

Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2023



City of Killeen, Texas
Dedicated Service - Every Day for Everyone!



CITY OF KILLEEN



City of Killeen, Texas

Annual Comprehensive Financial Report

**For the Fiscal Year Ended
September 30, 2023**

Prepared by:

Finance Department

Judith Tangalin, CPA, CGFO
Executive Director of Finance

Miranda Drake, CGFO
Assistant Director of Finance

Latashia Cherry
Controller

Yadira Sanchez-Ortiz
Management Accountant



CITY OF KILLEEN



INTRODUCTORY SECTION 1

 Letter of Transmittal..... 11

 Organizational Chart 17

 List of Elected and Appointed Officials..... 18

 GFOA Certificate of Achievement 19

FINANCIAL SECTION..... 21

 Independent Auditor’s Report 22

 Management’s Discussion and Analysis 27

 Basic Financial Statements 37

 Government-Wide Financial Statements:

Statement of Net Position 37

Statement of Activities 38

 Fund Financial Statements

Balance Sheet - Governmental Funds 39

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 40

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds 41

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... 42

Statement of Net Position - Proprietary Funds..... 43

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds 45

Statement of Cash Flows - Proprietary Funds 46

Statement of Fiduciary Net Position - Employee Benefits Trust Fund 48

Statement of Changes in Fiduciary Net Position - Employee Benefits Trust Fund..... 49

 Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION

 Schedule of Changes in the City’s Net Pension Liability and Related Ratios 90

 Schedule of Contributions for the Last 10 Fiscal Years 91

 Firefighter’s Relief and Retirement Fund Schedule of Changes in the City’s Net Pension Liability and Related Ratios 92

 Schedule of Changes in the City’s Total OPEB Liability and Related Ratios – Supplemental Death Benefits Fund..... 93

 Schedule of Changes in the City’s Total OPEB Liability and Related Ratios – Postemployment Healthcare Plan 94

 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund 95

COMBINING STATEMENTS/BUDGETARY COMPARISON SCHEDULES

 Combining Nonmajor Governmental Funds:

Combining Balance Sheet – Nonmajor Governmental Funds..... 99

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds... 100

 Special Revenue Funds:

Combining Balance Sheet - Nonmajor Special Revenue Funds 103

TABLE OF CONTENTS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds..... 106

Capital Projects Funds:

Combining Balance Sheet – Nonmajor Capital Projects Funds..... 110

Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Capital Projects Funds 111

Internal Service Funds

Combining Statement of Net Position - Internal Service Funds..... 113

Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds..... 114

Combining Statement of Cash Flows - Internal Service Funds 115

Budgetary Comparison Schedules

Special Revenue Funds:

Law Enforcement Grant Fund..... 117

State Seizure Fund..... 118

Federal Seizure Fund 119

Emergency Management Fund 120

Hotel Occupancy Tax Fund..... 121

Special Events Center Fund..... 122

Cable System Improvements Fund 123

Library Memorial Fund..... 124

Community Development Fund..... 125

Senior Citizen Assistance Fund..... 126

CDBG Home Program Fund..... 127

HOME ARP Fund 128

Street Maintenance Fund 129

TIRZ #2 Fund..... 130

Parks Donations Fund 131

Teen Court Program Fund 132

Court Technology Fund..... 133

Court Security Fund 134

Juvenile Case Manager Fund 135

Jury Fee Fund..... 136

Fire Department Donations Fund 137

Animal Control Donations Fund 138

Child Safety Fund..... 139

Police Department Donations Fund 140

Park Development Benefit Fund 141

Opioid Settlement Fund 142

Debt Service Fund 143

STATISTICAL SECTION

Financial Trends

Net Position by Component 147

Changes in Net Position 148

<i>Fund Balances of Governmental Funds</i>	150
<i>Changes in Fund Balances of Governmental Funds</i>	151
Revenue Capacity	
<i>Assessed Value and Estimated Actual Value of Property</i>	152
<i>Property Tax Rates - Direct and Overlapping Governments</i>	153
<i>Principal Property Taxpayers</i>	154
<i>Property Tax Levies and Collections</i>	155
Debt Capacity	
<i>Ratios of Outstanding Debt by Type</i>	156
<i>Ratios of General Bonded Debt Outstanding</i>	157
<i>Direct and Overlapping Governmental Activities Debt</i>	158
<i>Legal Debt Margin Information</i>	159
<i>Revenue Bond Coverage – Water and Sewer Fund</i>	160
Demographic and Economic Information	
<i>Demographic and Economic Statistics</i>	161
<i>Principal Employers</i>	162
Operating Information	
<i>Full-Time Equivalent Employees by Function</i>	163
<i>Operating Indicators by Function</i>	166
<i>Capital Asset Statistics by Function</i>	167
Continuing Financial Disclosures	
<i>General Obligation Bond Tables</i>	
<i>Valuation, Exemptions, and Tax Supported Debt</i>	169
<i>Valuation and General Obligation Debt History</i>	170
<i>General Obligation Debt Service Requirements</i>	171
<i>Municipal Sales Tax History</i>	172
<i>Hotel Occupancy Tax Revenues and Expenditures History</i>	173
<i>Waterworks and Sewer System Revenue Bond Tables</i>	
<i>Ten Largest Water and Wastewater Customers</i>	174
<i>Monthly Water and Wastewater Rates</i>	175
<i>Waterworks and Sewer System Condensed Statement of Operations</i>	176



CITY OF KILLEEN



INTRODUCTORY SECTION





CITY OF KILLEEN





March 28, 2024

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, 2023.

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

Pattillo, Brown, and Hill LLP, a firm of licensed independent certified public accountants, has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2023. The independent auditor’s report is located at the front of the financial section of this report.

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

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

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

Profile of the government

The City was founded on May 15, 1882 by the Santa Fe Railroad and named in honor of a civil employee of the railroad, Frank P. Killeen. In 1884, the City had a population of 350 and consisted of a post office, a cotton gin, and two grain mills. The 1941 population of 1,265 rose to 7,100 in 1950, due primarily to the activation of Fort Cavazos (formerly Fort Hood), a military base on the City’s northern border, which began functioning in 1943 and was designated a permanent military installation in 1950. The City was incorporated as a municipality on March 3, 1949. The City continues to grow with an estimated population of 161,029 as of September 30, 2023, after adjusting for the U.S. Census Bureau – 2020 Profile Data and forecasting forward.

Killeen is situated along Interstate 14 which intersects Interstate 35 approximately 17 miles east and U.S. Highways 281 and 183 approximately 30 miles to the west. Waco is located 65 miles to the north and Austin is 70 miles to the south. The City encompasses an area of approximately 56.005 square miles. Two large lakes, Lake Belton and Lake Stillhouse Hollow, are located near the City. These lakes offer excellent fishing, camping, and water sports with 168 miles of shoreline.

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

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

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



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

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

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

- **Military**

Adjacent to the City, Fort Cavazos (formerly Fort Hood) was originally created to train tank destroyer battalions in World War II and has become the Army's largest active-duty armored post. Fort Cavazos is home to III Corps Command Group and subordinate units including the much-decorated 1st Cavalry Division, "America's First Team."

Fort Cavazos is centered around the City of Killeen and covers 218,823 acres in southwestern Bell and southeastern Coryell counties. In 2021, Fort Cavazos reported full-time employment of 55,374, of which more than 37,000 were active-duty military personnel. These military service members account for roughly 49,000 dependents, including about 29,000 children attending local schools, as stated in the Fiscal Notes from the State Comptroller for September 2022.

As reported by the State Comptroller's Office in the September 2022 Fiscal Notes, in 2021, Fort Cavazos' employment and base-related spending contributed to 160,933 direct and indirect jobs statewide and generated more than \$11.2 billion in disposable personal income and more than \$28.8 billion in economic activity.

According to the Texas Military Preparedness Commission Biennial Report for 2021-2022, Fort Cavazos has several Intergovernmental Support Agreements (IGSAs) with local governments to enhance mission effectiveness, create efficiencies, and provide job creation and growth in the local community including water delivery and wastewater treatment, Fort Cavazos Career Skills Program, Fort Cavazos Recycle Center, and the 15-Megawatt Solar Array among many others. A new lend lease program will develop over 500 homes, renovate and maintain another 3,500 as an investment for military families.

- **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 Cavazos.

Central Texas College (CTC) is a two-year community college with the main campus in the City and with special campuses at military bases scattered over the United States and the world. CTC also has special classrooms



aboard ships in the U.S. Navy. CTC was established in 1967 and offers the following degrees: Associate of the Arts, Associate of Science, Associate of Applied Science, and Associate in General Studies. Affordable quality education is provided in more than 40 areas of study and CTC offers wide educational and training opportunities for those students who do not select a degree or certificate program.

- **Hospitals and Health Centers**

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

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

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

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

- **Housing Starts and Construction Permits**

There were 555 housing starts this year compared to 567 in the prior year. Most of the dwellings in the Killeen area (46.3%) are owner-occupied and the majority (63.7%) are single-family homes.

- **Rankings**

In 2021, Killeen ranked 4th in Most Recession-Recovered Midsize City (Population between 125,000 to 300,000 residents) and 20th overall, per internet website WALLETHUB. The metrics analyzed the change between pre- and post-recession levels in a number of different factors such as home price appreciation and unemployment rates.

In 2021 and 2023, U.S. News and World Report again ranked Killeen 5th in “Best Place to Live in Texas”. The report stated “*Located in the heart of central Texas, Killeen is a family-friendly city with a thriving economy fueled by Fort Cavazos (formerly Fort Hood), one of the largest military bases in the country. Killeen residents have access to down-home barbecue, an abundance of outdoor and recreational activities, and fun music joints.*”

In 2022, SmartAsset ranked Killeen's housing market as the best in the nation for first-time homebuyers and ranked Killeen as the 8th most moved to city in the nation.

In 2023, Niche ranked Killeen 25th “Most Diverse City in America”. “Killeen is a very family friendly city to live in.”

In 2023, Wallet Hub ranked Killeen as the ninth most affordable college town in the nation, comparing it with 415 cities.

In 2024, Killeen was recognized for its growth and affordability, being named the most affordable, fastest growing city in the United States by GoBankingRates.com.

- **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 February 14, 2023. These policies establish guidelines for budget development and administration, fiscal monitoring, auditing and financial reporting, inter-fund loans, inter-fund transfers, capital equipment and projects, cash management, internal controls, grants, debt, and fund balance.

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

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

Major initiatives

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

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

Street maintenance continues to be a priority with City Council as they raised the street maintenance fee in FY 2022 from \$1.70 to \$10.00 per month in order to pay for annual debt service on a \$24 million bond issue for street reconstruction, to provide adequate funding for ongoing annual street maintenance, and future reconstruction funding. Since the release of the street condition assessment, Winter Storm Uri further eroded the condition of the streets intensifying the need for street maintenance and created an additional \$40 million in street reconstruction needs. One-time funding was identified, and City Council approved increasing annual street maintenance from \$1.6 million to \$5.9 million to combat the impact of the storm.

In the FY 2022 Budget, the City Council appropriated the \$29.12 million of Coronavirus State and Local Fiscal Recovery Funds (also known as American Rescue Plan Act - ARPA Funding) received from the federal government to pay for several major qualifying initiatives. This includes personnel, grants to the arts and deferred maintenance for the Hotel Occupancy Tax Fund; Emergency Operations Center; Public Safety Premium Pay; Boys and Girls Club; Business Assistance; Police Range and Training Facility; quarterly Downtown Events; Hill Country Community Action (Meals-On-Wheels); Mental Health Programs for both Police and Fire; Conder Park; Long Branch Park; Phyllis Park; Long Branch Pool; Stewart Pool; Gap Sidewalks; Backup Generators for Water and Sewer Pump and Lift Stations; Hill County Transit District (HOP) - Route Options; Non-Profit Organization Assistance; and some additional funds



withheld to be appropriated at a later date. As of September 30, 2023, 38.9% of these funds have been spent and all of the funds have been allocated to projects.

In November 2020, City Council hired a consultant to develop a Comprehensive Plan. After twenty-one (21) months of conducting public meetings, gathering data, and eliciting feedback from city representatives, citizens, the Comprehensive Plan Advisory Committee and the Planning and Zoning Commission, a final Comprehensive Plan was delivered and accepted by the City Council on August 23, 2022. Killeen 2040 Forward is a comprehensive plan that the City of Killeen will use to shape our growth and evolution over the next two decades in ways to reflect how the community wants to grow. Killeen 2040 is the first step in establishing guidelines for the future growth of the community and allows the City to anticipate and manage growth in a way that improves the quality of life of its residents.

As part of the Killeen 2040 Forward, there is an initiative to revitalize Downtown Killeen. This included the hiring of a Downtown Revitalization Director. At the Director's request, several items were implemented to make improvements to the downtown area such as a Vacant Structure Registration ordinance, forming a Downtown Advisory Committee, and setting up a Downtown Killeen webpage with valuable information. In addition, some of the ARPA funding is being used to host quarterly downtown events to bring in vendors and attract citizens to the downtown area. ARPA funding also provided business assistance grants to help start or re-open businesses in the downtown area.

Finally, on July 11, 2023, City Council approved the issuance of \$32 million in Certificates of Obligation bonds for several capital improvement projects to include the Police Parking Expansion, Police Evidence Storage Building, a new Parks Maintenance Facility, Skylark Fixed Base Operator Building, Park Construction and Renovation, and a new Fleet Services Facility. Due to expiring debt, there was no impact to the interest and sinking tax rate. The interest rates came in lower than originally estimated due to Standard & Poor's (S&P) upgrading the City's long-term and underlying rating from "AA-" to "AA" on June 28, 2023. Some of the factors reported by S&P in their rating analysis included a broad and diverse taxpayer base, maintenance of very strong available reserves supported by positive operating results, strong financial management practices, stable economic growth, manageable debt burden, and well-funded pension plan.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Killeen for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. This was the 32th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR 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, 2023. 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.



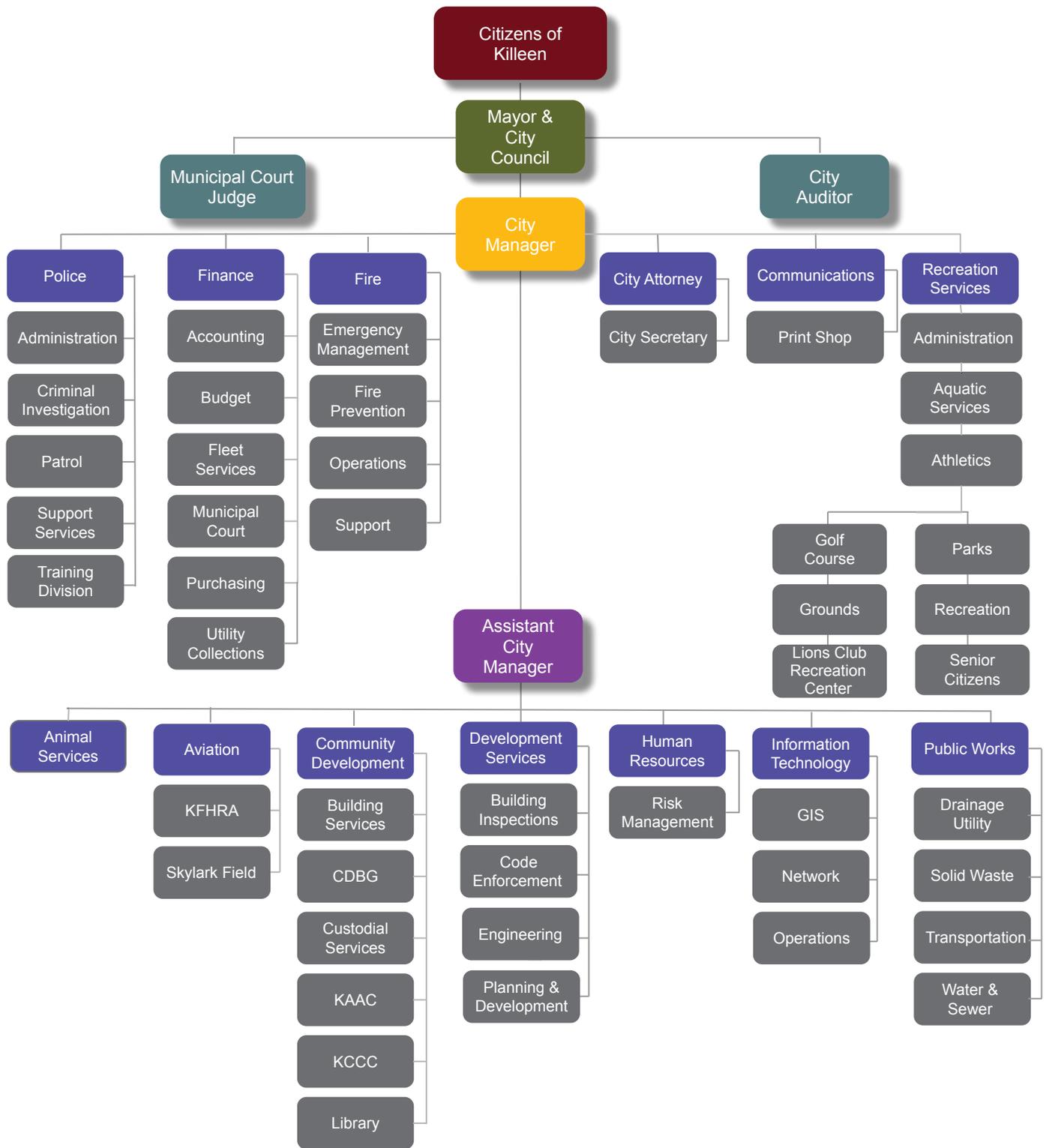
Respectfully submitted,

Judith Tangalin, CPA
Executive Director of Finance

Miranda Drake
Assistant Director of Finance

Latashia Cherry
Controller

Yadira Sánchez-Ortiz
Management Accountant



City of Killeen, Texas
List of Elected and Appointed Officials
September 30, 2023

Elected Officials

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

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

Appointed Officials

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Killeen
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



CITY OF KILLEEN



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Killeen, Texas (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Killeen Economic Development Corporation, whose assets were \$9,564,725 and revenues were \$2,552,550. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Killeen Economic Development Corporation, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 27-35, pension and OPEB information on pages 90-94, and budgetary comparison information on pages 95-96 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules on pages 99-143 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Waco, Texas
March 28, 2024

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, 2023. 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 11-16 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 \$408.2 million (*net position*). Of this amount, the unrestricted net position, which may be used to meet the City’s ongoing obligations to citizens and creditors, was \$32.8 million.
- The City’s total net position increased by \$43.8 million. Key rises in revenue from previous year include a \$5.5 million increase in charges for services, \$5.5 million increase in grants and contributions, \$5 million increase in taxes, and \$6.8 million increase in investment income. Expenses increased \$63.2 million compared to the previous year.
- At the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$148.3 million, an increase of \$47.0 million in comparison with the prior year.
- At the end of the current fiscal year the unassigned fund balance for the general fund was \$31.8 million, or 29.7 percent of total general fund expenditures.
- The City’s total outstanding long-term debt increased by \$16.1 million during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 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, 2023 CO bond fund, and the debt service fund because they are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column labeled as "Other Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

The basic governmental fund financial statements can be found on pages 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 these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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

The basic enterprise fund financial statements can be found on pages 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 51-87 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 90-96 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and budgetary comparison schedules can be found on pages 99-143 of this report.

Government-Wide Overall Financial Analysis

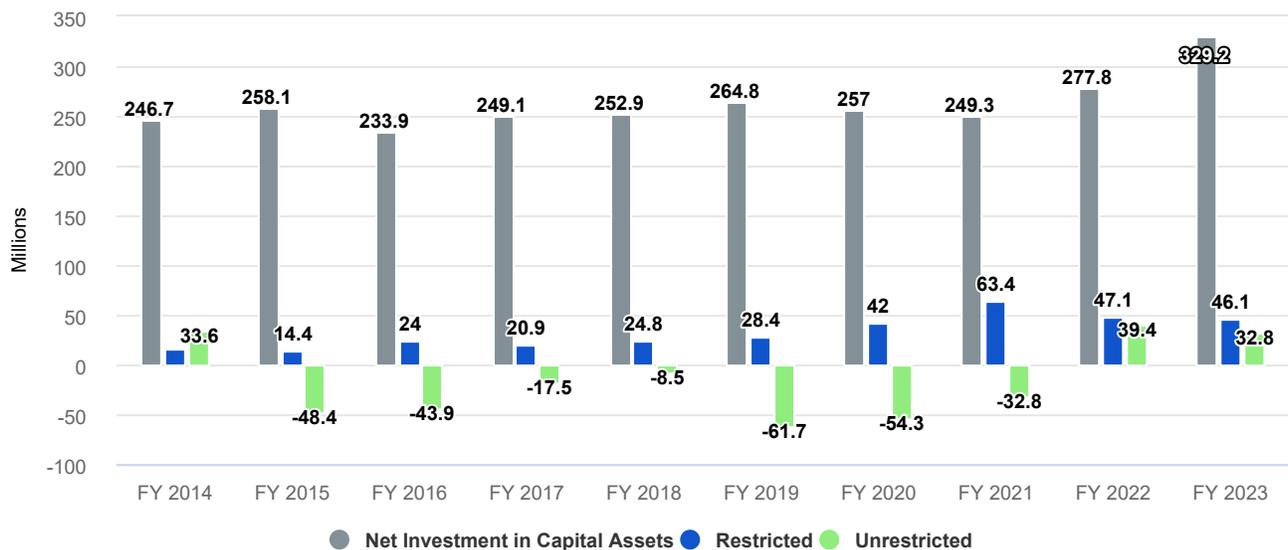
As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$408.2 million at the close of the most recent fiscal year.

Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 189.0	\$ 137.2	\$ 88.0	\$ 81.6	\$ 277.0	\$ 218.8
Capital assets	218.9	216.9	264.3	256.5	483.2	473.4
Total assets	407.9	354.1	352.3	338.1	760.2	692.2
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	7.3	8.0	0.3	0.5	7.6	8.5
Deferred outflows - pensions	48.4	11.8	7.4	1.9	55.8	13.7
Deferred outflows - OPEB	1.7	2.1	0.5	0.6	2.2	2.7
Total deferred outflows of resources	57.4	21.9	8.2	3.0	65.6	24.9
LIABILITIES						
Current liabilities	34.5	30.8	9.0	7.9	43.5	38.7
Noncurrent liabilities	287.7	224.6	64.8	63.8	352.5	288.4
Total liabilities	322.2	255.4	73.8	71.7	396.0	327.1
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - leases	-	-	1.2	2.4	1.2	2.4
Deferred inflows - pensions	14.0	16.9	2.5	3.4	16.5	20.3
Deferred inflows - OPEB	3.0	2.3	0.9	0.7	3.9	3.0
Total deferred inflows of resources	17.0	19.2	4.6	6.5	21.6	25.7
NET POSITION						
Net investment in capital assets	99.2	76.0	230.1	201.8	329.3	277.8
Restricted	23.1	41.7	23.0	5.4	46.1	47.1
Unrestricted	3.6	(16.3)	29.2	55.7	32.8	39.4
Total net position	\$ 125.9	\$ 101.4	\$ 282.3	\$ 262.9	\$ 408.2	\$ 364.3

By far the largest portion of the City's net position, \$329.2 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, \$46.1 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$32.8 million, may be used to meet the City's ongoing obligations to citizens and creditors.

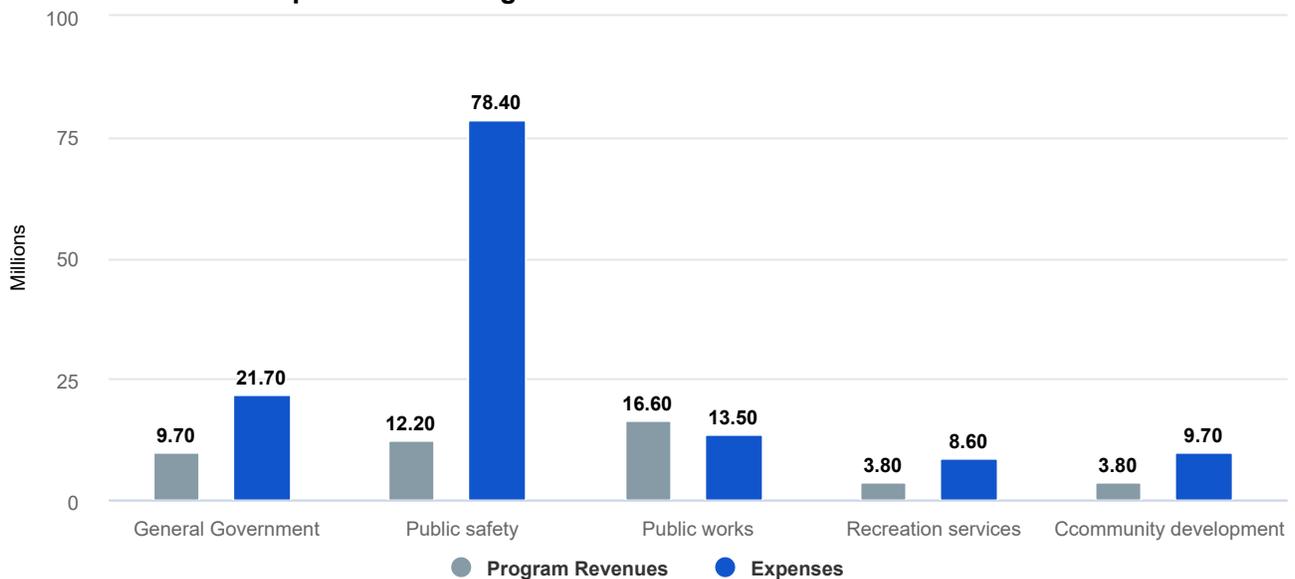
The City's overall net position increased by \$43.8 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$24.4 million from the prior fiscal year for an ending balance of \$125.8 million. Key increases in revenue from the previous year include \$5 million increases in taxes, \$4.5 million increase in investment income and \$1.6 million increase in grants and contributions.

Changes in Net Position (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Total Activities	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 25.0	\$ 24.0	\$ 80.9	\$ 76.4	\$ 105.9	\$ 100.4
Operating grants and contributions	15.2	10.5	-	0.3	15.2	10.8
Capital grants and contributions	5.9	9.0	15.4	11.2	21.3	20.2
General revenues:						
Property taxes	56.9	53.3	-	-	56.9	53.3
Franchise fees	5.6	5.8	-	-	5.6	5.8
Sales taxes	38.3	36.9	-	-	38.3	36.9
Interest and investment income	4.4	(0.1)	2.3	-	6.7	(0.1)
Insurance proceeds	0.5	-	0.1	-	0.6	-
Gain on sale of capital assets	0.2	0.3	0.1	0.4	0.3	0.7
Lease revenue	0.2	0.2	0.1	0.1	0.3	0.3
Total revenues	152.1	139.9	98.9	88.4	251.0	228.3
Expenses						
General	21.7	21.8	-	-	21.7	21.8
Public safety	78.4	48.4	-	-	78.4	48.4
Public works	13.5	12.2	-	-	13.5	12.2
Recreation services	8.6	5.1	-	-	8.6	5.1
Community development	9.7	4.6	-	-	9.7	4.6
Interest on long-term debt	4.9	(6.8)	-	-	4.9	(6.8)
Airport operations	-	-	8.6	6.6	8.6	6.6
Solid waste	-	-	19.3	15.1	19.3	15.1
Water and sewer	-	-	38.5	34.0	38.5	34.0
Drainage utility	-	-	4.0	2.9	4.0	2.9
Total expenses	136.9	85.3	70.4	58.6	207.2	143.9
Change in net position before transfers	15.3	54.6	28.5	29.8	43.8	84.4
Transfers	9.1	8.3	(9.1)	(8.3)	-	-
Change in net position	24.4	62.9	19.4	21.5	43.8	84.4
Net position at beginning of year	101.4	38.5	262.9	241.4	364.3	279.9
Prior year adjustment	0.1	-	-	-	0.1	-
Net position at end of year	\$ 125.9	\$ 101.4	\$ 282.3	\$ 262.9	\$ 408.2	\$ 364.3

Expenses and Program Revenues Governmental Activities



Business-type activities. Business-type activities increased the City’s net position by \$19.4 million. Key increases in revenue from the previous year include \$4.5 million increases in charges for services, \$3.9 million increase in grants and contributions, and 2.3 million increase in investment income..

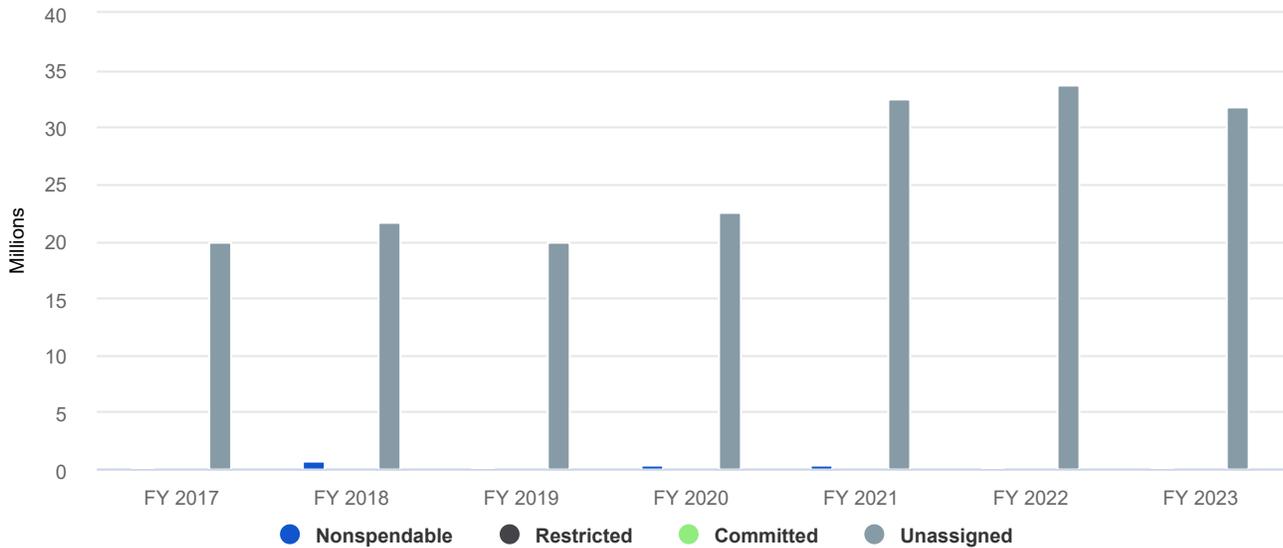
Financial Analysis of the City’s Funds

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 \$148.3 million, an increase of \$47.0 million in comparison with the prior year. Approximately \$31.82 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 (\$4.6 million) or 2) restricted for particular purposes (\$111.9 million).

