



City of Keller, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDING SEPT. 30, 2022

CITY OF KELLER, TEXAS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Fiscal Year Ended
September 30, 2022

Prepared by:

Finance Department



CITY OF KELLER, TEXAS

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March 24, 2023

Citizens of Keller, Honorable Mayor Armin Mizani,
Members of the City Council and City Manager
City of Keller, Texas:

The Annual Comprehensive Financial Report for the City of Keller, Texas (the City) for the fiscal year that ended September 30, 2022, is hereby submitted. Article VII, Section 8.15 of the Charter of the City of Keller requires an annual audit of all accounts of the City by an independent certified public accountant, selected by the City Council. This report is intended to meet that requirement, and the independent auditor's report has been included in this report. This report was prepared through the cooperative efforts of the City's Finance Department and independent auditors. The purpose of the report is to provide the City Council, management, staff, citizens, bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City.

Responsibility for the accuracy and reliability of the presented data in this report, completeness and fairness of this report, and all disclosures, rests with City management. The City has established and maintains a system of internal accounting controls designed in part to provide a reasonable assurance that assets are safeguarded against loss, theft, or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed the benefits likely to be derived.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Whitley Penn, L.L.P., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

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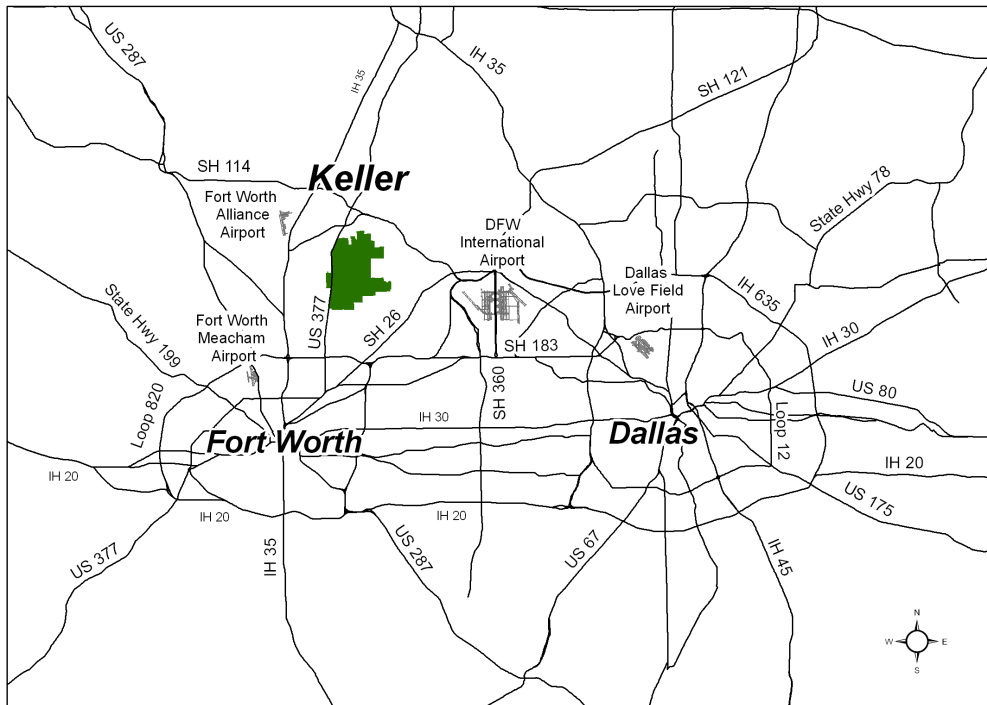
City Profile

The City was incorporated on November 16, 1955, under the general laws of the State of Texas, and the current home-rule charter was approved by the voters in 1982 and most recently amended in 2010. The City operates under the Council-Manager form of government. The Keller City Council is composed of a Mayor and six Council members in places designated as 1 through 6, all elected at-large by registered voters within the city limits of Keller. The Mayor and all Council members are elected for staggered three-year terms. The Mayor and City Council members, places 5 and 6, were elected for the initial three-year term in 2020 (terms expire May 2023). City Council members, places 1 and 2, were elected in 2021 (terms expire May 2024), and Council places 3 and 4 were elected in 2022 (terms expire May 2025). Under the provisions of the City Charter, and subject only to the limitations imposed by the Texas Constitution, State law and the City Charter, the City Council enacts local legislation, adopts the annual operating budget and sets policy. The City Manager, appointed by the City Council, is responsible to the Council for proper administration of the City's daily affairs and appointment of heads of the various departments.

The City of Keller is renowned for being a good place to live and work, delivering big-city comforts with small-town charm. In addition to the numerous departmental awards and recognitions the City receives annually, Keller has also received the following community-wide awards and recognitions for 2022:

- Best Small Cities in America, WalletHub
- Safest Cities in America, Neighborhood Scout
- Best Places to Raise a Family in Texas, Niche
- Top 10 Best Places to Live in Texas, HomeSnacks
- Places with the Best Public Schools in Texas, Niche
- Top 10 Safest Cities in Texas, Ramsey Solutions
- Best Places to Live in Tarrant County, Niche
- Texas's 50 Safest Cities, Safewise
- Economic Excellence Recognition Award, Texas Economic Development Council
- Tree City USA, Arbor Day Foundation
- StormReady Community, National Weather Service
- Mother-Friendly Worksite, Texas Department of State Health Service

Some of the items that contributed to these rankings include our extremely low crime rate, an excellent park and trail system, diverse and affordable housing opportunities, and an overall high quality of life. This ranking is a reflection of the dynamic community that Keller has become and its premier location in the heart of the DFW Metroplex. Keller is approximately midway between the Dallas/Fort Worth International and Alliance airports, both major employers for our community. The city is traversed by several major traffic corridors, including US Highway 377 (US 377) and Farm-to-Market Road 1709 (FM 1709). The city's quality school system, residential growth rate, business-friendly atmosphere and low taxes make Keller an inviting destination for new commercial development projects.



The City of Keller is located in Northeast Tarrant County, Texas, approximately 10 miles north of Fort Worth on US 377, and 25 miles northwest of downtown Dallas. It is part of the 12-county "Metroplex" of North Central Texas, which includes the cities of Fort Worth and Dallas as well as surrounding communities, with an estimated population in the 12 county MPA exceeding 8.097 million in January 2022. The city limits of Keller currently encompass approximately 19 square miles.

The City provides a full range of municipal services, including general government, public safety (police and fire), streets, parks and recreation, community development, planning and zoning, code enforcement, public library, and business-type activities such as water, sewer and drainage utilities. Sanitation collection services are provided through a private contractor; customers contract through the City, with collection fees added to their municipal water, sewer and drainage utility bills.

Local Economy

Keller, part of the Dallas/Fort Worth Metroplex, maintains a strong economy and is consistently ranked among the best places to call home in Texas. A conservative personal and corporate tax climate, excellent schools, favorable right to work laws and an ongoing commitment to business make this community and the State of Texas attractive both to businesses looking to relocate and those starting new.

According to the Texas Workforce Commission, the City's civilian labor force was 24,129 in calendar year 2021, compared to a total civilian labor force for Tarrant County of 1,099,856. Keller's unemployment rate in calendar year 2021 was 3.9%, compared to the Tarrant County rate of 5.3%, a statewide rate of 5.7% and a nationwide rate of 5.3%. The unemployment rates are not seasonally adjusted.

The City continues to experience a slight increase in population. Official Census reported population figures of 27,345 for 2000, 39,627 for 2010, and 45,776 for the 2020. The January 2022 population estimate was 46,060, representing an increase of 284 (0.6%) since the 2020 Census. The following table presents Keller's official Census population since 1970, as well as the current year estimated population.

	Population	Increase (Decrease)	Percent Change
1970 Census	1,474	NA	NA
1980 Census	4,156	2,682	182.0%
1990 Census	13,683	9,527	229.2%
2000 Census	27,345	13,662	99.8%
2010 Census	39,627	12,282	44.9%
2020 Census	45,776	6,149	15.5%
2022 Estimate	46,060	284	0.6%

Since 1970, the total population increase has exceeded 44,586. This increasing population trend is anticipated to persist for several years, although at a slower pace. Tarrant County has experienced similar growth during the last 40 years, increasing from 715,587 in 1970 to 2,110,640 in 2020, and an increase of more than 195%. According to the North Central Texas Council of Governments' population projections, the population of Tarrant County in 2022 is anticipated to be 2,157,740, an increase of 47,100 or 2.2% since the 2020 Census.

Another factor in measuring the local economy is its overall appraised value. Since 2000, the appraised value of property within Keller has more than doubled. Most of the increase has been the result of new residential development. Overall appraised values provide a better indication of new development than do taxable values, since taxable values are derived after deducting the various allowable exemptions. For Keller, this growth trend moderated in recent years. The following table provides the total appraised values of the City of Keller since 2012.

September 30	Value (000's)	Change
2012	4,133,807.9	2.1%
2013	4,287,820.9	3.7%
2014	4,557,288.9	6.3%
2015	4,731,833.0	3.8%
2016	5,368,009.1	13.4%
2017	5,627,823.2	4.8%
2018	6,213,765.3	10.4%
2019	6,881,693.8	10.7%
2020	7,401,205.8	7.5%
2021	7,596,486.5	2.6%
2022	7,905,891.8	4.1%

As shown, the rates of change in the City's total appraised value are continually growing, including a 4.1 percent increase in 2022 over prior year. The rates of increase in taxable values can impact the City's general fund operations significantly, since property tax revenues comprise approximately 50% of the total revenues for the General Fund. City management continuously monitors local economic trends in order to maintain adequate fund balance reserve levels and to meet policy targets.

The City is approximately 85% developed and continues to grow primarily as a residential community. Most residents are employed by major companies located within a 15-mile radius of the City. Several manufacturing firms are located in the Keller area, as well as a variety of commercial establishments, medical facilities, restaurants, retail shops and grocery stores. The City continues to encourage quality commercial growth, which will benefit the entire community.

The value of new construction is included in both market and net taxable values. The net taxable value of new construction for calendar year 2021 (FY 2021-22) was \$71.9 million, compared to \$150.4 million for calendar year 2020 (FY 2020-21).

The net assessed taxable value for calendar year 2021 (FY 2021-22) increased by 0.5% and the levy increased by 0.5%. By comparison the calendar year 2020 (FY 2020-21) net taxable value decreased by 1.3% and the levy decreased by 2.4%. The City has had steady growth in property values over the past five years. As a result, the City was able increase the homestead exemption to the legal maximum amount of 20% from 14% while still meeting the FY 2021-22 goals of the City, maintain excellent services, and adhere to the financial/budget targets to ensure the fiscal stability of the City’s operations.

The expansion of retail within the city and increased on-line sales activity has resulted in increases in sales tax collections. Total sales tax collections in FY 2021-22 represent the largest amount in the City's history, with collections totaling more than \$16.0 million; up from FY 2020-21 collections totaling \$14.3 million.

Long-term Financial Planning

The City maintains a five-year Capital Improvement Program (CIP). The CIP has been used exclusively as a planning tool, and therefore does not commit the City to any project or project funding. The intent of the CIP is to identify and prioritize specific capital improvements needed during the subsequent five years. The CIP is not a capital budget, and as such, only recommends projects, project costs and the proposed means of financing improvements. Recommended improvements are not approved until official action has been taken by the City Council to authorize funding for the improvement.

The five-year capital improvements program (CIP) for fiscal years 2021-22 through 2025-26 was developed by City staff and reviewed and adopted by the City Council as a part of the fiscal year 2021-22 budget. The total five-year program for FY 2021-22 identified \$108.5 million of proposed improvements.

When considering future financial impacts on operations resulting from issuing debt obligations for capital improvements, the Finance Department prepares an internal five-year financial forecast for the General and Debt Service Funds. The forecast is also used as an informational planning tool for the City Council.

Relevant Financial Policies

The City has strong financial management policies that provide the basis for the City’s financial operations.

The City has 22 total funds and 16 are budgeted funds. Below is a breakdown of funds by type, total vs. budgeted:

Fund Type	Fund Category	# of Funds	# Budgeted
Governmental	General	1	1
Governmental	Special Revenue	10	6
Governmental	Debt Fund	1	1
Governmental	Capital Fund	4	2
Proprietary	Enterprise Fund	3	3
Proprietary	Internal Service	3	3

The special revenue funds include The Keller Development Corporation Fund (KDC) and the Keller Crime Control Prevention District Fund (KCCPD). The KDC and KCCPD funds are considered component units to the City and are presented as blended component units.

The unassigned fund balance in the General Fund (representing 80 % of total General Fund expenditures) currently exceeds the requirements of the City’s Financial Management Policies adopted by the City Council for budgetary and planning purposes (i.e., 35% of General Fund expenditures). In addition to providing financial stability and sustainability during difficult economic times, the City may use available fund balance reserves as a means to fund one-time, non-recurring projects or expenditures.

In December 2008, the City Council adopted a Financial Management Contingency Plan. The primary purpose of the Plan is to guide planning efforts for City management and is intended to assist in budget balancing strategies during periods of economic uncertainty. During fiscal year 2021-22, no specific provisions of the Contingency Plan were enacted.

In May 2012, the City's financial management policies were amended to increase the required unassigned fund balance in the General Fund from 60 to 70 days of expenditures. In May 2013, the City Council adopted an official GASB 54 fund balance policy. In July 2016, the City Council adopted revisions to the financial management policies which included creating a General Fund minimum of 19.2% (70 days) and a maximum fund balance of 50% (182 days). In November 2019, the City Council adopted revisions to the financial management policies which included creating a General Fund minimum of 25.0% and a maximum fund balance of 50%. In September 2021, the City Council adopted revisions to the financial management policies which included creating a General Fund minimum of 35.0% and a maximum fund balance of 50%. In September 2022, the City Council adopted the financial management policies and reaffirmed the General Fund minimum of 35.0% and a maximum fund balance of 50%.

Major Initiatives

During FY 2021-22, Council approved the construction bid for the Bate Street reconstruction and US 377 pedestrian crossing which are part of a \$16.3 million project to revitalize the Old Town East section, connect it to Old Town West, and reconstruction of Elm St. The pedestrian crossing will allow for better connectivity of the Old Town area and the reconstruction of Bates Street includes making it a festival street for special events. Also during FY 2021-22, the City approved the construction bid for Johnson Road reconstruction from Rufe Snow to Chandler and roundabout at Keller-Smithfield project which will be an approximately \$6.0M cash funded project. For FY 2021-22, the General Fund included \$3,500,000 for sidewalk repair which will repair the city's current outstanding sidewalk repair work orders. The General Fund budget also included cash funding of \$1,800,057 for street maintenance which matches the Street Maintenance fund cash funding of \$1,800,057 for a total project cost of \$3,600,114. The FY 2021-22 KDC budget included funding of \$790,000 for improvements to the Keller Sports Park Parking Lot –Softball Lot which is part of a \$3.2 million, seven year project to improve all parking lots at the Sports Park. In the Water-Wastewater Fund, American Rescue Plan Act (ARPA) funds have been allocated for rehabilitation of the City's water tanks, installation of emergency generators at the pump and lift stations, and replacement of aging water and wastewater lines.

Accounting System and Budgetary Control

The annual budget of the City serves as the foundation for its financial planning and control. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, Council ordinances and policies. The budget is prepared and presented by fund (e.g., general fund), department (e.g., police) or function (e.g., debt service), and major cost category (e.g., personnel services). The budgetary process begins each year with the preparation of revenue estimates and budget instructions by the City's Finance Department staff, and expenditure estimates and requests by each City department. Estimates and requests are reviewed by the City Manager and evaluated within the total financial framework of the City. The City Manager makes final decisions regarding the budget recommendations that are submitted to the City Council. The City Charter requires that the City Manager's proposed budget be filed with the City Secretary no later than August 15. The City Manager's proposed budget is reviewed by the City Council and followed by a final public review process, including a required public hearing prior to budget adoption. The City Charter requires adoption of the City budget no later than the twenty-seventh (27) day of the last month of the fiscal year.

Budgetary reporting is provided at the department level within the individual fund. The legal level of control for budgeted expenditures is at the fund level. Transfers of budget appropriations within funds may occur with the approval of the City Manager provided there is no increase in overall expenditures. Transfers of budget appropriations between funds, as well as any increase in total appropriations, require a formal budget amendment adopted by the City Council. Unless otherwise noted, except for capital projects funds, all appropriations lapse at year-end and excess funds become available for re-appropriation in the subsequent year. By policy, all encumbrances related to operating funds end at the end of the fiscal year, unless re-appropriated in the budget adoption. In addition, the financial policies placed capital projects and grants on a project life budget, rather than annual, and therefore encumbrances related to capital projects and grants are appropriated until related funds are spent or end of the project, whichever occurs first.

Budget amendments are presented to Council and adopted in accordance of the financial policies when budget adjustments are required. The amendments represent required budget adjustments determined either thru budget monitoring or required project funding changes. By Charter, budget amendments require a notice and public hearing similar to the adoption of the budget prior to approval by City Council.

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as required supplementary information. For governmental funds other than the general fund, with appropriated annual budgets, this comparison is presented in the major and non-major governmental fund sections of this report. All applicable financial targets were met or exceeded. Additional information regarding the annual budget is provided in the MD&A.

Finance Committee

The City Council formed a Finance Committee as a sub-committee of the City Council. The committee is composed of the Mayor, two Council members (appointed by the Mayor), the City Manager, and the Director of Administrative Services/Finance. The committee functions as an audit committee and reviews all recommendations made by the independent auditors. The committee also serves as the City's investment committee, and reviews other periodic investment and financial reports.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended that September 30, 2021; a reproduction of the certificate accompanies this report.

The City has received a Certificate of Achievement for thirty-three (33) consecutive fiscal years (FY1988-89 through FY 2020-21). In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR), the contents of which must conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for the period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition to the Certificate of Achievement, the City also received GFOA's Distinguished Budget Presentation Award for its FY 2021-22 annual budget document. In order to qualify for the award, the City's budget document was judged to be proficient in several categories, including policy documentation, financial planning and as an operations guide. The City has received the award for twenty-five (25) consecutive fiscal years (FY1996-97 through FY2021-22). Recognition by GFOA as evidenced by these two awards is verification of the Finance department's dedication to producing documents that effectively communicate the City's financial condition.


The City received three of five Transparency Stars from the Texas State Comptroller. The Traditional Finance Star requires providing information such as annual budgets, comprehensive annual financial reports, and check registers. The Contract and Procurement Star requires providing information such as annual bid solicited and contracts awarded. The Public Pension Star requires providing information such as retirement funding ratio, actuarially determined contribution rate, and unfunded actuarial accrued liability. As part of the City's goal of financial transparency, the City will continue applying for Transparency Stars until five stars are received.

The City's bonds are rated by both Moody's and Standard and Poor's. Moody's bond rating is Aaa, while Standard and Poor's bond rating is AAA. Both rating categories classify the City's debt obligations as high-quality investment grade. In June 2019, Moody's bond rating was upgraded to Aaa from Aa1 and Standard and Poor's confirmed their rating of AAA. In August 2020, Moody's confirmed their bond rating of Aaa and Standard and Poor's confirmed their rating of AAA.

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Many individuals devoted extra hours and exhibited dedicated effort in ensuring the accuracy and timeliness of this report. Appreciation is expressed to City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. Acknowledgment is also given to representatives of Weaver, Certified Public Accountants, for their dedicated assistance in producing this report.

Finally, our appreciation is extended to the Mayor, City Council, and City Manager Mark Hafner for their interest and support in planning and conducting the financial operations of the City of Keller in a responsible and progressive manner.

Respectfully submitted,



Aaron Rector
Director of Administrative Services/Finance



Pamela McGee
Assistant Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

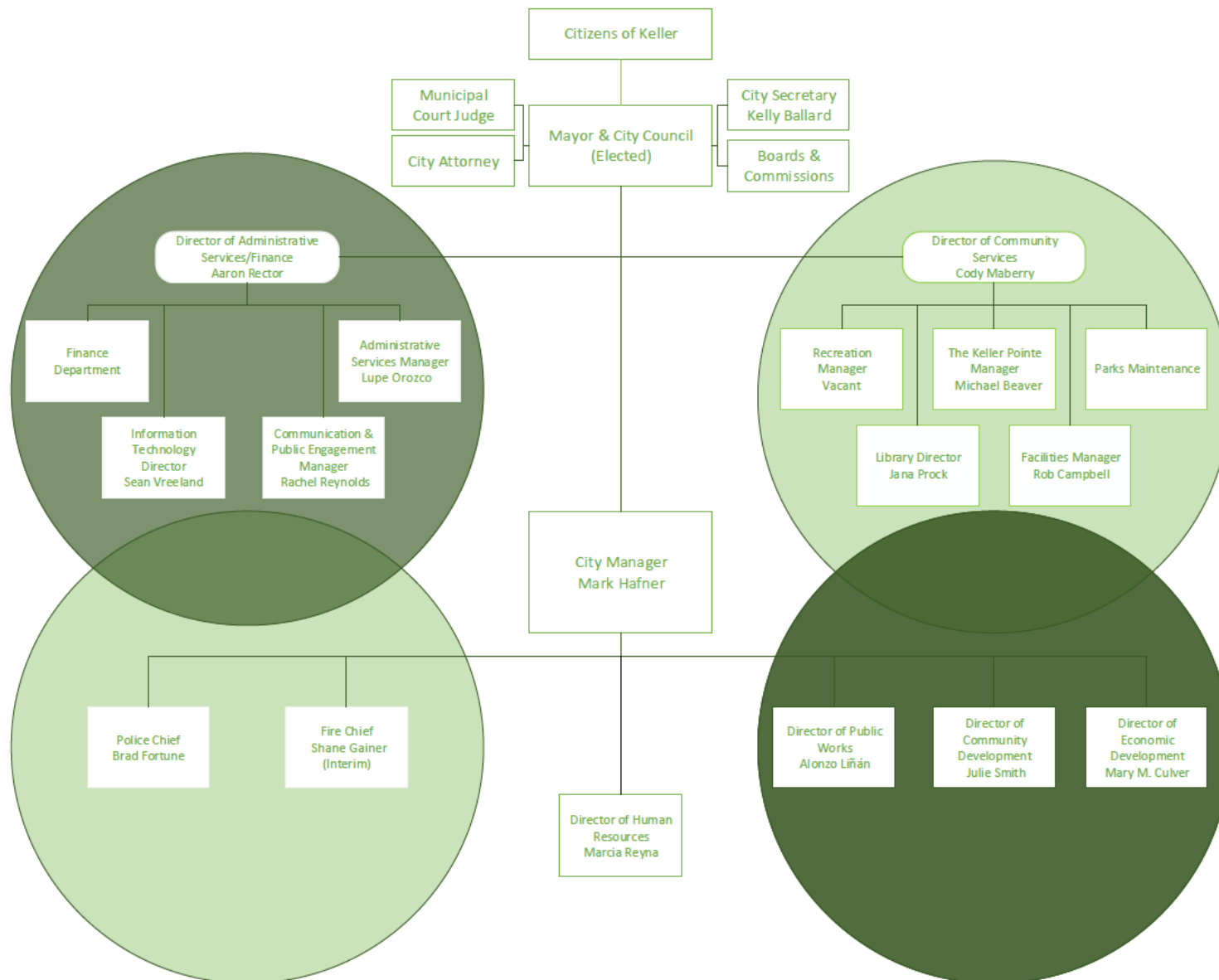
**City of Keller
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO





PRINCIPAL OFFICIALS

September 2022

ELECTED OFFICIALS

<i>Position</i>	<i>Incumbent</i>	<i>Elected</i>	<i>Term Expires</i>
Mayor	Armin Mizani	December 2020	2023
Mayor Pro Tem	Ross McMullin	November 2020	2023
Council, Place 1	Shannon Dubberly	May 2021	2024
Council, Place 2	Sean Hicks	May 2021	2024
Council, Place 3	Jessica Juarez	May 2022	2025
Council, Place 4	Tag Green	May 2022	2025
Council, Place 5	Chris Whatley	November 2020	2023

APPOINTED OFFICIALS

City Manager.....	Mark Hafner
City Secretary.....	Kelly Ballard
Director of Community Services.....	Cody Maberry
Director of Administrative Services/Finance.....	Aaron Rector
Director of Economic Development.....	Mary Meier
Fire Chief (Interim).....	Shane Gainer
Police Chief.....	Brad G. Fortune
Public Works Director.....	Alonzo Liñán
Community Development Director.....	Julie Smith
Library Director.....	Jana Prock
Director of Human Resources.....	Marcia Reyna
Information Technology Director.....	Sean Vreeland

FINANCE DEPARTMENT

Director of Administrative Services/Finance.....	Aaron Rector
Assistant Director of Finance.....	Pamela McGee
Management Analyst.....	Jose Juarez
Purchasing Agent.....	Karla Parker
Senior Accountant.....	Violet Wangila
Accountant.....	Camie Orth
Payroll Accountant.....	Crystal McNeil
Account Payable Accountant.....	Jocelyn Wittrock
Accounts Receivable Technician.....	Jonathan Dawson



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of Keller, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Keller, Texas, (the City), as of and for the year ended September 30, 2022, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, 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.

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 date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Honorable Mayor and
Members of City Council

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

To the Honorable Mayor and
Members of City Council

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 nonmajor fund financial statements and budgetary comparison schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison 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 report. The other information comprises the introductory section, statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 24, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Fort Worth, Texas
March 24, 2023



CITY OF KELLER, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Keller, Texas (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, 2022. 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 in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2022, by \$294,847,328 (net position). Of this amount, \$61,152,985 (unrestricted portion of net position) may be used to meet the government's ongoing obligations to citizens and creditors. Included in the unrestricted portion of net position are monies from all the City's various funds which are not restricted for other purposes.
- The City's overall total net position increased by \$13,108,363. The increase is attributable an increase in charges for services and sales tax over prior fiscal year.
- Net position in governmental activities was \$186,706,359 at September 30, 2022, an increase of \$9,970,555 over prior fiscal year. The increase is attributable to a reduction in general government expenses.
- Net position in the business-type activities was \$108,140,969 at September 30, 2022, an increase of \$3,137,808 over prior fiscal year. The increase is attributable to an increase in charges for services in comparison to previous fiscal year. Business-type activities include an internal allocation for their portion of the internal service fund activity of \$1,291,421.
- The City's governmental funds reported combined ending fund balances of \$89,995,503, an increase of \$2,212,513 in comparison to the previous year.
- The unassigned portion of the General Fund fund balance at the end of the year was \$30,297,602 or 80% of total General Fund expenditures. This includes the 25% of General Fund expenditures which is required to be held in General Fund fund balance per the City Council approved Financial Management Policies.
- Total debt of the City decreased by \$7,975,813 during the fiscal year due to the effect of payments on bonded deb.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers manner similar to a private-sector business. Two statements, e Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Position presents information on all of the City's assets and liabilities deferred inflows and outflows of resources with the difference between the two 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 government'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 flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF KELLER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Both of the government-wide statements distinguish between governmental activities and business-type activities. Governmental activities basically account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are basically supported by user fees and charges. Most City services are reported in governmental activities while business-type activities are reported in the Enterprise Funds.

The City's internal service fund assets and liabilities are reported within Governmental activities. A portion of the City's internal service fund activities is allocated to business-type activities. This allocation is based on the services that the internal service fund provides to the Enterprise Funds.

