111,339	-
Principal paid on long-term debt	-	(605,000)	(4,515,000)	(500,000)	-	(5,620,000)	-
Interest and fees paid on long-term debt	-	(104,066)	(916,186)	(25,614)	-	(1,045,866)	-
Net cash provided (used) by capital and related financing activities	(1,689,514)	(6,322,507)	(16,177,476)	(1,673,733)	-	(25,863,230)	(3,736,298)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends on investments	479,704	514,982	2,246,751	410,886	1,433	3,653,756	227,762
Net cash provided by investing activities	479,704	514,982	2,246,751	410,886	1,433	3,653,756	227,762
Net increase (decrease) in cash and cash equivalents	(666,183)	(197,352)	1,705,637	232,884	183,618	1,258,604	1,947,523
Cash and cash equivalents, beginning of year	7,992,009	11,973,186	45,132,055	7,910,120	-	73,007,370	5,848,619
Cash and cash equivalents, end of year	7,325,826	11,775,834	46,837,692	8,143,004	183,618	74,265,974	7,796,142
Cash and cash equivalents - restricted	3,644,930	-	13,759,043	-	-	17,403,973	-
Total	\$ 7,325,826	\$ 11,775,834	\$ 46,837,692	\$ 8,143,004	\$ 183,618	\$ 74,265,974	\$ 7,796,142

City of Killeen, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities					Governmental Activities	
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Golf Course Enterprise	Total Enterprise Funds	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ (5,023,105)	\$ 5,215,339	\$ 13,055,121	\$ 1,387,334	\$ 111,797	\$ 14,746,486	\$ 1,062,111
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation expense	4,728,047	2,565,132	7,626,991	1,147,060	-	16,067,230	1,605,539
Changes in assets and liabilities:							
Decrease (increase) in receivables	66,456	(53,680)	302,700	65,544	-	381,020	(2,329)
Decrease (increase) in inventories	2,012	-	(58,853)	-	(35,544)	(92,385)	(696)
Decrease (increase) in deferred outflows - pensions	590,290	770,673	1,050,998	334,314	-	2,746,275	950,172
Decrease (increase) in deferred outflows - OPEB	14,459	(29,707)	(8,418)	3,443	-	(20,223)	(10,452)
Increase (decrease) in payables	(19,521)	1,295,780	1,358,995	(247,510)	32,089	2,419,833	1,826,240
Increase (decrease) in customer deposits	(10,000)	-	(128,854)	-	-	(138,854)	-
Increase (decrease) in accrued salaries payable	19,621	18,472	54,376	18,870	-	111,339	23,770
Increase (decrease) in compensated absences	68,117	115,395	218,333	49,479	-	451,324	124,840
Increase (decrease) in unearned revenue	(8,198)	3,092	(77,668)	(613)	-	(83,387)	3,446
Increase (decrease) in net pension liability	(372,010)	(666,588)	(996,645)	(352,938)	-	(2,388,181)	(576,319)
Increase (decrease) in OPEB liability	(55,399)	(124,054)	(78,030)	(15,778)	-	(273,261)	107,119
Increase (decrease) in deferred inflows - pensions	(311,933)	(170,807)	(249,857)	(86,415)	-	(819,012)	(507,540)
Increase (decrease) in deferred inflows - OPEB	53,696	136,242	54,925	(1,409)	-	243,454	54,415
Total adjustments	<u>4,765,637</u>	<u>3,859,950</u>	<u>9,068,993</u>	<u>914,047</u>	<u>(3,455)</u>	<u>18,605,172</u>	<u>3,598,205</u>
Net cash provided (used) by operating activities	<u>\$ (257,468)</u>	<u>\$ 9,075,289</u>	<u>\$ 22,124,114</u>	<u>\$ 2,301,381</u>	<u>\$ 108,342</u>	<u>\$ 33,351,658</u>	<u>\$ 4,660,316</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Contributions of capital assets	\$ -	\$ -	\$ 2,961,202	\$ 1,156,324	\$ -	\$ 4,117,526	\$ -

The accompanying notes are an integral part of this financial statement.

Exhibit A-10

City of Killeen, Texas
Statement of Fiduciary Net Position
Employee Benefits Trust Fund
September 30, 2024

ASSETS	
Cash and cash equivalents	\$ 64,992
Accounts receivable	<u>2,122</u>
Total assets	<u>67,114</u>
 LIABILITIES AND NET POSITION	
Unearned revenue	<u>9,832</u>
Total liabilities	<u>64,498</u>
 NET POSITION	
Restricted for employee benefits	<u>2,616</u>
Total net position	<u>2,616</u>
 Total liabilities and net position	 <u>\$ 67,114</u>

The accompanying notes are an integral part of this financial statement.

Exhibit A-11

City of Killeen, Texas
Statement of Changes in Fiduciary Net Position
Employee Benefits Trust Fund
For the Year Ended September 30, 2024

ADDITIONS

Contributions:		
Employer	\$	305,200
Employee		283,018
Retiree		67,921
COBRA		918
Total contributions		<u>657,057</u>
Total additions		<u>657,057</u>

DEDUCTIONS

Benefit payments		<u>655,082</u>
Total deductions		<u>655,082</u>

Change in net position		1,975
Net position - beginning of the year		641
Net position - end of the year	\$	<u><u>2,616</u></u>

The accompanying notes are an integral part of this financial statement.

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I. Summary of Significant Accounting Policies

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The City of Killeen, Texas (the "City") is a Home-Rule Municipal Corporation organized and existing under the Provisions of the Constitution of the State of Texas (the "State"). The City operates under a home rule charter which was approved by the electorate March 3, 1949. The charter provides for the Council-Manager form of government for the City. As authorized by its charter, the City provides the following services: public safety (police, fire, municipal court, code enforcement, and permits), public works, recreation services, solid waste, water and sewer, airport, drainage, and general administrative services.

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

C. Blended Component Unit

On November 4, 2008, the City Council approved the creation of Tax Increment Reinvestment Zone Number Two ("TIRZ #2") which covers approximately 2,104 acres of vacant and partially developed land in the City. TIRZ #2 was established to provide a funding mechanism for public infrastructure improvements, including water, sewer, roads, landscaping, lighting, sidewalks, and park improvements within TIRZ #2 utilizing the property tax increment, or growth in value, subsequent to the creation of TIRZ #2. Bell County and the Central Texas College District are also participants in TIRZ #2. The board consists of four representatives of the City, two representatives of Bell County, and one representative of the Central Texas College District. On December 8, 2015, the TIRZ #2 boundary was amended to include 32 acres in the Southwest corner of Rancier Avenue and 38th Street to accommodate a proposed retail development in that area. Additionally, the City Council then amended the boundary again on February 28, 2017 to include Rancier Avenue from Fort Hood Street to Root Avenue. On December 13, 2022, the City Council subsequently amended again to include approximately 331.8913 acres east of Roy Reynolds Drive in anticipation of expanding the Killeen Business Park. The original scheduled expiration date of TIRZ #2 was December 31, 2028, however on December 13, 2022, the City Council approved extending the duration of the TIRZ #2 by moving the expiration date to December 31, 2048.

On January 12, 2021, the City Council approved the creation of Killeen Public Facility Corporation (KPFC) for the purpose of assisting the City in providing a public facility in the form of a mixed income apartment complex. On January 20, 2021, the State issued to the KPFC the Certificate of Formation pursuant to the Public Facility Corporation Act, Chapter 303 of the Texas Local Government Code. The KPFC is a non-profit corporation with no part of any net earnings going to benefit any person but shall be for the City only. The KPFC has a "Governing Board" consisting of the City Mayor and the members of the City Council. On February 2, 2021, the KPFC board approved a resolution authorizing the purchase and lease of land and other related transactions to be executed to facilitate the development of the Killeen Apartments project (the "Project"). The Project encompasses 25.7 acres with the property being located at 1900 Veterans Memorial Drive in Killeen, Texas. The Project is intending to produce approximately 368 units of multifamily residential housing. In March 2024, the City Council also approved amendments to the KPFC's Certificate of Formation to support future ventures. On March 5, 2024, the KPFC board approved a resolution to initiate the Avanti Legacy Parkview Apartments project, a 108-unit residential development partially financed through low-income housing tax credits. On July 16, 2024, the KPFC authorized the necessary actions to proceed, including purchasing land, securing financing, and finalizing ownership and management structures. The KPFC is a blended component unit of the City and does not issue its own separate financial statements.

I. Summary of Significant Accounting Policies (Continued)

D. Discretely Presented Component Unit

The Killeen Economic Development Corporation (KEDC) is a legally separate entity from the City. KEDC was created for the purpose of promoting economic development within the City. The number of members may be increased or decreased by the City Council, and the members are also appointed by the City Council. There are three members nominated by and representing each of the following organizations: three from the City of Killeen Mayor and City Council, three from the Greater Killeen Chamber of Commerce, and three from the Killeen Industrial Foundation. Advisory members may be appointed by the City Council as ex officio members of KEDC, but they are nonvoting members. KEDC has been included in the reporting entity as a discretely presented component unit of the City because the City appoints a voting majority of the board, provides approximately 60% of funding for the board, and maintains the ability to impose its will on the board. Complete financial statements for KEDC may be obtained at the entity's administrative offices, which are located at One Santa Fe Plaza, P.O. Box 548, Killeen, TX 76540.

E. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented they are interrelated. The governmental activities column incorporates data from governmental and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

F. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *debt service fund* is used to account for the accumulation of revenues that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The *2023 CO bond fund* is used to account for the use of proceeds from 2023 certificate obligation issue for specified capital projects. Its purpose is to ensure transparent and accountable use of these funds in accordance with the intended capital improvements. .

The *capital improvements projects fund* is used to account for capital outlay and for miscellaneous capital project activity attributable to the governmental funds.

The City reports the following proprietary funds:

Enterprise funds

The *airport fund* accounts for the provision of airport facilities. All activities necessary to provide such services are accounted for in this fund.

The *solid waste fund* accounts for the provision of solid waste collection and disposal services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, operations and maintenance and financing and related debt service.

The *water and sewer fund* accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, operations, maintenance, financing and related debt service, billing, and collection.

I. Summary of Significant Accounting Policies (Continued)

The *drainage utility fund* accounts for operations related to providing storm drainage services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, operations and maintenance and financing and related debt service.

The *Golf Course fund* accounts for the operations and maintenance of the City's golf course, including revenues generated from fees, memberships, and other related activities.

Internal service funds

The *fleet service fund* accounts for the acquisition of vehicles/rolling stock and fleet maintenance services provided to other funds on a cost-reimbursement basis.

The *risk management fund* accounts for risk management services (including claims for workers' compensation, general liability, and property damage) provided to other funds on a cost-reimbursement basis.

The *information technology fund* accounts for the acquisition of information technology equipment and maintenance services provided to other funds on a cost-reimbursement basis.

The *health insurance fund* accounts for the health benefits premiums of employees and covered dependents provided to other funds on a cost-reimbursement basis.

The City reports the following fiduciary fund:

The *employee benefits private-purpose trust fund* accounts for the City's dental and life insurance benefits. It does not include pension information. The fiduciary fund is not reported in the government-wide financial statements because the resources of this fund are not available to support the City's own programs.

Additionally, the City reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those listed below) that are legally restricted or committed to expenditures for specified purposes.

Capital project funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

G. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

I. Summary of Significant Accounting Policies (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

H. Budgetary Information

1) Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. The appropriated budget is prepared by fund, department, and division. The City's department heads may make transfers of appropriations within a department with approval of the City Manager or the designee. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances except for major capital projects approved in the Capital Improvement Program as allowed by Article V, Section 73 of the City Charter. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated with City Council approval, and become part of the subsequent year's budget pursuant to state regulations.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- i. Not less than forty-five (45) days prior to the beginning of each fiscal year, the City Manager submits a proposed budget to the City Council for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- ii. On or before September 20, the budget is legally adopted by the City Council.
- iii. Subsequent to enactment of the appropriation ordinance, the City Council has the authority to make necessary adjustments to the budget which may result in a change in total appropriations as long as total estimated expenditures do not exceed total estimated resources. The legal level of control (the level at which expenditures may not legally exceed appropriations) is the fund. The City Manager is authorized to transfer appropriations at the department levels within any fund. Any revisions that alter the total appropriations of any fund must be approved by the City Council.
- iv. Formal budgetary integration is employed as a management control device by the expenditure category for the following funds, which have legally adopted annual budgets: general fund, debt service fund, special revenue funds (except Killeen Public Facility Corporation and Park Develop Benefit Fund), and

I. Summary of Significant Accounting Policies (Continued)

- enterprise funds. Annual budgetary integration is not employed for the capital projects funds because the contracts and projects in these funds provide effective project-length budgetary control.
- v. Budgets for the general fund, debt service fund, the special revenue funds, and enterprise funds are adopted on a basis specified by the charge of the City, which is consistent with the modified accrual basis of accounting.

I. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1) Cash and Equity in pooled cash and investments

The City maintains a pooled cash and investments account. Each fund whose monies are deposited in the pooled cash and investment account has equity therein, an interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest-bearing accounts and other investments are displayed on the combined balance sheet as “cash and equity in pooled cash and investments.”

Investments for the City are reported at cost or amortized cost. The City invests in public funds investment pools that were created to function as money market mutual funds. Each of these public funds investment pools seeks to maintain a constant \$1.00 net asset value per share.

2) Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first out (FIFO) method and consist of expendable supplies, vehicle repair parts, and fuel. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

3) Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for facility and infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For facility and infrastructure assets, the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$25,000 are reported as capital assets.

As the City constructs or acquires additional capital assets each period, including facility and infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	10-50
Machinery and equipment	5-35
Vehicles	5-10
Improvements	5-50
Infrastructure	10-50

I. Summary of Significant Accounting Policies (Continued)

4) Subscription-Based Information Technology Arrangements

The City of Killeen is a lessee for noncancellable subscription-based IT arrangements (SBITAs). The City of Killeen recognizes a liability and an intangible right-to-use assets in the government-wide financial statements. At the commencement of a SBITA, the City of Killeen initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City of Killeen determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) agreed upon payments.

- The City of Killeen uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City of Killeen generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancellable period of the SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City of Killeen is reasonably certain to exercise.

The City of Killeen monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. These rights to use assets are reported with other capital assets and liabilities are reported with long- term debt on the statement of net position.

5) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- i. Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- 6) Pension and other postemployment benefits (OPEB) plan contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- i. Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
 - ii. Changes in actuarial assumptions – These changes are deferred and amortized over the average of the expected service lives of pension and OPEB plan members.
 - iii. Difference in expected and actual experience – These changes are deferred and amortized over the average of the expected service lives of pension and OPEB plan members.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, ambulance fees, and parks and recreation fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City also has two items, which arise under a full accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, the difference in expected and actual pension experience and changes in actuarial assumptions, are deferred and recognized over the estimated average remaining service lives of all pension plan members determined as of the measurement date.

I. Summary of Significant Accounting Policies (Continued)

7) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bonds or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered applied.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

8) Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the purpose, committed fund balance will be depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9) Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The nonspendable fund balance classification includes amounts that are not in spendable form such as inventory and prepaid amounts.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

- i. Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- ii. Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantors or contributors, laws or regulations of other governments, through constitutional provisions, or by enabling legislation.
- iii. Committed fund balance – amounts that can only be used for specific purposes, pursuant to constraints imposed to establish, modify, or rescind a fund balance commitment by the City Council through an ordinance.
- iv. Assigned fund balance – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has authorized the City Manager to assign, remove, or modify fund balance assigned constraints to a specific purpose.
- v. Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the

I. Summary of Significant Accounting Policies (Continued)

general fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

J. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Killeen Firefighters Relief and Retirement Fund net position is reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

K. Other Postemployment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death payments for the upcoming year. Benefit payments are treated as being equal to the City's yearly contributions for retirees.

The City administers an additional single-employer defined benefit OPEB plan, known as the City of Killeen Retiree Healthcare Plan (the "Plan"). The City elected, by ordinance, to provide medical benefits for eligible retirees and their dependents. The premiums are based on a combination of years of service and hire date, and the coverage levels for retirees are the same as the coverage provided to active employees. The City has elected to subsidize premiums for the Plan and funding is provided on a pay-as-you-go basis.

L. Revenues and Expenditures/Expenses**1) Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2) Property Taxes

The City's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real and personal property located in the City. The City may levy a tax of up to \$1.50 per \$100 of assessed valuations for operations and maintenance purposes. Taxes are due by January 1 following the October 1 levy date, at which time a lien attaches to the property.

Legislation enacted in 1979 established centralized appraisal districts. The Tax Appraisal District of Bell County (TADBC) is a political subdivision of the State of Texas created effective January 1, 1980 to serve all of Bell County. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. In accordance with Property Tax Code § 25.18(a) each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under § 6.05(i). (b) The plan shall provide for the reappraisal activities (see PTC for exhaustive list) for all real and personal property in the district at least every three years. Tax Code Section 23.01(b) provides that if a CAD determines the appraised value of a property using mass appraisal standards, those standards must comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

In accordance with Property Tax Code, the City sets tax rates on property within the City limits. However, if the tax rate, excluding tax rates for bonds and other contractual obligations, and adjusted for new

I. Summary of Significant Accounting Policies (Continued)

improvements, exceeds the rate of the previous year by more than 3.5 percent; the taxing entity is required to hold an election so that the voters may accept or reject the proposed tax rate.

3) Compensated Absences

Historically, the general fund is responsible for liquidation of any liability associated with compensated absences.

i. Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

ii. Sick Leave

All full-time employees, other than policemen and firemen, upon retirement only, will be reimbursed for accrued sick pay up to 720 hours. Policemen and firemen, upon resignation or retirement, will be reimbursed for accrued sick up to 720 and 1,080 hours, respectively. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

iii. Compensatory Leave

All nonexempt employees will receive payment for accumulated compensatory leave upon separation from the City. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

4) Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the airport fund, solid waste fund, water and sewer fund, drainage fund, and internal service fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Net Position

At year-end, the Fleet Services Internal Service Fund reported a deficit net position of \$273,798. This deficit is primarily due to the implementation of GASB Statements No. 68 and No. 75, which require the recognition of long-term liabilities for employee pensions and other post-employment benefits (OPEB).

III. Detailed Notes on All Funds

A. Deposits

All of the City's demand depository accounts are held in a local banking institution under the terms of a written depository contract. The City's policy requires the depository bank to secure the City's funds on a day-to-day basis with approved pledged securities with a fair value equal to, but not less than, 102 percent of the uninsured deposit. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At September 30, 2024, the City's deposit balance was fully collateralized with securities held by the pledging financial institution. The City's policy is to maximize its earnings potential by keeping a majority of the City's funds on deposit with external investment pools. Funds are transferred from the pools, as needed, to ensure that the bank balance remains positive at all times.

B. Cash and Investments

Investments are made in accordance with the financial governance policies updated and adopted by the City on February 27, 2024 to comply with the Public Funds Investment Act.

The financial governance policy is consistent with statutory limitations of the State, requiring collateralization of deposits on a dollar for dollar basis or treasury issues, which are backed by the full faith and credit of the United States Government. Therefore, the City was not exposed to custodial credit risk during the fiscal year ended September 30, 2024.

The City utilized a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

As of September 30, 2024, the City had the following cash and investments:

	<u>Value</u>	<u>Maturity (days)</u>	<u>Method</u>
Demand Accounts	\$ 6,929,617	1	Cost
Investment Pools	8,494,742	1	Amortized Cost
Money Market Accounts	18,674,364	1	Cost
US Treasury Obligations	87,167,680	56-577	Fair Value
US Agency Obligations	93,294,596	56-577	Fair Value
Certificates of Deposit	21,531,700	108-487	Cost
Total	<u>\$ 236,092,698</u>		
Weighted Average Maturity		381	

GASB no. 72 requires all investments be categorized under a fair value hierarchy. Fair value of investments is determined based on both observable and unobservable inputs. Investments are categorized within the fair value hierarchy established by GASB and the levels within the hierarchy are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date;

Level 2: Inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs; and

Level 3: Significant unobservable inputs for an asset or liability.

As of September 30, 2024 the securities to be priced in the City General Operating portfolio are:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
US Treasury Obligations	\$-	\$87,167,680	\$-	\$87,167,680
US Agency Obligations	-	93,294,596	-	93,294,596
Total Fair Value	\$-	\$180,462,276	\$-	\$180,462,276

The City's deposit and investment policy addresses the following risks:

1) **Interest Rate Risk**

Interest rate risk occurs when potential purchasers of debt securities do not agree to pay face value of those securities if interest rates rise. The allowed maturity of any individual investment owned by the City shall not exceed five years at the time of purchase and pooled funds shall have a weighted maximum average dollar maturity of less than 90 days. Limiting investment maturities and purchasing government securities are the City's means for limiting exposure to fair value losses arising from interest rate fluctuations.

2) **Credit Risk**

Any securities which may be added should meet the requirements of the State of as permissible investments for municipal governments which are in compliance with the Public Funds Investment Act. Investment pools must be continually rated 'AAAm' by at least one nationally recognized rating service or not lower than investment grade by at least one nationally recognized rating service with a weighted average maturity not greater than 90 days. Money market mutual funds must be registered with, and regulated by, the Securities and Exchange Commission and must provide the City with a prospectus and other information required by federal law. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

3) **Concentration Risk**

Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. All of the City's investments are explicitly guaranteed by the U. S. Government or invested in an external investment pool and, therefore, are not exposed to concentration risk.

4) **Custodial Credit Risk**

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments, held by an outside party, are fully insured and backed by the U. S. Government and registered in the name of the City. Therefore, the City is not exposed to custodial credit risk on its investments.

C. External Investment Pools

TexStar

The Texas Short-Term Asset Reserve Program ("TexStar") was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexStar. TexStar will invest only in instruments authorized under both the Public Funds Investment Act and the current TexStar Investment Policy. The primary objectives of TexStar are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet participants' needs, diversification to avoid unreasonable or avoidable risks, and yield. In order to comply with the Public Funds Investment Act, TexStar maintains a 'AAAm' rating from Standard & Poor's, which monitors weekly the fund's compliance with its rating requirements.

The TexStar Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit and provides participants with the investment of funds that require daily liquidity availability. All investments are stated at amortized cost, which closely approximates the fair value of the securities. All TexStar securities are marked to market on a daily basis. TexStar has a redemption notice period of one day and may redeem daily. TexStar's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national or state emergency that affects TexStar's liquidity.

D. Receivables

Receivables at September 30, 2024 for the City's individual major governmental funds, in the aggregate nonmajor governmental funds, proprietary funds, and the fiduciary fund, net of allowances for uncollectible accounts, consist of the following:

	Accounts	Allowance Doubtful Accounts	Total Net
General	\$3,507,658	\$(1,203,080)	\$2,304,578
Other Governmental Funds	1,374,184	-	1,374,184
Internal Service Funds	11,219	-	11,219
Airport	146,767	-	146,767
Solid Waste	3,329,915	(265,447)	3,064,468
Water and Sewer	6,551,782	(537,952)	6,013,830
Drainage Utility	681,246	(36,540)	644,707
Total	<u>\$15,602,771</u>	<u>\$(2,043,018)</u>	<u>\$13,559,753</u>
Employee Benefits Trust	<u>\$2,122</u>	<u>\$-</u>	<u>\$2,122</u>

The enterprise funds' accounts receivable include unbilled charges for services rendered at September 30, 2024.

E. Capital Assets

Capital assets activity for the year ended September 30, 2024, was as follows:

Governmental Activities:

	Balance 9/30/2023	Additions	Deletions	Reclassifications	Balance 9/30/2024
Capital assets not being depreciated:					
Land	\$ 9,217,672	\$ 405,000	\$ -	\$ -	\$ 9,622,672
Construction in progress	9,659,385	17,700,239	-	-	27,359,624
Total capital assets not being depreciated	<u>18,877,057</u>	<u>18,105,239</u>	<u>-</u>	<u>-</u>	<u>36,982,296</u>
Capital assets, being depreciated:					
Buildings	108,799,483	87,059	-	-	108,886,542
Furniture and equipment	13,941,372	3,657,564	(316,658)	(1,212,837)	16,069,441
Vehicles	39,689,818	5,318,517	(1,680,889)	-	43,327,446
Infrastructure assets	230,552,116	2,287,725	-	-	232,839,841
Right to use - equipment	-	79,298	(18,879)	422,493	482,912
Right to use - sbita	-	3,736,301	(352,089)	790,344	4,174,556
Total capital assets being depreciated	<u>392,982,789</u>	<u>15,166,464</u>	<u>(2,368,515)</u>	<u>-</u>	<u>405,780,738</u>
Less accumulated depreciation for:					
Buildings	60,996,389	3,088,500	-	-	64,084,889
Furniture and equipment	9,489,350	1,400,581	(316,658)	(541,910)	10,031,363
Vehicles	30,240,531	4,074,579	(1,680,889)	-	32,634,221
Infrastructure assets	92,239,361	7,333,808	-	-	99,573,169
Right to use - equipment	-	153,459	(22,526)	188,783	319,716
Right to use - sbita	-	1,305,230	(352,089)	353,127	1,306,268
Total accumulated depreciation	<u>192,965,631</u>	<u>17,356,157</u>	<u>(2,372,162)</u>	<u>-</u>	<u>207,949,626</u>
Total capital assets being depreciated, net	<u>200,017,158</u>	<u>(2,189,693)</u>	<u>3,647</u>	<u>-</u>	<u>197,831,112</u>
Governmental activities capital assets, net	<u>\$ 218,894,215</u>	<u>\$ 15,915,546</u>	<u>\$ 3,647</u>	<u>\$ -</u>	<u>\$ 234,813,408</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 6,776,884
Public safety	3,616,128
Public works	5,084,828
Recreation services	1,628,370
Community development	249,947
Total depreciation expense-governmental activities	<u>\$ 17,356,157</u>

Business-Type Activities: Airport

	Balance 9/30/2023	Additions	Deletions	Reclassifications	Balance 9/30/2024
Capital assets not being depreciated:					
Land	\$ 1,319,003	\$ -	\$ -	\$ -	\$ 1,319,003
Construction in progress	14,991,424	11,150,984	-	117,027	26,259,435
Total capital assets not being depreciated	<u>16,310,427</u>	<u>11,150,984</u>	<u>-</u>	<u>117,027</u>	<u>27,578,438</u>
Capital assets being depreciated:					
Buildings	2,056,660	-	-	-	2,056,660
Improvements other than buildings	102,126,020	-	-	-	102,126,020
Furniture and equipment	1,794,414	47,365	-	(12,373)	1,829,406
Vehicles	1,091,134	201,420	(45,179)	-	1,247,375
Infrastructure assets	16,129,267	-	-	(117,027)	16,012,240
Right to use - equipment	-	3,824	(3,360)	12,373	12,837
Total capital assets being depreciated	<u>123,197,495</u>	<u>252,609</u>	<u>(48,539)</u>	<u>(117,027)</u>	<u>123,284,538</u>
Less accumulated depreciation for:					
Buildings	1,696,613	25,624	-	-	1,722,237
Improvements other than buildings	56,525,972	3,635,948	-	-	60,161,920
Furniture and equipment	1,304,755	210,925	-	(5,499)	1,510,181
Vehicles	1,027,410	37,523	(45,179)	-	1,019,754
Infrastructure assets	480,677	815,258	-	-	1,295,935
Right to use - equipment	-	2,769	(2,057)	5,499	6,211
Total accumulated depreciation	<u>61,035,427</u>	<u>4,728,047</u>	<u>(47,236)</u>	<u>-</u>	<u>65,716,238</u>
Total capital assets being depreciated, net	<u>62,162,068</u>	<u>(4,475,438)</u>	<u>(1,303)</u>	<u>(117,027)</u>	<u>57,568,300</u>
Airport activities capital assets, net	<u>\$ 78,472,495</u>	<u>\$ 6,675,546</u>	<u>\$ (1,303)</u>	<u>\$ -</u>	<u>\$ 85,146,738</u>

