



**Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2020**





**CITY OF KILLEEN**



**City of Killeen, Texas**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended  
September 30, 2020**

Prepared by:

Finance Department

Jonathan Locke, CPA, CGFO  
Executive Director of Finance

Judith Tangalin, CPA, CGFO  
Controller



**CITY OF KILLEEN**



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**CITY OF KILLEEN**



# INTRODUCTORY SECTION





**CITY OF KILLEEN**





March 16, 2021

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, 2020.

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 misstatements.

Belt Harris Pechacek, LLLP, 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, 2020. The independent auditors’ 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 auditors’ 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 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 155,158.

Killeen is situated along Interstate 14 that intersects Interstate 35 approximately 17 miles east of the City and U.S. Highways 281 and 183 approximately 30 miles to the west of the City. Waco, Texas is located 65 miles to the north and Austin is 70 miles to the south of the City, which encompasses an area of 55.868 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 to the City. Historically significant properties range from a late 19<sup>th</sup> century Romanesque Revival bank to early 20<sup>th</sup> century stone and brick commercial buildings to 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 thirteen (13) years. This year, the Parks Department planted 55 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 a water park, spray-park, two skate parks, golf and disc golf courses, a fitness center, one public swimming pool, a family aquatics center, four hike and bike trails, and a variety of athletic fields. Heritage Oaks a 3.8-mile-long trail was completed November 30, 2020 and opened to the Public. The trail features 6 – 12-foot-wide sections with enough space for walking, jogging and biking. It runs through other trails, hills and



several low-water crossings over Trimmier Creek. 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 garbage 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, among other things, 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. Department heads may transfer resources within a department as they see fit, 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.

### 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 as follows:

- *Military*

Adjacent Fort Hood was originally created to train tank destroyer battalions in World War II. Fort Hood has become the Army's largest active-duty armored post, home to III Corps Command Group and subordinate units including the much-decorated 1<sup>st</sup> Cavalry Division, "America's First Team." Occupying more than 217,000 acres in Bell and Coryell counties, Fort Hood has deployed and redeployed more than 852,000 soldiers overseas since 2003.

Fort Hood and the soldiers and their families play a major role in the economy of the City. In fiscal year 2019, the Texas Comptroller estimated that Fort Hood contributed \$29.8 billion to the Texas economy and supported an estimated 153,000 Texans in some capacity, providing approximately \$9.6 billion in disposable personal income. More than 56,000 soldiers and civilians are directly employed by the post making it the largest single-site employer in the State.

In July 2017, Fort Hood received \$145 million for barracks renovation. The funding will allow for upgrades and repairs to 15 enlisted housing barracks, many of which were condemned. In October 2018, it was announced that Fort Hood will be receiving \$61 million in funding to renovate 5 additional barracks.

The Directorate of Public Works at Fort Hood is giving old buildings a new lease on life. They are in the process of updating old, outdated buildings and repurposing them to be used for different purposes. There are currently two 1980's motor pools under renovation at approximately \$10 million each. Contractors are currently in the process of renovating the former Warrior Way Post Exchange, turning a section of it into the Warrior Way Fitness Center. When completed, the facility will have expanded to 50,000 square feet. The former Eagles Nest Dining Facility will provide the 3<sup>rd</sup> Security Force Assistance Brigade with approximately 14,000 square feet of space, which is expected to be completed in the spring of 2021 at a contract price of \$8 million.

- *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. Overall campus development will include 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 only behind the establishment of Fort Hood.

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*

Metroplex, now 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 new 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*

The housing market continues to be robust with new housing developments. There were 814 housing starts this year compared to 597 in the prior year. Most of the dwellings in the Killeen area (50.7%) are Owner-Occupied and the majority (63.2%) are single-family homes. Over the next 5 years, the number of households is projected to increase by 3.1%.

- *COVID-19*

On March 18, 2020, the Mayor and the Bell County Judge made local disaster declarations that moved both jurisdictions into Stage 3 of their emergency response plans placing certain restrictions on activities and businesses. On March 19, 2020, the Governor issued four executive orders statewide that went into effect from March 20, 2020 through April 3, 2020. The Governor's orders made further restrictions which the City officials responded to immediately. Killeen's and Bell County's restrictions already in place were: restaurants may not offer dine-in services but may provide carry out, drive through and delivery services; bars and clubs may not operate; recreational facilities, including movie theaters, pool halls, bowling alleys, gyms and health clubs, may not operate. On March 19, 2020 Killeen City officials took further steps by implementing additional cleaning of public facilities, social distancing, cancellation of City-sponsored events and cancellation of public/private events at City properties where attendance of 10 or more were expected. Killeen officials also limited public access to Public Safety offices, closed administration offices and asked to be called for services, suspended services and closed recreational facilities.

On March 23, 2020, the Mayor and the Bell County Judge ordered shelter in place. The primary orders were: individuals living in the City are to shelter at their residences, leaving only for essential activities or essential business operations; businesses not defined as essential are to cease operations; public and private gatherings of 10 or more are to cease activities; religious and worship services to be provided by video or teleconference and all elective medical and dental procedures are prohibited. The City conveyed that obeying directives and



taking precautions to minimize unnecessary contact with those outside individual households was paramount to protecting the most vulnerable members of our community.

The City of Killeen continues to actively monitor the COVID-19 situation. The City remains engaged with federal, state and local emergency agencies to evaluate risks, obtain resources and plan response. The situation continues to change, and the City is adjusting internal and external protocols for employee and public safety.

- *Rankings*

In 2019, Killeen was ranked among the “125 Best Places to Live in the USA” by U.S. News and World Report. The study used different factors such as quality of life, job market, and the value of living in each of the metropolitan areas. The U.S. News list cited Killeen’s lower cost of living, commute times lower than the national average, diverse population, and access to major Texas metropolitan areas as part of the City’s ranking.

In September 2019, U.S. News and World Report also ranked Killeen 5<sup>th</sup> in “Best Place to Live in Texas.” The study was pulled based on data from the Texas-specific cities that were included in the U.S. News and World Reports “125 Best Places to Live in the USA” report. This ranking was based on multiple factors such as local job market, affordability, average commute time, and desirability. The U.S. News and World Report website cites affordability and low unemployment as key contributing factors to the City’s ranking.

In 2019, Killeen was recognized as the Most Courageous City in Texas by Insurify. Awards were based on residents’ dedication to defending public safety, both at home and abroad. Over 2 million insurance applications were analyzed in order to identify the city in each state with the highest share of veterans, military service members and other defenders of public safety such as firefighters and law enforcement officials.

- *Public Safety*

The City of Killeen has a four-pronged approach to communicating with the community. This system consists of the CodeRED Emergency Notification System, the City News Alert System, the Outdoor Siren System, and the social media channels.

### 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 December 19, 2017 and updated the policies on February 25, 2020. 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 18-22% 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 18-22% of operating expenses with excess funds transferred to an enterprise capital projects fund.

### Major initiatives

Killeen and other cities have partnered with Bell County Water Control Improvement District (WCID) No. 1 to build a \$50 million water treatment plant that will serve water needs through 2050. Once operational, the water treatment



plant will provide an extra 10 million gallons per day in pumping capacity to Killeen to cover expansion in the City's southern growth corridor. Killeen provided an initial \$5 million equity contribution in 2014 and is obligated to pay \$26.4 million in principal debt service to the Bell County WCID No. 1 through 2040 for the plant's construction.

- *Water Plant Update*

The water treatment plant was expected to be completed sometime in the summer of 2020, however, there were a few delays, and it is now about 98% complete and should be completed early 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. This was for a brief period but gives us confidence that we could seek an upgrade in the future.

The area south of the Lampasas River and between Chaparral Road and the Lampasas River is prime for development as Killeen grows in that direction. Quality development depends on a few factors, but water and sewer services are near the top of the list. The Stillhouse Water Plant represents a significant amount of water availability to support the development needs in this area. The plant is expected to fulfill the need for decades to come.

### 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 comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the 29<sup>th</sup> 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 CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of Killeen also received the GFOA's Distinguished Budget Presentation Award for the fiscal year ended September 30, 2019. 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 unflinching support for maintaining the highest standards of professionalism in the management of the City of Killeen's finances.

Respectfully submitted,

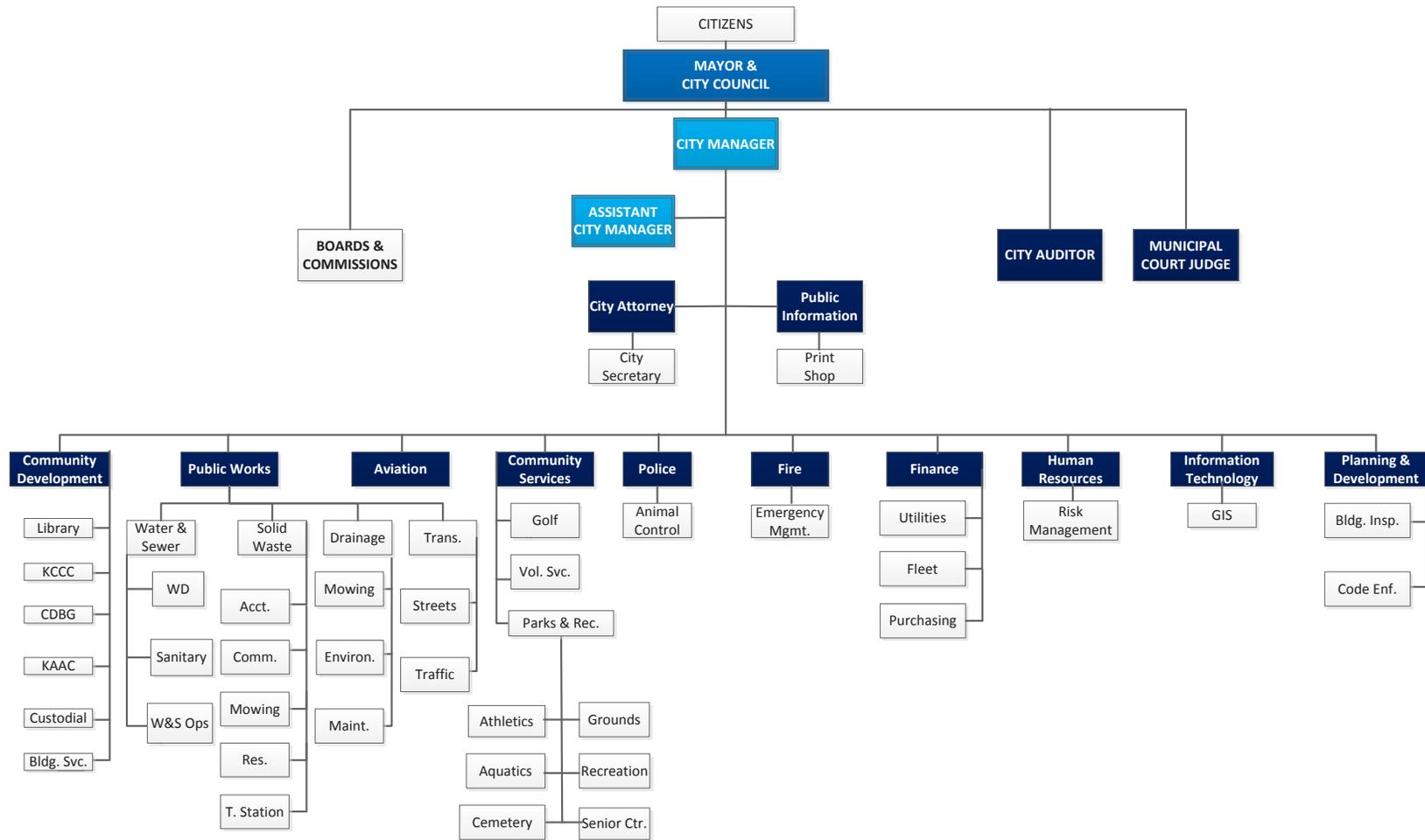
Jonathan Locke, CPA  
Executive Director of Finance

Judith Tangalin, CPA  
Controller



**CITY OF KILLEEN**





- Elected Officials
- City Management
- Department Level

**City of Killeen, Texas**  
**List of Elected and Appointed Officials**  
**September 30, 2020**

**Elected Officials**

Mayor  
Mayor Pro Tem – District 3  
Councilmember – District 1  
Councilmember – District 2  
Councilmember – District 4  
Councilmember – At Large  
Councilmember – At Large  
Councilmember – At Large

Jose L. Segarra  
Jim Kilpatrick  
Shirley Fleming  
Debbie Nash-King  
Steve Harris  
Butch Menking  
Juan Rivera  
Gregory Johnson

**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 Community Services  
Executive Director of Finance  
Executive Director of Human Resources  
Executive Director of Information Technology  
Executive Director of Municipal Court  
Executive Director of Planning  
Executive Director of Public Works

Kent Cagle  
David Ellison  
Kathryn Davis  
Matthew Grady, CPA  
Charles Kimble  
Brian Brank  
Mark Kimball  
Matthew Van Valkenburgh  
Hilary Shine  
Leslie Hinkle  
Joseph Brown  
Jonathan Locke, CPA  
Eva Bark  
Wilfred Resto  
Luevada Posey  
Ray Shanaa, Ph.D.  
Danielle Singh, P.E.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Killeen  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morrell*

Executive Director/CEO



**CITY OF KILLEEN**



# FINANCIAL SECTION





## ***INDEPENDENT AUDITORS' REPORT***

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

### **Report on the Financial Statements**

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Killeen Economic Development Corporation (KEDC), one of the City's discretely presented component units, which reflects total assets of \$10,270,015 as of September 30, 2020 and total revenues of \$1,055,205 for the year then ended September 30, 2020. Those financial 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 KEDC, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

AUDITING TEXAS GOVERNMENTS WITH EXCELLENCE

purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above 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, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension liability and total other postemployment benefits liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, 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.

### *Other 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 introductory section, combining statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 statements and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2021 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 the effectiveness of the City's 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.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 15, 2021

# 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, 2020. 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 \$244.7 million (*net position*). Of this amount, unrestricted net position, which may be used to meet the City’s ongoing obligations to citizens and creditors, was a deficit \$54.4 million.
- The City’s total net position increased by \$13.1 million. This increase is mainly due to \$4.2 million increase in charges for services, \$4.2 million increase in property taxes, \$2.8 increase in grants and contributions from third parties, and \$1.8 million increase in sales taxes.
- At the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$60.7 million, an increase of \$18.1 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$22.6 million, or 29.3 percent of total general fund expenditures.
- The City’s total outstanding long-term debt decreased by \$15.5 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 37-38 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, 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. A budgetary comparison statement has been provided for the general fund and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 39-42 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 this service predominantly benefits governmental rather than business-type functions, it has 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 43-47 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 48-49 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 51-83 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 86-92 of this report.

The combining statements referred to earlier in connection with non-major 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 95-134 of this report.

### Government-Wide Overall Financial Analysis

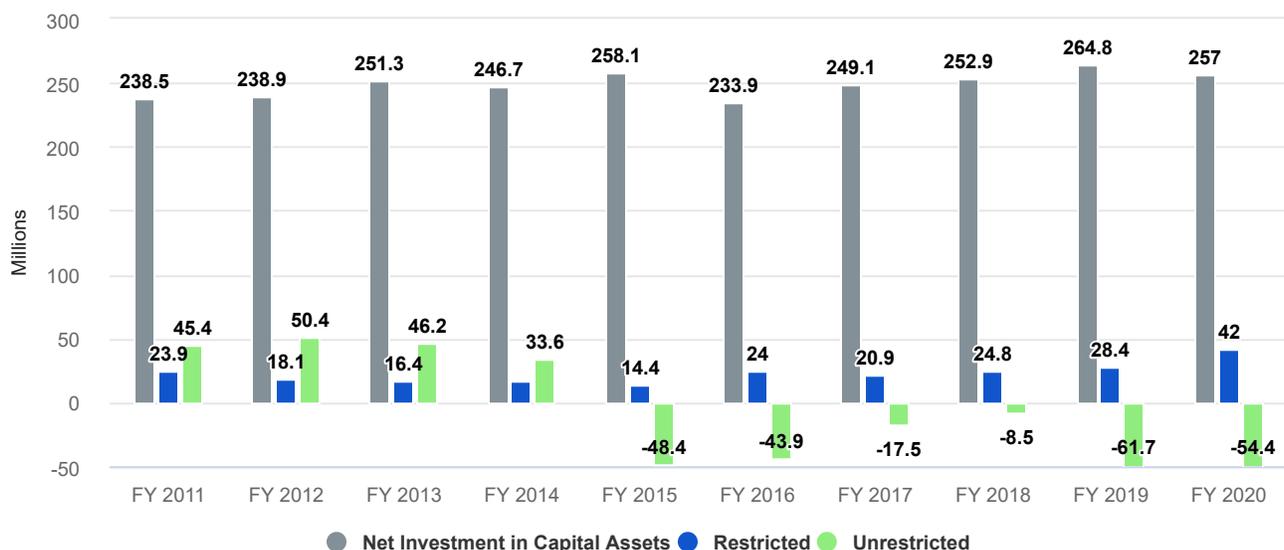
As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$244.7 million at the close of the most recent fiscal year.

**Net Position**  
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current and other assets	\$ 76.5	\$ 56.1	\$ 49.4	\$ 46.5	\$ 125.9	\$ 102.6
Capital assets	217.4	226.7	250.1	250.4	467.5	477.1
Total assets	293.9	282.8	299.5	296.9	593.4	579.7
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charge on refunding	9.6	11.1	1.5	1.9	11.1	13.0
Deferred outflows - pensions	8.6	14.2	1.2	2.4	9.8	16.6
Deferred outflows - OPEB	1.7	1.3	0.5	0.4	2.2	1.7
Total deferred outflows of resources	19.9	26.6	3.2	4.7	23.1	31.3
<b>LIABILITIES</b>						
Current liabilities	13.3	8.1	8.0	8.4	21.3	16.5
Noncurrent liabilities	276.3	285.1	61.7	68.4	338.0	353.5
Total liabilities	289.6	293.2	69.7	76.8	359.3	370.0
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows - pensions	8.7	7.0	2.3	1.0	11.0	8.0
Deferred inflows - OPEB	1.2	1.2	0.3	0.3	1.5	1.5
Total deferred inflows of resources	9.9	8.2	2.6	1.3	12.5	9.5
<b>NET POSITION</b>						
Net investment in capital assets	51.5	58.4	205.5	206.4	257.0	264.8
Restricted	33.0	21.4	9.0	7.0	42.0	28.4
Unrestricted	(70.2)	(71.8)	15.9	10.1	(54.4)	(61.7)
Total net position	\$ 14.3	\$ 8.0	\$ 230.4	\$ 223.5	\$ 244.7	\$ 231.5

By far, the largest portion of the City's net position, \$257.0 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.

**Net Position Government-Wide**



(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, \$42.0 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a negative \$54.4 million, may be used to meet the City's ongoing obligations to citizens and creditors. This negative unrestricted net position is the direct result of the implementation of GASB 68 and GASB 75.

The City's overall net position increased by \$13.1 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.

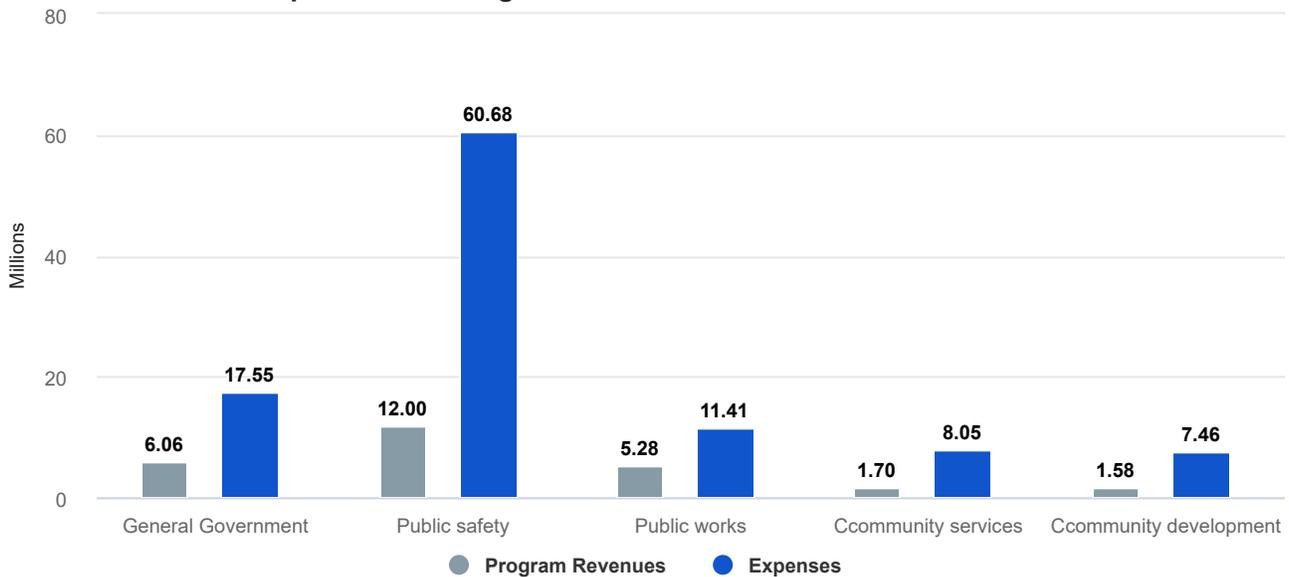
**Governmental Activities.** During the current fiscal year, net position for governmental activities increased by 6.2 million from the prior fiscal year for an ending balance of \$14.3 million. Key elements of this increase are as follows:

- \$6.5 million increase in operating grants and contributions
- \$4.2 million increase in property taxes
- \$1.8 million increase in sales and occupancy taxes

**Changes in Net Position**  
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Total Activities	
	2020	2019	2020	2019	2020	2019
Revenues						
<i>Program revenues:</i>						
Charges for services	\$ 12.7	\$ 11.8	\$ 70.3	\$ 66.9	\$ 83.0	\$ 78.7
Operating grants and contributions	10.5	4.0	2.5	-	13.0	4.0
Capital grants and contributions	3.5	5.7	3.7	7.6	7.2	13.3
<i>General revenues:</i>						
Property taxes	47.5	43.3	-	-	47.5	43.3
Franchise taxes	5.6	5.8	-	-	5.6	5.8
Sales taxes	29.1	27.3	-	-	29.1	27.3
Interest and investment income	1.2	1.3	0.7	0.9	1.9	2.2
Insurance proceeds	0.1	0.4	-	-	0.1	0.4
Gain on sale of capital assets	0.1	0.1	0.1	-	0.2	0.1
Lease revenue	0.2	-	0.1	0.1	0.3	0.1
Total revenues	110.5	99.7	77.4	75.5	187.8	175.2
Expenses						
General	17.6	24.1	-	-	17.6	24.1
Public safety	60.7	79.2	-	-	60.7	79.2
Public works	11.4	12.3	-	-	11.4	12.3
Community services	8.0	13.6	-	-	8.0	13.6
Community development	7.5	6.2	-	-	7.5	6.2
Fleet services	-	-	-	-	-	-
Interest on long-term debt	7.0	7.0	-	-	7.0	7.0
Airport operations	-	-	7.0	8.8	7.0	8.8
Solid waste	-	-	15.7	18.6	15.7	18.6
Water and sewer	-	-	36.2	38.3	36.2	38.3
Drainage utility	-	-	3.6	4.9	3.6	4.9
Total expenses	112.2	142.4	62.5	70.5	174.7	212.9
Change in net position before transfers	(1.7)	(42.7)	14.9	5.1	13.1	(37.6)
Transfers	8.0	9.7	(8.0)	(9.7)	(0.0)	-
Change in net position	6.3	(33.0)	6.9	(4.6)	13.1	(37.6)
Net position at beginning of year	8.0	41.1	223.5	228.1	231.5	269.2
Prior period adjustment	-	(0.1)	-	-	-	(0.1)
Net position at end of year	\$ 14.3	\$ 8.0	\$ 230.4	\$ 223.5	\$ 244.6	\$ 231.5

### Expenses and Program Revenues Governmental Activities



**Business-type activities.** Business-type activities increased the City’s net position by \$6.9 million. Key elements of this increase are as follows:

- \$3.3 million increase in charges for services
- \$2.5 million increase in operating grants due to grants awarded from the Coronavirus Aid Relief, and Economic Security (CARES) Act.
- \$1.2 million decreased in operating solid waste expenses

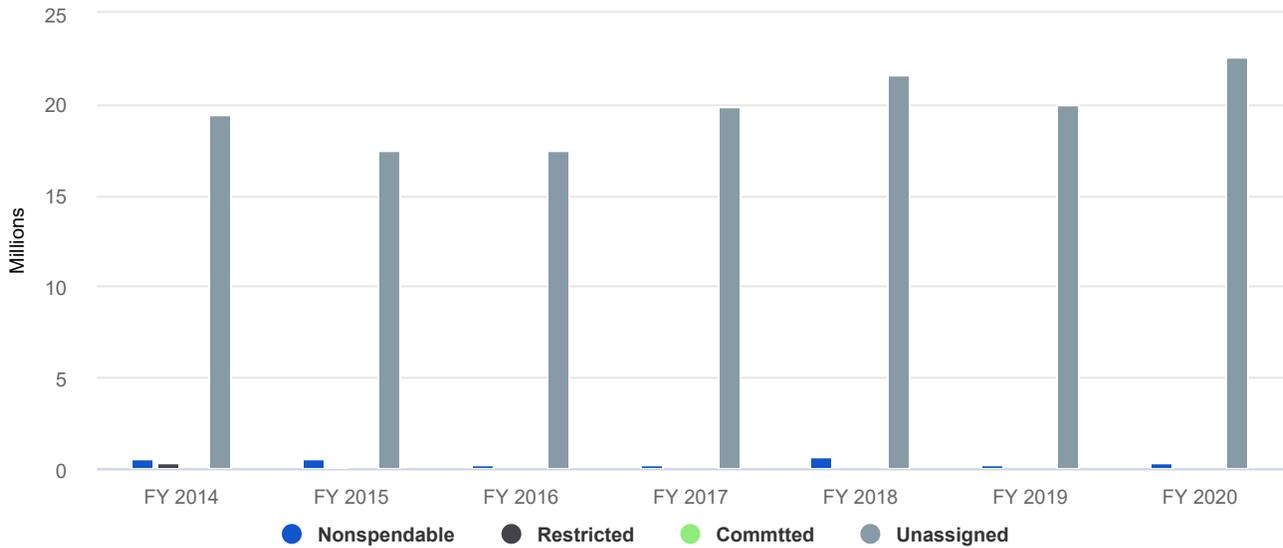
#### Financial Analysis of the City’s Funds

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 \$60.7 million, an increase of \$18.1 million in comparison with the prior year. Approximately \$22.62 million is unassigned *fund balance*, which is available for spending at the City’s discretion. The remainder of fund balance is either *nonspendable* or *restricted* to indicate that it is 1) not in spendable form (\$5.2 million) or 2) restricted for particular purposes (\$33.0 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, unassigned fund balance of the general fund was \$22.6 million, while the total fund balance increased to \$22.9 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 29.3 percent of total general fund expenditures, while total fund balance represents 29.7 percent of that same amount.

The fund balance of the City’s general fund increased by \$2.6 million during the current fiscal year. General funds transfers out total \$19.1 million and transfers in total \$12.6 million in current fiscal year. The major transfers were:

- Transfer of \$13.8 million to the governmental capital improvement fund to fund governmental capital outlays and governmental capital improvements.
- Transfer of \$5.0 million to establish a special revenue fund to account for street maintenance operations.
- Transfer of \$0.3 million to the water and sewer fund to account for general fund’s portion of engineering operations.
- Indirect cost allocations transferred from the solid waste fund, water and sewer fund, and drainage fund in the amounts of \$3.0 million, \$6.6 million, and \$0.7 million respectively.
- Transfer of \$2.2 million from the support service internal service fund to terminate the fund.
- Transfer of \$1.0 million from the street maintenance fund, cost allocation for support services.

The debt service fund, the remaining major governmental fund, had an increase in fund balance during the current year of \$0.5 million to bring the year end fund balance to \$4.5 million. This increase is due to Texas Department of Transportation (TXDOT) reimbursement for the pass-through reimbursement program being \$0.5 million more than anticipated.

**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, and drainage funds at the end of the year amounted to negative \$0.7 million, \$22.9 thousand, \$12.7 million, and \$3.9 million, respectively. The combined growth in net position for all funds was \$15.9 million. Other factors concerning the finances of these funds have already 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 \$4.7 million increase in net appropriations, and can be briefly summarized as follows:

- Transfers out to the governmental capital improvements project fund budget increased by \$11.3 million.
- General government expenditures budget increased by \$9.9 million due to the elimination of support services.
- Public safety expenditures budget decreased by \$4.5 million.
- Intergovernmental revenues budget increased by \$6.2 million.

- Transfers in from water and sewer fund budget increased by \$2.5 million.
- Transfers in from support services internal service fund budget increased by \$2.2 million.
- Transfers in from solid waste fund budget increased by \$1.1 million.

**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	\$ 64,682,510	\$ 66,230,087	\$ 1,547,577
Licenses, permits and fees	1,271,704	1,852,529	580,825
Intergovernmental	9,908,422	8,983,949	(924,473)
Charges for services	6,304,761	6,088,529	(216,232)
Fines and Fees	3,194,932	2,178,166	(1,016,766)

The shortfall in intergovernmental revenue was primarily caused by public safety grant revenue being lower than expected. Charges for parks and recreation services revenue came in lower than expected. Court fines and fees came in lower than expected due to short staff and Coronavirus impact. Sales taxes increased by \$1.4 million.