Components of Fund Balance General Fund



The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$31.8 million, while the total fund balance increased to \$32.1 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 29.7 percent of total general fund expenditures, while total fund balance represents 29.9 percent of that same amount.

The fund balance of the City’s general fund decreased by \$1.9 million during the current fiscal year. General fund transfers out total \$13.6 million and transfers in total \$9.6 million in the current fiscal year. The major transfers were:

- Transfer of \$13.1 million to the governmental capital improvements fund:
- Transfer of \$0.06 million to the water and sewer fund to account for the general fund’s portion of engineering operations and \$0.5 million to solid waste for transition mowing to the general fund. .
- Indirect cost allocations transferred from the solid waste fund, water and sewer fund, and drainage fund in the amounts of \$3.0 million, \$6.0 million, and \$0.7 million, respectively.

The capital improvement fund had an increase in fund balance during the current year of \$12.0 million. For the current fiscal year the transfers from general fund to the capital improvement fund were \$13.1 million, and the capital outlay expenditures were \$9.0 million.

The debt service fund, the remaining major governmental fund, had a decrease in fund balance during the current year of \$0.6 million to bring the year end fund balance to \$4.1 million.

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

Unrestricted net position of the airport, solid waste, water and sewer, and drainage funds at the end of the year amounted to \$5.9 million, \$9.2 million, \$23.0 million, and \$7.0 million, respectively. The combined growth in net position for all funds was \$19.1 million. Other factors concerning the finances of these funds have been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. Differences between the original budget and the final amended budget amounted to a \$7.3 million increase in net appropriations, and can be briefly summarized as follows:

- Transfers out to the governmental capital improvements projects fund budget increased by \$8.6 million.
- General government expenditures budget increased by \$3.7 million.
- Public safety expenditures budget increased by \$2.0 million.
- Intergovernmental revenues budget increased by \$4.3 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	\$ 83,248,799	\$ 84,516,381	\$ 1,267,582
Licenses, permits, and fees	2,343,405	2,478,317	134,912
Intergovernmental	10,784,790	9,065,235	(1,719,555)
Charges for services	7,570,852	7,816,418	245,566
Fines and fees	2,874,932	3,059,346	184,414

The shortfall in intergovernmental revenue was primarily caused by the American Rescue Plan Act (ARPA) funds budgeted but not spent therefore revenue was not recognized in the current year.

A review of actual expenditures compared to appropriations in the final budget yields no significant variances with a couple of exceptions. Actual expenditures for the police department within the public safety function (\$38.7 million) were lower than the related appropriation of \$41.0 million by approximately \$2.3 million. This savings was a result of personnel vacancies throughout the year. Also, the non-departmental department variance of \$2.1 million due to the unspent ARPA funds.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amounts to \$483.2 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, furniture and equipment, vehicles, and infrastructure. The total increase in capital assets for the current fiscal year was \$9.8 million.

Capital Assets

(net of depreciation, in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Land	\$ 9.2	\$ 7.6	\$ 1.8	\$ 1.8	\$ 11.0	\$ 9.4
Construction in progress	9.6	39.0	27.1	27.8	36.7	66.8
Buildings	47.8	50.9	53.7	55.9	101.5	106.8
Improvements other than buildings	-	-	113.4	120.3	113.4	120.3
Furniture and equipment	4.4	2.8	3.4	3.1	7.8	5.9
Vehicles	9.5	10.6	4.8	5.6	14.3	16.2
Infrastructure assets	138.4	106.1	60.1	41.9	198.5	148.0
Total	\$ 218.9	\$ 217.0	\$ 264.3	\$ 256.4	\$ 483.2	\$ 473.4

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

- \$10.8 million of airport improvements.
- Various projects in progress related to streets and sidewalks at a cost of \$8.8 million.
- \$4.1 million of water, sewer, drainage, and street infrastructure was contributed to the City by developers
- The purchase of various vehicles at a cost of \$2.0 million.

Additional information on the City's capital assets can be found in Note III.E on pages 62-65 of this report.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$243.6 million. Of this amount, \$136.4 million of general obligation bonds and \$52.0 million of certificates of obligations is debt backed by the full faith and credit of the City and \$40.0 million in revenue bonds of the City's business enterprises.

Outstanding Debt (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ -	\$ -	\$ 40.0	\$ 44.4	\$ 40.0	\$ 44.4
General obligation bonds	130.6	138.1	5.8	6.9	136.4	145.0
Certificates of obligation	52.0	22.9	-	-	52.0	22.9
Plus unamortized bond premiums/ discounts	11.9	11.5	3.3	3.6	15.2	15.1
Total outstanding debt	\$ 194.5	\$ 172.5	\$ 49.1	\$ 54.9	\$ 243.6	\$ 227.4

The City's total debt increased by \$16.2 million during the current fiscal year (including premium/discount amortization balances). The increase is the result of the scheduled debt service payments plus issuance of certificates of obligation.

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

City of Killeen Bonded Debt Ratings September 30, 2023

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

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

Additional information on the City's long-term debt can be found in Note III.K on pages 80-83 of this report.

Economic Factors and Next Year's Budget and Rates

The following economic factors and priorities were considered in developing the 2024 fiscal year budget:

The property tax rate was reduced \$0.0025 from \$0.6233 to \$0.6208. This was largely due to a 15.57% increase in net taxable value. This is the fourth consecutive year the City has reduced the tax rate.

In fiscal year 2024, the total exempted value attributable to the disabled veteran's exemption is \$1.76 billion, which will equate to a loss of \$10.9 million of revenue. We estimate the City will receive an estimated total state reimbursement of \$2.7 million, which is a net loss in revenue of \$8.2 million. The State increasing reimbursement of the disabled veteran exemption continues to be one of the primary focus points for the City's legislative agenda. The City is disproportionately impacted by the exemption and the State needs to increase funding for reimbursement. State reimbursement decreased by \$1.0 million in the 2022-2023 Biennium Budget due to mandatory COVID-19 cuts. Disabled veteran's exemption five-year average growth in value is 20.14%.

The annual budget establishes the foundation for the delivery of services to the citizens of Killeen. The budget was prepared with emphasis on the goals and priorities established by the City Council, with particular focus on the top three priorities: 1) competitive pay, 2) hiring more employees to keep up with current services, employees (FTEs) per 1,000 population, and 3) healthcare plan more affordable for employees.

Over the past few years, Killeen has made great progress in providing employees a fair and competitive wage. The budget continues this endeavor by including a 6% cost of living increase for classified employees and a 7% cost of living increase for public safety civil service employees. Public safety civil service employees will also receive step increases according to the pay plan. In FY 2022, certain public safety employees received \$2 per hour in premium pay through the American Rescue Plan Act (also known as the State and Local Fiscal Recovery Funds). For FY 2023, public safety employees received a \$1 per hour in premium pay and \$1 per hour in premium

pay was absorbed into their hourly rate. The original plan was to have \$0.50 in premium pay in FY 2024 and the General Fund would absorb another \$0.50 into the employee's hourly rate. However, on June 15, 2023, the U.S. Department of Treasury notified all State and Local Fiscal Recovery Funds recipients (SLFRFR) that as of April 10, 2023, the COVID-19 public health National Emergency has ended. Now that the National Emergency has ended, SLFRF may not be used for premium pay to eligible workers for work performed after April 10, 2023. Therefore, the General Fund will absorb the remaining premium pay into the employee's hourly rate now that the fiscal recovery funds can no longer be used for premium pay.

There were 9 new positions added in the FY 2024 adopted budget, 1 is in public safety as a RMS Manager for the new records management (RMS) system, 4 are to set up an additional Public Works Utility Maintenance Crew, 3 Customer Service Representatives would be added to support the Finance Utility Collections operation, and 1 Social Worker is added through the Community Development Block Grant (CDBG) as part of the Killeen Reunification Program.

During FY 2023, a net of 2.5 FTEs was added to facilitate the growing needs of the City. An Accounting Technician position was added to the Finance Department, 1 IT Project Manager was added to Information Technology Department, a part-time Paralegal position was reclassified to full-time creating an additional 0.5 FTE, the grant-funded Emergency Management Senior Specialist position was eliminated as the services were contracted, and 1 Park Planner position was added to the Parks and Recreation Department.

Even with the addition of the new positions, there were 67 position requests that could not be funded. The ratio of employees per 1,000 population decreased from 8.19 to 8.13, the third lowest ratio over the past ten years. Adding employees to keep up with the growth of the City will continue to be a challenge for years to come.

The cost to provide health insurance benefits to City employees is estimated to increase by \$481,983. The City will absorb the cost of the increase. The only increase to employees is for employees who choose the more costly co-pay plan. Employees who choose the co-pay plan will pay \$5 more per month for health insurance. This increase in premium is designed to slowly create separation between the more costly co-pay plan and the less costly high deductible plan. In FY 2023, the City removed the gate keeper requirement as this was the most requested change by employees. This change has been well received.

In addition to the City absorbing all the health insurance cost increase, the City will increase the contribution to the employee's Health Savings Account (HSA) for those employees participating in the High-Deductible Plan by \$10.71 per month for a total contribution of \$1,481.52 per year. This helps the employee offset the cost of the deductible.

The FY 2024 Adopted Budget incorporates several of the City Council's priorities established at the February 15, 2023 workshop. The Summer Youth Employment Program continues to be funded with ARPA funds. The Capital Improvement Program includes funding for replacing the Utility Collection System for \$1.7M. This is phase 2 of the Enterprise Resource Planning (ERP) system replacement. Funding is included in Aviation, Hotel Occupancy Tax Fund, Development Services and Communication for marketing programs. Multiple priorities are addressed with the 2023 Certificates of Obligation Bond issue including additional park space park development, two new parks, park maintenance facility, and maintain and tie on with existing areas for potential trails. Additional funding was included in the Development Services budget for code enforcement abatement to address blighted homes and dangerous areas.

A new section was added to FY 2024 budget for a Strategic Plan. This section incorporates the six big ideas of the Comprehensive Plan adopted by City Council in August 2022. There is a matrix that ties the big ideas back to each department's goals and accomplishments. Although the Strategic Plan is still developing, this is a huge first step in implementing the Comprehensive Plan as a guide and utilizing the decision-making tools in the budget and CIP process.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Killeen Economic Development Corp.
ASSETS				
Cash and equity in pooled cash and investments	\$ 157,847,367	\$ 53,454,112	\$ 211,301,479	\$ 6,380,433
Receivables (net of allowances for uncollectibles):				
Taxes	8,952,403	-	8,952,403	-
Accounts	13,498,539	10,274,421	23,772,960	304,000
Accrued Interest	2,565,124	96,384	2,661,508	-
Intergovernmental receivable	1,215,207	3,006,574	4,221,781	-
Lease receivable	-	1,268,963	1,268,963	-
Inventories	424,673	383,634	808,307	-
Prepaid assets	4,483,652	2,278	4,485,930	-
Restricted assets:				
Cash and cash equivalents	-	19,553,259	19,553,259	-
Capital assets:				
Nondepreciable	18,877,057	28,860,148	47,737,205	776,931
Depreciable (net)	200,017,158	235,479,920	435,497,078	2,103,361
Total assets	<u>407,881,180</u>	<u>352,379,693</u>	<u>760,260,873</u>	<u>9,564,725</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	7,264,747	349,707	7,614,454	-
Deferred outflows - pensions	48,406,559	7,445,074	55,851,633	-
Deferred outflows - OPEB	1,688,389	490,156	2,178,545	-
Total deferred outflows of resources	<u>57,359,695</u>	<u>8,284,937</u>	<u>65,644,632</u>	<u>-</u>
LIABILITIES				
Accounts payable	13,987,365	5,089,857	19,077,222	205,532
Deposits payable	40,228	2,930,805	2,971,033	-
Unearned revenue	18,040,583	497,633	18,538,216	-
Accrued salaries payable	1,680,981	329,582	2,010,563	-
Accrued interest payable	756,711	157,249	913,960	-
Noncurrent liabilities:				
Due within one year	15,146,138	5,902,945	21,049,083	-
Due in more than one year	272,600,988	58,865,056	331,466,044	-
Total liabilities	<u>322,252,994</u>	<u>73,773,127</u>	<u>396,026,121</u>	<u>205,532</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - Leases	-	1,243,808	1,243,808	-
Deferred inflows - pensions	14,004,633	2,477,794	16,482,427	-
Deferred inflows - OPEB	3,031,240	876,300	3,907,540	-
Total deferred inflows of resources	<u>17,035,873</u>	<u>4,597,902</u>	<u>21,633,775</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	99,227,305	230,070,844	329,298,149	2,880,292
Restricted for:				
Debt service	5,483,497	3,472,802	8,956,299	-
Capital projects	-	19,553,259	19,553,259	-
Other purposes	17,611,742	-	17,611,742	-
Economic development	-	-	-	6,478,901
Unrestricted	3,629,464	29,196,696	32,826,160	-
Total net position	<u>\$ 125,952,008</u>	<u>\$ 282,293,601</u>	<u>\$ 408,245,609</u>	<u>\$ 9,359,193</u>

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

City of Killeen, Texas
Statement of Activities
For the Year Ended September 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Killeen Economic Development Corp.
Primary government:								
Governmental activities:								
General government	\$ 21,700,867	\$ 3,441,264	\$ 6,270,846	\$ -	\$ (11,988,757)	\$ -	\$ (11,988,757)	\$ -
Public safety	78,415,748	7,703,870	3,701,705	745,048	(66,265,125)	-	(66,265,125)	-
Public works	13,500,125	10,308,392	2,446,985	3,819,013	3,074,265	-	3,074,265	-
Recreation services	8,568,284	2,527,916	30,229	1,257,049	(4,753,090)	-	(4,753,090)	-
Community development	9,667,584	1,029,860	2,731,124	87,042	(5,819,558)	-	(5,819,558)	-
Interest on long-term debt	4,909,832	-	-	-	(4,909,832)	-	(4,909,832)	-
Total governmental activities	<u>136,762,440</u>	<u>25,011,302</u>	<u>15,180,889</u>	<u>5,908,152</u>	<u>(90,662,097)</u>	<u>-</u>	<u>(90,662,097)</u>	<u>-</u>
Business-type activities:								
Airport operations	8,577,609	3,895,173	-	10,693,390	-	6,010,954	6,010,954	-
Solid waste	19,287,082	24,875,189	-	-	-	5,588,107	5,588,107	-
Water and sewer	38,536,543	46,871,902	-	3,007,388	-	11,342,747	11,342,747	-
Drainage utility	3,989,753	5,263,104	-	1,660,711	-	2,934,062	2,934,062	-
Total business-type activities	<u>70,390,987</u>	<u>80,905,368</u>	<u>-</u>	<u>15,361,489</u>	<u>-</u>	<u>25,875,870</u>	<u>25,875,870</u>	<u>-</u>
Total primary government	<u>207,153,427</u>	<u>105,916,670</u>	<u>15,180,889</u>	<u>21,269,641</u>	<u>(90,662,097)</u>	<u>25,875,870</u>	<u>(64,786,227)</u>	<u>-</u>
Component Unit:								
Killeen Economic Development Corp.	1,688,514	359,602	725,054	-	-	-	-	(603,858)
	<u>\$ 1,688,514</u>	<u>\$ 359,602</u>	<u>\$ 725,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(603,858)</u>
General revenues:								
Taxes:								
Ad valorem taxes					56,908,403	-	56,908,403	-
Franchise fees					5,642,863	-	5,642,863	-
Sales and occupancy taxes					38,263,273	-	38,263,273	-
Investment income					4,365,364	2,273,557	6,638,921	342,011
Insurance proceeds					480,549	158,307	638,856	-
Gain on disposition of capital assets					188,642	62,600	251,242	1,125,883
Lease revenue					198,490	138,138	336,628	-
Transfers					9,072,016	(9,072,016)	-	-
Total general revenues and transfers					<u>115,119,600</u>	<u>(6,439,414)</u>	<u>108,680,186</u>	<u>1,467,894</u>
Change in net position					24,457,503	19,436,456	43,893,959	864,036
Net position - beginning					101,448,536	262,857,145	364,305,681	8,469,099
Prior period adjustment					45,969	-	45,969	26,058
Net position - ending					<u>\$ 125,952,008</u>	<u>\$ 282,293,601</u>	<u>\$ 408,245,609</u>	<u>\$ 9,359,193</u>

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

City of Killeen, Texas
Balance Sheet
Governmental Funds
September 30, 2023

	General	Debt Service	Capital Project	2023 C.O. Bond	Nonmajor Funds	Total Funds
ASSETS						
Cash and equity in pooled cash and investments	\$ 41,616,753	\$ 1,710,856	\$ 34,317,104	\$ 32,168,486	\$ 42,185,549	\$151,998,748
Receivables (net of allowances for uncollectibles):						
Taxes	8,587,474	130,772	-	-	234,157	8,952,403
Accounts	12,058,337	-	-	-	1,427,877	13,489,649
Accrued Interest	116,125	3,435	36,494	-	-	2,565,124
Intergovernmental receivable	557,767	2,412,505	-	-	657,440	1,215,207
Due from other funds	359,943	-	-	-	-	359,943
Inventories	82,663	-	-	-	13,180	95,843
Prepaid assets	168,004	-	4,315,648	-	-	4,483,652
Total assets	<u>63,547,066</u>	<u>4,257,568</u>	<u>38,669,246</u>	<u>32,168,486</u>	<u>44,518,203</u>	<u>183,160,569</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	10,540,979	8,299	1,067,639	-	1,705,605	13,322,522
Due to other funds	-	-	-	-	359,943	359,943
Other liabilities	40,228	-	-	-	-	40,228
Accrued salaries payable	1,582,764	-	-	-	26,123	1,608,887
Unearned revenue	17,906,651	-	-	-	131,932	18,038,583
Total liabilities	<u>30,070,622</u>	<u>8,299</u>	<u>1,067,639</u>	<u>-</u>	<u>2,223,603</u>	<u>33,370,163</u>
Deferred inflows of resources:						
Unavailable revenue	1,407,494	130,772	-	-	-	1,538,266
Total deferred inflows of resources	<u>1,407,494</u>	<u>130,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,538,266</u>
Fund Balances:						
Nonspendable:						
Inventories	82,663	-	-	-	13,180	95,843
Prepaid assets	168,004	-	4,315,648	-	-	4,483,652
Restricted for:						
Debt service	-	4,118,497	-	-	1,365,000	5,483,497
Capital projects	-	-	33,285,959	32,168,486	23,304,678	88,759,123
Other purposes	-	-	-	-	17,611,742	17,611,742
Unassigned	31,818,283	-	-	-	-	31,818,283
Total fund balances	<u>32,068,950</u>	<u>4,118,497</u>	<u>37,601,607</u>	<u>32,168,486</u>	<u>42,294,600</u>	<u>148,252,140</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 63,547,066</u>	<u>\$ 4,257,568</u>	<u>\$ 38,669,246</u>	<u>\$ 32,168,486</u>	<u>\$ 44,518,203</u>	<u>\$183,160,569</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, 2023

Total fund balances - governmental funds balance sheet		\$ 148,252,140
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.		217,358,957
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(195,535,625)
Vacation, sick leave, and compensatory time payable are not due and payable in the current period and, therefore, is not reported in the funds.		(13,208,236)
The other postemployment benefit obligation (OPEB) is not due and payable in the current period and, therefore, are not reported in the funds.		(10,278,403)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		(66,311,775)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred inflows – pensions	(13,459,361)	
Deferred inflows – OPEB	<u>(2,853,465)</u>	(16,312,826)
Deferred outflows of resources are not reported in the governmental funds:		
Deferred charges on debt refundings	7,264,747	
Deferred outflows – pensions	46,768,174	
Deferred outflows – OPEB	<u>1,596,556</u>	55,629,477
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,538,267
Internal service funds are used by management to account for any activity that provide good or services to other funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net position.		<u>4,820,032</u>
Net position of governmental activities - statement of net position		<u>\$ 125,952,008</u>

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

City of Killeen, Texas
Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended September 30, 2023

	General	Debt Service	Capital Projects	2023 C.O. Bond	Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 84,516,381	\$ 13,653,721	\$ -	\$ -	\$ 2,692,313	\$100,862,415
Licenses and permits	2,478,317	-	-	-	-	2,478,317
Intergovernmental	9,065,235	2,412,505	2,265,829	-	3,543,590	17,287,159
Charges for services	7,816,418	-	-	-	11,066,746	18,883,164
Fines	3,059,346	-	-	-	242,108	3,301,454
Investment earnings	1,398,172	326,334	1,120,586	166,910	1,219,307	4,231,309
Contributions	2,000	-	-	-	152,529	154,529
Miscellaneous	120,743	-	107,548	-	10,148	238,439
Total revenues	<u>108,456,612</u>	<u>16,392,560</u>	<u>3,493,963</u>	<u>166,910</u>	<u>18,926,741</u>	<u>147,436,786</u>
EXPENDITURES						
Current:						
General government	16,211,833	-	535,809	-	30,461	16,778,103
Public safety	74,404,207	-	-	-	404,719	74,808,926
Public works	4,237,907	-	-	-	4,284,583	8,522,490
Recreation services	6,792,168	-	-	-	19,194	6,811,362
Community development	4,413,220	-	340,315	-	4,420,332	9,173,867
Capital outlay	873,675	-	8,762,375	-	2,395,064	12,031,114
Debt service:						
Principal	230,868	12,730,000	-	-	1,130,000	14,090,868
Interest and fiscal charges	-	4,290,587	750	750	932,468	5,224,555
Cost of Issuance	-	-	53,075	376,235	-	429,310
Total expenditures	<u>107,163,878</u>	<u>17,020,587</u>	<u>9,692,324</u>	<u>376,985</u>	<u>13,616,821</u>	<u>147,870,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,292,734</u>	<u>(628,027)</u>	<u>(6,198,361)</u>	<u>(210,075)</u>	<u>5,309,920</u>	<u>(433,809)</u>
OTHER FINANCING SOURCES (USES)						
Capital-related bond issued	-	-	5,000,000	30,450,000	-	35,450,000
Premium on issuance of debt	-	-	-	1,928,561	-	1,928,561
Insurance recoveries	382,829	-	97,720	-	-	480,549
Sale of capital assets	177,637	-	-	-	11,005	188,642
Leases issue	299,347	-	-	-	4,268	303,615
Transfer in	9,628,353	-	13,092,485	-	-	22,720,838
Transfer out	<u>(13,648,822)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,648,822)</u>
Total other financing sources (uses)	<u>(3,160,656)</u>	<u>-</u>	<u>18,190,205</u>	<u>32,378,561</u>	<u>15,273</u>	<u>47,423,383</u>
Net change in fund balances	<u>(1,867,922)</u>	<u>(628,027)</u>	<u>11,991,844</u>	<u>32,168,486</u>	<u>5,325,193</u>	<u>46,989,574</u>
Fund balance - beginning	33,936,872	4,746,524	25,609,763	-	36,969,407	101,262,566
Fund balance - ending	<u>\$ 32,068,950</u>	<u>\$ 4,118,497</u>	<u>\$ 37,601,607</u>	<u>\$ 32,168,486</u>	<u>\$ 42,294,600</u>	<u>\$148,252,140</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, 2023

Net change in fund balances - total governmental funds \$ 46,989,574

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	12,031,114	
Depreciation expense	(14,343,707)	(2,312,593)

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

Debt principal repayments	13,860,000	
Capital-related bonds issued	(35,450,000)	
Premium on issuance debt	(1,928,561)	
Lease principal payment	142,800	
Lease issued	(105,125)	
Interest expense on bonds	89,399	
Amortization premium on bonds	1,526,446	
Amortization of deferred charge on refunding	(783,749)	(22,648,790)

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

Compensated absences	(1,090,256)	
Change in deferred outflows - pensions	35,313,422	
Change in deferred outflows - OPEB	(406,951)	
Change in net pension liability	(38,888,319)	
Change in total OPEB liability	467,510	
Change in deferred inflows - pensions	2,816,290	
Change in deferred inflows - OPEB	(628,290)	(2,416,594)

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. 3,704,376

Internal service funds are used by management to account for any activity that provide good or services to other funds. The change of net position of the internal service funds is reported with governmental activities. 1,141,530

Change in net position of governmental activities - statement of activities \$ 24,457,503

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

City of Killeen, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-Type Activities					Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
ASSETS						
Current assets:						
Cash and equity in pooled cash and investments	\$ 5,330,383	\$ 11,973,186	\$ 28,240,423	\$ 7,910,120	\$ 53,454,112	\$ 5,848,619
Receivables (net of allowances for uncollectibles):						
Accounts	213,223	3,023,891	6,316,530	720,777	10,274,421	8,890
Accrued Interest	13,823	13,105	58,930	10,526	96,384	-
Intergovernmental receivable	3,006,574	-	-	-	3,006,574	-
Lease receivable	498,087	770,876	-	-	1,268,963	-
Inventories	94,700	-	288,934	-	383,634	328,830
Prepaid expenses	-	-	2,278	-	2,278	-
Restricted assets:						
Cash and cash equivalents	2,661,626	-	16,891,633	-	19,553,259	-
Total current assets	<u>11,818,416</u>	<u>15,781,058</u>	<u>51,798,728</u>	<u>8,641,423</u>	<u>88,039,625</u>	<u>6,186,339</u>
Noncurrent assets:						
Property and equipment:						
Land	1,319,003	72,165	243,332	172,190	1,806,690	-
Buildings	2,056,660	12,348,867	91,922,338	-	106,327,865	-
Improvements other than buildings	102,126,020	-	109,604,326	8,382,438	220,112,784	-
Furniture and equipment	1,794,414	3,902,194	2,101,798	594,858	8,393,264	2,348,701
Vehicles	1,091,134	12,473,842	5,304,166	2,866,437	21,735,579	4,276,727
Infrastructure	16,129,267	1,764,850	42,185,128	10,476,729	70,555,974	-
Construction in progress	14,991,424	1,042,811	9,560,203	1,459,020	27,053,458	-
Less accumulated depreciation	(61,035,427)	(17,976,853)	(102,672,755)	(9,960,511)	(191,645,546)	(5,090,170)
Net property and equipment	<u>78,472,495</u>	<u>13,627,876</u>	<u>158,248,536</u>	<u>13,991,161</u>	<u>264,340,068</u>	<u>1,535,258</u>
Total assets	<u>90,290,911</u>	<u>29,408,934</u>	<u>210,047,264</u>	<u>22,632,584</u>	<u>352,379,693</u>	<u>7,721,597</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	-	136,496	181,036	32,175	349,707	-
Deferred outflows - Pensions	1,005,702	2,514,530	3,084,785	840,057	7,445,074	1,638,385
Deferred outflows - OPEB	105,897	203,749	153,061	27,449	490,156	91,833
Total deferred outflows of resources	<u>1,111,599</u>	<u>2,854,775</u>	<u>3,418,882</u>	<u>899,681</u>	<u>8,284,937</u>	<u>1,730,218</u>

City of Killeen, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities					Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,729,518	\$ 1,085,847	\$ 2,087,219	\$ 187,273	\$ 5,089,857	\$ 664,843
Deposits payable	23,100	4,000	2,903,705	-	2,930,805	-
Unearned revenue	39,410	9,259	448,351	613	497,633	2,000
Accrued salaries payable	41,029	116,818	138,202	33,533	329,582	72,094
Accrued interest payable	-	12,961	141,810	2,478	157,249	-
Compensated absences	27,257	58,009	63,604	15,395	164,265	26,120
Lease payable	3,184	8,778	13,008	93,710	118,680	1,035
Current portion of bonds payable	-	605,000	4,515,000	500,000	5,620,000	-
Total current liabilities	<u>1,863,498</u>	<u>1,900,672</u>	<u>10,310,899</u>	<u>833,002</u>	<u>14,908,071</u>	<u>766,092</u>
Noncurrent liabilities:						
Compensated absences	245,309	522,081	572,436	138,559	1,478,385	235,078
Net pension liability	1,448,689	3,622,122	4,443,559	1,210,083	10,724,453	2,360,056
Total OPEB liability	704,386	1,309,707	939,340	153,953	3,107,386	543,812
Lease payable	4,377	7,452	38,492	17,394	67,715	3,698
Bonds payable net of unamortized premium (discount)	-	3,791,125	38,675,992	1,020,000	43,487,117	-
Total noncurrent liabilities	<u>2,402,761</u>	<u>9,252,487</u>	<u>44,669,819</u>	<u>2,539,989</u>	<u>58,865,056</u>	<u>3,142,644</u>
Total liabilities	<u>4,266,259</u>	<u>11,153,159</u>	<u>54,980,718</u>	<u>3,372,991</u>	<u>73,773,127</u>	<u>3,908,736</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - Leases	486,759	757,049	-	-	1,243,808	-
Deferred inflows - pension	334,708	836,860	1,026,647	279,579	2,477,794	545,272
Deferred inflows - OPEB	180,483	354,192	288,233	53,392	876,300	177,775
Total deferred inflows of resources	<u>1,001,950</u>	<u>1,948,101</u>	<u>1,314,880</u>	<u>332,971</u>	<u>4,597,902</u>	<u>723,047</u>
NET POSITION						
Net investment in capital assets	77,552,774	9,352,017	114,924,517	12,362,474	230,070,844	1,530,525
Restricted for debt service	-	616,429	2,349,706	506,667	3,472,802	-
Restricted for capital projects	2,661,626	-	16,891,633	-	19,553,259	-
Unrestricted	5,919,901	9,194,003	23,004,692	6,957,162	29,196,696	3,289,507
Total net position	<u>86,134,301</u>	<u>19,162,449</u>	<u>157,170,548</u>	<u>19,826,303</u>	<u>282,293,601</u>	<u>4,820,032</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 91,402,510</u>	<u>\$ 32,263,709</u>	<u>\$ 213,466,146</u>	<u>\$ 23,532,265</u>	<u>\$ 360,664,630</u>	<u>\$ 9,451,815</u>