Business-Type Activities: Solid Waste

	Balance 9/30/2023	Additions	Deletions	Reclassifications	Balance 9/30/2024
Capital assets not being depreciated:					
Land	\$ 72,165	\$ -	\$ -	\$ -	\$ 72,165
Construction in progress	1,042,811	2,133,683	(543,000)	-	2,633,494
Total capital assets not being depreciated	<u>1,114,976</u>	<u>2,133,683</u>	<u>(543,000)</u>	<u>-</u>	<u>2,705,659</u>
Capital assets being depreciated:					
Buildings	12,348,867	-	-	-	12,348,867
Furniture and equipment	3,902,194	4,185,884	(188,474)	(88,293)	7,811,311
Vehicles	12,473,842	-	(476,570)	-	11,997,272
Infrastructure assets	1,764,850	-	-	-	1,764,850
Right to use - equipment	-	-	(74,311)	88,293	13,982
Total capital assets being depreciated	<u>30,489,753</u>	<u>4,185,884</u>	<u>(739,355)</u>	<u>-</u>	<u>33,936,282</u>
Less accumulated depreciation for:					
Buildings	7,269,736	312,501	-	-	7,582,237
Furniture and equipment	2,023,815	1,263,859	(197,329)	(73,017)	3,017,328
Vehicles	8,378,297	892,117	(476,570)	-	8,793,844
Infrastructure assets	305,005	87,799	-	-	392,804
Right to use - equipment	-	8,856	(74,311)	73,017	7,562
Total accumulated depreciation	<u>17,976,853</u>	<u>2,565,132</u>	<u>(748,210)</u>	<u>-</u>	<u>19,793,775</u>
Total capital assets being depreciated, net	<u>12,512,900</u>	<u>1,620,752</u>	<u>8,855</u>	<u>-</u>	<u>14,142,507</u>
Solid waste activities capital assets, net	<u>\$ 13,627,876</u>	<u>\$ 3,754,435</u>	<u>\$ (534,145)</u>	<u>\$ -</u>	<u>\$ 16,848,166</u>

Business-Type Activities: Water and Sewer

	Balance 9/30/2023	Additions	Deletions	Reclassifications	Balance 9/30/2024
Capital assets not being depreciated:					
Land	\$ 243,332	\$ 34,946	\$ -	\$ -	\$ 278,278
Construction in progress	9,560,203	8,780,862	-	-	18,341,065
Total capital assets not being depreciated	<u>9,803,535</u>	<u>8,815,808</u>	<u>-</u>	<u>-</u>	<u>18,619,343</u>
Capital assets being depreciated:					
Buildings	91,922,338	-	-	-	91,922,338
Improvements other than buildings	109,604,326	-	-	-	109,604,326
Furniture and equipment	2,101,798	1,153,169	(79,491)	(80,340)	3,095,136
Vehicles	5,304,166	943,751	(605,991)	-	5,641,926
Infrastructure assets	42,185,128	4,240,264	-	-	46,425,392
Right to use - equipment	-	33,457	(14,677)	80,340	99,120
Total capital assets being depreciated	<u>251,117,756</u>	<u>6,370,641</u>	<u>(700,159)</u>	<u>-</u>	<u>256,788,238</u>
Less accumulated depreciation for:					
Buildings	43,628,617	1,842,969	-	-	45,471,586
Improvements other than buildings	45,038,770	2,743,657	-	-	47,782,427
Furniture and equipment	1,270,754	338,076	(105,317)	(29,079)	1,474,434
Vehicles	4,814,074	375,819	(605,991)	-	4,583,902
Infrastructure assets	7,920,540	2,287,101	-	-	10,207,641
Right to use - equipment	-	39,369	(13,542)	29,079	54,906
Total accumulated depreciation	<u>102,672,755</u>	<u>7,626,991</u>	<u>(724,850)</u>	<u>-</u>	<u>109,574,896</u>
Total capital assets being depreciated, net	<u>148,445,001</u>	<u>(1,256,350)</u>	<u>24,691</u>	<u>-</u>	<u>147,213,342</u>
Water and sewer activities capital assets, net	<u>\$ 158,248,536</u>	<u>\$ 7,559,458</u>	<u>\$ 24,691</u>	<u>\$ -</u>	<u>\$ 165,832,685</u>

Business-Type Activities: Drainage Utility

	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Capital assets not being depreciated:				
Land	\$ 172,190	\$ -	\$ -	\$ 172,190
Construction in progress	1,459,020	827,064	-	2,286,084
Total capital assets not being depreciated	<u>1,631,210</u>	<u>827,064</u>	<u>-</u>	<u>2,458,274</u>
Capital assets being depreciated:				
Improvements other than buildings	8,382,438	-	-	8,382,438
Furniture and equipment	594,858	93,739	-	688,597
Vehicles	2,866,437	303,021	(277,409)	2,892,049
Infrastructure assets	10,476,729	978,704	-	11,455,433
Total capital assets being depreciated	<u>22,320,462</u>	<u>1,375,464</u>	<u>(277,409)</u>	<u>23,418,517</u>
Less accumulated depreciation for:				
Improvements other than buildings	5,148,057	441,515	-	5,589,572
Furniture and equipment	380,962	80,943	-	461,905
Vehicles	2,663,929	106,279	(277,409)	2,492,799
Infrastructure assets	1,767,563	518,323	-	2,285,886
Total accumulated depreciation	<u>9,960,511</u>	<u>1,147,060</u>	<u>(277,409)</u>	<u>10,830,162</u>
Total capital assets being depreciated, net	<u>12,359,951</u>	<u>228,404</u>	<u>-</u>	<u>12,588,355</u>
Drainage utility activities capital assets, net	<u>\$ 13,991,161</u>	<u>\$ 1,055,468</u>	<u>\$ -</u>	<u>\$ 15,046,629</u>

Business-Type Activities: Total

	Balance 9/30/2023	Additions	Deletions	Reclassifications	Balance 9/30/2024
Capital assets not being depreciated:					
Land	\$ 1,806,690	\$ 34,946	\$ -	\$ -	\$ 1,841,636
Construction in progress	27,053,458	22,892,593	(543,000)	117,027	49,520,078
Total capital assets not being depreciated	<u>28,860,148</u>	<u>22,927,539</u>	<u>(543,000)</u>	<u>117,027</u>	<u>51,361,714</u>
Capital assets being depreciated:					
Buildings	106,327,865	-	-	-	106,327,865
Improvements other than buildings	220,112,784	-	-	-	220,112,784
Furniture and equipment	8,393,264	5,480,157	(267,965)	(181,006)	13,424,450
Vehicles	21,735,579	1,448,192	(1,405,149)	-	21,778,622
Infrastructure assets	70,555,974	5,218,968	-	(117,027)	75,657,915
Right to use - equipment	-	37,281	(92,348)	181,006	125,939
Total capital assets being depreciated	<u>427,125,466</u>	<u>12,184,598</u>	<u>(1,765,462)</u>	<u>(117,027)</u>	<u>437,427,575</u>
Less accumulated depreciation for:					
Buildings	52,594,966	2,181,094	-	-	54,776,060
Improvements other than buildings	106,712,799	6,821,120	-	-	113,533,919
Furniture and equipment	4,980,286	1,893,803	(302,646)	(107,595)	6,463,848
Vehicles	16,883,710	1,411,738	(1,405,149)	-	16,890,299
Infrastructure assets	10,473,785	3,708,481	-	-	14,182,266
Right to use - equipment	-	50,994	(89,910)	107,595	68,679
Total accumulated depreciation	<u>191,645,546</u>	<u>16,067,230</u>	<u>(1,797,705)</u>	<u>-</u>	<u>205,915,071</u>
Total capital assets being depreciated, net	<u>235,479,920</u>	<u>(3,882,632)</u>	<u>32,243</u>	<u>(117,027)</u>	<u>231,512,504</u>
Business-type activities capital assets, net	<u>\$ 264,340,068</u>	<u>\$ 19,044,907</u>	<u>\$ (510,757)</u>	<u>\$ -</u>	<u>\$ 282,874,218</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Business-type activities:	
Airport	\$ 4,728,047
Solid Waste	2,565,132
Water and Sewer	7,626,991
Drainage	1,147,060
Total depreciation expense-business-type activities	<u>\$ 16,067,230</u>

III. Detailed Notes on All Funds (Continued)

F. Pension Obligations

1) Texas Municipal Retirement System

i. Plan Description

The City participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the “TMRS Act”) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees (the “Board”). Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at www.tmr.com.

All eligible employees of the City, except for firefighters, are required to participate in TMRS.

ii. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Retirement benefits offer three payment options: Retiree Life Only provides the highest monthly benefit but ceases payments at the retiree’s death. Retiree Life and Survivor offers a reduced benefit, with the beneficiary receiving a percentage of the retiree’s monthly benefit after their death. Retiree Life and Guaranteed Term also reduce the benefit, but provide payments to beneficiaries for a selected term (5, 10, or 15 years) if the retiree dies before it ends. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

Plan provisions for the City are as follows:

	2024	2023
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/ yrs of service)	60/5, 0/20	60/5, 0/20
	100%	100%
Updated service credit	Repeating, transfers	Repeating, transfers

iii. Employees Covered by Benefit Terms

At the valuation and measurement date, the following employees were covered by the benefit terms:

	Plan Year 2023
Inactive employees or beneficiaries currently receiving benefits	705
Inactive employees entitled to, but not yet receiving, benefits	733
Active employees	970
Total	<u>2,408</u>

iv. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.70% and 14.55% in calendar years 2023 and 2024,

III. Detailed Notes on All Funds (Continued)

respectively. The City’s contributions to TMRS for the year ended September 30, 2024 were \$8,768,480 and were equal to the required contributions.

v. Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2023 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

a) Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year. For the City, annual annuity increases of 0.00% are assumed when calculating TPL.
Overall payroll growth	2.75% per year, adjusted down for any population declines, if any.
Investment rate of return	6.75%, net of pension plan investment expense, including inflation.

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retiree of Texas mortality table. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of arithmetic rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public and Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

b) Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

III. Detailed Notes on All Funds (Continued)

c) Changes in NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 8,354,587	\$ -	\$ 8,354,587
Interest	16,509,148	-	16,509,148
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,510,206	-	1,510,206
Changes in assumptions	(1,063,957)	-	(1,063,957)
Contributions - employer	-	8,340,278	(8,340,278)
Contributions - employee	-	4,062,769	(4,062,769)
Net investment income	-	23,236,487	(23,236,487)
Benefit payments, including refunds of employee contributions	(14,535,320)	(14,535,320)	-
Administrative expense	-	(148,004)	148,004
Other changes	-	(1,034)	1,034
Net Changes	10,774,664	20,955,176	(10,180,512)
Balance at December 31, 2022	<u>247,670,334</u>	<u>201,009,742</u>	<u>46,660,592</u>
Balance at December 31, 2023	<u>\$ 258,444,998</u>	<u>\$ 221,964,918</u>	<u>\$ 36,480,080</u>

d) Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	<u>\$ 70,359,688</u>	<u>\$ 36,480,080</u>	<u>\$ 8,442,646</u>

e) Pension Plan Fiduciary Net Position

Detailed information about the TMRS's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

vi. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City recognized pension credit expense of \$1,817,884. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 1,821,997	\$ -
Changes in actuarial assumptions	-	771,661
Net difference between projected and actual investment earnings	5,466,149	-
Contributions subsequent to the measurement date	6,786,833	-
Total	<u>\$ 14,074,979</u>	<u>\$ 771,661</u>

\$6,786,833 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense Amount
2025	\$ 2,068,759
2026	2,107,210
2027	4,274,182
2028	(1,933,666)
Total	<u>\$ 6,516,485</u>

III. Detailed Notes on All Funds (Continued)

2) Deferred Compensation Fund

i. Plan Description

The City offers its employees two deferred compensation plans (the "Plans") created in accordance with Internal Revenue Code Section 457. The Plans are administered by Nationwide Retirement Solutions and Mission Square Retirement. In accordance with the requirements of GASB Statement No. 32, "Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" and recent tax law changes, the City's trust agreements establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the Plans other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and income from the Plans in these financial statements. Deferred compensation investments are held by outside trustees, and Plan investments are chosen by the individual participant (employee).

The Plans, available to all permanent City employees, permit them to defer until future years up to 100% of annual gross earnings, not to exceed \$23,000 for 2024. Employees aged 50 or older may contribute an additional \$7,500 under the Age 50+ catch-up provision, bringing their total allowable contribution to \$30,500. Additionally, employees who are within three years of normal retirement age may be eligible for a Special 3-Year Catch-Up, allowing them to contribute up to \$46,000 in 2024, depending on prior unused contributions. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

3) Firefighter's Relief And Retirement System

i. Plan Description

The City contributes to the retirement plan for firefighters in the Killeen Fire Department known as the Killeen Firefighter's Relief and Retirement Fund (the "Fund"). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The Fund is administered by the Board of Trustees of the Killeen Firefighter's Relief and Retirement Fund. The City does not have access to, nor can it utilize, assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB 67, which may be obtained by writing the Killeen Firefighter's Relief and Retirement Fund at 10766 GFM 1097 West, Willis, Texas 77318. See that report for all information about the plan fiduciary net position.

ii. Benefits Provided

Firefighters in the Killeen Fire Department are covered by the Fund which provides service retirement, death, disability, and termination benefits. These benefits fully vest after 20 years of credited service. Firefighters may retire at age 50 with 25 years or at age 55 with 20 years of service. A partially vested benefit is provided for paid firefighters who terminate employment with at least 10 but less than 20 years of service. If a terminated firefighter has a fully or partially vested benefit, he may retire starting on the date he would have satisfied service retirement eligibility if he had remained a Killeen firefighter. The present plan provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity, equal to 58.40% of highest 60-month average salary plus 2.275% of highest 60-month average salary for each year of service in excess of 20.

A retiring firefighter who is at least 3.5 years beyond first becoming eligible for service retirement has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and highest 60-monthly average salary as if he had terminated employment on his selected RETRO DROP benefit calculation date, which is no earlier than the later of the date which is 3.5 years following his earliest eligibility for retirement and the date two years prior to the date he actually retires. Upon retirement, the member will receive, in addition to his monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the Fund after the RETRO DROP benefit calculation date plus (2) the total of the monthly retirement benefits that member would have received between the RETRO DROP benefit calculation date and the date he retired under the Fund. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

III. Detailed Notes on All Funds (Continued)

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

iii. Members Covered by the Fund

In the September 30, 2022 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	77
Inactive employees entitled to, but not yet receiving, benefits	15
Active employees and volunteers	<u>230</u>
Total	<u><u>322</u></u>

iv. Funding Policy

The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City and as a dollar amount for volunteer firefighters by the City.

The funding policy of the Fund requires contributions equal to 12% of pay by the firefighters, the rate effective October 1, 2023 as elected by the firefighters according to TLFFRA. Before that the firefighters contributed 11% of pay. The city has contributed 15% of pay for each active firefighter since October 1, 2020. The September 30, 2022 actuarial valuation includes the assumption that the city contribution rate of 15% and the firefighter contribution rate of 12% will continue into the future. The costs of administering the plan are paid from the Fund assets.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the Board of Trustees (the "Board"). The Board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year ending September 30, 2024, the money-weighted rate of return was 10.89%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying that the contribution commitment by the firefighters and the assumed city contribution rate together provide an adequate contribution arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

v. Net Pension Liability

The City NPL was measured at September 30, 2023 and the TPL used to calculate the NPL was determined by an actuarial valuation as of September 30, 2022 and rolled forward to September 30, 2023.

Total pension liability	\$ 92,314,906
Plan fiduciary net position	61,057,724
City's net pension liability	<u>\$ 31,257,182</u>
Plan fiduciary net position as a percentage of the total pension liability	66.1%

a) Actuarial Assumptions

The TPL in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2.75%	Inflation
2.75%	Salary increases - Plus promotion, step, and longevity increases that vary by service
7.25%	Investment rate of return - Net of pension plan investment expense, including inflation

III. Detailed Notes on All Funds (Continued)

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using projection scale MP-2018.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.49%) and by adding expected inflation (2.75%). In addition, the final 7.25% assumption was selected by rounding down.

The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Large cap domestic	28.0%	6.18%
Small/mid cap domestic	10.0	6.78
International developed	15.0	6.42
Fixed Income		
Domestic core	18.5	1.95
Direct lending	2.5	1.53
Global	5.0	1.63
Bank Loan	3.0	2.16
Alternatives		
Tactical strategies	2.5	3.63
Real estate	7.5	3.74
Multi-asset fund	6.0	3.35
Cash	2.0	0.00
Total	100.00%	
Weighted Average		4.49%

b) Discount Rate

The discount rate used to measure the TPL was 7.25%. No projection of cash flows was used to determine the discount rate because the September 30, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the UAAL in 21 years. Because of the 21-year amortization period of the UAAL, the Fund’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on Fund investments of 7.25% was applied to all periods of projected benefit payments as the discount rate to determine the TPL.

c) Sensitivity of the NPL ability to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 7.25%, as well as what the City’s NPL would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
City’s Net Pension Liability	\$45,344,243	\$31,257,182	\$19,717,423

d) Fund Fiduciary Net Position

The Fund fiduciary net position reported above is the same as reported by the Fund. Detailed information about the Fund fiduciary net position is available in the Fund’s separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported

III. Detailed Notes on All Funds (Continued)

at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

e) Changes in NPL

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Changes for the year:			
Service cost	\$ 3,009,082	\$ -	\$ 3,009,082
Interest	6,365,285	-	6,365,285
Difference between expected and actual experience	-	-	0
Change of benefit terms	-	-	-
Changes to assumptions	-	-	0
Contributions – employer	-	2,916,053	(2,916,053)
Contributions – employee	-	2,142,691	(2,142,691)
Net investment income	-	5,933,640	-5,933,640
Benefit payments, including refunds of employee contributions	(3,694,836)	(3,694,836)	-
Administrative expense	-	(139,507)	139,507
Assumption changes	-	-	-
Net changes	5,679,531	7,158,041	(1,478,510)
Balance as of September 30, 2023	86,635,375	53,899,683	32,735,692
Balance as of September 30, 2024	\$ 92,314,906	\$ 61,057,724	\$ 31,257,182

vi. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City's GASB 68 pension expense was \$2,413,727. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 4,000,038	\$ -
Changes in actuarial assumptions	3,605,340	68,178
Differences between expected and actual economic experience	4,406,415	1,212,373
Contributions subsequent to the measurement date	3,133,781	-
Total	\$ 15,145,574	\$ 1,280,551

\$3,133,781 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the year ending September 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense Amount
2025	\$ 1,712,114
2026	1,897,057
2027	3,092,959
2028	474,723
2029	988,126
Thereafter	2,566,263
Total	\$ 10,731,242

4) Aggregate Total Pension Expenses/Expenditures and Net Pension Liability

The City recognized aggregate total pension expense/expenditures of \$541,843 and aggregate net pension liability of \$67,737,262 during the fiscal year ending September 30, 2024 related to the City's TMRS and TLFFRA pension plans.

G. Postemployment Benefits other than Pensions

1) Supplemental Death Benefits Fund

i. Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating

III. Detailed Notes on All Funds (Continued)

member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

ii. Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated). Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	602
Inactive employees entitled to, but not yet receiving, benefits	217
Active employees	970
	<u>1,789</u>

iii. Total OPEB Liability

The City's total OPEB liability of \$3,267,835 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

iv. Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.6% to 11.85% including inflation
Discount rate	3.77%*
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

III. Detailed Notes on All Funds (Continued)

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

v. Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 115,955
Interest	121,352
Difference between expected and actual experience	(36,602)
Changes of assumptions	169,347
Benefit payments*	<u>(81,169)</u>
Net Changes	288,883
Beginning balance	2,978,952
Ending Balance	<u>\$ 3,267,835</u>

Benefit payments are treated as being equal to the employer's yearly contributions for retirees due to the SDBF being considered an unfunded OPEB plan under GASB 75.

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

vi. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's Total OPEB Liability	<u>\$3,945,387</u>	<u>\$3,267,835</u>	<u>\$2,743,557</u>

vii. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$19,843. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	\$ -	\$ 84,784
Changes in actuarial assumptions	394,498	975,718
Contributions subsequent to the measurement date	66,678	-
Total	<u>\$ 461,176</u>	<u>\$ 1,060,502</u>

\$66,678 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2025.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30	OPEB Expense Amount
2025	\$ (144,742)
2026	(268,209)
2027	(275,406)
2028	22,353
Total	<u>\$ (666,004)</u>

III. Detailed Notes on All Funds (Continued)

2) Postemployment Healthcare Plan

i. Plan Description

The City makes available health care benefits to all employees who retire from the City and who are receiving benefits from a City-sponsored retirement program, TMRS or the Fund through a single-employer defined benefit healthcare plan (the "Healthcare Plan"). This Healthcare Plan provides lifetime insurance, or until age 65 if eligible for Medicare, to eligible retirees, their spouses, and dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established by management.

Current retirees in the Healthcare Plan at retirement are eligible to remain in the Healthcare Plan at the total blended contribution rate for active and retiree participants.

Participation in the Plan as of October 1, 2023 is summarized below:

Actives	980
Retirees	61
Spouses of Retirees	32
Total	<u>1,073</u>

ii. Funding Policy

The City has elected to subsidize premiums for the Plan and funding is provided on a pay-as you-go basis. There are no assets accumulated in a trust.

iii. Total OPEB liability

The City's total OPEB liability of \$9,884,331 was measured as of September 30, 2024 and was determined by an actuarial valuation as of October 1, 2023.

iv. Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary increases	3.00%
Discount rate	3.81%
Actuarial cost method	Entry Age Normal
Mortality	TMRS Retirees: Pub-2010 Safety Male and General Female Table projected using Scale MP-2021. Firefighter Retirees: Pub-2010 Safety Below Median Table projected using Scale MP-2021.
Healthcare trend rates	The trend assumptions have changed from the prior valuation due to updates in the trend model. The "Getzen Model" is based on the Society of Actuaries' (SOA) published report on long-term medical trend.
Participation rates	20% of TMRS members and 50% of Firefighter members are assumed to elect retiree medical coverage upon retirement. For future retirees it is assumed that husbands are three years older than their wives and that 15% of TMRS members and 30% of Firefighter members making it to retirement are assumed to be married and elect spouse coverage.

*The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The Healthcare plan has not had a formal actuarial experience study performed.

v. Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 508,287
Interest	462,446
Difference between expected and actual experience	(2,667,610)
Changes of assumptions	938,042
Benefit payments	(307,483)
Net Changes	(1,066,318)
Beginning balance	10,950,649
Ending Balance	\$ 9,884,331

Changes of assumptions reflect a change in the discount rate from 4.02% as of September 30, 2023 to 3.81% as of September 30, 2024.

There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period.

vi. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the Healthcare Plan's total OPEB liability, calculated using a discount rate of 3.81%, as well as what the Healthcare Plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (2.81%)	Discount Rate (3.81%)	1% Increase in Discount Rate (4.81%)
City's Total OPEB Liability	<u>\$11,063,556</u>	<u>\$9,884,331</u>	<u>\$8,832,557</u>

vii. Sensitivity of Total OPEB liability to the Healthcare Costs Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the Healthcare Plan's total OPEB liability, calculated using the assumed trend rates, as well as what the Healthcare Plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's Total OPEB Liability	<u>\$8,440,531</u>	<u>\$9,884,331</u>	<u>\$11,639,579</u>

viii. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$310,115.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,807,772
Changes in actuarial assumptions	1,392,233	1,821,524
Total	<u>\$ 1,392,233</u>	<u>\$ 3,629,296</u>

III. Detailed Notes on All Funds (Continued)

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30	OPEB Expense Amount
2025	\$ (353,135)
2026	(353,135)
2027	(206,245)
2028	(315,678)
2029	(374,061)
Thereafter	(634,809)
Total	\$ (2,237,063)

3) Aggregate Total Other Postemployment Benefits Other Than Pension Expenses/Expenditures and Total OPEB Liability

The City recognized aggregate total OPEB expense/expenditures of \$329,958 and aggregate total OPEB liability of \$13,152,166 during the fiscal year ending September 30, 2024 related to the City's TMRS and City-administered OPEB plans.

H. Construction and Other Significant Commitments

The City has active construction projects as of September 30, 2024. At year end, the City's construction commitments for governmental activities are as follows:

Project Title	Expended to Date	Remaining Commitment
Fleet Services Facility	\$ 13,592	\$ 17,986,408
Watercrest Rd Street Reconstruction	1,054,658	11,545,282
Fire Station #4 New Build	3,070,656	9,078,390
Bunny Trl Street Reconstruction	2,326,958	7,106,982
Rosa H. Community Center	3,295,651	6,426,227
Emer Ops Ctr / Fire Ops	7,941,158	6,398,613
PD Evidence Storage/Parking Lo	6,310	5,113,690
Park Development	-	4,801,954
Limited Tax Note Series 2023	215,450	4,784,551
Gilmer Street Reconstruction	1,813,439	4,302,303
Fleet Repl Gov't CIP 2025	-	2,791,698
Parks Maintenance Facility	12,582	2,587,418
Stagecoach Road	1,969,500	2,535,784
Rancier Drive Reconstruction	742,744	2,257,257
Skylark Fixed Base Op Bld	518,706	2,181,294
Homeless Shelter	1,500	1,998,500
Chaparral Rd Widening	1,479,280	1,520,720
Fleet Repl Gov't CIP 2022	2,865,098	1,412,985
Fleet Repl Gov't CIP 2024	1,937,052	1,255,292
KCCC HVAC Replacement	412,051	1,226,652
Police RMS System	210,982	1,189,017
Street Lighting Project	380,830	1,050,170
Total	\$ 30,268,197	\$ 99,551,187

III. Detailed Notes on All Funds (Continued)

At year end, the City's construction commitments for business-type activities are as follows:

Project Title	Expended to Date	Remaining Commitment
24-Inch Hwy 195 Waterline	\$ 524,637	\$ 12,100,296
Taxiway E Relocation	660,723	7,423,885
Lift Sta No. 6 Rehab & Expand	400,868	7,036,132
SWS-Chaparral Pump Station	2,813,264	6,113,228
GRK ATP Solar Project	2,290,171	4,858,060
Fleet Repl Solid Waste	-	3,342,526
Waterline Rehab Ph. 1-5	63,205	3,188,357
Water Meter Repl Program	2,182,747	3,012,063
Lift Station #1 Rehab	18,264	2,909,736
Skylark Fixed Base Op Bld	-	2,470,383
Sewer Line Rehab Ph 1-5	440,411	2,459,878
Hwy 195 Ground Storage Tank	268,784	2,231,131
Pump Station #2 Rehab	389,016	2,210,890
Airport Pump Station Rehab	201,019	1,722,199
UC Customer Info System	-	1,700,000
GRK Security Sys Rehab	120,900	1,379,100
Transfer Station Tunnel	78,300	1,033,838
Fleet Repl Solid Waste 2023	2,096,173	1,015,932
Total	<u>\$ 12,548,482</u>	<u>\$ 66,207,634</u>

The City is committed under various leases for data processing and police equipment. These leases are considered for accounting purposes to be replaced in the ordinary course of business with similar leases. Future aggregate annual commitments are not material to the City's financial statements.

In 2003, the City completed the process of moving airline operations from the Killeen Municipal Airport to Ft. Cavazos's Robert Gray Army Airfield as part of a joint use agreement with the U.S. Army. This is a regional intermodal transportation project that involved the construction of a new terminal building, aircraft parking aprons, east side parallel taxi-way, fuel and maintenance facilities, major access roadways to the terminal site, and vehicle parking facilities. The City currently has a lease agreement (the "Lease") with the Department of the Army for joint use of a tract of land containing 345 acres and exclusive use of a tract of land containing approximately 76.571 acres. The Lease term is for 50 years, with an option to renew for an additional 50 years if the City is in full compliance with the terms of the Lease.

In lieu of paying rent on the Lease, the City is required to perform certain services related to the property, such as maintenance, protection, repairs, site restoration, and improvements. Currently, no estimate is available for the annual amount of such expenditures related to satisfying the requirements of the Lease.

The City, along with other participating entities, entered into an agreement with Bell County Water Control Improvement District No. 1 ("WCID No. 1") to enable WCID No. 1 to build a \$50 million water treatment plant that will supplement the City's water needs through 2050. The treatment plant was completed on July 28, 2021. Going through the start-up steps with the treatment processes revealed the plant will work better than expected in both quality and quantity. We are seeking a 17 million gallon per day rating but were able to achieve 22 million gallons per day while maintaining excellent quality. WCID No. 1 bills for water purchased at rates that are reviewed and adjusted periodically. The rates are determined by amounts necessary to retire WCID No. 1 debt and cover maintenance and operating expenses. During the fiscal year ended September 30, 2024, the City purchased 5.8 billion gallons of water (50 million used for City's facilities) for a total charge of \$4,957,387 from WCID No. 1. In addition, it paid WCID No. 1 \$3,134,136 for its share of debt service related to bonds issued for the treatment plant.