A review of actual expenditures compared to appropriations in the final budget yields no significant variances with one exception. Actual expenditures for the police department within the public safety function (\$29.5 million) were lower than the related appropriation of \$32.6 million by approximately \$3.1 million. This savings was a result of personnel vacancies throughout the year.

### Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$467.5 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 decrease in capital assets for the current fiscal year was \$9.6 million.

### Capital Assets

(net of depreciation, in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Land	\$ 7.6	\$ 7.6	\$ 1.8	\$ 1.8	\$ 9.4	\$ 9.4
Construction in progress	36.0	33.4	11.9	11.0	47.9	44.3
Buildings	57.8	61.6	60.2	62.6	118.0	124.2
Improvements other than buildings	-	-	134.3	141.4	134.3	141.4
Furniture and equipment	2.4	3.1	1.7	1.3	4.1	4.5
Vehicles	6.2	6.7	7.3	4.4	13.5	11.0
Infrastructure assets	107.4	114.4	32.9	27.9	140.3	142.3
Total	\$ 217.4	\$ 226.7	\$ 250.1	\$ 250.4	\$ 467.5	\$ 477.1

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

- \$2.3 million of water, sewer, and drainage infrastructure was contributed to the City by developers.
- Various projects completed related to streets and sidewalks at a cost of \$4.8 million.
- The purchase of various vehicles at a cost of \$6.2 million.

Additional information on the City's capital assets can be found in Note III.E on pages 61-63 of this report.

### Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$219.5 million. Of this amount, \$169.1 million of general obligation bonds and \$3.3 million of certificates of obligations is debt backed by the full faith and credit of the City and \$32.3 million in revenue bonds of the City's business enterprises.

**Outstanding Debt**  
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ -	\$ -	\$ 32.3	\$ 36.7	\$ 32.3	\$ 36.7
General obligation bonds	160.2	137.5	8.9	9.2	169.1	146.7
Certificates of obligation	3.3	25.9	-	-	3.3	25.9
Plus unamortized bond premiums/ discounts	11.3	17.2	3.5	3.8	14.8	21.0
Total outstanding debt	<u>\$ 174.8</u>	<u>\$ 180.6</u>	<u>\$ 44.7</u>	<u>\$ 49.7</u>	<u>\$ 219.5</u>	<u>\$ 230.3</u>

The City's total debt decreased by \$10.8 million during the current fiscal year. The decrease is the result of the scheduled debt service payments.

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

**City of Killeen Bonded Debt Ratings**  
September 30, 2020

Bond Type	Rating		
	S&P	Fitch	Moody's
General Obligation	AA-	AA	Aa3
Utility Revenue Bond	AA-	AA-	Aa3
Certificates of Obligation	AA	AA	Aa3

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 \$96.9 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 78-80 of this report.

**Economic Factors and Next Year's Budget and Rates**

The following economic factors and priorities were considered in developing the 2021 fiscal year budget:

- For the first time in sixteen years, the property taxes rate was reduced \$0.168 from \$0.7498 to \$0.7330. This was largely due to a 7.4% increase in net taxable value.
- In fiscal year 2021, the total exempted value attributable to the disabled veteran's exemption is \$986 million, which will equate to a loss of \$7.2 million of revenue. The state legislature approved the appropriation of additional funds for local governments that are disproportionately impacted by the exemption. We estimate the City will receive nearly \$1.0 million more reimbursement compared to the prior year, for an estimated total state reimbursement of \$4.2 million.
- The City invested nearly \$2.6 million citywide to make the classified and civil service pay plans more competitive with the market. This included a 4% cost-of-living increase for civil service employees and 3% cost-of-living increase for classified employees.
- The fiscal year 2021 Budget includes additional funding for the Texas Municipal Retirement System (TMRS) of \$904,000. In November, the City Council approved the 100% Updated Service Credit annually repeating and removing the statutory rate limit effective January 1, 2021.
- The Firefighter's Relief and Retirement Fund (FRRF) budget increased \$331K due to an increase in the City's contribution rate from 13% to 15%. This increase is the result of a recommendation from the most recent actuarial valuation.
- Decision packages were approved to add Police Sergeant, Assistant Chief of Police, Emergency Management Senior Specialist, and Program Librarian positions and additional funding for the dangerous building abatement program. The total of the approved decision packages is \$529,005.

- The Police Sergeant was added to provide supervision at the Training Academy. The Assistant Chief of Police restored an administrative level position that was eliminated during FY 2017.
- The Emergency Management Senior Specialist position was added to assist with disaster plan maintenance, training and exercise, and to maintain the emergency operations center.
- The Program Librarian position was added to maintain the library accreditation. As the city's population increases, there are requirements for a specific number of professional librarians in order to be a state-accredited library.
- Additional funding was added to the budget for the dangerous building abatement program. Dangerous buildings create hazardous conditions and reduce the property values around them. The additional funding allows for more dangerous building abatements to be addressed during the fiscal year.
- Due to the impact of COVID on the hotel/motel industry, significant cuts were made to the Hotel Occupancy Tax Fund. The City eliminated four positions totaling \$181,408, reduced operating expenditures by \$166,751, and reduced the Grants to the Arts program by \$100,167.
- Provide the framework the City will follow for the delivery of services, facilities, and infrastructure to the citizens of Killeen.
- Address the City's strategic issues to the extent resources are available: 1) compensation, 2) retirement, 3) deferred building maintenance, and 4) evaluating staffing and service levels to achieve our mission.
- Focus on long-range financial planning to ensure the financial health and sustainability of Killeen.

The City's Financial Governance Policy stipulated that the general fund maintains 18% of operating expenditures as a minimum of unassigned reserves, which currently equates to \$13.9 million. At the end of fiscal year 2020, unassigned fund balance in the general fund is \$22.6 million. The Financial Governance Policy requires unassigned fund balance in excess of 22% to be used for capital improvement and projects, and not for financing of ongoing operational costs. For fiscal year 2020, fund balance in all budgeted funds is projected to remain at adequate levels to provide for unexpected decreases in revenues plus extraordinary unbudgeted expenditures.

### **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**



City of Killeen, Texas  
Statement of Net Position  
September 30, 2020

	Primary Government			Component Unit Killeen Economic Development Corp.
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 56,268,375	\$ 32,872,339	\$ 89,140,714	\$ 5,557,180
Receivables (net of allowances for uncollectibles):				
Taxes	7,384,430	-	7,384,430	-
Accounts	1,226,298	10,415,795	11,642,093	14,775
Intergovernmental receivable	6,130,794	266,515	6,397,309	-
Inventories	362,502	332,765	695,267	-
Prepaid assets	5,077,875	-	5,077,875	-
Restricted assets:				
Cash and cash equivalents	-	5,487,024	5,487,024	-
Capital assets:				
Nondepreciable	43,641,617	13,742,217	57,383,834	2,116,377
Depreciable (net)	173,757,505	236,390,406	410,147,911	2,581,683
Total assets	293,849,395	299,507,061	593,356,456	10,270,015
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	9,615,994	1,541,321	11,157,315	-
Deferred outflows - pensions	8,576,943	1,185,449	9,762,392	-
Deferred outflows - OPEB	1,738,652	503,031	2,241,683	-
Total deferred outflows of resources	19,931,589	3,229,801	23,161,390	-
<b>LIABILITIES</b>				
Accounts payable	8,798,312	3,669,463	12,467,775	10,916
Deposits payable	81,267	2,975,637	3,056,904	-
Unearned revenue	67,322	413,321	480,643	2,568
Accrued salaries payable	3,469,980	773,297	4,243,277	-
Accrued interest payable	866,089	213,061	1,079,150	-
Noncurrent liabilities:				
Due within one year	14,483,682	5,420,198	19,903,880	-
Due in more than one year	261,836,645	56,255,117	318,091,762	1,210,143
Total liabilities	289,603,297	69,720,094	359,323,391	1,223,627
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - pensions	8,714,539	2,325,719	11,040,258	-
Deferred inflows - OPEB	1,200,460	286,903	1,487,363	-
Total deferred inflows of resources	9,914,999	2,612,622	12,527,621	-
<b>NET POSITION</b>				
Net investment in capital assets	51,521,453	205,499,902	257,021,355	3,461,837
Restricted for:				
Debt service	4,901,539	3,563,179	8,464,718	-
Capital projects	19,983,650	5,487,024	25,470,674	-
Other purposes (see combining statements for detail)	8,075,668	-	8,075,668	-
Economic development	-	-	-	5,584,551
Unrestricted	(70,219,621)	15,854,041	(54,365,580)	-
Total net position	\$ 14,262,689	\$ 230,404,146	\$ 244,666,835	\$ 9,046,388

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

**City of Killeen, Texas**  
**Statement of Activities**  
**For the Year Ended September 30, 2020**

	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.
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 17,550,796	\$ 2,742,063	\$ 3,321,172	\$ -	\$ (11,487,561)	\$ -	\$ (11,487,561)	\$ -
Public safety	60,681,868	5,939,993	6,064,729	-	(48,677,146)	-	(48,677,146)	-
Public works	11,414,407	1,792,093	-	3,489,873	(6,132,441)	-	(6,132,441)	-
Community services	8,054,799	1,695,154	-	-	(6,359,645)	-	(6,359,645)	-
Community development	7,458,855	489,609	1,086,761	-	(5,882,485)	-	(5,882,485)	-
Interest on long-term debt	7,043,511	-	-	-	(7,043,511)	-	(7,043,511)	-
Total governmental activities	<u>112,204,236</u>	<u>12,658,912</u>	<u>10,472,662</u>	<u>3,489,873</u>	<u>(85,582,789)</u>	<u>-</u>	<u>(85,582,789)</u>	<u>-</u>
Business-type activities:								
Airport operations	7,057,126	3,238,829	2,490,302	1,360,510	-	32,515	32,515	-
Solid waste	15,650,206	19,508,164	2,646	-	-	3,860,604	3,860,604	-
Water and sewer	36,253,207	42,323,553	2,358	1,744,995	-	7,817,699	7,817,699	-
Drainage utility	3,598,254	5,161,767	450	567,800	-	2,131,763	2,131,763	-
Total business-type activities	<u>62,558,793</u>	<u>70,232,313</u>	<u>2,495,756</u>	<u>3,673,305</u>	<u>-</u>	<u>13,842,581</u>	<u>13,842,581</u>	<u>-</u>
Total primary government	<u>174,763,029</u>	<u>82,891,225</u>	<u>12,968,418</u>	<u>7,163,178</u>	<u>(85,582,789)</u>	<u>13,842,581</u>	<u>(71,740,208)</u>	<u>-</u>
<b>Component Unit:</b>								
Killeen Economic Development Corp.	<u>1,148,373</u>	<u>596,126</u>	<u>386,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(165,893)</u>
	<u>\$ 1,148,373</u>	<u>\$ 596,126</u>	<u>\$ 386,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(165,893)</u>
General revenues:								
Taxes:								
Ad valorem taxes					47,496,571	-	47,496,571	-
Franchise fees					5,568,209	-	5,568,209	-
Sales and occupancy taxes					29,115,034	-	29,115,034	-
Investment income					1,193,009	739,131	1,932,140	47,397
Insurance proceeds					101,458	34,556	136,014	25,328
Gain on disposition of capital assets					153,943	133,757	287,700	-
Lease revenue					204,814	105,051	309,865	-
Transfers					7,981,471	(7,981,471)	-	-
Total general revenues and transfers					<u>91,814,509</u>	<u>(6,968,976)</u>	<u>84,845,533</u>	<u>72,725</u>
Change in net position					6,231,720	6,873,605	13,105,325	(93,168)
Net position - beginning					8,030,969	223,530,541	231,561,510	9,139,556
Net position - ending					<u>\$ 14,262,689</u>	<u>\$ 230,404,146</u>	<u>\$ 244,666,835</u>	<u>\$9,046,388</u>

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

City of Killeen, Texas  
Balance Sheet  
Governmental Funds  
September 30, 2020

	General	Debt Service	Capital Improvements Project Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,065,422	\$ 2,458,367	\$ 25,486,917	\$ 9,136,336	\$ 54,147,042
Receivables (net of allowances for uncollectibles):					
Taxes	7,002,482	201,646	-	180,302	7,384,430
Accounts	1,043,493	976	100	180,886	1,225,455
Intergovernmental receivable	3,718,991	2,087,803	-	324,000	6,130,794
Due from other funds	141,681	-	-	-	141,681
Inventories	66,483	-	-	18,006	84,489
Prepaid assets	221,132	-	4,856,743	-	5,077,875
Total assets	<u>29,259,684</u>	<u>4,748,792</u>	<u>30,343,760</u>	<u>9,839,530</u>	<u>74,191,766</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	2,180,002	562	5,503,367	1,060,185	8,744,116
Due to other funds	-	-	-	141,681	141,681
Other liabilities	81,267	-	-	-	81,267
Accrued salaries payable	3,164,106	-	-	155,233	3,319,339
Unearned revenue	32,677	-	-	33,802	66,479
Total liabilities	<u>5,458,052</u>	<u>562</u>	<u>5,503,367</u>	<u>1,390,901</u>	<u>12,352,882</u>
Deferred inflows of resources:					
Unavailable revenue	896,785	201,646	-	-	1,098,431
Total deferred inflows of resources	<u>896,785</u>	<u>201,646</u>	<u>-</u>	<u>-</u>	<u>1,098,431</u>
Fund Balances:					
Nonspendable:					
Inventories	66,483	-	-	18,006	84,489
Prepaid assets	221,132	-	4,856,743	-	5,077,875
Restricted for:					
Debt service	-	4,546,584	-	354,955	4,901,539
Capital projects	-	-	19,983,650	-	19,983,650
Other purposes (see combining statements for detail)	-	-	-	8,075,668	8,075,668
Unassigned	22,617,232	-	-	-	22,617,232
Total fund balances	<u>22,904,847</u>	<u>4,546,584</u>	<u>24,840,393</u>	<u>8,448,629</u>	<u>60,740,453</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,259,684</u>	<u>\$ 4,748,792</u>	<u>\$ 30,343,760</u>	<u>\$ 9,839,530</u>	<u>\$ 74,191,766</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, 2020**

<b>Total fund balances - governmental funds balance sheet</b>		\$ 60,740,453
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.		215,864,062
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(176,359,752)
Vacation, sick leave, and compensatory time payable is not due and payable in the current period and, therefore, is not reported in the funds.		(12,470,965)
The other postemployment benefit obligation (OPEB) is not due and payable in the current period and, therefore, is not reported in the funds.		(11,118,373)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		(73,734,067)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred inflows – pensions	(8,497,949)	
Deferred inflows – OPEB	<u>(1,193,861)</u>	(9,691,810)
Deferred outflows of resources are not reported in the governmental funds:		
Deferred charges on debt refundings	9,615,994	
Deferred outflows – pensions	8,309,741	
Deferred outflows – OPEB	<u>1,700,803</u>	19,626,538
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,098,431
Internal service funds are used by management to charge costs of fleet services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net position.		<u>308,172</u>
<b>Net position of governmental activities - statement of net position</b>		<b><u>\$ 14,262,689</u></b>

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, 2020**

	General	Debt Service	Capital Improvements Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 66,230,087	\$ 14,013,397	\$ -	\$ 1,881,367	\$ 82,124,851
Licenses and permits	1,852,529	-	-	-	1,852,529
Intergovernmental	8,983,949	2,087,803	1,367,590	1,523,192	13,962,534
Charges for services	6,088,529	-	-	2,327,172	8,415,701
Fines	2,178,166	-	-	144,724	2,322,890
Investment earnings	580,321	210,738	207,518	173,804	1,172,381
Contributions	-	-	100,000	53,830	153,830
Miscellaneous	171,518	-	11,790	40,825	224,133
Total revenues	<u>86,085,099</u>	<u>16,311,938</u>	<u>1,686,898</u>	<u>6,144,914</u>	<u>110,228,849</u>
<b>EXPENDITURES</b>					
Current:					
General government	11,953,018	-	61,113	98,307	12,112,438
Public safety	54,829,583	-	-	393,027	55,222,610
Public works	440,016	-	241,659	6,420,064	7,101,739
Community services	6,123,876	-	48,099	12,608	6,184,583
Community development	3,358,033	-	526,244	2,604,305	6,488,582
Capital outlay	334,119	-	4,995,990	16,532	5,346,641
Debt service:					
Principal	180,821	9,030,000	251,606	491,616	9,954,043
Interest and fiscal charges	19,776	6,823,014	8,889	281,065	7,132,744
Cost of Issuance	-	616,849	44,991	-	661,840
Total expenditures	<u>77,239,242</u>	<u>16,469,863</u>	<u>6,178,591</u>	<u>10,317,524</u>	<u>110,205,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,845,857</u>	<u>(157,925)</u>	<u>(4,491,693)</u>	<u>(4,172,610)</u>	<u>23,629</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued	-	66,690,000	-	-	66,690,000
Premium on issuance of debt	-	941,584	-	-	941,584
Payment to scrow agent	-	(67,013,829)	-	-	(67,013,829)
Limited tax note	-	-	4,910,000	-	4,910,000
Capital leases	146,351	-	-	-	146,351
Insurance proceeds	39,212	-	27,158	35,088	101,458
Sale of assets	135,054	-	-	16,178	151,232
Transfers in	12,591,707	-	13,884,295	4,998,826	31,474,828
Transfers out	<u>(19,143,082)</u>	<u>-</u>	<u>-</u>	<u>(195,884)</u>	<u>(19,338,966)</u>
Total other financing sources (uses)	<u>(6,230,758)</u>	<u>617,755</u>	<u>18,821,453</u>	<u>4,854,208</u>	<u>18,062,658</u>
Net change in fund balances	2,615,099	459,830	14,329,760	681,598	18,086,287
Fund balance - beginning	20,289,748	4,086,754	10,510,633	7,767,031	42,654,166
Fund balance - ending	<u>\$ 22,904,847</u>	<u>\$ 4,546,584</u>	<u>\$ 24,840,393</u>	<u>\$ 8,448,629</u>	<u>\$ 60,740,453</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, 2020**

**Net change in fund balances - total governmental funds** \$ 18,086,287

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	5,346,641	
Depreciation expenses	(14,162,077)	
	(8,815,436)	(8,815,436)

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	9,490,000	
Limited tax note issue	(4,910,000)	
Refunding issue	(4,615,000)	
Capital lease principal payment	514,732	
Capital lease issued	(146,351)	
Interest expense on bonds	312,120	
Amortization premium on bonds	5,901,507	
Amortization of deferred charge on refunding	(1,515,999)	
	5,031,009	5,031,009

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	(566,857)	
Change in deferred outflows - pensions	(5,153,021)	
Change in deferred outflows - OPEB	433,961	
Change in net pension liability	3,745,873	
Change in total OPEB liability	(1,039,335)	
Change in deferred inflows - pensions	(1,589,014)	
Change in deferred inflows - OPEB	(765)	
	(4,169,158)	(4,169,158)

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. (50,393)

Internal service funds are used by management to charge the costs of fleet maintenance. The net operating income of the internal service fund is reported with governmental activities net of the amount allocated to business-type activities. (3,850,589)

**Change in net position of governmental activities - statement of activities** \$ 6,231,720

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

City of Killeen, Texas  
Statement of Net Position  
Enterprise Funds  
September 30, 2020

	Business-type Activities					Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 1,769,491	\$ 5,246,444	\$ 20,121,772	\$ 5,734,632	\$ 32,872,339	\$ 2,121,333
Receivables (net of allowances for uncollectibles):						
Accounts	910,631	2,674,463	6,127,738	702,963	10,415,795	843
Intergovernmental receivable	266,515	-	-	-	266,515	-
Inventories	88,458	-	244,307	-	332,765	278,013
Restricted assets:						
Cash and cash equivalents	3,444,487	-	1,088,203	954,334	5,487,024	-
Total current assets	<u>6,479,582</u>	<u>7,920,907</u>	<u>27,582,020</u>	<u>7,391,929</u>	<u>49,374,438</u>	<u>2,400,189</u>
Noncurrent assets:						
Property and equipment:						
Land	1,319,003	72,165	243,332	172,190	1,806,690	-
Buildings	2,029,182	12,331,977	91,795,132	-	106,156,291	-
Improvements other than buildings	102,126,020	-	109,604,326	8,382,438	220,112,784	-
Furniture and equipment	1,680,340	1,143,909	1,074,219	506,795	4,405,263	387,451
Vehicles	1,054,012	15,318,991	5,555,523	2,971,764	24,900,290	4,276,727
Infrastructure	1,192,383	1,764,850	28,061,975	5,836,076	36,855,284	-
Construction in progress	6,880,281	-	4,942,936	112,310	11,935,527	-
Less accumulated depreciation	(49,175,361)	(16,651,477)	(83,123,881)	(7,088,787)	(156,039,506)	(3,129,118)
Net property and equipment	<u>67,105,860</u>	<u>13,980,415</u>	<u>158,153,562</u>	<u>10,892,786</u>	<u>250,132,623</u>	<u>1,535,060</u>
Total assets	<u>73,585,442</u>	<u>21,901,322</u>	<u>185,735,582</u>	<u>18,284,715</u>	<u>299,507,061</u>	<u>3,935,249</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charges on refunding	-	261,887	1,151,296	128,138	1,541,321	-
Deferred outflows - Pensions	160,796	414,956	461,799	147,898	1,185,449	267,202
Deferred outflows - OPEB	95,282	168,090	214,539	25,120	503,031	37,849
Total deferred outflows of resources	<u>256,078</u>	<u>844,933</u>	<u>1,827,634</u>	<u>301,156</u>	<u>3,229,801</u>	<u>305,051</u>

**City of Killeen, Texas**  
**Statement of Net Position**  
**Enterprise Funds**  
**September 30, 2020**

	Business-type Activities					Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 910,363	\$ 773,720	\$ 1,973,813	\$ 11,567	\$ 3,669,463	\$ 54,196
Deposits payable	18,100	4,000	2,953,537	-	2,975,637	-
Unearned revenue	31,651	157,241	224,429	-	413,321	843
Accrued salaries payable	90,600	255,118	332,839	94,740	773,297	150,641
Accrued interest payable	-	24,466	175,526	13,069	213,061	-
Compensated absences	22,099	72,594	62,167	21,556	178,416	34,455
Capital lease payable	-	132,010	-	84,772	216,782	-
Current portion of bonds payable	-	525,000	4,060,000	440,000	5,025,000	-
Total current liabilities	<u>1,072,813</u>	<u>1,944,149</u>	<u>9,782,311</u>	<u>665,704</u>	<u>13,464,977</u>	<u>240,135</u>
Noncurrent liabilities:						
Compensated absences	88,400	290,376	248,668	86,226	713,670	137,816
Net pension liability	1,847,344	4,527,128	4,984,905	1,550,477	12,909,854	3,209,034
Total OPEB liability	611,430	1,021,804	1,172,872	110,076	2,916,182	121,954
Capital lease payable	-	-	-	107,690	107,690	-
Bonds payable net of unamortized premium (discount)	-	5,659,483	31,375,081	2,573,157	39,607,721	-
Total noncurrent liabilities	<u>2,547,174</u>	<u>11,498,791</u>	<u>37,781,526</u>	<u>4,427,626</u>	<u>56,255,117</u>	<u>3,468,804</u>
Total liabilities	<u>3,619,987</u>	<u>13,442,940</u>	<u>47,563,837</u>	<u>5,093,330</u>	<u>69,720,094</u>	<u>3,708,939</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows - pension	322,771	784,312	928,221	290,415	2,325,719	216,590
Deferred inflows - OPEB	68,650	104,216	111,261	2,776	286,903	6,599
Total deferred inflows of resources	<u>391,421</u>	<u>888,528</u>	<u>1,039,482</u>	<u>293,191</u>	<u>2,612,622</u>	<u>223,189</u>
<b>NET POSITION</b>						
Net investment in capital assets	67,105,860	7,795,932	122,718,481	7,879,629	205,499,902	1,535,060
Restricted for debt service	-	596,000	2,483,846	483,333	3,563,179	-
Restricted for capital projects	3,444,487	-	1,088,203	954,334	5,487,024	-
Unrestricted	(720,235)	22,855	12,669,367	3,882,054	15,854,041	(1,226,888)
Total net position	<u>69,830,112</u>	<u>8,414,787</u>	<u>138,959,897</u>	<u>13,199,350</u>	<u>230,404,146</u>	<u>308,172</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 73,841,520</u>	<u>\$ 22,746,255</u>	<u>\$ 187,563,216</u>	<u>\$ 18,585,871</u>	<u>\$ 302,736,862</u>	<u>\$ 4,240,300</u>

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

**City of Killeen, Texas**  
**Statement of Revenues, Expenditures and**  
**Changes in Net Position - Enterprise Funds**  
**For the Year Ended September 30, 2020**

	<b>Business-type Activities</b>					<b>Governmental</b>
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
<b>OPERATING REVENUES</b>						
Charges for services	\$ 3,235,477	\$ 19,505,220	\$ 42,316,494	\$ 5,159,775	\$ 70,216,966	\$ 6,592,128
Miscellaneous	3,352	2,944	7,059	1,992	15,347	9,741
Total operating revenues	<u>3,238,829</u>	<u>19,508,164</u>	<u>42,323,553</u>	<u>5,161,767</u>	<u>70,232,313</u>	<u>6,601,869</u>
<b>OPERATING EXPENSES</b>						
Purchase of water	-	-	8,406,645	-	8,406,645	-
Sewage treatment	-	-	6,503,394	-	6,503,394	-
Salaries and employee benefits	1,961,462	5,589,376	7,036,474	2,049,422	16,636,734	3,127,398
Repairs and maintenance	276,148	924,587	1,054,902	134,414	2,390,051	788,661
Supplies	67,278	563,424	573,791	87,034	1,291,527	65,591
Miscellaneous services and charges	950,414	1,924,932	4,275,081	258,686	7,409,113	1,653,923
Refuse disposal costs	117	4,869,911	-	181	4,870,209	8,214
Depreciation	3,801,707	1,498,933	6,539,100	917,640	12,757,380	677,620
Total operating expenses	<u>7,057,126</u>	<u>15,371,163</u>	<u>34,389,387</u>	<u>3,447,377</u>	<u>60,265,053</u>	<u>6,321,407</u>
Operating income (loss)	<u>(3,818,297)</u>	<u>4,137,001</u>	<u>7,934,166</u>	<u>1,714,390</u>	<u>9,967,260</u>	<u>280,462</u>
<b>NONOPERATING REVENUES</b>						
<b>(EXPENSES)</b>						
Insurance proceeds	9,805	13,239	11,512	-	34,556	-
Gain on disposition of capital assets	2,237	76,051	53,481	1,988	133,757	2,711
Lease revenue	-	105,051	-	-	105,051	-
Intergovernmental	3,816,016	2,646	2,358	450	3,821,470	-
Investment earnings	74,490	137,386	413,619	113,636	739,131	20,629
Industrial development	-	-	(362,527)	-	(362,527)	-
Interest and fiscal charges	-	(279,043)	(1,501,293)	(150,877)	(1,931,213)	-
Total nonoperating revenues						
(expenses)	<u>3,902,548</u>	<u>55,330</u>	<u>(1,382,850)</u>	<u>(34,803)</u>	<u>2,540,225</u>	<u>23,340</u>
Income (loss) before contributions and transfers	<u>84,251</u>	<u>4,192,331</u>	<u>6,551,316</u>	<u>1,679,587</u>	<u>12,507,485</u>	<u>303,802</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>						
Capital contributions	34,796	-	1,744,995	567,800	2,347,591	-
Transfers in	-	564,119	2,042,932	-	2,607,051	-
Transfers out	(2,197)	(3,083,570)	(6,593,849)	(908,906)	(10,588,522)	(4,154,391)
Total contributions and transfers	<u>32,599</u>	<u>(2,519,451)</u>	<u>(2,805,922)</u>	<u>(341,106)</u>	<u>(5,633,880)</u>	<u>(4,154,391)</u>
Change in net position	116,850	1,672,880	3,745,394	1,338,481	6,873,605	(3,850,589)
Net position - beginning	69,713,262	6,741,907	135,214,503	11,860,869	223,530,541	4,158,761
Net position - ending	<u>\$ 69,830,112</u>	<u>\$ 8,414,787</u>	<u>\$ 138,959,897</u>	<u>\$ 13,199,350</u>	<u>\$ 230,404,146</u>	<u>\$ 308,172</u>