Fund financial statements. The City, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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 evaluating 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 15 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the General Obligation Debt Service Fund, Crime Control Prevention District, and Capital Projects Fund. Data from the other non-major funds are also combined and reported in a single column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City maintains two types of proprietary funds, enterprise and internal service 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 its water and wastewater operations, drainage utility operations, and aquatics center activity. The City uses internal service funds to account for maintenance and replacement costs of information technology, and vehicles, and equipment and health services. These services benefit both the governmental and business-type activity functions and therefore, the internal service fund allocates a portion of its activities to the business-type activities.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements.

CITY OF KELLER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-Wide Financial Analysis

At the end of fiscal year 2022, the City's net position totaled \$294,847,328. This analysis focuses on the net position (Table 1) and changes in net position (Table 2).

Net Position - The largest portion of the City's net position, \$182,689,057, or 62%, reflects its investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$51,005,286, or 17% represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of net position which is \$61,152,985 (21%) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Keller's Net Position
Table 1

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 115,228,203	\$ 105,907,001	\$ 38,786,261	\$ 34,119,133	\$ 154,014,464	\$ 140,026,134
Capital assets, net	123,202,488	122,961,581	102,247,064	105,297,408	225,449,552	228,258,989
Total Assets	238,430,691	228,868,582	141,033,325	139,416,541	379,464,016	368,285,123
Deferred Outflows of resources	3,151,572	3,302,421	470,314	566,296	3,621,886	3,868,717
Other liabilities	12,555,595	6,188,406	7,694,014	5,688,260	20,249,609	11,876,666
Long-term Liabilities	35,363,602	46,505,844	24,650,772	28,897,194	60,014,374	75,403,038
Total Liabilities	47,919,197	52,694,250	32,344,786	34,585,454	80,263,983	87,279,704
Deferred Inflows of resources	6,956,707	2,740,949	1,017,884	394,222	7,974,591	3,135,171
Net Position						
Net investment in capital assets	99,447,718	102,376,998	83,241,339	84,752,502	182,689,057	187,129,500
Restricted for debt service	3,247,601	3,276,097	-	-	3,247,601	3,276,097
Restricted for capital projects	19,688,837	27,825,574	11,257,013	4,930,176	30,945,850	32,755,750
Restricted for parks development	5,446,891	4,509,800	-	-	5,446,891	4,509,800
Restricted for street maintenance	1,641,154	1,140,534	-	-	1,641,154	1,140,534
Restricted for law enforcement	7,556,244	6,697,632	-	-	7,556,244	6,697,632
Restricted for other	2,167,546	2,067,663	-	-	2,167,546	2,067,663
Unrestricted	47,510,368	28,841,506	13,642,617	15,320,483	61,152,985	44,161,989
Total Net Position	\$ 186,706,359	\$ 176,735,804	\$ 108,140,969	\$ 105,003,161	\$ 294,847,328	\$ 281,738,965

Changes in Net Position. The net position of the City increased by \$13,108,363 for the fiscal year ended September 30,2022.

Governmental Activities. Governmental activities increased the City's net position by \$9,970,555 from the prior year. This was primarily due to a decrease in net pension liability, which reduced the general government expenses.

Business-type Activities. Business-type activities net position increased by \$3,137,808 over the prior year. This increase is primarily due to the increase in charges for services over prior fiscal period.

CITY OF KELLER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Change in City of Keller's Net Position
Table 2

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 6,343,642	\$ 6,112,192	\$ 37,129,910	\$ 30,435,588	\$ 43,473,552	\$ 36,547,780
Operating grants and contributions	3,359,341	6,013,508	-	-	3,359,341	6,013,508
Capital grants and contributions	1,265,346	740,219	1,820,925	1,891,912	3,086,271	2,632,131
General revenues:						
Ad valorem taxes	23,867,927	24,136,514	-	-	23,867,927	24,136,514
Sales taxes	18,092,391	16,025,875	-	-	18,092,391	16,025,875
Other taxes and fees	5,050,220	4,601,101	-	-	5,050,220	4,601,101
Interest	693,947	419,517	177,072	168,286	871,019	587,803
Miscellaneous	1,200,968	1,768,131	13,345	194,199	1,214,313	1,962,330
Total Revenues	59,873,782	59,817,057	39,141,252	32,689,985	99,015,034	92,507,042
Expenses						
General government	5,318,814	8,384,847	-	-	5,318,814	8,384,847
Public safety	20,468,163	19,297,660	-	-	20,468,163	19,297,660
Public works	13,207,020	12,698,624	-	-	13,207,020	12,698,624
Community development	2,071,671	1,836,261	-	-	2,071,671	1,836,261
Culture and recreation	8,046,226	9,777,808	-	-	8,046,226	9,777,808
Interest on long-term debt	680,922	823,081	-	-	680,922	823,081
Water and wastewater operations	-	-	27,459,747	24,628,884	27,459,747	24,628,884
Drainage utility	-	-	1,871,299	2,192,325	1,871,299	2,192,325
Recreation aquatics center	-	-	6,782,809	6,899,928	6,782,809	6,899,928
Total Expenses	49,792,816	52,818,281	36,113,855	33,721,137	85,906,671	86,539,418
Increase (decrease) in net position before transfers	10,080,966	6,998,776	3,027,397	(1,031,152)	13,108,363	5,967,624
Transfers	(110,411)	230,980	110,411	(230,980)	-	-
Change in Net Position	9,970,555	7,229,756	3,137,808	(1,262,132)	13,108,363	5,967,624
Net Position, Beginning	176,735,804	169,506,048	105,003,161	106,265,293	281,738,965	275,771,341
Net Position, Ending	\$ 186,706,359	\$ 176,735,804	\$ 108,140,969	\$ 105,003,161	\$ 294,847,328	\$ 281,738,965

Fund Financial Analysis

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balance 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 spending at the end of the fiscal year.

As of year-end of the current fiscal year, the City's governmental funds reported combined fund balances of \$89,995,503.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$30,297,602. There was a decrease in General Fund balance of \$314,108 during the current fiscal year. This decrease is primarily due to the impact of overall increase in sales tax revenue over prior year and reduced by transfers to other funds. The City continues to budget sales tax conservatively as it is anticipated the growth over the last two years will normalize soon.

The General Obligation Debt Service Fund had a decrease of \$73,726 in fund balance. These funds are specifically restricted for the payment of debt service. The Crime Control Prevention District Fund increased \$857,290 due to more sales tax revenue

CITY OF KELLER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

than expenditures. The Capital Projects Fund had an increase of \$1,165,177 due primarily to current year spending on capital projects of bonds along with significant transfers from other funds.

Nonmajor governmental funds' combined fund balances increased \$577,880 which is primarily due to an increase in road impact fees and increased sales tax revenue. Among the nonmajor governmental funds, the Keller Crime Control and Prevention District had an increase of \$937,091 in fund balance. Sales tax from on-line purchases increased significantly during the fiscal year in part due to changes from State law and home- improvements continue to exceed projections. The City continues to budget sales tax conservatively as it is anticipated the growth will normalize soon.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

The net position of the Water and Wastewater Utilities Fund at the end of the year was \$83,080,953. This represents an increase of \$6,721,739 which was the result of operating revenues exceeding operating expenses by \$5,790,669. This income is attributable to significant increases in water and sewer charges for service revenue and increased impact fee revenue. The Water and Wastewater Utilities Fund also obtained \$1,199,407 in developer contributions.

The net position of the Drainage Utility Fund at the end of the year was \$20,222,995. This represents an increase of \$23,770 due primarily to \$621,518 of developer contributions of capital assets. This year's operating loss was \$362,249. This loss is less than the loss in the previous year due to reduced operating costs in the current year.

The proprietary funds also included a decrease in net position from the Recreation/Aquatic Center and an increase in internal service funds. The Recreation/Aquatic Center fund had a decrease of \$3,959,661 primarily due to a significant increase in operational expenses, primarily due to increased depreciation expense. The internal service fund had an increase of \$852,017 due to approximately \$422,000 of insurance recoveries.

General Fund Budgetary Highlights. In FY2022, the General Fund expenditure budget was unchanged from the 2022 original budget. Each year the City performs a mid-year review of the budget. If the City Manager determines that funds are available, certain amendments are proposed to the City Council for their review and approval.

In the General Fund, the actual revenue received in comparison to the final budget was greater by \$3,799,538. This positive variance is most noticeable in sales tax revenues which was \$1,910,061 over budget. General Fund expenditures had a final budget to actual negative variance of \$417,815 prior to other financing sources/uses. This amount is attributable to public works being over budget by \$1,448,858.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$225,449,552 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. The total decrease in the City's investment in capital assets for the current year was 14%.

CITY OF KELLER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

**Schedule of Capital Assets at Year-End
Net of Accumulated Depreciation (000's)**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 35,155	\$ 34,551	\$ 2,018	\$ 2,018	\$ 37,173	\$ 36,569
Capacity rights	-	-	773	930	773	930
Buildings	30,904	22,403	2,231	6,346	33,135	28,749
Utility facilities	-	-	94,577	94,253	94,577	94,253
Improvements	48,267	50,909	-	-	48,267	50,909
Machinery and equipment	6,464	6,114	573	688	7,037	6,802
Construction in progress	2,413	8,985	2,075	1,062	4,488	10,047
Totals	\$ 123,203	\$ 122,962	\$ 102,247	\$ 105,297	\$ 225,450	\$ 228,259

Additional information on the City's capital assets can be found in the notes to the financial statements.

Debt Administration - At the end of the current fiscal year, the City had total debt outstanding of \$49,152,771 which was backed by the full faith and credit of the City in addition to unamortized premiums.

Schedule of Long-term Debt at Year-End (000's)

	Governmental Activities		Business-type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 16,570	\$ 20,045	\$ 3,395	\$ 4,735	\$ 19,965	\$ 24,780
Certificates of Obligation	6,520	7,855	19,180	20,455	25,700	28,310
Premium on Issuance	2,767	3,164	721	874	3,488	4,038
Totals	\$ 25,857	\$ 31,064	\$ 23,296	\$ 26,064	\$ 49,153	\$ 57,128

The City continues to maintain favorable ratings from bond rating agencies. The current General Obligation, Combination Tax and Revenue Certificates of Obligation, and Revenue Bonds ratings are as follows.

	Moody's Investors Service	Standard & Poor's
General obligation bonds	Aaa	AAA
Certificates of obligation	Aaa	AAA

Additional information on the City's long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the next year's adopted fiscal year (FY) 2022-23 budget, total General Fund revenues (including transfers-in) are budgeted to increase by \$1,805,787 (4.5%) from the final FY 2021-22 Budget and increase by \$226,618 (0.5%) from the FY 2021-22 year-end projection, with general property taxes comprising about 48.0% of General Fund budgeted revenues and transfers-in. Certified taxable assessed valuations (after adjustments) increased by 12.2% compared to the prior year. Based upon the increased taxable valuations, the city reduced the tax rate to \$0.3545 per \$100 for FY 2022-23 from \$0.3995 per \$100 in order to remain at the no new revenue rate.

A moderate increase of 3.8% from FY 2022-23 year-end projects is budgeted for sales tax revenue for FY 2022-23 as the city anticipates sales tax to stabilize after significant growth during FY 2019-20 and FY 2020-22. While the projection is low compared to recent average growth, FY 2022-23 budget reflects an increase of sales tax revenue of \$1.2 million (17.0%) from the FY 2021-22 budget. Retail sales tax activity has continued steady annually grow and the city continues to see significant growth in on-line sales tax due to changes in State law. The City continues to monitor the impact of the new sales tax law and budgets conservatively with the anticipation that the on-line sales will normalize soon.

CITY OF KELLER, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

General Fund expenditures for the 2022-23 adopted budget represents a decrease of \$435,492 (1.0%) from the FY 2021-22 budget. The FY 2022-23 budget includes one-time expenditures of \$5,327,818 of which \$4,400,000 relates to cash-funding capital street improvements rather than issuing debt. The FY 2021-22 budget included one-time funding of \$7,698,872. With the one-time expenditures removed from FY 2021-22 and FY 2022-23, adopted budget represents an increase of \$628,354 or 2.2%.

The FY 2021-22 General Fund expenditure budget is \$45,445,179, which is an increase of \$6,143,772 or 15.6% from FY 2020-21. Included in the General Fund are one-time expenditures totaling \$7,698,872 which includes \$3.25 million for sidewalk maintenance, \$2 million for Shady Grove Road reconstruction, \$1,800,057 for street maintenance, and \$400,000 to address Bear Creek bridge erosion. When the one-time expenditures are removed from the FY 2020-21 and FY 2021-22 budgets, on-going General Fund expenditures are an increase of \$1,935,562 or 5.1% year over year. The use of cash funding one-time projects in the General Fund, the city is able to meet current service demands, including capital maintenance needs, without issuing debt.

Conservative revenue and expenditure budgeting resulted in a balanced budget that meets the City Council goals and directions, continues to provide excellent service levels, and maintains ending fund balances as required by the city's financial policies. The FY 2022-23 estimated ending fund balance at September 30, 2022 is \$24,994,304 which equals 63.0% of on-going expenditures. The estimated fund balance is above the policy required minimum balance of 35.0% and the policy maximum of 50.0%. The City will be looking to further cash fund capital projects as a way to reduce the fund balance below the policy maximum.

The City is able to maintain its financial position because of having a stable tax and retail base which also allows the City to have a competitive tax rate. The City's property tax rate for FY 2022-23 again ranks as one of the lowest among neighboring Tarrant County area cities.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, P.O. Box 770, Keller, Texas 76244-0770, call (817) 743-4025, or email at finance@CityofKeller.com.



BASIC FINANCIAL STATEMENTS



CITY OF KELLER, TEXAS
STATEMENT OF NET POSITION
September 30, 2022

Exhibit A-1

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 48,984,878	\$ 20,288,128	\$ 69,273,006
Investments	61,773,204	3,042,498	64,815,702
Receivables, net allowance for uncollectable	5,619,765	5,671,637	11,291,402
Inventories	101,184	275,746	376,930
Prepaid items	40,593	290,772	331,365
Interfund balances	(1,291,421)	1,291,421	-
Restricted assets:			
Investments	-	7,926,059	7,926,059
Capital assets not being depreciated	37,567,336	4,093,375	41,660,711
Capital assets, net of accumulated depreciation	<u>85,635,152</u>	<u>98,153,689</u>	<u>183,788,841</u>
Total Assets	<u>238,430,691</u>	<u>141,033,325</u>	<u>379,464,016</u>
Deferred Outflows of Resources			
Deferred charge on refunding	367,864	63,026	430,890
Deferred outflows related to pensions	2,325,882	340,288	2,666,170
Deferred outflows related to OPEB - SDBF	214,173	31,354	245,527
Deferred outflows related to OPEB - Health Benefits	<u>243,653</u>	<u>35,646</u>	<u>279,299</u>
Total Deferred Outflows of Resources	<u>3,151,572</u>	<u>470,314</u>	<u>3,621,886</u>
Liabilities			
Accounts payable	5,875,280	5,605,244	11,480,524
Accrued interest payable	111,433	74,313	185,746
Customer deposits	341,813	1,438,225	1,780,038
Escrow payables	377,260	-	377,260
Unearned revenue	5,849,809	576,232	6,426,041
Long-term non-current liabilities:			
Due within one year	6,188,359	2,624,976	8,813,335
Due in more than one year	<u>29,175,243</u>	<u>22,025,796</u>	<u>51,201,039</u>
Total Liabilities	<u>47,919,197</u>	<u>32,344,786</u>	<u>80,263,983</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions	6,220,593	910,149	7,130,742
Deferred inflows related to OPEB - SDBF	69,147	10,154	79,301
Deferred inflows related to OPEB - Health Benefits	<u>666,967</u>	<u>97,581</u>	<u>764,548</u>
Total Deferred Inflows of Resources	<u>6,956,707</u>	<u>1,017,884</u>	<u>7,974,591</u>
Net Position			
Net Investment in capital assets	99,447,718	83,241,339	182,689,057
Restricted for:			
Debt service	3,247,601	-	3,247,601
Capital projects	19,688,837	11,257,013	30,945,850
Park development	5,446,891	-	5,446,891
Street maintenance	1,641,154	-	1,641,154
Law Enforcement	7,556,244	-	7,556,244
Other	2,167,546	-	2,167,546
Unrestricted	<u>47,510,368</u>	<u>13,642,617</u>	<u>61,152,985</u>
Total Net Position	<u>\$ 186,706,359</u>	<u>\$ 108,140,969</u>	<u>\$ 294,847,328</u>

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental Activities:				
General government	\$ 5,318,814	\$ 1,946,250	\$ -	\$ -
Public safety	20,468,163	848,118	3,357,823	-
Public works	13,207,020	35,049	-	1,265,346
Community and economic development	2,071,671	3,214,072	-	-
Culture and recreation	8,046,226	300,153	1,518	-
Interest on long-term debt	680,922	-	-	-
Total Governmental Activities	49,792,816	6,343,642	3,359,341	1,265,346
Business-type Activities:				
Water and wastewater utility	27,459,747	33,030,914	-	1,199,407
Drainage utility	1,871,299	1,509,050	-	621,518
Recreation/Aquatic Center	6,782,809	2,589,946	-	-
Total Business-type Activities:	36,113,855	37,129,910	-	1,820,925
Total Primary Government	\$ 85,906,671	\$ 43,473,552	\$ 3,359,341	\$ 3,086,271

	Net (Expense) Revenues and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Functions/Programs			
Governmental Activities:			
General government	\$ (3,372,564)	\$ -	\$ (3,372,564)
Public safety	(16,262,222)	-	(16,262,222)
Public works	(11,906,625)	-	(11,906,625)
Community and economic development	1,142,401	-	1,142,401
Culture and recreation	(7,744,555)	-	(7,744,555)
Interest on long-term debt	(680,922)	-	(680,922)
Total Governmental Activities	(38,824,487)	-	(38,824,487)
Business-type Activities:			
Water and wastewater utility	-	6,770,574	6,770,574
Drainage utility	-	259,269	259,269
Recreation/Aquatic Center	-	(4,192,863)	(4,192,863)
Total Business-type Activities:	-	2,836,980	2,836,980
Total Primary Government	(38,824,487)	2,836,980	(35,987,507)
General Revenues and Transfers:			
Taxes:			
Property taxes	23,867,927	-	23,867,927
Sales and use taxes	18,092,391	-	18,092,391
Franchise taxes	4,861,663	-	4,861,663
Mixed drink taxes	188,557	-	188,557
Unrestricted Investment earnings	693,947	177,072	871,019
Miscellaneous	1,200,968	13,345	1,214,313
Transfers	(110,411)	110,411	-
Total General Revenues and Transfers	48,795,042	300,828	49,095,870
Change in Net Position	9,970,555	3,137,808	13,108,363
Net Position, Beginning	176,735,804	105,003,161	281,738,965
Net Position, Ending	\$ 186,706,359	\$ 108,140,969	\$ 294,847,328

CITY OF KELLER, TEXAS
BALANCE SHEET GOVERNMENTAL FUNDS
September 30, 2022

Exhibit A-3
Page 1 of 2

	General	General Obligation Debt Service	Crime Control Prevention District	Capital Projects Fund
Assets				
Cash and cash equivalents	\$ 27,585,873	\$ 46,192	\$ 31,475	\$ 7,232,504
Investments	8,976,201	3,233,480	6,905,495	22,103,307
Receivables, net of allowance for uncollectible:				
Ad valorem taxes	219,264	59,750	-	-
Franchise taxes	810,386	-	-	-
Sales taxes	1,572,577	-	367,582	-
Accounts	610,760	382	-	-
Interest and other	204,611	-	8,839	-
Due from other governments	381,994	-	63,518	-
Inventories	101,184	-	-	-
Prepaid items	38,832	-	-	-
Total Assets	\$ 40,501,682	\$ 3,339,804	\$ 7,376,909	\$ 29,335,811
Liabilities, Deferred Inflow of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,523,382	\$ -	\$ 13,269	\$ 1,104,502
Other payables	985,090	-	4,194	169,632
Customer deposits	326,585	-	-	-
Escrow payables	-	-	-	-
Unearned revenues	5,850,693	-	-	-
Total Liabilities	8,685,750	-	17,463	1,274,134
Deferred Inflows of Resources				
Unavailable resources	593,469	59,750	-	-
Total Deferred Inflows of Resources	593,469	59,750	-	-
Fund Balances:				
Nonspendable:				
Inventory	101,184	-	-	-
Prepaid items	38,832	-	-	-
Restricted for:				
Debt service	-	3,280,054	-	-
Capital projects	-	-	-	10,018,323
Park development	-	-	-	-
Municipal court building and technology	-	-	-	-
Law enforcement	-	-	7,359,446	-
Recreation and cultural	290,265	-	-	-
Public information and broadcasting	-	-	-	-
Community clean up	402,645	-	-	-
Street maintenance	-	-	-	-
Public safety and public works grants	91,935	-	-	-
Assigned:				
Capital projects	-	-	-	18,043,354
Unassigned:	30,297,602	-	-	-
Total Fund Balances	31,222,463	3,280,054	7,359,446	28,061,677
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 40,501,682	\$ 3,339,804	\$ 7,376,909	\$ 29,335,811

CITY OF KELLER, TEXAS
BALANCE SHEET GOVERNMENTAL FUNDS
September 30, 2022

Exhibit A-3
Page 2 of 2

	Nonmajor Governmental Funds	Total Governmental Funds
Assets		
Cash and cash equivalents	\$ 6,699,963	\$ 41,596,007
Investments	13,192,201	54,410,684
Receivables, net of allowance for uncollectible:		
Ad valorem taxes	-	279,014
Franchise taxes	22,943	833,329
Sales taxes	1,203,474	3,143,633
Accounts	3,542	614,684
Interest and other	54,267	267,717
Due from other governments	23,914	469,426
Inventories	-	101,184
Prepaid items	-	38,832
Total Assets	<u>\$ 21,200,304</u>	<u>\$ 101,754,510</u>
Liabilities, Deferred Inflow of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 678,581	\$ 3,319,734
Other payables	54,847	1,213,763
Customer deposits	15,228	341,813
Escrow payables	377,260	377,260
Unearned revenues	1,990	5,852,683
Total Liabilities	<u>1,127,906</u>	<u>11,105,253</u>
Deferred Inflows of Resources		
Unavailable resources	535	653,754
Total Deferred Inflows of Resources	<u>535</u>	<u>653,754</u>
Fund Balances:		
Nonspendable:		
Inventory	-	101,184
Prepaid items	-	38,832
Restricted for:		
Debt service	-	3,280,054
Capital projects	11,404,854	21,423,177
Park development	5,446,891	5,446,891
Municipal court building and technology	224,066	224,066
Law enforcement	196,798	7,556,244
Recreation and cultural	608,309	898,574
Public information and broadcasting	549,791	549,791
Community clean up	-	402,645
Street maintenance	1,641,154	1,641,154
Public safety and public works grants	-	91,935
Assigned:		
Capital projects	-	18,043,354
Unassigned:	-	30,297,602
Total Fund Balances	<u>20,071,863</u>	<u>89,995,503</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 21,200,304</u>	<u>\$ 101,754,510</u>



CITY OF KELLER, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2022

Exhibit A-4

Total fund balance, governmental funds \$ 89,995,503

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Excludes governmental portion of the internal service funds of \$3,682,061. 119,520,427

Certain other long-term assets (property taxes, court fines, EMS and other receivables) are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position. 653,754

Some liabilities and deferred outflows and inflows are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the statement of net position. Excludes governmental portion of internal service funds of (\$100,82), (\$7,173), (\$137,334), and (\$50,718) for net deferred outflows and inflows of resources related to pensions, net outflows and inflows of resources related to OPEB, net pension liability, and total OPEB liability, respectively.