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

City of Killeen, Texas
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2023

	Business-Type Activities					Governmental
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
OPERATING REVENUES						
Charges for services	\$ 3,891,141	\$ 24,766,315	\$ 46,858,487	\$ 5,262,374	\$ 80,778,317	\$ 16,295,769
Miscellaneous	4,032	108,874	13,415	730	127,051	4,680
Total operating revenues	<u>3,895,173</u>	<u>24,875,189</u>	<u>46,871,902</u>	<u>5,263,104</u>	<u>80,905,368</u>	<u>16,300,449</u>
OPERATING EXPENSES						
Purchase of water	-	-	10,024,767	-	10,024,767	-
Sewage treatment	-	-	7,062,524	-	7,062,524	-
Salaries and employee benefits	2,498,066	6,577,021	7,332,914	1,943,229	18,351,230	3,986,798
Repairs and maintenance	422,719	1,237,910	745,448	192,509	2,598,586	1,575,341
Supplies	96,542	1,055,836	732,874	150,680	2,035,932	112,790
Miscellaneous services and charges	1,354,281	2,227,202	4,361,619	422,548	8,365,650	8,898,852
Refuse disposal costs	-	6,281,423	-	155,306	6,436,729	9,629
Depreciation	4,206,001	1,811,000	6,907,666	1,078,463	14,003,130	714,594
Total operating expenses	<u>8,577,609</u>	<u>19,190,392</u>	<u>37,167,812</u>	<u>3,942,735</u>	<u>68,878,548</u>	<u>15,298,004</u>
Operating income (loss)	<u>(4,682,436)</u>	<u>5,684,797</u>	<u>9,704,090</u>	<u>1,320,369</u>	<u>12,026,820</u>	<u>1,002,445</u>
NONOPERATING REVENUES						
(EXPENSES)						
Insurance recoveries	-	102,815	51,773	3,719	158,307	-
Gain on disposition of capital assets	34,350	15,550	8,000	4,700	62,600	-
Lease revenue	11,328	126,810	-	-	138,138	-
Intergovernmental	1,416,738	-	323,855	55,977	1,796,570	5,030
Investment earnings	229,923	370,618	1,414,099	258,917	2,273,557	134,055
Industrial development	-	-	(362,527)	-	(362,527)	-
Interest and fiscal charges	-	(96,690)	(1,006,204)	(47,018)	(1,149,912)	-
Total nonoperating revenues	<u>1,692,339</u>	<u>519,103</u>	<u>428,996</u>	<u>276,295</u>	<u>2,916,733</u>	<u>139,085</u>
(expenses)	<u>1,692,339</u>	<u>519,103</u>	<u>428,996</u>	<u>276,295</u>	<u>2,916,733</u>	<u>139,085</u>
Income (loss) before contributions and transfers	<u>(2,990,097)</u>	<u>6,203,900</u>	<u>10,133,086</u>	<u>1,596,664</u>	<u>14,943,553</u>	<u>1,141,530</u>
CONTRIBUTIONS AND TRANSFERS						
Capital contributions	9,276,652	-	2,683,533	1,604,734	13,564,919	-
Transfers in	-	500,000	225,347	-	725,347	-
Transfers out	-	(3,018,599)	(5,972,111)	(806,653)	(9,797,363)	-
Total contributions and transfers	<u>9,276,652</u>	<u>(2,518,599)</u>	<u>(3,063,231)</u>	<u>798,081</u>	<u>4,492,903</u>	<u>-</u>
Change in net position	6,286,555	3,685,301	7,069,855	2,394,745	19,436,456	1,141,530
Net position - beginning	79,847,746	15,477,148	150,100,693	17,431,558	262,857,145	3,678,502
Net position - ending	<u>\$ 86,134,301</u>	<u>\$ 19,162,449</u>	<u>\$ 157,170,548</u>	<u>\$ 19,826,303</u>	<u>\$ 282,293,601</u>	<u>\$ 4,820,032</u>

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

City of Killeen, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-Type Activities					Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 3,887,490	\$ 24,381,367	\$ 46,062,880	\$ 5,073,737	\$ 79,405,474	\$ 6,547
Payments to suppliers	(1,143,216)	(10,782,781)	(22,866,000)	(830,504)	(35,622,501)	(10,029,209)
Payments to employees	(2,219,457)	(6,297,270)	(7,313,336)	(1,912,072)	(17,742,135)	(3,793,815)
Payments for interfund services used	-	-	-	-	-	16,295,769
Net cash provided (used) by operating activities	<u>524,817</u>	<u>7,301,316</u>	<u>15,883,544</u>	<u>2,331,161</u>	<u>26,040,838</u>	<u>2,479,292</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Contributions/grants	1,416,738	-	-	-	1,416,738	-
Transfers in from other funds	-	500,000	225,347	-	725,347	-
Transfers out to other funds	-	(3,018,599)	(5,972,111)	(806,653)	(9,797,363)	-
Industrial development	-	-	(362,527)	-	(362,527)	-
Net cash provided (used) by noncapital financing activities	<u>1,416,738</u>	<u>(2,518,599)</u>	<u>(6,109,291)</u>	<u>(806,653)</u>	<u>(8,017,805)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions/grants	6,474,721	-	-	-	6,474,721	22,657
Purchase and construction of capital assets	(10,709,374)	(2,223,945)	(3,622,068)	(970,495)	(17,525,882)	(1,189,251)
Proceeds from sale of assets	34,350	15,550	8,000	4,700	62,600	-
Insurance recoveries	-	102,815	51,773	3,719	158,307	-
Lease revenue	-	126,810	-	-	126,810	-
Principal paid on long-term debt	-	(575,000)	(4,415,000)	(480,000)	(5,470,000)	-
Interest and fees paid on long-term debt	-	(121,660)	(844,861)	(50,761)	(1,017,282)	-
Net cash provided (used) by capital and related financing activities	<u>(4,200,303)</u>	<u>(2,675,430)</u>	<u>(8,822,156)</u>	<u>(1,492,837)</u>	<u>(17,190,726)</u>	<u>(1,166,594)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends on investments	229,923	370,618	1,414,099	258,917	2,273,557	134,055
Net cash provided by investing activities	<u>229,923</u>	<u>370,618</u>	<u>1,414,099</u>	<u>258,917</u>	<u>2,273,557</u>	<u>134,055</u>
Net increase (decrease) in cash and cash equivalents	(2,028,825)	2,477,905	2,366,196	290,588	3,105,864	1,446,754
Cash and cash equivalents, beginning of year	<u>10,020,834</u>	<u>9,495,281</u>	<u>42,765,859</u>	<u>7,619,532</u>	<u>69,901,506</u>	<u>4,401,865</u>
Cash and cash equivalents, end of year	<u><u>7,992,009</u></u>	<u><u>11,973,186</u></u>	<u><u>45,132,055</u></u>	<u><u>7,910,120</u></u>	<u><u>73,007,370</u></u>	<u><u>5,848,619</u></u>
Cash and cash equivalents	5,330,383	11,973,186	28,240,423	7,910,120	53,454,112	5,848,619
Cash and cash equivalents - restricted	2,661,626	-	16,891,632	-	19,553,258	-
Total	<u><u>\$ 7,992,009</u></u>	<u><u>\$ 11,973,186</u></u>	<u><u>\$ 45,132,055</u></u>	<u><u>\$ 7,910,120</u></u>	<u><u>\$ 73,007,370</u></u>	<u><u>\$ 5,848,619</u></u>

Exhibit A-9 (Continued)

City of Killeen, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities					Governmental Activities
	Airport Enterprise	Solid Waste Enterprise	Water and Sewer Enterprise	Drainage Utility Enterprise	Total Enterprise Funds	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ (4,682,436)	\$ 5,684,797	\$ 9,704,090	\$ 1,320,369	\$ 12,026,820	\$ 1,002,445
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation expense	4,206,001	1,811,000	6,907,666	1,078,463	14,003,130	714,594
Changes in assets and liabilities:						
Decrease (increase) in receivables	(9,419)	(493,323)	(956,626)	(189,367)	(1,648,735)	710
Decrease (increase) in inventories	17,230	-	(39,161)	-	(21,931)	(27,182)
Decrease (increase) in deferred outflows - pensions	(770,375)	(1,898,943)	(2,282,916)	(625,060)	(5,577,294)	(1,266,405)
Decrease (increase) in deferred outflows - OPEB	15,894	67,524	83,322	9,252	175,992	(64,996)
Increase (decrease) in payables	708,096	19,590	82,963	90,539	901,188	594,585
Increase (decrease) in customer deposits	5,000	-	17,430	-	22,430	-
Increase (decrease) in accrued salaries payable	2,157	7,147	5,934	(1,204)	14,034	6,276
Increase (decrease) in compensated absences	154,177	312,071	352,485	59,333	878,066	91,609
Increase (decrease) in unearned revenue	1,736	(499)	147,604	-	148,841	1,157
Increase (decrease) in net pension liability	890,664	2,162,397	2,542,115	700,266	6,295,442	1,477,991
Increase (decrease) in OPEB liability	42,398	(136,148)	(304,464)	(33,949)	(432,163)	10,412
Increase (decrease) in deferred inflows - pensions	(87,850)	(268,502)	(413,202)	(106,474)	(876,028)	(122,662)
Increase (decrease) in deferred inflows - OPEB	31,544	34,205	36,304	28,993	131,046	60,758
Total adjustments	<u>5,207,253</u>	<u>1,616,519</u>	<u>6,179,454</u>	<u>1,010,792</u>	<u>14,014,018</u>	<u>1,476,847</u>
Net cash provided (used) by operating activities	<u>\$ 524,817</u>	<u>\$ 7,301,316</u>	<u>\$ 15,883,544</u>	<u>\$ 2,331,161</u>	<u>\$ 26,040,838</u>	<u>\$ 2,479,292</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Contributions of capital assets	\$ -	\$ -	\$ 2,961,202	\$ 1,156,324	\$ 4,117,526	\$ -

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

Exhibit A-10

City of Killeen, Texas
Statement of Fiduciary Net Position
Employee Benefits Trust Fund
September 30, 2023

ASSETS	
Cash and cash equivalents	\$ 9,146
Accounts receivable	1,801
Total assets	10,947
 LIABILITIES AND NET POSITION	
Unearned revenue	10,306
Total liabilities	10,306
 NET POSITION	
Restricted for employee benefits	641
Total net position	641
Total liabilities and net position	\$ 10,947

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, 2023

ADDITIONS

Contributions:	
Employer	\$ 250,674
Employee	303,387
Retiree	63,395
COBRA	1,037
Total contributions	<u>618,493</u>
Total additions	<u>618,493</u>

DEDUCTIONS

Benefit payments	<u>620,212</u>
Total deductions	<u>620,212</u>
Change in net position	(1,719)
Net position - beginning of the year	2,360
Net position - end of the year	<u>\$ 641</u>

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

**TABLE OF
CONTENTS**

Notes to Financial Statements

I.	Summary of Significant Accounting Policies	51
	A. Description of Government-Wide Financial Statements.....	51
	B. Reporting Entity.....	51
	C. Blended Component Unit.....	51
	D. Discretely Presented Component Unit.....	51
	E. Basis of Presentation - Government-Wide and Fund Financial Statements.....	52
	F. Basis of Presentation - Fund Financial Statements.....	52
	G. Measurement Focus and Basis of Accounting.....	53
	H. Budgetary Information.....	54
	I. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance.....	54
	J. Pensions.....	57
	K. Other Postemployments Benefits.....	57
	L. Revenues and Expenditures/Expenses.....	58
II.	Stewardship, Compliance, and Accountability	59
	A. Deficit Fund Net Position.....	59
III.	Detailed Notes on All Funds	60
	A. Deposits.....	60
	B. Cash and Investments.....	60
	C. External Investment Pools.....	61
	D. Receivables.....	62
	E. Capital Assets.....	62
	F. Pension Obligations.....	66
	G. Postemployment Benefits other than Pensions.....	73
	H. Construction and Other Significant Commitments.....	78
	I. Risk Management.....	79
	J. Contingent Liabilities.....	79
	K. Long-Term Liabilities.....	80
	L. Fund Balance.....	84
	M. Inter-fund Receivables and Payables.....	84
	N. Inter-fund Transfers.....	84
	O. Discretely Presented Component Unit.....	85
IV.	Tax Abatements	86
V.	Restatement of Fund Balance/Net Position	87

I. Summary of Significant Accounting Policies

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

C. Blended Component Unit

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

On January 12, 2021, the City Council approved the creation of Killeen Public Facility Corporation (KPFC) for the purpose of assisting the City in providing a public facility in the form of a mixed income apartment complex. On January 20, 2021, the State issued to the KPFC the Certificate of Formation pursuant to the Public Facility Corporation Act, Chapter 303 of the Texas Local Government Code. The KPFC is a non-profit corporation with no part of any net earnings going to benefit any person but shall be for the City only. The KPFC has a "Governing Board" consisting of the City Mayor and the members of the City Council. On February 2, 2021, the KPFC board approved a resolution authorizing the purchase and lease of land and other related transactions to be executed to facilitate the development of the Killeen Apartments project (the "Project"). The Project encompasses 25.7 acres with the property being located at 1900 Veterans Memorial Drive in Killeen, Texas. The Project is intending to produce approximately 368 units of multifamily residential housing. The KPFC is a blended component unit of the City and does not issue its own 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 Council, and the members are also appointed by the City Council. There are three members nominated by and representing each of the following organizations: three from the City of

I. Summary of Significant Accounting Policies (Continued)

Killeen Mayor and City Council, three from the Greater Killeen Chamber of Commerce, and three from the Killeen Industrial Foundation. Advisory members may be appointed by the City Council as ex officio members of KEDC, but they are nonvoting members. KEDC has been included in the reporting entity as a discretely presented component unit of the City because the City appoints a voting majority of the board, provides approximately 60% of funding for the board, and maintains the ability to impose its will on the board. Complete financial statements for KEDC may be obtained at the entity's administrative offices, which are located at One Santa Fe Plaza, P.O. Box 548, Killeen, TX 76540.

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

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

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

F. Basis of Presentation - Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following proprietary funds:

Enterprise funds

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

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

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

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.

I. Summary of Significant Accounting Policies (Continued)

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

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

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

The City reports the following fiduciary fund:

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

Additionally, the City reports the following fund types:

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

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

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

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

G. Measurement Focus and Basis of Accounting

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

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

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

I. Summary of Significant Accounting Policies (Continued)

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

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

H. Budgetary Information

1) Budgetary Basis of Accounting

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

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

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

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

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

1) Cash and Equity in pooled cash and investments

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

Investments for the City are reported at cost or amortized cost. The City invests in public funds investment

I. Summary of Significant Accounting Policies (Continued)

pools that were created to function as money market mutual funds. Each of these public funds investment pools seeks to maintain a constant \$1.00 net asset value per share.

2) Inventories and Prepaid Items

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

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

3) Capital Assets

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

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

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

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

4) Subscription-Based Information Technology Arrangements

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

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

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

I. Summary of Significant Accounting Policies (Continued)

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

5) **Deferred Outflows/Inflows of Resources**

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

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

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

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

7) **Net Position Flow Assumption**

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

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

8) **Fund Balance Flow Assumptions**

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

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

I. Summary of Significant Accounting Policies (Continued)

9) Fund Balance Policies

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

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

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

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

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

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

J. Pensions

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

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

I. Summary of Significant Accounting Policies (Continued)

K. Other Postemployment Benefits

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

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

L. Revenues and Expenditures/Expenses

1) Program Revenues

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

2) Property Taxes

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

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

In accordance with Property Tax Code, the City sets tax rates on property within the City limits. However, if the tax rate, excluding tax rates for bonds and other contractual obligations, and adjusted for new improvements, exceeds the rate of the previous year by more than 3.5 percent; the taxing entity is required to hold an election so that the voters may accept or reject the proposed tax rate.

3) Compensated Absences

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

i. Vacation

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

ii. Sick Leave

All full-time employees, other than policemen and firemen, upon retirement only, will be reimbursed for accrued sick pay up to 720 hours. Policemen and firemen, upon resignation or retirement, will be reimbursed for accrued sick up to 720 and 1,080 hours, respectively. The liability for such leave is

I. Summary of Significant Accounting Policies (Continued)

reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

iii. Compensatory Leave

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

4) Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Net Position

At year end, the fleet services internal service fund has a deficit net position of \$156,731. 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, 2023, 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 14, 2023 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, 2023.

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, 2023, the City had the following cash and investments:

	<u>Value</u>	<u>Maturity (days)</u>	<u>Method</u>
Demand Accounts	\$ 11,792,689	1	Cost
Investment Pools	16,145,165	1	Amortized Cost
Money Market Accounts	21,531,406	1	Cost
US Treasury Obligations	64,752,114	25-578	Fair Value
US Agency Obligations	91,335,812	234-637	Fair Value
Commercial Paper	4,815,698	90-270	Fair Value
Certificates of Deposit	20,481,855	70-305	Cost
Total	<u>\$ 230,854,738</u>		
Weighted Average Maturity		301	

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

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

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

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

As of September 30, 2023 the securities to be priced in the City General Operating portfolio are:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
US Treasury Obligations	\$-	\$64,752,114	\$-	\$64,752,114
US Agency Obligations	\$-	\$91,335,812	\$-	\$91,335,812
Commercial Paper	\$-	\$4,815,698	\$-	\$4,815,698
Total Fair Value	\$-	\$160,903,624	\$-	\$160,903,624

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

1) Interest Rate Risk

Interest rate risk occurs when potential purchasers of debt securities do not agree to pay face value of those securities if interest rates rise. The allowed maturity of any individual investment owned by

the City shall not exceed five years at the time of purchase and pooled funds shall have a weighted maximum average dollar maturity of less than 90 days. Limiting investment maturities and purchasing government securities are the City's means for limiting exposure to fair value losses arising from interest rate fluctuations.

2) **Credit Risk**

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

3) **Concentration Risk**

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

4) **Custodial Credit Risk**

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

C. External Investment Pools

TexStar

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

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

D. Receivables

Receivables at September 30, 2023 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	\$12,755,083	\$(696,746)	\$12,058,337
Other Governmental Funds	1,427,877	-	1,427,877
Internal Service Funds	8,890	-	8,890
Airport	213,223	-	213,223
Solid Waste	3,218,366	(194,475)	3,023,891
Water and Sewer	6,637,536	(321,006)	6,316,530
Drainage Utility	747,220	(26,443)	720,777
Total	<u>\$25,008,195</u>	<u>\$(1,238,670)</u>	<u>\$23,769,526</u>
Employee Benefits Trust	<u>\$1,801</u>	<u>\$-</u>	<u>\$1,801</u>

The enterprise funds' accounts receivable include unbilled charges for services rendered at September 30, 2023.

E. Capital Assets

Capital assets activity for the year ended September 30, 2023, was as follows:

Governmental Activities:

	Balance 9/30/2022	Additions	Deletions	PY Adjustments	Balance 9/30/2023
Capital assets not being depreciated:					
Land	\$ 7,614,292	\$ 1,603,380	\$ -	\$ -	\$ 9,217,672
Construction in progress	38,947,885	6,446,444	(35,734,944)	-	9,659,385
Total capital assets not being depreciated	<u>46,562,177</u>	<u>8,049,824</u>	<u>(35,734,944)</u>	<u>-</u>	<u>18,877,057</u>
Capital assets, being depreciated:					
Buildings	108,745,275	54,208	-	-	108,799,483
Furniture and equipment	10,746,112	3,029,273	-	165,987	13,941,372
Vehicles	38,853,924	1,961,651	(1,125,757)	-	39,689,818
Infrastructure assets	191,049,440	39,502,676	-	-	230,552,116
Total capital assets being depreciated	<u>349,394,751</u>	<u>44,547,808</u>	<u>(1,125,757)</u>	<u>165,987</u>	<u>392,982,789</u>
Less accumulated depreciation for:					
Buildings	57,871,620	3,124,769	-	-	60,996,389
Furniture and equipment	7,996,576	1,477,155	-	15,619	9,489,350
Vehicles	28,260,435	3,105,853	(1,125,757)	-	30,240,531
Infrastructure assets	84,888,837	7,350,524	-	-	92,239,361
Total accumulated depreciation	<u>179,017,468</u>	<u>15,058,301</u>	<u>(1,125,757)</u>	<u>15,619</u>	<u>192,965,631</u>
Total capital assets being depreciated, net	<u>170,377,283</u>	<u>29,489,507</u>	<u>-</u>	<u>150,368</u>	<u>200,017,158</u>
Governmental activities capital assets, net	<u>\$ 216,939,460</u>	<u>\$ 37,539,331</u>	<u>\$ (35,734,944)</u>	<u>\$ 150,368</u>	<u>\$ 218,894,215</u>

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

Governmental activities:	
General government	\$ 5,231,547
Public safety	3,074,854
Public works	4,874,528
Recreation services	1,612,620
Community development	264,752
Total depreciation expense-governmental activities	<u>\$ 15,058,301</u>

Business-Type Activities: Airport

	Balance 9/30/2022	Additions	Deletions	Balance 9/30/2023
Capital assets not being depreciated:				
Land	\$ 1,319,003	\$ -	\$ -	\$ 1,319,003
Construction in progress	15,535,945	10,319,146	(10,863,667)	14,991,424
Total capital assets not being depreciated	16,854,948	10,319,146	(10,863,667)	16,310,427
Capital assets being depreciated:				
Buildings	2,029,182	27,478	-	2,056,660
Improvements other than buildings	102,126,020	-	-	102,126,020
Furniture and equipment	1,840,441	131,019	(177,046)	1,794,414
Vehicles	1,045,569	67,548	(21,983)	1,091,134
Infrastructure assets	5,101,417	11,027,850	-	16,129,267
Total capital assets being depreciated	112,142,629	11,253,895	(199,029)	123,197,495
Less accumulated depreciation for:				
Buildings	1,670,932	25,681	-	1,696,613
Improvements other than buildings	52,878,220	3,647,752	-	56,525,972
Furniture and equipment	1,277,670	204,131	(177,046)	1,304,755
Vehicles	1,022,646	26,747	(21,983)	1,027,410
Infrastructure assets	178,987	301,690	-	480,677
Total accumulated depreciation	57,028,455	4,206,001	(199,029)	61,035,427
Total capital assets being depreciated, net	55,114,174	7,047,894	-	62,162,068
Airport activities capital assets, net	\$ 71,969,122	\$ 17,367,040	\$ (10,863,667)	\$ 78,472,495

Business-Type Activities: Solid Waste

	Balance 9/30/2022	Additions	Deletions	Balance 9/30/2023
Capital assets not being depreciated:				
Land	\$ 72,165	\$ -	\$ -	\$ 72,165
Construction in progress	-	1,042,811	-	1,042,811
Total capital assets not being depreciated	72,165	1,042,811	-	1,114,976
Capital assets being depreciated:				
Buildings	12,331,977	16,890	-	12,348,867
Furniture and equipment	3,177,802	724,392	-	3,902,194
Vehicles	12,178,578	453,835	(158,571)	12,473,842
Infrastructure assets	1,764,850	-	-	1,764,850
Total capital assets being depreciated	29,453,207	1,195,117	(158,571)	30,489,753
Less accumulated depreciation for:				
Buildings	6,956,796	312,940	-	7,269,736
Furniture and equipment	1,445,900	577,915	-	2,023,815
Vehicles	7,704,522	832,346	(158,571)	8,378,297
Infrastructure assets	217,206	87,799	-	305,005
Total accumulated depreciation	16,324,424	1,811,000	(158,571)	17,976,853
Total capital assets being depreciated, net	13,128,783	(615,883)	-	12,512,900
Solid waste activities capital assets, net	\$ 13,200,948	\$ 426,928	\$ -	\$ 13,627,876

Business-Type Activities: Water and Sewer

	Balance 9/30/2022	Additions	Deletions	Balance 9/30/2023
Capital assets not being depreciated:				
Land	\$ 243,332	\$ -	\$ -	\$ 243,332
Construction in progress	11,814,025	2,907,500	(5,161,322)	9,560,203
Total capital assets not being depreciated	<u>12,057,357</u>	<u>2,907,500</u>	<u>(5,161,322)</u>	<u>9,803,535</u>
Capital assets being depreciated:				
Buildings	91,922,338	-	-	91,922,338
Improvements other than buildings	109,604,326	-	-	109,604,326
Furniture and equipment	1,586,492	528,278	(12,972)	2,101,798
Vehicles	5,345,252	-	(41,086)	5,304,166
Infrastructure assets	34,151,351	8,033,777	-	42,185,128
Total capital assets being depreciated	<u>242,609,759</u>	<u>8,562,055</u>	<u>(54,058)</u>	<u>251,117,756</u>
Less accumulated depreciation for:				
Buildings	41,777,984	1,850,633	-	43,628,617
Improvements other than buildings	42,244,389	2,794,381	-	45,038,770
Furniture and equipment	1,084,468	199,258	(12,972)	1,270,754
Vehicles	4,524,352	330,808	(41,086)	4,814,074
Infrastructure assets	6,187,954	1,732,586	-	7,920,540
Total accumulated depreciation	<u>95,819,147</u>	<u>6,907,666</u>	<u>(54,058)</u>	<u>102,672,755</u>
Total capital assets being depreciated, net	<u>146,790,612</u>	<u>1,654,389</u>	<u>-</u>	<u>148,445,001</u>
Water and sewer activities capital assets, net	<u>\$ 158,847,969</u>	<u>\$ 4,561,889</u>	<u>\$ (5,161,322)</u>	<u>\$ 158,248,536</u>

Business-Type Activities: Drainage Utility

	Balance 9/30/2022	Additions	Deletions	Balance 9/30/2023
Capital assets not being depreciated:				
Land	\$ 172,190	\$ -	\$ -	\$ 172,190
Construction in progress	489,563	1,031,268	(61,811)	1,459,020
Total capital assets not being depreciated	<u>661,753</u>	<u>1,031,268</u>	<u>(61,811)</u>	<u>1,631,210</u>
Capital assets being depreciated:				
Improvements other than buildings	8,382,438	-	-	8,382,438
Furniture and equipment	594,858	-	-	594,858
Vehicles	2,889,324	-	(22,887)	2,866,437
Infrastructure assets	8,810,184	1,666,545	-	10,476,729
Total capital assets being depreciated	<u>20,676,804</u>	<u>1,666,545</u>	<u>(22,887)</u>	<u>22,320,462</u>
Less accumulated depreciation for:				
Improvements other than buildings	4,704,051	444,006	-	5,148,057
Furniture and equipment	282,553	98,409	-	380,962
Vehicles	2,591,462	95,354	(22,887)	2,663,929
Infrastructure assets	1,326,869	440,694	-	1,767,563
Total accumulated depreciation	<u>8,904,935</u>	<u>1,078,463</u>	<u>(22,887)</u>	<u>9,960,511</u>
Total capital assets being depreciated, net	<u>11,771,869</u>	<u>588,082</u>	<u>-</u>	<u>12,359,951</u>
Drainage utility activities capital assets, net	<u>\$ 12,433,622</u>	<u>\$ 1,619,350</u>	<u>\$ (61,811)</u>	<u>\$ 13,991,161</u>

Business-Type Activities: Total

	Balance 9/30/2022	Additions	Deletions	Balance 9/30/2023
Capital assets not being depreciated:				
Land	\$ 1,806,690	\$ -	\$ -	\$ 1,806,690
Construction in progress	27,839,533	15,300,725	(16,086,800)	27,053,458
Total capital assets not being depreciated	<u>29,646,223</u>	<u>15,300,725</u>	<u>(16,086,800)</u>	<u>28,860,148</u>
Capital assets being depreciated:				
Buildings	106,283,497	44,368	-	106,327,865
Improvements other than buildings	220,112,784	-	-	220,112,784
Furniture and equipment	7,199,593	1,383,689	(190,018)	8,393,264
Vehicles	21,458,723	521,383	(244,527)	21,735,579
Infrastructure assets	49,827,802	20,728,172	-	70,555,974
Total capital assets being depreciated	<u>404,882,399</u>	<u>22,677,612</u>	<u>(434,545)</u>	<u>427,125,466</u>
Less accumulated depreciation for:				
Buildings	50,405,712	2,189,254	-	52,594,966
Improvements other than buildings	99,826,660	6,886,139	-	106,712,799
Furniture and equipment	4,090,591	1,079,713	(190,018)	4,980,286
Vehicles	15,842,982	1,285,255	(244,527)	16,883,710
Infrastructure assets	7,911,016	2,562,769	-	10,473,785
Total accumulated depreciation	<u>178,076,961</u>	<u>14,003,130</u>	<u>(434,545)</u>	<u>191,645,546</u>
Total capital assets being depreciated, net	<u>226,805,438</u>	<u>8,674,482</u>	<u>-</u>	<u>235,479,920</u>
Business-type activities capital assets, net	<u>\$ 256,451,661</u>	<u>\$ 23,975,207</u>	<u>\$ (16,086,800)</u>	<u>\$ 264,340,068</u>

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

Business-type activities:	
Airport	\$ 4,206,001
Solid Waste	1,811,000
Water and Sewer	6,907,666
Drainage	1,078,463
Total depreciation expense-business-type activities	<u>\$ 14,003,130</u>

III. Detailed Notes on All Funds (Continued)

F. Pension Obligations

1) Texas Municipal Retirement System

i. Plan Description

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

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

ii. Benefits Provided

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

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

Plan provisions for the City are as follows:

	<u>2023</u>	<u>2022</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

iii. Employees Covered by Benefit Terms

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

	Plan Year 2022
Inactive employees or beneficiaries currently receiving benefits	664
Inactive employees entitled to, but not yet receiving, benefits	684
Active employees	959
Total	<u>2,307</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.