The City is contractually obligated to purchase water from WCID No. 1, which includes rates for normal operation and maintenance and fixed costs to cover debt service obligation of WCID No. 1. The City's fixed costs to cover its proportional share of WCID No. 1 debt service is based on the Maximum Daily Rate of Delivery (MDRD) of water. The agreements increased the City's total MDRD from 32 million gallons per day (MGD) by 10 MGD, for a total of 42 MGD. The City portion of the debt service based on the MDRD is 51.5%. The total fixed costs (WCID No. 1 debt service requirements) that the City is obligated to pay is \$49.1 million at September 30, 2024. Normal maintenance and operational costs will vary by year and are allocated to the City based on its proportional share of the plant.

WCID #1 was selected for Defense Economic Adjustment Assistance Grant (DEAAG) funding of \$5 million by the Texas Military Preparedness Commission. The project will construct backup power (10MW- natural

III. Detailed Notes on All Funds (Continued)

gas generators) to provide energy resiliency for Water Control and Improvement District #1 (WCID-1)'s water treatment plant located on Belton Lake. This plant produces drinking water for Central Texas and is the sole source for Fort Cavazos. The matching portion of the project is being funded with a debt issue to be paid by the participating entities. The debt was issued in August 2022 and is included in the debt service requirements listed above.

I. Risk Management

The City has insurable risks in various areas, including property, casualty, automobile, airport, surety bonding, comprehensive liability, and workers' compensation. The City has obtained insurance against risks through commercial carriers for airport liability and surety bonding. There were no related settlements in excess of insurance coverage during the past three fiscal years. All other insurance against risk is through the Texas Municipal League (TML) Intergovernmental Risk Pool (the "Pool"), as discussed below. Management believes the amount and types of coverage are adequate to protect the City from losses which could reasonably be expected to occur.

A public entity risk pool is a cooperative group of governmental entities joining together to finance an exposure, liability, or risk. The City participates in the Pool for various risk areas, wherein member cities pool risks and funds and share in the costs of losses. Claims against the City in each respective are expected to be paid by the Pool. However, in the event the Pool became insolvent, or otherwise is unable to pay claims, the City may have to pay the claims.

J. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. With the exception of medical and workers' compensation claims, no other claim liabilities are reported at year end.

K. Long-Term Liabilities

The governmental activities compensated absences, net pension liability, and total OPEB liability are generally liquidated by the general fund. A summary of long-term debt transactions, including current portions, for the year ended September 30, 2024 is as follows:

Governmental Activities

	September 30, 2023	Additions	Deletions	September 30, 2024	Due Within One Year
General obligation bonds	\$ 130,625,000	\$ -	\$ (12,420,000)	\$ 118,205,000	\$ 12,750,000
Tax/revenue certificates of obligation	51,985,000	-	(1,280,000)	50,705,000	1,635,000
Unamortized bond premiums/(discounts)	11,881,310	-	(1,050,287)	10,831,023	-
Total bonds payable	<u>194,491,310</u>	<u>-</u>	<u>(14,750,287)</u>	<u>179,741,023</u>	<u>14,385,000</u>
Leases	292,337	79,298	(157,450)	214,185	114,806
Subscriptions	309,088	3,736,301	(1,663,548)	2,381,841	1,019,466
Compensated absences	13,469,434	8,347,470	(6,686,618)	15,130,286	1,513,028
Total OPEB liability					
Supplemental Death Benefits Fund	2,290,114	230,969	-	2,521,083	-
Postemployment Healthcare Plan	8,532,101	-	(735,143)	7,796,958	-
Net pension liability					
Texas Municipal Retirement System	35,936,139	-	(7,792,331)	28,143,807	-
Firefighter's Relief and Retirement Fund	32,735,692	-	(1,478,510)	31,257,182	-
Governmental activities long-term debt	<u>\$ 288,056,214</u>	<u>\$ 12,394,038</u>	<u>\$ (33,263,887)</u>	<u>\$ 267,186,364</u>	<u>\$ 17,032,300</u>

III. Detailed Notes on All Funds (Continued)

Business-Type Activities

	September 30,			September 30,		Due Within One
	2023	Additions	Deletions	2024		Year
Revenue bonds	\$ 39,945,000	\$ -	\$ (4,515,000)	\$ 35,430,000	\$	3,860,000
General obligation bonds	5,835,000	-	(1,105,000)	4,730,000		1,125,000
Unamortized bond premiums/(discounts)	3,327,117	-	(276,122)	3,050,995		-
Total bonds payable	49,107,117	-	(5,896,122)	43,210,995		4,985,000
Leases	186,395	37,108	(171,368)	52,135		33,503
Compensated absences	1,642,650	1,446,706	(995,382)	2,093,974		209,397
Total OPEB liability						
Supplemental Death Benefit Funds	688,838	57,914	-	746,752		-
Postemployment Healthcare Plan	2,418,548	-	(331,175)	2,087,373		-
Net pension liability						
Texas Municipal Retirement System	10,724,453	-	(2,388,180)	8,336,273		-
Business-type activities long-term debt	<u>\$ 64,768,001</u>	<u>\$ 1,541,728</u>	<u>\$ (9,782,227)</u>	<u>\$ 56,527,502</u>	<u>\$</u>	<u>5,227,900</u>

Long-term debt at September 30, 2024 is comprised of the following:

Governmental Activities

	Interest Rates to Maturity (%)	Issue Date	Maturity Date	Original Issue	Outstanding
General Obligation Bonds:					
2014 Refunding	2.00-5.00	2014	2034	\$ 11,620,000	\$ 315,000
2015 Refunding	3.00-4.00	2015	2034	8,640,000	8,640,000
2016 Refunding	2.00-5.00	2016	2034	34,715,000	28,445,000
2016 Refunding HOT	4.00-5.00	2016	2031	735,000	655,000
2017 Refunding	2.00-5.00	2017	2036	30,625,000	23,915,000
2017 Refunding HOT	2.00-5.00	2017	2030	2,830,000	1,805,000
2020 Limited Tax Note	1.27-1.57	2020	2027	4,910,000	2,160,000
2020 Refunding	2.00-5.00	2020	2026	8,145,000	115,000
2020 Refunding Taxable	0.40-2.42	2020	2039	56,680,000	47,635,000
2020 Refunding HOT	2.00-5.00	2020	2030	1,865,000	870,000
2022 Limited Tax Note	3.00-4.00	2022	2029	5,000,000	3,650,000
Total General Obligation Bonds				<u>165,765,000</u>	<u>118,205,000</u>
Tax/Revenue Certificates of Obligation:					
2014 Various Purpose	2.00-5.00	2014	2039	13,060,000	485,000
2022 Combination Tax & Revenue CO's	3.00-4.00	2022	2041	21,630,000	19,770,000
2023 Combination Tax & Revenue CO's	4.00-5.00	2023	2043	30,450,000	30,450,000
Total Tax/Revenue Certificates of Obligation				<u>65,140,000</u>	<u>50,705,000</u>
Total Governmental Activities				<u>\$ 230,905,000</u>	<u>\$ 168,910,000</u>

Business-Type Activities

	Interest Rates to Maturity (%)	Issue Date	Maturity Date	Original Issue	Outstanding
Revenue Bonds:					
2019 Refunding	2.00-5.00	2013	2027	7,663,441	1,785,000
2020 Refunding and Improvement	2.00-5.00	2020	2040	22,775,000	18,170,000
2020A Refunding	0.35-2.17	2020	2040	20,030,000	15,475,000
Total Revenue Bonds				<u>50,468,441</u>	<u>35,430,000</u>
General Obligation Bonds:					
2015 Refunding	3.00-4.00	2015	2027	300,000	300,000
2016 Refunding	3.00-5.00	2017	2029	845,000	350,000
2020A Refunding	0.40-2.42	2020	2030	5,385,000	4,080,000
Total General Obligation Bonds				<u>6,530,000</u>	<u>4,730,000</u>
Total Business-Type Activities				<u>\$ 56,998,441</u>	<u>\$ 40,160,000</u>

III. Detailed Notes on All Funds (Continued)

General Obligation Bonds

Annual debt service requirements to maturity for General Obligation Bonds are as follows:

Fiscal Year Ending September 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 12,750,000	\$ 3,648,027	\$ 1,125,000	\$ 79,129
2026	13,600,000	3,294,657	1,140,000	64,489
2027	12,945,000	2,916,692	630,000	47,705
2028	12,590,000	2,542,664	650,000	35,435
2029	12,960,000	2,178,231	660,000	22,625
2030-2034	44,460,000	5,786,489	525,000	8,710
2035-2039	8,900,000	523,010	-	-
Total	<u>\$ 118,205,000</u>	<u>\$ 20,889,769</u>	<u>\$ 4,730,000</u>	<u>\$ 258,093</u>

Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. These revenue bonds constitute special obligations of the City solely secured by a lien and a pledge of the net revenues of the water and sewer system established by the bond ordinances and covenants. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amount and certain financial ratios are met. Management of the City believes that it is in compliance with all significant requirements as of September 30, 2024. Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending September 30	Business-Type Activities	
	Principal	Interest
2025	\$ 3,860,000	\$ 1,001,057
2026	3,915,000	929,341
2027	3,945,000	847,795
2028	2,220,000	730,949
2029	2,285,000	662,906
2030-2034	11,050,000	2,257,263
2035-2039	6,690,000	846,950
2040	1,465,000	43,950
Total	<u>\$ 35,430,000</u>	<u>\$ 7,320,209</u>

The revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish and maintain the revenue bond funds. Should the City default on its outstanding bonds, any registered owner of the certificates is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the City.

Tax and Revenue Certificates of Obligation

Annual debt service requirements to maturity for Tax and Revenue Certificates of Obligation are as follows:

Fiscal Year Ending September 30	Governmental Activities	
	Principal	Interest
2025	\$ 1,635,000	\$ 2,091,800
2026	1,200,000	2,023,400
2027	2,090,000	1,972,250
2028	2,180,000	1,876,950
2029	2,290,000	1,777,500
2030-2034	13,095,000	7,202,250
2035-2039	16,115,000	4,166,900
2040-2043	12,100,000	1,067,450
Total	<u>\$ 50,705,000</u>	<u>\$ 22,178,500</u>

III. Detailed Notes on All Funds (Continued)

All bonded debt requires semiannual payments of interest. The various bond ordinances provide the City with rights of redemption at par, plus accrued interest at specified future dates.

The bond indentures required the establishment and maintenance of interest and sinking funds and reserve funds in varying amounts. In addition, there are restrictions concerning the maintenance of sufficient rates charged for services to users to generate enough funds for debt service requirements, the maintenance of accounting records and insurance, as well as reporting the results of the City's operations to specified major bond holders. The City is in compliance with all significant requirements and restrictions.

GASB Statement No. 87 - Leases

The City's direct borrowings (leases) related to governmental and business-type activities are secured with equipment as collateral. The annual requirements to amortize leases outstanding at year end were as follows:

Fiscal Year Ending Sept. 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 114,806	\$ 18,472	\$ 133,278	\$ 33,503	\$ 5,339	\$ 38,842
2026	58,243	7,951	66,194	20,859	6,125	26,984
2027	22,103	2,720	24,823	4,129	65	4,194
2028	12,252	1,234	13,486	-	-	-
2029	3,620	97	3,717	-	-	-
Total Principal Payment	211,024	\$ 30,474	\$ 241,498	58,491	\$ 11,529	\$ 70,020
Accumulative variance as of fiscal year-end	3,161			(6,354)		
Total Remaining liability	\$ 214,185			\$ 52,137		

GASB Statement No. 96 - Subscriptions-Based Information Technology Arrangements

The City is a lessee for a noncancellable subscription-based IT arrangements (SBITAs).

Fiscal Year Ending Sept. 30	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 1,019,464	\$ 68,797	\$ 1,088,261
2026	394,868	38,323	433,191
2027	314,640	27,053	341,693
2028	204,171	17,776	221,947
2029	85,138	11,810	96,948
2030-2033	363,558	24,233	387,791
Total	\$ 2,381,839	\$ 187,992	\$ 2,569,831

As of 09/30/2024, City of Killeen, TX had 20 active subscriptions. The subscriptions have payments that range from \$8,500 to \$1,023,999 and interest rates that range from 2.5030% to 3.3050%. As of 09/30/2024, the total combined value of the subscription liability is \$2,381,839, and the total combined value of the short-term subscription liability is \$1,019,466. The combined value of the right to use asset, as of 09/30/2024 of \$4,335,866 with accumulated amortization of \$1,338,531 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

L. Fund Balance

Minimum fund balance policy. The City Council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund and net position for the enterprise funds, collectively. The target level is set at 22% of operating expenditures/expenses. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a "revenue" source as dictated by current circumstances, the policy provides for the development of a plan for City Council that addresses the shortfall.

M. Inter-fund Receivables and Payables

III. Detailed Notes on All Funds (Continued)

The composition of inter-fund balances as of September 30, 2024 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 427,068

The outstanding balances between funds are comprised of working capital loans made to several nonmajor governmental funds which the general fund expects to collect in the subsequent year.

N. Inter-fund Transfers

The composition of inter-fund transfers for the year ended September 30, 2024 is as follows:

	<u>Transfers In</u>							
	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Internal Services</u>	<u>Solid Waste</u>	<u>Water and Sewer</u>	<u>Golf Course</u>	
Transfers Out:								
General Fund	\$ -	\$ 10,832,302	\$ 304,869	\$ -	\$ 4,000	\$ 57,525	\$ 73,843	\$ 11,272,539
Capital Projects Fund	-	-	-	671,409	-	9,000	-	680,409
Other Governmental Funds	231,424	1,273,906	-	124,333	-	-	-	1,629,663
Internal Services	-	-	-	148,540	-	-	-	148,540
Solid Waste Fund	3,411,591	-	-	-	-	57,525	-	3,469,116
Water and Sewer Fund	6,364,325	-	-	-	-	-	-	6,364,325
Drainage Fund	690,600	-	-	-	-	115,050	-	805,650
Total Transfers	<u>\$ 10,697,940</u>	<u>\$ 12,106,208</u>	<u>\$ 304,869</u>	<u>\$ 944,282</u>	<u>\$ 4,000</u>	<u>\$ 239,100</u>	<u>\$ 73,843</u>	<u>\$ 24,370,242</u>

Transfers are used to move revenues from the fund responsible for collecting them to the fund responsible for expending them as required by statute or budget.

Further, during the year ended September 30, 2024, the City made the following one-time transfers:

- \$10,832,302 was transferred from the general fund to the governmental capital improvement projects fund. Additionally, \$1,273,906 was transferred from other capital improvement project funds to close those funds.
- \$304,869 was transferred from the general fund to establish a new special revenue fund for restricted fees charged by development services, including the technology fee and vacant structure fee. This amount represents fees collected and accumulated in the general fund.
- \$4,000 was transferred from the general fund to the solid waste fund to facilitate the transfer of a trailer between funds.
- \$57,525 was transferred from the general fund, with an equal amount from the solid waste fund, and \$115,050 from the drainage fund to the water and sewer for proportionate share of engineering costs.
- \$73,843 was transferred from the general fund to the golf course fund to establish the golf course enterprise fund.
- \$671,409 was transferred from the governmental capital projects fund to the information technology internal service fund for the initial payment of the new enterprise resource planning software. Additionally, \$9,000 was transferred to Water and Sewer to support the vehicle transfer between funds.
- \$124,333 was transferred from the law enforcement grant fund to the information technology internal service fund as the initial payment for the police department's software license.
- \$148,540 was transferred from fleet service internal service fund to the information technology internal service fund for the purchase of fleet management software.

III. Detailed Notes on All Funds (Continued)

O. Discretely Presented Component Unit

Capital asset activity for the KEDC for the year ended September 30, 2024 was as follows:

	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Capital assets not being depreciated:				
Land				
KEDC - owned	\$ 44,956	\$ -	\$ -	\$ 44,956
Industrial Park	530,921	-	74,905	456,016
Convergys	110,750	-	-	110,750
First National Bank	90,303	-	-	90,303
Highway 195	-	5,029,438	-	5,029,438
Total capital assets not being depreciated	<u>776,930</u>	<u>5,029,438</u>	<u>74,905</u>	<u>5,731,463</u>
Capital assets being depreciated:				
Buildings				
Presidium	3,863,973	6,643	-	3,870,616
First National Bank/Raytheon	1,996,402	9,863	-	2,006,265
Enterprise Cul-de-sac	100,000	-	-	100,000
Entrance Sign	31,382	-	-	31,382
Total capital assets being depreciated	<u>5,991,757</u>	<u>16,506</u>	<u>-</u>	<u>6,008,263</u>
Less accumulated depreciation for:				
Buildings	3,888,395	189,335	-	4,077,730
Total accumulated depreciation	<u>3,888,395</u>	<u>189,335</u>	<u>-</u>	<u>4,077,730</u>
Total capital assets being depreciated, net	<u>2,103,362</u>	<u>(172,829)</u>	<u>-</u>	<u>1,930,533</u>
KEDC capital assets, net	<u>\$ 2,880,292</u>	<u>\$ 4,856,609</u>	<u>\$ 74,905</u>	<u>\$ 7,661,996</u>

IV. Tax Abatements

The City of Killeen has adopted a tax abatement policy (the "Policy"). Under the Policy, a property owner agrees to construct certain improvements on its property and the City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the abatement agreement (the "Agreement"). The Agreement could last for a period of up to 10 years. The City has adopted criteria for granting tax abatements which establish guidelines regarding the number of jobs to be created and the amount of new value to be added by the taxpayer in return for the abatement. The Agreements provide for recapture in the event of material breach.

On April 28, 2020, the City Council approved an application for tax abatement for First National Bank Texas (FNBT), located at 2201 Trimmier Road, Killeen, TX 76541. The project includes the construction of a five-story, 47,653 square-foot, commercial office building that will house 130 full-time jobs. A full-service bank will be located on the first floor and floors two through five will house various executive level and professional support departments. The project is located within the Interstate-14 and Trimmier Road Reinvestment Zone. The project will retain 130 full-time jobs and make an estimated capital investment of \$12,852,474. The applicant was granted a 100% abatement on the increased assessed value of the property for a ten-year period. The base value of the property is \$1,399,833, which is the 2019 assessed property value provided by the Tax Appraisal District of Bell County. Based on the estimated investment, the amount of property value to be abated is \$11,452,591. Using this property value, the annual abatement would be \$85,871 and total approximately \$858,715 over the ten-year period.

V. Subsequent Events

On February 4, 2025, the City Council approved a resolution to proceed with the issuance of Certificates of Obligation for capital projects, not to exceed \$39 million. The Certificates will be sold on an "All or None" basis, at a price between 101% and 112% of par value. Bidders will propose interest rates, with a maximum net effective interest rate of 15% and a maximum coupon rate of 5.00%. Proceeds will fund various capital projects, including street improvements (Featherline, Mohawk, and Chaparral streets), park upgrades (including the golf course), public safety facilities (fire station rebuild), and professional services related to these projects. Bids are due on April 1, 2025, and the City Council will vote on the issuance shortly thereafter.



CITY OF KILLEEN



REQUIRED SUPPLEMENTARY INFORMATION



City of Killeen, Texas
Required Supplementary Information (Unaudited)
Texas Municipal Retirement System
Schedule of Changes in the City's Net Pension Liability and Related Ratios
(Last Ten Fiscal Years)

	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
1. Total Pension Liability										
a. Service cost	\$ 8,354,587	\$ 7,940,231	\$ 7,341,250	\$ 8,100,309	\$ 7,920,676	\$ 7,395,445	\$ 6,507,586	\$ 6,829,331	\$ 7,756,102	\$ 7,127,298
b. Interest	16,509,148	15,756,211	15,041,103	16,921,640	16,036,469	15,374,857	11,862,841	11,923,879	13,747,572	12,950,074
d. Change in benefit terms including substantially automatic status	-	-	(41,259,695)	(376,680)	-	44,788,665	(8,113,387)	(31,349,348)	-	-
e. Differences between expected and actual experience	1,510,206	1,186,492	752,579	705,380	(520,094)	(2,828,831)		(1,945,285)	(1,223,578)	(1,781,423)
f. Changes of assumptions	(1,063,957)		-	-	1,383,976	-	(1,764,142)	-	(39,423)	-
g. Benefit payments, including refunds of employee contributions	(14,535,320)	(13,335,667)	(12,344,780)	(11,551,062)	(11,289,976)	(9,514,886)	(10,103,133)	(8,772,730)	(7,570,788)	(6,864,254)
h. Net Change in Total Pension Liability	10,774,664	11,547,267	(30,469,543)	13,799,587	13,531,051	55,215,250	(1,610,235)	(23,314,153)	12,669,885	11,431,695
i. Total Pension Liability - Beginning	247,670,334	236,123,067	266,592,610	252,793,023	239,261,972	184,046,722	185,656,957	208,971,110	196,301,225	184,869,530
j. Total Pension Liability - Ending	258,444,998	247,670,334	236,123,067	266,592,610	252,793,023	239,261,972	184,046,722	185,656,957	208,971,110	196,301,225
2. Plan Fiduciary Net Position										
a. Contributions - employer	8,340,278	8,126,202	7,341,292	5,659,874	5,103,810	4,252,052	4,264,503	3,850,502	3,878,184	3,555,987
b. Contributions - employee	4,062,769	3,851,810	3,548,947	3,406,632	3,253,799	3,043,393	3,104,872	3,262,703	3,296,020	3,166,911
c. Net investment income	23,236,487	(15,914,704)	25,332,145	13,893,779	24,924,587	(5,051,116)	20,878,508	9,649,863	211,180	7,756,563
d. Benefit payments, including refunds of employee contributions	(14,535,320)	(13,335,667)	(12,344,780)	(11,551,062)	(11,289,976)	(9,514,886)	(10,103,133)	(8,772,730)	(7,570,788)	(6,864,254)
e. Administrative expenses	(148,004)	(137,865)	(117,317)	(89,972)	(140,931)	(97,668)	(108,224)	(108,991)	(128,630)	(80,983)
f. Other	(1,034)	164,514	803	(3,510)	(4,233)	(5,103)	(5,485)	(5,872)	(6,353)	(6,658)
g. Net Change in Plan Fiduciary Net Position	20,955,176	(17,245,710)	23,761,090	11,315,741	21,847,056	(7,373,328)	18,031,041	7,875,475	(320,387)	7,527,566
h. Plan Fiduciary Net Position - Beginning	201,009,742	218,255,452	194,494,362	183,178,621	161,331,565	168,704,893	150,673,852	142,798,377	143,118,764	135,591,198
i. Plan Fiduciary Net Position - Ending	\$ 221,964,918	\$ 201,009,742	\$ 218,255,452	\$ 194,494,362	\$ 183,178,621	\$ 161,331,565	\$ 168,704,893	\$ 150,673,852	\$ 142,798,377	\$ 143,118,764
3. Net Pension Liability - Ending [Item 1⁽ⁱ⁾ - 2⁽ⁱ⁾]	\$ 36,480,080	\$ 46,660,592	\$ 17,867,615	\$ 72,098,248	\$ 69,614,402	\$ 77,930,407	\$ 15,341,829	\$ 34,983,105	\$ 66,172,733	\$ 53,182,461
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.88%	81.16%	92.43%	72.96%	72.46%	67.43%	91.66%	81.16%	68.33%	72.91%
5. Covered Payroll for Year (Estimated)	\$ 57,977,705	\$ 55,025,854	\$ 50,699,243	\$ 48,592,138	\$ 46,482,842	\$ 43,477,044	\$ 44,329,602	\$ 46,584,793	\$ 47,063,726	\$ 45,235,558
6. City's Net Pension Liability as a Percentage of Covered Payroll	62.92%	84.80%	35.24%	148.37%	149.76%	179.24%	34.61%	75.10%	140.60%	117.57%

City of Killeen, Texas
Required Supplementary Information (Unaudited)
Texas Municipal Retirement System
Schedule of Contributions (Last Ten Fiscal Years)

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the Actuarially Determined Contribution	(3) Contribution Excess (Deficiency) (2) - (1)	(4) Covered Employee Payroll	(5) Contributions as a Percentage of Covered Employee Payroll (2)/(4)
2015	\$ 3,879,674	\$ 3,879,674	\$ -	\$ 46,806,060	8.29%
2016	3,948,703	3,948,703	-	46,584,793	8.48%
2017	4,155,119	4,155,119	-	44,329,602	9.37%
2018	4,177,298	4,177,298	-	43,025,537	9.71%
2019	4,857,746	4,857,746	-	45,677,802	10.63%
2020	5,512,046	5,512,046	-	48,218,131	11.43%
2021	6,848,695	6,848,695	-	49,939,829	13.71%
2022	8,251,329	8,251,329	-	56,143,881	14.70%
2023	8,288,136	8,288,136	-	57,313,022	14.46%
2024	8,768,480	8,768,480	-	61,417,068	14.28%

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	10-year smoothed fair value, 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB ⁽¹⁰⁾ mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes: 1) There were no benefit changes during the year

City of Killeen, Texas
Required Supplementary Information (Unaudited)
Firefighter's Relief and Retirement Fund
Schedule of Changes in the City's Net Pension Liability and Related Ratios
(Last Ten Fiscal Years)

	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
1. Total Pension Liability										
a. Service cost	\$ 3,009,082	\$ 2,536,394	\$ 2,468,510	\$ 2,319,369	\$ 2,251,815	\$ 2,113,543	\$ 2,047,015	\$ 1,891,004	\$ 1,827,057	\$ 1,830,207
b. Interest	6,365,285	5,607,259	5,271,546	5,008,777	4,710,130	4,434,845	4,185,617	4,132,431	3,854,103	3,548,068
c. Changes of benefit terms	-	(1,770,164)	-	-	-	-	-	-	-	-
d. Differences between expected and actual experience	-	5,456,813	-	(301,589)	-	(527,995)	-	(2,575,843)	-	-
e. Changes of assumptions	-	1,550,316	-	2,014,756	-	2,222,160	-	(224,913)	-	779,646
f. Benefit payments	(3,694,836)	(3,100,716)	(3,254,092)	(3,272,253)	(2,822,833)	(2,782,964)	(3,383,661)	(2,001,167)	(2,306,409)	(2,105,453)
g. Net Change in Total Pension Liability	5,679,531	10,279,902	4,485,964	5,769,060	4,139,112	5,459,589	2,848,971	1,221,512	3,374,751	4,052,468
h. Total Pension Liability - Beginning ⁽¹⁾	86,635,375	76,355,473	71,869,509	66,100,449	61,961,337	56,501,748	53,652,777	52,431,265	49,056,514	45,004,046
i. Total Pension Liability - Ending ⁽²⁾	<u>\$92,314,906</u>	<u>\$86,635,375</u>	<u>\$76,355,473</u>	<u>\$71,869,509</u>	<u>\$66,100,449</u>	<u>\$61,961,337</u>	<u>\$56,501,748</u>	<u>\$53,652,777</u>	<u>\$52,431,265</u>	<u>\$49,056,514</u>
2. Plan Fiduciary Net Position										
a. Contributions by the city	2,916,053	2,800,619	2,440,295	2,013,825	1,919,225	1,817,845	1,873,368	1,770,872	1,696,664	1,541,096
b. Contributions by the firefighters	2,142,691	2,053,786	1,788,846	1,699,605	1,623,962	1,538,179	1,585,161	1,483,972	1,419,132	1,284,686
c. Net investment income	5,933,640	(9,208,892)	9,715,290	4,716,637	1,315,715	3,585,949	4,603,775	3,110,934	(1,444,977)	1,972,592
d. Benefit payments	(3,694,836)	(3,100,716)	(3,254,092)	(3,272,253)	(2,822,833)	(2,782,964)	(3,383,661)	(2,001,167)	(2,306,409)	(2,105,453)
e. Administrative expenses	(139,507)	(133,671)	(114,381)	(107,111)	(121,394)	(96,351)	(136,910)	(94,483)	(135,909)	(130,049)
f. Net Change in Plan Fiduciary Net Position	7,158,041	(7,588,874)	10,575,958	5,050,703	1,914,675	4,062,658	4,541,733	4,270,128	(771,499)	2,562,872
g. Plan Fiduciary Net Position - Beginning	53,899,683	61,488,557	50,912,599	45,861,896	43,947,221	39,884,563	35,342,830	31,072,702	31,844,201	29,281,329
h. Plan Fiduciary Net Position - Ending	<u>\$61,057,724</u>	<u>\$53,899,683</u>	<u>\$61,488,557</u>	<u>\$50,912,599</u>	<u>\$45,861,896</u>	<u>\$43,947,221</u>	<u>\$39,884,563</u>	<u>\$35,342,830</u>	<u>\$31,072,702</u>	<u>\$31,844,201</u>
3. City's Net Pension Liability - Ending [Item 1 - 2]	\$31,257,182	\$32,735,692	\$14,866,916	\$20,956,910	\$20,238,553	\$18,014,116	\$16,617,185	\$18,309,947	\$21,358,563	\$17,212,313
4. Plan Fiduciary Net Position as a Percentage of the Total Pension	66.1%	62.2%	80.5%	70.8%	69.4%	70.9%	70.6%	65.90%	59.26%	64.9%
5. Covered Payroll for Year (Estimated)	\$19,479,009	\$18,670,782	\$16,262,236	\$15,450,955	\$14,763,291	\$13,983,445	\$14,410,555	\$13,490,655	\$12,901,200	\$12,457,025
6. City's Net Pension Liability as a Percentage of Covered Payroll	160.5%	175.3%	91.4%	135.6%	137.1%	128.8%	115.3%	135.7%	165.6%	138.2%

City of Killeen, Texas
Required Supplementary Information (Unaudited)
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Supplemental Death Benefits Fund
(Last Seven Fiscal Years)

	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total OPEB Liability							
Service cost	\$ 115,955	\$ 225,606	\$ 207,867	\$ 170,072	\$ 120,855	\$ 130,431	\$ 115,257
Interest (on the total OPEB liability)	121,352	81,971	82,824	93,323	101,373	88,180	85,013
Difference between expected and actual experience	(36,602)	9,027	(64,279)	(79,887)	(145,777)	74,528	-
Change of assumptions	169,347	(1,644,018)	147,181	587,910	579,092	(201,998)	222,509
Benefit payments	(81,169)	(71,534)	(65,909)	(19,437)	(18,593)	(17,391)	(13,299)
Net Change in Total OPEB Liability	<u>288,883</u>	<u>(1,398,948)</u>	<u>307,684</u>	<u>751,981</u>	<u>636,950</u>	<u>73,750</u>	<u>409,480</u>
Beginning total OPEB liability	<u>2,978,952</u>	<u>4,377,900</u>	<u>4,070,216</u>	<u>3,318,235</u>	<u>2,681,285</u>	<u>2,607,535</u>	<u>2,198,055</u>
Ending Total OPEB Liability	<u>\$ 3,267,835</u>	<u>\$ 2,978,952</u>	<u>\$ 4,377,900</u>	<u>\$ 4,070,216</u>	<u>\$ 3,318,235</u>	<u>\$ 2,681,285</u>	<u>\$ 2,607,535</u>
Covered Payroll	\$ 57,977,705	\$ 55,025,854	\$ 50,699,243	\$ 48,592,138	\$ 46,482,842	\$ 43,477,044	\$ 44,329,602
Total OPEB Liability as a Percentage of Covered Payroll	5.64%	5.41%	8.64%	8.38%	7.14%	6.17%	5.88%

Notes:

Only seven years of information is currently available. The City will build this schedule over the next ten-year period.