Bonds payable	(16,570,000)
Certificates of obligation	(6,520,000)
Premium on bonds	(2,766,951)
Deferred charge on refunding	367,864
Interest payable	(111,433)
Compensated absences	(2,210,342)
Deferred inflows/outflows related to pensions	(3,760,888)
Deferred inflows/outflows related to OPEB. Excludes	(268,725)
Net pension liability	(5,145,334)
Total OPEB liability	(1,900,276)

The assets and liabilities of certain internal service funds are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position. 15,422,760

Net Position of Governmental Activities \$ 186,706,359

CITY OF KELLER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

Exhibit A-5
Page 1 of 2

	<u>General</u>	<u>General Obligation Debt Service</u>	<u>Crime Control Prevention District</u>	<u>Capital Projects Fund</u>
Revenues				
Taxes:				
Ad valorem taxes	\$ 20,298,973	\$ 3,567,391	\$ -	\$ -
Sales and use taxes	9,110,290	-	2,149,324	-
Franchise taxes	4,775,189	-	-	-
Mixed drink tax	188,557	-	-	-
Licenses and permits	1,324,100	-	-	-
Intergovernmental revenues	3,874,035	-	100,982	-
Charges for services	3,398,154	-	-	-
Fines and forfeitures	445,082	-	-	-
Special assessments and impact fees	-	-	-	-
Donations	90,757	-	-	-
Interest income	300,765	16,393	37,359	131,372
Miscellaneous	503,334	3,070	-	8
Total Revenues	<u>44,309,236</u>	<u>3,586,854</u>	<u>2,287,665</u>	<u>131,380</u>
Expenditures				
Current:				
General government	5,209,697	-	-	20,169
Public safety	20,138,594	-	374,903	-
Public works	3,304,248	-	-	-
Community and economic development	2,064,279	-	-	-
Culture and recreation	5,410,748	-	-	-
Capital outlay	1,943,556	-	526,647	9,391,947
Debt service:				
Principal	-	2,930,000	435,000	-
Interest and fiscal charges	-	707,844	93,825	-
Other debt service expenditures	-	22,736	-	-
Total Expenditures	<u>38,071,122</u>	<u>3,660,580</u>	<u>1,430,375</u>	<u>9,412,116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,238,114	(73,726)	857,290	(9,280,736)
Other Financing Sources (Uses)				
Transfers in	1,646,825	-	-	10,445,913
Transfers out	(8,244,450)	-	-	-
Proceeds from sales of assets	45,403	-	-	-
Total Other Financing Sources (Uses)	<u>(6,552,222)</u>	<u>-</u>	<u>-</u>	<u>10,445,913</u>
Net Change in Fund Balance	(314,108)	(73,726)	857,290	1,165,177
Fund Balances, Beginning	<u>31,536,571</u>	<u>3,353,780</u>	<u>6,502,156</u>	<u>26,896,500</u>
Fund Balances, Ending	<u>\$ 31,222,463</u>	<u>\$ 3,280,054</u>	<u>\$ 7,359,446</u>	<u>\$ 28,061,677</u>

CITY OF KELLER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

Exhibit A-5
Page 2 of 2

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues		
Taxes:		
Ad valorem taxes	\$ -	\$ 23,866,364
Sales and use taxes	7,029,614	18,289,228
Franchise taxes	86,474	4,861,663
Mixed drink tax	-	188,557
Licenses and permits	-	1,324,100
Intergovernmental revenues	125,200	4,100,217
Charges for services	194,086	3,592,240
Fines and forfeitures	55,666	500,748
Special assessments and impact fees	269,832	269,832
Donations	30,815	121,572
Interest income	101,177	587,066
Miscellaneous	20,809	527,221
Total Revenues	7,913,673	58,228,808
Expenditures		
Current:		
General government	160,605	5,390,471
Public safety	140,131	20,653,628
Public works	68,682	3,372,930
Community and economic development	260,540	2,324,819
Culture and recreation	160,112	5,570,860
Capital outlay	2,457,934	14,320,084
Debt service:		
Principal	1,445,000	4,810,000
Interest and fiscal charges	137,859	939,528
Other debt service expenditures	-	22,736
Total Expenditures	4,830,863	57,405,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,082,810	823,752
Other Financing Sources (Uses)		
Transfers in	1,302,500	13,395,238
Transfers out	(3,807,430)	(12,051,880)
Proceeds from sales of assets	-	45,403
Total Other Financing Sources (Uses)	(2,504,930)	1,388,761
Net Change in Fund Balance	577,880	2,212,513
Fund Balances, Beginning	19,493,983	87,782,990
Fund Balances, Ending	\$ 20,071,863	\$ 89,995,503



CITY OF KELLER, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022**

Exhibit A-6

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

Net change in fund balance-total governmental funds.	\$ 2,212,513
 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Excludes capital asset additions in the internal service fund.	 14,329,387
Developers contributions are not reported in governmental funds.	876,848
 Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. Excludes depreciation expense of from internal service fund.	 (14,692,971)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(3,445)
 The repayment of the principal of long term debt consumes the current financial resources of governmental funds, but has no effect on net position. The amortization of bond premiums and deferred gain/loss on refunding of long term debt is reported in statement of activities but does not require the use of current financial resources. Therefore the effect of the amortization of these various items are not reported in the statement of revenues, expenses, and changes in fund balance. This amount represents the net effect of the following items:	
Repayment of principal	4,810,000
Amortization of premium on bonds	397,270
Amortization of deferred charges on refunding	(132,364)
 Contributions are treated as expenditures in the fund based financial statements, but are treated as reductions in the City's net pension/total OPEB liability in the statement of net position. This amount is the difference between contributions and pension/OPEB expense (revenue) for the current fiscal year.	
Pension	1,903,640
OPEB	(164,114)
 Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Increase in compensated absences	(82,702)
Decrease in accrued interest	16,436
 Internal service funds are used by management to share the costs of capital assets to individual funds. This is the amount of change in net position allocated to governmental activities.	 <u>500,057</u>
 Change in Net Position of Governmental Activities	 <u><u>\$ 9,970,555</u></u>

CITY OF KELLER, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022

Exhibit A-7
Page 1 of 2

	Water and Wastewater Utilities	Drainage Utility	Recreation/ Aquatic Center	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets					
Current Assets:					
Cash and cash equivalents	\$17,886,252	\$ 2,304,758	\$ 97,118	\$ 20,288,128	\$ 7,388,871
Investments	534,650	1,783,332	724,516	3,042,498	7,362,520
Accounts receivable, net of allowance for doubtful accounts	5,582,003	59,462	30,172	5,671,637	18,148
Inventories, at cost	270,888	-	4,858	275,746	-
Prepaid items	289,255	-	1,517	290,772	1,761
Restricted:					
Investments	7,926,059	-	-	7,926,059	-
Total Current Assets	32,489,107	4,147,552	858,181	37,494,840	14,771,300
Noncurrent Assets:					
Capital assets:					
Land and Improvements	1,956,642	61,272	-	2,017,914	-
Water and sewer system	137,432,722	36,512,748	-	173,945,470	-
Buildings and improvements	19,790	-	19,120,577	19,140,367	38,500
Equipment	1,922,846	373,289	1,541,313	3,837,448	13,821,178
Capacity rights	6,282,281	-	-	6,282,281	-
Construction in progress	1,209,807	58,925	806,729	2,075,461	-
Less accumulated depreciation	(66,449,007)	(20,610,576)	(17,992,294)	(105,051,877)	(10,177,617)
Total Noncurrent Assets	82,375,081	16,395,658	3,476,325	102,247,064	3,682,061
Total Assets	114,864,188	20,543,210	4,334,506	139,741,904	18,453,361
Deferred Outflows of Resources					
Deferred loss on refunding	63,026	-	-	63,026	-
Deferred outflows related to pensions	239,569	37,919	62,800	340,288	79,916
Deferred outflows related to SDBF	22,062	3,492	5,800	31,354	7,359
Deferred outflows related to OPEB	25,096	3,972	6,578	35,646	8,372
Total Deferred Outflows of Resources	349,753	45,383	75,178	470,314	95,647

CITY OF KELLER, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022

Exhibit A-7
Page 2 of 2

	<u>Water and Wastewater Utilities</u>	<u>Drainage Utility</u>	<u>Recreation/ Aquatic Center</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 2,333,396	\$ 63,735	\$ 45,888	\$ 2,443,019	1,292,602
Other payables and accruals	3,087,497	15,279	50,349	3,153,125	52,493
Unearned revenue	330,022	-	356,532	686,554	-
Compensated absences - current	159,456	41,901	23,619	224,976	-
Bonds Payable - current	1,110,000	-	-	1,110,000	-
Certificates of obligations - current	1,290,000	-	-	1,290,000	-
Accrued interest payable	74,313	-	-	74,313	-
Customer deposits	1,334,208	-	2,795	1,337,003	-
Total Current Liabilities	<u>9,718,892</u>	<u>120,915</u>	<u>479,183</u>	<u>10,318,990</u>	<u>1,345,095</u>
Total Noncurrent Liabilities					
Compensated absences	50,187	12,315	-	62,502	-
Bonds Payable	3,005,820	-	-	3,005,820	-
Certificate of obligations	17,890,000	-	-	17,890,000	-
Net pension liability	548,838	86,869	143,900	779,607	183,084
Total OPEB liability (SDBF)	99,332	15,722	26,000	141,054	33,136
Total OPEB liability (Health Benefits)	103,360	16,360	27,093	146,813	34,479
Total Noncurrent Liabilities	<u>21,697,537</u>	<u>131,266</u>	<u>196,993</u>	<u>22,025,796</u>	<u>250,699</u>
Total Liabilities	<u>31,416,429</u>	<u>252,181</u>	<u>676,176</u>	<u>32,344,786</u>	<u>1,595,794</u>
Deferred inflows of resources					
Deferred inflows related to pensions	640,734	101,415	168,000	910,149	213,739
Deferred inflows related to SDBF	7,126	1,128	1,900	10,154	2,377
Deferred inflows related to OPEB Health benefits	68,699	10,874	18,008	97,581	22,917
Total Deferred Inflows of Resources	<u>716,559</u>	<u>113,417</u>	<u>187,908</u>	<u>1,017,884</u>	<u>239,033</u>
Net Position					
Investment in capital assets	63,369,356	16,395,658	3,476,325	83,241,339	3,682,061
Restricted for construction	9,131,967	2,102,748	22,298	11,257,013	-
Unrestricted	10,579,630	1,724,589	46,977	12,351,196	13,032,120
Total Net Position	<u>\$83,080,953</u>	<u>\$20,222,995</u>	<u>\$ 3,545,600</u>	<u>106,849,548</u>	<u>\$ 16,714,181</u>
Adjustment to reflect the consolidation of int service fund activities related to enterprise funds.				<u>1,291,421</u>	
Total Business-type Activities' Net Position per Government-Wide financial statements.				<u>\$ 108,140,969</u>	



CITY OF KELLER, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended September 30, 2022

Exhibit A-8

	Water and Wastewater Utilities	Drainage Utility	Recreation/ Aquatic Center	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Operating Revenues					
Water	\$ 23,917,755	\$ -	\$ -	\$ 23,917,755	\$ -
Sewer	9,039,726	-	-	9,039,726	-
Drainage revenue	-	1,509,050	-	1,509,050	-
Recreation/Aquatic center revenue	-	-	2,587,065	2,587,065	-
Tap and connection fees	73,433	-	-	73,433	-
Miscellaneous	-	-	3,874	3,874	8,097,551
Total Operating Revenues	<u>33,030,914</u>	<u>1,509,050</u>	<u>2,590,939</u>	<u>37,130,903</u>	<u>8,097,551</u>
Operating Expenses					
Personnel	2,356,073	295,899	1,103,809	3,755,781	841,118
Supplies and materials	222,756	25,368	110,138	358,262	140,977
Services and other	6,760,619	585,455	1,129,681	8,475,755	4,678,046
Purchased water	11,332,573	-	-	11,332,573	-
Contractual services	4,005,268	-	-	4,005,268	-
Depreciation	2,562,956	964,577	4,446,811	7,974,344	860,662
Total Operating Expenses	<u>27,240,245</u>	<u>1,871,299</u>	<u>6,790,439</u>	<u>35,901,983</u>	<u>6,520,803</u>
Operating Income (Loss)	5,790,669	(362,249)	(4,199,500)	1,228,920	1,576,748
Non-Operating Revenues (Expenses)					
Investment revenue	145,178	25,300	6,511	176,989	106,927
Gain/loss on disposal of capital assets	(80,489)	-	7,630	(72,859)	199,388
Other	9,548	-	2,887	12,435	422,723
Interest expense	(490,973)	-	-	(490,973)	-
Total Non-Operating Revenues	<u>(416,736)</u>	<u>25,300</u>	<u>17,028</u>	<u>(374,408)</u>	<u>729,038</u>
Income (Loss) Before Contributions and Transfers	5,373,933	(336,949)	(4,182,472)	854,512	2,305,786
Contributions and Transfers					
Developer contributions	1,199,407	621,518	-	1,820,925	-
Transfer in	250,343	-	222,811	473,154	351,560
Transfer out	(101,944)	(260,799)	-	(362,743)	(1,805,329)
Total Contributions and Transfers	<u>1,347,806</u>	<u>360,719</u>	<u>222,811</u>	<u>1,931,336</u>	<u>(1,453,769)</u>
Change in Net Position	6,721,739	23,770	(3,959,661)	2,785,848	852,017
Net Position, Beginning	<u>76,359,214</u>	<u>20,199,225</u>	<u>7,505,261</u>		<u>15,862,164</u>
Net Position, Ending	<u>\$ 83,080,953</u>	<u>\$ 20,222,995</u>	<u>\$ 3,545,600</u>		<u>\$ 16,714,181</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 351,960

Change in Net Position Business-type Activities \$ 3,137,808

CITY OF KELLER, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2022

Exhibit A-9

	Water and Wastewater Utilities	Drainage Utility	Recreation/ Aquatic Center	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 32,233,067	\$ 1,509,573	\$ 2,513,059	\$ 36,255,699	\$ 8,350,775
Cash payments to employees for services	60,360	(432,822)	(1,178,781)	(1,551,243)	(885,022)
Cash payments to other suppliers for goods and services	(23,170,820)	(621,201)	(1,332,721)	(25,124,742)	(3,683,155)
Net Cash Provided (Used) by Operating Activities	<u>9,122,607</u>	<u>455,550</u>	<u>1,557</u>	<u>9,579,714</u>	<u>3,782,598</u>
Cash Flows From Noncapital Financing Activities					
Transfers from other funds	250,343	-	222,811	473,154	351,560
Transfer to other funds	(101,944)	(260,799)	-	(362,743)	(1,805,329)
Net Cash Provided (Used) by Noncapital Financial Activities	<u>148,399</u>	<u>(260,799)</u>	<u>222,811</u>	<u>110,411</u>	<u>(1,453,769)</u>
Cash Flows from Capital & Related Financing Activities					
Principal and interest paid	(3,274,516)	-	-	(3,274,516)	-
Acquisition and construction of capital assets	(2,156,150)	(19,575)	(1,039,660)	(3,215,385)	(519,166)
Insurance recoveries	-	-	-	-	422,723
Miscellaneous revenue	9,548	-	2,887	12,435	-
Proceeds from the capital assets	42,531	-	-	42,531	130,248
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(5,378,587)</u>	<u>(19,575)</u>	<u>(1,036,773)</u>	<u>(6,434,935)</u>	<u>33,805</u>
Cash Flows from Investing Activities					
Purchase or sale of investments	4,339,435	29,935	156,154	4,525,524	(5,449,362)
Interest Received	145,178	25,300	6,511	176,989	106,927
Net Cash Provided (Used) by Investing Activities	<u>4,484,613</u>	<u>55,235</u>	<u>162,665</u>	<u>4,702,513</u>	<u>(5,342,435)</u>
Net Change in Cash and Cash Equivalents	8,377,032	230,411	(649,740)	7,957,703	(2,979,801)
Cash and cash equivalents, beginning	9,509,220	2,074,347	746,858	12,330,425	10,368,672
Cash and Cash Equivalents, Ending	<u>\$ 17,886,252</u>	<u>\$ 2,304,758</u>	<u>\$ 97,118</u>	<u>\$ 20,288,128</u>	<u>\$ 7,388,871</u>
Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 5,790,669	\$ (362,249)	\$ (4,199,500)	\$ 1,228,920	\$ 1,576,748
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,562,956	964,577	4,446,811	7,974,344	860,662
Decrease (increase) in accounts receivable	(894,545)	523	523	(893,499)	253,224
Decrease (increase) in inventories and prepaid items	28,260	-	-	28,260	(1,761)
Decrease (increase) in deferred outflows	55,899	23,571	755	80,225	(1,637)
Increase (decrease) in accounts payable	(877,864)	(10,378)	(92,902)	(981,144)	1,126,012
Increase (decrease) in other payables and accruals	2,965,100	(144)	13,574	2,978,530	11,617
Increase (decrease) in compensated absences	9,646	(2,756)	-	6,890	-
Increase (decrease) in customer deposits	31,793	-	697	32,490	-
Increase (decrease) in unearned revenue	64,905	-	(79,100)	(14,195)	-
Increase (decrease) in pension and OPEB liability	(1,060,654)	(212,088)	(212,027)	(1,484,769)	(182,420)
(Increase) decrease in deferred inflows	446,442	54,494	122,726	-	140,153
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,122,607</u>	<u>\$ 455,550</u>	<u>\$ 1,557</u>	<u>\$ 9,579,714</u>	<u>\$ 3,782,598</u>
Noncash Investing, Capital and Financing Activities:					
Capital asset contributions from governmental funds	<u>\$ 1,199,407</u>	<u>\$ 621,518</u>	<u>\$ -</u>	<u>\$ 1,820,925</u>	<u>\$ -</u>

Note 1 - Summary of Significant Accounting Policies

The City of Keller (the City) was incorporated in 1955. The City operates under a Council-Manager form of government as a duly incorporated home rule charter approved in 1982. The City provides the following services: public safety (police and fire), streets, water, sewer and storm water drainage, public improvements, culture, planning and zoning, parks and recreation, and general administrative services.

The City reports in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide concise explanations, including required disclosures of budgetary matters, assets, liabilities, fund equity, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City's financial activities for the fiscal year ended September 30, 2022.

A - Financial Statement Presentation

The basic financial statements are prepared in conformity with GASB Statement No. 34, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. Significantly, the City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expenses on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City also presents Management's Discussion and Analysis, which includes an analytical overview of the City's financial activities. In addition, a budgetary comparison schedule is presented that compares the original adopted and final amended General Fund budget with actual results.

B - Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. In evaluating how to define the government for financial reporting purposes, management has considered all entities for which the City is considered to be financially accountable. The City is a home-rule municipality governed by an elected Mayor and six-member City Council, who appoint a City Manager. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. All of the City's component units are presented as a blended component unit.

Blended Component Unit

Keller Development Corporation (KDC) – The City created the Keller Development Corporation for the purpose of implementing its Parks Master Plan and appointed a seven-member Board of Directors, four of whom are required to be members of the City Council. The remaining three members are residents of the City. All Board members are appointed by the City Council. KDC is authorized to sell bonds or other forms of indebtedness. In the event of dissolution of KDC, the assets of KDC will be distributed to the City.

Note 1 - Summary of Significant Accounting Policies (continued)

B - Financial Reporting Entity (continued)

Since the KDC Board of Directors act primarily in an advisory role to the Keller City Council, who exercise the ultimate financial control over the recommendations of the KDC Board and there is either a financial benefit or burden relationship between the City and KDC, the financial information of KDC is blended as a governmental fund into the primary government.

Keller Crime Control Prevention District (KCCPD) – In accordance with Section 363 of the Texas Local Government Code, the City Council appointed a temporary KCCPD Board, who then developed and proposed a two-year financial plan to the residents of the City for a public vote. In November 2001, the residents of the City, by referendum, approved an additional three-eighths of one percent (0.375%) sales and use tax to be used for public safety crime control and prevention programs, including public safety equipment, and improvements to public safety facilities. Following voter approval of KCCPD, a Board of Directors was officially appointed by the City Council, and the two-year budget was then adopted by the Board and City Council. By statute, the life of KCCPD cannot exceed five years without re-authorization by another referendum. The additional sales tax became effective in April 2002. The tax was authorized for an initial period of five years. In May 2006, voters re-authorized the tax for an additional period of 15 years. In November 2007, voters authorized a reduction in the rate from three-eighths of one percent (0.375%) to one-quarter of one percent (0.25%).

Since the KCCPD Board acts primarily in an advisory role to the Keller City Council, who exercises the ultimate financial control over the recommendations of the KCCPD Board and the KCCPD provides services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City even though it does not provide services directly to it, the financial information for KCCPD is blended as a governmental fund into the primary government. Separate financial statements for the component units are not prepared.

C - Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Public Works, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues rather than as program revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, the general obligation debt service fund, the Crime Control Prevention District, and the capital projects fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The non-major funds are detailed in the combining section of the financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

C - Government-Wide and Fund Financial Statements (continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D - Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. 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 government-wide and proprietary fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board.

Governmental fund level 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. The governmental fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board.

Property taxes, franchise fees, 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. Sales taxes collected and held by the State and merchants at year-end on behalf of the City are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fund Accounting

The following major governmental funds are used by the City:

General Fund - The General Fund is used to account for all financial transactions that are not accounted for in another fund. The principal sources of revenues of the General Fund are property taxes, sales and use taxes, franchise taxes, licenses and permits, and fines and forfeitures. Expenditures are for general government, public safety, public works and other community services.

General Obligation Debt Service Fund - The General Obligation Debt Service Fund is used to account for the payment of interest and principal on all general long-term debt of the City except for capital leases for which are accounted for in the General Fund. The primary source of revenue for the Debt Service Fund is general property taxes.

The Crime Control Prevention District Special Revenue Fund – This fund is used to account for collection of sales and use taxes, in accordance with Section 363 of the Texas Local Government Code, to be used for public safety crime control and prevention programs.

Note 1 - Summary of Significant Accounting Policies (continued)

D - Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Fund Accounting (continued)

Capital Projects Fund - This fund is used to account for construction and progress capital outlay or long-term repair contract expenditures.

In addition, the City reports the following nonmajor governmental funds:

Library Fund – This fund accounts for public donations and revenues restricted for Library improvements.

Municipal Court Fund – This fund accounts for technology and building security fees collected from Municipal Court citations. Expenditures from these fees are specifically restricted by state law for court technology and security.

Public Safety Fund – This fund accounts for revenues derived from forfeiture and seizure of assets resulting from illegal narcotic activity. Expenditures are restricted for the Police Department to be used in illegal narcotic enforcement.

Public Art Fund – This fund is to account for contributions, donations, and other resources that are restricted for specific uses or purposes.

Public Information and Broadcasting – This fund is used to account for collection of franchise taxes from cable fees. Expenditures are restricted for the use of communications throughout the City.

Tree Restoration Fund – This fund accounts for charges for services restricted for the use of restoring trees around the City.

Keller Development Corporation Fund – This fund is used to account for collection of sales and use taxes for the payment of bonds or other forms of indebtedness to finance the cost of Keller parks.

Street/Sidewalk Improvement Fund – This fund is used to account for revenues that are restricted for street and sidewalk improvements. Authorized expenditures include improvements and related engineering.

Hotel Occupancy Fund – This fund accounts for tax related occupancy collections.

The **Nonmajor Capital Projects Funds** account for all resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Roadway Impact Fees Fund – This fund is used to account for revenues that are restricted for roadway improvements. Authorized expenditures include improvements and engineering.

Park Development Fee Fund – This fund is used to account for resources received primarily from park development fees and expenditures for specific park improvements.

Parks Capital Improvement Fund – This fund is to account for acquisition or construction of capital assets.

Governmental funds with legally adopted annual budgets include the General Fund, the General Obligation Debt Service Fund, Crime Control Prevention District, Municipal Court fund, Public Safety, Public Information and Broadcasting, Keller Development Corporation, and the Street/Sidewalk Improvement fund. The legal level of control and budget to actual expenditure comparison is reported at the department level.

Note 1 - Summary of Significant Accounting Policies (continued)

D - Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary Funds are accounted for using an economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets, liabilities, deferred inflows and outflows of resources associated with a proprietary fund's activities are included on its statement of net position.

The proprietary funds are financed and operated in a manner similar to private business enterprise. The costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City reports proprietary funds that are considered to be enterprise and internal service funds.

The following proprietary funds are reported as enterprise funds:

Water and Wastewater Utilities Fund – This fund is used to account for the operations of the water distribution system, wastewater pumping stations and collection systems. The City reports the water and wastewater utilities fund as a major fund.

Drainage Utility Fund – This fund is used to account for the operations of the City's drainage system for storm water control. The City reports the drainage utility fund as a major fund.

Recreation/Aquatic Center Fund – This fund is considered a non-major fund for reporting purposes and is used to account for customer activity at the City's recreation and pool facilities.

The City's enterprise funds are reported in the business-type activities on the governmental-wide financial statements. The City reports the following non-major internal service funds:

Information Technology Fund – This fund is used to account for replacements of computers and software for the City's departments.

Equipment Replacement Fund – This fund is used to account for replacement of vehicles and other equipment that are City owned.

Health Insurance Fund – This fund is used to pay for the City's current employee's health insurance.

The City's internal service funds account for the financing of goods and services provided by one department to other City departments or to other governmental units on a cost-reimbursement basis. The City's internal service funds are reported with the governmental activities with an allocation to the business-type activities on the government-wide financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

E - Cash and Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Substantially all operating cash and cash equivalents are maintained in consolidated cash accounts or individual fund investment accounts.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligation, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (B) secured by obligations that are described by (1), pledged with third party selected or approved by the City, and placed through a primary government securities dealer.

Investments, except for the investment pools and money market mutual funds are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market mutual funds are accessible at any time and therefore are also reported at amortized cost.

F - Inventories and Prepaid Items

Inventory is valued at cost (first-in, first-out). The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Reported inventories are equally offset by non-spendable fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of fund balance. The City is not required to maintain a minimum level of inventory. Inventories in the Proprietary Funds consist of supplies and are recorded at cost when consumed rather than when purchased.

Prepaid balances are for payments made by the City for which benefits extend beyond September 30, 2022, and the non-spendable fund balance has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures. The cost of prepaid services is recorded based on when prepaids was consumed rather than when purchased.

G - Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

The governmental and proprietary funds report grant receivables as earned upon the time when eligible to receive reimbursement if collected within a year after fiscal year end.

Note 1 - Summary of Significant Accounting Policies (continued)

H - Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Customer deposits received for water and wastewater service are, by law, considered to be restricted assets. These balances are included in the proprietary funds.

I - 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 columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 - 40 years
Improvements other than buildings	20 - 40 years
Water , sewer, and drainage system	20 - 40 years
Capacity rights	40 years
Machinery, vehicle, and other equipment	3 - 20 years

Note 1 - Summary of Significant Accounting Policies (continued)

J - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation is accrued depending on level of employment and years of service. Vacation can be accrued up to 240 to 400 hours depending on years of service with the City. Accrued vacation is paid upon retirement or termination. Sick leave is accrued at 8 hours per month with no limitations. Accrued sick leave expires and is not paid upon retirement or termination. Unused compensatory time for nonexempt employees is paid upon termination. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are matured, for example, unused reimbursable leave payable as a result of employee resignations and retirements.

K - Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Losses on refunding are deferred and amortized over the life of the new issuance or the existing debt using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L - Pensions and Other Post-Employment Benefits (OPEB)

The City has Pension and OPEB for supplemental death benefits fund (SDBF) with the Texas Municipal Retirement System (TMRS) and has OPEB for health insurance. For purposes of measuring the net pension and total OPEB liability from TMRS, pension/OPEB related deferred outflows and inflows of resources, and pension/OPEB expense, City specific information about its Fiduciary Net Position in TMRS and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions to TMRS 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. Information regarding the City's Total Pension and Total OPEB Liabilities is obtained from TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statements No. 68 and 75. The OPEB for health benefits is an unfunded plan. The same actuaries used for pensions and OPEB from TMRS are used to provide the reporting information for the OPEB for health benefits.

Note 1 - Summary of Significant Accounting Policies (continued)

M - Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the financial position as described below:

A *deferred outflow of resources* is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The City has three items that qualify for reporting in this category:

- Deferred outflows or resources for refunding - Reported in the government-wide statement of net position, this 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.
- Deferred outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the City's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred outflows of resources for other post-employment benefits (OPEB) other than pension – Reported in the government wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the total OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the City's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB investments will be amortized over a closed five-year period. The remaining postemployment related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan.

A *deferred inflow of resources* is an acquisition of a government's net positions (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The City has three items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual bases of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension – reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the City's proportional share of pension liabilities These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows of resources for OPEB – Reported in the government wide financial statement of net position, this deferred inflow results primarily from 1) changes in actuarial assumptions; and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan.

Note 1 - Summary of Significant Accounting Policies (continued)

N - Fund Balance

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the City classifies governmental fund balances as follows:

Nonspendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact. (i.e. inventories, prepaid items)

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. (i.e. debt service, capital projects, economic development, municipal court security, municipal court technology, tourism)

Committed fund balance – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (City Council). Commitments may be changed or lifted only by the government taking the same formal action (resolution) that imposed the constraint originally (i.e. park acquisition and improvement, recreation, fire training, fire development, public arts).

Assigned fund balance – comprises amounts intended to be used by the government for specific purposes. Per the fund balance policy, intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. The City Council has authorized the City Manager as the official authorized to assign fund balance to a specific purpose as approved by the fund balance policy.

Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Order of Expenditure of Funds – When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

O - Property Taxes

Property taxes are levied for appropriation for the fiscal year beginning on October 1, are due October 1, attach as an enforceable lien on property as of January 1, and become delinquent on February 1. Property taxes are accrued based on the period for which they are levied and available. Delinquent taxes estimated not to be available are treated as deferred revenue in the governmental fund financial statements. Property taxes for cities, including those applicable to debt service, are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation. The City's current tax rate is \$0.3950 per \$100 of assessed valuation and assessed valuation is approximately 100% of estimated value.

Note 1 - Summary of Significant Accounting Policies (continued)

P - Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Q - Net Position Classifications

Classification of net position includes three components as follows:

- Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings, premiums, discounts, and deferred outflows of resources or deferred inflows of resources from a refunding.
- Restricted – This component of the net position consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.
- Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

R - Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues not meeting this definition are reported as non-operating revenues and expenses.

S - Implementation of New Standards

GASB No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The City has determined that this statement does not have a material effect on the financial statements.

No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* was issued in June 2020. This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately whereas the remaining requirements of this Statement are effective for periods beginning after June 15, 2021. The City has evaluated the effects of this standard and has determined that this Statement does not impact the financial statements.