III. Detailed Notes on All Funds (Continued)

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.99% and 14.70% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$8,288,136 and were equal to the required contributions.

v. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

a) Actuarial Assumptions

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
Total	100.0%	

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	\$ 7,940,231	\$ -	\$ 7,940,231
Interest	15,756,211	-	15,756,211
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,186,492	-	1,186,492
Changes in assumptions	-	-	-
Contributions - employer	-	8,126,202	(8,126,202)
Contributions - employee	-	3,851,810	(3,851,810)
Net investment income	-	(15,914,704)	15,914,704
Benefit payments, including refunds of employee contributions	(13,335,667)	(13,335,667)	-
Administrative expense	-	(137,865)	137,865
Other changes	-	164,514	(164,514)
Net Changes	11,547,267	(17,245,710)	28,792,977
Balance at December 31, 2021	<u>236,123,067</u>	<u>218,255,452</u>	<u>17,867,615</u>
Balance at December 31, 2022	<u>\$ 247,670,334</u>	<u>\$ 201,009,742</u>	<u>\$ 46,660,592</u>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	<u>\$ 80,055,062</u>	<u>\$ 46,660,592</u>	<u>\$ 19,144,585</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.tmr.com.

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

For the year ended September 30, 2023, the City recognized pension expense of \$9,472,898. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 1,410,816	\$ 39,638
Changes in actuarial assumptions	105,476	-
Difference between projected and actual investment earnings	24,517,557	10,740,896
Contributions subsequent to the measurement date	6,358,631	-
Total	<u>\$ 32,392,480</u>	<u>\$ 10,780,534</u>

III. Detailed Notes on All Funds (Continued)

\$6,358,631 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, 2024. 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
2024	\$ 1,325,819
2025	3,879,829
2026	3,918,280
2027	6,129,387
Total	\$ 15,253,315

2) Deferred Compensation Fund

i. Plan Description

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

The Plans, available to all permanent City employees, permit them to defer until future years up to 100% of annual gross earnings not to exceed \$22,500. 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 10766 GFM 1097 West, Willis, Texas 77318. See that report for all information about the plan fiduciary net position.

ii. Benefits Provided

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

A retiring firefighter who is at least 3.5 years beyond first becoming eligible for service retirement has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and highest 60-monthly average salary as if he had terminated employment on his selected RETRO DROP benefit calculation date, which is no earlier than the later of the date which

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, 2023 actuarial valuation, the following numbers of members were covered by the Fund:

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

iv. Funding Policy

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

The funding policy of the Fund requires contributions equal to 12% of pay by the firefighters, the rate effective October 1, 2023 as elected by the firefighters according to TLFFRA. Before that the firefighters contributed 11% of pay. The City had contributed 13% of pay for each active firefighter for a number of years, including through September 30, 2020. Effective October 1, 2020, the City began contributing 15% of pay for each active firefighter. The September 30, 2023, actuarial valuation includes the assumption that the City contribution rate will be 15% and the firefighter contribution rate of 12% 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, 2023, the money-weighted rate of return was -14.78%. 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, 2022 and the TPL used to calculate the NPL was determined by an actuarial valuation as of September 30, 2023.

Total pension liability	\$ 86,635,375
Plan fiduciary net position	<u>53,899,683</u>
City’s net pension liability	<u><u>\$ 32,735,692</u></u>
Plan fiduciary net position as a percentage of the total pension liability	62.2%

III. Detailed Notes on All Funds (Continued)

a) Actuarial Assumptions

The TPL in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Large cap domestic	28.0%	6.18%
Small/mid cap domestic	10.0	6.78
International developed	15.0	6.42
Fixed Income		
Domestic core	18.5	1.95
Direct lending	2.5	1.53
Global	5.0	1.63
Bank Loan	3.0	2.16
Alternatives		
Tactical strategies	2.5	6.63
Real estate	7.5	3.74
Balanced fund	6.0	3.35
Cash	2.0	0.00
Total	100.00%	
Weighted Average		4.49%

b) Discount Rate

The discount rate used to measure the TPL was 7.25%. No projection of cash flows was used to determine the discount rate because the September 30, 2023 actuarial valuation showed that expected contributions would pay the normal cost and amortize the UAAL in 21 years. Because of the 21-year amortization period of the UAAL, the Fund's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on Fund investments of 7.25% was applied to all periods of projected benefit payments as the discount rate to determine the TPL.

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
City's Net Pension Liability	\$45,969,140	\$32,735,692	\$21,903,258

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	\$ 2,536,394	\$ -	\$ 2,536,394
Interest	5,607,259	-	5,607,259
Difference between expected and actual experience	5,456,813	-	5,456,813
Change of benefit terms	(1,770,164)	-	(1,770,164)
Changes to assumptions	1,550,316	-	1,550,316
Contributions – employer	-	2,800,619	(2,800,619)
Contributions – employee	-	2,053,786	(2,053,786)
Net investment income	-	(9,208,892)	9,208,892
Benefit payments, including refunds of employee contributions	(3,100,716)	(3,100,716)	-
Administrative expense	-	(133,671)	133,671
Assumption changes	-	-	-
Net changes	10,279,902	(7,588,874)	17,868,776
Balance as of September 30, 2022	76,355,473	61,488,557	14,866,916
Balance as of September 30, 2023	\$ 86,635,375	\$ 53,899,683	\$ 32,735,692

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

For the year ended September 30, 2023, the City's GASB 68 pension expense was \$2,350,420. 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	\$ 11,380,990	\$ 4,101,541
Changes in actuarial assumptions	4,214,731	87,769
Difference between projected and actual investment earnings	4,931,614	1,512,581
Contributions subsequent to the measurement date	2,931,818	-
Total	\$ 23,459,153	\$ 5,701,891

III. Detailed Notes on All Funds (Continued)

\$2,931,818 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, 2024. 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
2024	\$ 2,508,978
2025	2,108,420
2026	2,293,363
2027	3,489,265
2028	871,029
Thereafter	3,554,389
Total	\$ 14,825,444

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

The City recognized aggregate total pension expense/expenditures of \$11,823,318 and aggregate net pension liability of \$79,396,284 during the fiscal year ending September 30, 2023 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, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	570
Inactive employees entitled to, but not yet receiving, benefits	220
Active employees	959
	<u>1,749</u>

III. Detailed Notes on All Funds (Continued)

iii. Total OPEB Liability

The City's total OPEB liability of \$2,978,952 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

iv. Actuarial Assumptions and Other Inputs

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

Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Discount rate	4.05%*
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 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.

*The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 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

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 225,606
Interest	81,971
Difference between expected and actual experience	9,027
Changes of assumptions	(1,644,018)
Benefit payments*	(71,534)
	Net Changes (1,398,948)
Beginning balance	4,377,900
	Ending Balance \$ 2,978,952

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

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

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

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

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's Total OPEB Liability	<u>\$3,601,919</u>	<u>\$2,978,952</u>	<u>\$2,498,704</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, 2023, the City recognized OPEB expense of \$497,972. 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	\$ 17,581	\$ 114,948
Changes in actuarial assumptions	505,081	1,338,030
Contributions subsequent to the measurement date	61,949	-
Total	<u>\$ 584,611</u>	<u>\$ 1,452,978</u>

\$61,949 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, 2024.

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>
2024	\$ (159,165)
2025	(172,340)
2026	(295,807)
2027	(303,004)
Total	<u>\$ (930,316)</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, 2021 is summarized below:

Actives	1,149
Retirees	87
Spouses of Retirees	37
Total	<u>1,273</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 \$10,950,649 was measured as of September 30, 2023 and was determined by an actuarial valuation as of October 1, 2021.

III. Detailed Notes on All Funds (Continued)

iv. Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary increases	3.00%
Discount rate	4.09%
Actuarial cost method	Entry Age Normal
Mortality	TMRS Retirees: Pub-2010 Safety Male and General Female Table projected using Scale MP-2021. Firefighter Retirees: Pub-2010 Safety Below Median Table projected using Scale MP-2021.
Healthcare trend rates	The trend assumptions have changed from the prior valuation due to updates in the trend model. The "Getzen Model" is based on the Society of Actuaries' (SOA) published report on long-term medical trend.
Participation rates	20% of TMRS members and 50% of Firefighter members are assumed to elect retiree medical coverage upon retirement. For future retirees it is assumed that husbands are three years older than their wives and that 15% of TMRS members and 30% of Firefighter members making it to retirement are assumed to be married and elect spouse coverage.

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

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

v. Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 508,067
Interest	433,202
Difference between expected and actual experience	-
Changes of assumptions	(82,408)
Benefit payments	(349,174)
	Net Changes
	509,687
Beginning balance	10,440,962
	Ending Balance
	<u>\$ 10,950,649</u>

Changes of assumptions reflect a change in the discount rate from 4.02% as of September 30, 2022 to 4.09% as of September 30, 2023.

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 4.09%, as well as what the Healthcare Plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (3.09%)	Discount Rate (4.09%)	1% Increase in Discount Rate (5.09%)
City's Total OPEB Liability	<u>\$12,197,065</u>	<u>\$10,950,649</u>	<u>\$9,848,028</u>

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:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's Total OPEB Liability	<u>\$9,443,484</u>	<u>\$10,950,649</u>	<u>\$12,787,847</u>

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$783,566.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 858,694	\$ 217,346
Changes in actuarial assumptions	735,240	2,237,216
Total	<u>\$ 1,593,934</u>	<u>\$ 2,454,562</u>

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

Fiscal Year Ended September 30	OPEB Expense Amount
2024	\$ 157,703
2025	157,703
2026	157,703
2027	10,813
2028	120,246
Thereafter	256,460
Total	<u>\$ 860,628</u>

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

The City recognized aggregate total OPEB expense/expenditures of \$958,830 and aggregate total OPEB liability of \$13,929,601 during the fiscal year ending September 30, 2023 related to the City's TMRS and City-administered OPEB plans.

III. Detailed Notes on All Funds (Continued)

H. Construction and Other Significant Commitments

The City has active construction projects as of September 30, 2023. At year end, the City's construction commitments for governmental activities are as follows:

Project Title	Expended to Date	Remaining Commitment
Fleet Services Facility	\$ -	\$ 18,000,000
Emergency/Fire Operations Center	731,520	11,168,626
Bunny Trail Street Reconstruction	965,044	8,500,347
Senior Center	897,386	7,181,806
Fleet Replacement Gov't CIP	2,702,029	6,071,349
Fire Station 4 - New Build	360,458	5,388,733
New Ambulance	213,539	4,804,173
Gilmer Street Reconstruction	472,111	4,550,960
Park Development	-	4,500,000
Watercrest Road Street Reconstruction	824,725	4,369,142
Willow Springs Street Reconstruction	400,328	3,802,154
Evidence Storage Building	-	3,040,000
Skylark Fixed Based Operations Building	-	2,700,000
ERP Software Upgrade	259	2,399,741
Chaparral Rd Widening	769,305	2,230,694
Homeless Shelter	-	2,000,000
Grounds Maintenance Facility	-	2,000,000
Parking Lot Expansion for Police Headquarters	-	1,380,000
Police Records Management System (RMS)	132,459	1,267,540
ADA Compliance	1,007,465	1,230,373
Street Lighting Project	311,195	1,119,804
Total	\$ 9,787,823	\$ 97,705,442

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

Project Title	Expended to Date	Remaining Commitment
SWS - Chaparral Pump Station	\$ 374,416	\$ 8,401,483
Sewer Line Rehabilitation - Phase 1-5	405,379	5,843,799
Airport Aircraft Hangar #2	1,168,259	5,318,070
WCID Generator	-	5,000,000
GRK ATP Solar Project	5,022	4,994,978
Chaparral Rd Wastewater Improvements	72,419	2,764,865
Fleet Replacement Solid Waste CIP	772,409	2,600,805
Water Meter Replacement	889,975	2,459,646
Airport Taxiway B Rehab	8,708,480	2,344,830
24-Inch Hwy 195 Waterline	286,139	2,338,794
GRK ATP Solar Project	-	2,048,252
Pump Station No. 2 Rehabilitation	89,954	1,610,039
Lift Station No. 6 Rehabilitation	313,485	1,489,105
I-14 / Trimmer & WS Young Drainage Imp	-	952,825
Hwy 195 Ground Storage Tank	234,282	948,975
Total	\$ 13,320,218	\$ 49,116,466

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

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

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

III. Detailed Notes on All Funds (Continued)

The City, along with other participating entities, entered into an agreement with Bell County Water Control Improvement District No. 1 (“WCID No. 1”) to enable WCID No. 1 to build a \$50 million water treatment plant that will supplement the City’s water needs through 2050. The treatment plant was completed on July 28, 2021. Going through the start-up steps with the treatment processes revealed the plant will work better than expected in both quality and quantity. We are seeking a 17 million gallon per day rating but were able to achieve 22 million gallons per day while maintaining excellent quality. WCID No. 1 bills for water purchased at rates that are reviewed and adjusted periodically. The rates are determined by amounts necessary to retire WCID No. 1 debt and cover maintenance and operating expenses. During the fiscal year ended September 30, 2023, the City purchased 6.0 billion gallons of water (51 million used for City’s facilities) for a total charge of \$4,704,071 from WCID No. 1. In addition, it paid WCID No. 1 \$3,664,319 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 \$51 million at September 30, 2023. Normal maintenance and operational costs will vary by year and are allocated to the City based on its proportional share of the plant.

WCID #1 was selected for Defense Economic Adjustment Assistance Grant (DEAAG) funding of \$5 million by the Texas Military Preparedness Commission. The project will construct backup power (10MW- natural gas generators) to provide energy resiliency for Water Control and Improvement District #1 (WCID-1)’s water treatment plant located on Belton Lake. This plant produces drinking water for Central Texas and is the sole source for Fort Cavazos. The matching portion of the project is being funded with a debt issue to be paid by the participating entities. The debt was issued in August 2022 and is included in the debt service requirements listed above.

I. Risk Management

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

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

J. Contingent Liabilities

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

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

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

III. Detailed Notes on All Funds (Continued)

K. Long-Term Liabilities

The governmental activities compensated absences, net pension liability, and total OPEB liability are generally liquidated by the general fund. A summary of long-term debt transactions, including current portions, for the year ended September 30, 2023 is as follows:

Governmental Activities

	September 30, 2022	Additions	Deletions	September 30, 2023	Due Within One Year
General obligation bonds	\$ 138,060,000	\$ 5,000,000	\$ (12,435,000)	\$ 130,625,000	\$ 12,420,000
Tax/revenue certificates of obligation	22,960,000	30,450,000	(1,425,000)	51,985,000	1,280,000
Unamortized bond premiums/(discounts)	11,479,195	1,928,561	(1,526,446)	11,881,310	-
Total bonds payable	<u>172,499,195</u>	<u>37,378,561</u>	<u>(15,386,446)</u>	<u>194,491,310</u>	<u>13,700,000</u>
Leases	224,915	105,125	(37,703)	292,337	99,194
Compensated absences	12,287,569	5,983,161	(4,801,296)	13,469,434	1,346,944
Total OPEB liability					
Supplemental Death Benefits Fund	3,367,528	-	(1,077,414)	2,290,114	-
Postemployment Healthcare Plan	7,911,784	620,317	-	8,532,101	-
Net pension liability					
Texas Municipal Retirement System	13,438,604	22,497,536	-	35,936,139	-
Firefighter's Relief and Retirement Fund	14,866,916	17,868,776	-	32,735,692	-
Governmental activities long-term debt	<u>\$ 224,596,511</u>	<u>\$ 84,453,476</u>	<u>\$ (21,302,859)</u>	<u>\$ 287,747,126</u>	<u>\$ 15,146,138</u>

Business-Type Activities

	September 30, 2022	Additions	Deletions	September 30, 2023	Due Within One Year
Revenue bonds	\$ 44,360,000	-	\$ (4,415,000)	\$ 39,945,000	\$ 4,515,000
General obligation bonds	6,890,000	-	(1,055,000)	5,835,000	1,105,000
Unamortized bond premiums/(discounts)	3,674,273	-	(347,156)	3,327,117	-
Total bonds payable	<u>54,924,273</u>	<u>-</u>	<u>(5,817,156)</u>	<u>49,107,117</u>	<u>5,620,000</u>
Leases	209,294	58,905	(81,804)	186,395	118,680
Compensated absences	764,584	1,883,241	(1,005,175)	1,642,650	164,265
Total OPEB liability					
Supplemental Death Benefit Funds	1,010,372	-	(321,534)	688,838	-
Postemployment Healthcare Plan	2,529,178	-	(110,630)	2,418,548	-
Net pension liability					
Texas Municipal Retirement System	4,429,011	6,295,442	-	10,724,453	-
Business-type activities long-term debt	<u>\$ 63,866,712</u>	<u>\$ 8,237,588</u>	<u>\$ (7,336,299)</u>	<u>\$ 64,768,001</u>	<u>\$ 5,902,945</u>

III. Detailed Notes on All Funds (Continued)

Long-term debt at September 30, 2023 is comprised of the following:

Governmental Activities

	<u>Interest Rates to Maturity (%)</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Outstanding</u>
General Obligation Bonds:					
2014 Refunding	2.00-5.00	2014	2034	\$ 11,620,000	\$ 615,000
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	31,440,000
2016 Refunding HOT	4.00-5.00	2016	2031	735,000	735,000
2017 Refunding	2.00-5.00	2017	2036	30,625,000	24,070,000
2017 Refunding HOT	2.00-5.00	2017	2030	2,830,000	2,075,000
2020 Limited Tax Note	1.27-1.57	2020	2027	4,910,000	2,860,000
2020 Refunding	2.00-5.00	2020	2026	8,145,000	1,605,000
2020 Refunding Taxable	0.40-2.42	2020	2039	56,680,000	53,210,000
2020 Refunding HOT	2.00-5.00	2020	2030	1,865,000	1,070,000
2022 Limited Tax Note	3.00-4.00	2022	2029	5,000,000	4,305,000
Total General Obligation Bonds				<u>165,765,000</u>	<u>130,625,000</u>
Tax/Revenue Certificates of Obligation:					
2012 Various Purpose and Refunding	2.00-3.00	2012	2032	6,765,000	-
2014 Various Purpose	2.00-5.00	2014	2039	13,060,000	950,000
2022 Combination Tax & Revenue CO's	3.00-4.00	2022	2041	21,630,000	20,585,000
2023 Combination Tax & Revenue CO's	4.00-5.00	2023	2043	30,450,000	30,450,000
Total Tax/Revenue Certificates of Obligation				<u>71,905,000</u>	<u>51,985,000</u>
Total Governmental Activities				<u>\$ 237,670,000</u>	<u>\$ 182,610,000</u>

Business-Type Activities

	<u>Interest Rates to Maturity (%)</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Outstanding</u>
Revenue Bonds:					
2019 Refunding	2.00-5.00	2013	2027	7,663,441	4,705,000
2020 Refunding and Improvement	2.00-5.00	2020	2040	22,775,000	18,425,000
2020A Refunding	0.35-2.17	2020	2040	20,030,000	16,815,000
Total Revenue Bonds				<u>50,468,441</u>	<u>39,945,000</u>
General Obligation Bonds:					
2015 Refunding	3.00-4.00	2015	2027	300,000	300,000
2016 Refunding	3.00-5.00	2017	2029	845,000	460,000
2020A Refunding	0.40-2.42	2020	2030	5,385,000	5,075,000
Total General Obligation Bonds				<u>6,530,000</u>	<u>5,835,000</u>
Total Business-Type Activities				<u>\$ 56,998,441</u>	<u>\$ 45,780,000</u>

III. Detailed Notes on All Funds (Continued)

General Obligation Bonds

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

Fiscal Year Ending September 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 12,420,000	\$ 3,909,991	\$ 1,105,000	\$ 92,629
2025	12,750,000	3,625,103	1,125,000	79,129
2026	13,600,000	3,280,814	1,140,000	64,489
2027	12,945,000	2,912,056	630,000	47,705
2028	12,590,000	2,542,664	650,000	35,435
2029-2033	50,310,000	7,387,131	1,185,000	31,334
2034-2038	15,515,000	1,088,625	-	-
2039-2040	495,000	11,974	-	-
Total	<u>\$ 130,625,000</u>	<u>\$ 24,758,358</u>	<u>\$ 5,835,000</u>	<u>\$ 350,721</u>

Revenue Bonds

The City also issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. These revenue bonds constitute special obligations of the City solely secured by a lien and a pledge of the net revenues of the water and sewer system established by the bond ordinances and covenants. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amount and certain financial ratios are met. Management of the City believes that it is in compliance with all significant requirements as of September 30, 2023. Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending September 30	Business-Type Activities	
	Principal	Interest
2024	4,515,000	1,134,480
2025	3,860,000	1,001,057
2026	3,915,000	929,341
2027	3,945,000	847,795
2028	2,220,000	730,949
2029-2033	12,135,000	2,615,018
2034-2038	6,470,000	1,065,550
2039-2040	2,885,000	130,500
Total	<u>\$ 39,945,000</u>	<u>\$ 8,454,690</u>

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

Tax and Revenue Certificates of Obligation

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

Fiscal Year Ending September 30	Governmental Activities	
	Principal	Interest
2024	\$ 1,280,000	\$ 2,139,139
2025	1,635,000	2,091,800
2026	1,200,000	2,023,400
2027	2,090,000	1,972,250
2028	2,180,000	1,876,950
2029-2033	12,530,000	7,773,600
2034-2038	15,495,000	4,793,350
2039-2043	15,575,000	1,647,150
Total	<u>\$ 51,985,000</u>	<u>\$ 24,317,639</u>

The City issued \$30,450,000 of Combination Tax and Revenue Certificates of Obligation, Series 2023 on August 2, 2023. The interest rate on the bond ranges from 4.00% to 5.00%. The CO Bond is scheduled to mature on August 1, 2043. Proceeds from the sale of the Certificates will be used for the purpose of constructing, reconstructing, improving, repairing, and/or upgrading a new fleet services facility for various City departments and parks, including new park improvements and a parks maintenance facility; public safety facilities and equipment, including an evidence storage facility and related parking facilities; the City airport, including a new Skylark Fixed Base Operator building; and, payment of professional services in connection therewith including legal, engineering, architectural and fiscal fees and the costs of issuing the Certificates.

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

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

GASB Statement No. 87 - Leases

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

Fiscal Year Ending Sept. 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 99,194	\$ 14,197	\$ 113,391	\$ 35,962	\$ 4,942	\$ 40,904
2025	100,691	11,671	112,362	23,893	2,366	26,259
2026	38,902	3,333	42,235	9,763	917	10,680
2027	9,221	166	9,387	1,752	28	1,780
Total	<u>\$ 248,008</u>	<u>\$ 29,367</u>	<u>\$ 277,375</u>	<u>\$ 71,370</u>	<u>\$ 8,253</u>	<u>\$ 79,623</u>

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

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

Fiscal Year Ending Sept. 30	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 158,836	\$ 9,737	\$ 168,573
2025	78,210	4,954	83,164
2026	35,435	2,381	37,816
2027	36,606	1,210	37,816
Total	<u>\$ 309,088</u>	<u>\$ 18,281</u>	<u>\$ 327,369</u>

During the fiscal year, the City of Killeen entered into subscription assets for the use of software ranging from 2-5 years. An initial subscription liability was recorded in the amount of \$773,494. As of September 30, 2023, the value of the subscription liability is \$309,088. The City of Killeen is required to make annual fixed payments between \$5,000 and \$180,000. The subscriptions have an interest rates between 3.144% and 3.3050%.

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, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental funds	\$ 359,943

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, 2023 is as follows:

	Transfers In				Total Funds
	General	Capital Projects	Solid Waste	Water and Sewer	
Transfers Out:					
General Fund	\$ -	\$ 13,092,485	\$ 500,000	\$ 56,337	\$ 13,648,822
Solid Waste Fund	2,962,262	-	-	56,337	3,018,599
Water and Sewer Fund	5,972,111	-	-	-	5,972,111
Drainage Fund	693,980	-	-	112,673	806,653
Total Transfers	<u>\$ 9,628,353</u>	<u>\$ 13,092,485</u>	<u>\$ 500,000</u>	<u>\$ 225,347</u>	<u>\$ 23,446,185</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, 2023, the City made the following one-time transfers:

- \$13,092,485 was transferred from the general to the capital improvement projects fund - for new fleet and replacement fleet.
- \$500,000 was transferred from the general fund to solid waste fund phase 2 of 4 of transition mowing from solid waste to general fund.
- \$56,337 transferred from general fund, the same amount transferred from solid waste and \$112,673 from drainage fund to water and sewer for proportionate share of engineering.

III. Detailed Notes on All Funds (Continued)

O. Discretely Presented Component Unit

Capital asset activity for the KEDC for the year ended September 30, 2023 was as follows:

	Balance 9/30/2022	Additions	Deletions	Balance 9/30/2023
Capital assets not being depreciated:				
Land				
KEDC - owned	\$ 55,056	\$ -	\$ 10,100	\$ 44,956
Industrial Park	1,583,949	-	1,053,028	530,921
Convergys	110,000	750	-	110,750
First National Bank	90,303	-	-	90,303
Total capital assets not being depreciated	<u>1,839,308</u>	<u>750</u>	<u>1,063,128</u>	<u>776,930</u>
Capital assets being depreciated:				
Buildings				
Presidium	3,856,237	7,736	-	3,863,973
First National Bank/Raytheon	1,996,402	-	-	1,996,402
Enterprise Cul-de-sac	100,000	-	-	100,000
Entrance Sign	31,382	-	-	31,382
Total capital assets being depreciated	<u>5,984,021</u>	<u>7,736</u>	<u>-</u>	<u>5,991,757</u>
Less accumulated depreciation for:				
Buildings	3,670,309	218,086	-	3,888,395
Total accumulated depreciation	<u>3,670,309</u>	<u>218,086</u>	<u>-</u>	<u>3,888,395</u>
Total capital assets being depreciated, net	<u>2,313,712</u>	<u>(210,350)</u>	<u>-</u>	<u>2,103,362</u>
KEDC capital assets, net	<u>\$ 4,153,020</u>	<u>\$ (209,600)</u>	<u>\$ 1,063,128</u>	<u>\$ 2,880,292</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.

On November 15, 2023, City Council approved an economic development incentive agreement with Dongjin Semichem Texas, Inc. (Dongjin). Dongjin agrees to make a capital investment of at least \$70 million on the site in the Killeen Business Park within two years of closing, with at least \$1.5 million devoted to acquisition costs for the site, \$30 million devoted to construction of the facilities, and \$38.5 million devoted to acquisition and installation of furniture, fixtures and equipment at the site (to include external tanks and state-of-the-art processing equipment); create at least 17 new full-time jobs by the first anniversary of commencement of operations and maintain those jobs until the 10th anniversary of commencement of operations; for at least 10 years following commencement of operations, to pay an annual average salary of at least \$50,000 to the workers employed at the facilities; by the first anniversary of commencement of operations to establish taxable inventories of at least \$4 million at the site as show in the records of Bell County Tax Appraisal District, and to maintain at least such value until the 10th anniversary of commencement of operations. Upon confirmation of compliance with the agreement, the City agrees to reimburse Dongjin an amount equal to 25 percent (25%) of personal property taxes paid in connection with the site for up to ten (10) years upon timely request each year, not to exceed \$435,999 in total.

V. Restatement of Fund Balance/Net Position

The City has restated the beginning net position to record the following:

- GASB87 took effect in the fiscal year 2022. The restatement provided below will ensure that the balance sheet accurately reflects the balances related to leases.
- In fiscal year 2022, an error led to the overstatement of the Killeen Economic Development Corporation's long-term liabilities.