There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Account and Financial Reporting for Postemployment Benefits Other Than Pensions.

City of Killeen, Texas
Required Supplementary Information (Unaudited)
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Postemployment Healthcare Plan
(Last Seven Measurement Years)

	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018
Total OPEB Liability							
Service cost	\$ 508,287	\$ 508,067	\$ 710,775	\$ 759,863	\$ 677,638	\$ 517,001	\$ 614,080
Interest (on the total OPEB liability)	462,446	433,202	266,512	250,980	279,949	349,208	351,597
Difference between expected and actual experience	(2,667,610)	-	710,261	-	582,533	-	(624,879)
Change of assumptions	938,042	(82,408)	(2,090,920)	(46,727)	(313,743)	1,610,530	(1,064,361)
Benefit payments	(307,483)	(349,174)	(472,260)	(485,795)	(466,671)	(466,036)	(502,978)
Net Change in Total OPEB Liability	<u>(1,066,318)</u>	<u>509,687</u>	<u>(875,632)</u>	<u>478,321</u>	<u>759,706</u>	<u>2,010,703</u>	<u>(1,226,541)</u>
Beginning total OPEB liability	<u>10,950,649</u>	<u>10,440,962</u>	<u>11,316,594</u>	<u>10,838,273</u>	<u>10,078,567</u>	<u>8,067,864</u>	<u>9,294,405</u>
Ending Total OPEB Liability	<u>\$ 9,884,331</u>	<u>\$ 10,950,649</u>	<u>\$ 10,440,962</u>	<u>\$ 11,316,594</u>	<u>\$ 10,838,273</u>	<u>\$ 10,078,567</u>	<u>\$ 8,067,864</u>
Covered Payroll	\$ 83,787,392	\$ 78,181,883	\$ 76,542,923	\$ 66,960,732	\$ 63,990,120	\$ 59,574,244	\$ 57,536,268
Total OPEB Liability as a Percentage of Covered Payroll	11.80%	14.01%	13.64%	16.90%	16.94%	16.92%	14.02%

Notes:

Only seven years of information is currently available. The City will build this schedule over the next ten-year period. Changes of assumptions reflect a change in the discount rate from 4.09% as of September 30, 2023 to 3.81% as of September 30, 2024.

There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period.
Measurement Year 2024.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Account and Financial Reporting for Postemployment Benefits Other Than Pensions.

City of Killeen, Texas
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
Revenues:				
Taxes and Fees:				
Ad valorem	\$ 48,898,733	\$ 50,160,348	\$ 50,160,348	\$ (1,261,615)
Penalty and interest	339,063	200,000	200,000	139,063
Total ad valorem	49,237,796	50,360,348	50,360,348	(1,122,552)
Franchise fees	5,469,597	5,971,555	5,971,555	(501,958)
Sales and occupancy	36,186,786	36,553,935	36,553,935	(367,149)
Total taxes and fees	90,894,179	92,885,838	92,885,838	(1,991,659)
Licenses, Permits and Other Fees:				
Building permits and inspections	1,329,722	1,478,375	1,483,875	(154,153)
Electrical permits and inspections	66,375	55,000	55,000	11,375
Plumbing permits and inspections	137,570	130,000	130,000	7,570
Miscellaneous licenses	410,301	610,393	482,893	(72,592)
Taxi operators licenses	535	1,549	1,549	(1,014)
Food handlers permits	52,100	54,000	54,000	(1,900)
Trailer court licenses	8,410	7,500	7,500	910
Building plans review	324,999	37,000	37,000	287,999
Mechanical inspections	18,850	30,000	30,000	(11,150)
Total licenses, permits, and other fees	2,348,862	2,403,817	2,281,817	67,045
Intergovernmental:				
General government	4,363,737	2,727,820	4,309,848	53,889
Public safety	1,235,312	1,138,719	1,933,179	(697,867)
Community development	10,500	-	-	10,500
Public Works	34,480	34,480	34,480	-
Total intergovernmental	5,644,029	3,901,019	6,277,507	(633,478)
Charges for Services:				
Ambulance service fees	4,506,114	3,891,860	3,891,860	614,254
Fire	296,754	260,600	304,600	(7,846)
Miscellaneous police receipts	22,051	21,622	21,622	429
Animal control receipts	151,416	129,663	129,663	21,753
Parks and recreation	848,611	881,665	881,665	(33,054)
Library charges and contributions	24,206	29,997	29,997	(5,791)
Killeen arts and activities center	137,916	106,568	106,568	31,348
General government	735,911	755,846	755,846	(19,935)
Leases	191,530	216,834	216,834	(25,304)
Total charges for services	6,914,509	6,294,655	6,338,655	575,854
Fines and Fees				
Municipal court fines	3,240,061	2,842,343	2,842,343	397,718
Other fines and fees	261,934	208,500	208,500	53,434
Total fines and fees	3,501,995	3,050,843	3,050,843	451,152
Investment earnings	5,918,522	1,263,540	1,448,305	4,470,217
Contributions	16,000	30,000	30,000	(14,000)
Miscellaneous	388,259	97,438	97,438	290,821
Total revenues	115,626,355	109,927,150	112,410,403	3,215,952
Expenditures:				
General Government:				
City council	179,172	225,655	225,655	46,483
City manager	721,318	785,444	785,444	64,126
City auditor	160,659	160,669	160,669	10
Communications	806,563	842,987	843,338	36,775
City attorney	1,517,943	1,532,672	1,609,009	91,066
Financial services	2,442,856	2,333,550	2,504,948	62,092
Human resources	1,304,288	1,389,319	1,422,819	118,531
Planning and development	1,334,625	1,314,840	1,337,883	3,258
Nondepartmental	9,864,973	8,323,134	10,469,855	604,882
Total general government	\$ 18,332,397	\$ 16,908,270	\$ 19,359,620	\$ 1,027,223

City of Killeen, Texas
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Continued)
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
Public Safety:				
Municipal court	\$ 1,450,005	\$ 1,580,164	\$ 1,580,164	\$ 130,159
Building inspections	1,280,717	1,310,965	1,329,587	48,870
Code enforcement	1,495,033	1,517,559	1,598,662	103,629
Animal control	1,827,637	2,248,430	2,250,194	422,557
Police	39,701,265	42,193,485	42,235,066	2,533,801
Fire	32,404,444	31,656,241	32,416,082	11,638
Total public safety	<u>78,159,101</u>	<u>80,506,844</u>	<u>81,409,755</u>	<u>3,250,654</u>
Public Works:				
Administration	300,182	276,028	276,028	(24,154)
Mowing	920,540	1,072,508	1,072,508	151,968
Transportation	4,318,599	4,736,764	4,747,864	429,265
Total Public Works	<u>5,539,321</u>	<u>6,085,300</u>	<u>6,096,400</u>	<u>557,079</u>
Recreation Services:				
Administration	517,441	608,654	608,490	91,049
Parks	2,720,172	3,110,569	2,863,005	142,833
Operations	454,408	506,934	502,959	48,551
Family aquatics center	715,970	721,286	727,286	11,316
Recreation	380,857	468,348	465,187	84,330
Athletics	374,062	408,164	408,164	34,102
Senior citizens	399,704	474,019	478,019	78,315
Total recreation services	<u>5,562,614</u>	<u>6,297,974</u>	<u>6,053,110</u>	<u>490,496</u>
Community Development:				
Library	1,730,178	1,811,121	1,777,479	47,301
Killeen arts and activities center	459,768	525,608	525,608	65,840
Community development	358,032	329,912	357,287	(745)
Building services	1,140,225	1,147,813	1,131,698	(8,527)
Custodial services	779,310	902,286	902,286	122,976
Total community development	<u>4,467,513</u>	<u>4,716,740</u>	<u>4,694,358</u>	<u>226,845</u>
Capital Outlay	<u>939,903</u>	<u>646,422</u>	<u>1,332,491</u>	<u>392,588</u>
Debt Payments	<u>170,383</u>	<u>230,960</u>	<u>189,725</u>	<u>19,342</u>
Total expenditures	<u>113,171,232</u>	<u>115,392,510</u>	<u>119,135,459</u>	<u>5,964,227</u>
Excess of revenues over (under) expenditures	<u>2,455,123</u>	<u>(5,465,360)</u>	<u>(6,725,056)</u>	<u>9,180,179</u>
Other Financing Sources (Uses)				
Insurance recoveries	392,762	150,000	390,880	1,882
Sale of capital assets	147,885	25,674	25,674	122,211
Leases issued	79,298	-	-	79,298
Transfers in	10,697,940	10,466,516	10,466,516	231,424
Transfers out	(11,272,539)	(5,176,830)	(11,272,539)	-
Total other financing sources (uses)	<u>45,346</u>	<u>5,465,360</u>	<u>(389,469)</u>	<u>434,815</u>
Net change in fund balance	2,500,469	\$ -	\$ (7,114,525)	\$ 8,745,364
Fund balance - beginning	32,068,950			
Fund balance - ending	<u>\$ 34,569,419</u>			



COMBINING STATEMENTS/ BUDGETARY COMPARISON SCHEDULES





CITY OF KILLEEN



City of Killeen, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and equity in pooled cash and investments	\$ 20,972,741	\$ 21,008,577	\$ 41,981,318
Receivables (net of allowances for uncollectibles):			
Taxes	207,575	-	207,575
Accounts	1,324,184	-	1,324,184
Intergovernmental receivable	716,907	-	716,907
Inventories	15,089	-	15,089
Total assets	<u>23,236,496</u>	<u>21,008,577</u>	<u>44,245,073</u>
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable	555,553	259,205	814,758
Due to other funds	427,068	-	427,068
Accrued salaries payable	69,620	-	69,620
Unearned revenue	60,525	-	60,525
Total liabilities	<u>1,112,766</u>	<u>259,205</u>	<u>1,371,971</u>
Fund Balances:			
Nonspendable:			
Inventories	15,089	-	15,089
Restricted for:			
Debt service	1,420,000	-	1,420,000
Capital Projects		20,749,372	20,749,372
Other purposes	20,688,641	-	20,688,641
Total fund balances	<u>22,123,730</u>	<u>20,749,372</u>	<u>42,873,102</u>
Total liabilities and fund balances	<u>\$ 23,236,496</u>	<u>\$ 21,008,577</u>	<u>\$ 44,245,073</u>

Exhibit C-2

City of Killeen, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds (See Exhibit A-5)</u>
REVENUES			
Taxes	\$ 3,141,548	\$ -	\$ 3,141,548
Intergovernmental	5,519,312	-	5,519,312
Charges for services	10,751,946	-	10,751,946
Fines	254,628	-	254,628
Investment earnings	1,090,398	1,195,609	2,286,007
Contributions	131,424	-	131,424
Miscellaneous	2,178	-	2,178
Total revenues	<u>20,891,434</u>	<u>1,195,609</u>	<u>22,087,043</u>
EXPENDITURES			
Current:			
General government	10,208	-	10,208
Public safety	822,804	-	822,804
Public works	4,572,619	276	4,572,895
Recreation services	1,113,048	-	1,113,048
Community development	6,140,040	-	6,140,040
Capital outlay	2,814,136	2,476,733	5,290,869
Debt service:			
Principal	1,365,000	-	1,365,000
Interest and fiscal charges	883,440	-	883,440
Total expenditures	<u>17,721,295</u>	<u>2,477,009</u>	<u>20,198,304</u>
Excess of revenues over expenditures	<u>3,170,139</u>	<u>(1,281,400)</u>	<u>1,888,739</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	14,557	-	14,557
Transfers in	304,869	-	304,869
Transfers out	(355,757)	(1,273,906)	(1,629,663)
Total other financing sources (uses)	<u>(36,331)</u>	<u>(1,273,906)</u>	<u>(1,310,237)</u>
Net changes in fund balances	3,133,808	(2,555,306)	578,502
Fund balance - beginning	18,989,922	23,304,678	42,294,600
Fund balance - ending	<u>\$ 22,123,730</u>	<u>\$ 20,749,372</u>	<u>\$ 42,873,102</u>

Special Revenue Funds

Special revenue funds are used to account for specific resources that are legally restricted to expenditure for particular purposes.

Law Enforcement Grant Fund: This fund accounts for the operation of projects utilizing Justice Assistance Grant funds. These projects are for the purpose of reducing crime and improving public safety.

State Seizure Fund: This fund accounts for the revenues and expenditures restricted by state seizure requirements for the Police Department.

Federal Seizure Fund: This fund accounts for revenues and expenditures restricted by federal seizure requirements for the Police Department.

Emergency Management Fund: This fund accounts for revenues and expenditures restricted for the management of emergency situations.

Hotel Occupancy Tax Fund: This fund accounts for the levy and utilization of the hotel occupancy tax. State law requires that revenues from this tax be used for advertising and promotion of the City. This fund is also used to account for the revenues and expenditures of the Killeen Civic and Conference Center.

Special Events Center Fund: This fund accounts for the funds to be used for the construction and operation of the Special Events Center.

Cable System Improvements Fund: This fund accounts for resources contributed to the City, the use of which are restricted to the acquisition of appropriate equipment and other expenditure items for the benefit of the cable franchise system.

Library Memorial Fund: This fund accounts for revenues that are restricted for use for the Public Library.

Community Development Fund: This fund accounts for the operations of projects utilizing Community Development Block Grant funds. Such revenues are restricted to expenditures for specified projects authorized by the Department of Housing and Urban Development.

Senior Citizen Assistance Fund: This fund accounts for monetary donations and expenditures related to senior citizen assistance with utility bills.

Development Services Special Revenue Fund: This fund accounts for the operation of projects utilizing technology fee funds, collected vacant registration fees, and any sponsorships/donations for the downtown revitalization division.

Home Program Fund: This fund accounts for program funds received from the Department of Housing and Urban Development. These programs are restricted to expenditures authorized by the Department of Housing and Urban Development.

Home ARP Fund: This fund accounts for program funds received from the Department of Housing and Urban Development for their HOME American Rescue Plan (HOME-ARP) program. These programs are restricted to expenditures authorized by the Department of Housing and Urban Development.

Street Maintenance Fund: This fund accounts for revenues for street maintenance.

TIRZ #2 Fund: This fund accounts for the ad valorem tax revenues collected from the taxable property in the tax increment zone. This fund also accounts for expenditures on projects that take place in the tax increment zone.

Parks Donations Fund: This fund accounts for resources contributed to the City and restricted to the park activities.

Teen Court Program Fund: This fund accounts for teen court fees collected in connection with citations issued by the City to juveniles who elect to attend the teen court program.

Court Technology Fund: This fund accounts for technology related expenditures of the Municipal Court from technology fees collected as enacted by the Texas Legislature.

Court Security Fund: This fund accounts for Municipal Court security related expenditures from security fees collected as enacted by the Texas Legislature.

Juvenile Case Manager Fund: This fund accounts for fees assessed and collected from defendants upon conviction of a fine-only misdemeanor offense. Funds are used to finance the salary and benefits of the Juvenile Case Manager appointed to assist in administering the Municipal Court juvenile docket and supervising the Municipal Court's order in Juvenile Court.

Central Texas Veteran Cemetery Fund: This fund accounts for receipts and expenditures related to the Central Texas Veteran Cemetery.

Jury Fee Fund: This fund accounts for jury fees collected on cases that go to jury trial, and expenditures related to fund juror reimbursements and other finance jury services.

Fire Department Donations Fund: This fund accounts for receipts and expenditures related to fire activities.

Animal Control Donations Fund: This fund accounts for receipts and expenditures related to animal control.

Child Safety Fund: This fund accounts for child safety fees collected in connection with citations issued by the City. State law requires that revenue from these fees be used for child safety infrastructure projects.

Police Department Donations Fund: This fund accounts for receipts and expenditures related to police activities.

Killeen Public Facility Corporation Fund: This fund accounts for receipts and expenditures related to the Killeen Public Facility Corporation.

Park Development Benefit Fund: This fund accounts for receipts and expenditures related to development of the parks

Opioid Settlement Fund: This fund accounts for program funds received from the Texas Opioid Abatement Fund Program

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2024

	Law Enforcement Grant	State Seizure	Federal Seizure	Emergency Management	Hotel Occupancy Tax	Special Events Center	Cable System Improvements	Library Memorial	Community Development	Senior Citizen Assistance	Development Services Special Revenue
ASSETS											
Cash and equity in pooled cash and investments	\$ -	\$ 265,160	\$ 5,432	\$ 2,000	\$ 1,669,385	\$ 20,137	\$ 1,376,146	\$ 4,364	\$ 1,005	\$ 76,926	\$ 347,469
Receivables (net of allowances for uncollectibles):											
Taxes	-	-	-	-	166,747	-	40,828	-	-	-	-
Accounts	-	-	-	-	45,265	-	-	-	-	100	-
Intergovernmental receivable	61,684	-	-	-	-	-	-	-	190,814	-	-
Inventories	-	-	-	-	15,089	-	-	-	-	-	-
Total assets	<u>61,684</u>	<u>265,160</u>	<u>5,432</u>	<u>2,000</u>	<u>1,896,486</u>	<u>20,137</u>	<u>1,416,974</u>	<u>4,364</u>	<u>191,819</u>	<u>77,026</u>	<u>347,469</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	16,773	-	-	-	122,609	-	-	-	90,207	-	11,849
Due to other funds	34,139	-	-	-	-	-	-	-	92,206	-	-
Accrued salaries payable	1,402	-	-	-	24,660	-	-	-	8,178	-	-
Unearned revenue	-	-	-	-	60,525	-	-	-	-	-	-
Total liabilities	<u>52,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,591</u>	<u>-</u>	<u>11,849</u>
Fund Balances:											
Nonspendable:											
Inventories	-	-	-	-	15,089	-	-	-	-	-	-
Restricted for:											
Debt service	-	-	-	-	570,000	-	-	-	-	-	-
Other purposes	9,370	265,160	5,432	2,000	1,103,603	20,137	1,416,974	4,364	1,228	77,026	335,620
Total fund balances	<u>9,370</u>	<u>265,160</u>	<u>5,432</u>	<u>2,000</u>	<u>1,688,692</u>	<u>20,137</u>	<u>1,416,974</u>	<u>4,364</u>	<u>1,228</u>	<u>77,026</u>	<u>335,620</u>
Total liabilities and fund balances	<u>\$ 61,684</u>	<u>\$ 265,160</u>	<u>\$ 5,432</u>	<u>\$ 2,000</u>	<u>\$ 1,896,486</u>	<u>\$ 20,137</u>	<u>\$ 1,416,974</u>	<u>\$ 4,364</u>	<u>\$ 191,819</u>	<u>\$ 77,026</u>	<u>\$ 347,469</u>

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2024

	Home Program	HOME American Rescue Plan	Street Maintenance	TIRZ #2	Parks Donations	Teen Court Program	Court Technology	Court Security	Juvenile Case Manager	Central Texas State Veterans Cemetery
ASSETS										
Cash and equity in pooled cash and investments	\$ 30,029	\$ -	\$ 11,755,741	\$ 3,234,953	\$ 100,581	\$ 1,407	\$ 192,438	\$ 240,535	\$ 421,349	\$ -
Receivables (net of allowances for uncollectibles):										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	1,278,817	-	-	-	-	-	-	-
Intergovernmental receivable	-	10,092	-	130,212	-	-	-	-	-	324,105
Inventories	-	-	-	-	-	-	-	-	-	-
Total assets	<u>30,029</u>	<u>10,092</u>	<u>13,034,558</u>	<u>3,365,165</u>	<u>100,581</u>	<u>1,407</u>	<u>192,438</u>	<u>240,535</u>	<u>421,349</u>	<u>324,105</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	1,000	-	226,952	11,022	1,427	88	-	-	81	2,217
Due to other funds	-	9,479	-	-	-	-	-	-	-	291,186
Accrued salaries payable	1,016	610	-	-	-	-	-	1,758	1,294	30,702
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>2,016</u>	<u>10,089</u>	<u>226,952</u>	<u>11,022</u>	<u>1,427</u>	<u>88</u>	<u>-</u>	<u>1,758</u>	<u>1,375</u>	<u>324,105</u>
Fund Balances:										
Nonspendable:										
Inventories	-	-	-	-	-	-	-	-	-	-
Restricted for:										
Debt service	-	-	850,000	-	-	-	-	-	-	-
Other purposes	28,013	3	11,957,606	3,354,143	99,154	1,319	192,438	238,777	419,974	-
Total fund balances	<u>28,013</u>	<u>3</u>	<u>12,807,606</u>	<u>3,354,143</u>	<u>99,154</u>	<u>1,319</u>	<u>192,438</u>	<u>238,777</u>	<u>419,974</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 30,029</u>	<u>\$ 10,092</u>	<u>\$ 13,034,558</u>	<u>\$ 3,365,165</u>	<u>\$ 100,581</u>	<u>\$ 1,407</u>	<u>\$ 192,438</u>	<u>\$ 240,535</u>	<u>\$ 421,349</u>	<u>\$ 324,105</u>

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2024

ASSETS	Jury Fee	Fire Department Donations	Animal Control Donations	Child Safety	Police Department Donations	Killeen Public Facility Corp	Park Development Benefit Fund	Opioid Settlement Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
Cash and equity in pooled cash and investments	\$ 5,928	\$ 9,204	\$ 150,660	\$ 548,155	\$ 381,416	\$ 7,046	\$ 10,800	\$ 114,475	\$ 20,972,741
Receivables (net of allowances for uncollectibles):									
Taxes	-	-	-	-	-	-	-	-	207,575
Accounts	-	-	2	-	-	-	-	-	1,324,184
Intergovernmental receivable	-	-	-	-	-	-	-	-	716,907
Inventories	-	-	-	-	-	-	-	-	15,089
Total assets	<u>\$ 5,928</u>	<u>\$ 9,204</u>	<u>\$ 150,662</u>	<u>\$ 548,155</u>	<u>\$ 381,416</u>	<u>\$ 7,046</u>	<u>\$ 10,800</u>	<u>\$ 114,475</u>	<u>\$ 23,236,496</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	-	-	3,120	54,991	1,517	-	-	11,700	555,553
Due to other funds	-	-	-	-	-	58	-	-	427,068
Accrued salaries payable	-	-	-	-	-	-	-	-	69,620
Unearned revenue	-	-	-	-	-	-	-	-	60,525
Total liabilities	<u>-</u>	<u>-</u>	<u>3,120</u>	<u>54,991</u>	<u>1,517</u>	<u>58</u>	<u>-</u>	<u>11,700</u>	<u>1,112,766</u>
Fund Balances:									
Nonspendable:									
Inventories	-	-	-	-	-	-	-	-	15,089
Restricted for:									
Debt service	-	-	-	-	-	-	-	-	1,420,000
Other purposes	5,928	9,204	147,542	493,164	379,899	6,988	10,800	102,775	20,688,641
Total fund balances	<u>5,928</u>	<u>9,204</u>	<u>147,542</u>	<u>493,164</u>	<u>379,899</u>	<u>6,988</u>	<u>10,800</u>	<u>102,775</u>	<u>22,123,730</u>
Total liabilities and fund balances	<u>\$ 5,928</u>	<u>\$ 9,204</u>	<u>\$ 150,662</u>	<u>\$ 548,155</u>	<u>\$ 381,416</u>	<u>\$ 7,046</u>	<u>\$ 10,800</u>	<u>\$ 114,475</u>	<u>\$ 23,236,496</u>

City of Killeen, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2024

	Law Enforcement		Federal Seizure	Emergency Management	Hotel Occupancy Tax	Special Events Center	Cable System Improvements	Library Memorial	Community Development	Senior Citizen Assistance	Development Services Special Revenue
	Grant	State Seizure									
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,988,994	\$ -	\$ 174,725	\$ -	\$ -	\$ -	\$ -
Intergovernmental	265,769	125,030	-	-	142,080	-	-	-	1,427,309	-	-
Charges for services	-	-	-	-	846,200	-	-	-	-	-	126,686
Fines	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	42	14,985	5,601	76	88,303	779	51,740	229	-	2,931	-
Contributions	-	-	-	-	-	-	-	876	-	2,513	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total revenues	265,811	140,015	\$ 5,601	76	3,065,577	779	226,465	1,105	1,427,309	5,444	126,686
EXPENDITURES											
Current:											
General government	-	-	-	-	-	-	10,208	-	-	-	-
Public safety	143,769	18,856	-	-	-	-	-	-	-	-	95,935
Public works	-	-	-	-	-	-	-	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-	5,985	-
Community development	-	-	-	-	2,839,403	-	-	2,690	1,427,436	-	-
Debt service:											
Principal	-	-	-	-	550,000	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	166,990	-	-	-	-	-	-
Capital outlay	-	187,159	\$ 261,695	-	125,379	-	65,602	-	-	-	-
Total expenditures	143,769	206,015	261,695	-	3,681,772	-	75,810	2,690	1,427,436	5,985	95,935
Excess (deficiency) of revenues over (under) expenditures	122,042	(66,000)	(256,094)	76	(616,195)	779	150,655	(1,585)	(127)	(541)	30,751
OTHER FINANCING SOURCES (USES)											
Sale of capital assets	3,400	10,700	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	304,869
Transfers out	(124,333)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(120,933)	10,700	-	-	-	-	-	-	-	-	304,869
Net changes in fund balances	1,109	(55,300)	\$ (256,094)	76	(616,195)	779	150,655	(1,585)	(127)	(541)	335,620
Fund balance - beginning	8,261	320,460	\$ 261,526	1,924	2,304,887	19,358	1,266,319	5,949	1,355	77,567	-
Fund balance - ending	\$ 9,370	\$ 265,160	\$ 5,432	\$ 2,000	\$ 1,688,692	\$ 20,137	\$ 1,416,974	\$ 4,364	\$ 1,228	\$ 77,026	\$ 335,620