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

**City of Killeen, Texas**  
**Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended September 30, 2020**

	Business-type Activities				Total Enterprise Funds	Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise		Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 3,245,384	\$ 19,319,946	\$ 41,796,321	\$ 4,979,451	\$ 69,341,102	\$ -
Payments to suppliers	(1,623,703)	(8,622,445)	(20,683,693)	(507,799)	(31,437,640)	(2,634,679)
Payments to employees	(1,825,713)	(5,173,125)	(6,513,902)	(1,907,592)	(15,420,332)	(2,953,739)
Payments for interfund services used	-	-	-	-	-	6,601,869
Payments to other governments	-	(122,579)	-	-	(122,579)	-
Net cash provided (used) by operating activities	<u>(204,032)</u>	<u>5,401,797</u>	<u>14,598,726</u>	<u>2,564,060</u>	<u>22,360,551</u>	<u>1,013,451</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in from other funds	-	564,119	2,042,932	-	2,607,051	-
Transfers out to other funds	(2,197)	(3,083,570)	(6,593,849)	(908,906)	(10,588,522)	(4,154,391)
Industrial development	-	-	(362,527)	-	(362,527)	-
Net cash (used) by noncapital financing activities	<u>(2,197)</u>	<u>(2,519,451)</u>	<u>(4,913,444)</u>	<u>(908,906)</u>	<u>(8,343,998)</u>	<u>(4,154,391)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions/grants	3,850,812	2,646	2,358	450	3,856,266	-
Purchase and construction of capital assets	(1,535,049)	(5,111,826)	(3,429,256)	(145,333)	(10,221,464)	(195,560)
Proceeds from sale of assets	2,237	76,051	53,481	1,988	133,757	2,711
Insurance proceeds	9,805	13,239	11,512	-	34,556	-
Lease revenue	-	105,051	-	-	105,051	-
Proceeds from long-term debt	-	-	7,033,396	-	7,033,396	-
Principal paid on long-term debt	-	(440,000)	(10,903,397)	(436,155)	(11,779,552)	-
Interest and fees paid on long-term debt	-	(461,100)	(1,510,608)	(164,330)	(2,136,038)	-
Net cash provided (used) by capital and related financing activities	<u>2,327,805</u>	<u>(5,815,939)</u>	<u>(8,742,514)</u>	<u>(743,380)</u>	<u>(12,974,028)</u>	<u>(192,849)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends on investments	74,490	137,386	413,619	113,636	739,131	20,629
Net cash provided by investing activities	<u>74,490</u>	<u>137,386</u>	<u>413,619</u>	<u>113,636</u>	<u>739,131</u>	<u>20,629</u>
Net increase (decrease) in cash and cash equivalents	2,196,066	(2,796,207)	1,356,387	1,025,410	1,781,656	(3,313,160)
Cash and cash equivalents, beginning of year	<u>3,017,912</u>	<u>8,042,651</u>	<u>19,853,588</u>	<u>5,663,556</u>	<u>36,577,707</u>	<u>5,434,493</u>
Cash and cash equivalents, end of year	<u><u>5,213,978</u></u>	<u><u>5,246,444</u></u>	<u><u>21,209,975</u></u>	<u><u>6,688,966</u></u>	<u><u>38,359,363</u></u>	<u><u>2,121,333</u></u>
Cash and cash equivalents	1,769,491	5,246,444	20,121,772	5,734,632	32,872,339	2,121,333
Cash and cash equivalents - restricted	3,444,487	-	1,088,203	954,334	5,487,024	-
Total	<u><u>5,213,978</u></u>	<u><u>5,246,444</u></u>	<u><u>21,209,975</u></u>	<u><u>6,688,966</u></u>	<u><u>38,359,363</u></u>	<u><u>2,121,333</u></u>

Exhibit A-9 (Continued)

**City of Killeen, Texas**  
**Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended September 30, 2020**

	Business-type Activities					Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ (3,818,297)	\$ 4,137,001	\$ 7,934,166	\$ 1,714,390	\$ 9,967,260	\$ 280,462
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation expense	3,801,707	1,498,933	6,539,100	917,640	12,757,380	677,620
Changes in assets and liabilities:						
Decrease (increase) in receivables	(12,456)	(345,394)	(574,623)	(182,316)	(1,114,789)	(843)
Decrease (increase) in inventories	17,806	-	(22,328)	-	(4,522)	3,280
Decrease (increase) in deferred outflows - pensions	178,166	460,668	482,294	141,337	1,262,465	519,694
Decrease (increase) in deferred outflows - OPEB	(25,383)	(47,019)	(49,867)	(8,605)	(130,874)	(20,358)
Increase (decrease) in payables	(347,552)	(339,591)	94,425	(27,484)	(620,202)	(121,570)
Increase (decrease) in due to other governments	-	(122,579)	-	-	(122,579)	-
Increase (decrease) in customer deposits	-	-	58,023	-	58,023	-
Increase (decrease) in accrued salaries payable	24,776	44,353	89,589	16,305	175,023	(14,200)
Increase (decrease) in compensated absences	(33,479)	49,180	102,540	24,012	142,253	(17,113)
Increase (decrease) in unearned revenue	19,011	157,176	47,391	-	223,578	843
Increase (decrease) in net pension liability	(259,649)	467,067	528,359	187,728	923,505	(430,972)
Increase (decrease) in OPEB liability	60,558	(164)	134	(1,952)	58,576	46,996
Increase (decrease) in deferred inflows - pensions	189,186	(669,994)	(746,457)	(238,623)	(1,465,888)	91,850
Increase (decrease) in deferred inflows - OPEB	1,574	112,160	115,980	21,628	251,342	(2,238)
Total adjustments	<u>3,614,265</u>	<u>1,264,796</u>	<u>6,664,560</u>	<u>849,670</u>	<u>12,393,291</u>	<u>732,989</u>
Net cash provided (used) by operating activities	<u>\$ (204,032)</u>	<u>\$ 5,401,797</u>	<u>\$ 14,598,726</u>	<u>\$ 2,564,060</u>	<u>\$ 22,360,551</u>	<u>\$ 1,013,451</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>						
Contributions of capital assets	\$ -	\$ -	\$ 1,744,995	\$ 296,303	\$ 2,041,298	\$ -

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, 2020**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 86,853
Accounts receivable	490,969
Total assets	<u>577,822</u>
<b>LIABILITIES AND NET POSITION</b>	
Distributions payable	526,580
Unearned revenue	9,339
Total liabilities	<u>535,919</u>
<b>NET POSITION</b>	
Restricted for pensions	41,903
Total net position	<u>41,903</u>
Total liabilities and net position	<u>\$ 577,822</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, 2020**

**ADDITIONS**

Contributions:		
Employer	\$	4,342,428
Employee		1,427,402
Retiree		466,671
COBRA		29,630
Total contributions		<u>6,266,130</u>
Total additions		<u>6,266,130</u>

**DEDUCTIONS**

Benefit payments		<u>6,227,034</u>
Total deductions		<u>6,227,034</u>

Change in net position		39,096
Net position - beginning of the year		2,807
Net position - end of the year	\$	<u><u>41,903</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, community 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 2.126 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. The scheduled expiration date of TIRZ #2 is December 31, 2028. The TIRZ is reported as a blended component unit due to the TIRZ providing services almost entirely for the City. The TIRZ is reported as a special revenue fund and does not issue separate financial statements.

### 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 of Killeen City Council, and the members are also appointed by the City of Killeen 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 of Killeen 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.

Killeen Volunteers, Inc. (KVI) has been presented as a discrete component unit in the City's financial statements through FY 2019. Effective FY 2020, the City no longer appoints KVI members and has ceased financial contributions. On August 18, 2020, KVI amended its bylaws to reflect that the City no longer appoints its members.

### 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 funds and the internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements

## I. Summary of Significant Accounting Policies (Continued)

are provided for governmental funds, proprietary funds, 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 funds. 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 *governmental capital improvements project 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.

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.

#### 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 *support service fund* was eliminated in fiscal year 2020.

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 City reports the following fiduciary fund:

The *employee benefits trust fund* accounts for the City's health 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 is 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

## I. Summary of Significant Accounting Policies (Continued)

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 fund) 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.

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 capital 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

## I. Summary of Significant Accounting Policies (Continued)

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 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. Prior to August 1, 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, and 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.

All budget appropriations lapse at year-end and do not carry forward to future periods except for appropriations for major capital projects.

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

#### 1) Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, external investment pools, and deposits in the City's internal cash and investment pool.

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

**I. Summary of Significant Accounting Policies (Continued)**

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. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized cost of the assets constructed. Interest is capitalized on enterprise fund assets acquired with tax-exempt debt. The amount of interest expense, incurred from the date of the borrowing until completion of the project, is offset by interest earned on invested proceeds over the same period.

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

**4) 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 position 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.
- ii. Pension and other postemployment benefits (OPEB) plan contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- iii. Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- iv. Changes in actuarial assumptions – These changes are deferred and amortized over the average of the expected service lives of pension and OPEB plan members.
- v. 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 position 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)

### 5) 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.

### 6) 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.

### 7) 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. Summary of Significant Accounting Policies (Continued)

- 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 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 Firefighter's Relief and Retirement Fund net position 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 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

## I. Summary of Significant Accounting Policies (Continued)

the October 1 levy date, at which time a lien attaches to the property.

Legislation has been passed by the Texas Legislature, which affects the method of property assessment and tax collection in the City. This legislation, with certain exceptions, exempts intangible personal property and household goods. In addition, this legislation creates a “property tax code” and provides, among other things, for the establishment of county appraisal districts and for a state property tax board.

The appraisal of property within the City has been the responsibility of the county-wide appraisal district. The appraisal district is required under the property tax code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the City limits. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, and adjusted for new improvements, exceeds the rate of the previous year by more than 8 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year.

### 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 Equity

At year end, the information technology internal service fund has a deficit net position of \$313,774. The reason for the deficit is the result of the implementation of GASB 68 and GASB 75.

## 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, 2020, 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 25, 2020 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, 2020.

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, 2020, the City had the following cash and investments:

	<u>Value</u>	<u>Maturity (days)</u>	<u>Method</u>
Demand Accounts	\$ 5,619,214	1	Cost
Investment Pools	223,561	1	Amortized Cost
Money Market Accounts	13,359,149	1	Cost
Certificates of Deposit	75,425,815	63-548	Cost
Total	<u>\$ 94,627,738</u>		
Weighted Average Maturity		268	

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 two 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 Texas 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.

**III. Detailed Notes on All Funds (Continued)**

**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, 2020 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	\$ 1,652,822	\$ (609,328)	\$ 1,043,493
Debt Service	976	-	976
DGovernmental Capital Projects Fund	100	-	100
Other Governmental Funds	180,886	-	180,886
Airport	910,631	-	910,631
Solid Waste	2,840,120	(165,657)	2,674,463
Water and Sewer	6,465,339	(337,601)	6,127,738
Drainage Utility	729,665	(26,702)	702,963
Total	<u>\$ 12,780,539</u>	<u>\$ (1,139,288)</u>	<u>\$ 11,641,252</u>
Employee Benefits Trust	<u>\$ 490,969</u>	<u>\$ -</u>	<u>\$ 490,969</u>

The enterprise funds’ accounts receivable include unbilled charges for services rendered at September 30, 2020

### III. Detailed Notes on All Funds (Continued)

#### E. Capital Assets

Capital assets activity for the year ended September 30, 2020, was as follows:

##### Governmental Activities:

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Capital assets not being depreciated:				
Land	\$ 7,570,005	\$ 44,287	\$ -	\$ 7,614,292
Construction in progress	33,371,408	2,655,917	-	36,027,325
Total capital assets not being depreciated	40,941,413	2,700,204	-	43,641,617
Capital assets, being depreciated:				
Buildings	108,426,765	-	-	108,426,765
Furniture and equipment	10,079,095	586,593	-	10,665,688
Vehicles	32,588,526	1,775,403	(2,023,138)	32,340,791
Infrastructure assets	176,940,574	480,000	-	177,420,574
Total capital assets being depreciated	328,034,960	2,841,996	(2,023,138)	328,853,818
Less accumulated depreciation for:				
Buildings	46,846,168	3,829,097	-	50,675,265
Furniture and equipment	6,952,302	1,304,841	-	8,257,143
Vehicles	25,934,578	2,213,795	(2,023,138)	26,125,235
Infrastructure assets	62,546,706	7,491,964	-	70,038,670
Total accumulated depreciation	142,279,754	14,839,697	(2,023,138)	155,096,313
Total capital assets being depreciated, net	185,755,206	(11,997,701)	-	173,757,505
Governmental activities capital assets, net	\$ 226,696,619	\$ (9,297,497)	\$ -	\$ 217,399,122

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

Governmental activities:	
General government	\$ 5,596,939
Public safety	2,617,338
Public works	4,209,900
Community services	1,680,319
Community development	735,201
Total depreciation expense-governmental activities	\$ 14,839,697

##### Business-Type Activities: Airport

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Capital assets not being depreciated:				
Land	\$ 1,319,003	\$ -	\$ -	\$ 1,319,003
Construction in progress	7,237,504	662,920	(1,020,143)	6,880,281
Total capital assets not being depreciated	8,556,507	662,920	(1,020,143)	8,199,284
Capital assets being depreciated:				
Buildings	2,029,182	-	-	2,029,182
Improvements other than buildings	102,117,213	32,969	(24,162)	102,126,020
Furniture and equipment	978,895	701,445	-	1,680,340
Vehicles	1,085,357	-	(31,345)	1,054,012
Infrastructure assets	10,363	1,182,020	-	1,192,383
Total capital assets being depreciated	106,221,010	1,916,434	(55,507)	108,081,937
Less accumulated depreciation for:				
Buildings	1,565,997	38,935	-	1,604,932
Improvements other than buildings	41,926,060	3,656,657	-	45,582,717
Furniture and equipment	873,179	42,301	-	915,480
Vehicles	1,037,586	24,848	(31,345)	1,031,089
Infrastructure assets	2,177	38,966	-	41,143
Total accumulated depreciation	45,404,999	3,801,707	(31,345)	49,175,361
Total capital assets being depreciated, net	60,816,011	(1,885,273)	(24,162)	58,906,576
Airport activities capital assets, net	\$ 69,372,518	\$ (1,222,353)	\$ (1,044,305)	\$ 67,105,860

**III. Detailed Notes on All Funds (Continued)**

**Business-Type Activities: Solid Waste**

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Capital assets not being depreciated:				
Land	\$ 72,165	\$ -	\$ -	\$ 72,165
Total capital assets not being depreciated	<u>72,165</u>	<u>-</u>	<u>-</u>	<u>72,165</u>
Capital assets being depreciated:				
Buildings	12,452,498	-	(120,521)	12,331,977
Furniture and equipment	1,442,437	56,459	(354,987)	1,143,909
Vehicles	12,525,492	3,608,909	(815,410)	15,318,991
Infrastructure assets	62,038	1,702,812	-	1,764,850
Total capital assets being depreciated	<u>26,482,465</u>	<u>5,368,180</u>	<u>(1,290,918)</u>	<u>30,559,727</u>
Less accumulated depreciation for:				
Buildings	5,906,084	359,462	(6,026)	6,259,520
Furniture and equipment	748,120	169,372	(213,129)	704,363
Vehicles	9,529,538	932,178	(815,409)	9,646,307
Infrastructure assets	3,366	37,921	-	41,287
Total accumulated depreciation	<u>16,187,108</u>	<u>1,498,933</u>	<u>(1,034,564)</u>	<u>16,651,477</u>
Total capital assets being depreciated, net	<u>10,295,357</u>	<u>3,869,247</u>	<u>(256,354)</u>	<u>13,908,250</u>
Solid waste activities capital assets, net	<u>\$ 10,367,522</u>	<u>\$ 3,869,247</u>	<u>\$ (256,354)</u>	<u>\$ 13,980,415</u>

**Business-Type Activities: Water and Sewer**

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Capital assets not being depreciated:				
Land	\$ 243,332	\$ -	\$ -	\$ 243,332
Construction in progress	3,677,352	1,580,395	(314,811)	4,942,936
Total capital assets not being depreciated	<u>3,920,684</u>	<u>1,580,395</u>	<u>(314,811)</u>	<u>5,186,268</u>
Capital assets being depreciated:				
Buildings	91,795,132	-	-	91,795,132
Improvements other than buildings	109,550,267	54,059	-	109,604,326
Furniture and equipment	1,026,203	48,016	-	1,074,219
Vehicles	5,220,676	761,737	(426,890)	5,555,523
Infrastructure assets	25,017,120	3,044,855	-	28,061,975
Total capital assets being depreciated	<u>232,609,398</u>	<u>3,908,667</u>	<u>(426,890)</u>	<u>236,091,175</u>
Less accumulated depreciation for:				
Buildings	36,206,071	1,857,168	-	38,063,239
Improvements other than buildings	33,344,635	3,039,126	-	36,383,761
Furniture and equipment	836,673	71,739	-	908,412
Vehicles	4,565,273	343,425	(426,890)	4,481,808
Infrastructure assets	2,059,019	1,227,642	-	3,286,661
Total accumulated depreciation	<u>77,011,671</u>	<u>6,539,100</u>	<u>(426,890)</u>	<u>83,123,881</u>
Total capital assets being depreciated, net	<u>155,597,727</u>	<u>(2,630,433)</u>	<u>-</u>	<u>152,967,294</u>
Water and Sewer activities capital assets, net	<u>\$ 159,518,411</u>	<u>\$ (1,050,038)</u>	<u>\$ (314,811)</u>	<u>\$ 158,153,562</u>

### III. Detailed Notes on All Funds (Continued)

#### Business-Type Activities: Drainage Utility

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Capital assets not being depreciated:				
Land	\$ 172,190	\$ -	\$ -	\$ 172,190
Construction in progress	32,950	79,360	-	112,310
Total capital assets not being depreciated	<u>205,140</u>	<u>79,360</u>	<u>-</u>	<u>284,500</u>
Capital assets being depreciated:				
Improvements other than buildings	8,382,438	-	-	8,382,438
Furniture and equipment	506,795	-	-	506,795
Vehicles	2,905,790	65,974	-	2,971,764
Infrastructure assets	5,268,277	567,799	-	5,836,076
Total capital assets being depreciated	<u>17,063,300</u>	<u>633,773</u>	<u>-</u>	<u>17,697,073</u>
Less accumulated depreciation for:				
Improvements other than buildings	3,372,033	444,006	-	3,816,039
Furniture and equipment	155,949	58,236	-	214,185
Vehicles	2,250,140	151,778	-	2,401,918
Infrastructure assets	393,025	263,620	-	656,645
Total accumulated depreciation	<u>6,171,147</u>	<u>917,640</u>	<u>-</u>	<u>7,088,787</u>
Total capital assets being depreciated, net	<u>10,892,153</u>	<u>(283,867)</u>	<u>-</u>	<u>10,608,286</u>
Drainage Utility activities capital assets, net	<u>\$ 11,097,293</u>	<u>\$ (204,507)</u>	<u>\$ -</u>	<u>\$ 10,892,786</u>

#### Business-Type Activities: Total

	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Capital assets not being depreciated:				
Land	\$ 1,806,690	\$ -	\$ -	\$ 1,806,690
Construction in progress	10,947,806	2,322,675	(1,334,954)	11,935,527
Total capital assets not being depreciated	<u>12,754,496</u>	<u>2,322,675</u>	<u>(1,334,954)</u>	<u>13,742,217</u>
Capital assets being depreciated:				
Buildings	106,276,812	-	(120,521)	106,156,291
Improvements other than buildings	220,049,918	87,028	(24,162)	220,112,784
Furniture and equipment	3,954,330	805,920	(354,987)	4,405,263
Vehicles	21,737,315	4,436,620	(1,273,645)	24,900,290
Infrastructure assets	30,357,798	6,497,486	-	36,855,284
Total capital assets being depreciated	<u>382,376,173</u>	<u>11,827,054</u>	<u>(1,773,315)</u>	<u>392,429,912</u>
Less accumulated depreciation for:				
Buildings	43,678,152	2,255,565	(6,026)	45,927,691
Improvements other than buildings	78,642,728	7,139,789	-	85,782,517
Furniture and equipment	2,613,921	341,648	(213,129)	2,742,440
Vehicles	17,382,537	1,452,229	(1,273,644)	17,561,122
Infrastructure assets	2,457,587	1,568,149	-	4,025,736
Total accumulated depreciation	<u>144,774,925</u>	<u>12,757,380</u>	<u>(1,492,799)</u>	<u>156,039,506</u>
Total capital assets being depreciated, net	<u>237,601,248</u>	<u>(930,326)</u>	<u>(280,516)</u>	<u>236,390,406</u>
Business-type activities capital assets, net	<u>\$ 250,355,744</u>	<u>\$ 1,392,349</u>	<u>\$ (1,615,470)</u>	<u>\$ 250,132,623</u>

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

Business-type activities:	
Airport	\$ 3,802,707
Solid Waste	1,498,933
Water and Sewer	6,539,100
Drainage	917,640
Total depreciation expense-business-type activities	<u>\$ 12,758,380</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 888 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 Comprehensive Annual Financial Report (CAFR) that can be obtained at [www.tmr.com](http://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. Members may choose to receive their retirement benefit in one of seven payment options. 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:

	<u>2020</u>	<u>2019</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to1	2 to1
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
Annuity increase (to retirees)	70% of CPI	70% of CPI

**iii. Employees Covered by Benefit Terms**

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

	<u>Plan Year 2019</u>
Inactive employees or beneficiaries currently receiving benefits	569
Inactive employees entitled to, but not yet receiving, benefits	581
Active employees	917
Total	<u>2,067</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 of Killeen were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.15% and 11.81% in calendar years 2019 and 2020, respectively. The City’s contributions to TMRS for the year ended September 30, 2020 were \$5,512,046 and were equal to the required contributions.

**III. Detailed Notes on All Funds (Continued)**

v. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year. For the City, annual annuity increases of 1.86 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 was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
<b>Total</b>	<b>100.0%</b>	

III. Detailed Notes on All Funds (Continued)

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.

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	\$ 7,920,676	\$ -	\$ 7,920,676
Interest	16,036,469	-	16,036,469
Change of benefit terms	-	-	-
Difference between expected and actual experience	(520,094)	-	(520,094)
Changes in assumptions	1,383,976	-	1,383,976
Contributions - employer	-	5,103,810	(5,103,810)
Contributions - employee	-	3,253,799	(3,253,799)
Net investment income	-	24,924,587	(24,924,587)
Benefit payments, including refunds of employee contributions	(11,289,976)	(11,289,976)	-
Administrative expense	-	(140,931)	140,931
Other changes	-	(4,233)	4,233
<b>Net Changes</b>	<b>13,531,051</b>	<b>21,847,055</b>	<b>(8,316,004)</b>
Balance at December 31, 2018	<u>239,261,972</u>	<u>161,331,566</u>	<u>77,930,406</u>
<b>Balance at December 31, 2019</b>	<b><u>\$ 252,793,023</u></b>	<b><u>\$ 183,178,621</u></b>	<b><u>\$ 69,614,402</u></b>

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>\$ 107,389,056</u>	<u>\$ 69,614,402</u>	<u>\$ 38,919,669</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](http://www.tmrs.com).

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

For the year ended September 30, 2020, the City recognized pension expense of \$8,729,358. At September 30, 2020, 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	\$ -	\$ 3,132,138
Changes in actuarial assumptions	1,062,908	-
Net difference between projected and actual investment earnings	-	5,649,951
Contributions subsequent to the measurement date	4,087,557	-
<b>Total</b>	<b><u>\$ 5,150,465</u></b>	<b><u>\$ 8,782,089</u></b>

**III. Detailed Notes on All Funds (Continued)**

\$4,087,557 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, 2021. 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
2021	\$ (2,869,879)
2022	(2,424,883)
2023	316,691
2024	(2,741,110)
<b>Total</b>	<b>\$ (7,719,181)</b>

**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 ICMA. 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 trustee. Accordingly, the City has not presented the assets and income from the Plans in these financial statements. Deferred compensation investments are held by an outside trustee, 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 \$16,500. 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 P.O. Box 497, Conroe, Texas 77305. 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

**III. Detailed Notes on All Funds (Continued)**

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.

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, 2018 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	72
Inactive employees entitled to, but not yet receiving, benefits	10
Active employees and volunteers	<u>225</u>
Total	<u><u>307</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 11% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City currently contributes 13% of pay for each active firefighter according to the annual City budget process, but with an unwritten understanding between the City and the Fund’s board that the rate will not be reduced. The actuarial valuation includes the assumption that the City contribution rate will be 13% over the unfunded liability amortization period. The costs of administering the Fund 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, 2019, the money-weighted rate of return was 2.97%. 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, 2019 and the TPL used to calculate the NPL was determined by an actuarial valuation as of September 30, 2018 and rolled forward to September 30, 2019.

Total pension liability	\$ 66,100,449
Plan fiduciary net position	<u>45,861,896</u>
City’s net pension liability	<u><u>\$ 20,238,553</u></u>
Plan fiduciary net position as a percentage of the total pension liability	69.4%

### III. Detailed Notes on All Funds (Continued)

#### a) Actuarial Assumptions

The TPL in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%	Plus promotion, step, and longevity increases that vary by service Net of pension plan investment expense, including inflation
Salary increases	3.0%	
Investment rate of return	7.5%	

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 4.54%) and by adding expected inflation (3%). In addition, the final 7.5% 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	30.0%	5.99%
Small/mid cap domestic	10.0	6.74
International developed	15.0	6.38
Fixed Income		
Domestic core	18.5	1.41
Direct lending	6.5	1.49
Global	5.0	1.68
Alternatives		
Tactical strategies	5.0	7.09
Real estate	5.0	3.59
Balanced fund	5.0	2.81
Cash	0.0	0.24
Total	100.00%	
Weighted Average		4.54%

#### b) Discount Rate

The discount rate used to measure the TPL was 7.5%. No projection of cash flows was used to determine the discount rate because the September 30, 2016 actuarial valuation showed that expected contributions would pay the normal cost and amortize the UAAL in 40 years. Because of the 40-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 7.5% was applied to all periods of projected benefit payments as the discount rate to determine the TPL.

**III. Detailed Notes on All Funds (Continued)**

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 7.5%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's Net Pension Liability	\$ 30,025,841	\$ 20,238,553	\$ 12,194,481

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 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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Changes for the year:			
Service cost	\$ 2,251,815	\$ -	\$ 2,251,815
Interest	4,710,130	-	4,710,130
Difference between expected and actual experience	-	-	-
Change of benefit terms	-	-	-
Changes to assumptions	-	-	-
Contributions - employer	-	1,919,225	(1,919,225)
Contributions - employee	-	1,623,962	(1,623,962)
Net investment income	-	1,315,715	(1,315,715)
Benefit payments, including refunds of employee contributions	(2,822,833)	(2,822,833)	-
Administrative expense	-	(121,394)	121,394
Assumption changes	-	-	-
<b>Net changes</b>	<b>4,139,112</b>	<b>1,914,675</b>	<b>2,224,437</b>
Balance as of September 30, 2019	61,961,337	43,947,221	16,617,185
<b>Balance as of September 30, 2020</b>	<b>\$ 66,100,449</b>	<b>\$ 45,861,896</b>	<b>\$ 20,238,553</b>

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

For the year ended September 30, 2020, the City's GASB 68 pension expense was \$2,707,555. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 2,111,622
Changes in actuarial assumptions	2,179,414	146,545
Net difference between projected and actual investment earnings	437,959	-
Contributions subsequent to the measurement date	1,994,553	-
<b>Total</b>	<b>\$ 4,611,926</b>	<b>\$ 2,258,167</b>

**III. Detailed Notes on All Funds (Continued)**

\$1,994,553 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, 2021. 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
2021	\$ (221,118)
2022	(89,541)
2023	283,881
2024	379,165
2025	(21,393)
Thereafter	28,212
<b>Total</b>	<b>\$ 359,206</b>

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

The City recognized aggregate total pension expense/expenditures of \$11,436,913 and aggregate net pension liability of \$89,852,955 during the fiscal year ending September 30, 2020 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 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, 2019 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	475
Inactive employees entitled to, but not yet receiving, benefits	187
Active employees	917
	<u>1,579</u>

**III. Detailed Notes on All Funds (Continued)**

iii. Total OPEB Liability

The City's total OPEB liability of \$3,318,235 was measured as of December 31, 2019 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, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.75%*
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 with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year setforward 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.

\*The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

v. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 120,855
Interest	101,373
Difference between expected and actual experience	(145,777)
Changes of assumptions	579,092
Benefit payments*	(18,593)
	<b>Net Changes</b> 636,950
Beginning balance	2,681,285
	<b>Ending Balance</b> <u>\$ 3,318,235</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

	<b>1% Decrease in Discount Rate (1.75%)</b>	<b>Discount Rate (2.75%)</b>	<b>1% Increase in Discount Rate (3.75%)</b>
City's Total OPEB Liability	<u>\$ 4,095,647</u>	<u>\$ 3,318,235</u>	<u>\$ 2,727,263</u>

**III. Detailed Notes on All Funds (Continued)**

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$315,964. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 70,873
Changes in actuarial assumptions	450,836	-
Contributions subsequent to the measurement date	14,098	-
<b>Total</b>	<u>\$ 464,934</u>	<u>\$ 70,873</u>

\$14,098 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, 2021.

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

<u>Fiscal Year Ended September 30</u>	<u>OPEB Expense Amount</u>
2021	\$ 93,735
2022	93,735
2023	86,458
2024	106,035
<b>Total</b>	<u>\$ 379,963</u>

**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, 2019 is summarized below:

Actives	1,158
Retirees	59
Spouses of Retirees	37
<b>Total</b>	<u>1,254</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 \$10,838,273 was measured as of September 30, 2020 and was determined by an actuarial valuation as of October 1, 2019.

**III. Detailed Notes on All Funds (Continued)**

iv. Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Salary increases	3.00%
Discount rate	2.21%
Actuarial cost method	Entry Age Normal
Mortality	TMRS Retirees: Pub-2010 Safety Male and General Female Table projected using Scale MP-2019. Firefighter Retirees: Pub-2010 Safety Below Median Table projected using Scale MP-2019.
Health care trend rates	Trend was calculated assuming an implied inflation rate of 2.2% per year, and actual premiums. The short-term trend rate for pre-65 retirees starts off at 6.3% and does not reflect the ACA excise tax.
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

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 677,638
Interest	279,949
Difference between expected and actual experience	582,533
Changes of assumptions	(313,743)
Benefit payments	<u>(466,671)</u>
<b>Net Changes</b>	759,706
Beginning balance	10,078,567
<b>Ending Balance</b>	<u>\$ 10,838,273</u>

Changes of assumptions reflect a change in the discount rate from 2.66% as of September 30, 2019 to 2.21% as of September 30, 2020.