	Governmental Activities	Killeen Economic Development Corp.
Beginning net position, as reported	\$ 101,449,536	\$ 8,469,099
Furniture and equipment	165,986	-
Furniture and equipment ccumulated depreciation	(15,619)	-
Lease Payable	(104,398)	-
Long-term debt - Note	-	26,058
Beginning fund balance/net position, restated	<u>\$ 101,495,505</u>	<u>\$ 8,495,157</u>



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 Nine Measurement Years)

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
1. Total Pension Liability									
a. Service cost	\$ 7,940,231	\$ 7,341,250	\$ 8,100,309	\$ 7,920,676	\$ 7,395,445	\$ 6,507,586	\$ 6,829,331	\$ 7,756,102	\$ 7,127,298
b. Interest	15,756,211	15,041,103	16,921,640	16,036,469	15,374,857	11,862,841	11,923,879	13,747,572	12,950,074
d. Change in benefit terms including substantially automatic status	-	(41,259,695)	(376,680)	-	44,788,665	(8,113,387)	(31,349,348)	-	-
e. Differences between expected and actual experience	1,186,492	752,579	705,380	(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	(13,335,667)	(12,344,780)	(11,551,062)	(11,289,976)	(9,514,886)	(10,103,133)	(8,772,730)	(7,570,788)	(6,864,254)
h. Net Change in Total Pension Liability	11,547,267	(30,469,543)	13,799,587	13,531,051	55,215,250	(1,610,235)	(23,314,153)	12,669,885	11,431,695
i. Total Pension Liability - Beginning	236,123,067	266,592,610	252,793,023	239,261,972	184,046,722	185,656,957	208,971,110	196,301,225	184,869,530
j. Total Pension Liability - Ending	<u>247,670,334</u>	<u>236,123,067</u>	<u>266,592,610</u>	<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>
2. Plan Fiduciary Net Position									
a. Contributions - employer	8,126,202	7,341,292	5,659,874	5,103,810	4,252,052	4,264,503	3,850,502	3,878,184	3,555,987
b. Contributions - employee	3,851,810	3,548,947	3,406,632	3,253,799	3,043,393	3,104,872	3,262,703	3,296,020	3,166,911
c. Net investment income	(15,914,704)	25,332,145	13,893,779	24,924,587	(5,051,116)	20,878,508	9,649,863	211,180	7,756,563
d. Benefit payments, including refunds of employee contributions	(13,335,667)	(12,344,780)	(11,551,062)	(11,289,976)	(9,514,886)	(10,103,133)	(8,772,730)	(7,570,788)	(6,864,254)
e. Administrative expenses	(137,865)	(117,317)	(89,972)	(140,931)	(97,668)	(108,224)	(108,991)	(128,630)	(80,983)
f. Other	164,514	803	(3,510)	(4,234)	(5,102)	(5,485)	(5,872)	(6,353)	(6,658)
g. Net Change in Plan Fiduciary Net Position	(17,245,710)	23,761,090	11,315,741	21,847,055	(7,373,327)	18,031,041	7,875,475	(320,387)	7,527,566
h. Plan Fiduciary Net Position - Beginning	218,255,452	194,494,362	183,178,621	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>\$ 201,009,742</u>	<u>\$ 218,255,452</u>	<u>\$ 194,494,362</u>	<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>
3. Net Pension Liability - Ending [Item 1⁽¹⁾ - 2⁽¹⁾]	\$ 46,660,592	\$ 17,867,615	\$ 72,098,248	\$ 69,614,402	\$ 77,930,406	\$ 15,341,829	\$ 34,983,105	\$ 66,172,733	\$ 53,182,461
4. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.16%	92.43%	72.96%	72.46%	67.43%	91.66%	81.16%	68.33%	72.91%
5. Covered Payroll for Year (Estimated)	\$ 55,025,854	\$ 50,699,243	\$ 48,582,138	\$ 46,482,842	\$ 43,477,044	\$ 44,329,602	\$ 46,584,793	\$ 47,063,726	\$ 45,235,558
6. City's Net Pension Liability as a Percentage of Covered Payroll	84.80%	35.24%	148.40%	149.76%	179.24%	34.61%	75.10%	140.60%	117.57%

⁽¹⁾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)
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%
2021	6,848,695	6,848,695	-	49,939,829	13.71%
2022	8,251,329	8,251,329	-	56,143,881	14.70%
2023	8,288,136	8,288,136	-	57,313,022	14.46%

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	22 years
Asset Valuation Method	10-year smoothed fair value, 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 ⁽¹⁰⁾ 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) There were no benefit changes during the year

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

	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
1. Total Pension Liability									
a. Service cost	\$ 2,536,394	\$ 2,468,510	\$ 2,319,369	\$ 2,251,815	\$ 2,113,543	\$ 2,047,015	\$ 1,891,004	\$ 1,827,057	\$ 1,830,207
b. Interest	5,607,259	5,271,546	5,008,777	4,710,130	4,434,845	4,185,617	4,132,431	3,854,103	3,548,068
c. Changes of benefit terms	(1,770,164)	-	-	-	-	-	-	-	-
d. Differences between expected and actual experience	5,456,813	-	(301,589)	-	(527,995)	-	(2,575,843)	-	-
e. Changes of assumptions	1,550,316	-	2,014,756	-	2,222,160	-	(224,913)	-	779,646
f. Benefit payments	(3,100,716)	(3,254,092)	(3,272,253)	(2,822,833)	(2,782,964)	(3,383,661)	(2,001,167)	(2,306,409)	(2,105,453)
g. Net Change in Total Pension Liability	10,279,902	4,485,964	5,769,060	4,139,112	5,459,589	2,848,971	1,221,512	3,374,751	4,052,468
h. Total Pension Liability - Beginning ⁽¹⁾	76,355,473	71,869,509	66,100,449	61,961,337	56,501,748	53,652,777	52,431,265	49,056,514	45,004,046
i. Total Pension Liability - Ending ⁽²⁾	<u>\$ 86,635,375</u>	<u>\$ 76,355,473</u>	<u>\$ 71,869,509</u>	<u>\$ 66,100,449</u>	<u>\$ 61,961,337</u>	<u>\$ 56,501,748</u>	<u>\$ 53,652,777</u>	<u>\$ 52,431,265</u>	<u>\$ 49,056,514</u>
2. Plan Fiduciary Net Position									
a. Contributions by the city	2,800,619	2,440,295	2,013,825	1,919,225	1,817,845	1,873,368	1,770,872	1,696,664	1,541,096
b. Contributions by the firefighters	2,053,786	1,788,846	1,699,605	1,623,962	1,538,179	1,585,161	1,483,972	1,419,132	1,284,686
c. Net investment income	(9,208,892)	9,715,290	4,716,637	1,315,715	3,585,949	4,603,775	3,110,934	(1,444,977)	1,972,592
d. Benefit payments	(3,100,716)	(3,254,092)	(3,272,253)	(2,822,833)	(2,782,964)	(3,383,661)	(2,001,167)	(2,306,409)	(2,105,453)
e. Administrative expenses	(133,671)	(114,381)	(107,111)	(121,394)	(96,351)	(136,910)	(94,483)	(135,909)	(130,049)
f. Net Change in Plan Fiduciary Net Position	(7,588,874)	10,575,958	5,050,703	1,914,675	4,062,658	4,541,733	4,270,128	(771,499)	2,562,872
g. Plan Fiduciary Net Position - Beginning	61,488,557	50,912,599	45,861,896	43,947,221	39,884,563	35,342,830	31,072,702	31,844,201	29,281,329
h. Plan Fiduciary Net Position - Ending	<u>\$ 53,899,683</u>	<u>\$ 61,488,557</u>	<u>\$ 50,912,599</u>	<u>\$ 45,861,896</u>	<u>\$ 43,947,221</u>	<u>\$ 39,884,563</u>	<u>\$ 35,342,830</u>	<u>\$ 31,072,702</u>	<u>\$ 31,844,201</u>
3. City's Net Pension Liability - Ending [Item 1 - 2]	\$ 32,735,692	\$ 14,866,916	\$ 20,956,910	\$ 20,238,553	\$ 18,014,116	\$ 16,617,185	\$ 18,309,947	\$ 21,358,563	\$ 17,212,313
4. Plan Fiduciary Net Position as a Percentage of the Total Pension	62.2%	80.5%	70.8%	69.4%	70.9%	70.6%	65.9%	59.3%	64.90%
5. Covered Payroll for Year (Estimated)	\$ 18,670,782	\$ 16,262,236	\$ 15,450,955	\$ 14,763,291	\$ 13,983,445	\$ 14,410,555	\$ 13,490,655	\$ 12,901,200	\$ 12,457,025
6. City's Net Pension Liability as a Percentage of Covered Payroll	175.3%	91.4%	135.6%	137.1%	128.8%	115.3%	135.7%	165.6%	138.2%

⁽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.

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 Six Fiscal Years)

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

Notes:

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

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

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

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

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

Notes:

Only six years of information is currently available. The City will build this schedule over the next ten-year period. Changes of assumptions reflect a change in the discount rate from 4.02% as of September 30, 2022 to 4.09% as of September 30, 2023.

There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period.
Measurement Year 2023.

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

City of Killeen, Texas
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
Revenues:				
Taxes and Fees:				
Ad valorem	\$ 43,011,510	\$ 43,157,649	\$ 43,157,649	\$ (146,139)
Penalty and interest	291,048	135,000	135,000	156,048
Total ad valorem	43,302,558	43,292,649	43,292,649	9,909
Franchise fees	5,642,863	5,549,104	5,549,104	93,759
Sales and occupancy	35,570,960	34,407,046	34,407,046	1,163,914
Total taxes and fees	84,516,381	83,248,799	83,248,799	1,267,582
Licenses, Permits and Other Fees:				
Building permits and inspections	1,552,672	1,328,250	1,328,250	224,422
Electrical permits and inspections	50,774	68,000	68,000	(17,226)
Plumbing permits and inspections	129,290	140,000	140,000	(10,710)
Miscellaneous licenses	601,826	511,796	527,606	74,220
Taxi operators licenses	600	1,549	1,549	(949)
Food handlers permits	51,900	54,000	54,000	(2,100)
Trailer court licenses	8,735	9,000	9,000	(265)
Building plans review	51,920	180,000	180,000	(128,080)
Mechanical inspections	30,600	35,000	35,000	(4,400)
Total licenses, permits, and other fees	2,478,317	2,327,595	2,343,405	134,912
Intergovernmental:				
General government	6,021,586	3,626,567	6,140,295	(118,709)
Public safety	3,007,021	2,770,317	4,601,515	(1,594,494)
Community development	2,148	8,500	8,500	(6,352)
Public Works	34,480	34,480	34,480	-
Total intergovernmental	9,065,235	6,439,864	10,784,790	(1,719,555)
Charges for Services:				
Ambulance service fees	3,956,364	3,660,000	3,677,033	279,331
Fire	213,921	260,000	260,000	(46,079)
Miscellaneous police receipts	25,756	22,856	22,856	2,900
Animal control receipts	165,588	114,219	114,219	51,369
Golf course	1,670,498	1,481,566	1,481,566	188,932
Parks and recreation	857,418	903,143	903,143	(45,725)
Library charges and contributions	28,573	29,700	29,700	(1,127)
Killeen arts and activities center	138,225	102,400	102,400	35,825
General government	760,075	736,940	763,101	(3,026)
Leases	-	216,834	216,834	(216,834)
Total charges for services	7,816,418	7,527,658	7,570,852	245,566
Fines and Fees				
Municipal court fines	2,837,994	2,646,432	2,646,432	191,562
Other fines and fees	221,352	228,500	228,500	(7,148)
Total fines and fees	3,059,346	2,874,932	2,874,932	184,414
Investment earnings	1,398,172	575,899	1,069,134	329,038
Contributions	2,000	-	-	2,000
Miscellaneous	120,743	95,800	95,800	24,943
Total revenues	108,456,612	103,090,547	107,987,712	468,900
Expenditures:				
General Government:				
City council	135,796	141,715	141,715	5,919
City manager	831,600	880,764	924,981	93,381
City auditor	134,348	155,017	155,017	20,669
Communications	781,813	809,230	838,792	56,979
City attorney	1,244,318	1,208,682	1,341,121	96,803
Financial services	2,119,302	2,228,242	2,247,832	128,530
Human resources	1,241,126	1,420,332	1,394,171	153,045
Planning and development	1,052,489	1,039,572	1,123,099	70,610
Nondepartmental	8,671,041	6,714,118	10,131,215	1,460,174
Total general government	\$ 16,211,833	\$ 14,597,672	\$ 18,297,943	\$ 2,086,110

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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
Public Safety:				
Municipal court	\$ 1,359,681	\$ 1,423,449	\$ 1,423,449	\$ 63,768
Building inspections	1,163,407	1,169,785	1,200,328	36,921
Code enforcement	1,366,138	1,363,161	1,495,661	129,523
Animal control	1,821,084	2,202,222	2,027,122	206,038
Police	38,712,841	40,497,627	41,048,305	2,335,464
Fire	29,981,056	28,899,579	30,304,023	322,967
Total public safety	<u>74,404,207</u>	<u>75,555,823</u>	<u>77,498,888</u>	<u>3,094,681</u>
Public Works:				
Administration	254,857	259,236	259,236	4,379
Streets	3,983,050	4,814,291	4,629,653	646,603
Total Public Works	<u>4,237,907</u>	<u>5,073,527</u>	<u>4,888,889</u>	<u>650,982</u>
Recreation Services:				
Administration	441,950	493,243	494,240	52,290
Golf course	1,533,317	1,411,211	1,411,211	(122,106)
Parks	2,757,477	2,917,851	2,967,709	210,232
Operations	448,991	569,984	545,984	96,993
Family aquatics center	582,860	679,125	694,231	111,371
Recreation	363,715	396,586	407,586	43,871
Athletics	333,228	427,495	409,464	76,236
Senior citizens	330,630	410,829	404,694	74,064
Total recreation services	<u>6,792,168</u>	<u>7,306,324</u>	<u>7,335,119</u>	<u>542,951</u>
Community Development:				
Library	1,622,355	1,748,365	1,743,050	120,695
Killeen arts and activities center	496,215	516,166	506,966	10,751
Community development	432,467	542,568	556,883	124,416
Building services	1,027,455	1,075,947	1,070,585	43,130
Custodial services	834,728	878,021	878,021	43,293
Total community development	<u>4,413,220</u>	<u>4,761,067</u>	<u>4,755,505</u>	<u>342,285</u>
Capital Outlay	<u>873,675</u>	<u>302,230</u>	<u>1,274,558</u>	<u>400,883</u>
Debt Payments	<u>230,868</u>	<u>258,928</u>	<u>258,928</u>	<u>28,060</u>
Total expenditures	<u>107,163,878</u>	<u>107,855,571</u>	<u>114,309,830</u>	<u>7,145,952</u>
Excess of revenues over (under) expenditures	<u>1,292,734</u>	<u>(4,765,024)</u>	<u>(6,322,118)</u>	<u>7,614,852</u>
Other Financing Sources (Uses)				
Insurance recoveries	382,829	154,500	434,623	(51,794)
Sale of capital assets	177,637	25,420	25,420	152,217
Leases issued	299,347	-	102,003	197,344
Transfers in	9,628,353	9,624,953	9,628,353	-
Transfers out	(13,648,822)	(5,039,849)	(13,648,822)	-
Total other financing sources (uses)	<u>(3,160,656)</u>	<u>4,765,024</u>	<u>(3,458,423)</u>	<u>297,767</u>
Net change in fund balance	(1,867,922)	\$ -	\$ (9,780,541)	\$ 7,317,085
Fund balance - beginning	<u>33,936,872</u>			
Fund balance - ending	<u>\$ 32,068,950</u>			



COMBINING STATEMENTS/ BUDGETARY COMPARISON SCHEDULES





CITY OF KILLEEN



Exhibit C-1

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and equity in pooled cash and investments	\$ 17,725,758	\$ 24,459,791	\$ 42,185,549
Receivables (net of allowances for uncollectibles):			
Taxes	234,157	-	234,157
Accounts	1,427,877	-	1,427,877
Intergovernmental receivable	657,440	-	657,440
Inventories	13,180	-	13,180
Total assets	20,058,412	24,459,791	44,518,203
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable	550,492	1,155,113	1,705,605
Due to other funds	359,943	-	359,943
Accrued salaries payable	26,123	-	26,123
Unearned revenue	131,932	-	131,932
Total liabilities	1,068,490	1,155,113	2,223,603
Fund Balances:			
Nonspendable:			
Inventories	13,180	-	13,180
Restricted for:			
Debt service	1,365,000	-	1,365,000
Other purposes	17,611,742	23,304,678	40,916,420
Total fund balances	18,989,922	23,304,678	42,294,600
Total liabilities and fund balances	\$ 20,058,412	\$ 24,459,791	\$ 44,518,203

City of Killeen, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES			
Taxes	\$ 2,692,313	\$ -	\$ 2,692,313
Intergovernmental	3,543,590	-	3,543,590
Charges for services	11,066,746	-	11,066,746
Fines	242,108	-	242,108
Investment earnings	464,053	755,254	1,219,307
Contributions	152,529	-	152,529
Miscellaneous	10,148	-	10,148
Total revenues	<u>18,171,487</u>	<u>755,254</u>	<u>18,926,741</u>
EXPENDITURES			
Current:			
General government	30,461	-	30,461
Public safety	404,719	-	404,719
Public works	4,284,290	293	4,284,583
Recreation services	19,194	-	19,194
Community development	4,420,332	-	4,420,332
Capital outlay	685,264	1,709,800	2,395,064
Debt service:			
Principal	1,130,000	-	1,130,000
Interest and fiscal charges	932,468	-	932,468
Total expenditures	<u>11,906,728</u>	<u>1,710,093</u>	<u>13,616,821</u>
Excess of revenues over expenditures	<u>6,264,759</u>	<u>(954,839)</u>	<u>5,309,920</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	11,005	-	11,005
Leases issued	4,268	-	4,268
Total other financing sources (uses)	<u>15,273</u>	<u>-</u>	<u>15,273</u>
Net changes in fund balances	6,280,032	(954,839)	5,325,193
Fund balance - beginning	12,709,890	24,259,517	36,969,407
Fund balance - ending	<u>\$ 18,989,922</u>	<u>\$ 23,304,678</u>	<u>\$ 42,294,600</u>

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2023

	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
ASSETS										
Cash and equity in pooled cash and investments	\$ 19	\$ 320,460	\$ 261,526	\$ 1,924	\$ 2,276,731	\$ 19,358	\$ 1,220,422	\$ 5,949	\$ 13,223	\$ 77,469
Receivables (net of allowances for uncollectibles):										
Taxes	-	-	-	-	188,260	-	45,897	-	-	-
Accounts	-	-	-	-	132,981	-	-	-	-	98
Intergovernmental receivable	75,912	-	-	-	-	-	-	-	568,341	-
Inventories	-	-	-	-	13,180	-	-	-	-	-
Total assets	<u>\$ 75,931</u>	<u>\$ 320,460</u>	<u>\$ 261,526</u>	<u>\$ 1,924</u>	<u>\$ 2,611,152</u>	<u>\$ 19,358</u>	<u>\$ 1,266,319</u>	<u>\$ 5,949</u>	<u>\$ 581,564</u>	<u>\$ 77,567</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 25,917	\$ -	\$ -	\$ -	\$ 158,147	\$ -	\$ -	\$ -	\$ 262,713	\$ -
Due to other funds	40,824	-	-	-	-	-	-	-	311,552	-
Accrued salaries payable	929	-	-	-	16,186	-	-	-	5,944	-
Unearned revenue	-	-	-	-	131,932	-	-	-	-	-
Total liabilities	<u>67,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,209</u>	<u>-</u>
Fund Balances:										
Nonspendable:										
Inventories	-	-	-	-	13,180	-	-	-	-	-
Restricted for:										
Debt service	-	-	-	-	550,000	-	-	-	-	-
Other purposes	8,261	320,460	261,526	1,924	1,741,707	19,358	1,266,319	5,949	1,355	77,567
Total fund balances	<u>8,261</u>	<u>320,460</u>	<u>261,526</u>	<u>1,924</u>	<u>2,304,887</u>	<u>19,358</u>	<u>1,266,319</u>	<u>5,949</u>	<u>1,355</u>	<u>77,567</u>
Total liabilities and fund balances	<u>\$ 75,931</u>	<u>\$ 320,460</u>	<u>\$ 261,526</u>	<u>\$ 1,924</u>	<u>\$ 2,611,152</u>	<u>\$ 19,358</u>	<u>\$ 1,266,319</u>	<u>\$ 5,949</u>	<u>\$ 581,564</u>	<u>\$ 77,567</u>

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2023

ASSETS	Home Program	HOME American Rescue Plan	Street Maintenance	TIRZ #2	Parks Donations	Teen Court Program	Court Technology	Court Security	Juvenile Case Manager
Cash and equity in pooled cash and investments	\$ 369,231	\$ 38	\$ 8,540,680	\$ 2,457,585	\$ 126,574	\$ 3,682	\$ 188,856	\$ 278,434	\$ 426,960
Receivables (net of allowances for uncollectibles):									
Taxes	-	-	-	-	-	-	-	-	-
Accounts	-	-	1,294,796	-	-	-	-	-	-
Intergovernmental receivable	5,164	8,023	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 374,395</u>	<u>\$ 8,061</u>	<u>\$ 9,835,476</u>	<u>\$ 2,457,585</u>	<u>\$ 126,574</u>	<u>\$ 3,682</u>	<u>\$ 188,856</u>	<u>\$ 278,434</u>	<u>\$ 426,960</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 26,812	\$ 65,063	\$ 2,358	\$ 62	\$ -	\$ -	\$ 241
Due to other funds	-	7,567	-	-	-	-	-	-	-
Accrued salaries payable	456	456	-	-	-	-	-	-	2,152
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>456</u>	<u>8,023</u>	<u>26,812</u>	<u>65,063</u>	<u>2,358</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>2,393</u>
Fund Balances:									
Nonspendable:									
Inventories	-	-	-	-	-	-	-	-	-
Restricted for:									
Debt service	-	-	815,000	-	-	-	-	-	-
Other purposes	373,939	38	8,993,664	2,392,522	124,216	3,620	188,856	278,434	424,567
Total fund balances	<u>373,939</u>	<u>38</u>	<u>9,808,664</u>	<u>2,392,522</u>	<u>124,216</u>	<u>3,620</u>	<u>188,856</u>	<u>278,434</u>	<u>424,567</u>
Total liabilities and fund balances	<u>\$ 374,395</u>	<u>\$ 8,061</u>	<u>\$ 9,835,476</u>	<u>\$ 2,457,585</u>	<u>\$ 126,574</u>	<u>\$ 3,682</u>	<u>\$ 188,856</u>	<u>\$ 278,434</u>	<u>\$ 426,960</u>

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
September 30, 2023

	Jury Fee	Fire Department Donations	Animal Control Donations	Child Safety	Police Department Donations	Killeen Public Facility Corp	Park Development Benefit Fund	Opioid Settlement Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS									
Cash and equity in pooled cash and investments	\$ 4,299	\$ 4,032	\$ 186,459	\$ 451,503	\$ 306,582	\$ 4,810	\$ 10,800	\$ 168,152	\$ 17,725,758
Receivables (net of allowances for uncollectibles):									
Taxes	-	-	-	-	-	-	-	-	234,157
Accounts	-	-	2	-	-	-	-	-	1,427,877
Intergovernmental receivable	-	-	-	-	-	-	-	-	657,440
Inventories	-	-	-	-	-	-	-	-	13,180
Total assets	<u>\$ 4,299</u>	<u>\$ 4,032</u>	<u>\$ 186,461</u>	<u>\$ 451,503</u>	<u>\$ 306,582</u>	<u>\$ 4,810</u>	<u>\$ 10,800</u>	<u>\$ 168,152</u>	<u>\$ 20,058,412</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ 8,865	\$ 314	\$ -	\$ -	\$ -	\$ 550,492
Due to other funds	-	-	-	-	-	-	-	-	359,943
Accrued salaries payable	-	-	-	-	-	-	-	-	26,123
Unearned revenue	-	-	-	-	-	-	-	-	131,932
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,865</u>	<u>314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,068,490</u>
Fund Balances:									
Nonspendable:									
Inventories	-	-	-	-	-	-	-	-	13,180
Restricted for:									
Debt service	-	-	-	-	-	-	-	-	1,365,000
Other purposes	4,299	4,032	186,461	442,638	306,268	4,810	10,800	168,152	17,611,742
Total fund balances	<u>4,299</u>	<u>4,032</u>	<u>186,461</u>	<u>442,638</u>	<u>306,268</u>	<u>4,810</u>	<u>10,800</u>	<u>168,152</u>	<u>18,989,922</u>
Total liabilities and fund balances	<u>\$ 4,299</u>	<u>\$ 4,032</u>	<u>\$ 186,461</u>	<u>\$ 451,503</u>	<u>\$ 306,582</u>	<u>\$ 4,810</u>	<u>\$ 10,800</u>	<u>\$ 168,152</u>	<u>\$ 20,058,412</u>

City of Killeen, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2023

	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
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,130,441	\$ -	\$ 196,146	\$ -	\$ -	\$ -
Intergovernmental	139,969	61,754	6,708	-	369,894	-	-	-	2,244,148	-
Charges for services	-	-	-	-	862,333	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	8,201	8,138	57	65,164	575	36,416	175	-	2,299
Contributions	-	-	-	-	-	-	-	110	-	3,036
Miscellaneous	-	-	-	-	586	-	-	-	53	-
Total revenues	139,969	69,955	14,846	57	3,428,418	575	232,562	285	2,244,201	5,335
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	30,461	-	-	-
Public safety	140,673	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-	3,626
Community development	-	-	-	-	2,034,124	-	-	-	2,244,022	-
Debt service:										
Principal	-	-	-	-	525,000	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	193,318	-	-	-	-	-
Capital outlay	-	-	19,973	-	55,779	-	226,986	-	4,268	-
Total expenditures	140,673	-	19,973	-	2,808,221	-	257,447	-	2,248,290	3,626
Excess (deficiency) of revenues over (under) expenditures	(704)	69,955	(5,127)	57	620,197	575	(24,885)	285	(4,089)	1,709
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	-	8,510	-	-	40	-	-	-	-	-
Leases issued	-	-	-	-	-	-	-	-	4,268	-
Total other financing sources (uses)	-	8,510	-	-	40	-	-	-	4,268	-
Net changes in fund balances	(704)	78,465	(5,127)	57	620,237	575	(24,885)	285	179	1,709
Fund balance - beginning	8,965	241,995	266,653	1,867	1,684,650	18,783	1,291,204	5,664	1,176	75,858
Fund balance - ending	\$ 8,261	\$ 320,460	\$ 261,526	\$ 1,924	\$ 2,304,887	\$ 19,358	\$ 1,266,319	\$ 5,949	\$ 1,355	\$ 77,567

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, 2023

	Home Program	Home ARP	Street Maintenance	TIRZ #2	Parks Donations	Teen Court Program	Court Technology	Court Security	Juvenile Case Manager
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 365,726	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	33,705	78,083	-	242,231	-	-	-	607	-
Charges for services	-	-	10,200,837	-	-	-	-	-	-
Fines	-	-	-	-	-	720	55,960	66,403	70,730
Investment earnings	-	-	213,507	72,020	3,729	133	5,258	7,486	13,268
Contributions	-	-	-	-	19,429	-	-	-	-
Miscellaneous	90	-	7	-	-	-	-	-	-
Total revenues	33,795	78,083	10,414,351	679,977	23,158	853	61,218	74,496	83,998
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	2,783	21,838	6,376	108,856
Public works	-	-	4,204,515	79,775	-	-	-	-	-
Recreation services	-	-	-	-	15,568	-	-	-	-
Community development	64,141	78,045	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	605,000	-	-	-	-	-	-
Interest and fiscal charges	-	-	739,150	-	-	-	-	-	-
Capital outlay	-	-	-	351,246	-	-	-	-	-
Total expenditures	64,141	78,045	5,548,665	431,021	15,568	2,783	21,838	6,376	108,856
Excess (deficiency) of revenues over (under) expenditures	(30,346)	38	4,865,686	248,956	7,590	(1,930)	39,380	68,120	(24,858)
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Leases issued	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net changes in fund balances	(30,346)	38	4,865,686	248,956	7,590	(1,930)	39,380	68,120	(24,858)
Fund balance - beginning	404,285	-	4,942,978	2,143,566	116,626	5,550	149,476	210,314	449,425
Fund balance - ending	\$ 373,939	\$ 38	\$ 9,808,664	\$ 2,392,522	\$ 124,216	\$ 3,620	\$ 188,856	\$ 278,434	\$ 424,567

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, 2023

	Jury Fee	Fire Department Donations	Animal Control Donations	Child Safety	Police Department Donations	Killeen Public Facility Corp	Park Development Benefit Fund	Opioid Settlement Fund	Total Nonmajor Special Revenue Finds (See Exhibit C-2)
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,692,313
Intergovernmental	-	733	-	172,333	14,473	-	10,800	168,152	3,543,590
Charges for services	-	-	-	-	3,576	-	-	-	11,066,746
Fines	1,284	-	-	47,011	-	-	-	-	242,108
Investment earnings	110	208	5,383	12,885	9,041	-	-	-	464,053
Contributions	-	3,000	115,848	-	11,106	-	-	-	152,529
Miscellaneous	-	-	-	-	4,602	4,810	-	-	10,148
Total revenues	1,394	3,941	121,231	232,229	42,798	4,810	10,800	168,152	18,171,487
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	30,461
Public safety	-	4,576	59,137	47,524	12,956	-	-	-	404,719
Public works	-	-	-	-	-	-	-	-	4,284,290
Recreation services	-	-	-	-	-	-	-	-	19,194
Community development	-	-	-	-	-	-	-	-	4,420,332
Debt service:									
Principal	-	-	-	-	-	-	-	-	1,130,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	932,468
Capital outlay	-	-	13,450	10,557	3,005	-	-	-	685,264
Total expenditures	-	4,576	72,587	58,081	15,961	-	-	-	11,906,728
Excess (deficiency) of revenues over (under) expenditures	1,394	(635)	48,644	174,148	26,837	4,810	10,800	168,152	6,264,759
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	-	-	-	-	2,455	-	-	-	11,005
Leases issued	-	-	-	-	-	-	-	-	4,268
Total other financing sources (uses)	-	-	-	-	2,455	-	-	-	15,273
Net changes in fund balances	1,394	(635)	48,644	174,148	29,292	4,810	10,800	168,152	6,280,032
Fund balance - beginning	2,905	4,667	137,817	268,490	276,976	-	-	-	12,709,890
Fund balance - ending	\$ 4,299	\$ 4,032	\$ 186,461	\$ 442,638	\$ 306,268	\$ 4,810	\$ 10,800	\$ 168,152	\$ 18,989,922