Note 2 - Deposits and Investments

The following table shows the City’s recorded cash and equivalents and investments at September 30, 2022:

<u>Fund</u>	<u>Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Cash and cash equivalents	\$ 41,596,007	\$ 7,388,871	\$ 20,288,128	\$ 69,273,006
Investments	54,410,684	7,362,520	10,968,557	72,741,761
	<u>\$ 96,006,691</u>	<u>\$ 14,751,391</u>	<u>\$ 31,256,685</u>	<u>\$ 142,014,767</u>

At year end, the carrying amount of the City’s interest bearing bank deposits and money market funds was \$69,273,006 and the bank balance was \$74,223,017. All of the bank balances were covered by federal deposit insurance and collateralized by the pledging financial institution’s City’s safekeeping account at the Federal Reserve or held by a third party custodian.

Additionally, the City has an account under a safekeeping agreement with Frost Bank, TX. The U.S. Government Treasury and Agency investments clear via the Federal Reserve System through this account upon purchase, sale, or maturity. All assets in the account are held in the City’s name.

The table below identifies the investment types that are authorized for the City by the Public Funds Investment Act. (Government Code Chapter 2256) The table also identifies certain provisions of the City’s investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	3 Years	100%	None
U.S. Agency Obligations	3 Years	80%	None
State Agency Obligations	3 Years	40%	None
Certificate of Deposits	3 Years	80%	None
Investment Pools	3 Years	80%	None
Repurchases Agreement	3 Years	40%	None
Money Market Mutual Funds	3 Years	40%	None
Money Market Accounts	3 Years	80%	None

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

Note 2 - Deposits and Investments (continued)

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Investment Pools are measured at amortized cost and are exempt for fair value reporting.

Certificates of Deposit classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

	<u>Fair Value/ Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>	<u>Percentage of Portfolio</u>	<u>Portfolio WAM</u>	<u>Credit Risk</u>
Certificate of Deposits:					
East West Bank	\$ 26,053,032	75	36%	27	
Texas Brand Bank	3,880,000	20	5%	1	
Prosperity Bank	5,025,046	118	7%	8	
Frost Bank	8,000,000	355	11%	39	
Texas Bank	2,082,709	20	3%	1	
Local Government Investment Pools:					
TexPool	24,700,974	24	34%	8	AAAm
Investment Securities:					
U.S. Treasury	<u>3,000,000</u>	304	4%	13	Aaa/AA+
Total	<u><u>\$ 72,741,761</u></u>				

Weighted average maturity of the portfolio by investment type reflected in the table is stated in days. For investment pools, the recent weighted average maturity is presented based on the statewide investment pool. Interest bearing bank deposits is not included in the portfolio's weighted average maturity presented.

Interest Rate Risk

In compliance with the City's Investment Policy, as of September 30, 2022, the City minimized the interest rate risk, the risk relating to the decline in fair value of securities in the portfolio, by: limiting the weighted average maturity to 365 days and the stated maturity to two years or less, with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the PFIA; and investing funds primarily in money market mutual funds, government investment pools, and shorter-term securities with a weighted average maturity of less than 200 days.

Note 2 - Deposits and Investments (continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City's policy to limit its investment types with an investment quality rating not less than AAA or its equivalent by a national recognized statistical rating organization.

The City's investment policy does not allow for an investment in any one issuer (other than investment pools) that is in excess of five percent of the fair value of the City's total investments.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Public Funds Investment Act does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

The City requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the City's depository in the City's name and held by the depository's agent.

The State Comptroller of Public Accounts exercises responsibility over TexPool. This oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized costs rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. There are no significant limitations or restrictions on participant withdrawals.

Note 3 - Receivables

Year-end receivable balances for the government’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>General Obligation Debt Service Fund</u>	<u>Crime Control Prevention District Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables					
Property taxes	\$ 250,587	\$ 68,286	\$ -	\$ -	\$ 318,873
Franchise taxes	810,386	-	-	22,943	833,329
Sales taxes	1,572,577	-	367,582	1,203,474	3,143,633
Accounts	613,989	382	-	8,356	622,727
Other	204,611	-	8,839	54,267	267,717
Due from other governments	381,994	-	63,518	23,914	469,426
Gross receivable	<u>3,834,144</u>	<u>68,668</u>	<u>439,939</u>	<u>1,312,954</u>	<u>5,655,705</u>
Less: Allowance for uncollectible	<u>(31,323)</u>	<u>(8,536)</u>	<u>-</u>	<u>(4,814)</u>	<u>(44,673)</u>
Net Receivables.	<u>\$ 3,802,821</u>	<u>\$ 60,132</u>	<u>\$ 439,939</u>	<u>\$ 1,308,140</u>	<u>\$ 5,611,032</u>

Year-end receivable balances for the government’s individual proprietary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Water and Wastewater Utilities</u>	<u>Drainage Utility</u>	<u>Nonmajor Recreation Aquatic Center</u>	<u>Total Enterprise Funds</u>	<u>Nonmajor Internal Service Fund</u>
Receivables					
Accounts	\$ 5,793,409	\$ 70,353	\$ 30,172	\$ 5,893,934	\$ 18,148
Gross receivable	5,793,409	70,353	30,172	5,893,934	18,148
Less: Allowance for uncollectible	<u>(211,406)</u>	<u>(10,891)</u>	<u>-</u>	<u>(222,297)</u>	<u>-</u>
Net Receivables.	<u>\$ 5,582,003</u>	<u>\$ 59,462</u>	<u>\$ 30,172</u>	<u>\$ 5,671,637</u>	<u>\$ 18,148</u>

Note 4 - Capital Assets

Capital assets activity for the year ended September 30, 2022, was as follows:

	Balance September 30, 2021	Additions (Increases)	Retirements and Transfers	Balance September 30, 2022
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 34,551,267	\$ 603,777	\$ -	\$ 35,155,044
Construction in progress	8,984,516	4,263,737	(10,835,961)	2,412,292
Total capital assets, not being depreciated	<u>43,535,783</u>	<u>4,867,514</u>	<u>(10,835,961)</u>	<u>37,567,336</u>
Capital assets being depreciated:				
Buildings	52,334,930	1,562,225	9,281,640	63,178,795
Improvements other than buildings	213,085,901	7,852,231	1,444,534	222,382,666
Machinery and equipment	25,874,280	1,835,955	(71,887)	27,638,348
Total capital assets being depreciated	<u>291,295,111</u>	<u>11,250,411</u>	<u>10,654,287</u>	<u>313,199,809</u>
Less accumulated depreciation for:				
Buildings	(29,932,429)	(2,342,688)	-	(32,275,117)
Improvements other than buildings	(162,176,985)	(11,938,069)	-	(174,115,054)
Machinery and equipment	(19,759,899)	(1,543,002)	128,415	(21,174,486)
Total accumulated depreciation	<u>(211,869,313)</u>	<u>(15,823,759)</u>	<u>128,415</u>	<u>(227,564,657)</u>
Total capital assets being depreciated, net	<u>79,425,798</u>	<u>(4,573,348)</u>	<u>10,782,702</u>	<u>85,635,152</u>
Governmental Activities Capital Assets, Net	<u>\$ 122,961,581</u>	<u>\$ 294,166</u>	<u>\$ (53,259)</u>	<u>\$ 123,202,488</u>
Business-Type Activities:				
Capital assets, not being depreciated				
Land	\$ 2,017,914	\$ -	\$ -	\$ 2,017,914
Construction in progress	1,062,088	1,893,583	(880,210)	2,075,461
Total capital assets, not being depreciated:	<u>3,080,002</u>	<u>1,893,583</u>	<u>(880,210)</u>	<u>4,093,375</u>
Business-type assets, being depreciated				
Buildings	18,917,556	222,811	-	19,140,367
Utility facilities	170,290,709	2,774,551	880,210	173,945,470
Machinery and equipment	3,942,258	48,827	(153,637)	3,837,448
Capacity rights	6,282,281	-	-	6,282,281
Total capital assets being depreciated	<u>199,432,804</u>	<u>3,046,189</u>	<u>726,573</u>	<u>203,205,566</u>
Less accumulated depreciation for:				
Buildings	(12,571,055)	(4,338,053)	-	(16,909,108)
Utility facilities	(76,037,152)	(3,331,672)	-	(79,368,824)
Machinery and equipment	(3,254,758)	(147,575)	137,865	(3,264,468)
Capacity rights	(5,352,433)	(157,044)	-	(5,509,477)
Total accumulated depreciation	<u>(97,215,398)</u>	<u>(7,974,344)</u>	<u>137,865</u>	<u>(105,051,877)</u>
Total capital assets being depreciated, net	<u>102,217,406</u>	<u>(4,928,155)</u>	<u>864,438</u>	<u>98,153,689</u>
Business-Type Activities Capital Assets, Net	<u>\$ 105,297,408</u>	<u>\$ (3,034,572)</u>	<u>\$ (15,772)</u>	<u>\$ 102,247,064</u>

* Governmental activities include internal service fund machinery and equipment of \$13,859,678 with accumulated depreciation of \$10,177,617 as of September 30, 2022.

Note 4 - Capital Assets (continued)

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

Governmental Activities:	
General government	\$ 744,984
Public Safety	1,936,342
Public works	10,249,813
Community development	7,620
Recreation and cultural	2,885,000
Total Governmental Activities	<u>\$ 15,823,759</u>

Governmental activities portion of the internal service fund depreciation expense of \$860,662 is allocated within each function.

Business-type activities depreciation expense as follows:

Business-type Activities:	
Water and wastewater utilities	\$ 2,562,956
Drainage utility	964,577
Recreation / aquatic center	4,446,811
Total Business-type Activities	<u>\$ 7,974,344</u>

The City has active construction projects as of September 30, 2022. The projects include construction, park improvements, and drainage improvements.

Significant Commitments for construction in progress are composed of the following:

<u>Project Name</u>	<u>Project Number</u>	<u>Budget</u>	<u>Total in Progress</u>	<u>Remaining Commitment</u>
Nightingale Culvert Ph 1	402001	\$ 1,238,000	\$ 54,255	\$ 1,183,745
Johnson Road Reconstruction	501905/501801	6,632,117	807,639	5,824,478
Old Town Keller East Reconstruction	502010	4,685,000	1,832,447	2,852,553
2022 Street Reconstruction	502102	3,725,114	269,613	3,455,501
2022 Sidewalk Maintenance	502201	3,760,798	733,153	3,027,645
Hwy 377 Water Lines	601805	1,004,877	919,548	85,329
Tank Maintenance	601905	2,800,000	259,490	2,540,510
Bates Street Line Replacements	602205	675,000	185,884	489,116
Big Bear Creek Interceptor II	701602	899,616	893,869	5,747
Overton Ridge Park	801602	3,221,654	1,604,149	1,617,505
Softball Parking Lot Improvements	802203	829,059	78,723	750,336
		<u>\$ 33,532,625</u>	<u>\$ 8,431,845</u>	<u>\$ 25,100,780</u>

Note 5 - Transfers

Transfers are used to provide funds for debt service, contributions for capital construction or reimbursement for capital asset purchases, cost allocations and other operational costs as determined by the City's annual budget.

Transfers between funds during the year were as follows:

	Transfers in:						Total
	Governmental Funds			Enterprise Funds			
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water and Wastewater Utilities Fund	Recreation and Aquatic Center Fund	Internal Service Fund	
Transfers out:							
General fund	\$ -	\$ 7,700,057	\$ -	\$ 212,706	\$ -	\$ 331,687	\$ 8,244,450
Nonmajor governmental funds	-	2,485,057	1,302,500	-	-	19,873	3,807,430
Water and wastewater utilities fund	101,944	-	-	-	-	-	101,944
Drainage utility fund	-	260,799	-	-	-	-	260,799
Internal service fund	1,544,881	-	-	37,637	222,811	-	1,805,329
	<u>\$ 1,646,825</u>	<u>\$ 10,445,913</u>	<u>\$ 1,302,500</u>	<u>\$ 250,343</u>	<u>\$ 222,811</u>	<u>\$ 351,560</u>	<u>\$ 14,219,952</u>

Note 6 – Deferred Inflows of Resources

Governmental funds report *deferred inflows of resources* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	General Fund	General Obligation Debt Service Fund	Nonmajor Governmental Funds	Total
Deferred inflows of resources:				
Property taxes	\$ 219,264	\$ 59,750	\$ -	\$ 279,014
Court fines	19,371	-	535	19,906
Emergency services	<u>354,834</u>	<u>-</u>	<u>-</u>	<u>354,834</u>
Total	<u>\$ 593,469</u>	<u>\$ 59,750</u>	<u>\$ 535</u>	<u>\$ 653,754</u>

Note 7 - Long-Term Liabilities

General Obligation Bonds, Certificates of Obligation and Contractual Obligations

The City issues general obligation bonds, certificates of obligation bonds, and contractual obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental which includes blended component units and business-type activities. These issues are direct obligations and pledge the full faith and credit of the City.

<u>General Obligation Bonds</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Component Unit Portion</u>	<u>City Portion</u>	<u>Total Governmental</u>	<u>Business-Type</u>
\$9,860,000 Series 2011 Refunding *	2023	0.55 - 5.00%	\$ 1,320,000	\$ 85,000	\$ 1,405,000	\$ -
\$11,465,000 Series 2012 Refunding	2024	2.00 - 5.00%	-	980,000	980,000	1,585,000
\$10,475,000 Series 2015 Refunding	2026	2.00 - 4.00%	-	-	-	1,135,000
\$7,350,000 Series 2017 Refunding	2029	2.00 - 3.00%	-	5,355,000	5,355,000	-
\$12,220,000 Series 2020 Refunding and Improvement	2035	2.00 - 5.00%	-	8,830,000	8,830,000	675,000
Total General Obligation Bonds			<u>\$ 1,320,000</u>	<u>\$ 15,250,000</u>	<u>\$ 16,570,000</u>	<u>\$ 3,395,000</u>

* Component Unit Portion is with Keller Development Corporation

<u>Certificates of Obligation</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Component Unit Portion</u>	<u>City Portion</u>	<u>Total Governmental</u>	<u>Business-Type</u>
\$5,835,000 Series 2012 Improvements (CWSRF)	2032	0.05 - 2.20%	\$ -	\$ -	\$ -	\$ 3,235,000
\$6,000,000 Series 2012 Improvements	2027	2.00 - 5.00%	-	2,440,000	2,440,000	-
\$3,870,000 Series 2015 Improvements *	2034	2.00 - 3.13%	2,570,000	-	2,570,000	-
\$4,060,000 Series 2016 Improvements	2031	0.530 - 1.93%	-	-	-	2,500,000
\$9,250,000 Series 2017 Tax and Revenue	2037	2.00 - 4.00%	-	1,510,000	1,510,000	3,680,000
\$7,045,000 Series 2019 Tax and Revenue	2039	2.00 - 2.65%	-	-	-	6,230,000
\$4,060,000 Series 2020 Tax and Revenue	2035	0.10 - 1.36%	-	-	-	3,535,000
Total Certificates of Obligation			<u>\$ 2,570,000</u>	<u>\$ 3,950,000</u>	<u>\$ 6,520,000</u>	<u>\$ 19,180,000</u>

* Component Unit Portion is with Keller Development Corporation

Note 7 - Long-Term Liabilities (continued)

Changes in Long-term Liabilities

A summary of long-term liabilities transactions, including current portion, for the year ended September 30, 2022, is as follows:

	Balance September 30 2021	Additions	Reductions	Balance September 30 2022	Amounts Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds	\$ 20,045,000	\$ -	\$ (3,475,000)	\$ 16,570,000	\$ 3,235,000
Certificates of Obligation	7,855,000	-	(1,335,000)	6,520,000	1,375,000
Premium on bond issuance	3,164,221	-	(397,270)	2,766,951	-
Total bonds payable	31,064,221	-	(5,207,270)	25,856,951	4,610,000
Compensated absences	2,127,640	82,702	-	2,210,342	1,578,359
Net pension liability *	10,984,989	-	(5,656,571)	5,328,418	-
Total OPEB liability - SDBF *	889,237	75,174	-	964,411	-
Total OPEB liability - health benefits *	1,439,757	-	(436,277)	1,003,480	-
Total Governmental Activities	\$ 46,505,844	\$ 157,876	\$ (11,300,118)	\$ 35,363,602	\$ 6,188,359
Business-type Activities:					
Bonds payable:					
General Obligation Bonds	\$ 4,735,000	\$ -	\$ (1,340,000)	\$ 3,395,000	\$ 1,110,000
Certificates of Obligation	20,455,000	-	(1,275,000)	19,180,000	1,290,000
Premium on bond issuance	874,363	-	(153,543)	720,820	-
Total bonds payable	26,064,363	-	(2,768,543)	23,295,820	2,400,000
Compensated absences	280,588	6,890	-	287,478	224,976
Net pension liability	2,150,376	-	(1,370,769)	779,607	-
Total OPEB liability - SDBF	152,931	-	(11,877)	141,054	-
Total OPEB liability - health benefits	248,936	-	(102,123)	146,813	-
Total Business-type Activities	\$ 28,897,194	\$ 6,890	\$ (4,253,312)	\$ 24,650,772	\$ 2,624,976

*Net pension and OPEB liabilities from the internal service fund are reported within governmental activities. Sources from the general fund are used to liquidate net pension/OPEB liabilities for governmental funds.

Note 7 - Long-Term Liabilities (continued)

Fiscal Year	General Obligation Bonds					
	Governmental			Business-Type		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 3,235,000	\$ 597,156	\$ 3,832,156	\$ 1,110,000	\$ 116,375	\$ 1,226,375
2024	1,900,000	499,300	2,399,300	1,170,000	65,550	1,235,550
2025	1,450,000	440,700	1,890,700	370,000	33,950	403,950
2026	1,495,000	400,050	1,895,050	380,000	23,525	403,525
2027	1,555,000	342,650	1,897,650	85,000	16,125	101,125
2028-2032	5,240,000	782,075	6,022,075	280,000	21,750	301,750
2033-2037	1,695,000	103,700	1,798,700	-	-	-
	<u>\$ 16,570,000</u>	<u>\$ 3,165,631</u>	<u>\$ 19,735,631</u>	<u>\$3,395,000</u>	<u>\$ 277,275</u>	<u>\$ 3,672,275</u>

Fiscal Year	Certificates of Obligation					
	Governmental			Business-Type		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,375,000	\$ 177,150	\$ 1,552,150	\$ 1,290,000	\$ 444,745	\$ 1,734,745
2024	1,420,000	134,344	1,554,344	1,310,000	425,448	1,735,448
2025	675,000	102,919	777,919	1,340,000	402,667	1,742,667
2026	695,000	82,369	777,369	1,370,000	376,951	1,746,951
2027	720,000	60,819	780,819	1,390,000	349,691	1,739,691
2028-2032	1,120,000	167,169	1,287,169	7,205,000	1,245,776	8,450,776
2033-2037	515,000	16,328	531,328	4,370,000	461,972	4,831,972
2038-2042	-	-	-	905,000	27,375	932,375
	<u>\$ 6,520,000</u>	<u>\$ 741,098</u>	<u>\$ 7,261,098</u>	<u>\$19,180,000</u>	<u>\$ 3,734,625</u>	<u>\$22,914,625</u>

Compensated Absences

Compensated absences represent the estimated liability for employees' vacation leave for which employees are entitled to be paid upon termination. The retirement of this liability is typically paid from the General Fund and Enterprise Funds based on the assignment of an employee at termination. Business-type activities records all of the compensated absences balance as due within one year since the balance has typically been paid within the following year.

Note 8 - Defined-Benefit Pension Plans

Texas Municipal Retirement System

Plan Description and Provisions

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (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 the System with a six-member Board of Trustees. 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 (annual report) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City has approved an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, City provides on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to employee):	2 to 1
Years required for vesting:	5
Updated Service Credit:	100% Repeating Transfers
Annuity Increase to retirees:	50% of CPI Repeating

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Municipal Retirement System (continued)

Benefits Provided

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	192
Inactive employees entitled to but not yet receiving benefits	251
Activity employees	<u>272</u>
Total	<u><u>715</u></u>

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 consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.18% and 16.22% in calendar years 2022 and 2021, respectively.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed

Salary increases are assumed to occur once a year on January 1 so that the pay used for the period year following the valuation is equal to the reported pay for the prior year. Salaries are assumed to increase on a graduated service-based scale.

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. The post-retirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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.

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Municipal Retirement System (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the table below:

<u>Asset Class</u>	<u>Strategic Target Allocation Index</u>
Core fixed income	6.0%
Non-core fixed income	20.0%
Global public equity	35.0%
Real estate	12.0%
Hedge funds	5.0%
Other public & private market	12.0%
Private equity	10.0%
Cash equivalents	0.0%
Total	100.0%

Discount Rate

The discount rate used to measure the total pension liability 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 total pension liability.

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Municipal Retirement System (continued)

Changes in the Net Pension Liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2020	\$ 117,564,387	\$ 104,429,022	\$ 13,135,365
Changes for the year:			
Service cost	3,365,615	-	3,365,615
Interest	7,907,150	-	7,907,150
Difference between expected and actual experience	(154,873)	-	(154,873)
Changes in assumptions	-	-	-
Contributions - employer	-	3,192,003	(3,192,003)
Contributions - employee	-	1,391,612	(1,391,612)
Net investment income	-	13,624,176	(13,624,176)
Benefit payments, including refunds, of employee contributions	(4,208,449)	(4,208,449)	-
Administrative expense	-	(62,991)	62,991
Other charges	-	432	(432)
Net changes	6,909,443	13,936,783	(7,027,340)
Balance at 12/31/2021	<u>\$ 124,473,830</u>	<u>\$ 118,365,805</u>	<u>\$ 6,108,025</u>

Sensitivity of the Net Pension Liability

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease to 5.75%	Current Single Rate Assumption 6.75%	1% Increase to 7.75%
City's net pension liability	\$ 24,738,138	\$ 6,108,025	\$ (9,110,735)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at the following location: TMRS 2021 ACFR.

Note 8 - Defined-Benefit Pension Plans (continued)

Texas Municipal Retirement System (continued)

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

For the year ended September 30, 2022, the City recognized pension expense of \$616,590.

At September 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between actuarial assumptions and actual experience	\$ 61,912	\$ (146,973)
Changes in actuarial assumptions used	168,726	-
Differences between projected and actual investment earnings	-	(6,983,769)
Contributions subsequent to the measurement date	<u>2,435,532</u>	<u>-</u>
Total	<u>\$ 2,666,170</u>	<u>\$ (7,130,742)</u>

Deferred outflows of resources of \$2,435,532 resulting from contributions subsequent to the measurement date of will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows (Inflows) Of Resources
<u> </u>	<u> </u>
2023	\$ (1,159,608)
2024	(2,912,175)
2025	(1,512,895)
2026	<u>(1,315,426)</u>
Total	<u>\$ (6,900,104)</u>

Note 9 - Other Post-Employment Benefits (OPEB)

The City provides for two other post-employment benefits (OPEB) plans; one provides for post-employment health insurance benefits through a single-employer defined benefit medical plan (City of Keller Retiree Health Care Plan), and the other is The Texas Municipal Retirement System Supplemental Death Benefits Fund, a single employer defined benefit OPEB plan. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	<u>Retiree Health Care Plan</u>	<u>TMRS SDBF</u>	<u>Total</u>
OPEB Liability	\$ 1,150,293	\$ 1,105,465	\$ 2,255,758
Deferred outflows of resources	279,299	245,527	524,826
Deferred inflows of resources	764,548	79,301	843,849
OPEB expense	79,047	112,387	191,434

City Of Keller Retiree Health Care Plan

Plan Description and Benefits Provided

The City provides other postemployment benefits (OPEB) in the form of health insurance benefits through a single-employer defined benefit medical plan. Regular full-time employees retiring from the City with 20 years of service or five years of service if over 60, have the option to continue medical insurance coverage for themselves and their families until the retiree becomes eligible for Medicare or is eligible to be covered under another medical plan. The retired employee pays 100% of the premium which was \$855 to \$2,132 depending on what plan the retiree chooses. A third-party administrator is utilized to provide claims administration and payment of claims.

The Plan does not issue a separate financial report.

Employees Covered by Benefit Terms

The following table provides a summary of the number of participants in the plan as of December 31, 2021:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>263</u>
Total	<u><u>266</u></u>

Contributions

The City's plan is a pay-as-you-go plan in which the City does not contribute to a trust to fund future benefits. The City's contributions during the fiscal year ending September 30, 2022 of \$39,964 all of which were for the benefit payments and were paid by the City using its own assets. The benefit payments were determined in a manner similar to how the benefit payments for the measurement period were developed. The City through its budgeting process determines the annual contributions to the Plan based on the actuarially determined contribution and the availability of funds.

Total OPEB Liability

Total OPEB liability reported at September 30, 2022 was measured as of December 31, 2021, and based on actuarial valuation performed as of December 31, 2021.

Note 9 - Other Post-Employment Benefits (OPEB) (continued)

City Of Keller Retiree Health Care Plan (continued)

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	1.84% as of December 31, 2021
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years.
Participation Rates	15% for employees retiring on or after the age of 50; 0% for employees retiring before age 50

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 1.84% as of the prior measurement date.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in the Total OPEB Liability

Service cost	\$ 101,561
Interest	34,390
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(328,708)
Changes of assumptions	(305,679)
Benefit payments	<u>(39,964)</u>
Net change in total OPEB liability	(538,400)
Total OPEB liability - beginning	<u>1,688,693</u>
Total OPEB Liability - Ending	<u>\$ 1,150,293</u>
Covered payroll	\$ 19,324,496
Total OPEB liability as a percentage of covered payroll	5.95%

Note 9 - Other Post-Employment Benefits (OPEB) (continued)

City Of Keller Retiree Health Care Plan (continued)

The benefit payments during the measurement period were determined as follows:

Age-adjusted premiums (retiree contributions * 1.954)	\$ 81,855
Retiree contributions	<u>(41,891)</u>
Total Benefit Payments	<u><u>\$ 39,964</u></u>

The 1.954 factor equals the ratio of the expected retiree claims to the expected retiree contributions. The underlying retiree claims were estimated using age-adjusted premiums.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

Regarding the sensitivity of the total OPEB liability to changes in the Single Discount Rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 1.84%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

<u>1% Decrease</u> <u>0.84%</u>	<u>Current Discount</u> <u>Rate Assumption</u> <u>1.84%</u>	<u>1% Increase</u> <u>2.84%</u>
\$ 1,268,446	\$ 1,150,293	\$ 1,041,940

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

<u>1% Decrease</u>	<u>Current Healthcare</u> <u>Cost Trend Rate</u> <u>Assumption</u>	<u>1% Increase</u>
\$ 991,121	\$ 1,150,293	\$ 1,342,510

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2021, the City recognized OPEB expense of \$79,047. At September 30, 2022, the reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 5,444	\$ (454,570)
Changes assumptions	246,329	(309,978)
Contributions subsequent to the measurement date	<u>27,526</u>	<u>-</u>
Total	<u><u>\$ 279,299</u></u>	<u><u>\$ (764,548)</u></u>

Note 9 - Other Post-Employment Benefits (OPEB) (continued)

City Of Keller Retiree Health Care Plan (continued)

The \$27,526 reported as deferred outflows of resources related to OPEB result from contributions subsequent to the measurement date and will reduce the total OPEB liability during the fiscal year ending September 30, 2023.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
2023	\$ (56,904)
2024	(56,904)
2025	(56,904)
2026	(56,904)
2027	(56,904)
Thereafter	<u>(228,255)</u>
Total	<u>\$ (512,775)</u>

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 2,591 years. Additionally, the total plan membership (active employees and inactive employees) was 266. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 9.7408 years.