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 2.21%, 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:

	<u>1% Decrease in Discount Rate (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase in Discount Rate (3.21%)</u>
City's Total OPEB Liability	\$ 12,111,503	\$ 10,838,273	\$ 9,697,043

**III. Detailed Notes on All Funds (Continued)**

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:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
City's Total OPEB Liability	\$ 9,279,736	\$ 10,838,273	\$ 12,754,993

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$976,576.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 516,336	\$ 421,113
Changes in actuarial assumptions	1,260,414	995,378
<b>Total</b>	<b>\$ 1,776,750</b>	<b>\$ 1,416,491</b>

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

<b>Fiscal Year Ended September 30</b>	<b>OPEB Expense Amount</b>
2021	\$ (21,989)
2022	(21,989)
2023	(21,989)
2024	(21,989)
2025	(21,989)
Thereafter	(250,314)
<b>Total</b>	<b>\$ (360,259)</b>

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

The City recognized aggregate total OPEB expense/expenditures of \$1,292,540 and aggregate total OPEB liability of \$14,156,508 during the fiscal year ending September 30, 2020 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, 2020. At year end, the City's construction commitments for governmental activities are as follows:

<b>Project Title</b>	<b>Expended to Date</b>	<b>Remaining Commitment</b>
Rosewood extension	\$ 5,566,342	\$ 120,120
Heritage Park Trail	3,670,606	87,273
Fire Emergency Operation Center	9,000	1,200,000
Senior Center	-	3,800,000
Chaparral Widening	-	1,800,000
North Killeen Redevelopment	-	500,000
<b>Total</b>	<b>\$ 9,245,948</b>	<b>\$ 7,507,393</b>

**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
Water Line Rehab PH3	\$ 1,264,963	\$ 1,158,735
Water Supply Project	804,166	30,465
Airport Aircraft Hangar	353,038	6,119,227
Terminal Apron Rehabilitation	228,219	273,881
Chaparral Rd. Waste Water Improv.	194,210	64,903
Greenforest Circle	46,765	508,635
Valley Ditch	45,545	602,405
Wolf Ditch Drainage	20,000	35,000
Rental Lot Facility (CFC)	-	988,886
Total	<u>\$ 2,956,906</u>	<u>\$ 9,782,137</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. Hood’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 an operating 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 is expected to be completed in spring 2021 and is expected to provide an extra 10 million gallons per day once operational. WCID No. 1 agrees to deliver and meter water required by the City. 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, 2020, the City purchased 5.4 billion gallons of water (64 million used for City’s facilities) for a total charge of \$3,962,144 from WCID No. 1. In addition, it paid WCID No. 1 \$2,967,096 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 \$57 million at September 30, 2020. Normal maintenance and operational costs will vary by year and are allocated to the City based on its proportional share of the plant.

**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

### III. Detailed Notes on All Funds (Continued)

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.

#### *COVID-19*

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay at-home orders going into effect. The City navigated through this time by alternating the schedules of its employees due to various City functions needing to continue to run through this time. The City followed the directions of the State in relation to Municipal Court. The Court was closed until the City came up with an acceptable plan to monitor social distancing, require masks, and provide hand sanitizers. Subsequent to the second wave of the COVID outbreak, the State is now requiring Municipal Court to be held via Zoom meetings. While the initial event occurred prior to year-end, the City was, subsequent to year end, continuing to modify its operations to prevent the spread to customers, staff, and the community as a whole, while balancing the needs of the community. The City has made numerous changes to its operations, including provisions for customers and staff to wear masks, more frequent cleanings, and numerous other changes. While such changes cause a significant hardship and have increased expenses, such increases are nominal in comparison to the overall budget. The City is continuing to monitor exposure levels with customers, staff, and the community as a whole, but to date the overall exposure threat level has been sufficiently low to continue with open doors; however the City is ready to modify plans if necessary.

III. Detailed Notes on All Funds (Continued)

K. Long-Term Liabilities

A summary of long-term debt transactions, including current portions, for the year ended September 30, 2020 is as follows:

Governmental Activities

	September 30, 2019	Additions	Deletions	September 30, 2020	Due Within One Year
General obligation bonds	\$ 137,540,000	\$ 71,600,000	\$ (48,955,000)	\$ 160,185,000	\$ 10,875,000
Tax/revenue certificates of obligation	25,935,000	-	(22,610,000)	3,325,000	765,000
Unamortized bond premiums/(discounts)	17,178,691	941,584	(6,843,091)	11,277,184	-
Total bonds payable	<u>180,653,691</u>	<u>72,541,584</u>	<u>(78,408,091)</u>	<u>174,787,184</u>	<u>11,640,000</u>
Capital leases	1,074,859	146,351	(514,732)	706,478	315,034
Compensated absences	12,093,490	6,343,098	(5,793,354)	12,643,234	2,528,648
Total OPEB liability					
Supplemental Death Benefits Fund	2,078,621	490,295	-	2,568,916	-
Postemployment Healthcare Plan	8,075,375	596,036	-	8,671,411	-
Net pension liability					
Texas Municipal Retirement System	63,105,829	-	(6,401,282)	56,704,547	-
Firefighter's Relief and Retirement Fund	18,014,116	2,224,437	-	20,238,553	-
Governmental activities long-term debt	<u>\$ 285,095,981</u>	<u>\$ 82,341,801</u>	<u>\$ (91,117,459)</u>	<u>\$ 276,320,323</u>	<u>\$ 14,483,682</u>

Business-Type Activities

	September 30, 2019	Additions	Deletions	September 30, 2020	Due Within One Year
Revenue bonds	\$ 36,725,000	\$ 6,425,000	\$ (10,860,000)	\$ 32,290,000	\$ 4,060,000
General obligation bonds	9,210,000	5,385,000	(5,735,000)	8,860,000	965,000
Unamortized bond premiums/(discounts)	3,773,549	739,750	(1,030,578)	3,482,721	-
Total bonds payable	<u>49,708,549</u>	<u>12,549,750</u>	<u>(17,625,578)</u>	<u>44,632,721</u>	<u>5,025,000</u>
Capital Leases	545,279	-	(220,807)	324,472	216,782
Compensated absences	749,833	952,394	(810,141)	892,086	178,416
Total OPEB liability					
Supplemental Death Benefit Funds	602,664	146,655	-	749,319	-
Postemployment Healthcare Plan	2,003,192	163,670	-	2,166,862	-
Net pension liability					
Texas Municipal Retirement System	14,824,577	-	(1,914,723)	12,909,854	-
Business-type activities long-term debt	<u>\$ 68,434,094</u>	<u>\$ 13,812,469</u>	<u>\$ (20,571,249)</u>	<u>\$ 61,675,314</u>	<u>\$ 5,420,198</u>

Long-term debt at September 30, 2020 is comprised of the following:

Governmental Activities

	Interest Rates to Maturity (%)	Issue Date	Maturity Date	Original Issue	Outstanding
General Obligation Bonds:					
2012 Various purpose and refunding	2.00-5.00	2012	2032	\$ 19,500,000	\$ 3,665,000
2013 Refunding	2.00-5.00	2013	2032	37,290,000	7,325,000
2014 Refunding	2.00-5.00	2014	2034	10,610,000	1,455,000
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	33,955,000
2016 Refunding HOT	4.00-5.00	2016	2031	735,000	735,000
2017 Refunding	2.00-5.00	2017	2036	30,625,000	30,020,000
2017 Refunding HOT	2.00-5.00	2017	2030	2,830,000	2,790,000
2020 Limited Tax Note	1.27-1.57	2020	2027	4,910,000	4,910,000
2020 Refunding	2.00-5.00	2020	2026	8,145,000	8,145,000
2020 Refunding Taxable	0.40-2.42	2020	2039	56,680,000	56,680,000
2020 Refunding HOT	2.00-5.00	2020	2030	1,865,000	1,865,000
Total General Obligation Bonds				<u>216,545,000</u>	<u>160,185,000</u>
Tax/Revenue Certificates of Obligation:					
2012 Various Purpose and Refunding	2.00-3.00	2012	2032	6,765,000	1,085,000
2014 Various Purpose	2.00-5.00	2014	2039	13,060,000	2,240,000
Total Tax/Revenue Certificates of Obligation				<u>19,825,000</u>	<u>3,325,000</u>
Total Governmental Activities				<u>\$ 236,370,000</u>	<u>\$ 163,510,000</u>

### III. Detailed Notes on All Funds (Continued)

#### Business-Type Activities

	Interest Rates to Maturity (%)	Issue Date	Maturity Date	Original Issue	Outstanding
Revenue Bonds:					
2010 Refunding	2.00-4.00	2010	2021	\$ 6,870,000	\$ 655,000
2011 Refunding	2.00-5.00	2011	2022	11,135,000	3,180,000
2013 Refunding and Improvement	2.00-5.00	2013	2033	29,030,000	22,030,000
2019 Refunding	2.00-5.00	2013	2033	7,663,441	6,425,000
Total Revenue Bonds				<u>54,698,441</u>	<u>32,290,000</u>
General Obligation Bonds:					
2012 Various Purpose and Refunding	2.00-5.00	2012	2030	6,215,000	1,145,000
2013 Refunding	2.00-5.00	2013	2026	3,935,000	1,275,000
2015 Refunding	3.00-4.00	2015	2027	300,000	300,000
2016 Refunding	3.00-5.00	2017	2029	845,000	755,000
2020A Refunding	0.40-2.42	2020	2030	5,385,000	5,385,000
Total General Obligation Bonds				<u>16,680,000</u>	<u>8,860,000</u>
Total Business-Type Activities				<u>\$ 71,378,441</u>	<u>\$ 41,150,000</u>

#### 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
2021	\$ 10,875,000	\$ 5,084,296	\$ 965,000	\$ 225,208
2022	11,250,000	4,729,249	1,005,000	186,512
2023	11,740,000	4,270,249	1,055,000	140,761
2024	11,765,000	3,787,318	1,105,000	92,629
2025	12,070,000	3,516,992	1,125,000	79,129
2026-2030	59,765,000	12,449,409	3,605,000	178,964
2031-2035	38,625,000	4,316,888	-	-
2036-2039	4,095,000	204,401	-	-
Total	<u>\$ 160,185,000</u>	<u>\$ 38,358,802</u>	<u>\$ 8,860,000</u>	<u>\$ 903,203</u>

The City issued \$10,010,000 of General Obligation Refunding Bonds, Series 2020 on August 18, 2020, to refund \$3,105,000 of Series 2010 General Obligation Refunding Bonds, \$2,260,000 of Series 2011 General Obligation Refunding Bonds, and \$5,415,000 of Series 2011A Pass-through Toll Revenue and Limited Tax Bonds. The refunding Obligations are scheduled to mature on August 1, 2030. The interest rates on the bonds range from 2.000% to 5.000% . The refunding resulted in a net present value benefit of \$897,674 and a gross present value savings of \$894,234. The reacquisition price was less than the net carrying amount of the old debt by \$95,697.

The City issued \$62,065,000 of General Obligation Refunding Bonds, Taxable Series 2020A, on August 18, 2020, to refund \$3,945,000 of Series 2012 Combination Tax and Revenue Certificates of Obligation, \$13,505,000 of Series 2012 General Obligation Improvement and Refunding Bonds, \$25,750,000 of Series 2013 General Obligation Refunding Bonds, and \$13,000,000 of Series 2014 General Obligation Refunding and Improvement Bonds. The refunding Obligations are scheduled to mature on August 1, 2039. The interest rates on the bonds range from 0.401% to 2.419%. The refunding resulted in a net present value benefit of \$6,979,364.34 and a gross present value savings of \$6,979,035.21. The reacquisition price was less than the net carrying amount of the old debt by \$530,408.

**III. Detailed Notes on All Funds (Continued)**

**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, 2020. Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending September 30	Business-Type Activities	
	Principal	Interest
2021	\$ 4,060,000	\$ 1,404,206
2022	3,605,000	1,226,656
2023	3,740,000	1,056,106
2024	3,960,000	896,406
2025	2,785,000	738,006
2026-2030	9,745,000	2,051,720
2031-2033	4,395,000	446,500
Total	<u>\$ 32,290,000</u>	<u>\$ 7,819,600</u>

**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
2021	\$ 765,000	\$ 112,238
2022	790,000	88,638
2023	820,000	64,237
2024	465,000	38,000
2025	485,000	19,400
Total	<u>\$ 3,325,000</u>	<u>\$ 322,513</u>

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.

The annual requirements to amortize capital leases outstanding at year end were as follows:

Fiscal Year Ending Sept. 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 315,034	\$ 31,404	\$ 346,438	\$ 216,782	\$ 16,490	\$ 233,272
2022	277,097	10,905	288,002	10,779	8,065	18,844
2023	80,204	4,099	84,303	14,193	4,651	18,844
2024	34,143	1,879	36,022	82,718	720	83,438
Total	<u>\$ 706,478</u>	<u>\$ 48,287</u>	<u>\$ 754,765</u>	<u>\$ 324,472</u>	<u>\$ 29,926</u>	<u>\$ 354,398</u>

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Assets:		
Machinery and equipment	\$ 2,899,805	\$ 851,670
Less: Accumulated depreciation	(2,195,755)	(534,490)
	<u>\$ 704,050</u>	<u>\$ 317,180</u>

### III. Detailed Notes on All Funds (Continued)

#### 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

The composition of inter-fund balances as of September 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental funds	\$ 141,681

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, 2020 is as follows:

	Transfers In				Total Funds
	General	Other Governmental	Enterprise Funds		
			Solid Waste	Water and Sewer	
Transfers Out:					
General Fund	\$ -	\$ 18,785,102	\$ -	\$ 357,980	\$ 19,143,082
Other Governmental Funds	99,106	4,584	-	92,194	195,884
Internal Service Funds	2,249,806	93,435	564,119	1,247,031	4,154,391
Airport Fund	2,197	-	-	-	2,197
Solid Waste Fund	2,968,328	-	-	115,242	3,083,570
Water and Sewer Fund	6,593,849	-	-	-	6,593,849
Drainage Fund	678,421	-	-	230,485	908,906
Total Transfers	<u>\$ 12,591,707</u>	<u>\$ 18,883,121</u>	<u>\$ 564,119</u>	<u>\$ 2,042,932</u>	<u>\$ 34,081,879</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, 2020, the City made the following one-time transfers:

- \$19,143,082 was transferred from the general to the following funds:
  - Capital improvements project fund \$13,790,860 for capital projects
  - Street maintenance fund \$4,994,242
  - Water and sewer fund \$357,980
- \$94,987 was transferred from the street maintenance fund to the general fund.
- \$4,120 was transferred to the general fund to close the photo red light enforcement fund.
- \$4,584 was transferred from construction fund 347 to construction fund 343.
- \$92,194 was transferred from the street fund to the water and sewer fund.
- \$2,249,806 was transferred to the general fund to close the support services fund.
- \$564,119 was transferred to the solid waste fund to close the support services fund.
- \$1,247,031 was transferred to the water and sewer fund to close the support services fund.
- \$93,435 was transferred from the information technology fund to the capital improvements project fund.
- \$2,197 was transferred from the airport fund to the general fund.

### III. Detailed Notes on All Funds (Continued)

#### O. Discretely Presented Component Unit

Capital asset activity for the KEDC for the year ended September 30, 2020 was as follows:

	Balance 9/30/2019	Additions	Deletions	Reclassifications	Balance 9/30/2020
Capital assets not being depreciated:					
Land					
KEDC - owned	\$ 235,237	\$ -	\$ -	\$ -	\$ 235,237
Industrial Park	1,680,837	-	-	-	1,680,837
Convergys	110,000	-	-	-	110,000
First National Bank	90,303	-	-	-	90,303
Total capital assets not being depreciated	<u>2,116,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,116,377</u>
Capital assets being depreciated:					
Buildings					
Presidium	3,848,652	-	-	-	3,848,652
First National Bank/Raytheon	1,850,700	-	-	-	1,850,700
Enterprise Cul-de-sac	100,000	-	-	-	100,000
Entrance Sign	31,382	-	-	-	31,382
Total capital assets being depreciated	<u>5,830,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,830,734</u>
Less accumulated depreciation for:					
Buildings	3,048,152	200,899	-	-	3,249,051
Total accumulated depreciation	<u>3,048,152</u>	<u>200,899</u>	<u>-</u>	<u>-</u>	<u>3,249,051</u>
Total capital assets being depreciated, net	<u>2,782,582</u>	<u>200,899</u>	<u>-</u>	<u>-</u>	<u>2,581,683</u>
KEDC capital assets, net	<u>\$ 4,898,959</u>	<u>\$ 200,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,698,060</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 June 12, 2018, the City Council approved an application for tax abatement for 1302 Harris Killeen-PJY Investments, LLC, located at 1302 Harris Avenue, Killeen, TX 76541. The project includes the renovation of a multi-family residential facility with 46 units and a management office housed within six buildings. In addition to the renovation, the applicant intends to install a small pocket park or community garden on a vacant one-acre portion of the property that resides in a flood zone. The project is anticipated to meet the North Killeen tax abatement criteria by retaining two jobs and making an estimated investment of \$197,971 in North Killeen. The applicant was granted a 100% abatement on the increased assessed value of the property for a five-year period. The base value of the property is \$614,880, which is the 2017 assessed real property value provided by the Tax Appraisal District of Bell County. Based on the estimated investment of \$197,971 and the installation of a pocket park or community garden, the improvements could increase the real property value by \$1.1 million. Under these assumptions, the annual abatement would be \$3,637 and total \$18,187 over the five-year period.

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.

## VI. Subsequent Events

On October 20, 2020, the City issued the following bonds:

- \$22,775,000 of waterworks and sewer system revenue refunding and improvement bonds, series 2020 (the "Bonds") to refund waterworks and sewer system revenue refunding bonds, series 2010 and series 2011 and to address capital improvement projects identified in the water and sewer master plan. The interest rates on the Bonds range from 3.00% to 5.00% and the maturity date is August 15, 2040.
- \$20,030,000 of waterworks and sewer system revenue refunding bonds, taxable series 2020A to refund waterworks and sewer system revenue refunding bonds, series 2013. The interest rates on the Bonds range from 0.35% to 2.17% and the maturity date is August 15, 2033.

S&P Global reviewed the refunding bond rating prior to the refunding and affirmed 'AA' rating and revised its outlook from negative to stable.



**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 Six Measurement Years)**

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
<b>1. Total Pension Liability</b>						
a. Service cost	\$ 7,920,676	\$ 7,395,445	\$ 6,507,586	\$ 6,829,331	\$ 7,756,102	\$ 7,127,298
b. Interest	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	-	44,788,665	(8,113,387)	(31,349,348)	-	-
e. Differences between expected and actual experience	(520,094)	(2,828,831)	(1,764,142)	(1,945,285)	(1,223,578)	(1,781,423)
f. Changes of assumptions	1,383,976	-	-	-	(39,423)	-
g. Benefit payments, including refunds of employee contributions	(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	13,531,051	55,215,250	(1,610,235)	(23,314,153)	12,669,885	11,431,695
i. Total Pension Liability - Beginning	239,261,972	184,046,722	185,656,957	208,971,110	196,301,225	184,869,530
j. Total Pension Liability - Ending	<u>252,793,023</u>	<u>239,261,972</u>	<u>184,046,722</u>	<u>185,656,957</u>	<u>208,971,110</u>	<u>196,301,225</u>
<b>2. Plan Fiduciary Net Position</b>						
a. Contributions - employer	5,103,810	4,252,052	4,264,503	3,850,502	3,878,184	3,555,987
b. Contributions - employee	3,253,799	3,043,393	3,104,872	3,262,703	3,296,020	3,166,911
c. Net investment income	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	(11,289,976)	(9,514,886)	(10,103,133)	(8,772,730)	(7,570,788)	(6,864,254)
e. Administrative expenses	(140,931)	(97,668)	(108,224)	(108,991)	(128,630)	(80,983)
f. Other	(4,233)	(5,102)	(5,485)	(5,872)	(6,353)	(6,658)
g. Net Change in Plan Fiduciary Net Position	21,847,055	(7,373,327)	18,031,041	7,875,475	(320,387)	7,527,566
h. Plan Fiduciary Net Position - Beginning	161,331,566	168,704,893	150,673,852	142,798,377	143,118,764	135,591,198
i. Plan Fiduciary Net Position - Ending	<u>\$ 183,178,621</u>	<u>\$ 161,331,566</u>	<u>\$ 168,704,893</u>	<u>\$ 150,673,852</u>	<u>\$ 142,798,377</u>	<u>\$ 143,118,764</u>
<b>3. Net Pension Liability - Ending [Item 1<sup>(1)</sup> - 2<sup>(1)</sup>]</b>	\$ 69,614,402	\$ 77,930,406	\$ 15,341,829	\$ 34,983,105	\$ 66,172,733	\$ 53,182,461
<b>4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	72.46%	67.43%	91.66%	81.16%	68.33%	72.91%
<b>5. Covered Payroll for Year (Estimated)</b>	\$ 46,482,842	\$ 43,477,044	\$ 44,329,602	\$ 46,584,793	\$ 47,063,726	\$ 45,235,558
<b>6. City's Net Pension Liability as a Percentage of Covered Payroll</b>	149.76%	179.24%	34.61%	75.10%	140.60%	117.57%

<sup>(1)</sup> This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown.

**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)
2011	\$ 4,132,298	\$ 4,132,298	\$ -	\$ 38,174,700	10.82%
2012	4,410,989	4,410,989	-	41,425,056	10.65%
2013	3,134,221	3,134,221	-	41,575,749	7.54%
2014	3,429,108	3,429,108	-	44,998,507	7.62%
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%

**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	25 years
Asset Valuation Method	10-year Smoothed Market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB <sup>(10)</sup> mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

- Notes:
- 1) Granted 100% ad hoc USC with transfer
  - 2) Granted 70% ad hoc COLA.

**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 Six Fiscal Years)**

	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
<b>1. Total Pension Liability</b>						
a. Service cost	\$ 2,251,815	\$ 2,113,543	\$ 2,047,015	\$ 1,891,004	\$ 1,891,004	\$ 1,827,057
b. Interest	4,710,130	4,434,845	4,185,617	4,132,431	4,132,431	3,854,103
d. Differences between expected and actual experience	-	(527,995)	-	(2,575,843)	(2,575,843)	-
e. Changes of assumptions	-	2,222,160	-	(224,913)	(224,913)	-
f. Benefit payments	(2,822,833)	(2,782,964)	(3,383,661)	(2,001,167)	(2,001,167)	(2,306,409)
g. Net Change in Total Pension Liability	4,139,112	5,459,589	2,848,971	1,221,512	1,221,512	3,374,751
h. Total Pension Liability - Beginning	61,961,337	56,501,748	53,652,777	52,431,265	52,431,265	49,056,514 (1)
i. Total Pension Liability - Ending	<u>66,100,449</u>	<u>61,961,337</u>	<u>56,501,748</u>	<u>53,652,777</u>	<u>53,652,777 (2)</u>	<u>52,431,265</u>
<b>2. Plan Fiduciary Net Position</b>						
a. Contributions by the city	\$ 1,919,225	\$ 1,817,845	\$ 1,873,368	\$ 1,770,872	\$ 1,770,872	\$ 1,696,664
b. Contributions by the firefighters	1,623,962	1,538,179	1,585,161	1,483,972	1,483,972	1,419,132
c. Net investment income	1,315,715	3,585,949	4,603,775	3,110,934	3,110,934	(1,444,977)
d. Benefit payments	(2,822,833)	(2,782,964)	(3,383,661)	(2,001,167)	(2,001,167)	(2,306,409)
e. Administrative expenses	(121,394)	(96,351)	(136,910)	(94,483)	(94,483)	(135,909)
g. Net Change in Plan Fiduciary Net Position	1,914,675	4,062,658	4,541,733	4,270,128	4,270,128	(771,499)
h. Plan Fiduciary Net Position - Beginning	43,947,221	39,884,563	35,342,830	31,072,702	31,072,702	31,844,201
i. Plan Fiduciary Net Position - Ending	<u>\$ 45,861,896</u>	<u>\$ 43,947,221</u>	<u>\$ 39,884,563</u>	<u>\$ 35,342,830</u>	<u>\$ 35,342,830</u>	<u>\$ 31,072,702</u>
<b>3. City's Net Pension Liability - Ending [Item 1 - 2]</b>	\$ 20,238,553	\$ 18,014,116	\$ 16,617,185	\$ 18,309,947	\$ 18,309,947	\$ 21,358,563
<b>4. Plan Fiduciary Net Position as a Percentage of the Total Pension</b>	69.4%	70.9%	70.6%	65.9%	65.9%	59.3%
<b>5. Covered Payroll for Year (Estimated)</b>	\$ 14,763,291	\$ 13,983,445	\$ 14,410,555	\$ 13,490,655	\$ 13,490,655	\$ 12,901,200
<b>6. City's Net Pension Liability as a Percentage of Covered Payroll</b>	137.1%	128.8%	115.3%	135.7%	135.7%	165.6%

(1) Determined from the ending pension liability as of September 30, 2014, but based on the actuarial assumptions for the September 30, 2012 actuarial valuation, using the roll back procedure allowed for the initial year of implementing GASB 68.

(2) Determined from the beginning of year total pension liability, using the roll forward procedure allowed by GASB 68.

**Notes:**

Until a full 10-year trend is compiled, only available information is shown. The measurement date is September 30, 12 months prior to the fiscal year end. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates. A schedule of City contributions is not required because the City contributions to the Fund are neither actuarially determined nor statutorily or contractually established.

**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 Three Fiscal Years)**

	<u>September 30,</u> <u>2019</u>	<u>September 30,</u> <u>2018</u>	<u>September 30,</u> <u>2017</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 120,855	\$ 130,431	\$ 115,257
Interest (on the total OPEB liability)	101,373	88,180	85,013
Difference between expected and actual experience	(145,777)	74,528	-
Change of assumptions	579,092	(201,998)	222,509
Benefit payments	<u>(18,593)</u>	<u>(17,391)</u>	<u>(13,299)</u>
<b>Net Change in Total OPEB Liability</b>	636,950	73,750	409,480
Beginning total OPEB liability	<u>2,681,285</u>	<u>2,607,535</u>	<u>2,198,055</u>
<b>Ending Total OPEB Liability</b>	<u>\$ 3,318,235</u>	<u>\$ 2,681,285</u>	<u>\$ 2,607,535</u>
<b>Covered Payroll</b>	\$ 46,482,842	\$ 43,477,044	\$ 44,329,602
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>7.14%</b>	<b>6.17%</b>	<b>5.88%</b>

**Notes:**

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

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

**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 Three Measurement Years)**

	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 677,638	\$ 517,001	\$ 614,080
Interest (on the total OPEB liability)	279,949	349,208	351,597
Difference between expected and actual experience	582,533	-	(624,879)
Change of assumptions	(313,743)	1,610,530	(1,064,361)
Benefit payments	<u>(466,671)</u>	<u>(466,036)</u>	<u>(502,978)</u>
<b>Net Change in Total OPEB Liability</b>	759,706	2,010,703	(1,226,541)
Beginning total OPEB liability	<u>10,078,567</u>	<u>8,067,864</u>	<u>9,294,405</u>
<b>Ending Total OPEB Liability</b>	<u>\$ 10,838,273</u>	<u>\$ 10,078,567</u>	<u>\$ 8,067,864</u>
<b>Covered Payroll</b>	\$ 63,990,120	\$ 59,574,244	\$ 57,536,268
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>16.94%</b>	<b>16.92%</b>	<b>14.02%</b>

**Notes:**

Only three years of information is currently available. The City will build this schedule over the next seven-year period. Changes of assumptions reflect a change in the discount rate from 2.66% as of September 30, 2019 to 2.21% as of September 30, 2020.

There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period. Measurement Year 2019.