Capital Projects Funds

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

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

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

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

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

City of Killeen, Texas
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2023

	2022 C.O. Bonds	2011 C.O. Bonds	2014 C.O. Bonds	Golf Capital Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS					
Cash and equity in pooled cash and investments	\$ 22,213,797	\$ 2,188,570	\$ 56,174	\$ 1,250	\$ 24,459,791
Total assets	<u>22,213,797</u>	<u>2,188,570</u>	<u>56,174</u>	<u>1,250</u>	<u>24,459,791</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	184,275	970,838	-	-	1,155,113
Total liabilities	<u>184,275</u>	<u>970,838</u>	<u>-</u>	<u>-</u>	<u>1,155,113</u>
Fund balances:					
Restricted for:					
Capital projects	22,029,522	1,217,732	56,174	1,250	23,304,678
Total fund balances	<u>22,029,522</u>	<u>1,217,732</u>	<u>56,174</u>	<u>1,250</u>	<u>23,304,678</u>
Total liabilities and fund balances	<u>\$ 22,213,797</u>	<u>\$ 2,188,570</u>	<u>\$ 56,174</u>	<u>\$ 1,250</u>	<u>\$ 24,459,791</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, 2023

	2022 C.O. Bonds	2011 C.O. Bonds	2014 C.O. Bonds	Golf Capital Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
REVENUES					
Investment earnings	\$ 685,463	\$ 68,080	\$ 1,674	\$ 37	\$ 755,254
Total revenues	<u>685,463</u>	<u>68,080</u>	<u>1,674</u>	<u>37</u>	<u>755,254</u>
EXPENDITURES					
Public Works	293	-	-	-	293
Capital Outlay	1,387,800	322,000	-	-	1,709,800
Total expenditures	<u>1,388,093</u>	<u>322,000</u>	<u>-</u>	<u>-</u>	<u>1,710,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(702,630)</u>	<u>(253,920)</u>	<u>1,674</u>	<u>37</u>	<u>(954,839)</u>
Net change in fund balances	(702,630)	(253,920)	1,674	37	(954,839)
Fund balance - beginning	22,732,152	1,471,652	54,500	1,213	24,259,517
Fund balance - ending	<u>\$ 22,029,522</u>	<u>\$ 1,217,732</u>	<u>\$ 56,174</u>	<u>\$ 1,250</u>	<u>\$ 23,304,678</u>

City of Killeen, Texas

Internal Service Funds

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

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

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

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

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

City of Killeen, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2023

	Fleet Services	Health Insurance	Risk Management	Information Technology	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and equity in pooled cash and investments	\$ 170,439	4,105,219	\$ 261,043	\$ 1,311,918	\$ 5,848,619
Accounts receivable	2,000	6,890	-	-	8,890
Inventories	328,830	-	-	-	328,830
Total current assets	<u>501,269</u>	<u>4,112,109</u>	<u>261,043</u>	<u>1,311,918</u>	<u>6,186,339</u>
Noncurrent assets:					
Property and equipment:					
Furniture and equipment	71,824	-	-	2,276,877	2,348,701
Vehicles	4,276,727	-	-	-	4,276,727
Less accumulated depreciation	<u>(4,084,485)</u>	<u>-</u>	<u>-</u>	<u>(1,005,685)</u>	<u>(5,090,170)</u>
Net property and equipment	264,066	-	-	1,271,192	1,535,258
Total assets	<u>765,335</u>	<u>4,112,109</u>	<u>261,043</u>	<u>2,583,110</u>	<u>7,721,597</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pension	676,292	-	80,642	881,451	1,638,385
Deferred outflows - OPEB	33,602	-	11,300	46,931	91,833
Total deferred outflows of resources	<u>709,894</u>	<u>-</u>	<u>91,942</u>	<u>928,382</u>	<u>1,730,218</u>
LIABILITIES					
Current liabilities:					
Accounts payable	14,559	10,556	2,999	636,729	664,843
Accrued salaries payable	28,886	-	4,513	38,695	72,094
Unearned revenue	2,000	-	-	-	2,000
Compensated absences	11,872	-	1,045	13,203	26,120
Lease Payable	1,035	-	-	-	1,035
Total current liabilities	<u>58,352</u>	<u>10,556</u>	<u>8,557</u>	<u>688,627</u>	<u>766,092</u>
Noncurrent liabilities:					
Compensated absences	106,841	-	9,407	118,830	235,078
Net pension liability	974,184	-	116,163	1,269,709	2,360,056
Lease Payable	3,698	-	-	-	3,698
Total OPEB liability	202,834	-	69,343	271,635	543,812
Total noncurrent liabilities	<u>1,287,557</u>	<u>-</u>	<u>194,913</u>	<u>1,660,174</u>	<u>3,142,644</u>
Total liabilities	<u>1,345,909</u>	<u>10,556</u>	<u>203,470</u>	<u>2,348,801</u>	<u>3,908,736</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - pension	225,077	-	26,839	293,356	545,272
Deferred Inflows - OPEB	60,974	-	18,721	98,080	177,775
Total deferred inflows of resources	<u>286,051</u>	<u>-</u>	<u>45,560</u>	<u>391,436</u>	<u>723,047</u>
NET POSITION					
Net investment in capital assets	259,333	-	-	1,271,192	1,530,525
Unrestricted	<u>(416,064)</u>	<u>4,101,553</u>	<u>103,955</u>	<u>(499,937)</u>	<u>3,289,507</u>
Total net position	<u>(156,731)</u>	<u>4,101,553</u>	<u>103,955</u>	<u>771,255</u>	<u>4,820,032</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,475,229</u>	<u>4,112,109</u>	<u>\$ 352,985</u>	<u>\$ 3,511,492</u>	<u>\$ 9,451,815</u>

City of Killeen, Texas
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2023

	Fleet Services	Health Insurance	Risk Management	Information Technology	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 1,929,380	\$ 7,927,473	\$ 1,374,655	\$ 5,064,261	\$ 16,295,769
Miscellaneous	3,679	38	19	944	4,680
Total operating revenues	<u>1,933,059</u>	<u>7,927,511</u>	<u>1,374,674</u>	<u>5,065,205</u>	<u>16,300,449</u>
OPERATING EXPENSES					
Salaries and employee benefits	1,614,094	-	185,968	2,186,736	3,986,798
Repairs and maintenance	58,447	4,556	8	1,512,330	1,575,341
Supplies	35,259	7,935	43,379	26,217	112,790
Miscellaneous services and charges	247,949	6,877,687	1,185,962	587,254	8,898,852
Refuse disposal costs	9,629	-	-	-	9,629
Depreciation	101,601	-	-	612,993	714,594
Total operating expenses	<u>2,066,979</u>	<u>6,890,178</u>	<u>1,415,317</u>	<u>4,925,530</u>	<u>15,298,004</u>
Operating income (loss)	<u>(133,920)</u>	<u>1,037,333</u>	<u>(40,643)</u>	<u>139,675</u>	<u>1,002,445</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental	-	-	-	5,030	5,030
Investment earnings	7,542	90,277	1,116	35,120	134,055
Total nonoperating revenues	<u>7,542</u>	<u>90,277</u>	<u>1,116</u>	<u>40,150</u>	<u>139,085</u>
Income (loss) before transfers	<u>(126,378)</u>	<u>1,127,610</u>	<u>(39,527)</u>	<u>179,825</u>	<u>1,141,530</u>
Change in net position	(126,378)	1,127,610	(39,527)	179,825	1,141,530
Net position - beginning	(30,353)	2,973,943	143,482	591,430	3,678,502
Net position - ending	<u>\$ (156,731)</u>	<u>\$ 4,101,553</u>	<u>\$ 103,955</u>	<u>\$ 771,255</u>	<u>\$ 4,820,032</u>

City of Killeen, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023

	Fleet Services	Health Insurance	Risk Management	Information Technology	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 3,679	\$ 1,905	\$ 19	\$ 944	\$ 6,547
Payments to suppliers	(387,894)	(6,879,622)	(1,226,486)	(1,535,207)	(10,029,209)
Payments to employees	(1,590,692)	(81,945)	(195,611)	(1,925,566)	(3,793,815)
Payments for interfund services used	1,929,380	7,927,473	1,374,655	5,064,261	16,295,769
Net cash provided (used) by operating activities	<u>(45,527)</u>	<u>967,811</u>	<u>(47,423)</u>	<u>1,604,432</u>	<u>2,479,292</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions/grants	-	-	-	22,657	22,657
Purchase and construction of capital assets	(4,696)	-	-	(1,184,555)	(1,189,251)
Net cash provided (used) by capital and related financing activities	<u>(4,696)</u>	<u>-</u>	<u>-</u>	<u>(1,161,898)</u>	<u>(1,166,594)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	7,542	90,277	1,116	35,120	134,055
Net cash provided by investing activities	<u>7,542</u>	<u>90,277</u>	<u>1,116</u>	<u>35,120</u>	<u>134,055</u>
Net increase (decrease) in cash and cash equivalents	(42,681)	1,058,088	(46,307)	477,654	1,446,754
Cash and cash equivalents, beginning of year	213,120	3,047,131	307,350	834,264	4,401,865
Cash and cash equivalents, end of year	<u>170,439</u>	<u>4,105,219</u>	<u>261,043</u>	<u>1,311,918</u>	<u>5,848,619</u>
Cash and cash equivalents	170,439	4,105,219	261,043	1,311,918	5,848,619
Total	<u>170,439</u>	<u>4,105,219</u>	<u>261,043</u>	<u>1,311,918</u>	<u>5,848,619</u>

City of Killeen, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2023

	Fleet Services	Health Insurance	Risk Management	Information Technology	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(133,920)	1,037,333	(40,643)	139,675	1,002,445
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	101,601	-	-	612,993	714,594
Changes in assets and liabilities:					
Decrease (increase) in receivables	(1,157)	1,867	-	-	710
Decrease (increase) in inventories	(27,182)	-	-	-	(27,182)
Decrease (increase) in deferred outflows - pensions	(501,725)	-	(55,186)	(709,494)	(1,266,405)
Decrease (increase) in deferred outflows - OPEB	10,010	(81,945)	2,826	4,113	(64,996)
Increase (decrease) in payables	(9,428)	10,556	2,863	590,594	594,585
Increase (decrease) in accrued salaries payable	(548)	-	1,444	5,380	6,276
Increase (decrease) in compensated absences	48,208	-	5,133	38,268	91,609
Increase (decrease) in unearned revenue	1,157	-	-	-	1,157
Increase (decrease) in net pension liability	560,238	-	55,800	861,953	1,477,991
Increase (decrease) in OPEB liability	(24,545)	-	(1,151)	36,109	10,412
Increase (decrease) in deferred inflows - pensions	(88,379)	-	(18,870)	(15,413)	(122,662)
Increase (decrease) in deferred inflows - OPEB	20,143	-	361	40,254	60,758
Total adjustments	88,393	(69,522)	(6,780)	1,464,757	1,476,847
Net cash provided (used) by operating activities	<u>\$ (45,527)</u>	<u>\$ 967,811</u>	<u>\$ (47,423)</u>	<u>\$ 1,604,432</u>	<u>\$ 2,479,292</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 139,969	\$ 235,101	\$ 312,201	\$ (172,232)
Total revenues	<u>139,969</u>	<u>235,101</u>	<u>312,201</u>	<u>(172,232)</u>
EXPENDITURES				
Current:				
Public safety	140,673	234,910	312,010	171,337
Total expenditures	<u>140,673</u>	<u>234,910</u>	<u>312,010</u>	<u>171,337</u>
Net change in fund balance	(704)	\$ <u>191</u>	\$ <u>191</u>	\$ <u>(895)</u>
Fund balance - beginning	<u>8,965</u>			
Fund balance - ending	<u>\$ 8,261</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 61,754	\$ -	\$ -	\$ 61,754
Investment earnings	8,201	-	-	8,201
Total revenues	<u>69,955</u>	<u>-</u>	<u>-</u>	<u>69,955</u>
EXPENDITURES				
Current:				
Public safety	-	200,062	200,062	200,062
Total expenditures	-	<u>200,062</u>	<u>200,062</u>	<u>200,062</u>
Excess (deficiency) of revenues over (under) expenditures	<u>69,955</u>	<u>(200,062)</u>	<u>(200,062)</u>	<u>270,017</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	<u>8,510</u>	-	-	<u>8,510</u>
Total other financing sources	<u>8,510</u>	<u>-</u>	<u>-</u>	<u>8,510</u>
Net change in fund balance	78,465	<u>\$ (200,062)</u>	<u>\$ (200,062)</u>	<u>\$ 278,527</u>
Fund balance - beginning	<u>241,995</u>			
Fund balance - ending	<u>\$ 320,460</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 6,708	\$ -	\$ -	\$ 6,708
Investment earnings	8,138	4,944	4,944	3,194
Total revenues	<u>14,846</u>	<u>4,944</u>	<u>4,944</u>	<u>9,902</u>
EXPENDITURES				
Current:				
Public safety	-	224,000	65,878	65,878
Capital outlay	19,973	-	158,122	138,149
Total expenditures	<u>19,973</u>	<u>224,000</u>	<u>224,000</u>	<u>204,027</u>
Net change in fund balance	(5,127)	<u>\$ (219,056)</u>	<u>\$ (219,056)</u>	<u>\$ 213,929</u>
Fund balance - beginning	<u>266,653</u>			
Fund balance - ending	<u>\$ 261,526</u>			

City of Killeen, Texas
Emergency Management Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 57	\$ 27	\$ 27	\$ 30
Total revenues	57	27	27	30
Net change in fund balance	57	\$ 27	\$ 27	\$ 30
Fund balance - beginning	1,867			
Fund balance - ending	\$ 1,924			

Exhibit C-14

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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 2,130,441	\$ 2,260,386	\$ 2,260,386	\$ (129,945)
Intergovernmental	369,894	186,122	530,052	(160,158)
Charges for services	862,333	670,050	767,726	94,607
Investment earnings	65,164	9,399	9,399	55,765
Miscellaneous	586	500	500	86
Total revenues	<u>3,428,418</u>	<u>3,126,457</u>	<u>3,568,063</u>	<u>(139,645)</u>
EXPENDITURES				
Current:				
Community development	2,034,124	2,185,192	2,616,057	581,933
Debt service:				
Principal	525,000	525,000	525,000	-
Interest and fiscal charges	193,318	191,400	191,400	(1,918)
Capital outlay	55,779	-	-	(55,779)
Total expenditures	<u>2,808,221</u>	<u>2,901,592</u>	<u>3,332,457</u>	<u>524,236</u>
Excess (deficiency) of revenues over (under) expenditures	<u>620,197</u>	<u>224,865</u>	<u>235,606</u>	<u>384,591</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	40	50	50	(10)
Total other financing sources	<u>40</u>	<u>50</u>	<u>50</u>	<u>(10)</u>
Net change in fund balance	620,237	\$ 224,915	\$ 235,656	\$ 384,581
Fund balance - beginning	<u>1,684,650</u>			
Fund balance - ending	<u>\$ 2,304,887</u>			

City of Killeen, Texas
Special Events Center Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 575	\$ 270	\$ 270	\$ 305
Total revenues	<u>575</u>	<u>270</u>	<u>270</u>	<u>305</u>
Net change in fund balance	575	\$ 270	\$ 270	\$ 305
Fund balance - beginning	<u>18,783</u>			
Fund balance - ending	<u>\$ 19,358</u>			

Exhibit C-16

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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 196,146	\$ 208,000	\$ 208,000	\$ (11,854)
Investment earnings	36,416	14,870	14,870	21,546
Total revenues	<u>232,562</u>	<u>222,870</u>	<u>222,870</u>	<u>9,692</u>
EXPENDITURES				
Current:				
General government	30,461	186,400	186,400	155,939
Capital outlay	226,986	340,000	617,136	390,150
Total expenditures	<u>257,447</u>	<u>526,400</u>	<u>803,536</u>	<u>546,089</u>
Net change in fund balance	(24,885)	\$ <u>(303,530)</u>	\$ <u>(580,666)</u>	\$ <u>555,781</u>
Fund balance - beginning	<u>1,291,204</u>			
Fund balance - ending	<u>\$ 1,266,319</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 175	\$ 614	\$ 614	\$ (439)
Contributions	110	90	90	20
Total revenues	<u>285</u>	<u>704</u>	<u>704</u>	<u>(419)</u>
EXPENDITURES				
Current:				
Community development	-	5,561	5,561	5,561
Total expenditures	-	<u>5,561</u>	<u>5,561</u>	<u>5,561</u>
Net change in fund balance	285	<u>\$ (4,857)</u>	<u>\$ (4,857)</u>	<u>\$ 5,143</u>
Fund balance - beginning	5,664			
Fund balance - ending	<u>\$ 5,949</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 2,244,148	\$ 3,401,667	\$ 3,430,610	\$ (1,186,462)
Miscellaneous	53	-	-	53
Total revenues	<u>2,244,201</u>	<u>3,401,667</u>	<u>3,430,610</u>	<u>(1,186,409)</u>
EXPENDITURES				
Current:				
Community development	2,244,022	3,401,667	3,452,878	1,208,856
Capital Outlay	4,268	-	4,738	470
Total expenditures	<u>2,248,290</u>	<u>3,401,667</u>	<u>3,457,616</u>	<u>1,209,326</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	4,268	-	4,738	470
Total other financing sources (uses)	<u>4,268</u>	<u>-</u>	<u>4,738</u>	<u>470</u>
Net change in fund balance	179	\$ -	\$ (22,268)	\$ (22,447)
Fund balance - beginning	<u>1,176</u>			
Fund balance - ending	<u>\$ 1,355</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 2,299	\$ 988	\$ 988	\$ 1,311
Contributions	3,036	11,000	11,000	(7,964)
Total revenues	<u>5,335</u>	<u>11,988</u>	<u>11,988</u>	<u>(6,653)</u>
EXPENDITURES				
Current:				
Recreation services	3,626	83,750	83,750	80,124
Total expenditures	<u>3,626</u>	<u>83,750</u>	<u>83,750</u>	<u>80,124</u>
Net change in fund balance	1,709	<u>\$ (71,762)</u>	<u>\$ (71,762)</u>	<u>\$ 73,471</u>
Fund balance - beginning	<u>75,858</u>			
Fund balance - ending	<u>\$ 77,567</u>			

Exhibit C-20

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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 33,705	\$ 2,264,726	\$ 2,264,726	\$ (2,231,021)
Charges for services	-	361,789	361,789	(361,789)
Miscellaneous	90	-	-	90
Total revenues	<u>33,795</u>	<u>2,626,515</u>	<u>2,626,515</u>	<u>(2,592,721)</u>
EXPENDITURES				
Current:				
Community development	64,141	2,626,515	2,626,515	2,562,374
Total expenditures	<u>64,141</u>	<u>2,626,515</u>	<u>2,626,515</u>	<u>2,562,374</u>
Net change in fund balance	(30,346)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,346)</u>
Fund balance - beginning	404,285			
Fund balance - ending	<u>\$ 373,939</u>			

City of Killeen, Texas
HOME American Rescue Plan Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental Revenues	\$ 78,083	1,745,243	\$ 1,757,888	\$ (1,679,805)
Total revenues	<u>78,083</u>	<u>1,745,243</u>	<u>1,757,888</u>	<u>(1,679,805)</u>
EXPENDITURES				
Current:				
Community Development	78,045	1,745,243	1,757,888	1,679,843
Total expenditures	<u>78,045</u>	<u>1,745,243</u>	<u>1,757,888</u>	<u>1,679,843</u>
Net change in fund balance	38	\$ -	\$ -	\$ 38
Fund balance - beginning	-			
Fund balance - ending	<u>\$ 38</u>			

Exhibit C-22

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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Charges for services	\$ 10,200,837	\$ 9,734,640	\$ 9,734,640	\$ 466,197
Investment earnings	213,507	34,396	34,396	179,111
Miscellaneous	7	-	-	7
Total revenues	<u>10,414,351</u>	<u>9,769,036</u>	<u>9,769,036</u>	<u>645,314</u>
EXPENDITURES				
Current:				
Public works	4,204,515	4,300,000	4,300,000	95,485
Debt service:				
Principal	605,000	605,000	605,000	-
Interest and fiscal charges	739,150	742,650	742,650	3,500
Capital Outlay	-	-	1,482,000	1,482,000
Total expenditures	<u>5,548,665</u>	<u>5,647,650</u>	<u>7,129,650</u>	<u>1,580,985</u>
Net change in fund balance	4,865,686	\$ 4,121,386	\$ 2,639,386	\$ 2,226,300
Fund balance - beginning	<u>4,942,978</u>			
Fund balance - ending	<u>\$ 9,808,664</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 365,726	\$ 358,629	\$ 358,629	\$ 7,097
Intergovernmental	242,231	263,866	263,866	(21,635)
Investment earnings	<u>72,020</u>	<u>22,276</u>	<u>22,276</u>	<u>49,744</u>
Total revenues	<u>679,977</u>	<u>644,771</u>	<u>644,771</u>	<u>35,206</u>
EXPENDITURES				
Public Works	79,775	-	100,000	20,225
Capital Outlay	<u>351,246</u>	-	<u>1,350,000</u>	<u>998,754</u>
Total expenditures	<u>431,021</u>	-	<u>1,450,000</u>	<u>1,018,979</u>
Net change in fund balance	248,956	<u>\$ 644,771</u>	<u>\$ (805,229)</u>	<u>\$ 1,054,185</u>
Fund balance - beginning	<u>2,143,566</u>			
Fund balance - ending	<u>\$ 2,392,522</u>			

Exhibit C-24

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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 3,729	\$ 1,451	\$ 1,451	\$ 2,278
Contributions	19,429	37,000	37,000	(17,571)
Total revenues	<u>23,158</u>	<u>38,451</u>	<u>38,451</u>	<u>(15,293)</u>
EXPENDITURES				
Current:				
Recreation services	15,568	138,760	138,760	123,192
Total expenditures	<u>15,568</u>	<u>138,760</u>	<u>138,760</u>	<u>123,192</u>
Net change in fund balance	7,590	<u>\$ (100,309)</u>	<u>\$ (100,309)</u>	<u>\$ 107,899</u>
Fund balance - beginning	<u>116,626</u>			
Fund balance - ending	<u>\$ 124,216</u>			

City of Killeen, Texas
Teen Court Program Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 720	\$ 800	\$ 800	\$ (80)
Investment earnings	133	104	104	29
Total revenues	<u>853</u>	<u>904</u>	<u>904</u>	<u>(51)</u>
EXPENDITURES				
Current:				
Public safety	2,783	2,600	2,600	(183)
Total expenditures	<u>2,783</u>	<u>2,600</u>	<u>2,600</u>	<u>(183)</u>
Net change in fund balance	(1,930)	<u>\$ (1,696)</u>	<u>\$ (1,696)</u>	<u>\$ (234)</u>
Fund balance - beginning	<u>5,550</u>			
Fund balance - ending	<u>\$ 3,620</u>			

Exhibit C-26

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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 55,960	\$ 50,500	\$ 50,500	\$ 5,460
Investment earnings	5,258	1,149	1,149	4,109
Total revenues	<u>61,218</u>	<u>51,649</u>	<u>51,649</u>	<u>9,569</u>
EXPENDITURES				
Current:				
Public safety	21,838	85,564	85,564	63,726
Total expenditures	<u>21,838</u>	<u>85,564</u>	<u>85,564</u>	<u>63,726</u>
Net change in fund balance	39,380	<u>\$ (33,915)</u>	<u>\$ (33,915)</u>	<u>\$ 73,295</u>
Fund balance - beginning	149,476			
Fund balance - ending	<u>\$ 188,856</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 607	\$ 700	\$ 700	\$ (93)
Fines	66,403	56,000	56,000	10,403
Investment earnings	7,486	2,610	2,610	4,876
Total revenues	<u>74,496</u>	<u>59,310</u>	<u>59,310</u>	<u>15,186</u>
EXPENDITURES				
Current:				
Public safety	6,376	48,582	48,582	42,206
Total expenditures	<u>6,376</u>	<u>48,582</u>	<u>48,582</u>	<u>42,206</u>
Net change in fund balance	68,120	<u>\$ 10,728</u>	<u>\$ 10,728</u>	<u>\$ 57,392</u>
Fund balance - beginning	<u>210,314</u>			
Fund balance - ending	<u>\$ 278,434</u>			

Exhibit C-28

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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 70,730	\$ 56,750	\$ 56,750	\$ 13,980
Investment earnings	13,268	7,368	7,368	5,900
Total revenues	<u>83,998</u>	<u>64,118</u>	<u>64,118</u>	<u>19,880</u>
EXPENDITURES				
Current:				
Public safety	108,856	111,955	111,955	3,099
Total expenditures	<u>108,856</u>	<u>111,955</u>	<u>111,955</u>	<u>3,099</u>
Net change in fund balance	(24,858)	<u>\$ (47,837)</u>	<u>\$ (47,837)</u>	<u>\$ 22,979</u>
Fund balance - beginning	<u>449,425</u>			
Fund balance - ending	<u>\$ 424,567</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 1,284	\$ 900	\$ 900	\$ 384
Investment earnings	110	16	16	94
Total revenues	<u>1,394</u>	<u>916</u>	<u>916</u>	<u>479</u>
Net change in fund balance	1,394	<u>\$ 916</u>	<u>\$ 916</u>	<u>\$ 479</u>
Fund balance - beginning	<u>2,905</u>			
Fund balance - ending	<u>\$ 4,299</u>			

Exhibit C-30

City of Killeen, Texas
Fire Department Donation Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 733	\$ 725	\$ 725	\$ 8
Investment earnings	208	56	56	152
Contributions	3,000	-	3,000	-
Total revenues	<u>3,941</u>	<u>781</u>	<u>3,781</u>	<u>160</u>
EXPENDITURES				
Current:				
Public safety	<u>4,576</u>	<u>5,549</u>	<u>8,549</u>	<u>3,973</u>
Total expenditures	<u>4,576</u>	<u>5,549</u>	<u>8,549</u>	<u>3,973</u>
Net change in fund balance	(635)	<u>\$ (4,768)</u>	<u>\$ (4,768)</u>	<u>\$ 4,133</u>
Fund balance - beginning	<u>4,667</u>			
Fund balance - ending	<u>\$ 4,032</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Investment earnings	\$ 5,383	\$ 1,866	\$ 1,866	\$ 3,517
Contributions	115,848	110,000	110,000	5,848
Total revenues	<u>121,231</u>	<u>111,866</u>	<u>111,866</u>	<u>9,365</u>
EXPENDITURES				
Current:				
Public safety	59,137	110,000	183,629	124,492
Capital Outlay	13,450	-	13,450	-
Total expenditures	<u>72,587</u>	<u>110,000</u>	<u>197,079</u>	<u>124,492</u>
Net change in fund balance	48,644	\$ 1,866	\$ (85,213)	\$ 133,857
Fund balance - beginning	<u>137,817</u>			
Fund balance - ending	<u>\$ 186,461</u>			

City of Killeen, Texas
Child Safety Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 172,333	\$ 170,776	\$ 170,776	\$ 1,557
Fines	47,011	38,500	38,500	8,511
Investment earnings	12,885	8,348	8,348	4,537
Total revenues	<u>232,229</u>	<u>217,624</u>	<u>217,624</u>	<u>14,605</u>
EXPENDITURES				
Current:				
Public safety	47,524	75,660	109,884	62,360
Capital outlay	10,557	120,000	130,558	120,001
Total expenditures	<u>58,081</u>	<u>195,660</u>	<u>240,442</u>	<u>182,361</u>
Net change in fund balance	174,148	<u>\$ 21,964</u>	<u>\$ (22,818)</u>	<u>\$ 196,966</u>
Fund balance - beginning	268,490			
Fund balance - ending	<u>\$ 442,638</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 14,473	\$ -	\$ -	\$ 14,473
Charges for services	3,576	4,800	4,800	(1,224)
Investment earnings	9,041	3,680	3,680	5,361
Contributions	11,106	13,000	13,000	(1,894)
Miscellaneous	4,602	500	500	4,102
Total revenues	<u>42,798</u>	<u>21,980</u>	<u>21,980</u>	<u>20,818</u>
EXPENDITURES				
Current:				
Public safety	12,956	251,384	247,884	234,928
Capital Outlay	3,005	-	3,500	495
Total expenditures	<u>15,961</u>	<u>251,384</u>	<u>251,384</u>	<u>235,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,837</u>	<u>(229,404)</u>	<u>(229,404)</u>	<u>256,241</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	2,455	1,000	1,000	1,455
Total other financing sources	<u>2,455</u>	<u>1,000</u>	<u>1,000</u>	<u>1,455</u>
Net change in fund balance	29,292	\$ (228,404)	\$ (228,404)	\$ 257,696
Fund balance - beginning	276,976			
Fund balance - ending	<u>\$ 306,268</u>			

Exhibit C-34

City of Killeen, Texas
Park Development Benefit Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance - Positive (Negative)
		<u>Original</u>	<u>Final</u>	
REVENUES				
Intergovernmental Revenues	\$ 10,800	-	\$ 8,400	\$ 2,400
Total revenues	<u>10,800</u>	<u>-</u>	<u>8,400</u>	<u>2,400</u>
Net change in fund balance	10,800	\$ -	\$ 8,400	\$ 2,400
Fund balance - beginning	-			
Fund balance - ending	<u>\$ 10,800</u>			

City of Killeen, Texas
Opioid Settlement Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental Revenues	\$ 168,152	-	\$ 168,152	-
Total revenues	<u>168,152</u>	<u>-</u>	<u>168,152</u>	<u>-</u>
Net change in fund balance	168,152	\$ -	\$ 168,152	\$ -
Fund balance - beginning	-			
Fund balance - ending	<u>\$ 168,152</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, 2023

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 13,653,721	\$ 13,741,856	\$ 13,741,856	\$ (88,135)
Intergovernmental	2,412,505	1,684,375	1,684,375	728,130
Investment earnings	326,334	165,169	165,169	161,165
Total revenues	<u>16,392,560</u>	<u>15,591,400</u>	<u>15,591,400</u>	<u>801,160</u>
EXPENDITURES				
Debt service:				
Principal	12,730,000	12,710,000	12,730,000	-
Interest and fiscal charges	4,290,587	4,319,194	4,299,194	8,607
Total expenditures	<u>17,020,587</u>	<u>17,029,194</u>	<u>17,029,194</u>	<u>8,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(628,027)</u>	<u>(1,437,794)</u>	<u>(1,437,794)</u>	<u>809,767</u>
Net change in fund balance	(628,027)	\$ (1,437,794)	\$ (1,437,794)	\$ 809,767
Fund balance - beginning	<u>4,746,524</u>			
Fund balance - ending	<u>\$ 4,118,497</u>			



CITY OF KILLEEN



STATISTICAL SECTION





**TABLE OF
CONTENTS**

STATISTICAL SECTION

Financial Trends 147
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 152
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.