City of Killeen, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended September 30, 2024

	Home Program	Home ARP	Street Maintenance	TIRZ #2	Parks Donations	Teen Court Program	Court Technology	Court Security	Juvenile Case Manager	Central Texas State Veterans Cemetery
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ 977,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,397,363	29,097	-	589,686	-	-	-	1,653	-	1,296,420
Charges for services	-	-	9,774,059	-	-	-	-	-	-	-
Fines	-	-	-	-	-	1,120	60,785	72,732	76,393	-
Investment earnings	-	-	678,228	162,116	4,815	129	8,089	11,675	16,459	-
Contributions	-	-	-	-	12,190	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	1,397,363	29,097	10,452,287	1,729,631	17,005	1,249	68,874	86,060	92,852	1,296,420
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	3,550	9,677	125,717	97,445	-
Public works	-	-	4,452,395	120,224	-	-	-	-	-	-
Recreation services	-	-	-	-	42,067	-	-	-	-	1,064,996
Community development	1,743,289	29,132	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	815,000	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	716,450	-	-	-	-	-	-	-
Capital outlay	-	-	1,469,500	647,786	-	-	55,615	-	-	-
Total expenditures	1,743,289	29,132	7,453,345	768,010	42,067	3,550	65,292	125,717	97,445	1,064,996
Excess (deficiency) of revenues over (under) expenditures	(345,926)	(35)	2,998,942	961,621	(25,062)	(2,301)	3,582	(39,657)	(4,593)	231,424
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(231,424)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(231,424)
Net changes in fund balances	(345,926)	(35)	2,998,942	961,621	(25,062)	(2,301)	3,582	(39,657)	(4,593)	-
Fund balance - beginning	373,939	38	9,808,664	2,392,522	124,216	3,620	188,856	278,434	424,567	-
Fund balance - ending	\$ 28,013	\$ 3	\$ 12,807,606	\$ 3,354,143	\$ 99,154	\$ 1,319	\$ 192,438	\$ 238,777	\$ 419,974	\$ -

City of Killeen, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended September 30, 2024

	Jury Fee	Fire Department Donations	Animal Control Donations	Child Safety	Police Department Donations	Killeen Public Facility Corp	Park Development Benefit Fund	Opioid Settlement Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,141,548
Intergovernmental	-	1,867	-	172,866	37,459	-	-	32,713	5,519,312
Charges for services	-	-	-	-	5,001	-	-	-	10,751,946
Fines	1,429	-	-	42,169	-	-	-	-	254,628
Investment earnings	200	305	7,941	21,801	13,954	-	-	-	1,090,398
Contributions	-	3,000	53,570	-	59,275	-	-	-	131,424
Miscellaneous	-	-	-	-	-	2,178	-	-	2,178
Total revenues	1,629	5,172	61,511	236,836	115,689	2,178	-	32,713	20,891,434
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	10,208
Public safety	-	-	100,430	184,910	42,515	-	-	-	822,804
Public works	-	-	-	-	-	-	-	-	4,572,619
Recreation services	-	-	-	-	-	-	-	-	1,113,048
Community development	-	-	-	-	-	-	-	98,090	6,140,040
Debt service:									
Principal	-	-	-	-	-	-	-	-	1,365,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	883,440
Capital outlay	-	-	-	1,400	-	-	-	-	2,814,136
Total expenditures	-	-	100,430	186,310	42,515	-	-	98,090	17,721,295
Excess (deficiency) of revenues over (under) expenditures	1,629	5,172	(38,919)	50,526	73,174	2,178	-	(65,377)	3,170,139
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	-	-	-	-	457	-	-	-	14,557
Transfers in	-	-	-	-	-	-	-	-	304,869
Transfers out	-	-	-	-	-	-	-	-	(355,757)
Total other financing sources (uses)	-	-	-	-	457	-	-	-	(36,331)
Net changes in fund balances	1,629	5,172	(38,919)	50,526	73,631	2,178	-	(65,377)	3,133,808
Fund balance - beginning	4,299	4,032	186,461	442,638	306,268	4,810	10,800	168,152	18,989,922
Fund balance - ending	\$ 5,928	\$ 9,204	\$ 147,542	\$ 493,164	\$ 379,899	\$ 6,988	\$ 10,800	\$ 102,775	\$ 22,123,730

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

2022 C.O. Bonds: This fund accounts for expenditures of funds to be used for paying contractual obligations to be incurred by the City for constructing, reconstructing, improving, repairing, and/or upgrading streets and roads, payments of any related sidewalk and lighting necessary to be in compliance with the Americans with Disabilities Act.

2011 C.O. Bonds: This fund accounts for expenditures of funds to be used for street improvements.

2014 C.O. Bonds: This fund accounts for expenditures of funds to be used for the constructing, improving, and repairing of City fire facilities and community service facilities, as well as completing various streets projects.

Golf Capital Projects: This fund accounts for capital improvements to the golf course.

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2024

	2022 C.O. Bonds	2011 C.O. Bonds	2014 C.O. Bonds	Golf Capital Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS					
Cash and equity in pooled cash and investments	\$ 21,007,291	\$ -	\$ -	\$ 1,286	\$ 21,008,577
Total assets	21,007,291	-	-	1,286	21,008,577
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	257,919	-	-	1,286	259,205
Total liabilities	257,919	-	-	1,286	259,205
Fund balances:					
Restricted for:					
Capital projects	20,749,372	-	-	-	20,749,372
Total fund balances	20,749,372	-	-	-	20,749,372
Total liabilities and fund balances	\$ 21,007,291	\$ -	\$ -	\$ 1,286	\$ 21,008,577

City of Killeen, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2024

	2022 C.O. Bonds	2011 C.O. Bonds	2014 C.O. Bonds	Golf Capital Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
REVENUES					
Investment earnings	\$ 1,195,573	\$ -	\$ -	\$ 36	\$ 1,195,609
Total revenues	<u>1,195,573</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>1,195,609</u>
EXPENDITURES					
Public Works	276	-	-	-	276
Capital Outlay	<u>2,475,447</u>	<u>-</u>	<u>-</u>	<u>1,286</u>	<u>2,476,733</u>
Total expenditures	<u>2,475,723</u>	<u>-</u>	<u>-</u>	<u>1,286</u>	<u>2,477,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,280,150)</u>	<u>-</u>	<u>-</u>	<u>(1,250)</u>	<u>(1,281,400)</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(1,217,732)	(56,174)	-	(1,273,906)
Total other financing sources (uses)	<u>-</u>	<u>(1,217,732)</u>	<u>(56,174)</u>	<u>-</u>	<u>(1,273,906)</u>
Net change in fund balances	(1,280,150)	(1,217,732)	(56,174)	(1,250)	(2,555,306)
Fund balance - beginning	<u>22,029,522</u>	<u>1,217,732</u>	<u>56,174</u>	<u>1,250</u>	<u>23,304,678</u>
Fund balance - ending	<u>\$ 20,749,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,749,372</u>

City of Killeen, Texas

Internal Service Funds

Internal Service Funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Fleet Services Fund: This fund accounts for the government's transportation fleet including preventive maintenance and repairs.

Health Insurance Fund: This fund accounts for the self-funded health insurance coverage for all City employees.

Risk Management Fund: This fund accounts for the liability insurance of the City and provides a loss prevention program to mitigate risk.

Information Technology Fund: This fund accounts for the management of the City's hardware, software, and telecommunications equipment and services.

City of Killeen, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Fleet Services	Health Insurance	Risk Management	Information Technology	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and equity in pooled cash and investments	\$ 202,054	5,363,260	\$ 278,951	\$ 1,951,876	\$ 7,796,141
Accounts receivable	5,446	5,773	-	-	11,219
Inventories	329,526	-	-	-	329,526
Total current assets	<u>537,026</u>	<u>5,369,033</u>	<u>278,951</u>	<u>1,951,876</u>	<u>8,136,886</u>
Noncurrent assets:					
Property and equipment:					
Furniture and equipment	67,916	-	-	5,661,087	5,729,003
Vehicles	4,276,727	-	-	-	4,276,727
Less accumulated depreciation	<u>(4,118,743)</u>	<u>-</u>	<u>-</u>	<u>(2,220,970)</u>	<u>(6,339,713)</u>
Net property and equipment	225,900	-	-	3,440,117	3,666,017
Total assets	<u>762,926</u>	<u>5,369,033</u>	<u>278,951</u>	<u>5,391,993</u>	<u>11,802,903</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	293,150	-	36,985	358,078	688,213
Deferred outflows - OPEB	35,547	-	9,859	46,323	91,729
Total deferred outflows of resources	<u>328,697</u>	<u>-</u>	<u>46,844</u>	<u>404,401</u>	<u>779,942</u>
LIABILITIES					
Current liabilities:					
Accounts payable	21,649	6,419	3,478	20,265	51,811
Accrued salaries payable	40,482	-	4,227	51,155	95,864
Unearned revenue	5,446	-	-	46,639	52,085
Compensated absences	17,753	-	741	20,109	38,603
Lease Payable	1,062	-	-	1,020,528	1,021,590
Total current liabilities	<u>86,392</u>	<u>6,419</u>	<u>8,446</u>	<u>1,158,696</u>	<u>1,259,953</u>
Noncurrent liabilities:					
Compensated absences	159,782	-	6,674	180,979	347,435
Net pension liability	759,797	-	95,858	928,082	1,783,737
Lease Payable	1,423	-	-	1,363,797	1,365,220
Total OPEB liability	252,242	-	69,980	328,709	650,931
Total noncurrent liabilities	<u>1,173,244</u>	<u>-</u>	<u>172,512</u>	<u>2,801,567</u>	<u>4,147,323</u>
Total liabilities	<u>1,259,636</u>	<u>6,419</u>	<u>180,958</u>	<u>3,960,263</u>	<u>5,407,276</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - pension	16,072	-	2,028	19,632	37,732
Deferred Inflows - OPEB	89,713	-	25,328	117,149	232,190
Total deferred inflows of resources	<u>105,785</u>	<u>-</u>	<u>27,356</u>	<u>136,781</u>	<u>269,922</u>
NET POSITION					
Net investment in capital assets	223,415	-	-	1,055,792	1,279,207
Unrestricted	<u>(497,213)</u>	<u>5,362,614</u>	<u>117,481</u>	<u>643,558</u>	<u>5,626,440</u>
Total net position	<u>(273,798)</u>	<u>5,362,614</u>	<u>117,481</u>	<u>1,699,350</u>	<u>6,905,647</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,091,623</u>	<u>5,369,033</u>	<u>\$ 325,795</u>	<u>\$ 5,796,394</u>	<u>\$ 12,582,845</u>

City of Killeen, Texas
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2024

	Fleet Services	Health Insurance	Risk Management	Information Technology	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 1,971,623	\$ 7,921,898	\$ 1,681,480	\$ 5,644,265	\$ 17,219,266
Miscellaneous	6,280	-	259	5,377	11,916
Total operating revenues	<u>1,977,903</u>	<u>7,921,898</u>	<u>1,681,739</u>	<u>5,649,642</u>	<u>17,231,182</u>
OPERATING EXPENSES					
Salaries and employee benefits	1,715,663	-	257,759	2,227,139	4,200,561
Repairs and maintenance	61,527	15,639	219	886,774	964,159
Supplies	39,651	8,347	43,239	40,720	131,957
Miscellaneous services and charges	92,954	6,805,711	1,369,211	989,569	9,257,445
Refuse disposal costs	9,410	-	-	-	9,410
Depreciation	38,166	-	-	1,567,373	1,605,539
Total operating expenses	<u>1,957,371</u>	<u>6,829,697</u>	<u>1,670,428</u>	<u>5,711,575</u>	<u>16,169,071</u>
Operating income (loss)	<u>20,532</u>	<u>1,092,201</u>	<u>11,311</u>	<u>(61,933)</u>	<u>1,062,111</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	10,941	168,860	2,215	45,746	227,762
Total nonoperating revenues	<u>10,941</u>	<u>168,860</u>	<u>2,215</u>	<u>45,746</u>	<u>227,762</u>
Income (loss) before transfers	<u>31,473</u>	<u>1,261,061</u>	<u>13,526</u>	<u>(16,187)</u>	<u>1,289,873</u>
TRANSFERS					
Transfers in	-	-	-	944,282	944,282
Transfers out	(148,540)	-	-	-	(148,540)
Total transfers	<u>(148,540)</u>	<u>-</u>	<u>-</u>	<u>944,282</u>	<u>795,742</u>
Change in net position	(117,067)	1,261,061	13,526	928,095	2,085,615
Net position - beginning	(156,731)	4,101,553	103,955	771,255	4,820,032
Net position - ending	<u>\$ (273,798)</u>	<u>\$ 5,362,614</u>	<u>\$ 117,481</u>	<u>\$ 1,699,350</u>	<u>\$ 6,905,647</u>

City of Killeen, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2024

	Fleet Services	Health Insurance	Risk Management	Information Technology	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 6,280	\$ 1,117	\$ 259	\$ 5,377	\$ 13,033
Payments to suppliers	(199,396)	(6,823,278)	(1,412,190)	(102,563)	(8,537,427)
Payments to employees	(1,609,293)	(10,556)	(253,856)	(2,160,851)	(4,034,556)
Payments for interfund services used	1,971,623	7,921,898	1,681,480	5,644,265	17,219,266
Net cash provided (used) by operating activities	<u>169,214</u>	<u>1,089,181</u>	<u>15,693</u>	<u>3,386,228</u>	<u>4,660,316</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase and construction of capital assets	-	-	-	(3,736,298)	(3,736,298)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,736,298)</u>	<u>(3,736,298)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	10,941	168,860	2,215	45,746	227,762
Net cash provided by investing activities	<u>10,941</u>	<u>168,860</u>	<u>2,215</u>	<u>45,746</u>	<u>227,762</u>
Net increase (decrease) in cash and cash equivalents	31,615	1,258,041	17,908	639,958	1,947,523
Cash and cash equivalents, beginning of year	170,439	4,105,219	261,043	1,311,918	5,848,619
Cash and cash equivalents, end of year	<u>202,054</u>	<u>5,363,260</u>	<u>278,951</u>	<u>1,951,876</u>	<u>7,796,142</u>
Cash and cash equivalents	202,054	5,363,260	278,951	1,951,876	7,796,141
Total	<u>202,054</u>	<u>5,363,260</u>	<u>278,951</u>	<u>1,951,876</u>	<u>7,796,141</u>

Exhibit C-9 (Continued)

City of Killeen, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2024

	Fleet Services	Health Insurance	Risk Management	Information Technology	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	20,532	1,092,201	11,311	(61,933)	1,062,111
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	38,166	-	-	1,567,373	1,605,539
Changes in assets and liabilities:					
Decrease (increase) in receivables	(3,446)	1,117	-	-	(2,329)
Decrease (increase) in inventories	(696)	-	-	-	(696)
Decrease (increase) in deferred outflows - pensions	383,142	-	43,657	523,373	950,172
Decrease (increase) in deferred outflows - OPEB	(1,945)	(10,556)	1,441	608	(10,452)
Increase (decrease) in payables	4,842	6,419	479	1,814,500	1,826,240
Increase (decrease) in accrued salaries payable	11,596	-	(286)	12,460	23,770
Increase (decrease) in compensated absences	58,822	-	(3,037)	69,055	124,840
Increase (decrease) in unearned revenue	3,446	-	-	-	3,446
Increase (decrease) in net pension liability	(214,387)	-	(20,305)	(341,627)	(576,319)
Increase (decrease) in OPEB liability	49,408	-	637	57,074	107,119
Increase (decrease) in deferred inflows - pensions	(209,005)	-	(24,811)	(273,724)	(507,540)
Increase (decrease) in deferred inflows - OPEB	28,739	-	6,607	19,069	54,415
Total adjustments	148,682	(3,020)	4,382	3,448,161	3,598,205
Net cash provided (used) by operating activities	<u>\$ 169,214</u>	<u>\$ 1,089,181</u>	<u>\$ 15,693</u>	<u>\$ 3,386,228</u>	<u>\$ 4,660,316</u>

City of Killeen, Texas
Law Enforcement Grant Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 265,769	\$ 263,103	\$ 355,160	\$ (89,391)
Investment earnings	42	-	-	42
Total revenues	<u>265,811</u>	<u>263,103</u>	<u>355,160</u>	<u>(89,349)</u>
EXPENDITURES				
Current:				
Public safety	143,769	263,103	290,632	146,863
Total expenditures	<u>143,769</u>	<u>263,103</u>	<u>290,632</u>	<u>146,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>122,042</u>	<u>-</u>	<u>64,528</u>	<u>57,514</u>
OTHER FINANCING SOURCES (USES)				
Sale of Assets	3,400	-	-	3,400
Transfer out	<u>(124,333)</u>	<u>-</u>	<u>(124,333)</u>	<u>-</u>
Total other financing sources (uses)	<u>(120,933)</u>	<u>-</u>	<u>(124,333)</u>	<u>3,400</u>
Net change in fund balance	1,109	\$ -	\$ (59,805)	\$ 60,914
Fund balance - beginning	<u>8,261</u>			
Fund balance - ending	<u>\$ 9,370</u>			

Exhibit C-11

City of Killeen, Texas
State Seizure Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 125,030	\$ -	\$ 58,304	\$ 66,726
Investment earnings	14,985	4,278	4,278	10,707
Total revenues	<u>140,015</u>	<u>4,278</u>	<u>62,582</u>	<u>77,433</u>
EXPENDITURES				
Current:				
Public safety	18,856	200,000	145,833	126,977
Capital outlay	187,159	-	233,189	46,030
Total expenditures	<u>206,015</u>	<u>200,000</u>	<u>379,022</u>	<u>173,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(66,000)</u>	<u>(195,722)</u>	<u>(316,440)</u>	<u>250,440</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,700	-	-	10,700
Total other financing sources	<u>10,700</u>	<u>-</u>	<u>-</u>	<u>10,700</u>
Net change in fund balance	(55,300)	\$ <u>(195,722)</u>	\$ <u>(316,440)</u>	\$ <u>261,140</u>
Fund balance - beginning	<u>320,460</u>			
Fund balance - ending	<u>\$ 265,160</u>			

City of Killeen, Texas
Federal Seizure Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 5,601	\$ 6,892	\$ 6,892	\$ (1,291)
Total revenues	<u>5,601</u>	<u>6,892</u>	<u>6,892</u>	<u>(1,291)</u>
EXPENDITURES				
Current:				
Public safety	-	70,000	-	-
Capital outlay	<u>261,695</u>	<u>-</u>	<u>261,696</u>	<u>1</u>
Total expenditures	<u>261,695</u>	<u>70,000</u>	<u>261,696</u>	<u>1</u>
Net change in fund balance	(256,094)	<u>\$ (63,108)</u>	<u>\$ (254,804)</u>	<u>\$ (1,290)</u>
Fund balance - beginning	<u>261,526</u>			
Fund balance - ending	<u>\$ 5,432</u>			

Exhibit C-13

City of Killeen, Texas
Emergency Management Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 76	\$ 41	\$ 41	\$ 35
Total revenues	<u>76</u>	<u>41</u>	<u>41</u>	<u>35</u>
Net change in fund balance	76	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 35</u>
Fund balance - beginning	<u>1,924</u>			
Fund balance - ending	<u>\$ 2,000</u>			

City of Killeen, Texas
Hotel Occupancy Tax Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 1,988,994	\$ 3,103,993	\$ 3,103,993	\$ (1,114,999)
Intergovernmental	142,080	-	159,762	(17,682)
Charges for services	846,200	824,800	867,800	(21,600)
Investment earnings	88,303	32,298	32,298	56,005
Miscellaneous	-	500	500	(500)
Total revenues	<u>3,065,577</u>	<u>3,961,591</u>	<u>4,164,353</u>	<u>(1,098,776)</u>
EXPENDITURES				
Current:				
Community development	2,839,403	3,126,237	3,578,747	739,344
Debt service:				
Principal	550,000	550,000	550,000	-
Interest and fiscal charges	166,990	168,500	168,500	1,510
Capital outlay	125,379	500,000	382,568	257,189
Total expenditures	<u>3,681,772</u>	<u>4,344,737</u>	<u>4,679,815</u>	<u>998,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(616,195)</u>	<u>(383,146)</u>	<u>(515,462)</u>	<u>(100,733)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	50	50	(50)
Total other financing sources	<u>-</u>	<u>50</u>	<u>50</u>	<u>(50)</u>
Net change in fund balance	(616,195)	\$ (383,096)	\$ (515,412)	\$ (100,783)
Fund balance - beginning	<u>2,304,887</u>			
Fund balance - ending	<u>\$ 1,688,692</u>			

Exhibit C-15

City of Killeen, Texas
Special Events Center Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 779	\$ 414	\$ 414	\$ 365
Total revenues	<u>779</u>	<u>414</u>	<u>414</u>	<u>365</u>
Net change in fund balance	779	\$ 414	\$ 414	\$ 365
Fund balance - beginning	<u>19,358</u>			
Fund balance - ending	<u>\$ 20,137</u>			

City of Killeen, Texas
Cable System Improvements Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 174,725	\$ 208,000	\$ 208,000	\$ (33,275)
Investment earnings	51,740	26,557	26,557	25,183
Total revenues	<u>226,465</u>	<u>234,557</u>	<u>234,557</u>	<u>(8,092)</u>
EXPENDITURES				
Current:				
General government	10,208	50,000	43,665	33,457
Capital outlay	65,602	100,200	142,337	76,735
Total expenditures	<u>75,810</u>	<u>150,200</u>	<u>186,002</u>	<u>110,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>150,655</u>	<u>84,357</u>	<u>48,555</u>	<u>102,100</u>
Net change in fund balance	150,655	<u>\$ 84,357</u>	<u>\$ 48,555</u>	<u>\$ 102,100</u>
Fund balance - beginning	<u>1,266,319</u>			
Fund balance - ending	<u>\$ 1,416,974</u>			

Exhibit C-17

City of Killeen, Texas
Library Memorial Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 229	\$ 209	\$ 209	\$ 20
Contributions	876	65	65	811
Total revenues	<u>1,105</u>	<u>274</u>	<u>274</u>	<u>831</u>
EXPENDITURES				
Current:				
Community Development	2,690	5,560	5,560	2,870
Total expenditures	<u>2,690</u>	<u>5,560</u>	<u>5,560</u>	<u>2,870</u>
Net change in fund balance	(1,585)	<u>\$ (5,286)</u>	<u>\$ (5,286)</u>	<u>\$ 3,702</u>
Fund balance - beginning	<u>5,949</u>			
Fund balance - ending	<u>\$ 4,364</u>			

City of Killeen, Texas
Community Development Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 1,427,309	\$ 1,676,240	\$ 2,463,599	\$ (1,036,290)
Total revenues	<u>1,427,309</u>	<u>1,676,240</u>	<u>2,463,599</u>	<u>(1,036,290)</u>
EXPENDITURES				
Current:				
Community development	1,427,436	1,676,240	2,463,599	1,036,163
Total expenditures	<u>1,427,436</u>	<u>1,676,240</u>	<u>2,463,599</u>	<u>1,036,163</u>
Net change in fund balance	(127)	\$ -	\$ -	\$ 127
Fund balance - beginning	1,355			
Fund balance - ending	<u>\$ 1,228</u>			

Exhibit C-19

City of Killeen, Texas
Senior Citizen Assistance Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 2,931	\$ 1,649	\$ 1,649	\$ 1,282
Contributions	2,513	11,000	11,000	(8,487)
Total revenues	<u>5,444</u>	<u>12,649</u>	<u>12,649</u>	<u>(7,205)</u>
EXPENDITURES				
Current:				
Recreation services	5,985	83,750	83,750	77,765
Total expenditures	<u>5,985</u>	<u>83,750</u>	<u>83,750</u>	<u>77,765</u>
Net change in fund balance	(541)	\$ (71,101)	\$ (71,101)	\$ 70,560
Fund balance - beginning	<u>77,567</u>			
Fund balance - ending	<u>\$ 77,026</u>			

City of Killeen, Texas
Development Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Licenses and Permits	\$ 118,886	\$ -	\$ 135,414	\$ (16,528)
Charges for services	7,800	-	-	7,800
Total revenues	<u>126,686</u>	<u>-</u>	<u>135,414</u>	<u>(8,728)</u>
EXPENDITURES				
Current:				
Public Safety	95,935	-	381,918	285,983
Total expenditures	<u>95,935</u>	<u>500,000</u>	<u>381,918</u>	<u>285,983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,751</u>	<u>(500,000)</u>	<u>(246,504)</u>	<u>277,255</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	304,869	-	304,869	-
Total other financing sources	<u>304,869</u>	<u>-</u>	<u>304,869</u>	<u>-</u>
Net change in fund balance	335,620	<u>\$ (500,000)</u>	<u>\$ 58,365</u>	<u>\$ 277,255</u>
Fund balance - beginning	-			
Fund balance - ending	<u>\$ 335,620</u>			

Exhibit C-21

City of Killeen, Texas
CDBG Home Program Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 1,397,363	\$ 3,158,646	\$ 3,158,646	\$ (1,761,283)
Total revenues	<u>1,397,363</u>	<u>3,158,646</u>	<u>3,158,646</u>	<u>(1,761,284)</u>
EXPENDITURES				
Current:				
Community development	1,743,289	3,158,646	3,158,646	1,415,357
Total expenditures	<u>1,743,289</u>	<u>3,158,646</u>	<u>3,158,646</u>	<u>1,415,357</u>
Net change in fund balance	(345,926)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (345,926)</u>
Fund balance - beginning	<u>373,939</u>			
Fund balance - ending	<u>\$ 28,013</u>			

City of Killeen, Texas
HOME American Rescue Plan Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental Revenues	\$ 29,097	1,667,607	\$ 1,689,419	\$ (1,660,322)
Total revenues	<u>29,097</u>	<u>1,667,607</u>	<u>1,689,419</u>	<u>(1,660,322)</u>
EXPENDITURES				
Current:				
Community Development	29,132	1,667,607	1,689,419	1,660,287
Total expenditures	<u>29,132</u>	<u>1,667,607</u>	<u>1,689,419</u>	<u>1,660,287</u>
Net change in fund balance	(35)	\$ -	\$ -	\$ (35)
Fund balance - beginning	38			
Fund balance - ending	<u>\$ 3</u>			

Exhibit C-23

City of Killeen, Texas
Street Maintenance Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Charges for services	\$ 9,774,059	\$ 9,844,080	\$ 9,844,080	\$ (70,021)
Investment earnings	678,228	52,658	52,658	625,570
Total revenues	<u>10,452,287</u>	<u>9,896,738</u>	<u>9,896,738</u>	<u>555,548</u>
EXPENDITURES				
Current:				
Public works	4,452,395	4,600,000	4,600,000	147,605
Debt service:				
Principal	815,000	815,000	815,000	-
Interest and fiscal charges	716,450	718,450	718,450	2,000
Capital Outlay	<u>1,469,500</u>	<u>-</u>	<u>4,664,153</u>	<u>3,194,653</u>
Total expenditures	<u>7,453,345</u>	<u>6,133,450</u>	<u>10,797,603</u>	<u>3,344,258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,998,942</u>	<u>3,763,288</u>	<u>(900,865)</u>	<u>3,899,806</u>
Net change in fund balance	2,998,942	<u>\$ 3,763,288</u>	<u>\$ (900,865)</u>	<u>\$ 3,899,807</u>
Fund balance - beginning	9,808,664			
Fund balance - ending	<u>\$ 12,807,606</u>			

City of Killeen, Texas
TIRZ #2 Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 977,829	\$ 811,287	\$ 811,287	\$ 166,542
Intergovernmental	589,686	488,627	488,627	101,059
Investment earnings	162,116	42,857	42,857	119,259
Total revenues	<u>1,729,631</u>	<u>1,342,771</u>	<u>1,342,771</u>	<u>386,860</u>
EXPENDITURES				
Public Works	120,224	100,000	120,225	1
Capital Outlay	647,786	2,300,000	3,298,754	2,650,968
Total expenditures	<u>768,010</u>	<u>2,400,000</u>	<u>3,418,979</u>	<u>2,650,969</u>
Net change in fund balance	961,621	<u>\$ (1,057,229)</u>	<u>\$ (2,076,208)</u>	<u>\$ 3,037,829</u>
Fund balance - beginning	<u>2,392,522</u>			
Fund balance - ending	<u>\$ 3,354,143</u>			