**City of Killeen, Texas**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>Revenues:</b>				
<b>Taxes and Fees:</b>				
Ad valorem	\$ 33,218,204	\$ 33,236,237	\$ 33,236,237	\$ (18,033)
Penalty and interest	210,007	146,508	146,508	63,499
Total ad valorem	33,428,211	33,382,745	33,382,745	45,466
Franchise fees	5,568,209	5,510,172	5,513,137	55,072
Sales and occupancy	27,233,667	25,786,628	25,786,628	1,447,039
Total taxes and fees	66,230,087	64,679,545	64,682,510	1,547,577
<b>Licenses, Permits and Other Fees:</b>				
Building permits and inspections	829,154	503,701	503,701	325,453
Electrical permits and inspections	178,098	140,534	140,534	37,564
Plumbing permits and inspections	141,769	111,093	111,093	30,676
Miscellaneous licenses	288,240	218,074	238,074	50,166
Taxi operators licenses	750	3,520	3,520	(2,770)
Food handlers permits	24,400	25,913	25,913	(1,513)
Trailer court licenses	65,975	52,793	52,793	13,182
Building plans review	249,192	149,245	149,245	99,947
Mechanical inspections	74,951	46,831	46,831	28,120
Total licenses, permits, and other fees	1,852,529	1,251,704	1,271,704	580,825
<b>Intergovernmental:</b>				
General government	3,186,798	3,230,000	3,230,000	(43,202)
Public safety	5,776,570	487,964	6,669,287	(892,717)
Community development	20,581	-	9,135	11,446
Total intergovernmental	8,983,949	3,717,964	9,908,422	(924,473)
<b>Charges for Services:</b>				
Ambulance service fees	3,397,399	2,800,000	2,800,000	597,399
Fire	226,958	158,034	158,034	68,924
Miscellaneous police receipts	23,990	31,638	31,638	(7,648)
Animal control receipts	68,595	73,899	73,899	(5,304)
Golf course	1,163,397	1,259,957	1,259,957	(96,560)
Parks and recreation	319,358	1,094,770	1,094,770	(775,412)
Library charges and contributions	21,178	20,341	22,341	(1,163)
Killeen arts and activities center	32,206	56,015	56,015	(23,809)
General government	630,634	581,706	616,706	13,928
Leases	204,814	191,401	191,401	13,413
Total charges for services	6,088,529	6,267,761	6,304,761	(216,232)
Municipal court fines	2,005,860	3,018,000	3,018,000	(1,012,140)
Other fines and fees	172,306	176,932	176,932	(4,626)
Total Fines and Fees	2,178,166	3,194,932	3,194,932	(1,016,766)
<b>Investment earnings</b>	580,321	537,000	537,000	43,321
<b>Miscellaneous</b>	171,518	86,360	94,390	77,128
Total revenues	86,085,099	79,735,266	85,993,719	91,380
<b>Expenditures:</b>				
<b>General Government:</b>				
City council	44,830	-	70,953	26,123
City manager	409,317	-	531,063	121,746
Assistant city manager	162,033	-	200,956	38,923
City auditor	113,700	-	122,693	8,993
Communications	644,149	-	768,363	124,214
City attorney	880,546	-	1,132,668	252,122
Financial services	1,616,802	-	1,769,135	152,333
Human resources	1,262,517	-	1,356,623	94,106
Planning and development	625,937	865,792	765,840	139,903
Nondepartmental	6,193,187	3,073,019	7,148,337	955,150
Total general government	\$ 11,953,018	\$ 3,938,811	\$ 13,866,631	\$ 1,913,613

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>Public Safety:</b>				
Municipal court	\$ 1,044,309	\$ 1,485,893	\$ 1,198,184	\$ 153,875
Building inspections	903,990	1,214,657	1,027,055	123,065
Code enforcement	886,609	1,154,850	996,593	109,984
Police	29,548,740	35,378,492	32,639,814	3,091,074
Fire	22,445,935	24,005,082	22,845,839	399,904
Total public safety	54,829,583	63,238,974	58,707,485	3,877,902
<b>Public Works</b>	440,016	492,412	450,571	10,555
<b>Recreation Services:</b>				
Administration	407,122	560,733	483,481	76,359
Volunteer services	119,423	268,434	218,137	98,714
Golf course	1,318,284	1,279,612	1,279,612	(38,672)
Community center operations	187,951	335,564	270,868	82,917
Parks	1,844,089	2,404,512	2,008,488	164,399
Operations	461,254	665,557	548,104	86,850
Family aquatics center	196,535	631,014	524,264	327,729
Recreation	124,980	219,071	157,837	32,857
Athletics	308,646	450,472	362,208	53,562
Cemetery	166,721	248,171	212,987	46,266
Animal control	816,277	1,289,741	1,066,142	249,865
Senior citizens	172,594	371,017	259,347	86,753
Total community services	6,123,876	8,723,898	7,391,475	1,267,599
<b>Community Development:</b>				
Library	1,291,777	1,795,269	1,441,750	149,973
Killeen arts and activities center	428,095	552,443	491,347	63,252
Community development	172,826	225,856	187,384	14,558
Building services	784,645	-	826,871	42,226
Custodial services	680,690	-	766,488	85,798
Total community development	3,358,033	2,573,568	3,713,840	355,807
<b>Capital Outlay</b>	334,119	151,600	463,965	129,846
<b>Debt Payments</b>	200,597	-	201,415	818
Total expenditures	77,239,242	79,119,263	84,795,382	7,556,140
Excess of revenues over expenditures	8,845,857	616,003	1,198,337	7,647,520
<b>Other Financing Sources (Uses)</b>				
Insurance proceeds	39,212	500,000	500,000	(460,788)
Sale of assets	135,054	24,920	24,920	110,134
Capital Leases	146,351	-	146,351	-
Transfers in	12,591,707	6,353,414	12,589,501	2,206
Transfers out	(19,143,082)	(7,494,338)	(19,143,082)	-
Total other financing sources (uses)	(6,230,758)	(616,004)	(5,882,310)	(348,448)
Net change in fund balance	2,615,099	\$ (1)	\$ (4,683,973)	\$ 7,995,968
Fund balance - beginning	20,289,748			
Fund balance - ending	\$ 22,904,847			



# COMBINING STATEMENTS/ BUDGETARY COMPARISON SCHEDULES DIVIDER





**CITY OF KILLEEN**



Exhibit C-1

**City of Killeen, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2020**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,674,116	\$ 2,462,220	\$ 9,136,336
Receivables (net of allowances for uncollectibles):			
Taxes	180,302	-	180,302
Accounts	180,886	-	180,886
Intergovernmental receivable	324,000	-	324,000
Inventories	18,006	-	18,006
Total assets	7,377,310	2,462,220	9,839,530
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	295,247	764,938	1,060,185
Due to other funds	141,681	-	141,681
Accrued salaries payable	155,233	-	155,233
Unearned revenue	33,802	-	33,802
Total liabilities	625,963	764,938	1,390,901
Fund Balances:			
Nonspendable:			
Inventories	18,006	-	18,006
Restricted for:			
Debt service	354,955	-	354,955
Other purposes	6,378,386	1,697,282	8,075,668
Total fund balances	6,751,347	1,697,282	8,448,629
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,377,310	\$ 2,462,220	\$ 9,839,530

**City of Killeen, Texas**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>REVENUES</b>			
Taxes	\$ 1,881,367	\$ -	\$ 1,881,367
Intergovernmental	1,523,192	-	1,523,192
Charges for services	2,327,172	-	2,327,172
Fines	144,724	-	144,724
Investment earnings	128,153	45,651	173,804
Contributions	53,830	-	53,830
Miscellaneous	40,825	-	40,825
Total revenues	6,099,263	45,651	6,144,914
<b>EXPENDITURES</b>			
Current:			
General government	98,307	-	98,307
Public safety	393,027	-	393,027
Public works	6,420,064	-	6,420,064
Community services	12,608	-	12,608
Community development	2,604,305	-	2,604,305
Debt service:			
Principal	491,616	-	491,616
Interest and fiscal charges	281,065	-	281,065
Capital outlay	16,532	-	16,532
Total expenditures	10,317,524	-	10,317,524
Excess of revenues over expenditures	(4,218,261)	45,651	(4,172,610)
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance proceeds	35,088	-	35,088
Sale of assets	16,178	-	16,178
Transfers in	4,994,242	4,584	4,998,826
Transfers out	(191,300)	(4,584)	(195,884)
Total other financing sources (uses)	4,854,208	-	4,854,208
Net changes in fund balances	635,947	45,651	681,598
Fund balance - beginning	6,115,400	1,651,631	7,767,031
Fund balance - ending	\$ 6,751,347	\$ 1,697,282	\$ 8,448,629

## 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.

**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.

**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.

**Photo Red Light Enforcement Fund:** This fund was eliminated in fiscal year 2020.

**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 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.

**Employee Wellness Fund:** This fund accounts for receipts and expenditures related to the employee wellness program.

**City of Killeen, Texas**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**September 30, 2020**

	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	Home Program	Street Maintenance	TIRZ #2
<b>ASSETS</b>													
Cash and cash equivalents	\$ 7,856	\$ 155,985	\$ 383,248	\$ 1,858	\$ 282,099	\$ 18,690	\$ 913,964	\$ 8,475	\$ -	\$ 64,506	\$ 52,987	\$ 1,556,135	\$ 1,335,819
Receivables (net of allowances for uncollectibles):													
Taxes	-	-	-	-	123,839	-	56,463	-	-	-	-	-	-
Accounts	-	-	-	-	2,933	-	-	-	-	127	7,115	170,708	-
Intergovernmental receivable	31,364	-	-	-	-	-	-	-	226,678	-	31,478	34,480	-
Inventories	-	-	-	-	18,006	-	-	-	-	-	-	-	-
Total assets	<u>\$ 39,220</u>	<u>\$ 155,985</u>	<u>\$ 383,248</u>	<u>\$ 1,858</u>	<u>\$ 426,877</u>	<u>\$ 18,690</u>	<u>\$ 970,427</u>	<u>\$ 8,475</u>	<u>\$ 226,678</u>	<u>\$ 64,633</u>	<u>\$ 91,580</u>	<u>\$ 1,761,323</u>	<u>\$ 1,335,819</u>
<b>LIABILITIES AND FUND BALANCES</b>													
Liabilities:													
Accounts payable	\$ 29,739	\$ -	\$ -	\$ -	\$ 18,880	\$ -	\$ 282	\$ -	\$ 70,295	\$ -	\$ 5,963	\$ 157,790	\$ -
Due to other funds	-	-	-	-	-	-	-	-	141,667	-	14	-	-
Accrued salaries payable	-	-	-	-	32,078	-	-	-	11,300	-	2,189	100,265	-
Unearned revenue	-	-	-	-	2,958	-	-	-	-	-	7,116	23,728	-
Total liabilities	<u>29,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,916</u>	<u>-</u>	<u>282</u>	<u>-</u>	<u>223,262</u>	<u>-</u>	<u>15,282</u>	<u>281,783</u>	<u>-</u>
Fund Balances:													
Nonspendable:													
Inventories	-	-	-	-	18,006	-	-	-	-	-	-	-	-
Restricted for:													
Debt service	-	-	-	-	354,955	-	-	-	-	-	-	-	-
Other purposes	9,481	155,985	383,248	1,858	-	18,690	970,145	8,475	3,416	64,633	76,298	1,479,540	1,335,819
Total fund balances	<u>9,481</u>	<u>155,985</u>	<u>383,248</u>	<u>1,858</u>	<u>372,961</u>	<u>18,690</u>	<u>970,145</u>	<u>8,475</u>	<u>3,416</u>	<u>64,633</u>	<u>76,298</u>	<u>1,479,540</u>	<u>1,335,819</u>
Total liabilities and fund balances	<u>\$ 39,220</u>	<u>\$ 155,985</u>	<u>\$ 383,248</u>	<u>\$ 1,858</u>	<u>\$ 426,877</u>	<u>\$ 18,690</u>	<u>\$ 970,427</u>	<u>\$ 8,475</u>	<u>\$ 226,678</u>	<u>\$ 64,633</u>	<u>\$ 91,580</u>	<u>\$ 1,761,323</u>	<u>\$ 1,335,819</u>

**City of Killeen, Texas**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Continued)**  
**September 30, 2020**

	Parks Donations	Teen Court Program	Court Technology	Court Security	Juvenile Case Manager	Photo Red Light Enforcement	Jury Fund	Fire Department	Animal Control Donations	Child Safety	Police Department Donations	Employee Wellness	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
<b>ASSETS</b>													
Cash and cash equivalents	\$ 94,687	\$ 7,604	\$ 50,416	\$ 169,402	\$ 529,346	\$ -	\$ 352	\$ 3,236	\$ 110,630	\$ 466,552	\$ 237,356	\$ 222,913	\$ 6,674,116
Receivables (net of allowances for uncollectibles):													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	180,302
Accounts	-	-	-	-	-	-	-	-	3	-	-	-	180,886
Intergovernmental receivable	-	-	-	-	-	-	-	-	-	-	-	-	324,000
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	18,006
<b>Total assets</b>	<b>\$ 94,687</b>	<b>\$ 7,604</b>	<b>\$ 50,416</b>	<b>\$ 169,402</b>	<b>\$ 529,346</b>	<b>\$ -</b>	<b>\$ 352</b>	<b>\$ 3,236</b>	<b>\$ 110,633</b>	<b>\$ 466,552</b>	<b>\$ 237,356</b>	<b>\$ 222,913</b>	<b>\$ 7,377,310</b>
<b>LIABILITIES AND FUND BALANCES</b>													
Liabilities:													
Accounts payable	\$ -	\$ 124	\$ -	\$ -	\$ 40	\$ -	\$ -	\$ -	\$ -	\$ 10,989	\$ 305	\$ 840	\$ 295,247
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	141,681
Accrued salaries payable	-	-	-	2,481	5,445	-	-	-	-	-	-	1,474	155,233
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	33,802
<b>Total liabilities</b>	<b>-</b>	<b>124</b>	<b>-</b>	<b>2,481</b>	<b>5,485</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,989</b>	<b>305</b>	<b>2,314</b>	<b>625,963</b>
Fund Balances:													
Nonspendable:													
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	18,006
Restricted for:													
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	354,955
Other purposes	94,687	7,480	50,416	166,920	523,861	-	352	3,236	110,633	455,563	237,052	220,598	6,378,386
<b>Total fund balances</b>	<b>94,687</b>	<b>7,480</b>	<b>50,416</b>	<b>166,920</b>	<b>523,861</b>	<b>-</b>	<b>352</b>	<b>3,236</b>	<b>110,633</b>	<b>455,563</b>	<b>237,052</b>	<b>220,598</b>	<b>6,751,347</b>
<b>Total liabilities and fund balances</b>	<b>\$ 94,687</b>	<b>\$ 7,604</b>	<b>\$ 50,416</b>	<b>\$ 169,402</b>	<b>\$ 529,346</b>	<b>\$ -</b>	<b>\$ 352</b>	<b>\$ 3,236</b>	<b>\$ 110,633</b>	<b>\$ 466,552</b>	<b>\$ 237,356</b>	<b>\$ 222,913</b>	<b>\$ 7,377,310</b>

**City of Killeen, Texas**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended September 30, 2020**

	Law Enforcement Grant	State Seizure	Federal Seizure	Emergency Management	Hotel Occupancy Tax	Special Events Center	Cable System Improvements	Library Memorial	Commnity Development	Senior Citizen Assistance	Home Program	Street Maintenance	TIRZ #2
<b>REVENUES</b>													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,467,596	\$ -	\$ 230,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,611
Intergovernmental	91,548	8,185	5,840	-	-	-	-	-	889,749	-	176,431	34,480	134,374
Charges for services	-	-	-	-	382,211	-	-	-	3,217	-	49,822	1,779,596	-
Investment earnings	12	2,714	6,968	34	11,425	348	15,098	190	171	1,150	210	33,852	21,286
Contributions	-	-	-	-	-	-	-	13	-	11,017	-	-	-
Miscellaneous	-	-	5,479	-	793	-	-	-	105	-	64	707	-
Total revenues	<u>91,560</u>	<u>10,899</u>	<u>18,287</u>	<u>34</u>	<u>1,862,025</u>	<u>348</u>	<u>245,258</u>	<u>203</u>	<u>893,242</u>	<u>12,167</u>	<u>226,527</u>	<u>1,848,635</u>	<u>339,271</u>
<b>EXPENDITURES</b>													
Current:													
General government	-	-	-	-	-	-	55,681	-	-	-	-	-	-
Public safety	90,951	-	5,326	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-	6,420,064	-
Community services	-	-	-	-	-	-	-	-	-	5,683	-	-	-
Community development	-	-	-	-	1,453,548	-	-	8,738	900,369	-	241,650	-	-
Debt service:													
Principal	-	-	-	-	460,000	-	-	-	-	-	-	31,616	-
Interest and fiscal charges	-	-	-	-	265,440	-	-	-	-	-	-	15,625	-
Total expenditures	<u>90,951</u>	<u>-</u>	<u>5,326</u>	<u>-</u>	<u>2,178,988</u>	<u>-</u>	<u>55,681</u>	<u>8,738</u>	<u>900,369</u>	<u>5,683</u>	<u>241,650</u>	<u>6,467,305</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>609</u>	<u>10,899</u>	<u>12,961</u>	<u>34</u>	<u>(316,963)</u>	<u>348</u>	<u>189,577</u>	<u>(8,535)</u>	<u>(7,127)</u>	<u>6,484</u>	<u>(15,123)</u>	<u>(4,618,670)</u>	<u>339,271</u>
<b>OTHER FINANCING SOURCES (USES)</b>													
Insurance proceeds	-	-	-	-	1,920	-	-	-	-	-	-	33,168	-
Sale of assets	4,463	7,050	-	-	53	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	4,994,242	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(187,181)	-
Total other financing sources (uses)	<u>4,463</u>	<u>7,050</u>	<u>-</u>	<u>-</u>	<u>1,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,840,229</u>	<u>-</u>
Net changes in fund balances	5,072	17,949	12,961	34	(314,990)	348	189,577	(8,535)	(7,127)	6,484	(15,123)	221,559	339,271
Fund balance - beginning	4,409	138,036	370,287	1,824	687,951	18,342	780,568	17,010	10,543	58,149	91,421	1,257,981	996,548
Fund balance - ending	<u>\$ 9,481</u>	<u>\$ 155,985</u>	<u>\$ 383,248</u>	<u>\$ 1,858</u>	<u>\$ 372,961</u>	<u>\$ 18,690</u>	<u>\$ 970,145</u>	<u>\$ 8,475</u>	<u>\$ 3,416</u>	<u>\$ 64,633</u>	<u>\$ 76,298</u>	<u>\$ 1,479,540</u>	<u>\$ 1,335,819</u>

**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, 2020**

	Parks Donations	Teen Court Program	Court Technology	Court Security	Juvenile Case Manager	Photo Red Light Enforcement	Jury Fee	Fire Department	Animal Control Donations	Child Safety	Police Department Donations	Employee Wellness	Total Nonmajor Special Revenue Finds (See Exhibit C-2)
<b>REVENUES</b>													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,881,367
Intergovernmental	-	-	-	740	-	-	-	907	-	161,651	19,287	-	1,523,192
Charges for services	-	-	-	-	-	-	-	-	-	-	8,051	104,275	2,327,172
Fines	-	930	38,543	35,677	53,896	-	350	-	-	15,328	-	-	144,724
Investment earnings	1,817	148	1,272	3,206	10,419	86	2	53	1,626	9,029	3,606	3,431	128,153
Contributions	20,722	-	-	-	-	-	-	-	12,065	-	10,013	-	53,830
Miscellaneous	-	-	-	-	-	-	-	-	-	-	33,677	-	40,825
<b>Total revenues</b>	<b>22,539</b>	<b>1,078</b>	<b>39,815</b>	<b>39,623</b>	<b>64,315</b>	<b>86</b>	<b>352</b>	<b>960</b>	<b>13,691</b>	<b>186,008</b>	<b>74,634</b>	<b>107,706</b>	<b>6,099,263</b>
<b>EXPENDITURES</b>													
<b>Current:</b>													
General government	-	-	-	-	-	-	-	-	-	-	-	42,626	98,307
Public safety	-	1,474	66,451	40,879	103,190	186	-	-	-	73,590	10,980	-	393,027
Public works	-	-	-	-	-	-	-	-	-	-	-	-	6,420,064
Community services	6,925	-	-	-	-	-	-	-	-	-	-	-	12,608
Community development	-	-	-	-	-	-	-	-	-	-	-	-	2,604,305
<b>Debt service:</b>													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	491,616
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	281,065
Capital outlay	-	-	-	-	-	-	-	-	-	16,532	-	-	16,532
<b>Total expenditures</b>	<b>6,925</b>	<b>1,474</b>	<b>66,451</b>	<b>40,879</b>	<b>103,190</b>	<b>186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,122</b>	<b>10,980</b>	<b>42,626</b>	<b>10,317,524</b>
Excess (deficiency) of revenues over (under) expenditures	15,614	(396)	(26,636)	(1,256)	(38,875)	(100)	352	960	13,691	95,886	63,654	65,080	(4,218,261)
<b>OTHER FINANCING SOURCES (USES)</b>													
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	35,088
Sale of assets	-	-	-	-	-	-	-	-	-	-	4,612	-	16,178
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	4,994,242
Transfers out	-	-	-	-	-	(4,119)	-	-	-	-	-	-	(191,300)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,119)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,612</b>	<b>-</b>	<b>4,854,208</b>
<b>Net changes in fund balances</b>	<b>15,614</b>	<b>(396)</b>	<b>(26,636)</b>	<b>(1,256)</b>	<b>(38,875)</b>	<b>(4,219)</b>	<b>352</b>	<b>960</b>	<b>13,691</b>	<b>95,886</b>	<b>68,266</b>	<b>65,080</b>	<b>635,947</b>
Fund balance - beginning	79,073	7,876	77,052	168,176	562,736	4,219	-	2,276	96,942	359,677	168,786	155,518	6,115,400
<b>Fund balance - ending</b>	<b>\$ 94,687</b>	<b>\$ 7,480</b>	<b>\$ 50,416</b>	<b>\$ 166,920</b>	<b>\$ 523,861</b>	<b>\$ -</b>	<b>\$ 352</b>	<b>\$ 3,236</b>	<b>\$ 110,633</b>	<b>\$ 455,563</b>	<b>\$ 237,052</b>	<b>\$ 220,598</b>	<b>\$ 6,751,347</b>

## Capital Project 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.

**2011A Pass-Through Financing 190/2410:** This fund accounts for expenditures of funds to be used for improving roads on the state highway system located in the City, or as a continuation of the project or facility adjacent to the City.

**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, 2020**

	2011A Pass- Through Financing 190/2410	2011 C.O. Bonds	2014 C.O. Bonds	Golf Capital Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
<b>ASSETS</b>					
Cash and cash equivalents	\$ 115,846	\$ 2,225,656	\$ 54,235	\$ 66,483	\$ 2,462,220
Total assets	<u>115,846</u>	<u>2,225,656</u>	<u>54,235</u>	<u>66,483</u>	<u>2,462,220</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	764,938	-	-	764,938
Total liabilities	<u>-</u>	<u>764,938</u>	<u>-</u>	<u>-</u>	<u>764,938</u>
Fund balances:					
Restricted for:					
Capital projects	115,846	1,460,718	54,235	66,483	1,697,282
Total fund balances	<u>115,846</u>	<u>1,460,718</u>	<u>54,235</u>	<u>66,483</u>	<u>1,697,282</u>
Total liabilities and fund balances	<u>\$ 115,846</u>	<u>\$ 2,225,656</u>	<u>\$ 54,235</u>	<u>\$ 66,483</u>	<u>\$ 2,462,220</u>

**City of Killeen, Texas**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended September 30, 2020**

	2011A Pass Thru Financing 190/2410	2011 C.O. Bonds	2014 C.O. Bonds	Golf Capital Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
<b>REVENUES</b>					
Investment earnings	\$ 2,161	\$ 41,058	\$ 1,072	\$ 1,360	\$ 45,651
Total revenues	<u>2,161</u>	<u>41,058</u>	<u>1,072</u>	<u>1,360</u>	<u>45,651</u>
<b>EXPENDITURES</b>					
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>2,161</u>	<u>41,058</u>	<u>1,072</u>	<u>1,360</u>	<u>45,651</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	4,584	-	-	4,584
Transfers out	-	-	(4,584)	-	(4,584)
Total other financing sources (uses)	<u>-</u>	<u>4,584</u>	<u>(4,584)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,161	45,642	(3,512)	1,360	45,651
Fund balance - beginning	113,685	1,415,076	57,747	65,123	1,651,631
Fund balance - ending	<u>\$ 115,846</u>	<u>\$ 1,460,718</u>	<u>\$ 54,235</u>	<u>\$ 66,483</u>	<u>\$ 1,697,282</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 government's on a cost-reimbursement basis.

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

**Support Service Fund:** This fund was eliminated in fiscal year 2020.

**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, 2020

	Fleet Services	Support Service	Risk Management	Information Technology	Total Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 728,941	\$ -	\$ 399,449	\$ 992,943	\$ 2,121,333
Accounts receivables	843	-	-	-	843
Inventories	278,013	-	-	-	278,013
Total current assets	<u>1,007,797</u>	<u>-</u>	<u>399,449</u>	<u>992,943</u>	<u>2,400,189</u>
Noncurrent assets:					
Property and equipment:					
Furniture and equipment	12,349	-	-	375,102	387,451
Vehicles	4,276,727	-	-	-	4,276,727
Less accumulated depreciation	<u>(3,046,935)</u>	<u>-</u>	<u>-</u>	<u>(82,183)</u>	<u>(3,129,118)</u>
Net property and equipment	<u>1,242,141</u>	<u>-</u>	<u>-</u>	<u>292,919</u>	<u>1,535,060</u>
Total assets	<u>2,249,938</u>	<u>-</u>	<u>399,449</u>	<u>1,285,862</u>	<u>3,935,249</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows - pension	119,293	-	15,159	132,750	267,202
Deferred outflows - OPEB	23,983	-	1,020	12,846	37,849
Total deferred outflows of resources	<u>143,276</u>	<u>-</u>	<u>16,179</u>	<u>145,596</u>	<u>305,051</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	17,223	-	-	36,973	54,196
Accrued salaries payable	74,391	-	10,096	66,154	150,641
Unearned revenue	843	-	-	-	843
Compensated absences	15,205	-	2,090	17,160	34,455
Total current liabilities	<u>107,662</u>	<u>-</u>	<u>12,186</u>	<u>120,287</u>	<u>240,135</u>
Noncurrent liabilities:					
Compensated absences	60,818	-	8,358	68,640	137,816
Net pension liability	1,562,866	-	128,305	1,517,863	3,209,034
Total OPEB liability	94,173	-	2,051	25,730	121,954
Total noncurrent liabilities	<u>1,717,857</u>	<u>-</u>	<u>138,714</u>	<u>1,612,233</u>	<u>3,468,804</u>
Total liabilities	<u>1,825,519</u>	<u>-</u>	<u>150,900</u>	<u>1,732,520</u>	<u>3,708,939</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows - pension	196,724	-	10,418	9,448	216,590
Deferred Inflows - OPEB	3,096	-	239	3,264	6,599
Total deferred inflows of resources	<u>199,820</u>	<u>-</u>	<u>10,657</u>	<u>12,712</u>	<u>223,189</u>
<b>NET POSITION</b>					
Net investment in capital assets	1,242,141	-	-	292,919	1,535,060
Unrestricted	<u>(874,266)</u>	<u>-</u>	<u>254,071</u>	<u>(606,693)</u>	<u>(1,226,888)</u>
Total net position	<u>367,875</u>	<u>-</u>	<u>254,071</u>	<u>(313,774)</u>	<u>308,172</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,393,214</u>	<u>\$ -</u>	<u>\$ 415,628</u>	<u>\$ 1,431,458</u>	<u>\$ 4,240,300</u>

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

**City of Killeen, Texas**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2020**

	Fleet Services	Support Service	Risk Management	Information Technology	Total Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,700,724	\$ -	\$ 1,449,677	\$ 3,441,727	\$ 6,592,128
Miscellaneous	303	-	7,623	1,815	9,741
Total operating revenues	<u>1,701,027</u>	<u>-</u>	<u>1,457,300</u>	<u>3,443,542</u>	<u>6,601,869</u>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	1,541,481	-	216,149	1,369,768	3,127,398
Repairs and maintenance	35,733	-	-	752,928	788,661
Supplies	61,748	-	301	3,542	65,591
Miscellaneous services and charges	51,709	-	1,078,404	523,810	1,653,923
Refuse disposal costs	8,214	-	-	-	8,214
Depreciation	624,208	-	-	53,412	677,620
Total operating expenses	<u>2,323,093</u>	<u>-</u>	<u>1,294,854</u>	<u>2,703,460</u>	<u>6,321,407</u>
Operating income (loss)	<u>(622,066)</u>	<u>-</u>	<u>162,446</u>	<u>740,082</u>	<u>280,462</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain on disposition of capital assets	1,342	-	-	1,369	2,711
Investment earnings	9,367	-	1,076	10,186	20,629
Total nonoperating revenues	<u>10,709</u>	<u>-</u>	<u>1,076</u>	<u>11,555</u>	<u>23,340</u>
Income (loss) before contributions and transfers	<u>(611,357)</u>	<u>-</u>	<u>163,522</u>	<u>751,637</u>	<u>303,802</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(4,060,956)	-	(93,435)	(4,154,391)
Total contributions and transfers	<u>-</u>	<u>(4,060,956)</u>	<u>-</u>	<u>(93,435)</u>	<u>(4,154,391)</u>
Change in net position	(611,357)	(4,060,956)	163,522	658,202	(3,850,589)
Net position - beginning	979,232	4,060,956	90,549	(971,976)	4,158,761
Net position - ending	<u>\$ 367,875</u>	<u>\$ -</u>	<u>\$ 254,071</u>	<u>\$ (313,774)</u>	<u>\$ 308,172</u>