Debt Capacity 156
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 161
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 163
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 169
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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 54,564,150	\$ 55,015,444	\$ 52,004,821	\$ 48,083,942	\$ 52,468,959	\$ 58,430,100	\$ 51,521,453	\$ 60,286,215	\$ 76,080,193	\$ 99,227,305
Restricted for:										
Debt service	3,131,449	905,327	-	3,238,931	4,494,021	3,768,422	4,901,539	5,508,529	5,271,524	5,483,497
Capital projects	2,472,582	2,414,025	298,693	6,239,123	9,628,364	12,162,264	19,983,650	17,701,567	-	-
Other purposes	2,952,565	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668	7,814,105	36,423,119	17,611,742
Unrestricted	11,671,245	(51,826,021)	(51,868,558)	(33,339,549)	(29,100,119)	(71,757,266)	(70,219,621)	(52,826,467)	(16,326,300)	3,629,464
Total governmental activities net position	<u>\$ 74,791,991</u>	<u>\$ 9,150,321</u>	<u>\$ 3,573,854</u>	<u>\$ 27,464,806</u>	<u>\$ 41,112,525</u>	<u>\$ 8,030,969</u>	<u>\$ 14,262,689</u>	<u>\$ 38,483,949</u>	<u>\$101,448,536</u>	<u>\$ 125,952,008</u>
Business-type activities										
Net investment in capital assets	192,106,889	203,053,020	181,931,220	201,056,728	200,358,419	206,354,400	205,499,902	189,024,682	201,782,468	230,070,844
Restricted for:										
Debt service	8,437,776	8,436,533	5,965,000	5,115,000	5,384,661	4,984,429	3,563,179	5,235,000	-	3,472,802
Capital projects	-	-	14,588,933	3,054,410	1,796,524	2,086,726	5,487,024	27,207,226	5,405,285	19,553,259
Unrestricted	21,921,142	3,450,901	6,274,922	15,788,767	20,591,450	10,104,986	15,854,041	19,951,163	55,669,392	29,196,696
Total business-type activities net position	<u>\$ 222,465,807</u>	<u>\$214,940,454</u>	<u>\$208,760,075</u>	<u>\$225,014,905</u>	<u>\$228,131,054</u>	<u>\$223,530,541</u>	<u>\$230,404,146</u>	<u>\$241,418,071</u>	<u>\$262,857,145</u>	<u>\$ 282,293,601</u>
Primary government										
Net investment in capital assets	\$ 246,671,039	\$258,068,464	\$233,936,041	\$249,140,670	\$252,827,378	\$264,784,500	\$257,021,355	\$249,310,897	\$277,862,661	\$ 329,298,149
Restricted for:										
Debt service	11,569,225	9,341,860	5,965,000	8,353,931	9,878,682	8,752,851	8,464,718	10,743,529	5,271,524	8,956,299
Capital projects	2,472,582	2,414,025	14,887,626	9,293,533	11,424,888	14,248,990	25,470,674	44,908,793	5,405,285	19,553,259
Other purposes	2,952,565	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668	7,814,105	36,423,119	17,611,742
Unrestricted	33,592,387	(48,375,120)	(45,593,636)	(17,550,782)	(8,508,669)	(61,652,280)	(54,365,580)	(32,875,304)	39,343,092	32,826,160
Total primary government net position	<u>\$ 297,257,798</u>	<u>\$224,090,775</u>	<u>\$212,333,929</u>	<u>\$252,479,711</u>	<u>\$269,243,579</u>	<u>\$231,561,510</u>	<u>\$244,666,835</u>	<u>\$279,902,020</u>	<u>\$364,305,680</u>	<u>\$ 408,245,608</u>

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

Table II

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 18,280,688	\$ 19,738,067	\$ 23,881,088	\$ 7,640,003	\$ 18,532,927	\$ 24,073,260	\$ 17,550,796	\$ 17,112,283	\$ 21,753,426	\$ 21,700,867
Public safety	49,434,466	57,032,023	59,748,462	47,145,776	50,531,932	79,194,745	60,681,868	62,310,408	48,356,283	78,415,748
Public works	11,861,694	10,859,949	7,240,120	7,144,108	10,746,654	12,296,974	11,414,407	13,211,560	12,208,295	13,500,125
Recreation services	9,549,328	10,741,314	10,686,576	9,468,049	8,624,123	13,621,364	8,054,799	8,142,396	5,134,807	8,568,284
Community development	2,292,071	2,306,419	3,218,079	3,199,353	3,432,423	6,215,603	7,458,855	7,845,185	4,556,810	9,667,584
Fleet services	-	-	-	1,164,394	1,078,970	-	-	-	-	-
Interest on long-term debt	8,263,132	8,598,463	7,610,776	7,739,808	6,466,577	6,972,133	7,043,511	4,796,313	(6,837,089)	4,909,832
Total governmental activities expenses	<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>	<u>113,418,145</u>	<u>85,172,532</u>	<u>136,762,440</u>
Business-type activities										
Airport operations	7,572,452	7,439,685	8,253,375	5,827,440	6,536,318	8,799,407	7,057,126	7,376,363	6,639,454	8,577,609
Solid waste	12,953,683	13,025,124	13,579,907	11,069,243	14,513,999	18,577,778	15,650,206	16,177,897	15,131,753	19,287,082
Water and sewer	34,975,124	32,611,994	32,027,836	27,181,470	32,112,444	38,255,119	36,253,207	36,158,833	33,971,498	38,536,543
Drainage utility	3,400,443	3,092,520	3,289,469	2,393,986	3,170,071	4,862,697	3,598,254	3,659,244	2,917,054	3,989,753
Total business-type activities expenses	<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>	<u>63,372,337</u>	<u>58,659,759</u>	<u>70,390,987</u>
Total primary government expenses	<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>	<u>\$ 176,790,482</u>	<u>\$ 143,832,291</u>	<u>\$ 207,153,427</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,750,455	\$ 3,755,430	\$ 6,610,874	\$ 1,127,516	\$ 4,629,114	\$ 5,053,902	\$ 2,742,063	\$ 3,066,258	\$ 3,842,898	\$ 3,441,264
Public safety	3,612,991	3,367,392	4,182,979	8,737,207	3,661,289	3,488,013	5,939,993	7,325,771	7,350,602	7,703,870
Recreation services	2,331,670	2,273,902	2,198,783	-	-	296,251	1,792,093	1,790,094	9,265,952	10,308,392
Community development	40,365	38,757	717,784	2,153,672	2,230,770	2,022,922	1,695,154	2,072,500	2,489,460	2,527,916
Community services	756,278	847,315	-	692,966	636,451	941,735	489,609	757,309	1,065,835	1,029,860
Fleet services	-	-	-	1,138,067	10,941,422	-	-	-	-	-
Operating grants and contributions	3,326,406	4,220,705	5,450,879	6,929,957	5,066,389	4,068,617	10,472,662	10,099,954	10,480,749	15,180,889
Capital grants and contributions	2,113,813	6,385,540	4,964,996	3,717,656	3,655,127	5,691,172	3,489,873	4,698,036	8,980,361	5,908,152
Total governmental activities program revenues	<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>	<u>\$ 29,809,919</u>	<u>\$ 43,475,856</u>	<u>\$ 46,100,343</u>
Business-type activities:										
Charges for services:										
Airport operations	\$ 4,234,301	\$ 4,071,067	\$ 3,669,270	\$ 3,795,116	\$ 3,644,898	\$ 4,217,009	\$ 3,238,829	\$ 3,732,340	\$ 4,034,453	\$ 3,895,173
Solid waste	15,535,858	16,074,277	17,644,259	18,293,262	18,388,088	18,948,949	19,508,164	20,486,207	21,622,087	24,875,189
Water and sewer	35,391,913	37,487,713	38,806,421	39,446,531	40,089,479	39,548,922	42,323,553	41,398,427	45,710,125	46,871,902
Drainage utility	3,828,757	3,888,581	4,008,810	4,273,222	4,157,847	4,220,607	5,161,767	5,143,993	4,996,012	5,263,104
Operating grants and contributions	6,900	-	-	-	-	-	2,495,756	406,628	305,307	-
Capital grants and contributions	2,424,583	5,096,651	846,368	6,276,903	4,403,558	7,550,014	3,673,305	12,084,885	11,235,829	15,361,489
Total business-type activities program revenues	<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>	<u>83,252,480</u>	<u>87,903,813</u>	<u>96,266,857</u>
Total primary government program revenues	<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>	<u>\$ 113,062,399</u>	<u>\$ 131,379,669</u>	<u>\$ 142,367,200</u>
Net (expense)/revenue:										
Governmental activities	\$ (81,749,401)	\$ (88,387,194)	\$ (88,258,806)	\$ (59,004,450)	\$ (68,593,044)	\$ (120,811,467)	\$ (85,582,789)	\$ (83,608,226)	\$ (41,696,676)	\$ (90,662,097)
Business-type activities	2,520,610	10,448,966	7,824,541	25,612,895	14,351,038	3,990,500	13,842,581	19,880,143	29,244,054	25,875,870
Total primary government net expense	<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>	<u>\$ (63,728,083)</u>	<u>\$ (12,452,622)</u>	<u>\$ (64,786,227)</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities:										
Ad valorem taxes	\$ 36,002,184	\$ 36,509,352	\$ 37,499,361	\$ 39,841,800	\$ 42,796,449	\$ 43,262,259	\$ 47,496,571	\$ 50,655,146	\$ 53,282,377	\$ 56,908,403
Mixed beverage taxes	293,502	233,159	236,722	253,215	257,411	-	-	-	-	-
Franchise fees	5,428,953	5,836,042	5,268,332	5,504,632	5,680,187	5,792,836	5,568,209	5,560,513	5,839,728	5,642,863
Sales and occupancy taxes	22,118,887	23,315,571	23,725,822	24,354,825	25,723,407	27,310,995	29,115,034	34,609,353	36,871,723	38,263,273
Bingo taxes	258,546	203,264	198,375	153,142	146,237	-	-	-	-	-
Investment income	140,560	135,958	204,862	383,558	782,209	1,300,153	1,193,008	493,231	(134,106)	4,365,364
Insurance proceeds	-	-	795,893	296,262	138,552	359,631	101,458	-	-	480,549
Gain on sale of capital assets	24,192	262,934	90,763	-	252,468	66,880	153,943	185,614	308,579	188,642
Lease revenue	165,351	309,270	331,441	351,917	-	-	204,814	236,543	218,786	198,490
Transfers	8,394,420	9,294,363	14,330,769	9,901,033	9,813,125	9,701,040	7,981,471	9,774,943	8,274,175	9,072,016
Total governmental activities	<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>	<u>101,515,344</u>	<u>104,661,262</u>	<u>115,119,600</u>
Business-type activities:										
Investment income	140,175	120,247	155,399	281,939	556,044	933,359	739,131	373,580	(44,533)	2,273,557
Insurance proceeds	-	-	43,439	16,391	82,381	28,305	34,556	-	-	158,307
Gain on sale of capital assets	14,853	193,875	55,511	186,638	117,013	44,559	133,757	430,704	403,110	62,600
Lease revenue	66,000	27,500	71,500	58,000	102,000	103,804	105,051	104,441	110,618	138,138
Transfers	(8,394,420)	(9,294,363)	(14,330,769)	(9,901,033)	(9,813,125)	(9,701,040)	(7,981,471)	(9,774,943)	(8,274,175)	(9,072,016)
Total business-type activities	<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>	<u>(8,866,218)</u>	<u>(7,804,980)</u>	<u>(6,439,414)</u>
Total primary government	<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>	<u>\$ 92,649,126</u>	<u>\$ 96,856,282</u>	<u>\$ 108,680,186</u>
Changes in net position:										
		\$								
Governmental activities	\$ (8,922,806)	(12,287,281)	\$ (5,576,466)	\$ 22,035,934	\$ 16,997,001	\$ (33,017,673)	\$ 6,231,719	\$ 17,907,119	\$ 62,964,587	\$ 24,457,503
Business-type activities	(5,652,782)	1,496,225	(6,180,379)	16,254,830	5,395,351	(4,600,513)	6,873,605	11,013,925	21,439,074	19,436,456
Total primary government	<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>	<u>\$ 28,921,044</u>	<u>\$ 84,403,661</u>	<u>\$ 43,893,959</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable:										
Inventories	\$ 441,742	\$ 442,190	\$ 103,606	\$ 137,733	\$ 154,011	\$ 86,495	\$ 66,483	\$ 85,882	\$ 74,830	\$ 82,663
Prepaid assets	108,402	110,157	114,407	120,506	534,217	274,427	221,132	182,643	140,114	168,004
Restricted for:										
Debt service	68,313	68,313	-	-	-	-	-	-	-	-
Other purposes	315,957	-	-	-	-	-	-	-	-	-
Unassigned	19,398,607	17,508,236	17,437,198	19,918,779	21,626,790	19,928,826	22,617,232	32,514,183	33,721,928	31,818,283
Total general fund	<u>\$ 20,333,021</u>	<u>\$ 18,128,896</u>	<u>\$ 17,655,211</u>	<u>\$ 20,177,018</u>	<u>\$ 22,315,018</u>	<u>\$ 20,289,748</u>	<u>\$ 22,904,847</u>	<u>\$ 32,782,708</u>	<u>\$ 33,936,872</u>	<u>\$ 32,068,950</u>
All other governmental funds:										
Nonspendable:										
Inventories	\$ 5,850	\$ 7,173	\$ 6,381	\$ 7,871	\$ 6,408	\$ 10,729	\$ 18,006	\$ 30,609	\$ 21,288	\$ 13,180
Prepaid assets	-	-	4,828	-	7,274	-	4,856,743	4,856,743	-	4,315,648
Restricted for:										
Debt service	4,434,714	2,098,113	801,898	4,345,453	5,496,950	4,763,976	4,901,539	5,508,529	5,271,524	5,483,497
Capital projects	44,788,179	26,964,619	10,506,281	6,239,123	9,628,364	12,162,264	19,983,650	17,701,567	25,609,763	88,759,123
Other purposes	2,636,608	2,641,546	3,138,898	3,242,359	3,621,300	5,427,449	8,075,668	7,814,105	36,423,119	17,611,742
Unassigned	-	(36,429)	(1,341)	(48,226)	(4,463)	-	-	-	-	-
Total all other governmental funds	<u>51,865,351</u>	<u>31,675,022</u>	<u>14,456,945</u>	<u>13,786,580</u>	<u>18,755,833</u>	<u>22,364,418</u>	<u>37,835,607</u>	<u>35,911,553</u>	<u>67,325,694</u>	<u>116,183,190</u>
Total all governmental funds	<u>\$ 72,198,372</u>	<u>\$ 49,803,918</u>	<u>\$ 32,112,156</u>	<u>\$ 33,963,598</u>	<u>\$ 41,070,851</u>	<u>\$ 42,654,166</u>	<u>\$ 60,740,453</u>	<u>\$ 68,694,261</u>	<u>\$ 101,262,566</u>	<u>\$ 148,252,140</u>

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 64,115,782	\$ 66,189,875	\$ 66,997,659	\$ 70,109,923	\$ 74,505,377	\$ 76,480,105	\$ 82,124,851	\$ 90,564,188	\$ 96,039,514	\$ 100,862,415
Licenses and permits	1,898,797	1,589,563	1,615,634	1,527,193	1,218,182	1,423,697	1,852,529	2,116,005	2,535,111	2,478,317
Intergovernmental	3,043,666	4,958,666	6,706,747	11,485,054	8,108,586	9,484,205	13,962,534	11,973,253	13,875,074	17,287,159
Charges for services	5,944,876	6,186,000	6,241,344	6,412,087	6,675,688	7,446,513	8,415,701	9,138,753	17,649,583	18,883,164
Fines	3,488,335	3,761,425	4,287,878	4,472,891	3,062,812	2,739,515	2,322,890	3,540,176	3,233,535	3,301,454
Investment earnings	-	-	168,320	371,354	730,509	1,230,754	1,172,381	484,875	(128,312)	4,231,309
Contributions	766,886	321,188	1,709,636	585,705	483,382	275,584	153,830	195,334	175,710	154,529
Miscellaneous	1,424,859	1,938,413	1,283,522	418,291	335,727	236,557	224,133	197,005	538,151	238,439
Total revenues	<u>80,683,201</u>	<u>84,945,130</u>	<u>89,010,740</u>	<u>95,382,498</u>	<u>95,120,263</u>	<u>99,316,930</u>	<u>110,228,849</u>	<u>118,209,589</u>	<u>133,918,366</u>	<u>147,436,786</u>
Expenditures:										
General government	11,297,186	11,890,861	14,491,763	9,134,337	13,387,734	11,536,105	12,112,438	13,308,654	15,069,809	16,778,103
Public safety	44,735,530	48,458,020	51,064,651	55,388,559	50,616,632	53,486,111	55,222,610	59,399,330	69,071,553	74,808,926
Public works	4,769,726	4,144,229	4,608,741	4,409,555	4,075,919	4,210,689	7,101,739	8,989,044	9,175,634	8,522,490
Recreation services	-	-	8,968,135	8,772,321	7,596,793	9,012,634	6,184,583	6,426,061	6,320,747	6,811,362
Community development	9,636,330	10,395,629	2,196,927	3,462,380	3,186,783	3,317,103	6,488,582	7,116,925	7,259,207	9,173,867
Miscellaneous	6,256,371	6,495,235	-	-	-	-	-	-	-	-
Capital outlay	22,861,208	20,640,470	18,972,495	7,873,907	4,325,318	9,974,309	5,346,641	6,191,435	10,396,892	12,031,114
Debt service:										
Principal	4,421,871	5,718,681	7,580,693	8,010,000	9,359,679	9,617,481	9,954,043	11,971,755	12,723,853	14,090,868
Interest and fiscal charges	8,103,822	8,888,561	7,950,995	8,189,380	7,287,928	7,527,631	7,132,744	5,250,519	5,231,761	5,224,555
Costs of issuance	196,863	2,261	584,349	-	391,354	-	661,840	-	-	429,310
Total expenditures	<u>112,278,907</u>	<u>116,633,947</u>	<u>116,418,749</u>	<u>105,240,439</u>	<u>100,228,140</u>	<u>108,682,063</u>	<u>110,205,219</u>	<u>118,653,723</u>	<u>135,249,456</u>	<u>147,870,595</u>
(Deficiency) of revenues (under) expenditures	<u>(31,595,706)</u>	<u>(31,688,817)</u>	<u>(27,408,009)</u>	<u>(9,857,941)</u>	<u>(5,107,877)</u>	<u>(9,365,133)</u>	<u>23,630</u>	<u>(444,134)</u>	<u>(1,331,090)</u>	<u>(433,809)</u>
Other financing sources (uses):										
Capital-related bonds issued	18,730,000	-	-	-	-	-	-	-	-	-
Refunding bonds issued	4,940,000	-	44,090,000	-	33,455,000	-	66,690,000	-	21,630,000	35,450,000
Premium/discount on issuance of debt	1,739,296	-	7,810,525	-	483,616	-	941,584	-	2,551,706	1,928,561
Limited tax note issue	-	-	-	-	-	-	4,910,000	-	-	-
Insurance recoveries	-	-	795,893	296,262	138,552	359,631	101,458	190,316	-	480,549
Sale of capital assets	-	-	90,763	33,165	252,468	63,633	151,232	169,365	-	188,642
Leases issued	-	-	-	-	3,877,980	431,752	146,351	106,968	148,571	303,615
Payment to escrow agent	(5,392,746)	-	(51,901,703)	-	(36,938,001)	-	(67,013,829)	-	-	-
Transfers in	10,629,638	14,865,656	15,322,481	12,130,635	14,101,355	25,060,895	31,474,828	17,691,005	20,615,937	22,720,838
Transfers out	(2,235,218)	(5,571,293)	(6,491,712)	(851,937)	(4,288,230)	(14,903,581)	(19,338,966)	(9,759,712)	(11,559,224)	(13,648,822)
Total other financing sources	<u>28,410,970</u>	<u>9,294,363</u>	<u>9,716,247</u>	<u>11,608,125</u>	<u>11,082,740</u>	<u>11,012,330</u>	<u>18,062,658</u>	<u>8,397,942</u>	<u>33,386,990</u>	<u>47,423,383</u>
Net change in fund balances	<u>\$ (3,184,736)</u>	<u>\$ (22,394,454)</u>	<u>\$ (17,691,762)</u>	<u>\$ 1,750,184</u>	<u>\$ 5,974,863</u>	<u>\$ 1,647,197</u>	<u>\$ 18,086,288</u>	<u>\$ 7,953,808</u>	<u>\$ 32,055,900</u>	<u>\$ 46,989,574</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	14.0%	15.2%	16.0%	16.6%	17.4%	17.4%	16.4%	15.3%	14.4%	14.3%

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					
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%
2021	8,330,455,824	495,013,193	1,759,684,728	7,065,784,289	0.7330	8,825,469,017	80.06%
2022	9,639,295,047	541,341,501	2,370,340,533	7,810,296,015	0.7004	10,180,636,548	76.72%
2023	12,148,143,379	600,972,955	3,465,223,542	9,283,892,792	0.6233	12,749,116,334	72.82%

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	
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
2021	2020	0.5150	0.2180	0.7330	0.3968	1.0895	0.1218	0.0033	2.34437
2022	2021	0.5119	0.1885	0.7004	0.3680	1.0432	0.1116	0.0031	2.22630
2023	2022	0.4656	0.1577	0.6233	0.3160	1.0166	0.0960	0.0027	2.05461

Source: Bell County Tax Appraisal District

Table VII

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

Name of Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery Co., LLC	\$ 92,008,125	1	0.99%	\$ 55,621,757	1	1.10%
Z Modular LLC	71,810,811	2	0.77%			
MFT - Brookside LLC	67,239,000	3	0.72%			
LHCS LLC	49,982,280	4	0.54%			
MGC Pure Chemicals America Inc	46,711,292	5	0.50%			
5002 Thayer Drive, LLC	46,000,000	6	0.50%			
Killeen Werbo LLC and Reharber 136 LLC	35,917,300	7	0.39%			
BKCK LTD	33,774,908	8	0.36%			
Amber Chase Townhomes LLC	33,000,000	9	0.36%			
EAN Holdings LLC	23,960,947	10	0.26%			
Wal-Mart Real Estate Business Trust				19,032,497	2	0.38%
Killeen Mall LLC				16,388,819	3	0.33%
Central Telephone Company of TX				14,835,487	4	0.30%
Stone Creek Investment LLC				12,874,850	5	0.26%
HEB Grocery Company LP				11,989,175	6	0.24%
Watercrest Place LP				11,464,836	7	
Bentina LTD				9,494,733	8	0.19%
Feiga/Sierra Creek LP				9,429,867	9	0.19%
Presidium HCO Killeen				9,065,475	10	0.18%
Subtotal	500,404,663		5.39%	170,197,496		3.40%
All other taxpayers	8,783,488,129		94.61%	4,833,978,543		96.60%
Total	\$ 9,283,892,792		100.00%	\$ 5,004,176,039		100.00%

Source: Bell County Tax Appraisal District

Table VIII

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

Fiscal Year September 30	Total Tax Levy for Year	Ad Valorem Rate			Tax Levy	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years (1)	Total Collections to Date	
		Tax Rate	General Fund	Interest & Sinking Fund		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	2013	\$ 0.7428	\$ 0.5041	\$ 0.2387	\$ 37,098,327	\$ 35,407,969	95.44%	\$ 252,866	\$ 35,660,835	96.13%
2015	2014	\$ 0.7498	\$ 0.5229	\$ 0.2269	37,567,615	36,064,932	96.00%	228,450	36,293,382	96.61%
2016	2015	\$ 0.7498	\$ 0.4938	\$ 0.2560	38,595,889	38,091,782	98.69%	240,106	38,331,888	99.32%
2017	2016	\$ 0.7498	\$ 0.4467	\$ 0.3031	39,932,447	39,354,013	98.55%	225,640	39,579,653	99.12%
2018	2017	\$ 0.7498	\$ 0.4933	\$ 0.2565	42,927,120	42,255,422	98.44%	196,066	42,451,488	98.89%
2019	2018	\$ 0.7498	\$ 0.5353	\$ 0.2145	43,442,967	42,776,978	98.47%	298,818	43,075,796	99.15%
2020	2019	\$ 0.7498	\$ 0.5281	\$ 0.2217	47,988,263	47,167,851	98.29%	158,225	47,326,076	98.62%
2021	2020	\$ 0.7330	\$ 0.5150	\$ 0.2180	50,871,048	50,060,001	98.41%	182,199	50,242,200	98.76%
2022	2021	\$ 0.7004	\$ 0.5119	\$ 0.1885	53,900,696	52,971,734	98.28%	235,782	53,207,515	98.71%
2023	2022	\$ 0.6233	\$ 0.4656	\$ 0.1577	58,076,082	56,687,849	97.61%	238,818	56,926,667	98.02%

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

Table IX

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

Fiscal Year	Governmental Activities					Business-Type Activities						
	General		Unamortized		Total	General		Certificates of		Unamortized	Total Business-	
	Obligation	Certificates of		Bond Premiums/	Governmental	Obligation	Revenue Bonds	Obligation	Leases	Bond Premiums/	Type Activities	
	Bonds	Obligation	Leases	Discounts	Activities (1)	Bonds				Discounts	(1)	
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	
2021	149,310,000	2,560,000	481,695	10,102,337	162,454,032	7,895,000	48,590,000	-	273,947	4,021,429	60,780,376	
2022	138,060,000	22,960,000	224,915	11,479,195	172,724,110	6,890,000	44,360,000	-	209,294	3,674,273	55,133,567	
2023	130,625,000	51,985,000	292,337	11,881,310	194,783,647	5,835,000	39,945,000	-	186,395	3,327,117	49,293,512	

Fiscal Year	Total Primary Government Debt (1)	Percentage of Personal Income (2)	Population (3)	Per Capita
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%	153,095	1,440
2021	223,234,408	1.05%	158,391	1,409
2022	227,857,677	0.98%	160,328	1,421
2023	244,077,159	1.03%	161,029	1,516

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Table 14

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

Table X

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

Fiscal Year Ended September 30	General Obligation Bonds (1)	Plus: Unamortized Premium/Bond Discounts (2)	Less: Amounts Available in Debt Service Fund (3)	Total	Percentage of Estimated Actual Taxable Value of Property (4)	Per Capita (5)
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
2021	157,205,000	10,102,337	5,470,473	161,836,864	1.83%	1,022
2022	144,950,000	11,479,195	4,746,524	151,682,672	1.49%	946
2023	136,460,000	11,881,310	4,118,497	144,222,813	1.13%	896

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

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

⁽²⁾ Unamortized premium/bond discounts.

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

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

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

Table XI

City of Killeen, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Primary Government
Bell County	\$ 134,990,000	30.41%	\$ 41,049,334
Killeen Independent School District	383,760,000	75.05%	288,008,216
Subtotal, overlapping debt			329,057,551
City of Killeen, net debt payable from ad valorem taxes			188,737,337
Total direct and overlapping net funded debt			<u>\$ 517,794,888</u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			5.58%
Per Capita Direct and Overlapping Net Funded Debt			\$ 3,216

Sources: Outstanding debt provided by each governmental unit.