Exhibit C-25

City of Killeen, Texas
Parks Donations Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 4,815	\$ 2,589	\$ 2,589	\$ 2,226
Contributions	12,190	36,000	36,000	(23,810)
Total revenues	<u>17,005</u>	<u>38,589</u>	<u>38,589</u>	<u>(21,584)</u>
EXPENDITURES				
Current:				
Recreation services	42,067	145,040	145,040	102,973
Total expenditures	<u>42,067</u>	<u>145,040</u>	<u>145,040</u>	<u>102,973</u>
Net change in fund balance	(25,062)	<u>\$ (106,451)</u>	<u>\$ (106,451)</u>	<u>\$ 81,389</u>
Fund balance - beginning	124,216			
Fund balance - ending	<u>\$ 99,154</u>			

City of Killeen, Texas
Teen Court Program Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 1,120	\$ 800	\$ 800	\$ 320
Investment earnings	129	129	129	-
Total revenues	<u>1,249</u>	<u>929</u>	<u>929</u>	<u>320</u>
EXPENDITURES				
Current:				
Public safety	3,550	3,709	3,709	159
Total expenditures	<u>3,550</u>	<u>3,709</u>	<u>3,709</u>	<u>159</u>
Net change in fund balance	(2,301)	<u><u>\$ (2,780)</u></u>	<u><u>\$ (2,780)</u></u>	<u><u>\$ 479</u></u>
Fund balance - beginning	<u>3,620</u>			
Fund balance - ending	<u><u>\$ 1,319</u></u>			

Exhibit C-27

City of Killeen, Texas
Court Technology Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 60,785	\$ 60,000	\$ 60,000	\$ 785
Investment earnings	8,089	2,787	2,787	5,302
Total revenues	<u>68,874</u>	<u>62,787</u>	<u>62,787</u>	<u>6,087</u>
EXPENDITURES				
Current:				
Public safety	9,677	8,735	12,329	2,652
Capital Outlay	55,615	64,620	64,620	9,005
Total expenditures	<u>65,292</u>	<u>73,355</u>	<u>76,949</u>	<u>11,657</u>
Net change in fund balance	3,582	<u>\$ (10,568)</u>	<u>\$ (14,162)</u>	<u>\$ 17,744</u>
Fund balance - beginning	188,856			
Fund balance - ending	<u>\$ 192,438</u>			

City of Killeen, Texas
Court Security Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 1,653	\$ 700	\$ 700	\$ 953
Fines	72,732	72,000	72,000	732
Investment earnings	11,675	4,465	4,465	7,210
Total revenues	<u>86,060</u>	<u>77,165</u>	<u>77,165</u>	<u>8,895</u>
EXPENDITURES				
Current:				
Public safety	125,717	144,347	144,347	18,630
Total expenditures	<u>125,717</u>	<u>144,347</u>	<u>144,347</u>	<u>18,630</u>
Net change in fund balance	(39,657)	<u>\$ (67,182)</u>	<u>\$ (67,182)</u>	<u>\$ 27,525</u>
Fund balance - beginning	<u>278,434</u>			
Fund balance - ending	<u>\$ 238,777</u>			

Exhibit C-29

City of Killeen, Texas
Juvenile Case Manager Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 76,393	\$ 74,750	\$ 74,750	\$ 1,643
Investment earnings	16,459	10,428	10,428	6,031
Total revenues	<u>92,852</u>	<u>85,178</u>	<u>85,178</u>	<u>7,674</u>
EXPENDITURES				
Current:				
Public safety	97,445	119,336	119,336	21,891
Total expenditures	<u>97,445</u>	<u>119,336</u>	<u>119,336</u>	<u>21,891</u>
Net change in fund balance	(4,593)	<u>\$ (34,158)</u>	<u>\$ (34,158)</u>	<u>\$ 29,565</u>
Fund balance - beginning	<u>424,567</u>			
Fund balance - ending	<u>\$ 419,974</u>			

City of Killeen, Texas
Central Texas State Veterans Cemetery Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	1,296,420	-	1,296,420	-
Total revenues	<u>1,296,420</u>	<u>-</u>	<u>1,296,420</u>	<u>-</u>
EXPENDITURES				
Current:				
Recreation services	1,064,996	-	1,178,354	113,358
Total expenditures	<u>1,064,996</u>	<u>-</u>	<u>1,178,354</u>	<u>113,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>231,424</u>	<u>-</u>	<u>118,066</u>	<u>113,358</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(231,424)	-	(118,066)	(113,358)
Total other financing sources	<u>(231,424)</u>	<u>-</u>	<u>(118,066)</u>	<u>(113,358)</u>
Net change in fund balance	-	\$ -	\$ -	\$ -
Fund balance - beginning	-			
Fund balance - ending	<u>\$ -</u>			

Exhibit C-31

City of Killeen, Texas
Jury Fee Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 1,429	\$ 1,300	\$ 1,300	\$ 129
Investment earnings	200	51	51	149
Total revenues	<u>1,629</u>	<u>1,351</u>	<u>1,351</u>	<u>279</u>
EXPENDITURES				
Public safety	-	432	432	432
Total expenditures	-	<u>432</u>	<u>432</u>	<u>432</u>
Net change in fund balance	1,629	<u>\$ 919</u>	<u>\$ 919</u>	<u>\$ 711</u>
Fund balance - beginning	<u>4,299</u>			
Fund balance - ending	<u>\$ 5,928</u>			

City of Killeen, Texas
Fire Department Donation Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 1,867	\$ 725	\$ 725	\$ 1,142
Investment earnings	305	100	100	205
Contributions	<u>3,000</u>	-	<u>3,000</u>	-
Total revenues	<u>5,172</u>	<u>825</u>	<u>3,825</u>	<u>1,347</u>
EXPENDITURES				
Current:				
Public safety	-	<u>3,325</u>	<u>6,325</u>	<u>6,325</u>
Total expenditures	-	<u>3,325</u>	<u>6,325</u>	<u>6,325</u>
Net change in fund balance	5,172	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	<u>\$ 7,672</u>
Fund balance - beginning	<u>4,032</u>			
Fund balance - ending	<u>\$ 9,204</u>			

Exhibit C-33

City of Killeen, Texas
Animal Control Donations Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 7,941	\$ 2,569	\$ 2,569	\$ 5,372
Contributions	53,570	10,000	10,000	43,570
Total revenues	<u>61,511</u>	<u>12,569</u>	<u>12,569</u>	<u>48,942</u>
EXPENDITURES				
Current:				
Public safety	100,430	10,000	126,418	25,988
Total expenditures	<u>100,430</u>	<u>10,000</u>	<u>126,418</u>	<u>25,988</u>
Net change in fund balance	(38,919)	\$ 2,569	\$ (113,849)	\$ 74,930
Fund balance - beginning	<u>186,461</u>			
Fund balance - ending	<u>\$ 147,542</u>			

City of Killeen, Texas
Child Safety Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 172,866	\$ 172,000	\$ 172,000	\$ 866
Fines	42,169	42,000	42,000	169
Investment earnings	21,801	8,079	8,079	13,722
Total revenues	<u>236,836</u>	<u>222,079</u>	<u>222,079</u>	<u>14,757</u>
EXPENDITURES				
Current:				
Public safety	184,910	138,416	189,018	4,108
Capital outlay	1,400	120,000	240,000	238,600
Total expenditures	<u>186,310</u>	<u>258,416</u>	<u>429,018</u>	<u>242,708</u>
Net change in fund balance	50,526	<u>\$ (36,337)</u>	<u>\$ (206,939)</u>	<u>\$ 257,465</u>
Fund balance - beginning	<u>442,638</u>			
Fund balance - ending	<u>\$ 493,164</u>			

Exhibit C-35

City of Killeen, Texas
Police Department Donations Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 37,459	\$ 14,500	\$ 14,500	\$ 22,959
Charges for services	5,001	4,800	4,800	201
Investment earnings	13,954	6,058	6,058	7,896
Contributions	59,275	14,120	14,120	45,155
Miscellaneous	-	500	500	(500)
Total revenues	<u>115,689</u>	<u>39,978</u>	<u>39,978</u>	<u>75,711</u>
EXPENDITURES				
Current:				
Public safety	42,515	324,415	56,151	13,636
Capital Outlay	-	-	268,264	268,264
Total expenditures	<u>42,515</u>	<u>324,415</u>	<u>324,415</u>	<u>281,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>73,174</u>	<u>(284,437)</u>	<u>(284,437)</u>	<u>357,611</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	457	1,000	1,000	(543)
Total other financing sources	<u>457</u>	<u>1,000</u>	<u>1,000</u>	<u>(543)</u>
Net change in fund balance	73,631	\$ (283,437)	\$ (283,437)	\$ 357,068
Fund balance - beginning	<u>306,268</u>			
Fund balance - ending	<u>\$ 379,899</u>			

City of Killeen, Texas
Opioid Settlement Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental Revenues	\$ 32,713	-	\$ 367,498	\$ (334,785)
Total revenues	<u>32,713</u>	<u>-</u>	<u>367,498</u>	<u>(334,785)</u>
EXPENDITURES				
Current:				
Community Development	98,090	535,650	535,650	437,560
Total expenditures	<u>98,090</u>	<u>535,650</u>	<u>535,650</u>	<u>437,560</u>
Net change in fund balance	(65,377)	<u>\$ (535,650)</u>	<u>\$ (168,152)</u>	<u>\$ 102,775</u>
Fund balance - beginning	168,152			
Fund balance - ending	<u>\$ 102,775</u>			

City of Killeen, Texas
Debt Service Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 15,208,749	\$ 14,595,132	\$ 14,595,132	\$ 613,617
Intergovernmental	2,557,993	1,591,609	1,591,609	966,384
Investment earnings	426,488	241,965	241,965	184,523
Total revenues	<u>18,193,230</u>	<u>16,428,706</u>	<u>16,428,706</u>	<u>1,764,524</u>
EXPENDITURES				
Debt service:				
Principal	12,335,000	12,335,000	12,335,000	-
Interest and fiscal charges	5,206,063	5,227,308	5,227,308	21,245
Total expenditures	<u>17,541,063</u>	<u>17,562,308</u>	<u>17,562,308</u>	<u>21,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>652,167</u>	<u>(1,133,602)</u>	<u>(1,133,602)</u>	<u>1,785,769</u>
Net change in fund balance	652,167	\$ (1,133,602)	\$ (1,133,602)	\$ 1,785,769
Fund balance - beginning	<u>4,118,497</u>			
Fund balance - ending	<u>\$ 4,770,664</u>			



CITY OF KILLEEN



STATISTICAL SECTION





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STATISTICAL SECTION

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Table I

City of Killeen, Texas
Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 55,015,444	\$ 52,004,821	\$ 48,083,942	\$ 52,468,959	\$ 58,430,100	\$ 51,521,453	\$ 60,286,215	\$ 76,080,193	\$ 99,227,305	\$ 108,048,194
Restricted for:										
Debt service	905,327	-	3,238,931	4,494,021	3,768,422	4,901,539	5,508,529	5,271,524	5,483,497	6,190,664
Capital projects	2,414,025	298,693	6,239,123	9,628,364	12,162,264	19,983,650	17,701,567	-	-	-
Other purposes	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668	7,814,105	36,423,119	17,611,742	20,688,641
Unrestricted	<u>(51,826,021)</u>	<u>(51,868,558)</u>	<u>(33,339,549)</u>	<u>(29,100,119)</u>	<u>(71,757,266)</u>	<u>(70,219,621)</u>	<u>(52,826,467)</u>	<u>(16,326,300)</u>	<u>3,629,464</u>	<u>21,350,408</u>
Total governmental activities net position	<u>\$ 9,150,321</u>	<u>\$ 3,573,854</u>	<u>\$ 27,464,806</u>	<u>\$ 41,112,525</u>	<u>\$ 8,030,969</u>	<u>\$ 14,262,689</u>	<u>\$ 38,483,949</u>	<u>\$101,448,536</u>	<u>\$ 125,952,008</u>	<u>\$ 156,277,907</u>
Business-type activities										
Net investment in capital assets	203,053,020	181,931,220	201,056,728	200,358,419	206,354,400	205,499,902	189,024,682	201,782,468	230,070,844	252,544,557
Restricted for:										
Debt service	8,436,533	5,965,000	5,115,000	5,384,661	4,984,429	3,563,179	5,235,000	-	3,472,802	3,472,534
Capital projects	-	14,588,933	3,054,410	1,796,524	2,086,726	5,487,024	27,207,226	5,405,285	19,553,259	3,644,930
Unrestricted	<u>3,450,901</u>	<u>6,274,922</u>	<u>15,788,767</u>	<u>20,591,450</u>	<u>10,104,986</u>	<u>15,854,041</u>	<u>19,951,163</u>	<u>55,669,392</u>	<u>29,196,696</u>	<u>44,205,549</u>
Total business-type activities net position	<u>\$214,940,454</u>	<u>\$208,760,075</u>	<u>\$225,014,905</u>	<u>\$228,131,054</u>	<u>\$223,530,541</u>	<u>\$230,404,146</u>	<u>\$241,418,071</u>	<u>\$262,857,145</u>	<u>\$ 282,293,601</u>	<u>\$ 303,867,570</u>
Primary government										
Net investment in capital assets	\$258,068,464	\$233,936,041	\$249,140,670	\$252,827,378	\$264,784,500	\$257,021,355	\$249,310,897	\$277,862,661	\$ 329,298,149	\$ 360,592,751
Restricted for:										
Debt service	9,341,860	5,965,000	8,353,931	9,878,682	8,752,851	8,464,718	10,743,529	5,271,524	8,956,299	9,663,198
Capital projects	2,414,025	14,887,626	9,293,533	11,424,888	14,248,990	25,470,674	44,908,793	5,405,285	19,553,259	3,644,930
Other purposes	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668	7,814,105	36,423,119	17,611,742	20,688,641
Unrestricted	<u>(48,375,120)</u>	<u>(45,593,636)</u>	<u>(17,550,782)</u>	<u>(8,508,669)</u>	<u>(61,652,280)</u>	<u>(54,365,580)</u>	<u>(32,875,304)</u>	<u>39,343,092</u>	<u>32,826,160</u>	<u>65,555,957</u>
Total primary government net position	<u>\$224,090,775</u>	<u>\$212,333,929</u>	<u>\$252,479,711</u>	<u>\$269,243,579</u>	<u>\$231,561,510</u>	<u>\$244,666,835</u>	<u>\$279,902,020</u>	<u>\$364,305,681</u>	<u>\$ 408,245,609</u>	<u>\$ 460,145,477</u>

Note: The data in this schedule is extracted from Exhibit A-1.

Table II

City of Killeen, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 19,738,067	\$ 23,881,088	\$ 7,640,003	\$ 18,532,927	\$ 24,073,260	\$ 17,550,796	\$ 17,112,283	\$ 21,753,426	\$ 21,700,867	\$ 23,529,165
Public safety	57,032,023	59,748,462	47,145,776	50,531,932	79,194,745	60,681,868	62,310,408	48,356,283	78,415,748	84,711,760
Public works	10,859,949	7,240,120	7,144,108	10,746,654	12,296,974	11,414,407	13,211,560	12,208,295	13,500,125	15,132,285
Recreation services	10,741,314	10,686,576	9,468,049	8,624,123	13,621,364	8,054,799	8,142,396	5,134,807	8,568,284	8,228,515
Community development	2,306,419	3,218,079	3,199,353	3,432,423	6,215,603	7,458,855	7,845,185	4,556,810	9,667,584	11,513,641
Fleet services	-	-	1,164,394	1,078,970	-	-	-	-	-	-
Interest on long-term debt	8,598,463	7,610,776	7,739,808	6,466,577	6,972,133	7,043,511	4,796,313	(6,837,089)	4,909,832	5,829,539
Total governmental activities expenses	109,276,235	112,385,101	83,501,491	99,413,606	142,374,079	112,204,236	113,418,145	85,172,532	136,762,440	148,944,905
Business-type activities										
Airport operations	7,439,685	8,253,375	5,827,440	6,536,318	8,799,407	7,057,126	7,376,363	6,639,454	8,577,609	8,893,689
Solid waste	13,025,124	13,579,907	11,069,243	14,513,999	18,577,778	15,650,206	16,177,897	15,131,753	19,287,082	20,987,987
Water and sewer	32,611,994	32,027,836	27,181,470	32,112,444	38,255,119	36,253,207	36,158,833	33,971,498	38,536,543	38,509,529
Golf Course	3,092,520	3,289,469	2,393,986	3,170,071	4,862,697	3,598,254	3,659,244	2,917,054	3,989,753	3,904,834
Drainage utility	-	-	-	-	-	-	-	-	-	1,668,608
Total business-type activities expenses	56,169,323	57,150,587	46,472,139	56,332,832	70,495,001	62,558,793	63,372,337	58,659,759	70,390,987	73,964,647
Total primary government expenses	\$ 165,445,558	\$ 169,535,688	\$ 129,973,630	\$ 155,746,438	\$ 212,869,080	\$ 174,763,029	\$ 176,790,482	\$ 143,832,291	\$ 207,153,427	\$ 222,909,552
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,755,430	\$ 6,610,874	\$ 1,127,516	\$ 4,629,114	\$ 5,053,902	\$ 2,742,063	\$ 3,066,258	\$ 3,842,898	\$ 3,441,264	\$ 3,827,549
Public safety	3,367,392	4,182,979	8,737,207	3,661,289	3,488,013	5,939,993	7,325,771	7,350,602	7,703,870	8,711,918
Recreation services	2,273,902	2,198,783	-	-	296,251	1,792,093	1,790,094	9,265,952	10,308,392	10,517,590
Community development	38,757	717,784	2,153,672	2,230,770	2,022,922	1,695,154	2,072,500	2,489,460	2,527,916	848,611
Community services	847,315	-	692,966	636,451	941,735	489,609	757,309	1,065,835	1,029,860	1,008,322
Fleet services	-	-	1,138,067	10,941,422	-	-	-	-	-	-
Operating grants and contributions	4,220,705	5,450,879	6,929,957	5,066,389	4,068,617	10,472,662	10,099,954	10,480,749	15,180,889	14,261,521
Capital grants and contributions	6,385,540	4,964,996	3,717,656	3,655,127	5,691,172	3,489,873	4,698,036	8,980,361	5,908,152	8,328,224
Total governmental activities program revenues	\$ 20,889,041	\$ 24,126,295	\$ 24,497,041	\$ 30,820,562	\$ 21,562,612	\$ 26,621,447	\$ 29,809,919	\$ 43,475,856	\$ 46,100,343	\$ 47,503,735
Business-type activities:										
Charges for services:										
Airport operations	\$ 4,071,067	\$ 3,669,270	\$ 3,795,116	\$ 3,644,898	\$ 4,217,009	\$ 3,238,829	\$ 3,732,340	\$ 4,034,453	\$ 3,895,173	\$ 3,870,584
Solid waste	16,074,277	17,644,259	18,293,262	18,388,088	18,948,949	19,508,164	20,486,207	21,622,087	24,875,189	26,100,841
Water and sewer	37,487,713	38,806,421	39,446,531	40,089,479	39,548,922	42,323,553	41,398,427	45,710,125	46,871,902	50,302,615
Drainage utility	3,888,581	4,008,810	4,273,222	4,157,847	4,220,607	5,161,767	5,143,993	4,996,012	5,263,104	5,267,224
Golf Course	-	-	-	-	-	-	-	-	-	1,780,405
Operating grants and contributions	-	-	-	-	-	2,495,756	406,628	305,307	-	1,108,418
Capital grants and contributions	5,096,651	846,368	6,276,903	4,403,558	7,550,014	3,673,305	12,084,885	11,235,829	15,361,489	13,400,207
Total business-type activities program revenues	66,618,289	64,975,128	72,085,034	70,683,870	74,485,501	76,401,374	83,252,480	87,903,813	96,266,857	101,830,294
Total primary government program revenues	\$ 87,507,330	\$ 89,101,423	\$ 96,582,075	\$ 101,504,432	\$ 96,048,113	\$ 103,022,821	\$ 113,062,399	\$ 131,379,669	\$ 142,367,200	\$ 149,334,029
Net (expense)/revenue:										
Governmental activities	\$ (88,387,194)	\$ (88,258,806)	\$ (59,004,450)	\$ (68,593,044)	\$ (120,811,467)	\$ (85,582,789)	\$ (83,608,226)	\$ (41,696,676)	\$ (90,662,097)	\$ (101,441,170)
Business-type activities	10,448,966	7,824,541	25,612,895	14,351,038	3,990,500	13,842,581	19,880,143	29,244,054	25,875,870	27,865,647
Total primary government net expense	\$ (77,938,228)	\$ (80,434,265)	\$ (33,391,555)	\$ (54,242,006)	\$ (116,820,967)	\$ (71,740,208)	\$ (63,728,083)	\$ (12,452,622)	\$ (64,786,227)	\$ (73,575,523)

Note: The data in this table is extracted from Exhibit A-2.

Table II

City of Killeen, Texas
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position										
Governmental activities:										
Ad valorem taxes	\$ 36,509,352	\$ 37,499,361	\$ 39,841,800	\$ 42,796,449	\$ 43,262,259	\$ 47,496,571	\$ 50,655,146	\$ 53,282,377	\$ 56,908,403	\$ 64,718,048
Mixed beverage taxes	233,159	236,722	253,215	257,411	-	-	-	-	-	-
Franchise fees	5,836,042	5,268,332	5,504,632	5,680,187	5,792,836	5,568,209	5,560,513	5,839,728	5,642,863	5,469,597
Sales and occupancy taxes	23,315,571	23,725,822	24,354,825	25,723,407	27,310,995	29,115,034	34,609,353	36,871,723	38,263,273	39,328,334
Bingo taxes	203,264	198,375	153,142	146,237	-	-	-	-	-	-
Investment income	135,958	204,862	383,558	782,209	1,300,153	1,193,008	493,231	(134,106)	4,365,364	11,766,500
Insurance proceeds	-	795,893	296,262	138,552	359,631	101,458	-	-	480,549	-
Gain on sale of capital assets	262,934	90,763	-	252,468	66,880	153,943	185,614	308,579	188,642	162,442
Lease revenue	309,270	331,441	351,917	-	-	204,814	236,543	218,786	198,490	-
Transfers	9,294,363	14,330,769	9,901,033	9,813,125	9,701,040	7,981,471	9,774,943	8,274,175	9,072,016	10,322,148
Total governmental activities	<u>76,099,913</u>	<u>82,682,340</u>	<u>81,040,384</u>	<u>85,590,045</u>	<u>87,793,794</u>	<u>91,814,508</u>	<u>101,515,344</u>	<u>104,661,262</u>	<u>115,119,600</u>	<u>131,767,069</u>
Business-type activities:										
Investment income	120,247	155,399	281,939	556,044	933,359	739,131	373,580	(44,533)	2,273,557	3,653,756
Insurance proceeds	-	43,439	16,391	82,381	28,305	34,556	-	-	158,307	-
Gain on sale of capital assets	193,875	55,511	186,638	117,013	44,559	133,757	430,704	403,110	62,600	265,375
Lease revenue	27,500	71,500	58,000	102,000	103,804	105,051	104,441	110,618	138,138	111,339
Transfers	(9,294,363)	(14,330,769)	(9,901,033)	(9,813,125)	(9,701,040)	(7,981,471)	(9,774,943)	(8,274,175)	(9,072,016)	(10,322,148)
Total business-type activities	<u>(8,952,741)</u>	<u>(14,004,920)</u>	<u>(9,358,065)</u>	<u>(8,955,687)</u>	<u>(8,591,013)</u>	<u>(6,968,976)</u>	<u>(8,866,218)</u>	<u>(7,804,980)</u>	<u>(6,439,414)</u>	<u>(6,291,678)</u>
Total primary government	<u>\$ 67,147,172</u>	<u>\$ 68,677,420</u>	<u>\$ 71,682,319</u>	<u>\$ 76,634,358</u>	<u>\$ 79,202,781</u>	<u>\$ 84,845,532</u>	<u>\$ 92,649,126</u>	<u>\$ 96,856,282</u>	<u>\$ 108,680,186</u>	<u>\$ 125,475,391</u>
Changes in net position:										
	\$									
Governmental activities	(12,287,281)	\$ (5,576,466)	\$ 22,035,934	\$ 16,997,001	\$ (33,017,673)	\$ 6,231,719	\$ 17,907,119	\$ 62,964,587	\$ 24,457,503	\$ 30,325,899
Business-type activities	1,496,225	(6,180,379)	16,254,830	5,395,351	(4,600,513)	6,873,605	11,013,925	21,439,074	19,436,456	21,573,969
Total primary government	<u>\$(10,791,056)</u>	<u>\$(11,756,845)</u>	<u>\$ 38,290,764</u>	<u>\$ 22,392,352</u>	<u>\$ (37,618,186)</u>	<u>\$ 13,105,324</u>	<u>\$ 28,921,044</u>	<u>\$ 84,403,661</u>	<u>\$ 43,893,959</u>	<u>\$ 51,899,868</u>

Note: The data in this table is extracted from Exhibit A-2.

Table III

City of Killeen, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable:										
Inventories	\$ 442,190	\$ 103,606	\$ 137,733	\$ 154,011	\$ 86,495	\$ 66,483	\$ 85,882	\$ 74,830	\$ 82,663	\$ 72,282
Prepaid assets	110,157	114,407	120,506	534,217	274,427	221,132	182,643	140,114	168,004	139,304
Restricted for:										
Debt service	68,313	-	-	-	-	-	-	-	-	-
Unassigned	17,508,236	17,437,198	19,918,779	21,626,790	19,928,826	22,617,232	32,514,183	33,721,928	31,818,283	34,357,833
Total general fund	<u>\$ 18,128,896</u>	<u>\$ 17,655,211</u>	<u>\$ 20,177,018</u>	<u>\$ 22,315,018</u>	<u>\$ 20,289,748</u>	<u>\$ 22,904,847</u>	<u>\$ 32,782,708</u>	<u>\$ 33,936,872</u>	<u>\$ 32,068,950</u>	<u>\$ 34,569,419</u>
All other governmental funds:										
Nonspendable:										
Inventories	\$ 7,173	\$ 6,381	\$ 7,871	\$ 6,408	\$ 10,729	\$ 18,006	\$ 30,609	\$ 21,288	\$ 13,180	\$ 15,089
Prepaid assets	-	4,828	-	7,274	-	4,856,743	4,856,743	-	4,315,648	4,315,648
Restricted for:										
Debt service	2,098,113	801,898	4,345,453	5,496,950	4,763,976	4,901,539	5,508,529	5,271,524	5,483,497	6,190,664
Capital projects	26,964,619	10,506,281	6,239,123	9,628,364	12,162,264	19,983,650	17,701,567	25,609,763	88,759,123	-
Other purposes	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668	7,814,105	36,423,119	17,611,742	20,688,641
Assigned for capital projects	-	-	-	-	-	-	-	-	-	85,485,635
Unassigned	(36,429)	(1,341)	(48,226)	(4,463)	-	-	-	-	-	-
Total all other governmental funds	<u>31,675,022</u>	<u>14,456,945</u>	<u>13,786,580</u>	<u>18,755,833</u>	<u>22,364,418</u>	<u>37,835,607</u>	<u>35,911,553</u>	<u>67,325,694</u>	<u>116,183,190</u>	<u>116,695,677</u>
Total all governmental funds	<u>\$ 49,803,918</u>	<u>\$ 32,112,156</u>	<u>\$ 33,963,598</u>	<u>\$ 41,070,851</u>	<u>\$ 42,654,166</u>	<u>\$ 60,740,453</u>	<u>\$ 68,694,261</u>	<u>\$ 101,262,566</u>	<u>\$ 148,252,140</u>	<u>\$ 151,265,096</u>

Note: The data in this table is extracted from Exhibit A-3.