**City of Killeen, Texas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2020**

	Fleet Services	Support Services	Risk Management	Information Technology	Total Internal Services Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 1,701,027	\$ -	\$ 1,457,300	\$ 3,443,542	\$ 6,601,869
Payments to suppliers	(226,870)	(171)	(1,079,020)	(1,328,618)	(2,634,679)
Payments to employees	(1,480,415)	-	(200,490)	(1,272,834)	(2,953,739)
Net cash provided (used) by operating activities	(6,258)	(171)	177,790	842,090	1,013,451
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers out to other funds	-	(4,060,956)	-	(93,435)	(4,154,391)
Net cash (used) by noncapital financing activities	-	(4,060,956)	-	(93,435)	(4,154,391)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase and construction of capital assets	(6,349)	-	-	(189,211)	(195,560)
Proceeds from sale of assets	1,342	-	-	1,369	2,711
Net cash provided (used) by capital and related financing activities	(5,007)	-	-	(187,842)	(192,849)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends on investments	9,367	-	1,076	10,186	20,629
Net cash provided by investing activities	9,367	-	1,076	10,186	20,629
Net increase (decrease) in cash and cash equivalents	(1,898)	(4,061,127)	178,866	570,999	(3,313,160)
Cash and cash equivalents, beginning of year	730,839	4,061,127	220,583	421,944	5,434,493
Cash and cash equivalents, end of year	728,941	-	399,449	992,943	2,121,333
Cash and cash equivalents	728,941	-	399,449	992,943	2,121,333
Total	728,941	-	399,449	992,943	2,121,333

**City of Killeen, Texas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2020**

	Fleet Services	Support Services	Risk Management	Information Technology	Total Internal Services Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (622,066)	\$ -	\$ 162,446	\$ 740,082	\$ 280,462
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	624,208	-	-	53,412	677,620
Changes in assets and liabilities:					
Decrease (increase) in receivables	(843)	-	-	-	(843)
Decrease (increase) in inventories	3,280	-	-	-	3,280
Decrease (increase) in pension related deferred outflows	166,145	-	25,482	328,067	519,694
Decrease (increase) in OPEB deferred outflows	(8,753)	-	(837)	(10,768)	(20,358)
Increase (decrease) in payables	(72,746)	(171)	(315)	(48,338)	(121,570)
Increase (decrease) in accrued salaries payable	(16,658)	-	2,647	(189)	(14,200)
Increase (decrease) in compensated absences	(6,947)	-	2,879	(13,045)	(17,113)
Increase (decrease) in unearned revenue	843	-	-	-	843
Increase (decrease) in net pension liability	(192,577)	-	(24,431)	(213,964)	(430,972)
Increase (decrease) in OPEB liability	21,436	-	1,871	23,689	46,996
Increase (decrease) in pension related deferred inflows	99,126	-	8,217	(15,493)	91,850
Increase (decrease) in OPEB deferred inflows	(706)	-	(169)	(1,363)	(2,238)
Total adjustments	<u>615,808</u>	<u>(171)</u>	<u>15,344</u>	<u>102,008</u>	<u>732,989</u>
Net cash provided (used) by operating activities	<u>\$ (6,258)</u>	<u>\$ (171)</u>	<u>\$ 177,790</u>	<u>\$ 842,090</u>	<u>\$ 1,013,451</u>

Exhibit C-10

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 91,548	\$ 356,474	\$ 442,908	\$ (351,360)
Investments earnings	12	-	-	12
Total revenues	<u>91,560</u>	<u>356,474</u>	<u>442,908</u>	<u>(351,348)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	90,951	356,474	463,766	372,815
Capital Outlay	-	-	18,840	18,840
Total expenditures	<u>90,951</u>	<u>356,474</u>	<u>482,606</u>	<u>391,655</u>
Excess (deficiency) of revenues over (under) expenditures	<u>609</u>	<u>-</u>	<u>(39,698)</u>	<u>40,307</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	<u>4,463</u>	<u>-</u>	<u>-</u>	<u>4,463</u>
Total other financing sources (uses)	<u>4,463</u>	<u>-</u>	<u>-</u>	<u>4,463</u>
Net change in fund balance	5,072	\$ -	\$ (39,698)	\$ 44,770
Fund balance - beginning	<u>4,409</u>			
Fund balance - ending	<u>\$ 9,481</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 8,185	\$ -	\$ -	\$ 8,185
Investment earnings	2,714	2,000	2,000	714
Total revenues	<u>10,899</u>	<u>2,000</u>	<u>2,000</u>	<u>8,899</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	119,568	119,568	119,568
Total expenditures	-	<u>119,568</u>	<u>119,568</u>	<u>119,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,899</u>	<u>(117,568)</u>	<u>(117,568)</u>	<u>128,467</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	<u>7,050</u>	-	-	<u>7,050</u>
Total other financing sources (uses)	<u>7,050</u>	-	-	<u>7,050</u>
Net change in fund balance	17,949	<u>\$ (117,568)</u>	<u>\$ (117,568)</u>	<u>\$ 135,517</u>
Fund balance - beginning	<u>138,036</u>			
Fund balance - ending	<u>\$ 155,985</u>			

Exhibit C-12

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 5,840	\$ -	\$ -	\$ 5,840
Investment earnings	6,968	8,000	8,000	(1,032)
Miscellaneous	5,479	-	5,480	(1)
Total revenues	<u>18,287</u>	<u>8,000</u>	<u>13,480</u>	<u>4,807</u>
<b>EXPENDITURES</b>				
Public safety	<u>5,326</u>	<u>294,398</u>	<u>299,878</u>	<u>294,552</u>
Total expenditures	<u>5,326</u>	<u>294,398</u>	<u>299,878</u>	<u>294,552</u>
Net change in fund balance	12,961	\$ (286,398)	\$ (286,398)	\$ 299,359
Fund balance - beginning	<u>370,287</u>			
Fund balance - ending	<u>\$ 383,248</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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Taxes	\$ 1,467,596	\$ 1,881,683	\$ 1,881,683	\$ (414,087)
Charges for services	382,211	733,760	733,760	(351,549)
Investment earnings	11,425	4,869	4,869	6,556
Miscellaneous	793	25,000	25,000	(24,207)
Total revenues	<u>1,862,025</u>	<u>2,645,312</u>	<u>2,645,312</u>	<u>(783,287)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	1,453,548	1,920,102	2,075,964	622,416
Debt service:				
Principal	460,000	460,000	460,000	-
Interest and fiscal charges	265,440	265,210	265,484	44
Total expenditures	<u>2,178,988</u>	<u>2,645,312</u>	<u>2,801,448</u>	<u>622,460</u>
Net change in fund balance	(314,990)	\$ -	\$ (156,136)	\$ (158,853)
Fund balance - beginning	<u>687,951</u>			
Fund balance - ending	<u>\$ 372,961</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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Taxes	\$ 230,160	\$ 239,000	\$ 239,000	\$ (8,840)
Investment earnings	15,098	10,000	10,000	5,098
Total revenues	<u>245,258</u>	<u>249,000</u>	<u>249,000</u>	<u>(3,742)</u>
<b>EXPENDITURES</b>				
General government	55,681	249,000	283,652	227,971
Total expenditures	<u>55,681</u>	<u>249,000</u>	<u>283,652</u>	<u>227,971</u>
Net change in fund balance	189,577	\$ -	\$ (34,652)	\$ 224,229
Fund balance - beginning	<u>780,568</u>			
Fund balance - ending	<u>\$ 970,145</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Investment earnings	\$ 190	\$ -	\$ -	\$ 190
Contributions	13	500	500	(487)
Total revenues	<u>203</u>	<u>500</u>	<u>500</u>	<u>(297)</u>
<b>EXPENDITURES</b>				
Community development	<u>8,738</u>	<u>6,000</u>	<u>8,739</u>	<u>1</u>
Total expenditures	<u>8,738</u>	<u>6,000</u>	<u>8,739</u>	<u>1</u>
Net change in fund balance	(8,535)	<u>\$ (5,500)</u>	<u>\$ (8,239)</u>	<u>\$ (296)</u>
Fund balance - beginning	17,010			
Fund balance - ending	<u>\$ 8,475</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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 889,749	\$ 1,872,018	\$ 2,485,694	\$ (1,595,945)
Charges for services	3,217	3,360	3,360	(143)
Investment earnings	171	-	-	171
Miscellaneous	105	-	-	105
Total revenues	<u>893,242</u>	<u>1,875,378</u>	<u>2,489,054</u>	<u>(1,595,812)</u>
<b>EXPENDITURES</b>				
Community development	900,369	1,875,378	2,489,054	1,588,685
Total expenditures	<u>900,369</u>	<u>1,875,378</u>	<u>2,489,054</u>	<u>1,588,685</u>
Net change in fund balance	(7,127)	\$ -	\$ -	\$ (7,127)
Fund balance - beginning	10,543			
Fund balance - ending	<u>\$ 3,416</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Investment earnings	\$ 1,150	\$ -	\$ -	\$ 1,150
Contributions	11,017	60,000	60,000	(48,983)
Total revenues	<u>12,167</u>	<u>60,000</u>	<u>60,000</u>	<u>(47,833)</u>
<b>EXPENDITURES</b>				
Community services	<u>5,683</u>	<u>60,000</u>	<u>60,000</u>	<u>54,317</u>
Total expenditures	<u>5,683</u>	<u>60,000</u>	<u>60,000</u>	<u>54,317</u>
Net change in fund balance	6,484	\$ -	\$ -	\$ 6,484
Fund balance - beginning	58,149			
Fund balance - ending	<u>\$ 64,633</u>			

Exhibit C-18

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 176,431	\$ 1,158,526	\$ 1,158,526	\$ (982,095)
Charges for services	49,822	99,287	99,287	(49,465)
Investment earnings	210	-	-	210
Miscellaneous	64	7,000	7,000	(6,936)
Total revenues	<u>226,527</u>	<u>1,264,813</u>	<u>1,264,813</u>	<u>(1,038,287)</u>
<b>EXPENDITURES</b>				
Community development	241,650	1,264,813	1,264,813	1,023,163
Total expenditures	<u>241,650</u>	<u>1,264,813</u>	<u>1,264,813</u>	<u>1,023,163</u>
Net change in fund balance	(15,123)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,123)</u>
Fund balance - beginning	91,421			
Fund balance - ending	<u>\$ 76,298</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 34,480	\$ 24,070	\$ 24,070	\$ 10,410
Charges for services	1,779,596	1,600,000	1,600,000	179,596
Investment earnings	33,852	75,487	75,487	(41,635)
Miscellaneous	707	-	-	707
Total revenues	<u>1,848,635</u>	<u>1,699,557</u>	<u>1,699,557</u>	<u>149,078</u>
<b>EXPENDITURES</b>				
Current:				
Public works	6,420,064	6,718,799	7,243,883	823,819
Debt service:				
Principal	31,616	-	31,616	-
Interest and fiscal charges	15,625	-	15,625	-
Total expenditures	<u>6,467,305</u>	<u>6,718,799</u>	<u>7,291,124</u>	<u>823,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,618,670)</u>	<u>(5,019,242)</u>	<u>(5,591,567)</u>	<u>972,897</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance proceeds	33,168	25,000	37,035	(3,867)
Transfers in	4,994,242	4,994,242	4,994,242	-
Transfers out	(187,181)	-	(187,181)	-
Total other financing sources (uses)	<u>4,840,229</u>	<u>5,019,242</u>	<u>4,844,096</u>	<u>(3,867)</u>
Net change in fund balance	221,559	\$ -	\$ (747,471)	\$ 969,030
Fund balance - beginning	<u>1,257,981</u>			
Fund balance - ending	<u>\$ 1,479,540</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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Taxes	\$ 183,611	\$ 205,121	\$ 205,121	\$ (21,510)
Intergovernmental	134,374	160,776	160,776	(26,402)
Investment earnings	21,286	10,000	10,000	11,286
Total revenues	<u>339,271</u>	<u>375,897</u>	<u>375,897</u>	<u>(36,626)</u>
<b>EXPENDITURES</b>				
General government	-	1,350,757	1,350,757	1,350,757
Total expenditures	-	<u>1,350,757</u>	<u>1,350,757</u>	<u>1,350,757</u>
Net change in fund balance	339,271	<u>\$ (974,860)</u>	<u>\$ (974,860)</u>	<u>\$ 1,314,131</u>
Fund balance - beginning	996,548			
Fund balance - ending	<u>\$ 1,335,819</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Investment earnings	\$ 1,817	\$ -	\$ -	\$ 1,817
Contributions	<u>20,722</u>	<u>245,000</u>	<u>245,000</u>	<u>(224,278)</u>
Total revenues	<u>22,539</u>	<u>245,000</u>	<u>245,000</u>	<u>(222,461)</u>
<b>EXPENDITURES</b>				
Community services	<u>6,925</u>	<u>245,000</u>	<u>245,000</u>	<u>238,075</u>
Total expenditures	<u>6,925</u>	<u>245,000</u>	<u>245,000</u>	<u>238,075</u>
Net change in fund balance	15,614	\$ -	\$ -	\$ 15,614
Fund balance - beginning	<u>79,073</u>			
Fund balance - ending	<u>\$ 94,687</u>			

Exhibit C-22

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Fines	\$ 930	\$ 1,777	\$ 1,777	\$ (847)
Investment earnings	148	-	-	148
Total revenues	<u>1,078</u>	<u>1,777</u>	<u>1,777</u>	<u>(699)</u>
<b>EXPENDITURES</b>				
Public safety	1,474	2,055	2,055	581
Total expenditures	<u>1,474</u>	<u>2,055</u>	<u>2,055</u>	<u>581</u>
Net change in fund balance	(396)	<u>\$ (278)</u>	<u>\$ (278)</u>	<u>\$ (118)</u>
Fund balance - beginning	<u>7,876</u>			
Fund balance - ending	<u>\$ 7,480</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Fines	\$ 38,543	\$ 49,000	\$ 49,000	\$ (10,457)
Investment earnings	1,272	500	500	772
Total revenues	<u>39,815</u>	<u>49,500</u>	<u>49,500</u>	<u>(9,685)</u>
<b>EXPENDITURES</b>				
Public safety	66,451	67,000	67,000	549
Total expenditures	<u>66,451</u>	<u>67,000</u>	<u>67,000</u>	<u>549</u>
Net change in fund balance	(26,636)	<u>\$ (17,500)</u>	<u>\$ (17,500)</u>	<u>\$ (9,136)</u>
Fund balance - beginning	77,052			
Fund balance - ending	<u>\$ 50,416</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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 740	\$ -	\$ -	\$ 740
Fines	35,677	41,268	41,268	(5,591)
Investment earnings	3,206	3,200	3,200	6
Total revenues	<u>39,623</u>	<u>44,468</u>	<u>44,468</u>	<u>(4,845)</u>
<b>EXPENDITURES</b>				
Public safety	40,879	48,372	48,372	7,493
Total expenditures	<u>40,879</u>	<u>48,372</u>	<u>48,372</u>	<u>7,493</u>
Net change in fund balance	(1,256)	<u>\$ (3,904)</u>	<u>\$ (3,904)</u>	<u>\$ 2,648</u>
Fund balance - beginning	168,176			
Fund balance - ending	<u>\$ 166,920</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Fines	53,896	66,773	66,773	(12,877)
Investment earnings	10,419	1,500	1,500	8,919
Total revenues	<u>64,315</u>	<u>68,273</u>	<u>68,273</u>	<u>(3,958)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	103,190	115,102	115,102	11,912
Total expenditures	<u>103,190</u>	<u>115,102</u>	<u>115,102</u>	<u>11,912</u>
Net change in fund balance	(38,875)	<u>\$ (46,829)</u>	<u>\$ (46,829)</u>	<u>\$ 7,954</u>
Fund balance - beginning	562,736			
Fund balance - ending	<u>\$ 523,861</u>			

Exhibit C-26

**City of Killeen, Texas**  
**Photo Red Light Enforcement Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended September 30, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Fines	\$ -	\$ 20,000	\$ 20,000	\$ (20,000)
Investment earnings	86	100	100	(14)
Total revenues	<u>86</u>	<u>20,100</u>	<u>20,100</u>	<u>(20,014)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	186	20,100	20,100	19,914
Total expenditures	<u>186</u>	<u>20,100</u>	<u>20,100</u>	<u>19,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>(100)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(4,119)</u>	<u>-</u>	<u>(4,110)</u>	<u>(9)</u>
Total other financing sources (uses)	<u>(4,119)</u>	<u>-</u>	<u>(4,110)</u>	<u>(9)</u>
Net change in fund balance	(4,219)	\$ -	\$ 4,110	\$ (109)
Fund balance - beginning	<u>4,219</u>			
Fund balance - ending	<u>\$ -</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Fines	\$ 350	\$ 800	\$ 800	\$ (450)
Investment earnings	2	-	-	2
Total revenues	<u>352</u>	<u>800</u>	<u>800</u>	<u>(448)</u>
<b>EXPENDITURES</b>				
Public safety	-	800	800	800
Total expenditures	-	<u>800</u>	<u>800</u>	<u>800</u>
Net change in fund balance	352	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352</u>
Fund balance - beginning	-			
Fund balance - ending	<u>\$ 352</u>			

Exhibit C-28

**City of Killeen, Texas**  
**Fire Department Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended September 30, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 907	\$ -	\$ 908	\$ (1)
Investment earnings	53	-	-	53
Total revenues	<u>960</u>	<u>-</u>	<u>908</u>	<u>52</u>
<b>EXPENDITURES</b>				
Public safety	-	-	1,819	1,819
Total expenditures	-	-	1,819	1,819
Net change in fund balance	960	<u>\$ -</u>	<u>\$ (911)</u>	<u>\$ 1,871</u>
Fund balance - beginning	<u>2,276</u>			
Fund balance - ending	<u>\$ 3,236</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Investment earnings	\$ 1,626	\$ -	\$ -	\$ 1,626
Contributions	12,065	84,000	84,000	(71,935)
Total revenues	<u>13,691</u>	<u>84,000</u>	<u>84,000</u>	<u>(70,309)</u>
<b>EXPENDITURES</b>				
Public safety	-	84,000	84,000	84,000
Total expenditures	-	<u>84,000</u>	<u>84,000</u>	<u>84,000</u>
Net change in fund balance	13,691	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,691</u>
Fund balance - beginning	<u>96,942</u>			
Fund balance - ending	<u>\$ 110,633</u>			

Exhibit C-30

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 161,651	\$ 159,000	\$ 159,000	\$ 2,651
Fines	15,328	33,500	33,500	(18,172)
Investments earnings	9,029	3,000	3,000	6,029
Total revenues	<u>186,008</u>	<u>195,500</u>	<u>195,500</u>	<u>(9,492)</u>
<b>EXPENDITURES</b>				
Public safety	73,590	115,500	115,500	41,910
Capital outlay	16,532	430,000	430,000	413,468
Total expenditures	<u>90,122</u>	<u>545,500</u>	<u>545,500</u>	<u>455,378</u>
Net change in fund balance	95,886	<u>\$ (350,000)</u>	<u>\$ (350,000)</u>	<u>\$ 445,886</u>
Fund balance - beginning	359,677			
Fund balance - ending	<u>\$ 455,563</u>			

**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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Intergovernmental	\$ 19,287	\$ 19,892	\$ 19,892	\$ (605)
Charges for services	8,051	9,556	9,556	(1,505)
Investment earnings	3,606	-	-	3,606
Contributions	10,013	15,514	15,514	(5,501)
Miscellaneous	33,677	-	-	33,677
Total revenues	<u>74,634</u>	<u>44,962</u>	<u>44,962</u>	<u>29,672</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>10,980</u>	<u>250,358</u>	<u>230,757</u>	<u>219,777</u>
Total expenditures	<u>10,980</u>	<u>250,358</u>	<u>230,757</u>	<u>219,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>63,654</u>	<u>(205,396)</u>	<u>(185,795)</u>	<u>249,449</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	<u>4,612</u>	<u>17,010</u>	<u>17,010</u>	<u>(12,398)</u>
Total other financing sources	<u>4,612</u>	<u>17,010</u>	<u>17,010</u>	<u>(12,398)</u>
Net change in fund balance	68,266	<u>\$ (188,386)</u>	<u>\$ (168,785)</u>	<u>\$ 237,051</u>
Fund balance - beginning	<u>168,786</u>			
Fund balance - ending	<u>\$ 237,052</u>			

Exhibit C-32

**City of Killeen, Texas**  
**Employee Wellness Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended September 30, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Charges for services	\$ 104,275	\$ 40,000	\$ 40,000	\$ 64,275
Investment earnings	3,431	-	-	3,431
Total revenues	<u>107,706</u>	<u>40,000</u>	<u>40,000</u>	<u>67,706</u>
<b>EXPENDITURES</b>				
General government	42,626	79,969	79,969	37,343
Total expenditures	<u>42,626</u>	<u>79,969</u>	<u>79,969</u>	<u>37,343</u>
Net change in fund balance	65,080	<u>\$ (39,969)</u>	<u>\$ (39,969)</u>	<u>\$ 105,049</u>
Fund balance - beginning	<u>155,518</u>			
Fund balance - ending	<u>\$ 220,598</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, 2020**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>REVENUES</b>				
Taxes	\$ 14,013,397	\$ 14,050,072	\$ 14,050,072	\$ (36,675)
Intergovernmental	2,087,803	1,684,375	1,684,375	403,428
Investment earnings	210,738	129,067	129,067	81,671
Total revenues	<u>16,311,938</u>	<u>15,863,514</u>	<u>15,863,514</u>	<u>448,424</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	9,030,000	9,030,000	9,030,000	-
Interest and fiscal charges	6,823,014	6,833,514	6,833,514	10,500
Costs of issuance	616,849	-	660,529	43,680
Total expenditures	<u>16,469,863</u>	<u>15,863,514</u>	<u>16,524,043</u>	<u>54,180</u>
(Deficiency) of revenues (under) expenditures	<u>(157,925)</u>	<u>-</u>	<u>(660,529)</u>	<u>502,604</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	66,690,000	-	72,075,000	(5,385,000)
Premium on bond issued	941,584	-	941,585	(1)
Payment to bond escrow agent	<u>(67,013,829)</u>	<u>-</u>	<u>(72,356,056)</u>	<u>5,342,227</u>
Total other financing sources	<u>617,755</u>	<u>-</u>	<u>660,529</u>	<u>(42,773)</u>
Net change in fund balance	459,830	\$ -	\$ -	\$ 459,830
Fund balance - beginning	<u>4,086,754</u>			
Fund balance - ending	<u>\$ 4,546,584</u>			

# STATISTICAL SECTION





**CITY OF KILLEEN**



**STATISTICAL SECTION**

**Financial Trends** ..... 138  
 These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

**Revenue Capacity** ..... 143  
 These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.

**Debt Capacity** ..... 147  
 These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

**Demographic and Economic Information** ..... 152  
 These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

**Operating Information** ..... 154  
 These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the government provides and the activities it performs.

**Continuing Financial Disclosures** ..... 160  
 These tables present various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information is provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.

Table I

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 67,024,699	\$ 62,566,576	\$ 62,867,902	\$ 54,564,150	\$ 55,015,444	\$ 52,004,821	\$ 48,083,942	\$ 52,468,959	\$ 58,430,100	\$ 51,521,453
Restricted for:										
Debt service	6,033,367	4,893,750	1,730,132	3,131,449	905,327	-	3,238,931	4,494,021	3,768,422	4,901,539
Capital projects	7,134,634	2,089,363	2,910,571	2,472,582	2,414,025	298,693	6,239,123	9,628,364	12,162,264	19,983,650
Other purposes	2,768,621	3,045,444	2,963,110	2,952,565	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668
Unrestricted	12,126,100	16,857,071	14,455,124	11,671,245	(51,826,021)	(51,868,558)	(33,339,549)	(29,100,119)	(71,757,266)	(70,219,621)
<b>Total governmental activities net position</b>	<b>\$ 95,087,421</b>	<b>\$ 89,452,204</b>	<b>\$ 84,926,839</b>	<b>\$ 74,791,991</b>	<b>\$ 9,150,321</b>	<b>\$ 3,573,854</b>	<b>\$ 27,464,806</b>	<b>\$ 41,112,525</b>	<b>\$ 8,030,969</b>	<b>\$ 14,262,689</b>
<b>Business-type activities</b>										
Net investment in capital assets	171,472,647	176,347,544	188,453,458	192,106,889	203,053,020	181,931,220	201,056,728	200,358,419	206,354,400	205,499,902
Restricted for:										
Debt service	7,963,550	7,999,802	8,724,350	8,437,776	8,436,533	5,965,000	5,115,000	5,384,661	4,984,429	3,563,179
Capital projects	-	-	-	-	-	14,588,933	3,054,410	1,796,524	2,086,726	5,487,024
Unrestricted	33,318,199	33,556,533	31,760,856	21,921,142	3,450,901	6,274,922	15,788,767	20,591,450	10,104,986	15,854,041
<b>Total business-type activities net position</b>	<b>\$ 212,754,396</b>	<b>\$ 217,903,879</b>	<b>\$ 228,938,664</b>	<b>\$ 222,465,807</b>	<b>\$ 214,940,454</b>	<b>\$ 208,760,075</b>	<b>\$ 225,014,905</b>	<b>\$ 228,131,054</b>	<b>\$ 223,530,541</b>	<b>\$ 230,404,146</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 238,497,346	\$ 238,914,120	\$ 251,321,360	\$ 246,671,039	\$ 258,068,464	\$ 233,936,041	\$ 249,140,670	\$ 252,827,378	\$ 264,784,500	\$ 257,021,355
Restricted for:										
Debt service	13,996,917	12,893,552	10,454,482	11,569,225	9,341,860	5,965,000	8,353,931	9,878,682	8,752,851	8,464,718
Capital projects	7,134,634	2,089,363	2,910,571	2,472,582	2,414,025	14,887,626	9,293,533	11,424,888	14,248,990	25,470,674
Other purposes	2,768,621	3,045,444	2,963,110	2,952,565	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668
Unrestricted	45,444,299	50,413,604	46,215,980	33,592,387	(48,375,120)	(45,593,636)	(17,550,782)	(8,508,669)	(61,652,280)	(54,365,580)
<b>Total primary government activities net position</b>	<b>\$ 307,841,817</b>	<b>\$ 307,356,083</b>	<b>\$ 313,865,503</b>	<b>\$ 297,257,798</b>	<b>\$ 224,090,775</b>	<b>\$ 212,333,929</b>	<b>\$ 252,479,711</b>	<b>\$ 269,243,579</b>	<b>\$ 231,561,510</b>	<b>\$ 244,666,835</b>