Other Post Employment Benefits – TMRS Supplemental Death Benefit Fund

Plan Description

Texas Municipal Retirement System (“TMRS”) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (“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 City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

Note 9 - Other Post-Employment Benefits (OPEB) (continued)

Other Post Employment Benefits – TMRS Supplemental Death Benefit Fund (continued)

Benefits Provided

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 other postemployment benefit (“OPEB”) and is a fixed amount of \$7,500.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	60
Active employees	<u>272</u>
Total	<u><u>445</u></u>

Contributions

The member city contributes to the SDBF at a contractually required rate 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.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.06% in calendar years 2020 and 2021. The City’s contributions to the SDBF for the year ended September 30, 2022 were \$12,496, and were equal to the required contributions.

Discount Rate

The TMRS SDBF program is treated as unfunded OPEB plan because the SDBF trust covers both active employees and retirees and the assets are not segregated for these groups. Under GASB Statement No. 75, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 1.84% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2021.

Actuarial Assumptions

The City’s total OPEB liability was measured at December 31, 2021 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%
Retiree’s share of benefit-related costs	0.00%
Actuarial cost method	Entry Age Normal

Note 9 - Other Post-Employment Benefits (OPEB) (continued)

Other Post Employment Benefits – TMRS Supplemental Death Benefit Fund (continued)

Changes in the Total OPEB Liability

Total OPEB Liability	
Service cost	\$ 49,611
Interest	21,220
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(33,719)
Changes of assumptions	38,092
Benefit payments	<u>(11,907)</u>
Net change in total OPEB liability	63,297
Total OPEB liability - beginning	<u>1,042,168</u>
Total OPEB liability - ending	<u>\$ 1,105,465</u>
Covered payroll	\$ 19,844,428
Total OPEB liability as a percentage of covered payroll	5.57%

Sensitivity Analysis

The following presents the total OPEB liability of the employer, calculated using the discount rate of 1.84%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

1% Decrease	Current Discount	1% Increase
0.84%	Rate	2.84%
1,386,182	1,105,465	892,782
\$	\$	\$

For the year ended September 30, 2022, the City recognized OPEB expense of \$112,387. As of September 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Differences between expected and actual experience	\$ 1,086	\$ (55,042)
Changes assumptions	235,329	(24,259)
Contributions subsequent to the measurement date	<u>9,112</u>	<u>-</u>
Total	<u>\$ 245,527</u>	<u>\$ (79,301)</u>

The \$9,112 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2023.

Note 9 - Other Post-Employment Benefits (OPEB) (continued)

TMRS Supplemental Death Benefits Fund (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity (continued)

Amounts currently reported as deferred outflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
2023	\$ 41,556
2024	41,297
2025	33,133
2026	32,867
2027	8,112
Thereafter	149
Total	<u>\$ 157,114</u>

Note 10 – Other Information

Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, 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 periodically is a defendant in various lawsuits. At September 30, 2022, after consultation with the City’s attorney, the City is not aware of any pending litigation.

The City contracts for garbage disposal with a third party. Under the terms of the agreement the City bills and collects the residential billing and remits that amount to the contracting party. The contractor bills the commercial customers and remits a franchise fee to the City based on total revenues received from the contract.

Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City purchases commercial insurance to indemnify it in event of loss. For the past three years, settlements did not exceed coverage.

Note 11 – Tax Abatements

The City enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales taxes on investment for the incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case-by-case basis by the City Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Chapter 380 of the Texas Local Government Code allows the City to provide grants for the purpose of promoting local economic development. Based on City Council agreements with developers, the City reimbursed \$47,544 for ad valorem and \$180,000 for hotel occupancy taxes paid to the City for fiscal year ending September 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF KELLER, TEXAS

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the Year Ended September 30, 2022

Exhibit B-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes:				
Ad valorem taxes	\$ 20,242,689	\$ 20,242,689	\$ 20,298,973	\$ 56,284
Sales and use taxes	7,200,229	7,200,229	9,110,290	1,910,061
Franchise taxes	4,179,459	4,179,459	4,775,189	595,730
Mixed drink tax	156,687	156,687	188,557	31,870
Licenses and permits	1,108,526	1,108,526	1,324,100	215,574
Intergovernmental revenues	3,509,558	3,509,558	3,874,035	364,477
Charges for services	3,087,792	3,087,792	3,398,154	310,362
Fines and forfeitures	700,000	700,000	445,082	(254,918)
Donations	-	-	90,757	90,757
Investment Earnings	148,705	148,705	300,765	152,060
Miscellaneous	176,053	176,053	503,334	327,281
Total Revenues	40,509,698	40,509,698	44,309,236	3,799,538
Expenditures				
Current:				
Administration	2,434,556	2,434,556	2,098,569	335,987
Town hall operations	585,892	585,892	518,671	67,221
Mayor and council	59,849	59,849	36,565	23,284
Finance and municipal court	1,784,745	1,784,745	1,864,492	(79,747)
Human resources	829,519	829,519	691,400	138,119
Police department	10,567,258	10,567,258	10,607,793	(40,535)
Fire department	9,667,885	9,667,885	9,827,532	(159,647)
Public Works	3,502,215	3,502,215	4,951,073	(1,448,858)
Library	1,853,368	1,853,368	1,810,033	43,335
Parks and recreation	3,643,545	3,643,545	3,600,715	42,830
Economic development	1,027,036	1,027,036	468,231	558,805
Community development	1,697,439	1,697,439	1,596,048	101,391
Total Expenditures	37,653,307	37,653,307	38,071,122	(417,815)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,856,391	2,856,391	6,238,114	3,381,723
Other Financing Sources (Uses)				
Transfers in	-	-	1,646,825	(1,646,825)
Transfers out	(7,943,124)	(7,943,124)	(8,244,450)	301,326
Proceeds from sales of assets	-	-	45,403	(45,403)
Total Other Financing Sources (Uses)	(7,943,124)	(7,943,124)	(6,552,222)	(1,390,902)
Net Change in Fund Balance	(5,086,733)	(5,086,733)	(314,108)	1,990,821
Fund Balances, Beginning	31,536,571	31,536,571	31,536,571	-
Fund Balances, Ending	\$ 26,449,838	\$ 26,449,838	\$ 31,222,463	\$ 1,990,821

CITY OF KELLER, TEXAS

CRIME CONTROL PREVENTION DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (GAAP BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Exhibit B-2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Sales taxes	\$ 1,716,171	\$ 1,716,171	\$ 2,149,324	\$ 433,153
Intergovernmental	20,000	20,000	100,982	80,982
Interest income	100,000	100,000	37,359	(62,641)
Total Revenues	<u>1,836,171</u>	<u>1,836,171</u>	<u>2,287,665</u>	<u>451,494</u>
Expenditures				
Current:				
Police department	1,537,728	1,537,728	901,550	636,178
Debt Service:				
Principal	435,000	435,000	435,000	-
Interest and other charges	94,500	94,500	93,825	675
Total Expenditures	<u>2,067,228</u>	<u>2,067,228</u>	<u>1,430,375</u>	<u>636,853</u>
Excess (deficiency) of revenues over (under) expenditures	(231,057)	(231,057)	857,290	(185,359)
Other Financing Sources				
Proceeds from sale of capital assets	50,000	50,000	-	(50,000)
Total Other Financing Sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	(181,057)	(181,057)	857,290	686,853
Fund balances - beginning of year	<u>6,502,156</u>	<u>6,502,156</u>	<u>6,502,156</u>	<u>-</u>
Fund balances - end of year	<u>\$ 6,321,099</u>	<u>\$ 6,321,099</u>	<u>\$ 7,359,446</u>	<u>\$ 686,853</u>

CITY OF KELLER, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Controls and Procedures

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

1. Public hearings are conducted to obtain taxpayer comments.
2. Prior to October 1, the budget is legally enacted through passage of an ordinance.
3. The City Council must authorize amendments to budgeted amounts between departments within any fund. Therefore, the department level is the legal level of control and budget to actual expenditure comparisons is reported at the department level.
4. All transfers to and from budgeted funds must be approved by the City Council unless related to grant or bond activities.
5. Budgeted amounts are as originally adopted or as amended by the City Council. During 2022, individual amendments were not material in relation to the original appropriations for expenditures. All budget appropriations automatically lapse at year-end.
6. Formal budgetary integration is employed as a management control device during the year. The legally adopted budget is adopted on a basis consistent with generally accepted accounting principles.
7. During the year ended September 30, 2022, the City's actual expenditures exceeded the budgeted amounts in the following departments: Finance and Municipal Court, Police Department, and Public Works.

CITY OF KELLER, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Eight Measurement Years

Exhibit B-3
Page 1 of 2

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Pension Liability				
Service Cost	\$ 3,365,615	\$ 3,413,551	\$ 3,298,258	\$ 3,212,200
Interest (on total pension liability)	7,907,150	7,450,262	6,989,780	6,584,504
Difference between expected and actual experience	(154,873)	77,470	(94,235)	134,966
Changes of assumptions	-	-	527,715	-
Benefit payments, including refunds of employee contributions	(4,208,449)	(4,088,744)	(3,825,677)	(4,115,526)
Net change in total pension liability	6,909,443	6,852,539	6,895,841	5,816,144
Total Pension Liability – Beginning	117,564,387	110,711,848	103,816,007	97,999,863
Total Pension Liability – Ending (A)	<u>\$ 124,473,830</u>	<u>\$ 117,564,387</u>	<u>\$ 110,711,848</u>	<u>\$ 103,816,007</u>
Plan Fiduciary Net Position				
Contributions – employer	\$ 3,192,003	\$ 3,174,883	\$ 2,971,278	\$ 2,898,267
Contributions – employee	1,391,612	1,403,928	1,346,228	1,308,051
Net investment income	13,624,176	7,340,916	12,893,636	(2,574,087)
Benefit payments, including refunds of employee contributions	(4,208,449)	(4,088,744)	(3,825,677)	(4,115,526)
Administrative Expense	(62,991)	(47,470)	(72,799)	(49,714)
Other	432	(1,854)	(2,186)	(2,558)
Net change in plan fiduciary net position	13,936,783	7,781,659	13,310,480	(2,535,567)
Plan Fiduciary Net Position – Beginning	104,429,022	96,647,363	83,336,883	85,872,450
Plan Fiduciary Net Position – Ending (B)	<u>\$ 118,365,805</u>	<u>\$ 104,429,022</u>	<u>\$ 96,647,363</u>	<u>\$ 83,336,883</u>
Net Pension Liability As A Percentage Of Covered Employee Payroll (A-B)	<u>\$ 6,108,025</u>	<u>\$ 13,135,365</u>	<u>\$ 14,064,485</u>	<u>\$ 20,479,124</u>
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability	95.09%	88.83%	87.30%	80.27%
Covered Employee Payroll	\$ 19,844,428	\$ 20,056,116	\$ 19,231,826	\$ 18,686,443
Net Pension Liability As A Percentage Of Covered Employee Payroll	30.78%	65.49%	73.13%	109.59%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will continue to build this schedule over the next 10-year period as the information becomes available.

CITY OF KELLER, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Eight Measurement Years

Exhibit B-3
Page 2 of 2

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	\$ 3,157,398	\$ 3,108,994	\$ 2,979,303	\$ 2,982,697
Interest (on total pension liability)	6,208,840	5,809,689	5,555,939	5,216,622
Difference between expected and actual experience	(297,161)	(233,586)	(270,677)	(993,549)
Changes of assumptions	-	-	1,065,970	-
Benefit payments, including refunds of employee contributions	(2,946,666)	(2,645,244)	(2,747,691)	(1,953,842)
Net change in total pension liability	6,122,411	6,039,853	6,582,844	5,251,928
Total Pension Liability – Beginning	91,877,452	85,837,599	79,254,755	74,002,827
Total Pension Liability – Ending (A)	<u>\$ 97,999,863</u>	<u>\$ 91,877,452</u>	<u>\$ 85,837,599</u>	<u>\$ 79,254,755</u>
Plan Fiduciary Net Position				
Contributions – employer	\$ 2,858,974	\$ 2,693,980	\$ 2,732,236	\$ 2,678,823
Contributions – employee	1,289,486	1,263,085	1,233,387	1,223,684
Net investment income	10,318,203	4,632,668	99,266	3,537,194
Benefit payments, including refunds of employee contributions	(2,946,666)	(2,645,244)	(2,747,691)	(1,953,842)
Administrative Expense	(53,441)	(52,297)	(60,456)	(36,922)
Other	(2,711)	(2,818)	(2,987)	(3,036)
Net change in plan fiduciary net position	11,463,845	5,889,374	1,253,755	5,445,901
Plan Fiduciary Net Position – Beginning	74,408,605	68,519,231	67,265,476	61,819,575
Plan Fiduciary Net Position – Ending (B)	<u>\$ 85,872,450</u>	<u>\$ 74,408,605</u>	<u>\$ 68,519,231</u>	<u>\$ 67,265,476</u>
Net Pension Liability As A Percentage Of Covered Employee Payroll (A-B)	<u>\$ 12,127,413</u>	<u>\$ 17,468,847</u>	<u>\$ 17,318,368</u>	<u>\$ 11,989,279</u>
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability	87.63%	80.99%	79.82%	84.87%
Covered Employee Payroll	\$ 18,421,226	\$ 18,044,073	\$ 17,556,292	\$ 17,462,991
Net Pension Liability As A Percentage Of Covered Employee Payroll	65.83%	96.81%	98.64%	68.66%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will continue to build this schedule over the next 10-year period as the information becomes available.

CITY OF KELLER, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Eight Fiscal Years

Exhibit B-4

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 3,371,461	\$ 3,166,103	\$ 3,062,263	\$ 2,984,650	\$ 2,919,456
Contributions in relation to the actuarially determined contribution	<u>(3,371,461)</u>	<u>(3,166,103)</u>	<u>(3,062,263)</u>	<u>(2,984,650)</u>	<u>(2,919,456)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$20,823,272	\$19,605,266	\$19,294,644	\$19,127,201	\$18,656,792
Contributions as a percentage of covered payroll	16.19%	16.15%	15.87%	15.60%	15.65%
	<u>2017</u>	<u>2016</u>	<u>2015</u>		
Actuarially Determined Contribution	\$ 2,842,339	\$ 2,828,969	\$ 2,711,603		
Contributions in relation to the actuarially determined contribution	<u>(2,842,339)</u>	<u>(2,828,969)</u>	<u>(2,711,603)</u>		
Contribution deficiency (excess)	\$ -	\$ -	\$ -		
Covered payroll	\$18,325,278	\$18,575,332	\$17,520,406		
Contributions as a percentage of covered payroll	15.51%	15.23%	15.48%		

Note: This schedule is required to have 10 years of information, but the information prior to 2015 is not available.

CITY OF KELLER, TEXAS

Exhibit B-5

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH BENEFITS PLAN
Last Five Measurement Years**

Total OPEB Liability	2021	2020	2019	2018	2017
Service cost	\$ 101,561	\$ 87,041	\$ 75,552	\$ 75,886	\$ 66,467
Interest on the total OPEB liability	34,390	41,408	54,374	47,242	48,385
Difference between expected and actual experience of the total OPEB liability	(328,708)	(3,754)	(223,895)	8,944	-
Changes in assumptions	(305,679)	120,511	164,885	(58,608)	69,663
Benefit payments	(39,964)	(37,464)	(35,615)	(34,269)	(29,461)
Net change in total OPEB liability	(538,400)	207,742	35,301	39,195	155,054
Total OPEB Liability - Beginning	1,688,693	1,480,951	1,445,650	1,406,455	1,251,401
Total OPEB Liability - Ending	\$ 1,150,293	\$ 1,688,693	\$ 1,480,951	\$ 1,445,650	\$ 1,406,455
Covered payroll	\$ 19,324,496	\$ 20,056,117	\$ 18,781,278	\$ 19,602,257	\$ 18,421,226
Total OPEB liability as a percentage of covered payroll	5.95%	8.42%	7.89%	7.37%	7.63%

Notes to the Required Supplementary Information

Ten years of data should be presented but data was unavailable prior to 2017.

CITY OF KELLER, TEXAS

Exhibit B-6

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM FOR SDBF
Last Five Measurement Years**

Total OPEB Liability	2021	2020	2019	2018	2017
Service cost	\$ 49,611	\$ 42,118	\$ 30,771	\$ 35,504	\$ 29,474
Interest on the total OPEB liability	21,220	23,686	25,368	22,710	21,710
Changes in benefit terms	-	-	-	2,550	-
Difference between expected and actual experience of the total OPEB liability	(33,719)	(17,720)	(26,911)	-	-
Changes in assumptions	38,092	155,838	146,555	(56,935)	60,354
Benefit payments	(11,907)	(4,011)	(3,846)	(3,737)	(1,842)
Net change in total OPEB liability	63,297	199,911	171,937	92	109,696
Total OPEB Liability - Beginning	1,042,168	842,257	670,320	670,228	560,532
Total OPEB Liability - Ending	\$ 1,105,465	\$ 1,042,168	\$ 842,257	\$ 670,320	\$ 670,228
Covered payroll	\$ 19,844,428	\$ 20,056,116	\$ 19,231,826	\$ 18,686,443	\$ 18,421,226
Total OPEB liability as a percentage of covered payroll	5.57%	5.20%	4.38%	3.59%	3.64%

Notes to the Required Supplementary Information

Ten years of data should be presented but data was unavailable prior to 2017.

TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

CITY OF KELLER, TEXAS
SCHEDULE OF OPEB CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM FOR SDBF
Last Five Fiscal Years

Exhibit B-7

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 12,496	\$ 9,603	\$ 3,859	\$ 3,825	\$ 3,281
Contributions in relation to the actuarially determined contribution	<u>(12,496)</u>	<u>(9,603)</u>	<u>(3,859)</u>	<u>(3,825)</u>	<u>(3,281)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 20,823,272	\$ 19,605,266	\$ 19,294,644	\$ 19,127,201	\$ 18,656,792
Contributions as a percentage of covered payroll	0.06%	0.05%	0.02%	0.02%	0.02%

Notes to the Required Supplementary Information

This schedule is required to have 10 years of information, but the information prior to 2015 is not available.

TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan;

therefore, no plan fiduciary net position and related ratios are reported in the above schedule.



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF KELLER, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL OBLIGATION DEBT SERVICE FUND
For the Year Ended September 30, 2022**

Exhibit B-8

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad Valorem taxes	\$ 3,589,702	\$ 3,589,702	\$ 3,567,391	\$ (22,311)
Investment earnings	22,766	22,766	16,393	(6,373)
Miscellaneous	-	-	3,070	3,070
Total Revenues	<u>3,612,468</u>	<u>3,612,468</u>	<u>3,586,854</u>	<u>(25,614)</u>
Expenditures				
Debt service:				
Principal	2,930,000	2,930,000	2,930,000	-
Interest and fiscal charges	707,844	707,844	707,844	-
Other debt service expenditures	-	-	22,736	(22,736)
Total Expenditures	<u>3,637,844</u>	<u>3,637,844</u>	<u>3,660,580</u>	<u>(22,736)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,376)</u>	<u>(25,376)</u>	<u>(73,726)</u>	<u>(48,350)</u>
Change in Fund Balance	(25,376)	(25,376)	(73,726)	(48,350)
Fund Balances, Beginning	<u>3,353,780</u>	<u>3,353,780</u>	<u>3,353,780</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 3,328,404</u>	<u>\$ 3,328,404</u>	<u>\$ 3,280,054</u>	<u>\$ (48,350)</u>

Non-major Governmental Funds

Special Revenue Funds

Library fund - This fund accounts for public donations and revenues designed for Library improvements.

Municipal court fund - This fund accounts for technology and building security fees collected from Municipal Court citations. Expenditures from these fees are specifically designated by state law.

Public safety fund - This fund accounts for revenues derived from forfeiture and seizure of assets resulting from illegal narcotic activity. Expenditures are restricted for the Police Department to be used in illegal narcotic enforcement.

Public art fund - This fund is to account for contributions, donations, and other resources that are dedicated for specific uses or purposes.

Public information and broadcasting - This fund is used to account for revenue received from PEG fees and expenditures to enhance public communication.

Tree restoration fund - This fund accounts for public donations and charges for services designed for Library preservation of trees throughout the City.

Keller development corporation fund - This fund is used to account for collection of sales and use taxes for the payment of bonds or other forms of indebtedness to finance the cost of Keller parks.

Street/sidewalk improvements fund - This fund is used to account for revenues that are restricted for street and sidewalk improvements. Authorized expenditures include improvements and engineering.

Hotel occupancy fund - This fund is used to account for occupancy tax revenue.

Capital Projects Funds

Roadway impact fees fund - This fund is used to account for revenues that are restricted for roadway improvements. Authorized expenditures include improvements and engineering.

Park development fee fund - This fund is used to account for resources received primarily from park development fees and expenditures to specific park improvements.

Parks capital improvement fund - This fund is to account for acquisition or construction of capital assets.

CITY OF KELLER, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

Exhibit C-1
Page 1 of 3

Special Revenue Funds

	Library Fund	Municipal Court	Public Safety	Public Art	Public Information and Broadcasting
Assets					
Current Assets:					
Cash and cash equivalents	\$ 120,259	\$ 171,027	\$ 393	\$ 249,710	\$ 179,446
Investments	1,933	77,232	198,704	21,316	349,396
Receivables:					
Franchise taxes	-	-	-	-	22,943
Sales taxes	-	-	-	-	-
Accounts	-	535	-	-	-
Other	-	-	28	-	-
Due from other governments	-	1,243	22,671	-	-
Total Assets	\$ 122,192	\$ 250,037	\$ 221,796	\$ 271,026	\$ 551,785
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	\$ 290	\$ 25,436	\$ 5,506	\$ 4,000	\$ 1,994
Other payables	-	-	4,264	-	-
Escrow payable	-	-	-	-	-
Customer deposits	-	-	15,228	-	-
Unearned revenues	-	-	-	1,990	-
Total Liabilities	290	25,436	24,998	5,990	1,994
Deferred Inflows of Resources					
Unavailable revenues	-	535	-	-	-
Total Deferred Inflows of Resources	-	535	-	-	-
Fund Balances:					
Restricted for:					
Capital projects	-	-	-	-	-
Park development	-	-	-	-	-
Municipal court building and technology	-	224,066	-	-	-
Law enforcement	-	-	196,798	-	-
Cultural and recreation	121,902	-	-	265,036	-
Street maintenance	-	-	-	-	-
Public information and broadcasting	-	-	-	-	549,791
Total Fund Balances	121,902	224,066	196,798	265,036	549,791
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 122,192	\$ 250,037	\$ 221,796	\$ 271,026	\$ 551,785

CITY OF KELLER, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

Exhibit C-1
Page 2 of 3

	Special Revenue Funds				
	Tree Restoration	Keller Development Corporation	Street and Sidewalk Improvements	Hotel Occupancy	Total Special Revenue Funds
Assets					
Current Assets:					
Cash and cash equivalents	\$ 572,168	\$ 344,124	\$ 306,090	\$ 54,969	\$ 1,998,186
Investments	9,493	4,304,646	933,962	-	5,896,682
Receivables					
Franchise taxes	-	-	-	-	22,943
Sales taxes	-	802,316	401,158	-	1,203,474
Accounts	100	-	-	-	635
Other	-	-	2,874	51,365	54,267
Due from other governments	-	-	-	-	23,914
Total Assets	\$ 581,761	\$ 5,451,086	\$ 1,644,084	\$ 106,334	\$ 9,200,101
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 2,930	\$ 89,464	\$ 129,620
Other payables	-	4,195	-	-	8,459
Escrow payable	377,260	-	-	-	377,260
Customer deposits	-	-	-	-	15,228
Unearned revenues	-	-	-	-	1,990
Total Liabilities	377,260	4,195	2,930	89,464	532,557
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	535
Total Deferred Inflows of Resources	-	-	-	-	535
Fund Balances:					
Restricted for:					
Capital projects	-	-	-	-	-
Park development	-	5,446,891	-	-	5,446,891
Municipal court building and technology	-	-	-	-	224,066
Law enforcement	-	-	-	-	196,798
Cultural and recreation	204,501	-	-	16,870	608,309
Street maintenance	-	-	1,641,154	-	1,641,154
Public information and broadcasting	-	-	-	-	549,791
Total Fund Balances	204,501	5,446,891	1,641,154	16,870	8,667,009
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 581,761	\$ 5,451,086	\$ 1,644,084	\$ 106,334	\$ 9,200,101

CITY OF KELLER, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

Exhibit C-1
Page 3 of 3

	Capital Projects Funds				
	Roadway Impact Fees	Park Development Fee	Parks Capital Improvements	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Assets					
Current Assets:					
Cash and cash equivalents	\$ 3,324,685	\$ 630	\$ 1,376,462	\$ 4,701,777	\$ 6,699,963
Investments	5,747,682	592	1,547,245	7,295,519	13,192,201
Receivables					
Franchise taxes	-	-	-	-	22,943
Sales taxes	-	-	-	-	1,203,474
Accounts	-	-	2,907	2,907	3,542
Other	-	-	-	-	54,267
Due from other governments	-	-	-	-	23,914
Total Assets	\$ 9,072,367	\$ 1,222	\$ 2,926,614	\$ 12,000,203	\$ 21,200,304
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	\$ 5,000	\$ -	\$ 543,961	\$ 548,961	\$ 678,581
Other payables	-	-	46,388	46,388	54,847
Escrow payable	-	-	-	-	377,260
Customer deposits	-	-	-	-	15,228
Unearned revenues	-	-	-	-	1,990
Total Liabilities	5,000	-	590,349	595,349	1,127,906
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	535
Total Deferred Inflows of Resources	-	-	-	-	535
Fund Balances:					
Restricted for:					
Capital projects	9,067,367	1,222	2,336,265	11,404,854	11,404,854
Park development	-	-	-	-	5,446,891
Municipal court building and technology	-	-	-	-	224,066
Law enforcement	-	-	-	-	196,798
Cultural and recreation	-	-	-	-	608,309
Street maintenance	-	-	-	-	1,641,154
Public information and broadcasting	-	-	-	-	549,791
Total Fund Balances	9,067,367	1,222	2,336,265	11,404,854	20,071,863
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,072,367	\$ 1,222	\$ 2,926,614	\$ 12,000,203	\$ 21,200,304