Table IV

City of Killeen, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$ 66,189,875	\$ 66,997,659	\$ 70,109,923	\$ 74,505,377	\$ 76,480,105	\$ 82,124,851	\$ 90,564,188	\$ 96,039,514	\$ 100,862,415	\$ 109,244,476
Licenses and permits	1,589,563	1,615,634	1,527,193	1,218,182	1,423,697	1,852,529	2,116,005	2,535,111	2,478,317	2,348,862
Intergovernmental	4,958,666	6,706,747	11,485,054	8,108,586	9,484,205	13,962,534	11,973,253	13,875,074	17,287,159	20,010,430
Charges for services	6,186,000	6,241,344	6,412,087	6,675,688	7,446,513	8,415,701	9,138,753	17,649,583	18,883,164	17,666,455
Fines	3,761,425	4,287,878	4,472,891	3,062,812	2,739,515	2,322,890	3,540,176	3,233,535	3,301,454	3,756,623
Investment earnings	-	168,320	371,354	730,509	1,230,754	1,172,381	484,875	(128,312)	4,231,309	11,538,738
Contributions	321,188	1,709,636	585,705	483,382	275,584	153,830	195,334	175,710	154,529	147,424
Miscellaneous	1,938,413	1,283,522	418,291	335,727	236,557	224,133	197,005	538,151	238,439	1,134,900
Total revenues	<u>84,945,130</u>	<u>89,010,740</u>	<u>95,382,498</u>	<u>95,120,263</u>	<u>99,316,930</u>	<u>110,228,849</u>	<u>118,209,589</u>	<u>133,918,366</u>	<u>147,436,786</u>	<u>165,847,908</u>
Expenditures:										
General government	11,890,861	14,491,763	9,134,337	13,387,734	11,536,105	12,112,438	13,308,654	15,069,809	16,778,103	18,364,220
Public safety	48,458,020	51,064,651	55,388,559	50,616,632	53,486,111	55,222,610	59,399,330	69,071,553	74,808,926	78,982,468
Public works	4,144,229	4,608,741	4,409,555	4,075,919	4,210,689	7,101,739	8,989,044	9,175,634	8,522,490	10,112,216
Recreation services	-	8,968,135	8,772,321	7,596,793	9,012,634	6,184,583	6,426,061	6,320,747	6,811,362	6,707,727
Community development	10,395,629	2,196,927	3,462,380	3,186,783	3,317,103	6,488,582	7,116,925	7,259,207	9,173,867	11,369,421
Miscellaneous	6,495,235	-	-	-	-	-	-	-	-	-
Capital outlay	20,640,470	18,972,495	7,873,907	4,325,318	9,974,309	5,346,641	6,191,435	10,396,892	12,031,114	27,499,922
Debt service:										
Principal	5,718,681	7,580,693	8,010,000	9,359,679	9,617,481	9,954,043	11,971,755	12,723,853	14,090,868	13,870,383
Interest and fiscal charges	8,888,561	7,950,995	8,189,380	7,287,928	7,527,631	7,132,744	5,250,519	5,231,761	5,224,555	6,089,503
Costs of issuance	2,261	584,349	-	391,354	-	661,840	-	-	429,310	-
Total expenditures	<u>116,633,947</u>	<u>116,418,749</u>	<u>105,240,439</u>	<u>100,228,140</u>	<u>108,682,063</u>	<u>110,205,219</u>	<u>118,653,723</u>	<u>135,249,456</u>	<u>147,870,595</u>	<u>172,995,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,688,817)</u>	<u>(27,408,009)</u>	<u>(9,857,941)</u>	<u>(5,107,877)</u>	<u>(9,365,133)</u>	<u>23,630</u>	<u>(444,134)</u>	<u>(1,331,090)</u>	<u>(433,809)</u>	<u>(7,147,952)</u>
Other financing sources (uses):										
Refunding bonds issued	-	44,090,000	-	33,455,000	-	66,690,000	-	21,630,000	35,450,000	-
Premium/discount on issuance of debt	-	7,810,525	-	483,616	-	941,584	-	2,551,706	1,928,561	-
Limited tax note issue	-	-	-	-	-	4,910,000	-	-	-	-
Insurance recoveries	-	795,893	296,262	138,552	359,631	101,458	190,316	-	480,549	392,762
Sale of capital assets	-	90,763	33,165	252,468	63,633	151,232	169,365	-	188,642	162,442
Leases issued	-	-	-	3,877,980	431,752	146,351	106,968	148,571	303,615	79,298
Payment to escrow agent	-	(51,901,703)	-	(36,938,001)	-	(67,013,829)	-	-	-	-
Transfers in	14,865,656	15,322,481	12,130,635	14,101,355	25,060,895	31,474,828	17,691,005	20,615,937	22,720,838	23,109,017
Transfers out	<u>(5,571,293)</u>	<u>(6,491,712)</u>	<u>(851,937)</u>	<u>(4,288,230)</u>	<u>(14,903,581)</u>	<u>(19,338,966)</u>	<u>(9,759,712)</u>	<u>(11,559,224)</u>	<u>(13,648,822)</u>	<u>(13,582,611)</u>
Total other financing sources (uses)	<u>9,294,363</u>	<u>9,716,247</u>	<u>11,608,125</u>	<u>11,082,740</u>	<u>11,012,330</u>	<u>18,062,658</u>	<u>8,397,942</u>	<u>33,386,990</u>	<u>47,423,383</u>	<u>10,160,908</u>
Net change in fund balances	<u>\$(22,394,454)</u>	<u>\$(17,691,762)</u>	<u>\$ 1,750,184</u>	<u>\$ 5,974,863</u>	<u>\$ 1,647,197</u>	<u>\$ 18,086,288</u>	<u>\$ 7,953,808</u>	<u>\$ 32,055,900</u>	<u>\$ 46,989,574</u>	<u>\$ 3,012,956</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	15.2%	16.0%	16.6%	17.4%	17.4%	16.4%	15.3%	14.4%	14.3%	13.7%

Note: The data in this table is extracted from Exhibit A-5.

Table V

City of Killeen, Texas
Assessed Value and Estimated Actual Value of Property
Last Ten Years

Fiscal Year Ended	Taxable Assessed Value		Less:	Total	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Tax Exempt Property	Taxable Assessed Value			
2015	\$ 5,378,345,788	\$ 405,312,087	\$ 764,110,031	\$ 5,019,547,844	\$ 0.7498	\$ 5,784,580,161	86.77%
2016	5,601,877,911	434,281,825	860,867,315	5,175,292,421	0.7498	6,036,159,736	85.74%
2017	5,885,042,124	443,095,052	987,711,674	5,340,425,502	0.7498	6,328,137,176	84.39%
2018	6,466,293,461	451,716,724	1,167,352,778	5,750,657,407	0.7498	6,918,010,185	83.13%
2019	6,731,951,123	445,182,128	1,342,658,938	5,834,474,313	0.7498	7,177,133,251	81.29%
2020	7,559,494,164	472,497,384	1,570,123,310	6,461,868,238	0.7498	8,031,991,548	80.45%
2021	8,330,455,824	495,013,193	1,759,684,728	7,065,784,289	0.7330	8,825,469,017	80.06%
2022	9,639,295,047	541,341,501	2,370,340,533	7,810,296,015	0.7004	10,180,636,548	76.72%
2023	12,148,143,379	600,972,955	3,465,223,542	9,283,892,792	0.6233	12,749,116,334	72.82%
2024	13,815,945,306	738,777,202	4,231,473,795	10,345,283,872	0.6208	14,576,757,667	70.97%

Source: Bell County Tax Appraisal District

Table VI

**City of Killeen, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Years**

Fiscal Year	Tax Year	City of Killeen			Overlapping Rates				Total Direct and Overlapping Rates
		Operating Rate	Debt Service Rate	Total Direct Rate	Bell County	Killeen ISD	Central Texas College	Clear Water Underground Water Conservation District	
2015	2014	\$ 0.5229	\$ 0.2269	\$ 0.7498	\$ 0.4511	\$ 1.1280	\$ 0.1366	\$ 0.0040	\$ 2.46945
2016	2015	0.4938	0.2560	0.7498	0.4511	1.1280	0.1366	0.0039	2.46942
2017	2016	0.4467	0.3031	0.7498	0.4511	1.1260	0.1366	0.0039	2.46742
2018	2017	0.4938	0.2560	0.7498	0.4212	1.1100	0.1399	0.0039	2.42475
2019	2018	0.5353	0.2145	0.7498	0.4212	1.2600	0.1386	0.0038	2.57343
2020	2019	0.5281	0.2217	0.7498	0.4208	1.1611	0.1279	0.0036	2.46317
2021	2020	0.5150	0.2180	0.7330	0.3968	1.0895	0.1218	0.0033	2.34437
2022	2021	0.5119	0.1885	0.7004	0.3680	1.0432	0.1116	0.0031	2.22630
2023	2022	0.4656	0.1577	0.6233	0.3160	1.0166	0.0960	0.0027	2.05461
2024	2023	0.4742	0.1466	0.6208	0.2914	0.8501	0.0825	0.0024	1.84717

Source: Bell County Tax Appraisal District

Table VII

City of Killeen, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago

Name of Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery Co., LLC	\$ 99,098,757	1	0.96%	\$ 59,675,640	1	1.18%
LHCS LLC	52,029,923	2	0.50%			
MGC Pure Chemicals America Inc	46,310,945	3	0.45%			
5002 Thayer Drive, LLC	46,300,000	4	0.45%			
Dongjin Semichem Texas INC.	39,876,921	5	0.39%			
Amber Chase Townhomes LLC	38,268,971	6	0.37%			
NMP- Killeen Limited Partnership	37,232,203	7	0.36%			
MFT-IP Killeen LLC	33,500,000	8	0.32%			
Killeen Werbo LLC and Reharber 136 LLC	33,000,000	9	0.32%			
Z Modular LLC	31,988,638	10	0.31%			
Wal-Mart Real Estate Business Trust				18,777,538	2	0.37%
Killeen Mall LLC				16,388,819	3	0.33%
Central Telephone Company of TX				14,354,534	4	0.29%
Stone Creek Investment LLC				13,620,400	5	0.27%
Stewart & Stevenson				12,618,994	6	0.25%
Watercrest Place LP				11,825,864	7	0.24%
HEB Grocery Company LP				11,822,788	8	0.24%
Feiga/Sierra Creek LP				10,232,231	9	0.20%
Bentina LTD				9,575,531	10	0.19%
Subtotal	457,606,358		4.42%	178,892,339		3.57%
All other taxpayers	9,887,677,514		95.58%	4,833,978,543		96.43%
Total	\$ 10,345,283,872		100.00%	\$ 5,012,870,882		100.00%

Source: Bell County Tax Appraisal District

Table VIII

City of Killeen, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year September 30	Total Tax Levy for Year	Ad Valorem Rate			Tax Levy	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years (1)	Total Collections to Date	
		Tax Rate	General Fund	Interest & Sinking Fund		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2014	\$ 0.7498	\$ 0.5229	\$ 0.2269	\$ 37,567,615	\$ 36,064,932	96.00%	\$ 228,450	\$ 36,293,382	96.61%
2016	2015	\$ 0.7498	\$ 0.4938	\$ 0.2560	38,595,889	38,091,782	98.69%	240,106	38,331,888	99.32%
2017	2016	\$ 0.7498	\$ 0.4467	\$ 0.3031	39,932,447	39,354,013	98.55%	225,640	39,579,653	99.12%
2018	2017	\$ 0.7498	\$ 0.4933	\$ 0.2565	42,927,120	42,255,422	98.44%	196,066	42,451,488	98.89%
2019	2018	\$ 0.7498	\$ 0.5353	\$ 0.2145	43,442,967	42,776,978	98.47%	298,818	43,075,796	99.15%
2020	2019	\$ 0.7498	\$ 0.5281	\$ 0.2217	47,988,263	47,167,851	98.29%	158,225	47,326,076	98.62%
2021	2020	\$ 0.7330	\$ 0.5150	\$ 0.2180	50,871,048	50,060,001	98.41%	182,199	50,242,200	98.76%
2022	2021	\$ 0.7004	\$ 0.5119	\$ 0.1885	53,900,696	52,971,734	98.28%	235,782	53,207,515	98.71%
2023	2022	\$ 0.6233	\$ 0.4656	\$ 0.1577	58,076,082	56,687,849	97.61%	238,818	56,926,667	98.02%
2024	2023	\$ 0.6208	\$ 0.4742	\$ 0.1466	66,399,327	64,778,986	97.56%	193,878	64,972,864	97.85%

⁽¹⁾ Collections in subsequent years represent total delinquent amounts received during the fiscal year, regardless of the fiscal year of the tax levy.

Table IX

City of Killeen, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities					
	General Obligation Bonds	Certificates of Obligation	Leases	Unamortized Bond Premiums/ Discounts	Total Governmental Activities (1)	General Obligation Bonds	Revenue Bonds	Certificates of Obligation	Leases	Unamortized Bond Premiums/ Discounts	Total Business- Type Activities (1)
2015	\$ 93,770,000	\$ 105,350,000	\$ 65,693	\$ 11,972,680	\$ 211,158,373	\$ 10,805,000	\$ 55,820,000	\$ 1,590,000	\$ -	\$ 5,341,354	\$ 73,556,354
2016	123,625,000	66,945,000	-	17,711,321	208,281,321	11,295,000	50,745,000	270,000	-	5,151,179	67,461,179
2017	119,060,000	63,500,000	-	16,665,784	199,225,784	10,620,000	45,540,000	185,000	-	4,584,638	60,929,638
2018	142,790,000	29,805,000	1,140,588	18,451,604	192,187,192	9,930,000	41,205,000	95,000	512,845	4,179,094	55,921,939
2019	137,540,000	25,935,000	1,074,859	17,178,691	181,728,550	9,210,000	36,725,000	-	545,279	3,773,549	50,253,828
2020	160,185,000	3,325,000	706,478	11,277,184	175,493,662	8,860,000	32,290,000	-	324,472	3,482,721	44,957,193
2021	149,310,000	2,560,000	481,695	10,102,337	162,454,032	7,895,000	48,590,000	-	273,947	4,021,429	60,780,376
2022	138,060,000	22,960,000	224,915	11,479,195	172,724,110	6,890,000	44,360,000	-	209,294	3,674,273	55,133,567
2023	130,625,000	51,985,000	292,337	11,881,310	194,783,647	5,835,000	39,945,000	-	186,395	3,327,117	49,293,512
2024	118,205,000	50,705,000	214,185	10,831,023	179,955,208	4,730,000	35,430,000	-	52,135	3,050,995	43,263,130

Fiscal Year	Total Primary Government Debt (1)	Percentage of Personal Income (2)	Population (3)	Per Capita
2015	\$ 284,714,727	1.72%	140,147	2,032
2016	275,742,500	1.59%	142,854	1,930
2017	260,155,422	1.49%	145,149	1,792
2018	248,109,131	1.37%	148,683	1,669
2019	231,982,378	1.23%	151,666	1,530
2020	220,450,855	1.10%	153,095	1,440
2021	223,234,408	1.05%	158,391	1,409
2022	227,857,677	0.98%	160,328	1,421
2023	244,077,159	1.03%	161,029	1,516
2024	223,218,338	0.89%	163,142	1,368

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Table 14

(3) Population figures are estimates except for FY 2020 which reflects the official U.S. Census data.

Table X

City of Killeen, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended September 30	General Obligation Bonds (1)	Plus: Unamortized Premium/Bond Discounts (2)	Less: Amounts Restricted for Debt Service Principal (3)	Total	Percentage of Estimated Actual Taxable Value of Property (4)	Per Capita (5)
2015	\$ 104,575,000	\$ 11,972,680	\$ 4,900,000	\$ 111,647,680	1.72%	\$ 797
2016	134,920,000	17,711,321	5,240,000	147,391,321	2.15%	1,032
2017	129,680,000	16,665,784	4,056,860	142,288,924	2.25%	980
2018	152,720,000	18,451,604	5,150,835	166,020,769	2.40%	1,117
2019	146,750,000	17,178,691	4,086,755	159,841,936	2.23%	1,054
2020	169,045,000	11,277,184	4,546,584	175,775,600	2.19%	1,133
2021	157,205,000	10,102,337	5,470,473	161,836,864	1.83%	1,022
2022	144,950,000	11,479,195	4,746,524	151,682,672	1.49%	946
2023	136,460,000	11,881,310	3,490,470	144,850,840	1.13%	896
2024	122,935,000	10,831,023	4,770,664	128,995,359	0.88%	791

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

⁽²⁾ Unamortized premium/bond discounts.

⁽³⁾ This is the amount restricted for debt service principal payments.

⁽⁴⁾ See the Schedule of Assessed and Estimated Actual Value of Property for property value data.

⁽⁵⁾ Population data can be found in the Schedule of Demographic and Economic Statistics.

Table XI

City of Killeen, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Primary Government
Bell County	\$ 146,729,031	34.54%	\$ 50,687,116
Killeen Independent School District	373,035,000	70.97%	264,747,007
Subtotal, overlapping debt			315,434,124
City of Killeen, net debt payable from ad valorem taxes			169,124,185
Total direct and overlapping net funded debt			<u>\$ 484,558,309</u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			4.68%
Per Capita Direct and Overlapping Net Funded Debt			\$ 2,970

Sources: Outstanding debt provided by each governmental unit.

⁽¹⁾The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

Table XII

**City of Killeen, Texas
Legal Debt Margin Information
Last Ten Fiscal Years**

Fiscal Year	Assessed Value, Tax Roll	Legal Debt Limit Percentage	Legal Debt Limit	Actual Amount Expended for General Obligation Debt Service During the Year
2015	\$ 5,019,547,844	1.50%	\$ 75,293,218	\$ 8,457,092
2016	5,175,292,421	1.50%	77,629,386	15,463,387
2017	5,340,425,502	1.50%	80,106,383	15,459,661
2018	5,750,657,407	1.50%	86,259,861	16,120,575
2019	5,834,474,313	1.50%	87,517,115	15,862,247
2020	6,461,868,238	1.50%	96,928,024	16,469,863
2021	7,065,784,289	1.50%	105,986,764	16,140,881
2022	7,810,296,015	1.50%	117,154,440	16,164,471
2023	9,283,892,792	1.50%	139,258,392	17,020,587
2024	10,345,283,872	1.50%	155,179,258	17,541,063

All taxable property within the City is subject to the assessment, levy, and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution limits the maximum ad valorem tax rate for home-rule cities such as the City to \$2.50 per \$100 taxable assessed valuation for all purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum rate for all general obligation debt service calculated at the time of issuance based on 90% tax collections. Assessed value updated with certified roll in fiscal year 2023.

Source: Bell County Appraisal District and Finance Department, City of Killeen.

Table XIII

City of Killeen, Texas
Revenue Bond Coverage - Water and Sewer Fund
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Operating Expenses *	Net Revenue Available for Debt Service	Next Fiscal Years Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 37,487,713	\$ 24,850,101	\$ 12,637,612	\$ 5,075,000	\$ 2,088,175	\$ 7,163,175	1.76
2016	38,806,421	25,417,427	13,388,994	5,205,000	1,956,301	7,161,301	1.87
2017	39,446,531	20,119,105	19,327,426	4,335,000	1,830,870	6,165,870	3.13
2018	40,089,479	23,768,307	16,321,172	4,480,000	1,690,688	6,170,688	2.64
2019	39,548,922	29,745,911	9,803,011	3,935,000	1,528,158	5,463,158	1.79
2020	42,323,553	27,850,287	14,473,266	4,060,000	1,404,206	5,464,206	2.65
2021	41,398,427	27,662,593	13,735,834	4,230,000	1,417,741	5,647,741	2.43
2022	45,710,125	25,711,871	19,998,254	4,415,000	1,232,890	5,647,890	3.54
2023	46,871,902	30,260,146	16,611,756	4,515,000	1,134,480	5,649,480	2.94
2024	50,302,615	29,620,503	20,682,112	3,860,000	1,001,057	4,861,057	4.25

Source: Finance Department, City of Killeen
* Total operating expenses less depreciation

Table XIV

**City of Killeen, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (a)	Killeen-Temple Fort Cavazos Metropolitan Statistical Area Population (b)	Killeen-Temple Fort Cavazos Metropolitan Per Capita Income (b)	Killeen-Temple Fort Cavazos Metropolitan Personal Income (amounts expressed in thousands) (b)	Killeen-Temple Fort Cavazos Metropolitan Unemployment Rates (c)
2015	140,147	424,858	\$ 39,017	\$ 16,576,889	4.7%
2016	142,854	433,658	40,237	17,343,479	4.8%
2017	145,149	435,857	40,096	17,475,962	3.8%
2018	148,683	443,773	40,773	18,093,956	3.9%
2019	151,666	451,679	41,634	18,804,982	3.7%
2020	153,095	467,117	42,855	20,018,299	7.3%
2021	158,391	468,453	45,574	21,349,269	8.0%
2022	160,328	486,101	47,755	23,213,690	4.2%
2023	161,029	496,228	47,680	23,660,068	4.5%
2024	163,142	501,333	50,292	25,213,120	4.8%

Sources: ^(a) Population figures are estimates except for FY 2020 which reflects the official U.S. Census data.

^(b) U. S. Department of Commerce, Bureau of Economic Analysis.

^(c) U. S. Department of Labor, Bureau of Labor Statistics.

Table XV

**City of Killeen, Texas
Principal Employers
Current Year and Nine Years Ago**

Name of Employer	Business Category	2024			2015		
		Employees	Rank	% of Total	Employees	Rank	% of Total
Ill Corp & Fort Cavazos	Government	32,000	1	55.83%			
Military Defense Contractors & Others	Defense Contractor	7,447	2	12.99%			
Killeen ISD	Education	6,800	3	11.86%	6,000	2	8.11%
Civilian Personnel Office	Government	6,200	4	10.82%			
Central Texas College	Education	1,488	5	2.60%	1,487	3	2.01%
City of Killeen	Government	1,173	6	2.05%	1,286	4	1.74%
AdventHealth	Health Care	1,000	7	1.74%			
First Community Services	Banking and Real Estate	700	8	1.22%			
Texas A&M University - Central Texas	Education	305	9	0.53%			
Killeen Auto	Car Dealership	200	10	0.35%			
Fort Cavazos (includes Soldiers and Civilians)	Government				61,434	1	83.05%
Metroplex Hospital	Health Care				1,200	5	1.62%
Aegis Communications	Call Center				1,200	6	1.62%
ESP, Inc.	Defense Contractor				420	7	0.57%
Scott & White Clinic	Health Care				361	8	0.49%
Seaton Medical Center Harker Heights	Health Care				350	9	0.47%
Blackboard Student Services	Education				238	10	0.32%
Total		<u>57,313</u>		<u>100.00%</u>	<u>73,976</u>		<u>100.00%</u>

Sources:
Greater Killeen Chamber of Commerce

Table XVI

City of Killeen, Texas
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Administration										
City Manager	2.0	2.0	2.0	2.0	3.0	2.0	4.0	4.0	4.0	4.0
Assistant City Manager	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Deputy City Manager	2.0	2.0	1.0	0.3	-	-	-	-	-	-
City Auditor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5
Total Administration	<u>7.0</u>	<u>7.0</u>	<u>5.0</u>	<u>4.3</u>	<u>5.0</u>	<u>4.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.5</u>	<u>5.5</u>
Municipal Court	<u>23.0</u>	<u>23.0</u>	<u>22.0</u>	<u>19.7</u>	<u>20.0</u>	<u>21.0</u>	<u>21.0</u>	<u>21.0</u>	<u>21.0</u>	<u>21.0</u>
Communications										
Communications	2.5	2.5	2.5	4.9	4.8	4.8	4.8	4.8	6.0	6.0
Printing Services	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Legislative Affairs	-	-	-	0.1	0.2	0.2	0.2	0.2	-	-
Total Communications	<u>5.5</u>	<u>5.5</u>	<u>4.5</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>8.0</u>	<u>8.0</u>
Legal										
City Attorney	7.0	8.0	7.0	7.0	7.0	6.5	6.5	6.5	7.5	8.0
City Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Total Legal	<u>8.0</u>	<u>9.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>7.5</u>	<u>7.5</u>	<u>8.5</u>	<u>9.5</u>	<u>10.0</u>
Finance										
Finance	13.0	13.0	13.0	13.0	14.0	13.0	14.0	15.0	15.0	17.0
EMS Billing and Collections	6.0	6.0	3.3	-	-	-	-	-	-	-
Purchasing	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Total Finance	<u>24.0</u>	<u>24.0</u>	<u>21.3</u>	<u>18.0</u>	<u>19.0</u>	<u>18.0</u>	<u>19.0</u>	<u>20.0</u>	<u>20.0</u>	<u>21.0</u>
Support Services	<u>1.0</u>	<u>2.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Human Resources	<u>14.0</u>	<u>14.0</u>	<u>13.0</u>	<u>12.0</u>	<u>12.6</u>	<u>14.6</u>	<u>14.6</u>	<u>15.0</u>	<u>14.0</u>	<u>14.0</u>
Information Technology	<u>19.0</u>	<u>19.0</u>	<u>17.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recreation Services										
Administration	-	-	-	3.0	3.0	5.0	5.0	5.0	5.0	6.0
Animal Services	-	-	-	-	-	17.0	17.0	18.0	30.0	30.0
Volunteer Services	3.0	3.0	3.0	3.0	3.0	-	-	-	-	-
Golf Course	18.5	20.2	19.0	16.9	-	-	-	-	-	-
Community Center										
Operations	3.0	3.0	3.0	2.0	4.8	-	-	-	-	-
Parks	37.0	37.0	33.0	32.0	33.6	36.6	36.6	36.6	36.6	36.6
Lions Club Park	16.0	15.5	14.5	7.6	8.2	8.2	8.2	6.2	6.2	6.2
Family Aquatics Center	1.0	15.3	16.4	14.3	14.5	14.5	14.5	14.5	14.5	14.5
Recreation	2.0	2.0	2.0	3.0	3.0	5.8	4.8	4.8	4.8	4.8
Athletics	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Cemetery	5.0	5.0	4.0	4.0	4.0	-	-	-	-	-
Senior Citizens	4.0	4.0	3.0	3.5	4.1	4.0	4.0	6.0	6.0	6.0
Total Recreation Services	<u>92.5</u>	<u>107.9</u>	<u>100.9</u>	<u>92.2</u>	<u>81.2</u>	<u>95.1</u>	<u>94.0</u>	<u>95.0</u>	<u>107.0</u>	<u>108.0</u>
Community Development										
Library Services	26.0	27.0	25.5	24.3	24.0	24.5	24.5	24.5	24.5	24.5
Arts and Activities Center	5.0	6.0	6.0	6.0	5.3	5.4	5.4	5.4	5.4	5.4
Community Development	4.0	4.0	4.0	1.0	0.9	1.0	1.0	2.0	8.1	8.1
Home Program	1.0	1.0	1.0	-	-	-	-	-	-	-
Lien Services	2.0	2.0	2.0	-	-	-	-	-	-	-
Building Services	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	9.0	9.0
Custodial Services	18.0	18.0	18.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Total Community Development	<u>63.0</u>	<u>65.0</u>	<u>63.5</u>	<u>54.3</u>	<u>53.2</u>	<u>54.9</u>	<u>54.9</u>	<u>55.9</u>	<u>63.0</u>	<u>63.0</u>