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 18,165,769	\$ 16,841,919	\$ 18,130,388	\$ 18,280,688	\$ 19,738,067	\$ 23,881,088	\$ 7,640,003	\$ 18,532,927	\$ 24,073,260	\$ 17,550,796
Public safety	44,462,918	45,108,412	47,472,507	49,434,466	57,032,023	59,748,462	47,145,776	50,531,932	79,194,745	60,681,868
Public works	10,395,353	11,038,454	10,041,012	11,861,694	10,859,949	7,240,120	7,144,108	10,746,654	12,296,974	11,414,407
Community services	11,071,638	9,524,690	9,682,663	9,549,328	10,741,314	10,686,576	9,468,049	8,624,123	13,621,364	8,054,799
Community development	1,607,797	1,494,038	1,563,247	2,292,071	2,306,419	3,218,079	3,199,353	3,432,423	6,215,603	7,458,855
Fleet services	-	-	-	-	-	-	1,164,394	1,078,970	-	-
Interest on long-term debt	5,418,468	7,632,519	8,547,412	8,263,132	8,598,463	7,610,776	7,739,808	6,466,577	6,972,133	7,043,511
Total governmental activities expenses	<u>91,121,943</u>	<u>91,640,032</u>	<u>95,437,229</u>	<u>99,681,379</u>	<u>109,276,235</u>	<u>112,385,101</u>	<u>83,501,491</u>	<u>99,413,606</u>	<u>142,374,079</u>	<u>112,204,236</u>
Business-type activities										
Airport operations	7,266,448	7,244,913	7,287,062	7,572,452	7,439,685	8,253,375	5,827,440	6,536,318	8,799,407	7,057,126
Solid waste	12,522,011	13,019,791	12,871,668	12,953,683	13,025,124	13,579,907	11,069,243	14,513,999	18,577,778	15,650,206
Water and sewer	26,689,831	27,525,085	28,455,634	34,975,124	32,611,994	32,027,836	27,181,470	32,112,444	38,255,119	36,253,207
Drainage utility	2,926,201	2,778,690	2,949,262	3,400,443	3,092,520	3,289,469	2,393,986	3,170,071	4,862,697	3,598,254
Total business-type activities expenses	<u>49,404,491</u>	<u>50,568,479</u>	<u>51,563,626</u>	<u>58,901,702</u>	<u>56,169,323</u>	<u>57,150,587</u>	<u>46,472,139</u>	<u>56,332,832</u>	<u>70,495,001</u>	<u>62,558,793</u>
Total primary government expenses	<u>\$ 140,526,434</u>	<u>\$ 142,208,511</u>	<u>\$ 147,000,855</u>	<u>\$ 158,583,081</u>	<u>\$ 165,445,558</u>	<u>\$ 169,535,688</u>	<u>\$ 129,973,630</u>	<u>\$ 155,746,438</u>	<u>\$ 212,869,080</u>	<u>\$ 174,763,029</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,613,298	\$ 5,340,754	\$ 5,894,028	\$ 5,750,455	\$ 3,755,430	\$ 6,610,874	\$ 1,127,516	\$ 4,629,114	\$ 5,053,902	\$ 2,742,063
Public safety	3,784,908	3,777,581	3,091,333	3,612,991	3,367,392	4,182,979	8,737,207	3,661,289	3,488,013	5,939,993
Community services	3,098,699	3,193,406	3,210,649	2,331,670	2,273,902	2,198,783	-	-	296,251	1,792,093
Community development	40,032	40,430	38,892	40,365	38,757	717,784	2,153,672	2,230,770	2,022,922	1,695,154
Community services	-	-	-	756,278	847,315	-	692,966	636,451	941,735	489,609
Fleet services	-	-	-	-	-	-	1,138,067	10,941,422	-	-
Operating grants and contributions	3,398,318	2,143,652	2,726,431	3,326,406	4,220,705	5,450,879	6,929,957	5,066,389	4,068,617	10,472,662
Capital grants and contributions	5,300,013	954,919	5,489,297	2,113,813	6,385,540	4,964,996	3,717,656	3,655,127	5,691,172	3,489,873
Total governmental activities program revenues	<u>\$ 20,235,268</u>	<u>\$ 15,450,742</u>	<u>\$ 20,450,630</u>	<u>\$ 17,931,978</u>	<u>\$ 20,889,041</u>	<u>\$ 24,126,295</u>	<u>\$ 24,497,041</u>	<u>\$ 30,820,562</u>	<u>\$ 21,562,612</u>	<u>\$ 26,621,447</u>
Business-type activities:										
Charges for services:										
Airport operations	\$ 4,699,432	\$ 4,470,443	\$ 4,573,403	\$ 4,234,301	\$ 4,071,067	\$ 3,669,270	\$ 3,795,116	\$ 3,644,898	\$ 4,217,009	\$ 3,238,829
Solid waste	14,405,513	15,366,604	15,053,351	15,535,858	16,074,277	17,644,259	18,293,262	18,388,088	18,948,949	19,508,164
Water and sewer	35,659,361	37,571,221	36,532,116	35,391,913	37,487,713	38,806,421	39,446,531	40,089,479	39,548,922	42,323,553
Drainage utility	3,597,206	3,732,993	3,779,799	3,828,757	3,888,581	4,008,810	4,273,222	4,157,847	4,220,607	5,161,767
Operating grants and contributions	-	21,759	6,418	6,900	-	-	-	-	-	2,495,756
Capital grants and contributions	6,195,071	2,322,768	9,643,994	2,424,583	5,096,651	846,368	6,276,903	4,403,558	7,550,014	3,673,305
Total business-type activities program revenues	<u>64,556,583</u>	<u>63,485,788</u>	<u>69,589,081</u>	<u>61,422,312</u>	<u>66,618,289</u>	<u>64,975,128</u>	<u>72,085,034</u>	<u>70,683,870</u>	<u>74,485,501</u>	<u>76,401,374</u>
Total primary government program revenues	<u>\$ 84,791,851</u>	<u>\$ 78,936,530</u>	<u>\$ 90,039,711</u>	<u>\$ 79,354,290</u>	<u>\$ 87,507,330</u>	<u>\$ 89,101,423</u>	<u>\$ 96,582,075</u>	<u>\$ 101,504,432</u>	<u>\$ 96,048,113</u>	<u>\$ 103,022,821</u>
Net (expense)/revenue:										
Governmental activities	\$ (70,886,675)	\$ (76,189,290)	\$ (74,986,599)	\$ (81,749,401)	\$ (88,387,194)	\$ (88,258,806)	\$ (59,004,450)	\$ (68,593,044)	\$ (120,811,467)	\$ (85,582,789)
Business-type activities	15,152,092	12,917,309	18,025,455	2,520,610	10,448,966	7,824,541	25,612,895	14,351,038	3,990,500	13,842,581
Total primary government net expense	<u>\$ (55,734,583)</u>	<u>\$ (63,271,981)</u>	<u>\$ (56,961,144)</u>	<u>\$ (79,228,791)</u>	<u>\$ (77,938,228)</u>	<u>\$ (80,434,265)</u>	<u>\$ (33,391,555)</u>	<u>\$ (54,242,006)</u>	<u>\$ (116,820,967)</u>	<u>\$ (71,740,208)</u>

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes in net position										
Governmental activities:										
Ad valorem taxes	\$ 33,365,766	\$ 34,287,877	\$ 34,847,841	\$ 36,002,184	\$ 36,509,352	\$ 37,499,361	\$ 39,841,800	\$ 42,796,449	\$ 43,262,259	\$ 47,496,571
Mixed beverage taxes	254,405	202,262	179,856	293,502	233,159	236,722	253,215	257,411	-	-
Franchise fees	6,277,179	5,621,923	5,269,332	5,428,953	5,836,042	5,268,332	5,504,632	5,680,187	5,792,836	5,568,209
Sales and occupancy taxes	20,306,910	21,557,147	22,058,498	22,118,887	23,315,571	23,725,822	24,354,825	25,723,407	27,310,995	29,115,034
Bingo taxes	213,972	218,269	218,595	258,546	203,264	198,375	153,142	146,237	-	-
Investment income	353,738	502,041	314,478	140,560	135,958	204,862	383,558	782,209	1,300,153	1,193,008
Insurance proceeds	-	-	-	-	-	795,893	296,262	138,552	359,631	101,458
Gain on sale of capital assets	-	27,600	-	24,192	262,934	90,763	-	252,468	66,880	153,943
Lease revenue	-	166,113	153,092	165,351	309,270	331,441	351,917	-	-	204,814
Transfers	7,623,512	7,970,841	7,419,542	8,394,420	9,294,363	14,330,769	9,901,033	9,813,125	9,701,040	7,981,471
Total governmental activities	<u>68,395,482</u>	<u>70,554,073</u>	<u>70,461,234</u>	<u>72,826,595</u>	<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>
Business-type activities:										
Investment income	128,751	144,151	168,372	140,175	120,247	155,399	281,939	556,044	933,359	739,131
Insurance proceeds	-	-	-	-	-	43,439	16,391	82,381	28,305	34,556
Gain on sale of capital assets	21,334	31,364	212,404	14,853	193,875	55,511	186,638	117,013	44,559	133,757
Lease revenue	49,613	27,500	48,096	66,000	27,500	71,500	58,000	102,000	103,804	105,051
Transfers	(7,623,512)	(7,970,841)	(7,419,542)	(8,394,420)	(9,294,363)	(14,330,769)	(9,901,033)	(9,813,125)	(9,701,040)	(7,981,471)
Total business-type activities	<u>(7,423,814)</u>	<u>(7,767,826)</u>	<u>(6,990,670)</u>	<u>(8,173,392)</u>	<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>
Total primary government	<u>\$ 60,971,668</u>	<u>\$ 62,786,247</u>	<u>\$ 63,470,564</u>	<u>\$ 64,653,203</u>	<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>
Changes in net position:										
Governmental activities	\$ (2,491,193)	\$ (5,635,217)	\$ (4,525,365)	\$ (8,922,806)	\$ (12,287,281)	\$ (5,576,466)	\$ 22,035,934	\$ 16,997,001	\$ (33,017,673)	\$ 6,231,719
Business-type activities	7,728,278	5,149,483	11,034,785	(5,652,782)	1,496,225	(6,180,379)	16,254,830	5,395,351	(4,600,513)	6,873,605
Total primary government	<u>\$ 5,237,085</u>	<u>\$ (485,734)</u>	<u>\$ 6,509,420</u>	<u>\$ (14,575,588)</u>	<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>

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable:										
Inventories	\$ 417,664	\$ 449,156	\$ 509,387	\$ 441,742	\$ 442,190	\$ 103,606	\$ 137,733	\$ 154,011	\$ 86,495	\$ 66,483
Prepaid assets	170,891	105,188	106,615	108,402	110,157	114,407	120,506	534,217	274,427	221,132
Restricted for:										
Debt service	240,171	-	68,313	68,313	68,313	-	-	-	-	-
Other purposes	380,641	492,440	468,064	315,957	-	-	-	-	-	-
Committed to:										
Vehicle replacement	63,383	-	-	-	-	-	-	-	-	-
Unassigned	17,977,741	22,517,086	21,182,627	19,398,607	17,508,236	17,437,198	19,918,779	21,626,790	19,928,826	22,617,232
<b>Total general fund</b>	<b><u>\$ 19,250,491</u></b>	<b><u>\$ 23,563,870</u></b>	<b><u>\$ 22,335,006</u></b>	<b><u>\$ 20,333,021</u></b>	<b><u>\$ 18,128,896</u></b>	<b><u>\$ 17,655,211</u></b>	<b><u>\$ 20,177,018</u></b>	<b><u>\$ 22,315,018</u></b>	<b><u>\$ 20,289,748</u></b>	<b><u>\$ 22,904,846</u></b>
All other governmental funds:										
Nonspendable:										
Inventories	\$ 6,196	\$ 7,493	\$ 4,905	\$ 5,850	\$ 7,173	\$ 6,381	\$ 7,871	\$ 6,408	\$ 10,729	\$ 18,006
Prepaid assets	-	-	-	-	-	4,828	-	7,274	-	4,856,743
Restricted for:										
Debt service	7,055,118	6,315,862	2,900,309	4,434,714	2,098,113	801,898	4,345,453	5,496,950	4,763,976	4,901,539
Capital projects	56,991,885	73,687,602	47,546,673	44,788,179	26,964,619	10,506,281	6,239,123	9,628,364	12,162,264	19,983,650
Other purposes	2,387,980	2,553,004	2,495,046	2,636,608	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668
Committed to:										
Killeen Arts and Activities Center	38,232	34,311	101,169	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(36,429)	(1,341)	(48,226)	(4,463)	-	-
<b>Total all other governmental funds</b>	<b><u>66,479,411</u></b>	<b><u>82,598,272</u></b>	<b><u>53,048,102</u></b>	<b><u>51,865,351</u></b>	<b><u>31,675,022</u></b>	<b><u>14,456,945</u></b>	<b><u>13,786,580</u></b>	<b><u>18,755,833</u></b>	<b><u>22,364,418</u></b>	<b><u>37,835,607</u></b>
<b>Total all governmental funds</b>	<b><u>\$ 85,729,902</u></b>	<b><u>\$ 106,162,142</u></b>	<b><u>\$ 75,383,108</u></b>	<b><u>\$ 72,198,372</u></b>	<b><u>\$ 49,803,918</u></b>	<b><u>\$ 32,112,156</u></b>	<b><u>\$ 33,963,598</u></b>	<b><u>\$ 41,070,851</u></b>	<b><u>\$ 42,654,166</u></b>	<b><u>\$ 60,740,453</u></b>

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes	\$ 60,328,145	\$ 61,993,688	\$ 62,585,863	\$ 64,115,782	\$ 66,189,875	\$ 66,997,659	\$ 70,109,923	\$ 74,505,377	\$ 76,480,105	\$ 82,124,851
Licenses and permits	1,284,569	1,396,708	1,290,444	1,898,797	1,589,563	1,615,634	1,527,193	1,218,182	1,423,697	1,852,529
Intergovernmental	4,714,540	2,067,471	4,761,906	3,043,666	4,958,666	6,706,747	11,485,054	8,108,586	9,484,205	13,962,534
Charges for services	5,896,989	5,952,211	5,487,183	5,944,876	6,186,000	6,241,344	6,412,087	6,675,688	7,446,513	8,415,701
Fines	3,503,274	3,308,807	3,893,338	3,488,335	3,761,425	4,287,878	4,472,891	3,062,812	2,739,515	2,322,890
Investment earnings	-	-	-	-	-	168,320	371,354	730,509	1,230,754	1,172,381
Contributions	3,925,053	450,532	513,433	766,886	321,188	1,709,636	585,705	483,382	275,584	153,830
Miscellaneous	1,220,296	1,931,194	1,711,522	1,424,859	1,938,413	1,283,522	418,291	335,727	236,557	224,133
<b>Total revenues</b>	<b>80,872,866</b>	<b>77,100,611</b>	<b>80,243,689</b>	<b>80,683,201</b>	<b>84,945,130</b>	<b>89,010,740</b>	<b>95,382,498</b>	<b>95,120,263</b>	<b>99,316,930</b>	<b>110,228,849</b>
<b>Expenditures:</b>										
General government	10,794,299	10,704,020	11,193,546	11,297,186	11,890,861	14,491,763	9,134,337	13,387,734	11,536,105	12,112,438
Public safety	40,841,867	41,517,877	42,733,351	44,735,530	48,458,020	51,064,651	55,388,559	50,616,632	53,486,111	55,222,610
Public works	4,340,764	5,097,995	4,249,519	4,769,726	4,144,229	4,608,741	4,409,555	4,075,919	4,210,689	7,101,739
Community services	10,701,424	8,858,814	9,056,971	-	-	8,968,135	8,772,321	7,596,793	9,012,634	6,184,583
Community development	-	-	-	9,636,330	10,395,629	2,196,927	3,462,380	3,186,783	3,317,103	6,488,582
Miscellaneous	6,412,904	5,451,968	6,181,920	6,256,371	6,495,235	-	-	-	-	-
Capital outlay	19,187,531	19,626,046	30,380,527	22,861,208	20,640,470	18,972,495	7,873,907	4,325,318	9,974,309	5,346,641
Debt service:										
Principal	5,366,470	5,575,102	5,915,391	4,421,871	5,718,681	7,580,693	8,010,000	9,359,679	9,617,481	9,954,043
Interest and fiscal charges	5,136,579	7,597,361	8,991,182	8,103,822	8,888,561	7,950,995	8,189,380	7,287,928	7,527,631	7,132,744
Costs of issuance	335,000	336,101	170,215	196,863	2,261	584,349	-	391,354	-	661,840
Deferred amount on refunding	140,981	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>103,257,819</b>	<b>104,765,284</b>	<b>118,872,622</b>	<b>112,278,907</b>	<b>116,633,947</b>	<b>116,418,749</b>	<b>105,240,439</b>	<b>100,228,140</b>	<b>108,682,063</b>	<b>110,205,219</b>
(Deficiency) of revenues (under) expenditures	(22,384,953)	(27,664,673)	(38,628,933)	(31,595,706)	(31,688,817)	(27,408,009)	(9,857,941)	(5,107,877)	(9,365,133)	23,630
<b>Other financing sources (uses):</b>										
Capital-related bonds issued	50,100,000	39,320,000	-	18,730,000	-	-	-	-	-	-
Refunding bonds issued	6,875,000	18,345,000	37,290,000	4,940,000	-	44,090,000	-	33,455,000	-	66,690,000
Premium/discount on issuance of debt	2,451,008	3,391,957	5,716,664	1,739,296	-	7,810,525	-	483,616	-	941,584
Limited tax note issue	-	-	-	-	-	-	-	-	-	4,910,000
Capital leases	-	-	258,936	-	-	-	-	3,877,980	431,752	146,351
Insurance proceeds	-	-	-	-	-	795,893	296,262	138,552	359,631	101,458
Sale of capital assets	-	-	-	-	-	90,763	33,165	252,468	63,633	151,232
Payment to escrow agent	(7,090,000)	(20,930,885)	(42,835,243)	(5,392,746)	-	(51,901,703)	-	(36,938,001)	-	(67,013,829)
Transfers in	18,075,712	10,257,467	11,216,236	10,629,638	14,865,656	15,322,481	12,130,635	14,101,355	25,060,895	31,474,828
Transfers out	(10,452,200)	(2,286,626)	(3,796,694)	(2,235,218)	(5,571,293)	(6,491,712)	(851,937)	(4,288,230)	(14,903,581)	(19,338,966)
<b>Total other financing sources</b>	<b>59,959,520</b>	<b>48,096,913</b>	<b>7,849,899</b>	<b>28,410,970</b>	<b>9,294,363</b>	<b>9,716,247</b>	<b>11,608,125</b>	<b>11,082,740</b>	<b>11,012,330</b>	<b>18,062,658</b>
<b>Net change in fund balances</b>	<b>\$ 37,574,567</b>	<b>\$ 20,432,240</b>	<b>\$(30,779,034)</b>	<b>\$(3,184,736)</b>	<b>\$(22,394,454)</b>	<b>\$(17,691,762)</b>	<b>\$ 1,750,184</b>	<b>\$ 5,974,863</b>	<b>\$ 1,647,197</b>	<b>\$ 18,086,288</b>
Debt service as a percentage of noncapital expenditures	12.4%	15.5%	16.8%	14.0%	15.2%	16.1%	16.6%	17.4%	17.4%	16.9%

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: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property					
2011	\$ 4,757,431,670	\$ 379,688,426	\$ 538,872,784	\$ 4,598,247,312	\$ 0.7428	\$ 5,153,883,639	89.22%
2012	4,910,126,647	372,499,175	555,982,344	4,726,643,478	0.7428	5,301,412,785	89.16%
2013	5,056,322,730	367,818,504	612,203,199	4,811,938,035	0.7428	5,439,453,166	88.46%
2014	5,260,588,761	414,547,783	670,960,505	5,004,176,039	0.7428	5,677,195,525	88.15%
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%

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	
2011	2010	\$ 0.5087	\$ 0.2341	\$ 0.7428	\$ 0.4119	\$ 1.1412	\$ 0.1409	\$ 0.0040	\$ 2.44079
2012	2011	0.5473	0.1955	0.7428	0.4395	1.1412	0.1409	0.0040	2.46839
2013	2012	0.5056	0.2372	0.7428	0.4511	1.1310	0.1400	0.0040	2.46890
2014	2013	0.5041	0.2387	0.7428	0.4511	1.1280	0.1370	0.0040	2.46290
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

Source: Bell County Tax Appraisal District

Table VII

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

Name of Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery Co., LLC	\$ 71,088,992	1	1.10%	\$ 41,834,849	1	0.91%
MFT - Brookside LLC	56,960,800	2	0.88%			
Wal-Mart Real Estate Business Trust	47,488,035	3	0.73%	20,266,466	2	0.44%
HEB Grocery Company LP	27,947,821	4	0.43%	12,083,380	7	0.26%
Amber Chase Townhomes LLC	23,419,584	5	0.36%			
LHCS LLC	20,954,021	6	0.32%			
Metroplex Adventist Hospital	20,413,068	7	0.32%			
Credit Suisse First Boston Mortgage Sec. Cor	19,885,758	8	0.31%			
Killeen Werbo LLC and Reharber 136 LLC	18,616,896	9	0.29%			
BVMC Killeen LLC	18,271,503	10	0.28%			
Killeen Mall LLC				16,892,015	3	0.37%
Central Telephone Company of TX				15,929,538	4	0.35%
Watercrest Place LP				13,789,553	5	0.30%
Stone Creek Investment LLC				13,616,813	6	0.30%
Feiga/Sierra Creek LP				11,026,520	8	0.24%
TWE Advance/Newhouse				10,548,315	9	0.23%
WLC Brookside Apartments LP				9,942,582	10	0.22%
Subtotal	<u>325,046,478</u>		<u>4.08%</u>	<u>165,930,031</u>		<u>3.61%</u>
All other taxpayers	<u>6,136,821,760</u>		<u>95.92%</u>	<u>4,432,317,281</u>		<u>96.39%</u>
Total	<u>\$ 6,461,868,238</u>		<u>100.00%</u>	<u>\$ 4,598,247,312</u>		<u>100.00%</u>

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
2011	2010	\$ 0.74280	\$ 0.50870	\$ 0.23410	\$ 34,067,649	\$ 32,916,498	96.62%	\$ 295,346	\$ 33,211,844	97.49%
2012	2011	0.74280	0.54730	0.19550	35,011,924	33,901,259	96.83%	432,065	34,333,324	98.06%
2013	2012	0.74280	0.50560	0.23720	35,654,174	34,501,855	96.77%	248,085	34,749,940	97.46%
2014	2013	0.74280	0.50410	0.23870	37,098,327	35,407,969	95.44%	252,866	35,660,835	96.13%
2015	2014	0.74980	0.52290	0.22690	37,567,615	36,064,932	96.00%	228,450	36,293,382	96.61%
2016	2015	0.74980	0.49380	0.25600	38,595,889	38,091,782	98.69%	240,106	38,331,888	99.32%
2017	2016	0.74980	0.44670	0.30310	39,932,447	39,354,013	98.55%	225,640	39,579,653	99.12%
2018	2017	0.74980	0.49330	0.25650	42,927,120	42,255,422	98.44%	196,066	42,451,488	98.89%
2019	2018	0.74980	0.53530	0.21450	43,442,967	42,776,978	98.47%	298,818	43,075,796	99.15%
2020	2019	0.74980	0.52810	0.22170	47,988,263	47,167,851	98.29%	158,225	47,326,076	98.62%

<sup>(1)</sup> 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		Unamortized		Total	General		Certificates of		Unamortized	Total Business-
	Obligation	Certificates of	Capital Leases	Bond Premiums/	Governmental	Obligation	Revenue Bonds	Obligation	Capital Leases	Bond Premiums/	Type Activities
	Bonds	Obligation		Discounts	Activities (1)	Bonds				Discounts	(1)
2011	\$ 72,163,200	\$ 93,250,000	\$ 229,602	\$ 2,735,003	\$ 168,377,805	\$ 1,626,800	\$ 53,570,000	\$ 15,710,000	\$ -	\$ 1,571,499	\$ 72,478,299
2012	79,662,700	118,365,000	-	5,995,983	204,023,683	6,887,300	50,945,000	8,570,000	-	2,285,920	68,688,220
2013	92,135,000	98,420,000	191,245	11,106,401	201,852,646	10,095,000	65,430,000	3,725,000	-	6,069,368	85,319,368
2014	97,255,000	107,520,000	129,374	12,498,860	217,403,234	11,105,000	60,775,000	2,010,000	-	5,698,043	79,588,043
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

Fiscal Year	Total Primary Government debt (1)	Percentage of Personal Income (2)	Population (3)	Per Capita
2011	\$ 240,856,104	1.54%	130,838	\$ 1,841
2012	272,711,903	1.65%	134,240	2,032
2013	287,172,014	1.71%	136,294	2,107
2014	296,991,277	1.78%	137,589	2,159
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%	155,158	1,421

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Table 14

(3) Source: U. S. Census Bureau, Greater Killeen Chamber of Commerce

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 Available in Debt Service Fund (3)	Total	Percentage of Estimated Actual Taxable Value of Property (4)	Per Capita (5)
2011	\$ 73,790,000	\$ 2,735,003	\$ 3,780,000	\$ 72,745,003	1.36%	\$ 556
2012	86,550,000	5,995,983	4,115,000	88,430,983	1.55%	659
2013	102,230,000	11,106,401	2,840,000	110,496,401	1.83%	811
2014	108,360,000	12,498,860	3,785,000	117,073,860	1.84%	851
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

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

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

<sup>(2)</sup> Unamortized premium/bond discounts.

<sup>(3)</sup> This is the amount restricted for debt service principal payments.

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

<sup>(5)</sup> 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, 2020**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (2)	Amount Applicable to Primary Government
Bell County	\$ 104,405,000	31.55%	\$ 32,943,100
Killeen Independent School District	660,772,013	75.33%	497,779,791
Subtotal, overlapping debt			530,722,891
City of Killeen, net debt payable from ad valorem taxes			158,120,000 (1)
Total direct and overlapping net funded debt			<u>\$ 688,842,891</u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			10.66% (1)
Per Capita Direct and Overlapping Net Funded Debt			\$ 4,439.62 (1)

Sources: Outstanding debt provided by each governmental unit.

(1) Excludes self-supporting debt.

(2) 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
2011	\$ 4,598,247,312	1.50%	\$ 68,973,710	\$ 6,407,155
2012	4,726,643,478	1.50%	70,899,652	6,834,172
2013	4,811,938,035	1.50%	72,179,071	8,202,360
2014	5,004,176,039	1.50%	75,062,641	7,184,594
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

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 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 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 2020.

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			
				Principal	Interest	Total	Coverage
2011	\$ 35,659,361	\$ 21,360,822	\$ 14,298,539	\$ 3,280,000	\$ 2,383,260	\$ 5,663,260	2.52
2012	37,571,221	21,373,966	16,197,255	3,765,000	2,259,114	6,024,114	2.69
2013	36,532,116	21,749,379	14,782,737	4,655,000	2,780,579	7,435,579	1.99
2014	35,391,913	23,329,781	12,062,132	4,955,000	2,204,430	7,159,430	1.68
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

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 Hood Metropolitan Statistical Area Population (b)	Killeen-Temple Fort Hood Metropolitan Per Capita Income	Killeen-Temple Fort Hood Metropolitan Personal Income (amounts expressed in thousands) (b)	Killeen-Temple Fort Hood Metropolitan Unemployment Rates (c)
2011	130,838	405,300	\$ 38,260	\$ 15,620,330	8.5%
2012	134,240	412,804	39,971	16,500,090	7.2%
2013	136,294	420,532	39,973	16,809,925	7.2%
2014	137,589	423,257	39,520	16,727,204	5.9%
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	155,158	467,117	42,855	20,018,299	7.3%

Sources: <sup>(a)</sup> U. S. Census Bureau, Greater Killeen Chamber of Commerce (updated in fiscal year 2020)

<sup>(b)</sup> U. S. Department of Commerce, Bureau of Economic Analysis.

<sup>(c)</sup> 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	2020			2011		
		Employees	Rank	% of Total	Employees	Rank	% of Total
Ill Corp & Fort Hood	Government	37,004	1	58.68%	57,580	1	81.48%
Military Defense Contractors & Others	Defense Contractor	8,327	2	13.21%	-	-	-
Killeen ISD	Education	6,000	3	9.52%	6,000	2	8.49%
Civilian Personnel Office	Government	5,373	4	8.52%	-	-	-
Teleperformance	Call Center	1,800	5	2.85%	-	-	-
Central Texas College	Education	1,488	6	2.36%	1,500	3	2.12%
City of Killeen	Government	1,173	7	1.86%	1,227	4	1.73%
AdventHealth	Health Care	1,000	8	1.59%	-	-	0.00%
Z-Systems	Defense Contractor	413	9	0.65%	-	-	-
Seton Medical Center Harker Heights	Hospital	480	10	0.76%	-	-	0.00%
Metroplex Hospital	Health Care				1,200	5	1.70%
Westar Aerospace & Defense Group, Inc.	Defense Contractor				1,050	6	1.49%
L-3 Communications	Defense Contractor				600	7	0.85%
Aegis Communications	Call Center				600	8	0.85%
ESP, Inc.	Defense Contractor				510	9	0.72%
Presidium, Inc.	-				401	10	0.57%
<b>Total</b>		<u>63,058</u>		<u>100.00%</u>	<u>70,668</u>		<u>100.00%</u>

Source: Greater Killeen Chamber of Commerce

\*Due to COVID-19, there was no significant openings or closures to the employer list in fiscal year 2020.