CITY OF KELLER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

Exhibit C-2
Page 1 of 3

	Special Revenue Funds				
	Library	Municipal Court	Public Safety	Public Art	Public Information and Broadcasting
Revenues					
Fines and forfeitures	\$ -	\$ 55,666	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-	-
Special assessments and impact fees	-	-	-	-	-
Franchise taxes	-	-	-	-	86,474
Intergovernmental revenues	1,518	-	123,682	-	-
Donations	26,041	-	1,867	-	-
Investment earnings	854	1,484	451	2,175	2,682
Charges for services	-	-	-	9,236	-
Miscellaneous	-	-	15,453	2,680	-
Total Revenues	28,413	57,150	141,453	14,091	89,156
Expenditures					
Current:					
General government	-	39,768	-	15,780	105,011
Public safety	-	-	140,131	-	-
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	11,432	-	-	-	-
Capital outlay	-	-	-	53,667	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	11,432	39,768	140,131	69,447	105,011
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	16,981	17,382	1,322	(55,356)	(15,855)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(19,873)
Total Other Financing Sources (Uses)	-	-	-	-	(19,873)
Change in Fund Balance	16,981	17,382	1,322	(55,356)	(35,728)
Fund Balances, Beginning	104,921	206,684	195,476	320,392	585,519
Fund Balances, Ending	\$ 121,902	\$ 224,066	\$ 196,798	\$ 265,036	\$ 549,791

CITY OF KELLER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

Exhibit C-2
Page 2 of 3

	Special Revenue Funds				
	Tree Restoration	Keller Development Corporation	Street and Sidewalk Improvements	Hotel Occupancy	Total Special Revenue Funds
Revenues					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 55,666
Sales and use taxes	-	4,555,185	2,277,592	196,837	7,029,614
Special assessments and impact fees	-	-	19,148	-	19,148
Franchise taxes	-	-	-	-	86,474
Intergovernmental revenues	-	-	-	-	125,200
Donations	-	-	-	-	27,908
Investment earnings	3,999	16,805	3,937	33	32,420
Charges for services	168,850	16,000	-	-	194,086
Miscellaneous	2,676	-	-	-	20,809
Total Revenues	175,525	4,587,990	2,300,677	196,870	7,591,325
Expenditures					
Current:					
General government	-	-	-	-	160,559
Public safety	-	-	-	-	140,131
Public works	-	-	-	-	-
Community development	-	80,540	-	-	80,540
Economic development	-	-	-	180,000	180,000
Culture and recreation	-	-	-	-	11,432
Capital outlay	-	-	-	-	53,667
Debt service:					
Principal	-	1,445,000	-	-	1,445,000
Interest and fiscal charges	-	137,859	-	-	137,859
Total Expenditures	-	1,663,399	-	180,000	2,209,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	175,525	2,924,591	2,300,677	16,870	5,382,137
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(1,987,500)	(1,800,057)	-	(3,807,430)
Total Other Financing Sources (Uses)	-	(1,987,500)	(1,800,057)	-	(3,807,430)
Change in Fund Balance	175,525	937,091	500,620	16,870	1,574,707
Fund Balances, Beginning	28,976	4,509,800	1,140,534	-	7,092,302
Fund Balances, Ending	\$ 204,501	\$ 5,446,891	\$ 1,641,154	\$ 16,870	\$ 8,667,009

CITY OF KELLER, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

Exhibit C-2
Page 3 of 3

	<u>Capital Projects Fund</u>				Total Nonmajor Governmental Funds
	Roadway Impact Fees	Park Development Fee	Parks Capital Improvements	Total Capital Projects Funds	
Revenues					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 55,666
Sales and use taxes	-	-	-	-	7,029,614
Special assessments and impact fees	250,684	-	-	250,684	269,832
Franchise taxes	-	-	-	-	86,474
Intergovernmental revenues	-	-	-	-	125,200
Donations	-	-	2,907	2,907	30,815
Investment earnings	49,048	-	19,709	68,757	101,177
Charges for services	-	-	-	-	194,086
Miscellaneous	-	-	-	-	20,809
Total Revenues	<u>299,732</u>	<u>-</u>	<u>22,616</u>	<u>322,348</u>	<u>7,913,673</u>
Expenditures					
Current:					
General government	-	46	-	46	160,605
Public safety	-	-	-	-	140,131
Public works	68,682	-	-	68,682	68,682
Community development	-	-	-	-	80,540
Economic development	-	-	-	-	180,000
Culture and recreation	-	-	148,680	148,680	160,112
Capital outlay	-	-	2,404,267	2,404,267	2,457,934
Debt service:					
Principal	-	-	-	-	1,445,000
Interest and fiscal charges	-	-	-	-	137,859
Total Expenditures	<u>68,682</u>	<u>46</u>	<u>2,552,947</u>	<u>2,621,675</u>	<u>4,830,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	231,050	(46)	(2,530,331)	(2,299,327)	3,082,810
Other Financing Sources (Uses)					
Transfers in	-	-	1,302,500	1,302,500	1,302,500
Transfers out	-	-	-	-	(3,807,430)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,302,500</u>	<u>1,302,500</u>	<u>(2,504,930)</u>
Change in Fund Balance	231,050	(46)	(1,227,831)	(996,827)	577,880
Fund Balances, Beginning	<u>8,836,317</u>	<u>1,268</u>	<u>3,564,096</u>	<u>12,401,681</u>	<u>19,493,983</u>
Fund Balances, Ending	<u>\$ 9,067,367</u>	<u>\$ 1,222</u>	<u>\$ 2,336,265</u>	<u>\$ 11,404,854</u>	<u>\$ 20,071,863</u>

CITY OF KELLER, TEXAS
MUNICIPAL COURT FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended September 30, 2022

Exhibit C-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 77,469	\$ 77,469	\$ 55,666	\$ (21,803)
Interest income	2,656	2,656	1,484	(1,172)
Total Revenues	<u>80,125</u>	<u>80,125</u>	<u>57,150</u>	<u>(22,975)</u>
Expenditures				
Current:				
Finance Department and Municipal Court	<u>54,471</u>	<u>54,471</u>	<u>39,768</u>	<u>14,703</u>
Total Expenditures	<u>54,471</u>	<u>54,471</u>	<u>39,768</u>	<u>14,703</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,654</u>	<u>25,654</u>	<u>17,382</u>	<u>(8,272)</u>
Change in Fund Balance	25,654	25,654	17,382	(8,272)
Fund Balances, Beginning	<u>206,684</u>	<u>206,684</u>	<u>206,684</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 257,992</u>	<u>\$ 257,992</u>	<u>\$ 224,066</u>	<u>\$ (16,544)</u>

CITY OF KELLER, TEXAS

PUBLIC SAFETY FUND

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended September 30, 2022

Exhibit C-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 80,324	\$ 80,324	\$ 123,682	\$ 43,358
Donations	-	-	1,867	1,867
Interest income	1,137	1,137	451	(686)
Miscellaneous income	-	-	15,453	15,453
Total Revenues	<u>81,461</u>	<u>81,461</u>	<u>141,453</u>	<u>59,992</u>
Expenditures				
Current:				
Police Department	83,545	83,545	140,131	(56,586)
Total Expenditures	<u>83,545</u>	<u>83,545</u>	<u>140,131</u>	<u>(56,586)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,084)</u>	<u>(2,084)</u>	<u>1,322</u>	<u>3,406</u>
Change in Fund Balance	(2,084)	(2,084)	1,322	3,406
Fund Balances, Beginning	<u>195,476</u>	<u>195,476</u>	<u>195,476</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 193,392</u>	<u>\$ 193,392</u>	<u>\$ 196,798</u>	<u>\$ 3,406</u>

CITY OF KELLER, TEXAS
PUBLIC INFORMATION AND BROADCASTING FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended September 30, 2022

Exhibit C-5

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Franchise fees	\$ 104,626	\$ 104,626	\$ 86,474	\$ (18,152)
Interest income	3,834	3,834	2,682	(1,152)
Total Revenues	<u>108,460</u>	<u>108,460</u>	<u>89,156</u>	<u>(19,304)</u>
Expenditures				
Current:				
Town Hall Operations	203,500	203,500	105,011	98,489
Total Expenditures	<u>203,500</u>	<u>203,500</u>	<u>105,011</u>	<u>98,489</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(95,040)</u>	<u>(95,040)</u>	<u>(15,855)</u>	<u>79,185</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(19,873)	(19,873)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(19,873)</u>	<u>(19,873)</u>
Change in Fund Balance	(95,040)	(95,040)	(35,728)	59,312
Fund Balances, Beginning	<u>585,519</u>	<u>585,519</u>	<u>585,519</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 490,479</u>	<u>\$ 490,479</u>	<u>\$ 549,791</u>	<u>\$ 59,312</u>

CITY OF KELLER, TEXAS
KELLER DEVELOPMENT CORPORATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended September 30, 2022

Exhibit C-6

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Sales taxes	\$ 3,600,114	\$ 3,600,114	\$ 4,555,185	\$ 955,071
Interest income	21,882	21,882	16,805	(5,077)
Charges for services	16,000	16,000	16,000	-
Total Revenues	<u>3,637,996</u>	<u>3,637,996</u>	<u>4,587,990</u>	<u>949,994</u>
Expenditures				
Current:				
Parks and recreations	67,680	83,940	80,540	3,400
Debt Service:				
Principal	1,445,000	1,445,000	1,445,000	-
Interest and other charges	136,419	136,419	137,859	(1,440)
Total Expenditures	<u>1,649,099</u>	<u>1,665,359</u>	<u>1,663,399</u>	<u>1,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,988,897	1,972,637	2,924,591	951,954
Other Financing Sources (Uses)				
Transfers out	(1,987,500)	(1,987,500)	(1,987,500)	-
Total Other Financing Sources (Uses)	<u>(1,987,500)</u>	<u>(1,987,500)</u>	<u>(1,987,500)</u>	<u>-</u>
Change in Fund Balance	1,397	(14,863)	937,091	951,954
Fund Balances, Beginning	<u>4,509,800</u>	<u>4,509,800</u>	<u>4,509,800</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 4,511,197</u>	<u>\$ 4,494,937</u>	<u>\$ 5,446,891</u>	<u>\$ 951,954</u>

CITY OF KELLER, TEXAS
STREET/SIDEWALK IMPROVEMENT FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended September 30, 2022

Exhibit C-7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Sales taxes	\$ 1,800,057	\$ 1,800,057	\$ 2,277,592	\$ 477,535
Special assessments and impact fees	-	-	19,148	19,148
Interest income	5,096	5,096	3,937	(1,159)
Total Revenues	<u>1,805,153</u>	<u>1,805,153</u>	<u>2,300,677</u>	<u>495,524</u>
Other Financing Sources (Uses)				
Transfers out	<u>(1,800,057)</u>	<u>(1,800,057)</u>	<u>(1,800,057)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,800,057)</u>	<u>(1,800,057)</u>	<u>(1,800,057)</u>	<u>-</u>
Change in Fund Balance	5,096	5,096	500,620	495,524
Fund Balances, Beginning	<u>1,140,534</u>	<u>1,140,534</u>	<u>1,140,534</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,145,630</u>	<u>\$ 1,145,630</u>	<u>\$ 1,641,154</u>	<u>\$ 495,524</u>

Non-major Governmental Funds

Internal Service Funds

Information technology fund - This fund is used to account for replacement costs of City owned computer equipment/software.

Equipment replacement fund - This fund is used to account for maintenance and replacement costs of City owned vehicles and heavy equipment.

Health insurance fund - This fund is used to account for the City's employee health insurance plan.

CITY OF KELLER, TEXAS
INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
For the Year Ended September 30, 2022

Exhibit C-8

	Information Technology	Equipment Replacement	Health Insurance	Total Internal Service Funds
Assets				
Current Assets:				
Cash and cash equivalents	\$ 1,534,476	\$ 5,570,500	\$ 283,895	\$ 7,388,871
Investments	730,166	1,005,003	5,627,351	7,362,520
Accounts receivable, net of allowance for doubtful accounts	18,148	-	-	18,148
Prepaid items	-	-	1,761	1,761
Total Current Assets	<u>2,282,790</u>	<u>6,575,503</u>	<u>5,913,007</u>	<u>14,771,300</u>
Noncurrent Assets:				
Capital assets:				
Buildings	-	38,500	-	38,500
Equipment	5,567,721	8,253,457	-	13,821,178
Less accumulated depreciation	<u>(5,423,187)</u>	<u>(4,754,430)</u>	<u>-</u>	<u>(10,177,617)</u>
Total Non-Current Assets	<u>144,534</u>	<u>3,537,527</u>	<u>-</u>	<u>3,682,061</u>
Total Assets	<u>2,427,324</u>	<u>10,113,030</u>	<u>5,913,007</u>	<u>18,453,361</u>
Deferred Outflows of Resources				
Deferred outflows related to pensions	79,916	-	-	79,916
Deferred outflows related to OPEB SDBF	7,359	-	-	7,359
Deferred outflows related to OPEB Health	8,372	-	-	8,372
Total Deferred Outflows of Resources	<u>95,647</u>	<u>-</u>	<u>-</u>	<u>95,647</u>
Liabilities				
Current liabilities:				
Accounts payable	134,166	1,031,340	127,096	1,292,602
Other payables and accruals	<u>52,493</u>	<u>-</u>	<u>-</u>	<u>52,493</u>
Total Current Liabilities	<u>186,659</u>	<u>1,031,340</u>	<u>127,096</u>	<u>1,345,095</u>
Noncurrent Liabilities:				
Net pension liability	183,084	-	-	183,084
Total OPEB liability (SDBF)	33,136	-	-	33,136
Total OPEB liability (Health Benefits)	<u>34,479</u>	<u>-</u>	<u>-</u>	<u>34,479</u>
Total Noncurrent Liabilities	<u>250,699</u>	<u>-</u>	<u>-</u>	<u>250,699</u>
Total Liabilities	<u>437,358</u>	<u>1,031,340</u>	<u>127,096</u>	<u>1,595,794</u>
Deferred Inflows of Resources				
Deferred inflows related to pensions	213,739	-	-	213,739
Deferred inflows related to OPEB SDBF	2,377	-	-	2,377
Deferred inflows related to OPEB Health	<u>22,917</u>	<u>-</u>	<u>-</u>	<u>22,917</u>
Total Deferred Inflows of Resources	<u>239,033</u>	<u>-</u>	<u>-</u>	<u>239,033</u>
Total OPEB liability				
Invested in capital assets	144,534	3,537,527	-	3,682,061
Unrestricted	<u>1,702,046</u>	<u>5,544,163</u>	<u>5,785,911</u>	<u>13,032,120</u>
Total Net Position	<u>\$ 1,846,580</u>	<u>\$ 9,081,690</u>	<u>\$ 5,785,911</u>	<u>\$ 16,714,181</u>

CITY OF KELLER, TEXAS

Exhibit C-9

INTERNAL SERVICE FUNDS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

For the Year Ended September 30, 2022

	Information Technology	Equipment Replacement	Health Insurance	Total Internal Service Funds
Operating Revenues				
Fees	\$ 2,381,872	\$ 1,410,728	\$ 4,304,951	\$ 8,097,551
Total Operating Revenues	<u>2,381,872</u>	<u>1,410,728</u>	<u>4,304,951</u>	<u>8,097,551</u>
Operating Expenses				
Personnel	841,118	-	-	841,118
Supplies and materials	113,582	27,395	-	140,977
Services and other	994,046	466,374	3,217,626	4,678,046
Depreciation	101,857	758,805	-	860,662
Total Operating Expenses	<u>2,050,603</u>	<u>1,252,574</u>	<u>3,217,626</u>	<u>6,520,803</u>
Operating Income (Loss)	<u>331,269</u>	<u>158,154</u>	<u>1,087,325</u>	<u>1,576,748</u>
Non-Operating Revenues				
Investment Earnings	11,592	44,075	51,260	106,927
Miscellaneous revenue	-	422,723	-	422,723
Gain/loss on disposal of capital assets	28,683	170,705	-	199,388
Total Non-Operating Revenues	<u>40,275</u>	<u>637,503</u>	<u>51,260</u>	<u>729,038</u>
Income (Loss) Before Contributions and Transfers	371,544	795,657	1,138,585	2,305,786
Contributions and Transfers				
Transfers from other funds	19,873	331,687	-	351,560
Transfers (to) other funds	-	(1,805,329)	-	(1,805,329)
Total Contributions and Transfers	<u>19,873</u>	<u>(1,473,642)</u>	<u>-</u>	<u>(1,453,769)</u>
Change in Net Position	391,417	(677,985)	1,138,585	852,017
Net Position, Beginning	<u>1,455,163</u>	<u>9,759,675</u>	<u>4,647,326</u>	<u>15,862,164</u>
Net Position, Ending	<u>\$ 1,846,580</u>	<u>\$ 9,081,690</u>	<u>\$ 5,785,911</u>	<u>\$ 16,714,181</u>

CITY OF KELLER, TEXAS
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2022

Exhibit C-10

	<u>Information Technology</u>	<u>Equipment Replacement</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities				
Receipts from customers	\$ 2,380,524	\$ 1,665,300	\$ 4,304,951	\$ 8,350,775
Disbursed for personnel services	(885,022)	-	-	(885,022)
Disbursed for goods and services to suppliers	(1,113,419)	522,555	(3,092,291)	(3,683,155)
Net Cash Provided by Operating Activities	<u>382,083</u>	<u>2,187,855</u>	<u>1,212,660</u>	<u>3,782,598</u>
Cash Flows From Noncapital Financing Activities				
Transfer from other funds	19,873	331,687	-	351,560
Transfers to other funds	-	(1,805,329)	-	(1,805,329)
Net Cash Provided (Used) by Noncapital Financial Activities	<u>19,873</u>	<u>(1,473,642)</u>	<u>-</u>	<u>(1,453,769)</u>
Cash Flows from Capital & Related Financing Activities				
Acquisition and construction of capital assets	(19,873)	(499,293)	-	(519,166)
Insurance recoveries	-	422,723	-	422,723
Proceeds from the sale of equipment	28,683	101,565	-	130,248
Net Cash Provided by Capital & Related Financing Activities	<u>8,810</u>	<u>24,995</u>	<u>-</u>	<u>33,805</u>
Cash Flows from Investing Activities				
Purchase or sale of investments	181,753	(3,764)	(5,627,351)	(5,449,362)
Interest received	11,592	44,075	51,260	106,927
Net Cash Provided (Used) by Investing Activities	<u>193,345</u>	<u>40,311</u>	<u>(5,576,091)</u>	<u>(5,342,435)</u>
Net change in cash and cash equivalents	604,111	779,519	(4,363,431)	(2,979,801)
Cash and Cash Equivalents, Beginning	<u>930,365</u>	<u>4,790,981</u>	<u>4,647,326</u>	<u>10,368,672</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,534,476</u>	<u>\$ 5,570,500</u>	<u>\$ 283,895</u>	<u>\$ 7,388,871</u>
Reconciliation of Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 331,269	\$ 158,154	\$ 1,087,325	\$ 1,576,748
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	101,857	758,805	-	860,662
Decrease (increase) in accounts receivable	(1,348)	254,572	-	253,224
Decrease (increase) in deferred outflows	(1,637)	-	-	(1,637)
Increase (decrease) in accounts payable	(17,408)	1,016,324	127,096	1,126,012
Increase (decrease) in other payables and accruals	11,617	-	-	11,617
Increase (decrease) in pension and OPEB liability	(182,420)	-	-	(182,420)
Increase (decrease) in deferred inflows	140,153	-	-	140,153
(Increase) in prepaids	-	-	(1,761)	(1,761)
Net Cash Provided (Used) by Operating Activities	<u>\$ 382,083</u>	<u>\$ 2,187,855</u>	<u>\$ 1,212,660</u>	<u>\$ 3,782,598</u>

STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of Keller's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Tables</u>
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-5
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	6-14
Debt Capacity These tables 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.	15-19
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	20-21
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.	22-24

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003; tables presenting government-wide information include information beginning in that year.

CITY OF KELLER, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
Page 1 of 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities					
Investment in capital assets	\$ 81,997,316	\$ 96,268,556	\$ 94,005,152	\$100,930,811	\$ 97,480,242
Restricted	22,640,243	22,061,750	29,873,687	32,312,302	32,049,412
Unrestricted	9,007,099	7,672,607	2,960,576	3,568,719	6,876,625
Total Governmental Activities					
Net Position	<u>\$113,644,658</u>	<u>\$126,002,913</u>	<u>\$126,839,415</u>	<u>\$136,811,832</u>	<u>\$136,406,279</u>
Business-type Activities					
Investment in capital assets	\$ 60,654,886	\$ 58,172,320	\$ 61,280,272	\$ 63,273,352	\$ 76,865,272
Restricted	8,219,575	7,781,518	1,169,197	4,777,236	17,275,318
Unrestricted	11,139,589	18,030,492	17,251,401	11,509,850	1,127,163
Total Business-type Activities					
Net Position	<u>\$ 80,014,050</u>	<u>\$ 83,984,330</u>	<u>\$ 79,700,870</u>	<u>\$ 79,560,438</u>	<u>\$ 95,267,753</u>
Primary Government					
Net investment in capital assets	\$142,652,203	\$154,440,876	\$155,285,424	\$164,204,163	\$174,345,514
Restricted	30,859,818	29,843,268	31,042,884	37,089,538	49,324,730
Unrestricted	20,146,688	25,703,100	20,211,977	15,078,569	8,003,788
Total Primary Government					
Net Position	<u>\$193,658,709</u>	<u>\$209,987,244</u>	<u>\$206,540,285</u>	<u>\$216,372,270</u>	<u>\$231,674,032</u>

CITY OF KELLER, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1
Page 2 of 2

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities					
Investment in capital assets	\$ 97,675,021	\$101,125,405	\$103,266,045	\$102,376,998	\$ 99,447,718
Restricted	36,243,225	38,561,026	43,698,993	45,517,300	39,748,273
Unrestricted	<u>12,659,240</u>	<u>17,489,706</u>	<u>22,541,010</u>	<u>28,841,506</u>	<u>47,510,368</u>
Total Governmental Activities					
Net Position	<u>\$146,577,486</u>	<u>\$157,176,137</u>	<u>\$169,506,048</u>	<u>\$176,735,804</u>	<u>\$186,706,359</u>
Business-type Activities					
Investment in capital assets	\$ 75,824,228	\$ 82,146,631	\$ 87,307,591	\$ 84,752,502	\$ 83,241,339
Restricted	17,601,201	6,652,768	4,417,535	4,930,176	11,257,013
Unrestricted	<u>5,030,105</u>	<u>13,877,911</u>	<u>14,540,167</u>	<u>15,320,483</u>	<u>13,642,617</u>
Total Business-type Activities					
Net Position	<u>\$ 98,455,534</u>	<u>\$102,677,310</u>	<u>\$106,265,293</u>	<u>\$105,003,161</u>	<u>\$108,140,969</u>
Primary Government					
Net investment in capital assets	\$173,499,249	\$183,272,036	\$190,573,636	\$187,129,500	\$182,689,057
Restricted	53,844,426	45,213,794	48,116,528	50,447,476	51,005,286
Unrestricted	<u>17,689,345</u>	<u>31,367,617</u>	<u>37,081,177</u>	<u>44,161,989</u>	<u>61,152,985</u>
Total Primary Government					
Net Position	<u>\$245,033,020</u>	<u>\$259,853,447</u>	<u>\$275,771,341</u>	<u>\$281,738,965</u>	<u>\$294,847,328</u>

CITY OF KELLER, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 4

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses					
Governmental Activities					
General government	\$ 7,973,740	\$ 7,011,362	\$ 9,224,860	\$ 6,606,428	\$ 6,592,982
Public safety	19,415,960	16,756,956	20,941,821	20,789,609	21,542,266
Public works	2,981,588	2,490,468	3,138,376	5,715,323	4,289,043
Community Development	1,425,851	1,357,417	1,870,887	3,073,034	2,387,006
Culture and recreation	5,345,157	4,938,515	5,855,468	6,130,399	6,457,773
Interest on long-term debt	<u>3,277,731</u>	<u>2,882,936</u>	<u>1,841,830</u>	<u>2,068,775</u>	<u>2,027,789</u>
Total Governmental Activities Expenses	<u>40,420,027</u>	<u>35,437,654</u>	<u>42,873,242</u>	<u>44,383,568</u>	<u>43,296,859</u>
Business-type Activities					
Water services	17,055,816	18,496,707	20,294,433	23,446,287	23,661,400
Drainage Utility	2,004,342	2,040,218	2,172,976	2,391,244	2,352,482
Recreation/Aquatic Center	<u>3,080,094</u>	<u>2,669,471</u>	<u>2,600,639</u>	<u>3,041,177</u>	<u>3,357,215</u>
Total Business-type Activities Expenses	<u>22,140,252</u>	<u>23,206,396</u>	<u>25,068,048</u>	<u>28,878,708</u>	<u>29,371,097</u>
Total Primary Government Expenses	<u>\$ 62,560,279</u>	<u>\$ 58,644,050</u>	<u>\$ 67,941,290</u>	<u>\$ 73,262,276</u>	<u>\$ 72,667,956</u>
Program Revenues					
Governmental Activities					
Charges for services:					
Public works	\$ 56,267	\$ 79,719	\$ 82,024	\$ 93,881	\$ 105,136
Culture and recreation	628,121	915,060	544,882	566,112	453,852
Other Activities	4,004,921	4,891,778	4,334,299	6,081,145	5,629,579
Operating grants and contributions	2,751,993	3,590,362	3,373,672	3,878,523	3,620,161
Capital grants and contributions	<u>1,117,756</u>	<u>251,533</u>	<u>285,924</u>	<u>1,881,643</u>	<u>1,242,726</u>
Revenues	<u>8,559,058</u>	<u>9,728,452</u>	<u>8,620,801</u>	<u>12,501,304</u>	<u>11,051,454</u>
Business-type Activities					
Charges for services:					
Water services	20,518,382	21,546,501	21,483,165	20,659,409	26,261,738
Drainage Utility	1,540,590	1,569,419	1,610,683	1,633,244	1,441,816
Recreation/Aquatic Center	3,087,021	3,029,667	2,982,350	3,095,309	3,408,147
Operating grants and contributions	-	-	-	-	53,222
Capital grants and contributions	<u>1,010,366</u>	<u>4,977,753</u>	<u>1,243,665</u>	<u>3,994,015</u>	<u>2,012,753</u>
Revenues	<u>26,156,359</u>	<u>31,123,340</u>	<u>27,319,863</u>	<u>29,381,977</u>	<u>33,177,676</u>
Total Primary Government Program Revenues	<u>\$ 34,715,417</u>	<u>\$ 40,851,792</u>	<u>\$ 35,940,664</u>	<u>\$ 41,883,281</u>	<u>\$ 44,229,130</u>
Net (Expense)/Revenue					
Governmental activities	\$ (31,860,969)	\$ (25,709,202)	\$ (34,252,441)	\$ (31,882,264)	\$ (32,245,405)
Business-type activities	<u>4,016,107</u>	<u>7,916,944</u>	<u>2,251,815</u>	<u>503,269</u>	<u>3,806,579</u>
Total Primary Government Net Expense	<u>\$ (27,844,862)</u>	<u>\$ (17,792,258)</u>	<u>\$ (32,000,626)</u>	<u>\$ (31,378,995)</u>	<u>\$ (28,438,826)</u>