Table XVI

City of Killeen, Texas
Full-time Equivalent Employees by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Works										
Public Works	2.0	2.0	0.1	0.1	0.1	0.2	4.0	3.5	2.0	2.0
Street Operations	57.0	57.0	57.0	54.0	54.0	-	-	-	-	-
Engineering	-	-	-	2.3	3.0	2.7	49.0	-	-	-
Transportation	-	-	-	-	-	-	-	48.0	54.0	54.0
Mowing Operations	-	-	-	-	-	-	-	-	-	16.5
Total Public Works	59.0	59.0	57.1	56.4	57.1	2.9	53.0	51.5	56.0	72.5
Planning and Development										
Planning and Development	7.0	7.0	6.0	8.0	7.0	7.0	7.0	8.0	8.0	9.0
Building Inspections	14.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0
Code Enforcement	15.0	15.0	14.0	14.0	14.0	14.0	15.0	16.0	16.0	16.0
Total Planning & Development	36.0	36.0	34.0	36.0	35.0	36.0	37.0	39.0	39.0	40.0
Police										
Commissioned Officers	268.0	281.0	280.0	260.0	258.0	231.0	231.0	259.0	264.0	264.0
Civilian Personnel	87.0	87.0	85.0	82.0	78.0	19.0	19.0	71.0	71.0	72.0
Animal Control	17.0	18.0	18.0	16.0	16.0	-	-	-	-	-
Criminal Investigation	-	-	-	-	-	79.0	79.0	-	-	-
Total Police	372.0	386.0	383.0	358.0	352.0	329.0	329.0	330.0	335.0	336.0
Fire										
Commissioned Officers	195.0	231.0	230.0	230.0	230.0	230.0	230.0	235.0	235.0	239.0
Civilian Personnel	5.0	6.0	6.0	6.0	6.0	6.0	6.0	10.0	10.0	6.0
Emergency Management	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	3.0	2.0
Total Fire	201.0	238.0	237.0	237.0	237.0	238.0	238.0	247.0	248.0	247.0
Total General Fund	925.0	993.5	965.5	903.7	832.9	878.1	879.5	900.36	927.0	945.9
Aviation Funds										
Killeen Regional Airport (KRA)										
Operations	38.0	38.0	37.0	36.3	37.0	37.0	37.0	37.0	37.0	37.0
Information Technology	1.0	1.0	1.0	-	-	-	-	-	-	-
Total KRA	39.0	39.0	38.0	36.3	37.0	37.0	37.0	37.0	37.0	37.0
Skylark Field	4.0	4.0	4.0	3.3	3.0	3.0	3.0	3.0	3.0	3.0
Total Aviation Funds	43.0	43.0	42.0	39.7	40.0	40.0	40.0	40.0	40.0	40.0
Solid Waste Fund										
Public Works	-	0.6	0.6	1.2	1.4	-	-	-	-	-
Custodial	-	-	-	-	-	-	-	-	-	-
Accounting	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Residential Services	44.5	43.5	38	37	37.0	38.0	39.0	42.0	42.0	42.0
Commercial Services	21.0	23.0	23.0	23.0	23.0	23.0	22.0	22.0	22.0	22.0
Recycling	6.0	6.2	5.2	5.2	5.2	5.2	5.18	6.18	6.18	6.18
Transfer Station	15.5	15.5	15.5	15.5	16.5	16.5	16.5	16.5	17	17
Mowing Operations	22.5	21.5	20.5	16.5	16.5	16.5	16.5	16.5	16.5	0
Total Solid Waste Fund	113.5	114.3	106.8	102.3	104.6	104.2	104.18	108.18	108.68	92.18
Water/Sewer Fund										
Public Works	-	1.2	1.2	1.6	2.2	-	-	-	-	-
Utility Collections	40.5	40.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	42.5
Fleet Services	26.0	27.0	-	-	-	-	-	-	-	-
Information Technology	5.0	5.0	5.0	-	-	-	-	-	-	-
Water Distribution	19.0	19.0	19.0	19.0	18.0	23.0	27.0	27.0	27.0	44.5
Sanitary Sewers	15.0	15.0	19.0	19.0	20.0	19.0	20.0	20.0	20.0	26.5
Water and Sewer Operations	28.0	28.0	29.0	28.0	28.0	27.0	20.0	20.0	20.0	-
Engineering	13.8	13.8	12.2	11.7	10.2	20	21	14.0	15.0	15.0
Environmental Services	-	-	-	0.8	0.8	-	-	-	-	-
Total Water/Sewer Fund	147.3	149.5	124.9	119.5	118.7	128.5	127.5	120.5	121.5	128.5

Table XVI

City of Killeen, Texas
Full-time Equivalent Employees by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Drainage Utility Fund										
Public Works	-	0.1	0.1	0.2	0.2	-	-	-	-	-
Engineering	4.0	4.0	3.3	1.3	1.1	-	-	2.0	2.0	2.0
Transportation	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Drainage Maintenance	33.5	35.2	36.0	34.6	34.1	34.6	34.6	36.6	36.6	36.6
Environmental Services	1.2	1.2	1.2	5.2	5.2	5.0	4.5	-	-	-
Mowing	-	-	-	0.5	0.5	-	-	-	-	-
Total Drainage Utility Fund	38.7	40.5	40.6	43.8	43.1	41.6	41.1	40.6	40.6	40.6
Special Revenue Funds										
Killeen Civic Conference Center	11.5	11.5	11.0	11.0	13.6	10.1	9.6	13.6	13.6	13.6
Convention Visitor Bureau	2.5	2.5	2.5	2.5	2.5	2.0	2.5	2.5	2.5	2.5
Housing and Rehabilitation	1.0	1.0	1.0	1.4	1.1	0.8	0.8	0.8	0.8	1.1
Cablesystem Improvements PEG	3.5	3.5	2.5	-	-	-	-	-	-	-
CDBG Program	-	-	-	2.1	2.3	2.3	3.3	3.0	3.4	4.2
Home Program	1.0	-	-	0.5	0.5	0.6	0.6	0.6	0.7	0.7
Home ARP	-	-	-	-	-	-	-	0.3	0.8	0.7
Street Maintenance	-	-	-	-	53.0	-	-	-	-	-
Court Security	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Juvenile Case Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Wellness Non-Assessment	-	-	-	-	0.4	0.4	0.4	-	-	-
Law Enforcement Grant	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Total Special Revenue Fund	22.5	21.5	20.0	20.5	76.4	20.2	21.2	24.8	25.8	26.8
Capital Projects Funds										
Water and Sewer Improvements	5.0	4.0	-	-	-	-	-	-	-	-
Pass-Through Finance Construction	8.0	4.0	-	-	-	-	-	-	-	-
Total Capital Projects Funds	13.0	8.0	-							
Internal Service Funds										
Fleet	-	-	26	26	27	27.0	27.0	27.0	27.0	27.0
Risk Management	-	-	-	3	3	3.0	3.0	3.0	3.0	3.0
Information Technology	-	-	-	24	26	20.0	20.0	26.0	26.0	27.0
Total Internal Service Funds	-	-	26.0	53.0	56.0	50.0	50.0	56.0	56.0	57.0
Total Personnel	1,303.0	1,370.3	1,325.7	1,282.6	1,271.7	1,262.6	1,263.4	1,290.4	1,319.6	1,331.0

Source: City of Killeen Finance Department.

Table XVII

City of Killeen, Texas
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Building Permits Issued	12,264	10,522	10,373	9,212	10,438	10,836	15,885	13,515	13,946	14,988
Public Safety										
Police										
Calls for Service	156,167	149,738	163,947	156,391	149,725	150,565	168,535	158,845	165,423	178,027
Citations	20,979	19,843	19,439	17,247	13,911	13,465	15,337	15,990	24,515	39,339
Traffic Accidents	2,396	2,540	2,258	2,160	2,419	2,318	2,744	2,630	2,701	2,241
UCR Part 1 Violent Crimes ⁽¹⁾	869	992	1,147	585	632	874	2,791	3,030	-	-
UCR Part 1 Non-violent Crimes ⁽¹⁾	4,034	3,946	4,175	3,413	3,493	2,243	2,684	2,830	-	-
NIBRS Persons Crimes ⁽¹⁾	-	-	-	-	-	-	-	-	2,968	2,998
NIBRS Property Crimes ⁽¹⁾	-	-	-	-	-	-	-	-	3,948	3,603
NIBRS Society Crimes ⁽¹⁾	-	-	-	-	-	-	-	-	2,106	1,831
Arrests	5,355	4,459	4,624	4,460	4,495	3,406	4,107	4,059	3,937	4,336
Fire										
Fire Emergency Responses	459	468	516	630	533	585	10,732	15,336	15,265	12,615
Fire Inspections	1,000	1,124	1,085	1,118	1,331	877	939	1,003	2,410	1,061
EMS Responses	15,763	16,877	18,436	19,586	19,927	19,661	23,110	22,375	23,108	23,706
Public Works										
Number of Shade Trees:										
Removed	6	19	11	57	8	5	7	4	7	3
Trimmed	755	536	552	314	95	125	111	163	312	350
Added	-	-	5	1,464	-	-	10	-	-	-
Parks and Recreation										
Number of Shade Trees:										
Removed	-	-	-	32	41	10	24	14	60	40
Trimmed	-	-	-	641	733	150	200	285	450	450
Added	-	-	-	70	73	55	30	100	60	75
Library*										
Visitors	270,983	227,411	242,223	251,262	273,144	127,229	113,086	142,013	162,074	181,606
Volumes in Collection	140,235	143,012	148,295	149,744	148,240	149,067	150,139	153,108	158,235	161,169
Children's Program Attendance	8,933	8,679	9,866	18,091	9,446	5,634	160	5,468	9,006	11,231
Public Computer Sessions	81,897	56,308	57,921	56,964	50,330	19,314	22,491	19,834	24,110	18,522
Aviation										
Airlines	3	3	3	2	2	2	2	1	1	1
Passengers Enplaning ⁽²⁾	149,008	136,008	128,978	129,798	139,671	91,285	118,626	106,797	91,351	90,185
Passengers Deplaning ⁽²⁾	154,124	135,412	131,891	134,349	138,493	90,180	115,209	106,610	89,314	91,421
Solid Waste										
Tons Collected and Disposed:										
Solid Waste - Residential	54,367	56,542	53,378	56,770	62,368	61,019	61,317	40,890	62,354	60,592
Solid Waste - Commercial	35,887	36,595	41,637	39,317	42,586	39,436	41,470	42,748	39,235	40,484
Recyclable Material	5,825	5,859	5,539	5,429	6,370	12,063	1,238	1,267	1,668	1,835
Water										
Metered Accounts	50,175	51,058	52,200	52,597	53,443	54,288	55,193	56,227	56,517	57,217
Water Demand (Purchased) (MG)	5,585	4,967	5,325	5,500	5,066	6,037	5,516	6,124	6,031	5,910
Avg. Daily Demand (MGD)	15	14	15	15	14	17	15	17	17	16
Avg. Monthly Demand/Cust (gal)	3,405	2,990	3,125	3,161	2,932	3,469	3,017	3,230	3,200	8,721
Peak Demand (MGD)	22	25	25	25	26	26	27	28	28	25
Sewer										
Service Connections	52,636	55,786	46,487	47,975	49,452	50,327	51,650	52,658	53,101	53,464
Total Sewer Flows (MGD)	14	12	11	10	14	11	12	10	11	12
Total Sewer Flow (MG)	5,022	4,470	4,149	3,721	5,072	3,939	4,346	3,695	4,008	4,445
Avg Daily Demand (MGD)	14	12	11	10	14	11	12	10	11	12
Avg Daily Demand/Cust (gal)	101	89	80	71	96	74	78	64	70	83

Source: Various City of Killeen Departments.

⁽¹⁾ NIBRS replaced UCR as the national crime data collection program. NIBRS provides more thorough data and includes additional crime data not included under the UCR.

⁽²⁾ Decreased in FY 2020 due to COVID-19.

Table XVIII

City of Killeen, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Area of City (square miles)	55.56	55.56	55.87	55.87	56.10	55.96	55.57	55.24	56.35	56.31
Vehicles	-	48	50	49	47	47	47	50	61	60
Public Safety										
Police										
Police Stations	3	3	3	2	2	2	2	2	2	2
Firing Ranges	2	2	2	2	2	2	2	2	3	
Patrol Vehicles	-	140	159	171	187	169	158	132	110	132
Other Police Vehicles	-	147	145	142	141	137	119	109	108	109
Animal Shelters	1	1	1	1	1	1	1	1	3	3
Animal Control Vehicles	-	8	10	10	10	11	11	11	12	15
Fire										
Fire Stations	8	8	8	8	8	8	8	8	8	8
Fire Apparatus	23	20	22	22	22	20	21	23	22	23
EMS Units	14	18	18	18	18	17	16	18	18	19
Other Vehicles	-	24	24	23	34	31	25	25	28	31
Public Works										
Paved Streets (miles)	552	563	575	575	587	590	664	664	674	680
Unpaved Streets (miles)	1	1	1	1	1	1	1	1	1	1
Curb and Gutter (miles)	878	900	924	902	926	930	1,064	1,328	1,148	1,361
Signalized Intersections	92	97	99	95	99	100	100	100	101	102
Vehicles	-	44	39	55	55	55	53	51	48	47
Parks and Recreation										
Parks	21	21	21	23	23	23	23	23	23	23
Playgrounds	22	22	22	25	25	25	28	24	23	25
Municipal Golf Courses	1	1	1	1	1	1	1	1	1	1
Disc Golf Course	1	1	1	1	1	1	1	1	2	2
Swimming Pools	2	1	1	1	1	1	1	1	2	2
Tennis Courts	5	5	5	5	5	4	3	4	4	4
Recreation Centers	1	1	1	1	1	1	2	2	2	1
Baseball/Softball Fields	15	15	15	15	15	15	15	15	15	15
Basketball Courts	9	12	12	12	12	12	12	16	16	16
Volley Ball Courts	3	3	3	3	3	3	3	3	3	3
Soccer Fields	6	6	6	6	6	6	6	8	9	9
Jogging/Walking Trails	7	3	3	3	3	4	4	4	4	4
Senior Centers	2	2	2	2	2	2	2	1	1	1
Aquatics Centers	1	1	1	1	1	1	1	1	1	1
Vehicles	-	26	26	27	26	26	26	25	24	26

Table XVIII

City of Killeen, Texas
Capital Asset Statistics by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Library										
Libraries	2	2	2	2	2	2	2	2	2	2
Vehicles	-	-	-	-	-	1	1	1	1	1
Aviation										
Airports	2	2	2	2	2	2	2	2	2	2
Acreage	289	289	289	289	289	289	289	289	289	289
Skylark on-road vehicles	3	3	3	3	3	3	2	2	2	2
Skylark off-road vehicles	1	1	2	2	2	1	2	2	2	2
KFHRA on-road vehicles	6	6	6	7	7	7	8	8	8	9
KFHRA off-road vehicles	3	3	3	4	3	4	3	3	3	3
Solid Waste										
Refuse Disposal Vehicles	-	58	51	51	45	45	50	48	49	57
Other Vehicles	-	35	37	35	39	39	35	34	32	30
Water										
Rated Daily Capacity (gpd)	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	42,000,000	42,000,000	42,000,000	42,000,000
Storage Capacity (gallons)	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	42,000,000
Water Mains (miles)	618	618	655	676	678	681	689	698	700	730
Fire Hydrants	5,000	5,000	4,611	4,931	5,025	5,065	4,959	5,184	5,197	5,230
Vehicles	-	61	32	35	36	35	35	32	38	49
Sewer										
Sanitary Sewers (miles)	535	574	595	600	604	606	616	621	622	649
Manholes	7,230	7,863	8,197	8,248	8,305	8,392	8,542	8,722	8,735	8,957
Sewer Treatment Capacity:										
Plant 1 (mgd)	18	18	18	18	18	18	18	18	18	18
Plant 3 (mgd)	6	6	6	6	6	6	6	6	6	6
Vehicles	-	15	44	31	37	37	38	37	29	21
Drainage										
Storm Sewers (linear feet)	93,099	93,099	94,349	94,349	129,891	129,891	131,761	131,761	131,761	151,980
Inlets and Outfalls	3,125	3,173	3,233	3,233	3,237	3,237	3,464	1,408	1,408	1,838
Open Channels (miles)	96.0	197.0	140.4	141.0	148.1	148.1	150.1	150.1	150.6	150.8
Vehicles	-	22	25	22	24	24	21	21	23	22
Fleet										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	-	7	7	7	7	7	7	7	6	7

Source: Various City of Killeen Departments.

Table XIX

City of Killeen, Texas
General Obligation Bond Tables
Valuation, Exemptions, and Tax Supported Debt
September 30, 2024

Market Valuation Established by Bell County Appraisal District		\$ 14,576,757,667
Less Exemptions/Deductions		4,231,473,795
Net Taxable Assessed Valuation		<u>\$ 10,345,283,872</u>
Debt Payable from Ad Valorem Taxes		
General Obligation Bonds	\$ 122,935,000	
Certificates of Obligation	<u>50,705,000</u>	
Debt Payable from Ad Valorem Taxes		\$ 173,640,000
Less Self-Supporting Debt ⁽¹⁾		<u>9,635,000</u>
Net Debt Payable from Ad Valorem Taxes		<u>\$ 164,005,000</u>
Interest and Sinking Fund		<u>\$ 4,770,664</u>
Ratio of Tax Supported Debt to Taxable Assessed Valuation		1.68%
Ratio of Net Tax Supported Debt to Taxable Assessed Valuation		1.59%
Estimated Population		163,142
Per Capita Taxable Assessed Valuation	\$	63,413
Per Capita Net Debt Payable from Ad Valorem Taxes	\$	1,005

⁽¹⁾ Certain tax-supported indebtedness which was issued for, and is currently being paid from revenues of, the City's waterworks and sewer system, solid waste system, drainage utility system, and hotel occupancy tax/civic center, is considered by the City to be self-supporting debt. While the City considers such tax-supported debt to be self-supporting, revenues are not (except to the extent of certain limited pledges of surplus net revenues of the waterworks and sewer system, solid waste system, drainage utility system, or hotel occupancy tax/civic center which may or may not have been fully satisfied) pledged to the payment of such debt. The transfer of such revenues to make debt service payments on such tax debt is discretionary and may be discontinued by the City, in whole or in part, at any time. In the event and to the extent of such revenue transfers, the City will be required to levy ad valorem taxes or to appropriate other lawfully available funds of the City in an amount sufficient to pay the debt service on such debt.

Table XX

City of Killeen, Texas
General Obligation Bond Tables
Valuation and General Obligation Debt History
Last Ten Fiscal Years

Fiscal Year	Estimated Population(1)	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Funded Debt Outstanding at Year End (2) (3)	Ratio of Funded Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2015	140,147	\$ 4,726,643,478	\$ 33,726	\$ 213,485,000	4.52%	\$1,523
2016	142,854	4,811,938,035	33,684	204,375,000	4.25%	1,431
2017	145,149	5,175,292,421	35,655	232,730,000	4.50%	1,603
2018	148,683	5,750,657,407	38,677	182,620,000	3.18%	1,228
2019	151,666	5,834,474,313	38,469	172,685,000	2.96%	1,139
2020	153,095	6,461,868,238	42,208	172,370,000	2.67%	1,126
2021	158,391	7,065,784,289	44,610	159,765,000	2.26%	1,009
2022	160,328	7,810,296,015	48,714	167,910,000	2.15%	1,047
2023	161,029	9,283,892,792	57,654	188,445,000	2.03%	1,170
2024	163,142	10,345,283,872	63,413	173,640,000	1.68%	1,064

(1) Source: U.S. Census Bureau (updated in fiscal year 2020)

(2) Includes self-supporting debt. See Table 1, footnote 1 for more information.

Table XXI

City of Killeen, Texas
General Obligation Bond Tables
General Obligation Debt Service Requirements
September 30, 2024

Fiscal Year	Outstanding Debt (1)			System- Supported Debt Service	Total Tax- Supported Debt Service
	Principal	Interest	Total		
2025	\$ 13,875,000	\$ 3,727,156	\$ 17,602,156	\$ 1,204,129	\$ 16,398,027
2026	14,740,000	3,359,146	18,099,146	1,204,489	16,894,657
2027	13,575,000	2,964,397	16,539,397	677,705	15,861,692
2028	13,240,000	2,578,099	15,818,099	685,435	15,132,664
2029	13,620,000	2,200,856	15,820,856	682,625	15,138,231
2030	11,165,000	1,796,920	12,961,920	533,710	12,428,210
2031	9,730,000	1,453,649	11,183,649	-	11,183,649
2032	10,060,000	1,139,331	11,199,331	-	11,199,331
2033	6,920,000	827,710	7,747,710	-	7,747,710
2034	7,110,000	577,589	7,687,589	-	7,687,589
2035	4,805,000	318,609	5,123,609	-	5,123,609
2036	2,640,000	133,524	2,773,524	-	2,773,524
2037	475,000	35,196	510,196	-	510,196
2038	485,000	23,706	508,706	-	508,706
2039	495,000	11,974	506,974	-	506,974
	<u>\$ 122,935,000</u>	<u>\$ 21,147,862</u>	<u>\$ 144,082,862</u>	<u>\$ 4,988,093</u>	<u>\$ 139,094,769</u>

(1) Includes general obligation debt considered self-supporting.

The City's waterworks and sewer system, solid waste system, drainage utility system, and hotel occupancy tax/civic center, is considered by the City to be self-supporting debt. Solid waste, drainage, and hotel occupancy tax/civic center currently have general obligations debt requirements.

Table XXII

City of Killeen, Texas
General Obligation Bond Tables
Municipal Sales Tax History
Last Ten Fiscal Years

Fiscal Year	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2015	\$ 21,539,372	57.33%	\$ 0.4299	\$ 152.97
2016	21,784,258	56.27%	0.4219	151.91
2017	22,539,599	56.81%	0.4259	155.52
2018	23,727,452	55.27%	0.4144	162.59
2019	24,990,652	57.53%	0.4313	164.77
2020	26,847,348	55.95%	0.4195	173.03
2021	31,528,007	61.98%	0.4543	199.05
2022	33,778,524	62.67%	0.4389	210.68
2023	35,072,647	60.39%	0.3764	217.80
2024	35,699,342	53.76%	0.3338	218.82

Source: Bell County Tax Appraisal District and City of Killeen Finance Department.

Table XXIII

**City of Killeen, Texas
General Obligation Bond Tables
Hotel Occupancy Tax Revenues and Expenditures History
Last Ten Fiscal Years**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$ 1,776,199	\$ 1,941,564	\$ 1,897,724	\$ 1,738,543	\$ 1,887,416	\$ 1,467,596	\$ 2,161,057	\$ 2,186,530	\$ 2,130,441	\$ 1,988,994
Intergovernmental	-	-	-	-	-	-	10,286	427,182	369,894	142,080
Charges for Services	-	608,426	599,472	636,451	742,403	382,211	531,211	645,761	862,333	846,200
Investment Earnings	-	221	4,046	6,254	13,695	11,425	3,682	(2,605)	65,164	88,303
Miscellaneous	678,495	-	-	-	1,433	793	3,230	4,340	586	-
Total Revenues	2,454,694	2,550,211	2,501,242	2,381,248	2,644,947	1,862,025	2,709,466	3,261,208	3,428,418	3,065,577
Expenditures:										
General Government	1,567,108	-	-	-	-	-	-	-	-	-
Community Development	274,526	1,627,656	1,475,285	1,556,978	1,573,895	1,453,548	1,336,700	1,897,785	2,034,124	2,839,403
Capital Outlay	19,097	183,333	289,677	36,300	16,517	-	-	-	55,779	125,379
Debt Service	727,200	714,924	739,719	716,372	723,646	725,440	717,425	712,049	718,318	716,990
Total Expenditures	2,587,931	2,525,913	2,504,681	2,309,650	2,314,058	2,178,988	2,054,125	2,609,834	2,808,221	3,681,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	(133,237)	24,298	(3,439)	71,598	330,889	(316,963)	655,341	651,374	620,197	(616,195)
Other Financing Sources (Uses):										
Insurance Recoveries	-	-	-	-	-	1,920	4,974	-	-	-
Sale of Capital Assets	-	2,228	18	-	-	53	-	-	40	-
Transfers Out	-	-	-	(11,000)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	2,228	18	(11,000)	-	1,973	4,974	-	40	-
Net Change in Fund Balance	(133,237)	26,526	(3,421)	60,598	330,889	(314,990)	660,315	651,374	620,237	(616,195)
Beginning Fund Balance	406,596	273,359	299,885	296,464	357,062	687,951	372,961	1,033,276	1,684,650	2,304,887
Ending Fund Balance	\$ 273,359	\$ 299,885	\$ 296,464	\$ 357,062	\$ 687,951	\$ 372,961	\$ 1,033,276	\$ 1,684,650	\$ 2,304,887	\$ 1,688,692

Note: The data in this table is extracted from Exhibit C-14

Table XXIV

City of Killeen, Texas
Waterworks and Sewer System Revenue Bond Tables
Ten Largest Water and Wastewater Customers (In Thousands of Gallons)
September 30, 2024

Customer	Water				Wastewater		
	Annual Water Usage	Annual Amount Billed	% of Total Water Usage	Ranking	Annual Wastewater Usage	Annual Amount Billed	Ranking
Killeen Independent School District	103,864,800	\$ 422,236	2.36232%	1	40,834,193	\$ 165,772	2
City of Killeen	50,135,600	218,426	1.14029%	2			
Stonetree Golf Course	42,337,100	37,706	0.96292%	3			
MFT-IP	35,620,000	122,545	0.81015%	4	29,830,749	113,468	3
Metroplex Hospital	26,224,000	99,720	0.59644%	5	11,655,568	44,946	9
MGC Pure Chemicals America	21,964,800	78,172	0.49957%	6	19,677,759	74,886	4
Stone Hill Apartments	18,913,800	65,021	0.43018%	7	15,460,338	58,971	6
Passariello Estates	18,482,400	70,373	0.42037%	8	16,597,904	79,293	5
Today's Car Wash	18,266,600	65,792	0.41546%	9	15,417,298	58,919	7
Redford Park Limited	14,376,600	49,789	0.32698%	10	11,608,179	44,222	10
Central Texas College					63,992,719	\$ 243,999	1
1320 Wales Owner LLC					11,781,816	\$ 45,214	8

Note: Percentage of total consumption based on 4,396,723,799 gallons annual consumption.
Source: City of Killeen Utility Collections Department.

Table XXV

City of Killeen, Texas
Waterworks and Sewer System Revenue Bond Tables
Monthly Water and Wastewater Rates (Effective 10/01/2023)

Water Rates

The following rates apply to all classes of users inside the City limits:

	Residential	Multi-Family	Commercial
0 - 2,000 based on meter size:			
5/8" and 3/4"	\$15.04	\$15.04	\$15.52
1"	\$16.49	\$16.49	\$17.76
1-1/2"	\$20.13	\$20.13	\$27.11
2"	\$24.48	\$24.48	\$38.32
3"	\$34.65	\$34.65	\$64.49
4"	\$49.20	\$49.20	\$101.88
6"	\$86.61	\$86.61	\$195.35
8"	\$129.10	\$129.10	\$307.51
2,001 - 15,000	\$3.38/1,000		
15,001 - 30,000	\$4.03/1,000		
>30,000	\$4.81/1,000		
>2,000		\$3.38/1,000	\$3.50/1,000

Water rates for outside the City limits are equal to the water rates for users inside the City limits plus 50%.

Wastewater Rates

Water Consumption (gals)	Residential	Multi-Family	Commercial *
0-3,000	\$ 20.76	\$ 21.15	\$ 20.65
3,001-10,000	\$3.80/1,000	\$3.80/1,000	\$3.80/1,000
>10,000	-	\$3.80/1,000	\$3.80/1,000

*Commercial wastewater over 3,000 gallons is calculated using a 90% flow factor.

City of Killeen, Texas
Waterworks and Sewer System Revenue Bond Tables
Waterworks and Sewer System Condensed Statement of Operations

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues: ⁽¹⁾										
Charges for Services	\$ 37,007,157	\$ 38,803,969	\$ 39,409,416	\$ 40,086,634	\$ 39,528,685	\$ 42,316,494	\$ 41,395,591	\$ 45,707,912	\$ 46,858,487	\$ 48,241,182
Miscellaneous	480,556	2,452	37,115	2,845	20,237	7,059	2,836	2,213	13,415	2,061,433
Total Revenues	<u>37,487,713</u>	<u>38,806,421</u>	<u>39,446,531</u>	<u>40,089,479</u>	<u>39,548,922</u>	<u>42,323,553</u>	<u>41,398,427</u>	<u>45,710,125</u>	<u>46,871,902</u>	<u>50,302,615</u>
Expenditures: ⁽²⁾										
Water Purchases	7,637,005	7,810,794	8,447,593	7,938,535	7,730,925	8,406,645	8,436,546	9,021,446	10,024,767	9,798,803
Sewage Treatment	6,594,789	7,183,054	6,366,159	6,053,339	7,387,129	6,503,394	7,032,837	6,477,289	7,062,524	5,235,370
Operating Costs	10,618,307	10,423,579	5,305,353	9,776,433	14,627,857	12,940,248	12,193,210	10,213,136	13,172,855	14,586,330
Total Expenditures	<u>24,850,101</u>	<u>25,417,427</u>	<u>20,119,105</u>	<u>23,768,307</u>	<u>29,745,911</u>	<u>27,850,287</u>	<u>27,662,593</u>	<u>25,711,871</u>	<u>30,260,146</u>	<u>29,620,503</u>
Net Available for Debt Service	<u>\$ 12,637,612</u>	<u>\$ 13,388,994</u>	<u>\$ 19,327,426</u>	<u>\$ 16,321,172</u>	<u>\$ 9,803,011</u>	<u>\$ 14,473,266</u>	<u>\$ 13,735,834</u>	<u>\$ 19,998,254</u>	<u>\$ 16,611,756</u>	<u>\$ 20,682,112</u>
Customer Count:										
Water	50,175	51,058	52,200	52,597	53,443	54,288	55,193	56,227	56,517	57,217
Sewer	52,636	55,786	46,487	47,975	49,452	50,327	51,650	52,658	53,111	53,464

⁽¹⁾ Revenues do not include nonoperating revenues and contributions and transfers.

⁽²⁾ Expenditures do not include depreciation, nonoperating expenses and transfers.