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

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

Table XII

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

Fiscal Year	Assessed Value, Tax Roll	Legal Debt Limit Percentage	Legal Debt Limit	Actual Amount Expended for General Obligation Debt Service During the Year
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
2021	7,065,784,289	1.50%	105,986,764	16,140,881
2022	7,810,296,015	1.50%	117,154,440	16,164,471
2023	9,283,892,792	1.50%	139,258,392	17,020,587

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

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

Table XIII

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

Fiscal Year	Gross Revenue	Operating Expenses *	Net Revenue Available for Debt Service	Next Fiscal Years Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2021	41,398,427	27,662,593	13,735,834	4,230,000	1,417,741	5,647,741	2.43
2022	45,710,125	25,711,871	19,998,254	4,415,000	1,232,890	5,647,890	3.54
2023	46,871,902	30,260,146	16,611,756	4,515,000	1,134,480	5,649,480	2.94

Source: Finance Department, City of Killeen

* Total operating expenses less depreciation

Table XIV

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

Fiscal Year	Population (a)	Killeen-Temple Fort Cavazos Metropolitan Statistical Area Population (b)	Killeen-Temple Fort Cavazos Metropolitan Per Capita Income (b)	Killeen-Temple Fort Cavazos Metropolitan Personal Income (amounts expressed in thousands) (b)	Killeen-Temple Fort Cavazos Metropolitan Unemployment Rates (c)
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	153,095	467,117	42,855	20,018,299	7.3%
2021	158,391	468,453	45,574	21,349,269	8.0%
2022	160,328	486,101	47,755	23,213,690	4.2%
2023	161,029	496,228	47,680	23,660,068	4.5%

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

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

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

Table XV

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

Name of Employer	Business Category	2023			2014		
			Rank	% of Total		Rank	% of Total
Ill Corp & Fort Cavazos	Government	36,786	1	60.83%			
Military Defense Contractors & Others	Defense Contractor	7,447	2	12.31%			
Killeen ISD	Education	6,800	3	11.24%	6,000	2	8.13%
Civilian Personnel Office	Government	4,575	4	7.57%			
Central Texas College	Education	1,488	5	2.46%	1,487	3	2.02%
City of Killeen	Government	1,173	6	1.94%	1,100	6	1.49%
AdventHealth	Health Care	1,000	7	1.65%			
First Community Services	Banking and Real Estate	700	8	1.16%			
Texas A&M University - Central Texas	Education	305	9	0.50%			
Z-Modular	Manufacturer	200	10	0.33%			
Fort Cavazos (includes Soldiers and Civilians)	Government				61,434	1	83.26%
Metroplex Hospital	Health Care				1,200	4	1.63%
Aegis Communications	Call Center				1,200	5	1.63%
ESP, Inc.	Defense Contractor				420	7	0.57%
Scott & White Clinic	Health Care				361	8	0.49%
Seaton Medical Center Harker Heights	Health Care				350	9	0.47%
Blackboard Student Services	Education				238	10	0.32%
Total		<u>60,474</u>		<u>100.00%</u>	<u>73,790</u>		<u>100.00%</u>

Sources:

Greater Killeen Chamber of Commerce

Table XVI

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Administration										
City Manager	2.0	2.0	2.0	2.0	2.0	3.0	2.0	4.0	4.0	4.0
Assistant City Manager	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy City Manager	2.0	2.0	2.0	1.0	0.3	-	-	-	-	-
City Auditor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5
Total Administration	7.0	7.0	7.0	5.0	4.3	5.0	4.0	6.0	6.0	6.5
Municipal Court	23.0	23.0	23.0	22.0	19.7	20.0	21.0	21.0	21.0	21.0
Communications										
Communications	2.5	2.5	2.5	2.5	4.9	4.8	4.8	4.8	4.8	6.0
Printing Services	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Legislative Affairs	-	-	-	-	0.1	0.2	0.2	0.2	0.2	-
Total Communications	5.5	5.5	5.5	4.5	7.0	7.0	7.0	7.0	7.0	8.0
Legal										
City Attorney	7.0	7.0	8.0	7.0	7.0	7.0	6.5	6.5	6.5	7.5
City Secretary	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Total Legal	8.0	8.0	9.0	8.0	8.0	8.0	7.5	7.5	8.5	9.5
Finance										
Finance	13.0	13.0	13.0	13.0	13.0	14.0	13.0	14.0	15.0	15.0
EMS Billing and Collections	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
Total Finance	24.0	24.0	24.0	21.3	18.0	19.0	18.0	19.0	20.0	20.0
Support Services	1.0	1.0	2.0	-	-	-	-	-	-	-
Human Resources	13.0	14.0	14.0	13.0	12.0	12.6	14.6	14.6	15.0	14.0
Information Technology	17.0	19.0	19.0	17.0	-	-	-	-	-	-
Recreation Services										
Administration	-	-	-	-	3.0	3.0	5.0	5.0	5.0	5.0
Animal Services	-	-	-	-	-	-	17.0	17.0	18.0	30.0
Volunteer Services	3.0	3.0	3.0	3.0	3.0	3.0	-	-	-	-
Golf Course	19.0	18.5	20.2	19.0	16.9	-	-	-	-	-
Community Center Operations	5.0	3.0	3.0	3.0	2.0	4.8	-	-	-	-
Parks	35.0	37.0	37.0	33.0	32.0	33.6	36.6	36.6	36.6	36.6
Lions Club Park	12.0	16.0	15.5	14.5	7.6	8.2	8.2	8.2	6.2	6.2
Family Aquatics Center	2.0	1.0	15.3	16.4	14.3	14.5	14.5	14.5	14.5	14.5
Recreation	2.0	2.0	2.0	2.0	3.0	3.0	5.8	4.8	4.8	4.8
Athletics	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Cemetery	6.0	5.0	5.0	4.0	4.0	4.0	-	-	-	-
Senior Citizens	4.0	4.0	4.0	3.0	3.5	4.1	4.0	4.0	6.0	6.0
Total Recreation Services	91.0	92.5	107.9	100.9	92.2	81.2	95.1	94.0	95.0	107.0
Community Development										
Library Services	26.0	26.0	27.0	25.5	24.3	24.0	24.5	24.5	24.5	24.5
Arts and Activities Center	4.5	5.0	6.0	6.0	6.0	5.3	5.4	5.4	5.4	5.4
Community Development	5.0	4.0	4.0	4.0	1.0	0.9	1.0	1.0	2.0	8.1
Home Program	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Lien Services	-	2.0	2.0	2.0	-	-	-	-	-	-
Building Services	6.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	9.0
Custodial Services	18.0	18.0	18.0	18.0	16.0	16.0	16.0	16.0	16.0	16.0
Total Community Development	60.5	63.0	65.0	63.5	54.3	53.2	54.9	54.9	55.9	63.0

Table XVI

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Works										
Public Works	2.0	2.0	0.1	0.1	0.1	0.2	4.0	3.5	2.0	2.0
Street Operations	57.0	57.0	57.0	54.0	54.0	-	-	-	-	-
Engineering	-	-	-	2.3	3.0	2.7	49.0	-	-	-
Transportation	-	-	-	-	-	-	-	48.0	54.0	54.0
Total Public Works	59.0	59.0	57.1	56.4	57.1	2.9	53.0	51.5	56.0	56.0
Planning and Development										
Planning and Development	7.0	7.0	7.0	6.0	8.0	7.0	7.0	7.0	8.0	8.0
Building Inspections	14.0	14.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0	15.0
Code Enforcement	14.0	15.0	15.0	14.0	14.0	14.0	14.0	15.0	16.0	16.0
Total Planning & Development	35.0	36.0	36.0	34.0	36.0	35.0	36.0	37.0	39.0	39.0
Police										
Commissioned Officers	256.0	268.0	281.0	280.0	260.0	258.0	231.0	231.0	259.0	264.0
Civilian Personnel	86.0	87.0	87.0	85.0	82.0	78.0	19.0	19.0	71.0	71.0
Animal Control	13.0	17.0	18.0	18.0	16.0	16.0	-	-	-	-
Criminal Investigation	-	-	-	-	-	-	79.0	79.0	-	-
Total Police	355.0	372.0	386.0	383.0	358.0	352.0	329.0	329.0	330.0	335.0
Fire										
Commissioned Officers	195.0	195.0	231.0	230.0	230.0	230.0	230.0	230.0	235.0	235.0
Civilian Personnel	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	10.0	10.0
Emergency Management	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	3.0
Total Fire	201.0	201.0	238.0	237.0	237.0	237.0	238.0	238.0	247.0	248.0
Total General Fund	900.0	925.0	993.5	965.5	903.7	832.9	878.1	879.5	900.4	927.0
Aviation Funds										
Killeen Regional Airport (KRA)										
Operations	38.0	38.0	38.0	37.0	36.3	37.0	37.0	37.0	37.0	37.0
Information Technology	3.0	1.0	1.0	1.0	-	-	-	-	-	-
Total KRA	41.0	39.0	39.0	38.0	36.3	37.0	37.0	37.0	37.0	37.0
Skylark Field	4.0	4.0	4.0	4.0	3.3	3.0	3.0	3.0	3.0	3.0
Total Aviation Funds	45.0	43.0	43.0	42.0	39.7	40.0	40.0	40.0	40.0	40.0
Solid Waste Fund										
Public Works	-	-	0.6	0.6	1.2	1.4	-	-	-	-
Custodial	-	-	-	-	-	-	-	-	-	-
Accounting	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Residential Services	44.5	44.5	43.5	38	37.0	37.0	38.0	39.0	42.0	42.0
Commercial Services	21.0	21.0	23.0	23.0	23.0	23.0	23.0	22.0	22.0	22.0
Recycling	6.0	6.0	6.2	5.2	5.2	5.2	5.2	5.18	6.18	6.18
Transfer Station	15.5	15.5	15.5	15.5	15.5	16.5	16.5	16.5	16.5	17
Mowing Operations	22.5	22.5	21.5	20.5	16.5	16.5	16.5	16.5	16.5	16.5
Total Solid Waste Fund	113.5	113.5	114.3	106.8	102.3	104.6	104.2	104.18	108.18	108.68
Water/Sewer Fund										
Public Works	-	-	1.2	1.2	1.6	2.2	-	-	-	-
Utility Collections	40.5	40.5	40.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Fleet Services	26.0	26.0	27.0	-	-	-	-	-	-	-
Information Technology	5.0	5.0	5.0	5.0	-	-	-	-	-	-
Water Distribution	19.0	19.0	19.0	19.0	19.0	18.0	23.0	27.0	27.0	27.0
Sanitary Sewers	15.0	15.0	15.0	19.0	19.0	20.0	19.0	20.0	20.0	20.0
Water and Sewer Operations	28.0	28.0	28.0	29.0	28.0	28.0	27.0	20.0	20.0	20.0
Engineering	11.8	13.8	13.8	12.2	11.7	10.2	20	21.0	14.0	15.0
Environmental Services	-	-	-	-	0.8	0.8	-	-	-	-
Total Water/Sewer Fund	145.3	147.3	149.5	124.9	119.5	118.7	128.5	127.5	120.5	121.5

Table XVI

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Drainage Utility Fund										
Public Works	-	-	0.1	0.1	0.2	0.2	-	-	-	-
Engineering	4.0	4.0	4.0	3.3	1.3	1.1	-	-	2.0	2.0
Transportation	-	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0
Drainage Maintenance	33.5	33.5	35.2	36.0	34.6	34.1	34.6	34.6	36.6	36.6
Environmental Services	1.2	1.2	1.2	1.2	5.2	5.2	5.0	4.5	-	-
Mowing	-	-	-	-	0.5	0.5	-	-	-	-
Total Drainage Utility Fund	38.7	38.7	40.5	40.6	43.8	43.1	41.6	41.1	40.6	40.6
Special Revenue Funds										
Killeen Civic Conference Center	11.5	11.5	11.5	11.0	11.0	13.6	10.1	9.6	13.6	13.6
Convention Visitor Bureau	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.5	2.5	2.5
Housing and Rehabilitation Cablesystem Improvements PEG	3.5	3.5	3.5	2.5	-	-	-	-	-	-
CDBG Program	-	-	-	-	2.1	2.3	2.3	3.3	3.0	3.4
Home Program	1.0	1.0	-	-	0.5	0.5	0.6	0.6	0.6	0.7
Home ARP	-	-	-	-	-	-	-	-	0.3	0.8
Street Maintenance	-	-	-	-	-	53.0	-	-	-	-
Court Security	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Juvenile Case Manager	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Wellness Non-Assessment	-	-	-	-	-	0.4	0.4	0.4	-	-
Law Enforcement Grant	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Total Special Revenue Fund	21.5	22.5	21.5	20.0	20.5	76.4	20.2	21.2	24.8	25.8
Capital Projects Funds										
Bond Construction	-	-	-	-	-	-	-	-	-	-
Water and Sewer Improvements	-	5.0	4.0	-	-	-	-	-	-	-
Pass-Through Finance Construction	8.0	8.0	4.0	-	-	-	-	-	-	-
Total Capital Projects Funds	8.0	13.0	8.0	-						
Internal Service Funds										
Fleet	-	-	-	26	26	27.0	27.0	27.0	27.0	27.0
Risk Management	-	-	-	-	3	3.0	3.0	3.0	3.0	3.0
Information Technology	-	-	-	-	24	26.0	20.0	20.0	26.0	26.0
Total Internal Service Funds	-	-	-	26.0	53.0	56.0	50.0	50.0	56.0	56.0
Total Personnel	1,272.0	1,303.0	1,370.3	1,325.7	1,282.6	1,271.7	1,262.6	1,263.4	1,290.4	1,319.6

Source: City of Killeen Finance Department.

Table XVII

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Building Permits Issued	16,091	12,264	10,522	10,373	9,212	10,438	10,836	15,885	13,515	13,946
Public Safety										
Police										
Calls for Service	170,695	156,167	149,738	163,947	156,391	149,725	150,565	168,535	158,845	165,423
Citations	23,278	20,979	19,843	19,439	17,247	13,911	13,465	15,337	15,990	24,515
Traffic Accidents	2,324	2,396	2,540	2,258	2,160	2,419	2,318	2,744	2,630	2,701
UCR Part 1 Violent Crimes ⁽¹⁾	846	869	992	1,147	585	632	874	2,791	3,030	-
UCR Part 1 Non-violent Crimes ⁽¹⁾	4,703	4,034	3,946	4,175	3,413	3,493	2,243	2,684	2,830	-
NIBRS Persons Crimes ⁽¹⁾	-	-	-	-	-	-	-	-	-	2,968
NIBRS Property Crimes ⁽¹⁾	-	-	-	-	-	-	-	-	-	3,948
NIBRS Society Crimes ⁽¹⁾	-	-	-	-	-	-	-	-	-	2,106
Arrests	6,449	5,355	4,459	4,624	4,460	4,495	3,406	4,107	4,059	3,937
Fire										
Fire Emergency Responses	529	459	468	516	630	533	585	10,732	15,336	15,265
Fire Inspections	1,225	1,000	1,124	1,085	1,118	1,331	877	939	1,003	2,410
EMS Responses	13,961	15,763	16,877	18,436	19,586	19,927	19,661	23,110	22,375	23,108
Public Works										
Number of Shade Trees:										
Removed	6	6	19	11	57	8	5	7	4	7
Trimmed	119	755	536	552	314	95	125	111	163	312
Added	-	-	-	5	1,464	-	-	10	-	-
Parks and Recreation										
Number of Shade Trees:										
Removed	-	-	-	-	32	41	10	24	14	60
Trimmed	-	-	-	-	641	733	150	200	285	450
Added	-	-	-	-	70	73	55	30	100	60
Library*										
Visitors	271,495	270,983	227,411	242,223	251,262	273,144	127,229	113,086	142,013	162,074
Volumes in Collection	138,140	140,235	143,012	148,295	149,744	148,240	149,067	150,139	153,108	158,235
Children's Program Attendance	7,816	8,933	8,679	9,866	18,091	9,446	5,634	160	5,468	9,006
Public Computer Sessions	100,057	81,897	56,308	57,921	56,964	50,330	19,314	22,491	19,834	24,110
Aviation										
Airlines	3	3	3	3	2	2	2	2	1	1
Passengers Enplaning ⁽²⁾	165,452	149,008	136,008	128,978	129,798	139,671	91,285	118,626	106,797	91,351
Passengers Deplaning ⁽²⁾	163,722	154,124	135,412	131,891	134,349	138,493	90,180	115,209	106,610	89,314
Solid Waste										
Tons Collected and Disposed:										
Solid Waste - Residential	52,421	54,367	56,542	53,378	56,770	62,368	61,019	61,317	40,890	62,354
Solid Waste - Commercial	35,838	35,887	36,595	41,637	39,317	42,586	39,436	41,470	42,748	39,235
Recyclable Material	5,549	5,825	5,859	5,539	5,429	6,370	12,063	1,238	1,267	1,668
Water										
Metered Accounts	49,189	50,175	51,058	52,200	52,597	53,443	54,288	55,193	56,227	56,517
Water Demand (Purchased) (MG)	5,371	5,585	4,967	5,325	5,500	5,066	6,037	5,516	6,124	6,031
Avg. Daily Demand (MGD)	15	15	14	15	15	14	17	15	17	17
Avg. Monthly Demand/Cust (gal)	3,318	3,405	2,990	3,125	3,161	2,932	3,469	3,017	3,230	3,200
Peak Demand (MGD)	22	22	25	25	25	26	26	27	28	28
Sewer										
Service Connections	52,636	52,636	55,786	46,487	47,975	49,452	50,327	51,650	52,658	53,101
Total Sewer Flows (MGD)	11	14	12	11	10	14	11	12	10	11
Total Sewer Flow (MG)	4,165	5,022	4,470	4,149	3,721	5,072	3,939	4,346	3,695	4,008
Avg Daily Demand (MGD)	11	14	12	11	10	14	11	12	10	11
Avg Daily Demand/Cust (gal)	85	101	89	80	71	96	74	78	64	70

Source: Various City of Killeen Departments.

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

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

Table XVIII

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Area of City (square miles)	55.56	55.56	55.56	55.87	55.87	56.10	55.96	55.57	55.24	56.35
Vehicles	-	-	48	50	49	47	47	47	50	61
Public Safety										
Police										
Police Stations	3	3	3	3	2	2	2	2	2	2
Firing Ranges	2	2	2	2	2	2	2	2	2	3
Patrol Vehicles	-	-	140	159	171	187	169	158	132	110
Other Police Vehicles	-	-	147	145	142	141	137	119	109	108
Animal Shelters	1	1	1	1	1	1	1	1	1	3
Animal Control Vehicles	-	-	8	10	10	10	11	11	11	12
Fire										
Fire Stations	8	8	8	8	8	8	8	8	8	8
Fire Apparatus	23	23	20	22	22	22	20	21	23	22
EMS Units	14	14	18	18	18	18	17	16	18	18
Other Vehicles	-	-	24	24	23	34	31	25	25	28
Public Works										
Paved Streets (miles)	539	552	563	575	575	587	590	664	664	674
Unpaved Streets (miles)	1	1	1	1	1	1	1	1	1	1
Curb and Gutter (miles)	878	878	900	924	902	926	930	1,064	1,328	1,148
Signalized Intersections	88	92	97	99	95	99	100	100	100	101
Vehicles	-	-	44	39	55	55	55	53	51	48
Parks and Recreation										
Parks	21	21	21	21	23	23	23	23	23	23
Playgrounds	22	22	22	22	25	25	25	28	24	23
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	2
Swimming Pools	2	2	1	1	1	1	1	1	1	2
Tennis Courts	9	5	5	5	5	5	4	3	4	4
Recreation Centers	1	1	1	1	1	1	1	2	2	2
Baseball/Softball Fields	15	15	15	15	15	15	15	15	15	15
Basketball Courts	7	9	12	12	12	12	12	12	16	16
Volley Ball Courts	2	3	3	3	3	3	3	3	3	3
Soccer Fields	6	6	6	6	6	6	6	6	8	9
Jogging/Walking Trails	7	7	3	3	3	3	4	4	4	4
Senior Centers	2	2	2	2	2	2	2	2	1	1
Aquatics Centers	1	1	1	1	1	1	1	1	1	1
Vehicles	-	-	26	26	27	26	26	26	25	24

Table XVIII

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Library										
Libraries	2	2	2	2	2	2	2	2	2	2
Vehicles	-	-	-	-	-	1	1	1	1	1
Aviation										
Airports	2	2	2	2	2	2	2	2	2	2
Acreage	289	289	289	289	289	289	289	289	289	289
Skylark on-road vehicles	3	3	3	3	3	3	3	2	2	2
Skylark off-road vehicles	1	1	1	2	2	2	1	2	2	2
KFHRA on-road vehicles	6	6	6	6	7	7	7	8	8	8
KFHRA off-road vehicles	3	3	3	3	4	3	4	3	3	3
Solid Waste										
Refuse Disposal Vehicles	-	-	58	51	51	45	45	50	48	49
Other Vehicles	-	-	35	37	35	39	39	35	34	32
Water										
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	42,000,000	42,000,000	42,000,000
Storage Capacity (gallons)	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000
Water Mains (miles)	618	618	618	655	676	678	681	689	698	700
Fire Hydrants	5,000	5,000	5,000	4,611	4,931	5,025	5,065	4,959	5,184	5,197
Vehicles	-	-	61	32	35	36	35	35	32	38
Sewer										
Sanitary Sewers (miles)	535	535	574	595	600	604	606	616	621	622
Manholes	7,230	7,230	7,863	8,197	8,248	8,305	8,392	8,542	8,722	8,735
Sewer Treatment Capacity:										
Plant 1 (mgd)	18	18	18	18	18	18	18	18	18	18
Plant 2 (mgd)	-	-	-	-	-	-	-	-	-	-
Plant 3 (mgd)	6	6	6	6	6	6	6	6	6	6
Vehicles	-	-	15	44	31	37	37	38	37	29
Drainage										
Storm Sewers (linear feet)	150,000	93,099	93,099	94,349	94,349	129,891	129,891	131,761	131,761	131,761
Inlets and Outfalls	3,173	3,125	3,173	3,233	3,233	3,237	3,237	3,464	1,408	1,408
Open Channels (miles)	312.0	96.0	197.0	140.4	141.0	148.1	148.1	150.1	150.1	150.6
Vehicles	-	-	22	25	22	24	24	21	21	23
Fleet										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	-	-	7	7	7	7	7	7	7	6

Source: Various City of Killeen Departments.

Table XIX

City of Killeen, Texas
General Obligation Bond Tables
Valuation, Exemptions, and Tax Supported Debt
September 30, 2023

Market Valuation Established by Bell County Appraisal District		\$ 12,749,116,334
Less Exemptions/Deductions		<u>3,465,223,542</u>
Net Taxable Assessed Valuation		<u>\$ 9,283,892,792</u>
Debt Payable from Ad Valorem Taxes		
General Obligation Bonds	\$ 136,460,000	
Certificates of Obligation	<u>51,985,000</u>	
Debt Payable from Ad Valorem Taxes		\$ 188,445,000
Less Self-Supporting Debt ⁽¹⁾		<u>10,740,000</u>
Net Debt Payable from Ad Valorem Taxes		<u>\$ 177,705,000</u>
Interest and Sinking Fund		<u>\$ 4,118,497</u>
Ratio of Tax Supported Debt to Taxable Assessed Valuation		2.03%
Ratio of Net Tax Supported Debt to Taxable Assessed Valuation		1.91%
Estimated Population		161,029
Per Capita Taxable Assessed Valuation	\$	57,654
Per Capita Net Debt Payable from Ad Valorem Taxes	\$	1,104

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

Table XX

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

Fiscal Year	Estimated Population(1)	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Funded Debt Outstanding at Year End (2) (3)	Ratio of Funded Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2014	137,589	\$ 4,726,643,478	\$ 34,353	\$ 213,485,000	4.52%	1,552
2015	140,147	4,811,938,035	34,335	204,375,000	4.25%	1,458
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	153,095	6,461,868,238	42,208	172,370,000	2.67%	1,126
2021	158,391	7,065,784,289	44,610	159,765,000	2.26%	1,009
2022	160,328	7,810,296,015	48,714	167,910,000	2.15%	1,047
2023	161,029	9,283,892,792	57,654	188,445,000	2.03%	1,170

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

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

Table XXI

City of Killeen, Texas
General Obligation Bond Tables
General Obligation Debt Service Requirements
September 30, 2023

Fiscal Year	Outstanding Debt (1)			System- Supported Debt Service	Total Tax- Supported Debt Service
	Principal	Interest	Total		
2024	13,525,000	4,034,497	\$ 17,559,497	1,197,629	\$ 16,361,868
2025	13,875,000	3,727,156	17,602,156	1,204,129	16,398,027
2026	14,740,000	3,359,146	18,099,146	1,204,489	16,894,657
2027	13,575,000	2,964,397	16,539,397	677,705	15,861,692
2028	13,240,000	2,578,099	15,818,099	685,435	15,132,664
2029	13,620,000	2,200,856	15,820,856	682,625	15,138,231
2030	11,165,000	1,796,920	12,961,920	533,710	12,428,210
2031	9,730,000	1,453,649	11,183,649	-	11,183,649
2032	10,060,000	1,139,331	11,199,331	-	11,199,331
2033	6,920,000	827,710	7,747,710	-	7,747,710
2034	7,110,000	577,589	7,687,589	-	7,687,589
2035	4,805,000	318,609	5,123,609	-	5,123,609
2036	2,640,000	133,524	2,773,524	-	2,773,524
2037	475,000	35,196	510,196	-	510,196
2038	485,000	23,706	508,706	-	508,706
2039	495,000	11,974	506,974	-	506,974
	<u>\$ 136,460,000</u>	<u>\$ 25,182,359</u>	<u>\$ 161,642,359</u>	<u>\$ 6,185,722</u>	<u>\$ 155,456,637</u>

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

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

Table XXII

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

Fiscal Year	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
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
2021	31,528,007	61.98%	0.4543	199.05
2022	33,778,524	62.67%	0.4389	210.68
2023	35,072,647	60.39%	0.3764	217.80

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 1,722,623	\$ 1,776,199	\$ 1,941,564	\$ 1,897,724	\$ 1,738,543	\$ 1,887,416	\$ 1,467,596	\$ 2,161,057	\$ 2,186,530	\$ 2,130,441
Intergovernmental	-	-	-	-	-	-	-	10,286	427,182	369,894
Charges for Services	-	-	608,426	599,472	636,451	742,403	382,211	531,211	645,761	862,333
Investment Earnings	-	-	221	4,046	6,254	13,695	11,425	3,682	(2,605)	65,164
Miscellaneous	616,840	678,495	-	-	-	1,433	793	3,230	4,340	586
Total Revenues	<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>	<u>2,709,466</u>	<u>3,261,208</u>	<u>3,428,418</u>
Expenditures:										
General Government	1,506,634	1,567,108	-	-	-	-	-	-	-	-
Community Development	175,652	274,526	1,627,656	1,475,285	1,556,978	1,573,895	1,453,548	1,336,700	1,897,785	2,034,124
Capital Outlay	5,136	19,097	183,333	289,677	36,300	16,517	-	-	-	55,779
Debt Service	727,900	727,200	714,924	739,719	716,372	723,646	725,440	717,425	712,049	718,318
Total Expenditures	<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>	<u>2,054,125</u>	<u>2,609,834</u>	<u>2,808,221</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<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>	<u>655,341</u>	<u>651,374</u>	<u>620,197</u>
Other Financing Sources (Uses):										
Insurance Recoveries	-	-	-	-	-	-	1,920	4,974	-	-
Sale of Capital Assets	-	-	2,228	18	-	-	53	-	-	40
Transfers Out	-	-	-	-	(11,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,228</u>	<u>18</u>	<u>(11,000)</u>	<u>-</u>	<u>1,973</u>	<u>4,974</u>	<u>-</u>	<u>40</u>
Net Change in Fund Balance	<u>(75,859)</u>	<u>(133,237)</u>	<u>26,526</u>	<u>(3,421)</u>	<u>60,598</u>	<u>330,889</u>	<u>(314,990)</u>	<u>660,315</u>	<u>651,374</u>	<u>620,237</u>
Beginning Fund Balance	482,455	406,596	273,359	299,885	296,464	357,062	687,951	372,961	1,033,276	1,684,650
Ending Fund Balance	<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>	<u>\$ 1,033,276</u>	<u>\$ 1,684,650</u>	<u>\$ 2,304,887</u>

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

Table XXIV

City of Killeen, Texas
Waterworks and Sewer System Revenue Bond Tables
Ten Largest Water and Wastewater Customers (In Thousands of Gallons)
September 30, 2023

Customer	Water				Wastewater		
	Annual Water Usage	Annual Amount Billed	% of Total Water Usage	Ranking	Annual Wastewater Usage	Annual Amount Billed	Ranking
Killeen Independent School District	139,475,700	\$ 521,167	2.84676%	1	44,945,770	\$ 179,561	2
Stonetree Golf Course	67,030,000	53,525	1.36811%	2			
City of Killeen	51,462,300	209,510	1.05037%	3			
MFT-IP	31,876,000	109,823	0.65060%	4	25,706,070	97,776	3
Metroplex Hospital	31,205,500	113,455	0.63692%	5			
Stone Hill Apartments	25,463,400	87,047	0.51972%	6	19,859,670	75,653	6
MGC Pure Chemicals America	23,607,400	83,401	0.48184%	7	21,183,390	80,590	4
Today's Car Wash	23,224,400	82,512	0.47402%	8	20,014,290	76,333	5
Texas Veterans Land Board	19,448,200	68,069	0.39695%	9			
Redford Park Limited	17,376,700	59,690	0.35467%	10	13,605,750	51,795	9
Central Texas College					50,443,420	192,218	1
Summerlyn Apartments					14,390,880	54,794	7
1320 Wales Owner LLC					13,735,350	\$ 52,548	8
Royce Elm Grove, LLC					12,657,000	\$ 71,582	10

Note: Percentage of total consumption based on 4,899,447,066 gallons annual consumption.

Source: City of Killeen Utility Collections Department.

Table XXV

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

Water Rates

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

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

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

Wastewater Rates

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

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

Table XXVI

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues: ⁽¹⁾										
Charges for Services	\$ 35,243,516	\$ 37,007,157	\$ 38,803,969	\$ 39,409,416	\$ 40,086,634	\$ 39,528,685	\$ 42,316,494	\$ 41,395,591	\$ 45,707,912	\$ 46,858,487
Miscellaneous	148,397	480,556	2,452	37,115	2,845	20,237	7,059	2,836	2,213	13,415
Total Revenues	<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>	<u>41,398,427</u>	<u>45,710,125</u>	<u>46,871,902</u>
Expenditures: ⁽²⁾										
Water Purchases	7,467,995	7,637,005	7,810,794	8,447,593	7,938,535	7,730,925	8,406,645	8,436,546	9,021,446	10,024,767
Sewage Treatment	6,297,470	6,594,789	7,183,054	6,366,159	6,053,339	7,387,129	6,503,394	7,032,837	6,477,289	7,062,524
Operating Costs	9,564,316	10,618,307	10,423,579	5,305,353	9,776,433	14,627,857	12,940,248	12,193,210	10,213,136	13,172,855
Total Expenditures	<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>	<u>27,662,593</u>	<u>25,711,871</u>	<u>30,260,146</u>
Net Available for Debt Service	<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>	<u>\$ 13,735,834</u>	<u>\$ 19,998,254</u>	<u>\$ 16,611,756</u>
Customer Count:										
Water	49,189	50,175	51,058	52,200	52,597	53,443	54,288	55,193	55,914	56,825
Sewer	52,636	52,636	55,786	47,407	47,975	49,452	50,327	51,650	52,360	53,435

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

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