CITY OF KELLER, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 2 of 4

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses					
Governmental Activities					
General government	\$ 7,921,283	\$ 5,366,338	\$ 6,869,123	\$ 8,384,847	\$ 5,318,814
Public safety	19,093,622	20,083,209	18,811,465	19,297,660	20,468,163
Public works	6,722,250	10,340,308	11,550,285	12,698,624	13,207,020
Community Development	2,004,708	2,365,621	2,239,811	1,836,261	2,071,671
Culture and recreation	7,115,961	6,047,587	5,758,248	9,777,808	8,046,226
Interest on long-term debt	<u>1,299,198</u>	<u>1,016,877</u>	<u>958,518</u>	<u>823,081</u>	<u>680,922</u>
Total Governmental Activities Expenses	<u>44,157,022</u>	<u>45,219,940</u>	<u>46,187,450</u>	<u>52,818,281</u>	<u>49,792,816</u>
Business-type Activities					
Water services	24,203,826	23,129,976	23,565,553	24,628,884	27,459,747
Drainage Utility	2,750,456	2,348,274	2,660,241	2,192,325	1,871,299
Recreation/Aquatic Center	<u>3,315,120</u>	<u>3,193,606</u>	<u>2,687,701</u>	<u>6,899,928</u>	<u>6,782,809</u>
Total Business-type Activities Expenses	<u>30,269,402</u>	<u>28,671,856</u>	<u>28,913,495</u>	<u>33,721,137</u>	<u>36,113,855</u>
Total Primary Government Expenses	<u>\$ 74,426,424</u>	<u>\$ 73,891,796</u>	<u>\$ 75,100,945</u>	<u>\$ 86,539,418</u>	<u>\$ 85,906,671</u>
Program Revenues					
Governmental Activities					
Charges for services:					
Public works	\$ 100,696	\$ 118,938	\$ 94,067	\$ 100,074	\$ 35,049
Culture and recreation	511,755	456,286	149,659	200,913	300,153
Other Activities	4,739,512	4,924,041	4,497,172	5,811,205	6,008,440
Operating grants and contributions:	4,209,216	4,363,634	6,710,961	6,013,508	3,359,341
Capital grants and contributions:	<u>20,227</u>	<u>2,023,535</u>	<u>1,826,542</u>	<u>740,219</u>	<u>1,265,346</u>
Revenues	<u>9,581,406</u>	<u>11,886,434</u>	<u>13,278,401</u>	<u>12,865,919</u>	<u>10,968,329</u>
Business-type Activities					
Charges for services:					
Water services	27,205,769	25,720,620	26,656,369	26,425,512	33,030,914
Drainage Utility	1,455,901	1,466,777	1,481,633	1,493,863	1,509,050
Recreation/Aquatic Center	3,410,350	3,295,577	1,914,081	2,516,213	2,589,946
Operating grants and contributions:	-	-	-	-	-
Capital grants and contributions	<u>987,138</u>	<u>2,460,465</u>	<u>2,089,853</u>	<u>1,891,912</u>	<u>1,820,925</u>
Revenues	<u>33,059,158</u>	<u>32,943,439</u>	<u>32,141,936</u>	<u>32,327,500</u>	<u>38,950,835</u>
Total Primary Government Program Revenues	<u>\$ 42,640,564</u>	<u>\$ 44,829,873</u>	<u>\$ 45,420,337</u>	<u>\$ 45,193,419</u>	<u>\$ 49,919,164</u>
Net (Expense)/Revenue					
Governmental activities	\$ (34,575,616)	\$ (33,333,506)	\$ (32,909,049)	\$ (39,952,362)	\$ (38,824,487)
Business-type activities	<u>2,789,756</u>	<u>4,271,583</u>	<u>3,228,441</u>	<u>(1,393,637)</u>	<u>2,836,980</u>
Total Primary Government Net Expense	<u>\$ (31,785,860)</u>	<u>\$ (29,061,923)</u>	<u>\$ (29,680,608)</u>	<u>\$ (41,345,999)</u>	<u>\$ (35,987,507)</u>

CITY OF KELLER, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 3 of 4

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property taxes	\$ 20,691,721	\$ 21,526,556	\$ 22,777,252	\$ 24,046,908	\$ 26,040,551
Sales and use taxes	9,184,887	9,817,716	10,660,047	11,312,683	11,812,756
Franchise taxes	2,850,968	3,157,388	3,421,518	4,369,222	4,287,666
Mixed Beverages	92,029	128,832	192,912	176,434	147,297
Unrestricted investment earnings	153,767	180,677	160,938	153,866	733,658
Miscellaneous income	295,807	240,932	164,711	208,575	286,954
Gain/(Loss) on sale of capital assets	104,855	98,274	15,891	727,056	-
Transfers	3,986,940	3,826,555	3,342,990	859,937	(11,469,030)
Total Governmental Activities	<u>37,360,974</u>	<u>38,976,930</u>	<u>40,736,259</u>	<u>41,854,681</u>	<u>31,839,852</u>
Business-type Activities					
Investment earnings	102,252	121,260	80,990	61,385	297,571
Miscellaneous revenues (expense)	51,511	42,688	54,614	153,955	134,135
Gain (loss) on sale of capital assets	-	-	-	896	-
Transfers	(3,986,940)	(3,826,555)	(3,342,990)	(859,937)	11,469,030
Total Business-type Activities	<u>(3,833,177)</u>	<u>(3,662,607)</u>	<u>(3,207,386)</u>	<u>(643,701)</u>	<u>11,900,736</u>
Total Primary Government	<u>\$ 33,527,797</u>	<u>\$ 35,314,323</u>	<u>\$ 37,528,873</u>	<u>\$ 41,210,980</u>	<u>\$ 43,740,588</u>
Change in Net Position					
Governmental activities	\$ 5,500,005	\$ 13,267,728	\$ 6,483,818	\$ 9,972,417	\$ (405,553)
Business-type activities	182,930	4,254,337	(955,571)	(140,432)	15,707,315
Total Primary Government	<u>\$ 5,682,935</u>	<u>\$ 17,522,065</u>	<u>\$ 5,528,247</u>	<u>\$ 9,831,985</u>	<u>\$ 15,301,762</u>

CITY OF KELLER, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 4 of 4

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property taxes	\$ 27,517,501	\$ 23,534,184	\$ 24,016,772	\$ 24,136,514	\$ 23,867,927
Sales and use taxes	12,210,696	12,681,216	14,358,763	16,025,875	18,092,391
Franchise taxes	4,358,208	4,626,857	4,414,447	4,452,725	4,861,663
Mixed Beverages	158,011	147,028	115,077	148,376	188,557
Unrestricted investment earnings	1,070,649	1,726,322	1,296,970	419,517	693,947
Miscellaneous income	278,852	183,918	727,029	1,768,131	1,200,968
Gain/(Loss) no sale of capital assets	-	-	-	-	-
Transfers	9,908	1,032,632	309,902	230,980	(110,411)
Total Governmental Activities	<u>45,603,825</u>	<u>43,932,157</u>	<u>45,238,960</u>	<u>47,182,118</u>	<u>48,795,042</u>
Business-type Activities					
Investment earnings	532,012	820,151	497,252	168,286	177,072
Miscellaneous revenues (expense)	143,700	162,674	172,192	194,199	13,345
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers	(9,908)	(1,032,632)	(309,902)	(230,980)	110,411
Total Business-type Activities	<u>665,804</u>	<u>(49,807)</u>	<u>359,542</u>	<u>131,505</u>	<u>300,828</u>
Total Primary Government	<u>\$ 46,269,629</u>	<u>\$ 43,882,350</u>	<u>\$ 45,598,502</u>	<u>\$ 47,313,623</u>	<u>\$ 49,095,870</u>
Change in Net Position					
Governmental activities	\$ 11,028,209	\$ 10,598,651	\$ 12,329,911	\$ 7,229,756	\$ 9,970,555
Business-type activities	3,455,560	4,221,776	3,587,983	(1,262,132)	3,137,808
Total Primary Government	<u>\$ 14,483,769</u>	<u>\$ 14,820,427</u>	<u>\$ 15,917,894</u>	<u>\$ 5,967,624</u>	<u>\$ 13,108,363</u>

CITY OF KELLER, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3
Page 1 of 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund					
Nonspendable	\$ 72,597	\$ 108,298	\$ 127,462	\$ 487,348	\$ 138,601
Assigned	5,646,441	6,849,905	10,081,509	-	-
Restricted	-	-	-	515,348	565,045
Unassigned	9,362,608	9,380,730	9,923,578	11,891,652	16,073,653
Total General Fund	<u>\$ 15,081,646</u>	<u>\$ 16,338,933</u>	<u>\$ 20,132,549</u>	<u>\$ 12,894,348</u>	<u>\$ 16,777,299</u>
All Other Governmental Funds					
Assigned	\$ 1,056,122	\$ 2,007,357	\$ 2,660,466	\$ -	\$ -
Nonspendable	125	-	-	-	-
Restricted:					
Debt Service	690,229	931,773	1,382,935	3,700,651	2,409,305
Capital Projects	11,114,335	12,480,371	15,784,265	21,088,314	24,572,209
Other	6,296,968	3,274,935	3,671,650	7,166,769	8,781,887
Unassigned	-	(156,535)	-	-	-
Total All Other Governmental Funds	<u>\$ 19,157,779</u>	<u>\$ 18,537,901</u>	<u>\$ 23,499,316</u>	<u>\$ 31,955,734</u>	<u>\$ 35,763,401</u>

CITY OF KELLER, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3
Page 2 of 2

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund					
Nonspendable	\$ 130,875	\$ 155,116	\$ 114,740	\$ 157,774	\$ 140,016
Assigned	-	-	-	-	-
Restricted	660,444	596,748	675,025	820,292	784,845
Unassigned	20,851,712	22,563,145	26,196,574	30,558,505	30,297,602
Total General Fund	<u>\$ 21,643,031</u>	<u>\$ 23,315,009</u>	<u>\$ 26,986,339</u>	<u>\$ 31,536,571</u>	<u>\$ 31,222,463</u>
All Other Governmental Funds					
Assigned	\$ -	\$ 3,024,681	\$ 3,378,187	\$ 1,493,197	\$ 18,043,354
Nonspendable	7,500	1,868	-	-	-
Restricted:					
Debt Service	2,829,355	2,736,902	3,253,941	3,353,780	3,280,054
Capital Projects	24,834,143	28,387,810	38,970,152	37,804,984	21,423,177
Other	10,031,105	9,097,766	10,790,172	13,594,458	16,026,455
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 37,702,103</u>	<u>\$ 43,249,027</u>	<u>\$ 56,392,452</u>	<u>\$ 56,246,419</u>	<u>\$ 58,773,040</u>

CITY OF KELLER, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)

Table 4
Page 1 of 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Taxes	\$ 32,846,813	\$ 34,626,731	\$ 37,018,059	\$ 40,009,553	\$ 42,379,848
Licenses and permits	2,214,199	2,300,895	2,079,019	1,771,594	1,218,057
Intergovernmental	2,915,931	3,611,678	3,101,589	3,009,267	3,059,876
Charges for services	1,409,324	1,498,686	1,565,049	3,394,410	3,587,619
Fines and forfeitures	901,147	1,326,291	1,143,499	1,313,744	1,445,115
Special assessments and impact fees	906,533	885,077	576,321	964,589	468,342
Donations	102,617	96,580	108,456	132,944	132,988
Interest	153,767	180,496	861,762	146,360	710,497
Miscellaneous	350,608	295,074	224,804	208,575	191,609
Total Revenues	<u>41,800,939</u>	<u>44,821,508</u>	<u>46,678,558</u>	<u>50,951,036</u>	<u>53,193,951</u>
Expenditures					
General government	6,077,590	6,269,082	6,753,694	4,939,940	5,315,834
Public safety	14,628,765	14,968,628	15,281,088	15,547,033	16,490,424
Public works	2,272,568	2,224,682	2,289,850	4,463,711	2,841,693
Community development	1,086,784	1,212,552	1,365,628	2,327,242	1,958,408
Culture and recreation	4,074,082	4,411,469	4,272,027	4,627,717	4,903,681
Capital outlay	8,219,386	9,000,163	4,791,333	7,471,482	4,840,540
Debt service:					
Principal	6,730,769	7,156,404	7,583,160	7,273,304	12,100,180
Interest	3,200,476	2,871,535	2,340,333	2,136,540	2,091,739
Other debt service expenditures	-	-	-	-	-
Total Expenditures	<u>46,290,420</u>	<u>48,114,515</u>	<u>44,677,113</u>	<u>48,786,969</u>	<u>50,542,499</u>
Excess (deficiency) of Revenues Over (under) Expenditures	(4,489,481)	(3,293,007)	2,001,445	2,164,067	2,651,452
Other Financing Sources (Uses)					
Sale of capital assets	110,724	103,861	97,503	732,629	70,204
Transfers in	4,924,073	5,200,474	4,546,770	16,789,409	1,827,507
Transfers out	(910,633)	(1,373,919)	(1,203,780)	(16,578,599)	(2,227,507)
Refunding bonds issued	601,000	-	19,580,000	-	12,340,000
Premium on refunding bonds issued	-	-	294,213	-	901,059
Payment to refunding bond escrow agent	-	-	(16,561,118)	-	(7,872,097)
Total Other Financing Sources (Uses)	<u>4,725,164</u>	<u>3,930,416</u>	<u>6,753,588</u>	<u>943,439</u>	<u>5,039,166</u>
Net Change in Fund Balances	<u>\$ 235,683</u>	<u>\$ 637,409</u>	<u>\$ 8,755,033</u>	<u>\$ 3,107,506</u>	<u>\$ 7,690,618</u>
Debt service as a percentage of noncapital expenditures	26.1%	25.6%	16.1%	22.8%	31.1%

CITY OF KELLER, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)

Table 4
Page 2 of 2

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Taxes	\$ 44,241,735	\$ 40,910,092	\$ 42,972,651	\$ 44,749,833	\$ 47,205,812
Licenses and permits	1,228,907	1,341,453	1,061,240	1,835,800	1,324,100
Intergovernmental	3,600,871	3,731,604	6,869,257	4,441,035	4,100,217
Charges for services	3,071,536	3,208,548	3,005,399	3,487,179	3,592,240
Fines and forfeitures	996,983	810,175	674,636	461,825	500,748
Special assessments and impact fees	529,129	635,248	481,918	1,774,447	269,832
Donations	99,216	98,067	66,172	74,002	121,572
Interest	1,030,333	1,629,306	1,207,032	391,667	587,066
Miscellaneous	229,357	138,971	360,869	389,342	527,221
Total Revenues	<u>55,028,067</u>	<u>52,503,464</u>	<u>56,699,174</u>	<u>57,605,130</u>	<u>58,228,808</u>
Expenditures					
General government	5,221,329	4,825,048	5,645,846	5,640,639	5,390,471
Public safety	17,091,966	18,205,998	18,345,732	19,344,466	20,653,628
Public works	2,628,395	2,729,907	3,284,674	3,588,162	3,372,930
Community development	2,285,144	2,552,132	2,448,184	1,993,194	2,324,819
Culture and recreation	4,966,960	4,917,778	4,768,865	5,046,739	5,570,860
Capital outlay	4,578,424	6,759,665	6,444,307	10,946,279	14,320,084
Debt service:					
Principal	8,458,077	5,024,046	4,946,207	4,725,000	4,810,000
Interest	1,465,568	1,165,948	1,168,866	1,049,298	939,528
Other debt service expenditures	-	-	-	-	22,736
Total Expenditures	<u>46,695,863</u>	<u>46,180,522</u>	<u>47,052,681</u>	<u>52,333,777</u>	<u>57,405,056</u>
(Deficiency) of Revenues (Under) Expenditures	8,332,204	6,322,942	9,646,493	5,271,353	823,752
Other Financing Sources (Uses)					
Sale of capital assets	49,408	65,460	127,899	261,432	45,403
Transfers in	6,722,938	12,507,397	6,532,204	6,142,462	13,395,238
Transfers out	(8,300,116)	(11,676,897)	(7,664,449)	(7,271,048)	(12,051,880)
Refunding bonds issued	-	-	10,860,000	-	-
Premium on refunding bonds issued	-	-	2,095,067	-	-
Payment to refunding bond escrow agent	-	-	(4,782,459)	-	-
Total Other Financing Sources (Uses)	<u>(1,527,770)</u>	<u>895,960</u>	<u>7,168,262</u>	<u>(867,154)</u>	<u>1,388,761</u>
Net Change in Fund Balances	<u>\$ 6,804,434</u>	<u>\$ 7,218,902</u>	<u>\$ 16,814,755</u>	<u>\$ 4,404,199</u>	<u>\$ 2,212,513</u>
Debt service as a percentage of noncapital expenditures	23.3%	15.7%	15.1%	14.0%	13.3%



CITY OF KELLER, TEXAS
TAX REVENUES BY SOURCE
GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Table 5

Fiscal Year	Property Tax	Sales and Use Tax	Franchise Tax	Mixed Beverage Tax	Total
2013	\$ 19,625,642	\$ 9,184,887	\$ 2,842,453	\$ 92,029	\$ 31,745,011
2014	21,522,795	9,817,715	3,157,388	128,832	34,626,730
2015	22,743,582	10,660,047	3,421,518	192,912	37,018,059
2016	20,571,134	11,312,683	3,112,221	176,434	35,172,472
2017	21,501,554	11,812,755	4,287,666	147,297	37,749,272
2018	23,443,551	12,210,696	3,112,256	158,011	38,924,514
2019	23,454,991	12,681,216	4,626,857	147,028	40,910,092
2020	24,084,364	14,358,763	4,414,447	115,077	42,972,651
2021	24,122,857	16,025,875	4,452,725	148,376	44,749,833
2022	23,866,363	18,092,392	4,829,571	188,557	46,976,883
Percent Change					
2013-2022	21.6%	97.0%	69.9%	104.9%	48.0%

CITY OF KELLER, TEXAS
ASSESSED VALUE AND ESTIMATED VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Table 6
Page 1 of 2

Fiscal Year	Residential Property	Commercial & Industrial Property	Undeveloped Vacant Property	Less Other Tax-Exempt Property
2013	\$ 3,320,504,448	\$ 616,284,918	\$ 2,739,515	\$ 448,986,161
2014	3,403,293,010	639,069,078	1,526,697	443,957,738
2015	3,625,917,225	676,781,328	1,336,029	415,216,570
2016	3,793,250,339	685,548,240	3,984,800	501,821,781
2017	4,189,986,101	800,619,329	567,960	666,074,543
2018	4,541,681,247	692,354,454	430,477	1,066,446,124
2019	5,000,642,127	787,573,892	600,985	963,947,456
2020	5,277,268,282	811,872,981	646,921	1,262,116,360
2021	5,153,549,974	854,288,438	514,915	1,819,083,490
2022	5,179,870,520	859,080,353	1,160,664	1,895,157,642

Note 1: Beginning with fiscal year 2006, Tax-Exempt Property includes exempt values from over-65 and disabled tax ceilings.

Note 2: The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. Tarrant Appraisal District's current policy is to conduct a general appraisal of real and business personal property value annually, meaning that a property's appraised value is established and reviewed for equality and uniformity each year. The district conducts an onsite field review of real property in a portion of the county annually as part of a reappraised cycle. Tax rates are per \$100 of assessed value.

Source - Tarrant Appraisal District.

Budget

CITY OF KELLER, TEXAS
ASSESSED VALUE AND ESTIMATED VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Table 6
Page 2 of 2

Fiscal Year	Total Taxable Assessed Value	Total Direct Tax	Estimated Actual Taxable Value	Assessed Value as a Percent of Actual Taxable Value
2013	\$ 3,939,528,881	0.44219	\$ 3,939,528,881	100%
2014	4,043,888,767	0.44219	4,043,888,767	100%
2015	4,304,034,581	0.43719	4,304,034,581	100%
2016	4,482,783,378	0.43469	4,482,783,378	100%
2017	4,991,173,391	0.43000	4,991,173,391	100%
2018	5,234,466,178	0.42750	5,234,466,178	100%
2019	5,788,817,004	0.41325	5,788,817,004	100%
2020	6,089,788,184	0.39990	6,089,788,184	100%
2021	6,008,353,327	0.39500	6,008,353,327	100%
2022	6,040,111,537	0.39500	6,040,111,537	100%

Note 1: Beginning with fiscal year 2006, Tax-Exempt Property includes exempt values from over-65 and disabled tax ceilings.

Note 2: The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. Tarrant Appraisal District's current policy is to conduct a general appraisal of real and business personal property value annually, meaning that a property's appraised value is established and reviewed for equality and uniformity each year. The district conducts an onsite field review of real property in a portion of the county annually as part of a reappraised cycle. Tax rates are per \$100 of assessed value.

Source - Tarrant Appraisal District.

Budget

CITY OF KELLER, TEXAS
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Table 7
Page 1 of 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City of Keller by fund:					
Basic Rate	0.325520	0.326460	0.330480	0.323170	0.313578
General Obligation Debt Service	0.116670	0.115730	0.167100	0.111520	0.116422
Total Direct Rates	<u>0.442190</u>	<u>0.442190</u>	<u>0.437190</u>	<u>0.434690</u>	<u>0.430000</u>
Carroll Independent School district	1.400000	1.400000	1.400000	1.395000	1.395000
Keller Independent School District	1.540000	1.540000	1.540000	1.540000	1.520000
Northwest Independent School District	1.452500	1.452500	1.452500	1.452500	1.452500
Tarrant County	0.264000	0.264000	0.264000	0.264000	0.254000
Tarrant County Community College District	0.149500	0.149500	0.149500	0.149500	0.144730
Tarrant County Hospital District	0.227897	0.227897	0.227897	0.227897	0.227897
Total Direct and Overlapping Rates	<u>2.483587</u>	<u>2.483587</u>	<u>2.478587</u>	<u>2.471087</u>	<u>2.451627</u>

Note 1: Tax rates per \$100 of assessed valuation

Note 2: Tax Rates for the Carroll, Keller and Northwest Independent School Districts have been averaged in determining the Direct and Overlapping Rates.

Source: Tarrant Appraisal District - Rates, 2021 Tax Rates

CITY OF KELLER, TEXAS
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Table 7
Page 2 of 2

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City of Keller by fund:					
Basic Rate	0.318985	0.332943	0.318276	0.324190	0.336030
General Obligation Debt Service	0.108515	0.080307	0.081624	0.070810	0.058970
Total Direct Rates	<u>0.427500</u>	<u>0.413250</u>	<u>0.399900</u>	<u>0.395000</u>	<u>0.395000</u>
Carroll Independent School district	1.385000	1.300000	1.300000	1.286400	1.268600
Keller Independent School District	1.520000	1.510000	1.408300	1.394700	1.344000
Northwest Independent School District	1.490000	1.420000	1.420000	1.336300	2.292000
Tarrant County	0.244000	0.234000	0.234000	0.234000	0.229000
Tarrant County Community College District	0.140060	0.130170	0.130170	0.130170	0.130170
Tarrant County Hospital District	<u>0.224429</u>	<u>0.224429</u>	<u>0.224429</u>	<u>0.224429</u>	<u>0.224429</u>
Total Direct and Overlapping Rates	<u>2.420989</u>	<u>2.301849</u>	<u>2.396799</u>	<u>2.378299</u>	<u>2.322599</u>

Note 1: Tax rates per \$100 of assessed valuation

Note 2: Tax Rates for the Carroll, Keller and Northwest Independent School Districts have been averaged in determining the Direct and Overlapping Rates.

Source: Tarrant Appraisal District - Rates, 2021 Tax Rates

CITY OF KELLER, TEXAS
PRINCIPAL TAXPAYERS
Current and Nine Years Ago

Table 8

Taxpayer	2022			Rank	Taxpayer	2013	
	Taxable Assessed Value	% of Total Taxable Assessed Value				Taxable Assessed Value	% of Total Taxable Assessed Value
WW 1300 Keller Parkway LLC/ WW 400/300 Bourland Road	\$ 109,400,000	1.81%	1	Capri W Dtc	\$ 46,728,701	1.19%	
T Arthouse TX LLC	41,653,672	0.69%	2	Amstar/Southern Art House Lp	24,900,000	0.63%	
Conservatory Senior Housing	27,392,403	0.45%	3	Ktc Seniors Ltd	20,974,956	0.53%	
Grand Estates At Keller LP	25,200,000	0.42%	4	T Keller LLC	15,344,486	0.39%	
Atmos Energy/Mid Tex Division	22,131,260	0.37%	5	Grand Estates at Keller LP	15,200,000	0.39%	
Keystone Church	19,919,100	0.33%	6	Regency Centers LP	14,450,000	0.37%	
Regency Centers LP	18,500,000	0.31%	7	Meritage Homes of Texas LLC	14,298,843	0.36%	
Bear Creek Plaza LTD	17,762,678	0.29%	8	GTE/Verizon	13,837,445	0.35%	
Jahco Keller Crossing LLC	17,516,187	0.29%	9	TXU/Oncor Electric	12,361,342	0.31%	
Oncor Electric Delivery Co LLC	15,498,252	0.26%	10	Lowe's Home Centers	12,286,156	0.31%	
Subtotal	314,973,552	5.21%		Subtotal	190,381,929	4.83%	
Remaining Taxpayers	5,725,137,985	94.79%		Remaining Taxpayers	3,749,146,952	95.17%	
	<u>\$ 6,040,111,537</u>	<u>100.00%</u>			<u>\$ 3,939,528,881</u>	<u>100.00%</u>	

CITY OF KELLER, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 9

Fiscal Year Ended September 30	Taxes levied for Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2013	\$ 18,027,081	\$ 17,946,631	99.6%	\$ 80,450	\$ 18,027,081	100.0%
2014	18,673,531	18,595,909	99.6%	77,622	18,673,531	100.0%
2015	19,600,902	19,504,832	99.5%	80,755	19,585,587	99.9%
2016	20,447,244	20,353,791	99.5%	86,196	20,439,987	100.0%
2017	21,443,866	21,311,811	99.4%	107,402	21,419,213	99.9%
2018	22,236,247	22,209,513	99.9%	(18,907)	22,190,606	99.8%
2019	23,522,677	23,459,887	99.7%	40,784	23,500,671	99.9%
2020	24,051,471	23,956,583	99.6%	81,229	24,037,812	99.9%
2021	24,024,461	23,962,424	99.7%	34,252	23,996,676	99.9%
2022	23,846,391	23,749,105	99.6%	-	23,749,105	99.6%

Note: ¹ Adjusted through September 30, 2022
Tarrant County Report

CITY OF KELLER, TEXAS
TAXABLE SALES BY CATEGORY
Last Ten Fiscal Years

Table 10
Page 1 of 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Agriculture	\$ -	\$ -	\$ 1,089,345	\$ 2,005,802	\$ 1,239,543
Construction	8,628,139	7,891,854	12,821,202	13,812,476	15,467,581
Transportation, communications	12,048,822	12,219,719	466,802	284,331	330,672
Utilities	34,432,043	32,061,719	-	-	-
Manufacturing	337,657	273,857	7,645,207	7,705,891	7,522,275
Wholesale Trade	9,018,601	9,763,717	5,716,252	6,083,749	6,855,175
Retail Trade	124,257,630	129,472,431	203,026,544	212,017,360	226,236,171
Information	44,491,839	42,655,529	11,315,499	10,734,580	10,486,745
Finance and insurance	4,732,909	4,114,482	650,957	695,072	937,513
Real estate, rental and leasing	13,332,200	12,632,715	9,780,246	10,522,350	11,295,610
Professional, scientific and technical services	5,334,402	5,987,358	5,552,779	5,073,683	5,522,265
Administrative and support services	14,142,641	14,024,258	8,197,071	8,730,188	10,208,026
Educational services	351,655	406,363	571,395	568,353	554,771
Arts, entertainment and recreation	4,207,107	3,086,830	6,878,244	6,111,532	6,462,801
Accommodation and food services	47,229,686	49,744,779	67,237,109	71,488,743	71,309,997
Other Services except PA	8,864,231	9,012,614	15,080,031	15,801,339	16,597,441
Other	61,564,107	73,637,665	408,476	-	-
Total	<u>\$ 392,973,669</u>	<u>\$ 406,985,890</u>	<u>\$ 356,437,159</u>	<u>\$ 371,635,449</u>	<u>\$ 391,026,586</u>