Table XVI

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
<b>Administration</b>										
City Manager	4.0	3.0	4.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0
Assistant City Manager	3.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Deputy City Manager	-	-	-	2.0	2.0	2.0	1.0	0.3	-	-
Downtown Revitalization	-	1.0	-	-	-	-	-	-	-	-
City Auditor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Grant Administration	1.0	-	-	-	-	-	-	-	-	-
<b>Total Administration</b>	<u>9.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>5.0</u>	<u>4.3</u>	<u>5.0</u>	<u>4.0</u>
<b>Municipal Court</b>	<u>24.0</u>	<u>24.0</u>	<u>25.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>22.0</u>	<u>19.7</u>	<u>20.0</u>	<u>21.0</u>
<b>Communications</b>										
Communications	2.0	2.5	2.5	2.5	2.5	2.5	2.5	4.9	4.8	4.8
Printing Services	2.5	2.5	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Legislative Affairs	-	-	-	-	-	-	-	0.1	0.2	0.2
<b>Total Communications</b>	<u>4.5</u>	<u>5.0</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>4.5</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
<b>Legal</b>										
City Attorney	8.0	8.0	7.0	7.0	7.0	8.0	7.0	7.0	7.0	6.5
City Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total Legal</b>	<u>9.0</u>	<u>9.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>9.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>7.5</u>
<b>Finance</b>										
Finance	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.0	13.0
EMS Billing and Collections	5.0	6.0	6.0	6.0	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	5.0
<b>Total Finance</b>	<u>23.0</u>	<u>24.0</u>	<u>24.0</u>	<u>24.0</u>	<u>24.0</u>	<u>24.0</u>	<u>21.3</u>	<u>18.0</u>	<u>19.0</u>	<u>18.0</u>
<b>Support Services</b>	<u>-</u>	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>2.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Human Resources</b>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>13.0</u>	<u>14.0</u>	<u>14.0</u>	<u>13.0</u>	<u>12.0</u>	<u>12.6</u>	<u>14.6</u>
<b>Information Technology</b>	<u>15.0</u>	<u>14.0</u>	<u>17.0</u>	<u>17.0</u>	<u>19.0</u>	<u>19.0</u>	<u>17.0</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Community Services</b>										
Administration	-	-	-	-	-	-	-	3.0	3.0	5.0
Animal Services	-	-	-	-	-	-	-	-	-	17.0
Volunteer Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-
Golf Course	19.0	19.0	20.0	19.0	18.5	20.2	19.0	16.9	-	-
Golf Course Food and Beverage	5.0	-	-	-	-	-	-	-	-	-
Community Center										
Operations	6.0	6.0	3.0	5.0	3.0	3.0	3.0	2.0	4.8	-
Parks	33.0	33.0	33.0	35.0	37.0	37.0	33.0	32.0	33.6	36.6
Lions Club Park	14.0	14.0	13.0	12.0	16.0	15.5	14.5	7.6	8.2	8.2
Family Aquatics Center	2.0	2.0	2.0	2.0	1.0	15.3	16.4	14.3	14.5	14.5
Recreation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	5.8
Athletics	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Cemetery	6.0	6.0	6.0	6.0	5.0	5.0	4.0	4.0	4.0	-
Senior Citizens	6.0	6.0	4.0	4.0	4.0	4.0	3.0	3.5	4.1	4.0
<b>Total Community Services</b>	<u>99.0</u>	<u>94.0</u>	<u>89.0</u>	<u>91.0</u>	<u>92.5</u>	<u>107.9</u>	<u>100.9</u>	<u>92.2</u>	<u>81.2</u>	<u>95.1</u>
<b>Community Development</b>										
Library Services	32.0	32.0	29.0	26.0	26.0	27.0	25.5	24.3	24.0	24.5
Arts and Activities Center	-	4.0	4.0	4.5	5.0	6.0	6.0	6.0	5.3	5.4
Community Development	3.0	3.0	4.0	5.0	4.0	4.0	4.0	1.0	0.9	1.0
Home Program	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
Lien Services	-	-	-	-	2.0	2.0	2.0	-	-	-
Building Services	3.5	3.5	6.0	6.0	7.0	7.0	7.0	7.0	7.0	8.0
Custodial Services	13.0	12.0	18.0	18.0	18.0	18.0	18.0	16.0	16.0	16.0
<b>Total Community Development</b>	<u>52.5</u>	<u>55.5</u>	<u>62.0</u>	<u>60.5</u>	<u>63.0</u>	<u>65.0</u>	<u>63.5</u>	<u>54.3</u>	<u>53.2</u>	<u>54.9</u>
<b>Public Works</b>										
Public Works	2.0	2.0	2.0	2.0	2.0	0.1	0.1	0.1	0.2	4.0
Street Operations	57.0	58.0	57.0	57.0	57.0	57.0	54.0	54.0	-	-
Engineering	2.0	-	-	-	-	-	2.3	3.0	2.7	49.0
<b>Total Public Works</b>	<u>61.0</u>	<u>60.0</u>	<u>59.0</u>	<u>59.0</u>	<u>59.0</u>	<u>57.1</u>	<u>56.4</u>	<u>57.2</u>	<u>2.9</u>	<u>53.0</u>

Table XVI

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Planning and Development</b>										
Planning and Development	10.0	10.0	7.0	7.0	7.0	7.0	6.0	8.0	7.0	7.0
Building Inspections	15.0	15.0	15.0	14.0	14.0	14.0	14.0	14.0	14.0	15.0
Code Enforcement	11.0	11.0	13.0	14.0	15.0	15.0	14.0	14.0	14.0	14.0
<b>Total Planning &amp; Development</b>	<b>36.0</b>	<b>36.0</b>	<b>35.0</b>	<b>35.0</b>	<b>36.0</b>	<b>36.0</b>	<b>34.0</b>	<b>36.0</b>	<b>35.0</b>	<b>36.0</b>
<b>Police</b>										
Commissioned Officers	240.0	242.0	244.0	256.0	268.0	281.0	280.0	260.0	258.0	231.0
Civilian Personnel	76.0	85.0	75.0	86.0	87.0	87.0	85.0	82.0	78.0	19.0
Animal Control	11.0	11.0	12.0	13.0	17.0	18.0	18.0	16.0	16.0	-
Criminal Investigation	-	-	-	-	-	-	-	-	-	79.0
<b>Total Police</b>	<b>327.0</b>	<b>338.0</b>	<b>331.0</b>	<b>355.0</b>	<b>372.0</b>	<b>386.0</b>	<b>383.0</b>	<b>358.0</b>	<b>352.0</b>	<b>329.0</b>
<b>Fire</b>										
Commissioned Officers	195.0	195.0	195.0	195.0	195.0	231.0	230.0	230.0	230.0	230.0
Civilian Personnel	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Emergency Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
<b>Total Fire</b>	<b>201.0</b>	<b>201.0</b>	<b>201.0</b>	<b>201.0</b>	<b>201.0</b>	<b>238.0</b>	<b>237.0</b>	<b>237.0</b>	<b>237.0</b>	<b>238.0</b>
<b>Total General Fund</b>	<b>873.0</b>	<b>879.5</b>	<b>876.5</b>	<b>900.0</b>	<b>925.0</b>	<b>993.5</b>	<b>965.5</b>	<b>903.7</b>	<b>832.9</b>	<b>878.1</b>
<b>Aviation Funds</b>										
<b>Killeen-Fort Hood Regional Airport (KFHRA)</b>										
Operations	38.0	38.0	38.0	38.0	38.0	38.0	37.0	36.3	37.0	37.0
Information Technology	3.0	3.0	3.0	3.0	1.0	1.0	1.0	-	-	-
<b>Total KFHRA</b>	<b>41.0</b>	<b>41.0</b>	<b>41.0</b>	<b>41.0</b>	<b>39.0</b>	<b>39.0</b>	<b>38.0</b>	<b>36.3</b>	<b>37.0</b>	<b>37.0</b>
<b>Skylark Field</b>	<b>4.0</b>	<b>3.3</b>	<b>3.0</b>	<b>3.0</b>						
<b>Total Aviation Funds</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>	<b>43.0</b>	<b>43.0</b>	<b>42.0</b>	<b>39.7</b>	<b>40.0</b>	<b>40.0</b>
<b>Solid Waste Fund</b>										
Public Works	-	-	-	-	-	0.6	0.6	1.2	1.4	-
Custodial	1.0	1.0	1.0	-	-	-	-	-	-	-
Accounting	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Residential Services	41.2	42.2	44	44.5	44.5	43.5	38.0	37.0	37.0	38.0
Commercial Services	20.0	20.0	20.0	21.0	21.0	23.0	23.0	23.0	23.0	23.0
Recycling	7.0	7.0	7.0	6.0	6.0	6.2	5.2	5.2	5.2	5.2
Transfer Station	15.0	16.0	16.0	15.5	15.5	15.5	15.5	15.5	16.5	16.5
Mowing Operations	22	22	17.5	22.5	22.5	21.5	20.5	16.5	16.5	16.5
<b>Total Solid Waste Fund</b>	<b>110.2</b>	<b>112.2</b>	<b>109.5</b>	<b>113.5</b>	<b>113.5</b>	<b>114.3</b>	<b>106.8</b>	<b>102.3</b>	<b>104.6</b>	<b>104.2</b>
<b>Water/Sewer Fund</b>										
Public Works	-	-	-	-	-	1.2	1.2	1.6	2.2	-
Utility Collections	38.0	38.0	40.0	40.5	40.5	40.5	39.5	39.5	39.5	39.5
Fleet Services	23.0	23.0	26.0	26.0	26.0	27.0	-	-	-	-
Information Technology	5.0	5.0	5.0	5.0	5.0	5.0	5.0	-	-	-
Water Distribution	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	18.0	23.0
Sanitary Sewers	15.0	15.0	15.0	15.0	15.0	15.0	19.0	19.0	20.0	19.0
Water and Sewer Operations	24.0	26.0	27.0	28.0	28.0	28.0	29.0	28.0	28.0	27.0
Engineering	9.6	10.6	11.8	11.8	13.8	13.8	12.2	11.7	10.2	20.0
Environmental Services	-	-	-	-	-	-	-	0.8	0.8	-
<b>Total Water/Sewer Fund</b>	<b>133.6</b>	<b>136.6</b>	<b>143.8</b>	<b>145.3</b>	<b>147.3</b>	<b>149.5</b>	<b>124.9</b>	<b>119.5</b>	<b>118.7</b>	<b>128.5</b>

Table XVI

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Drainage Utility Fund</b>										
Public Works	-	-	-	-	-	0.1	0.1	0.2	0.2	-
Engineering	3.2	4.2	4.2	4.0	4.0	4.0	3.3	1.3	1.1	-
Streets	-	-	-	-	-	-	-	2.0	2.0	2.0
Drainage Maintenance	30.0	31.0	32.5	33.5	33.5	35.2	36.0	34.6	34.1	34.6
Environmental Services	-	-	-	1.2	1.2	1.2	1.2	5.2	5.2	5.0
Mowing	-	-	-	-	-	-	-	0.5	0.5	-
<b>Total Drainage Utility Fund</b>	<b>33.2</b>	<b>35.2</b>	<b>36.7</b>	<b>38.7</b>	<b>38.7</b>	<b>40.5</b>	<b>40.6</b>	<b>43.8</b>	<b>43.1</b>	<b>41.6</b>
<b>Special Revenue Funds</b>										
Killeen Civic Conference Center	14.0	14.0	14.0	11.5	11.5	11.5	11.0	11.0	13.6	10.1
Convention Visitor Bureau	-	-	-	2.5	2.5	2.5	2.5	2.5	2.5	2.0
Housing and Rehabilitation	5.0	2.0	2.0	1.0	1.0	1.0	1.0	1.4	1.1	0.8
Cablesystem Improvements										
PEG	1.5	3.1	3.5	3.5	3.5	3.5	2.5	-	-	-
CDBG Program	-	-	-	-	-	-	-	2.1	2.3	2.3
Home Program	1.0	1.0	1.0	1.0	1.0	-	-	0.5	0.5	0.6
Street Maintenance	-	-	-	-	-	-	-	-	53.0	-
Court Security	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Juvenile Case Manager	-	-	-	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Wellness Non-Assessment	-	-	-	-	-	-	-	-	0.4	0.4
Law Enforcement Grant	-	-	-	-	-	-	-	-	-	1.0
<b>Total Special Revenue Fund</b>	<b>21.5</b>	<b>20.1</b>	<b>20.5</b>	<b>21.5</b>	<b>22.5</b>	<b>21.5</b>	<b>20.0</b>	<b>20.5</b>	<b>76.4</b>	<b>20.2</b>
<b>Capital Projects Funds</b>										
Bond Construction	1.0	1.0	1.0	-	-	-	-	-	-	-
Water and Sewer Improvements	-	-	-	-	5.0	4.0	-	-	-	-
Pass-Through Finance										
Construction	-	5.0	5.0	8.0	8.0	4.0	-	-	-	-
<b>Total Capital Projects Funds</b>	<b>1.0</b>	<b>6.0</b>	<b>6.0</b>	<b>8.0</b>	<b>13.0</b>	<b>8.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internal Service Funds</b>										
Fleet	-	-	-	-	-	-	26	26.0	27.0	27.0
Risk Management	-	-	-	-	-	-	-	3.0	3.0	3.0
Information Technology	-	-	-	-	-	-	-	24	26.0	20.0
<b>Total Internal Service Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.0</b>	<b>53.0</b>	<b>56.0</b>	<b>50.0</b>
<b>Total Personnel</b>	<b>1,217.5</b>	<b>1,234.6</b>	<b>1,238.0</b>	<b>1,272.0</b>	<b>1,303.0</b>	<b>1,370.3</b>	<b>1,325.7</b>	<b>1,282.6</b>	<b>1,271.7</b>	<b>1,262.6</b>

Source: City of Killeen Finance Department.

Table XVII

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government</b>										
Building Permits Issued	11,620	11,126	10,711	16,091	12,264	10,522	10,373	9,212	10,438	10,836
<b>Public Safety</b>										
<b>Police</b>										
Calls for Service	161,936	171,736	166,454	170,695	156,167	149,738	163,947	156,391	149,725	150,565
Citations	23,615	22,641	31,985	23,278	20,979	19,843	19,439	17,247	13,911	13,465
Traffic Accidents	2,319	2,479	2,199	2,324	2,396	2,540	2,258	2,160	2,419	2,318
UCR Part 1 Violent Crimes	815	850	753	846	869	992	1,147	585	632	874
UCR Part 1 Non-violent Crimes	5,199	5,006	4,791	4,703	4,034	3,946	4,175	3,413	3,493	2,243
Arrests	7,887	7,932	7,913	6,449	5,355	4,459	4,624	4,460	4,495	3,406
<b>Fire</b>										
Fire Emergency Responses	685	447	486	529	459	468	516	630	533	585
Fire Inspections	1,486	1,451	1,321	1,225	1,000	1,124	1,085	1,118	1,331	877
EMS Responses	13,831	14,245	13,725	13,961	15,763	16,877	18,436	19,586	19,927	19,661
<b>Public Works</b>										
Number of Shade Trees:										
Removed	19	13	6	6	6	19	11	57	8	5
Trimmed	66	181	179	119	755	536	552	314	95	125
Added	-	-	-	-	-	-	5	1,464	-	-
<b>Parks and Recreation</b>										
Number of Shade Trees:										
Removed	-	-	-	-	-	-	-	32	41	10
Trimmed	-	-	-	-	-	-	-	641	733	150
Added	-	-	-	-	-	-	-	70	73	55
<b>Library*</b>										
Visitors	294,139	292,086	284,072	271,495	270,983	227,411	242,223	251,262	273,144	127,229
Volumes in Collection	128,268	134,567	136,022	138,140	140,235	143,012	148,295	149,744	148,240	149,067
Children's Program Attendance	11,166	9,655	9,427	7,816	8,933	8,679	9,866	18,091	9,446	5,634
Public Computer Sessions	99,563	98,371	100,560	100,057	81,897	56,308	57,921	56,964	50,330	19,314
<b>Aviation</b>										
Airlines	3	3	3	3	3	3	3	2	2	2
Passengers Enplaning*	188,121	168,487	175,353	165,452	149,008	136,008	128,978	129,798	139,671	91,285
Passengers Deplaning*	189,800	165,568	174,961	163,722	154,124	135,412	131,891	134,349	138,493	90,180
<b>Solid Waste</b>										
Tons Collected and Disposed:										
Solid Waste - Residential	-	-	-	52,421	54,367	56,542	53,378	56,770	62,368	61,019
Solid Waste - Commercial	-	-	-	35,838	35,887	36,595	41,637	39,317	42,586	39,436
Recyclable Material	-	-	-	5,549	5,825	5,859	5,539	5,429	6,370	12,063
<b>Water</b>										
Metered Accounts	45,873	47,040	48,172	49,189	50,175	51,058	52,200	52,597	53,443	54,288
Water Demand (Purchased) (MG)	5,940	5,855	5,497	5,371	5,585	4,967	5,325	5,500	5,066	6,037
Avg. Daily Demand (MGD)	15	15	15	15	15	14	15	15	14	17
Avg. Monthly Demand/Cust (gal)	3,838	3,711	3,440	3,318	3,405	2,990	3,125	3,161	2,932	3,469
Peak Demand (MGD)	25	26	25	22	22	25	25	25	26	26
<b>Sewer</b>										
Service Connections	40,786	39,945	43,205	52,636	52,636	55,786	46,487	47,975	49,452	50,327
Total Sewer Flows (MGD)	10	11	11	11	14	12	11	10	14	11
Total Sewer Flow (MG)	3,607	3,871	3,941	4,165	5,022	4,470	4,149	3,721	5,072	3,939
Avg Daily Demand (MGD)	10	11	11	11	14	12	11	10	14	11
Avg Daily Demand/Cust (gal)	77	81	81	85	101	89	80	71	96	74

Source: Various City of Killeen Departments.

\*Decreased due to COVID-19.

Table XVIII

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government</b>										
Area of City (square miles)	54.72	55.47	55.56	55.56	55.56	55.56	55.87	55.87	56.10	55.96
Vehicles	-	-	-	-	-	48	50	49	47	47
<b>Public Safety</b>										
<b>Police</b>										
Police Stations	3	3	3	3	3	3	3	2	2	2
Firing Ranges	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	-	-	-	-	-	140	159	171	187	169
Other Police Vehicles	-	-	-	-	-	147	145	142	141	137
Animal Shelters	1	1	1	1	1	1	1	1	1	1
Animal Control Vehicles	-	-	-	-	-	8	10	10	10	11
<b>Fire</b>										
Fire Stations	8	8	8	8	8	8	8	8	8	8
Fire Apparatus	35	20	19	23	23	20	22	22	22	20
EMS Units	11	10	11	14	14	18	18	18	18	17
Other Vehicles	-	-	-	-	-	24	24	23	34	31
<b>Public Works</b>										
Paved Streets (miles)	522	525	533	539	552	563	575	575	587	590
Unpaved Streets (miles)	1	1	1	1	1	1	1	1	1	1
Curb and Gutter (miles)	866	866	866	878	878	900	924	902	926	930
Signalized Intersections	89	92	95	88	92	97	99	95	99	100
Vehicles	-	-	-	-	-	44	39	55	55	55
<b>Parks and Recreation</b>										
Parks	21	21	21	21	21	21	21	23	23	23
Playgrounds	22	22	22	22	22	22	22	25	25	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	1	1
Swimming Pools	2	2	2	2	2	1	1	1	1	1
Tennis Courts	9	9	9	9	5	5	5	5	5	4
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Baseball/Softball Fields	15	15	15	15	15	15	15	15	15	15
Basketball Courts	5	7	7	7	9	12	12	12	12	12
Volley Ball Courts	-	2	2	2	3	3	3	3	3	3
Soccer Fields	6	6	6	6	6	6	6	6	6	6
Jogging/Walking Trails	6	7	7	7	7	3	3	3	3	4
Senior Centers	2	2	2	2	2	2	2	2	2	2
Aquatics Centers	1	1	1	1	1	1	1	1	1	1
Vehicles	-	-	-	-	-	26	26	27	26	26

Table XVIII

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Library</b>										
Libraries	2	2	2	2	2	2	2	2	2	2
Vehicles	-	-	-	-	-	-	1	1	1	1
<b>Aviation</b>										
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	2	2	3	3	3	3	3	3	3	3
Skylark off-road vehicles	1	1	1	1	1	1	2	2	2	1
KFHRA on-road vehicles	6	6	6	6	6	6	6	7	7	7
KFHRA off-road vehicles	3	3	3	3	3	3	3	4	3	4
<b>Solid Waste</b>										
Refuse Disposal Vehicles	-	-	-	-	-	58	51	51	45	45
Other Vehicles	-	-	-	-	-	35	37	35	39	39
<b>Water</b>										
Rated Daily Capacity (gpd)	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
Storage Capacity (gallons)	29,250,000	32,380,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000
Water Mains (miles)	602	617	617	618	618	618	655	676	678	681
Fire Hydrants	3,630	4,315	4,800	5,000	5,000	5,000	4,611	4,931	5,025	5,065
Vehicles	-	-	-	-	-	61	32	35	36	35
<b>Sewer</b>										
Sanitary Sewers (miles)	520	522	535	535	535	574	595	600	604	606
Manholes	6,630	6,780	7,230	7,230	7,230	7,863	8,197	8,248	8,305	8,392
Sewer Treatment Capacity:										
Plant 1 (mgd)	15	15	15	18	18	18	18	18	18	18
Plant 2 (mgd)	6	6	6	6	6	6	6	6	6	6
Plant 3 (mgd)	6	6	6	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	15	44	31	37	37
<b>Drainage</b>										
Storm Sewers (linear feet)	150,000	150,000	150,000	150,000	93,099	93,099	94,349	94,349	129,891	129,891
Inlets and Outfalls	3,173	3,173	3,173	3,173	3,125	3,173	3,233	3,233	3,237	3,237
Open Channels (miles)	283.0	316.6	312.0	312.0	96.0	197.0	140.4	141.0	148.1	148.1
Vehicles	-	-	-	-	-	22	25	22	24	24
<b>Fleet</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	-	-	-	-	-	7	7	7	7	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, 2020**

Market Valuation Established by Bell County Appraisal District		\$ 8,031,991,548
Less Exemptions/Deductions		1,570,123,310
Net Taxable Assessed Valuation		<u>\$ 6,461,868,238</u>
Debt Payable from Ad Valorem Taxes		
General Obligation Bonds	\$ 169,045,000	
Certificates of Obligation	<u>3,325,000</u>	
Debt Payable from Ad Valorem Taxes		\$ 172,370,000
Less Self-Supporting Debt <sup>(1)</sup>		<u>14,250,000</u>
Net Debt Payable from Ad Valorem Taxes		<u>\$ 158,120,000</u>
Interest and Sinking Fund		<u>\$ 4,546,584</u>
Ratio of Tax Supported Debt to Taxable Assessed Valuation		2.67%
Ratio of Net Tax Supported Debt to Taxable Assessed Valuation		2.45%
Estimated Population		155,158
Per Capita Taxable Assessed Valuation	\$	41,647
Per Capita Net Debt Payable from Ad Valorem Taxes	\$	1,019

<sup>(1)</sup> 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
2011	130,838	\$ 4,598,247,312	\$ 35,145	\$ 182,979,601	3.98%	1,399
2012	134,240	4,726,643,478	35,210	213,485,000	4.52%	1,590
2013	136,294	4,811,938,035	35,306	204,375,000	4.25%	1,500
2014	137,589	5,004,176,039	36,370	217,890,000	4.35%	1,584
2015	140,147	5,019,547,844	35,816	211,515,000	4.21%	1,509
2016	142,854	5,175,292,421	36,228	232,730,000	4.50%	1,629
2017	145,149	5,340,425,502	36,793	193,365,000	3.62%	1,332
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	155,158	6,461,868,238	41,647	172,370,000	2.67%	1,111

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

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

(3) Includes capital lease payable which was paid off in fiscal year ended September 30, 2012

Table XXI

**City of Killeen, Texas**  
**General Obligation Bond Tables**  
**General Obligation Debt Service Requirements**  
**September 30, 2020**

Fiscal Year	Outstanding Debt (1)			System-Supported Debt Service	Total Tax-Supported Debt Service
	Principal	Interest	Total		
2021	\$ 11,840,000	\$ 5,309,505	\$ 17,149,505	\$ 1,190,208	\$ 15,959,297
2022	12,255,000	4,915,761	17,170,761	1,191,512	15,979,249
2023	12,795,000	4,411,010	17,206,010	1,195,761	16,010,249
2024	12,870,000	3,879,947	16,749,947	1,197,629	15,552,318
2025	13,195,000	3,596,121	16,791,121	1,204,129	15,586,992
2026	14,035,000	3,252,523	17,287,523	1,204,489	16,083,034
2027	12,845,000	2,883,084	15,728,084	677,705	15,050,379
2028	12,485,000	2,522,992	15,007,992	685,435	14,322,557
2029	12,840,000	2,172,854	15,012,854	682,625	14,330,229
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>\$ 169,045,000</u>	<u>\$ 39,262,005</u>	<u>\$ 208,307,005</u>	<u>\$ 9,763,203</u>	<u>\$ 198,543,802</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 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
2011	\$ 18,670,908	54.81%	0.4416	\$145.96
2012	19,904,737	56.85%	0.4573	151.61
2013	20,361,888	57.11%	0.4596	150.81
2014	20,396,264	54.98%	0.4084	148.72
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

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes	\$ 1,636,001	\$ 1,652,409	\$ 1,696,609	\$ 1,722,623	\$ 1,776,199	\$ 1,941,564	\$ 1,897,724	\$ 1,738,543	\$ 1,887,416	\$ 1,467,596
Charges for Services	-	-	-	-	-	608,426	599,472	636,451	742,403	382,211
Investment Earnings	-	-	-	-	-	221	4,046	6,254	13,695	11,425
Miscellaneous	579,242	702,994	637,271	616,840	678,495	-	-	-	1,433	793
<b>Total Revenues</b>	<u>2,215,243</u>	<u>2,355,403</u>	<u>2,333,880</u>	<u>2,339,463</u>	<u>2,454,694</u>	<u>2,550,211</u>	<u>2,501,241</u>	<u>2,381,248</u>	<u>2,644,947</u>	<u>1,862,025</u>
<b>Expenditures:</b>										
General Government	1,606,911	1,582,371	1,540,785	1,506,634	1,567,108	-	-	-	-	-
Community Development	264,559	213,883	252,097	175,652	274,526	1,627,656	1,475,285	1,556,978	1,573,895	1,453,548
Capital Outlay	87,959	14,001	-	5,136	19,097	183,333	289,677	36,300	16,517	-
Debt Service	695,300	607,200	725,200	727,900	727,200	714,924	739,719	716,372	723,646	725,440
<b>Total Expenditures</b>	<u>2,654,729</u>	<u>2,417,455</u>	<u>2,518,082</u>	<u>2,415,322</u>	<u>2,587,931</u>	<u>2,525,913</u>	<u>2,504,681</u>	<u>2,309,650</u>	<u>2,314,058</u>	<u>2,178,988</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(439,486)</u>	<u>(62,052)</u>	<u>(184,202)</u>	<u>(75,859)</u>	<u>(133,237)</u>	<u>24,298</u>	<u>(3,439)</u>	<u>71,598</u>	<u>330,889</u>	<u>(316,963)</u>
<b>Other Financing Sources (Uses):</b>										
Insurance Proceeds	-	-	-	-	-	-	-	-	-	1,920
Sale of Assets	-	-	-	-	-	2,228	18	-	-	53
Transfers Out	-	-	-	-	-	-	-	(11,000)	-	-
<b>Total Other Financing Sources     (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,228</u>	<u>18</u>	<u>(11,000)</u>	<u>-</u>	<u>1,973</u>
Net Change in Fund Balance	(439,486)	(62,052)	(184,202)	(75,859)	(133,237)	26,526	(3,421)	60,598	330,889	(314,990)
Beginning Fund Balance	1,168,195	728,709	666,657	482,455	406,596	273,359	299,885	296,464	357,062	687,951
Ending Fund Balance	<u>\$ 728,709</u>	<u>\$ 666,657</u>	<u>\$ 482,455</u>	<u>\$ 406,596</u>	<u>\$ 273,359</u>	<u>\$ 299,885</u>	<u>\$ 296,464</u>	<u>\$ 357,062</u>	<u>\$ 687,951</u>	<u>\$ 372,961</u>

Note: The data in this table is extracted from Exhibit C-13

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, 2020**

Customer	Water				Wastewater		
	Annual Water Usage	Annual Amount Billed	% of Total Water Usage	Ranking	Annual Wastewater Usage	Annual Amount Billed	Ranking
Stonetree Golf Course	100,981,200	\$ 70,435	2.14998%	1			
Killeen Independent School District	99,705,000	353,993	2.12281%	2	33,237,550	\$ 135,552	2
City of Killeen	63,873,100	235,538	1.35992%	3			
Metroplex Hospital	27,180,800	92,722	0.57870%	4	19,214,690	79,228	3
Texas Veterans Land Board	23,829,100	78,159	0.50734%	5			
MFT-Independece Place	20,586,500	68,038	0.43831%	6	17,398,670	66,200	4
Stone Hill Apartments	18,823,900	60,544	0.40078%	7	14,939,730	56,957	6
Today's Car Wash	17,475,800	58,393	0.37208%	8	15,238,350	58,185	5
MGC Pure Chemicals America	16,728,200	55,470	0.35616%	9	14,457,870	55,033	7
Redford Park Limited	14,490,400	46,722	0.30851%	10	11,802,690	44,943	8
Central Texas College					39,006,090	148,335	1
Y & B Properties, DBA Brooks					11,655,630	44,663	9
Summerfield Community					11,349,000	56,611	10

Note: Percentage of total consumption based on 4,696,837,333 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 05/01/2019)**

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"	\$ 12.70	\$ 12.70	\$ 13.15
1"	\$ 14.06	\$ 14.06	\$ 14.60
1-1/2"	\$ 17.47	\$ 17.47	\$ 18.13
2"	\$ 21.55	\$ 21.55	\$ 22.38
3"	\$ 31.09	\$ 31.09	\$ 32.30
4"	\$ 44.74	\$ 44.74	\$ 46.49
6"	\$ 79.83	\$ 79.83	\$ 82.98
8"	\$ 119.68	\$ 119.68	\$ 124.56
10"	\$ 167.40	\$ 167.40	\$ 174.06
2,001 - 25,000	\$3.17/1,000	\$3.17/1,000	\$3.28/1,000
>25,000	\$3.78/1,000	\$3.17/1,000	\$3.28/1,000

Water rates for outside the City limits are double the water rates for users inside the City limits.

Wastewater Rates

Water Consumption (gals)	Residential	Multi-Family	Commercial *
0-3,000	\$ 19.26	\$ 19.15	\$ 19.15
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.

Table XXVI

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues: <sup>(1)</sup>										
Charges for Services	\$ 35,659,361	\$ 37,571,221	\$ 36,532,116	\$ 35,243,516	\$ 37,007,157	\$ 38,803,969	\$ 39,409,416	\$ 40,086,634	\$ 39,528,685	\$ 42,316,494
Miscellaneous	104,123	103,721	132,662	148,397	480,556	2,452	37,115	2,845	20,237	7,059
Total Revenues	<u>35,763,484</u>	<u>37,674,942</u>	<u>36,664,778</u>	<u>35,391,913</u>	<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>
Expenditures: <sup>(2)</sup>										
Water Purchases	6,925,331	6,692,095	6,897,853	7,467,995	7,637,005	7,810,794	8,447,593	7,938,535	7,730,925	8,406,645
Sewage Treatment	5,230,533	5,452,759	5,553,338	6,297,470	6,594,789	7,183,054	6,366,159	6,053,339	7,387,129	6,503,394
Operating Costs	9,204,958	9,229,112	9,298,188	9,564,316	10,618,307	10,423,579	5,305,353	9,776,433	14,627,857	12,940,248
Total Expenditures	<u>21,360,822</u>	<u>21,373,966</u>	<u>21,749,379</u>	<u>23,329,781</u>	<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>
Net Available for Debt Service	<u>\$ 14,402,662</u>	<u>\$ 16,300,976</u>	<u>\$ 14,915,399</u>	<u>\$ 12,062,132</u>	<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>
Customer Count:										
Water	45,873	47,040	48,172	49,189	50,175	51,058	52,200	52,597	53,443	54,288
Sewer	40,786	39,945	43,205	52,636	52,636	55,786	47,407	47,975	49,452	50,327

<sup>(1)</sup> Revenues do not include developer contributions for donated water and sewer lines.

<sup>(2)</sup> Expenditures do not include depreciation.