Notes:

comptroller.texas.gov

- taxes
- sales taxes
- additional resources
- sales and use tax statistical data
- quarterly sales tax historical data by city
- report by city/county/msa

Select selector: choose each category by year
 must add 4th qtr from previous year to audit year
 numbers sb available for 3rd qtr in February

* 4th quarter sales are estimates

CITY OF KELLER, TEXAS
TAXABLE SALES BY CATEGORY
Last Ten Fiscal Years

Table 10
Page 2 of 2

	2018	2019	2020	2021	2022
Agriculture	\$ 265,661	\$ 47,440	\$ -	\$ 885,472	\$ 4,000,832
Construction	22,812,969	22,208,393	22,041,417	25,706,801	26,784,788
Transportation, communications	121,666	283,975	452,283	450,246	300,904
Utilities	-	-	-	-	-
Manufacturing	8,630,626	8,023,080	6,664,093	7,800,183	9,179,310
Wholesale Trade	6,996,887	6,317,931	7,999,082	10,478,077	14,152,486
Retail Trade	240,057,381	245,795,426	261,883,881	303,129,049	304,812,168
Information	11,826,647	11,653,603	6,105,492	4,690,497	4,873,452
Finance and insurance	666,554	556,242	359,015	404,552	401,934
Real estate, rental and leasing	11,329,430	9,154,172	8,322,233	4,587,269	4,828,248
Professional, scientific and technical services	5,466,886	5,222,917	4,613,765	6,612,371	11,047,350
Administrative and support services	12,260,349	13,957,499	11,415,176	12,622,563	11,595,436
Educational services	426,142	337,792	298,032	472,089	393,198
Arts, entertainment and recreation	6,630,300	6,674,013	5,470,054	7,447,567	9,925,774
Accommodation and food services	71,649,558	75,145,668	64,779,604	87,094,863	90,740,438
Other Services except PA	17,610,587	19,075,893	15,641,276	18,122,142	19,749,854
Other	-	-	-	-	-
Total	\$ 416,751,643	\$ 424,454,044	\$ 416,045,403	\$ 490,503,741	\$ 512,786,172

Notes:

comptroller.texas.gov

- taxes
- sales taxes
- additional resources
- sales and use tax statistical data
- quarterly sales tax historical data by city
- report by city/county/msa

Select selector: choose each category by year
 must add 4th qtr from previous year to audit year
 numbers sb available for 3rd qtr in February

* 4th quarter sales are estimates

CITY OF KELLER, TEXAS
DIRECT AND OVERLAPPING SALES TAX REVENUE
Last Ten Fiscal Years

Table 11

<u>Fiscal Year</u>	<u>State of Texas</u>	<u>Keller Direct Rate</u>	<u>Keller Development Corporation</u>	<u>Keller Crime Control District ²</u>	<u>Keller Street Maintenance ³</u>	<u>Totals</u>
2013	6.25%	1.00%	0.50%	0.38%	0.13%	8.25%
2014	6.25%	1.00%	0.50%	0.38%	0.13%	8.25%
2015	6.25%	1.00%	0.50%	0.38%	0.13%	8.25%
2016	6.25%	1.00%	0.50%	0.38%	0.13%	8.25%
2017	6.25%	1.00%	0.50%	0.25%	0.25%	8.25%
2018	6.25%	1.00%	0.50%	0.25%	0.25%	8.25%
2019	6.25%	1.00%	0.50%	0.25%	0.25%	8.25%
2020	6.25%	1.00%	0.50%	0.25%	0.25%	8.25%
2021	6.25%	1.00%	0.50%	0.25%	0.25%	8.25%
2022	6.25%	1.00%	0.50%	0.25%	0.25%	8.25%

Note 1: Effective 1992

Note 2: Effective April, 2002; November 2007, voters authorized a reduction to 0.25% effective April 1, 2008.

Note 3: Effective April, 2004; November 2007, voters authorized an increase to 0.25% effective April 1, 2008.

CITY OF KELLER, TEXAS
SALES TAXPAYER BY INDUSTRY
Current Year and Nine Years Ago (Unaudited)

Table 12

Sector	2022				2013			
	Number of Payers	Percent of Total	Tax ¹	Percentage of Total	Number of Payers	Percent of Total	Tax ²	Percentage of Total
Agriculture	5	0.07%	\$ 1,275	0.01%				
Construction	305	4.50%	546,371	3.46%	369	8.79%	\$ 150,992	2.20%
Transportation, Communications & Warehousing	7	0.10%	30,191	0.19%	11	0.26%	210,854	3.07%
Utilities, Mining	49	0.73%	555,729	3.52%	49	1.17%	602,561	8.76%
Manufacturing	634	9.36%	484,874	3.07%	98	2.33%	5,909	0.09%
Wholesale Trade	919	13.57%	528,348	3.34%	665	15.84%	157,826	2.29%
Retail Trade	2,370	34.99%	8,061,709	50.99%	487	11.60%	2,174,509	31.62%
Information	627	9.26%	1,005,786	6.36%	382	9.10%	778,607	11.32%
Finance & Insurance	75	1.10%	33,178	0.21%	88	2.10%	82,826	1.20%
Real Estate, Rental & Leasing	102	1.51%	390,707	2.47%	108	2.57%	233,313	3.39%
Professional, Scientific, and Technical Services	460	6.79%	340,496	2.15%	315	7.50%	93,352	1.36%
Admin & Support Svcs	249	3.68%	367,979	2.33%	364	8.67%	247,496	3.60%
Educational Services	52	0.76%	7,452	0.05%	58	1.38%	6,154	0.09%
Arts, Entertainment & Recreation	34	0.50%	44,179	0.28%	42	1.00%	73,624	1.07%
Accommodation & Food Services	114	1.68%	1,576,368	9.97%	119	2.83%	826,520	12.02%
Other Services except PA ³	171	2.52%	282,468	1.79%	205	4.88%	155,124	2.26%
Other	601	8.87%	1,552,520	9.82%	839	19.98%	1,077,372	15.67%
Total	6,773	100.00%	\$ 15,809,630	100.00%	4,199	100.00%	\$ 6,877,039	100.00%

Notes: Due to confidentiality issues, the names of the ten largest revenue payors are not available. The sectors presented are intended to provide alternative information regarding the sources of revenue. Information is provided by State Comptroller of Public Accounts.

¹ Direct Sales Tax Rate 1%, Keller Development Corporation .5%, Street Maintenance .25%, Crime Control District .25%

² Direct Sales Tax Rate 1%, Keller Development Corporation .5%

³ PA- Public Administration, per naics.com

CITY OF KELLER, TEXAS

TEN LARGEST WATER CUSTOMERS BY CONSUMPTION

Current and Four Years Ago

Table 13

2022				2018			
Customer	Total 2021 Consumption (000's)	Sales	Pct of Total Usage	Customer	Total 2018 Consumption (000's)	Sales	Pct of Total Usage
City of Keller	36,222.0	\$ 165,816	1.23%	City of Keller	59,442.0	\$ 269,440	2.01%
Keller Independent School District	25,187.3	293,263	0.85%	Keller Independent School District	39,210.0	310,025	1.33%
Grand Estates at Keller, LP	11,808.5	125,235	0.40%	Hidden Lakes Home Owner Ass'n	19,272.0	142,689	0.65%
Olympus Stone Glen	11,304.0	146,533	0.38%	City of Keller Town Center Lakes Well	13,124.0	20,894	0.44%
City of Keller Irrigation	9,477.9	35,108	0.32%	Grand Estates at Keller, LP	9,374.0	71,029	0.32%
Olympus Town Center	9,011.0	118,332	0.31%	Conservatory Senior Housing	8,739.0	64,883	0.30%
Conservatory Senior Housing	7,623.2	84,963	0.26%	Keller Senior Community, LP	8,446.0	62,648	0.29%
Heritage House C/O Apex Healthcare	7,393.3	81,228	0.25%	Olympus Town Center	8,434.0	64,009	0.29%
Landscape System of Texas	7,110.2	55,593	0.24%	Olympus Stone Glen	7,352.0	56,104	0.25%
Olympus Town Center	6,537.5	50,765	0.22%	Keller Oaks Healthcare Center	5,833.0	42,575	0.20%
Subtotal	131,674.9	1,156,836	4.46%	Subtotal	179,226.0	1,104,296	6.06%
Other customers	2,821,265.1	21,987,958	95.54%	Other customers	2,779,473.6	18,288,252	93.94%
Total	2,952,940.0	\$ 23,144,794	100.00%	Total	2,958,699.6	\$ 19,392,548	100.00%

Source: City of Keller

CITY OF KELLER, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years (Unaudited)

Table 14

Fiscal Year Ended September 30	Governmental Activities			Business-type Activities				Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Premiums/ Discounts	General Obligation Bonds	Certificates of Obligation	TRA - Other	Premiums/ Discounts			
2013	\$ 22,415,000	\$ 50,002,894	\$ 2,384,865	\$ 9,700,000	\$ 11,042,000	\$ 241,691	\$ 885,923	\$ 96,672,373	5.29%	\$ 2,353
2014	19,970,000	45,353,000	2,144,397	9,145,000	9,959,000	-	794,714	87,366,111	4.72%	2,078
2015	17,231,728	43,893,112	1,965,055	10,759,160	6,765,000	-	962,073	81,576,128	4.19%	1,902
2016	27,300,533	24,945,000	1,762,737	11,299,467	6,080,000	-	849,666	72,237,403	3.71%	1,640
2017	23,661,353	21,014,940	2,469,547	9,868,647	13,810,000	-	958,834	71,783,321	3.24%	1,609
2018	22,542,351	19,779,881	2,177,847	9,419,099	16,278,563	-	835,348	71,033,089	3.00%	1,581
2019	16,713,230	14,760,000	1,886,147	6,826,770	19,470,000	-	991,046	60,647,193	2.41%	1,345
2020	23,485,000	9,140,000	3,561,491	6,020,000	17,650,000	-	1,027,906	60,884,397	2.25%	1,341
2021	20,045,000	7,855,000	3,164,222	4,735,000	20,455,000	-	874,362	57,128,584	2.33%	1,251
2022	16,570,000	6,520,000	2,766,951	3,395,000	19,180,000	-	720,818	49,152,769	1.58%	1,067

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

CITY OF KELLER, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Table 15

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	% of Estimated Actual Taxable Value of Property	Per Capita
2013	\$ 32,115,000	\$ 61,044,894	\$ 93,159,894	2.36%	\$ 2,283
2014	29,115,000	55,312,000	84,427,000	2.09%	2,025
2015	27,990,888	50,658,112	78,649,000	1.83%	1,855
2016	38,600,000	31,025,000	69,625,000	1.55%	1,581
2017	33,530,000	34,824,940	68,354,940	1.37%	1,581
2018	31,961,450	36,058,444	68,019,894	1.30%	1,514
2019	23,540,000	34,230,000	57,770,000	1.00%	1,514
2020	29,505,000	26,790,000	56,295,000	0.92%	1,270
2021	24,780,000	28,310,000	53,090,000	0.88%	1,113
2022	19,965,000	25,700,000	45,665,000	0.76%	991

Note 1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note 2: Population data can be found in the demographic and economic statistics table.

CITY OF KELLER, TEXAS

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)**

Table 16

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Carroll Independent School District	\$ 311,395,000	0.65%	\$ 2,024,068
Keller Independent School District	836,595,184	30.93%	258,758,890
Northwest Independent School District	1,353,929,040	0.11%	1,489,322
Tarrant County General Obligations Debt	404,360,000	2.81%	11,362,516
Tarrant County College District	610,315,000	2.81%	17,149,852
Tarrant County Hospital District	12,825,000	2.81%	360,383
Total Net Overlapping Debt	\$ 3,529,419,224		291,145,030
City of Keller Direct Debt²		100.00%	25,856,951
Total Direct and Overlapping Debt			\$ 317,001,981

Notes:

¹ Percentage of government unit's total the property value located within Keller city limits.

² Includes both tax-supported self-supported debt of the water and wastewater utility, drainage utility, Keller Development Corporation, Keller Crime Control and Prevention District and the Tax Increment Reinvestment Zone No. 1.

³ www.mactexas.com

CITY OF KELLER, TEXAS
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
Last Ten Fiscal Years

Table 17
Page 1 of 2

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 2.50000	\$ 2.50000	\$ 2.50000	\$ 2.50000	\$ 2.50000
Adopted Tax Rate	0.44219	0.44219	0.44219	0.43469	0.43000
Additional Rate Available	<u>2.05781</u>	<u>2.05781</u>	<u>2.05781</u>	<u>2.06531</u>	<u>2.07000</u>
Legal Debt Margin	<u>\$ 84,589,531</u>	<u>\$ 87,755,004</u>	<u>\$ 93,614,599</u>	<u>\$ 92,583,373</u>	<u>\$ 103,317,289</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	17.69%	17.69%	17.49%	17.39%	17.20%

Legal Debt Margin Calculation for the Current Fiscal Year

Maximum allowable tax rate	\$ 2.50000	\$ 2.50000
Adopted tax rate	<u>0.43469</u>	<u>0.43000</u>
Additional rate available	<u>2.06531</u>	<u>2.07000</u>
Total taxable value	\$ 4,482,783,378	\$ 4,991,173,391
Additional tax levy available	92,583,373	103,317,289
Less: amount set aside for repayment of general obligation debt	<u>9,396,967</u>	<u>-</u>
Legal Debt Margin	<u>\$ 83,186,406</u>	<u>\$ 103,317,289</u>

As a home rule city, the City of Keller is not legally limited by law in the amount of debt it may issue. The City's Charter Section 8.16., states:

The City Council shall have the power under the provisions of state law to levy, assess and collect an annual tax upon taxable property within the City, the tax not to exceed the rate as provided for by state law governing cities with a population in excess of five thousand (5,000) inhabitants.

Article II, Section 5 of the State of Texas Constitution states in part: No tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city. Legal debt margin presented at fiscal year 2016, 2017, and 2018 and will be added to going forward.

CITY OF KELLER, TEXAS
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
Last Ten Fiscal Years

Table 17
Page 2 of 2

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 2.50000	\$ 2.50000	\$ 2.50000	\$ 2.50000	\$ 2.50000
Adopted Tax Rate	0.42750	0.41325	0.39990	0.39500	0.39500
Additional Rate Available	2.07250	2.08675	2.10010	2.10500	2.10500
Legal Debt Margin	<u>\$ 108,484,312</u>	<u>\$ 120,798,139</u>	<u>\$ 127,891,642</u>	<u>\$ 126,475,838</u>	<u>\$ 127,144,348</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	17.10%	16.53%	16.00%	15.80%	15.80%

Legal Debt Margin Calculation for the Current Fiscal Year

Maximum allowable tax rate	\$ 2.50000	\$ 2.50000	\$ 2.50000	\$ 2.50000	\$ 2.50000
Adopted tax rate	0.42750	0.41325	0.39990	0.39990	0.39500
Additional rate available	2.07250	2.07250	2.10010	2.10010	2.10500
Total taxable value	\$ 5,234,466,178	\$ 5,788,817,005	\$ 6,089,788,184	\$ 6,008,353,327	\$ 6,040,111,537
Additional tax levy available	108,484,312	120,798,139	127,891,642	126,475,838	127,144,348
Less: amount set aside for repayment	-	-	-	-	-
Legal Debt Margin	<u>\$ 108,484,312</u>	<u>\$ 120,798,139</u>	<u>\$ 127,891,642</u>	<u>\$ 126,475,838</u>	<u>\$ 127,144,348</u>

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Article II, Section 5 of the State of Texas Constitution states in part: No tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city. Legal debt margin presented at fiscal year 2016, 2017, and 2018 and will be added to going forward.

CITY OF KELLER, TEXAS
PLEDGED REVENUE COVERAGE (UNAUDITED)
Last Ten Fiscal Years

Table 18

Fiscal Year	Utility	Less:	Net	Debt Service ³		Total	Coverage
	Service Charges ¹	Operating Expenses ²	Available Revenue	Principal	Interest		
2013	\$ 20,010,038	\$ 12,010,745	\$ 7,999,293	\$ -	\$ -	\$ -	N/A
2014	20,574,607	14,865,050	5,709,557	-	-	-	N/A
2015	21,521,901	19,788,960	1,732,941	-	-	-	N/A
2016	20,988,935	19,926,117	1,062,818	-	-	-	N/A
2017	26,432,673	20,050,056	6,382,617	-	-	-	N/A
2018	28,321,744	24,826,771	3,494,973	-	-	-	N/A
2019	25,863,325	20,819,309	5,044,016	-	-	-	N/A
2020	26,810,295	20,831,261	5,979,034	-	-	-	N/A
2021	26,553,597	21,623,896	4,929,701	-	-	-	N/A
2022	32,129,682	25,936,677	6,193,005	-	-	-	N/A

¹ Includes total operating revenue of the Water and Wastewater Utilities Enterprise Fund

² Includes operating expenses of the Water and Wastewater Utilities Enterprise Fund, less depreciation expense.

³ Debt service requirements includes principal and interest payments on revenue bonds.

CITY OF KELLER, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
Last Ten Fiscal Years

Table 19

Fiscal Year Ended September 30	Population ¹	Personal Income	Per Capita Personal Income	Median Age	School Enrollment KISD ²	National Unemployment Rate ⁴
2013	41,090	\$ 1,828,422,820	\$ 44,498 ³	40	33,367	7.2%
2014	42,040	1,852,618,720	44,068 ³	41	33,440	5.9%
2015	42,890	1,947,849,350	45,415	41	33,619	5.1%
2016	44,050	1,945,820,650	44,173	40	34,180	4.7%
2017	44,620 ¹	2,213,865,920	49,616 ³	40	34,600	4.1%
2018	44,940 ¹	2,368,652,580	52,707 ³	38 ⁵	34,937	3.7%
2019	45,090 ¹	2,514,083,130	55,757 ³	41 ⁶	34,888	3.6%
2020	45,400 ¹	2,700,437,400	59,481	40	35,267	7.9%
2021	45,660 ¹	2,449,795,980	53,653	35	34,319	4.6%
2022	46,060 ¹	3,113,471,760	67,596	42	34813	3.5%

Data sources:

¹ North Central Texas Council of Governments (NCTCOG)

² Keller Independent School District (KISD)

³ Bureau of Census

⁴ Bureau of Labor Statistics

⁵ IndexMundi

⁶ US Census 2010



CITY OF KELLER, TEXAS
PRINCIPAL EMPLOYERS (UNAUDITED)
Current and Nine Years Ago

Table 20

2022			2013		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Keller ISD	5,049	5.99%	Keller ISD	4,000	13.97%
City of Keller	345	0.41%	City of Keller	345	1.20%
Lowe's	149	0.18%	Lowe's	150	0.52%
Home Depot	130	0.15%	Moviehouse Eatery	150	0.52%
Kohl's	125	0.15%	Home Depot	130	0.45%
Kroger(Rufe Snow)	114	0.14%	Heritage House at Keller	126	0.44%
Sam's Club	112	0.13%	Creekside Pet Care	100	0.35%
Heritage House at Keller	100	0.12%	Sam's Club	100	0.35%
Moviehouse Eatery	75	0.09%	Kroger(Keller Pkwy)	62	0.22%
Kroger(Keller pkwy)	75	0.09%	Kroger(Rufe Snow)	60	0.21%
Subtotal	<u>6,274</u>	<u>7.44%</u>	Subtotal	<u>5,223</u>	<u>18.24%</u>
Total employment	<u>84,303</u>	<u>100.00%</u>	Total employment	<u>28,642</u>	<u>100.00%</u>

Sources:

Texas Workforce Commission
Keller Business Human Resource Departments
Demographics provided by The Retail Coach

CITY OF KELLER, TEXAS
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)
Last Ten Fiscal Years

Table 21
Page 1 of 2

Function	Full-time Equivalent Employees as of September 30				
	2013	2014	2015	2016	2017
General government					
Administration	8.00	8.00	9.00	9.48	9.48
Finance & Accounting	7.00	7.00	7.50	7.50	7.50
Town Hall Operations	3.00	3.00	3.00	3.00	3.00
Human Resources	5.00	5.00	5.00	5.48	5.48
Economic Development	1.50	2.50	1.78	1.78	1.78
Municipal Court	0.25	-	-	-	-
Community Development	12.00	11.96	12.41	12.41	12.66
Information Technology	8.00	8.00	7.00	7.00	7.00
Police					
Officers	51.50	50.00	49.00	49.00	49.00
Civilians	34.00	35.48	37.48	37.48	38.48
Fire					
Firefighters and officers	57.00	57.00	55.00	55.00	55.00
Civilians	2.00	2.00	2.00	2.00	2.00
Public works					
Administration	2.13	2.50	2.50	2.50	2.50
Engineering	3.00	3.00	3.00	3.00	3.00
Street Maintenance	9.60	9.60	9.83	9.83	9.83
Recreation and Culture					
Parks & Recreation Dept	25.04	28.20	28.06	28.56	28.56
Pointe	46.73	47.40	46.00	43.46	42.46
Library	15.42	15.42	15.48	15.48	15.49
Water					
Wastewater	30.67	30.67	30.17	30.17	32.17
	9.50	9.50	11.50	11.50	10.50
Drainage	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>
Total	<u><u>339.84</u></u>	<u><u>344.73</u></u>	<u><u>344.21</u></u>	<u><u>343.13</u></u>	<u><u>344.39</u></u>

Source: City of Keller

CITY OF KELLER, TEXAS
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)
Last Ten Fiscal Years

Table 21
Page 2 of 2

Function	Full-time Equivalent Employees as of September 30				
	2018	2019	2020	2021	2022
General government					
Administration	7.48	7.48	7.00	7.00	7.00
Finance & Accounting	8.00	8.00	8.00	8.00	8.00
Town Hall Operations	3.00	3.00	3.00	3.00	3.00
Human Resources	5.48	5.48	5.48	5.48	5.48
Economic Development	2.48	2.48	2.48	2.48	2.48
Municipal Court	-	-	-	-	-
Community Development	12.27	12.27	13.00	13.00	13.00
Information Technology	7.00	7.00	7.00	7.00	7.00
Police					
Officers	49.00	49.75	50.75	50.50	50.75
Civilians	39.44	40.44	41.44	41.00	42.00
Fire					
Firefighters and officers	55.00	55.00	55.00	55.00	55.00
Civilians	2.00	2.00	2.00	2.00	2.00
Public works					
Administration	3.00	3.00	3.00	3.00	3.00
Engineering	3.00	3.00	3.00	4.00	4.00
Street Maintenance	9.50	9.50	9.50	9.50	9.50
Recreation and Culture					
Parks & Recreation Dept	28.56	28.56	23.00	22.00	22.00
Pointe	43.72	43.72	43.72	42.68	43.20
Library	15.52	15.52	15.52	15.52	15.52
Water					
Wastewater	10.50	10.50	10.50	10.50	10.50
Drainage					
	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>	<u>8.50</u>
Total	<u><u>344.95</u></u>	<u><u>347.18</u></u>	<u><u>343.87</u></u>	<u><u>342.14</u></u>	<u><u>343.91</u></u>

Source: City of Keller

CITY OF KELLER, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM(UNAUDITED)
Last Ten Fiscal Years

Table 22
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Function	2013	2014	2015	2016	2017
General Government					
Council and work sessions held	33	32	52	39	29
Cable broadcasts	7,305	7,305	7,646	7,646	7,436
Birth/death certificates issued	364	436	195	200	81
Building Permits issued	250	300	275	290	310
New construction plan review	315	385	325	370	385
Police					
Physical arrests	1,190	1,540	1,324	1,334	1,011
Total citations issued	9,300	10,500	11,271	11,271	12,485
Total emergency 911 calls	30,000	39,761	40,738	40,939	41,200
Netcom calls	-	-	-	-	-
Calls for service	245,484	257,664	292,784	294,000	115,434
Animal control					
Animals adopted/redeemed	911	679	641	660	624
Animal Service Calls	-	-	-	-	-
Animals impounded	970	850	886	832	695
Animal bite investigations	68	82	105	100	56
Fire					
Emergency responses	2,124	3,298	3,369	3,556	3,714
Calls for service, excludes EMS	1,217	1,185	1,098	1,150	1,327
Fire hydrants maintained	2,077	2,195	2,237	4,190	2,723
Inspections	300	1,641	1,998	2,300	1,738
Finance					
Accounts payable checks processed	4,400	4,342	4,100	4,200	4,138
Payroll checks processed	11,700	10,987	10,900	11,000	11,375
Journal entries posted	5,000	4,597	4,300	4,500	4,547
Purchase orders processed	300	380	285	300	261

CITY OF KELLER, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM(UNAUDITED)
Last Ten Fiscal Years

Table 22
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Function	2018	2019	2020	2021	2022
General Government					
Council and work sessions held	29	31	27	34	27
Cable broadcasts	7,465	7,438	7,451	7,284	7,306
Birth/death certificates issued	-	-	-	-	-
Building Permits issued	170	117	98	119	72
New construction plan review	176	117	98	144	79
Police					
Physical arrests	832	1,743	1,578	1,270	1,914
Total citations issued	7,255	5,788	9,548	9,127	8,243
Total emergency 911 calls	38,505	38,209	33,058	30,529	38,811
Netcom calls	-	125,567	11,355	119,098	77,749
Calls for service	79,852	76,328	211,729	73,576	209,810
Animal control					
Animals adopted/redeemed	725	756	764	1,160	538
Animal Service Calls	-	3,349	3,332	1,104	4,247
Animals impounded	704	813	822	836	769
Animal bite investigations	62	74	473	171	174
Fire					
Emergency responses	2,429	2,405	2,338	2,642	2,880
Calls for service, excludes EMS	1,426	1,367	1,334	1,611	1,487
Fire hydrants maintained	2,472	2,623	1,657	2,201	1,795
Inspections	1,915	1,985	1,571	1,765	1,293
Finance					
Accounts payable checks processed	4,028	3,936	3,930	8,174	9,525
Payroll checks processed	11,283	10,928	9,869	9,589	9,659
Journal entries posted	4,480	4,761	4,096	3,107	3,002
Purchase orders processed	278	540	612	668	318

CITY OF KELLER, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM(UNAUDITED)
Last Ten Fiscal Years

Table 22
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Function	2013	2014	2015	2016	2017
Human Resources					
Applications processed	1,967	2,895	2,755	3,628	3,596
Vacancies filled	174	219	253	228	237
Turnover rate	7%	15%	16%	16%	11%
Safety classes conducted	5	33	42	36	38
Workers compensation claims	30	37	27	33	33
Municipal court					
Citations processed	10,800	11,176	10,526	10,800	12,801
Warrants processed	2,275	2,000	2,000	2,275	3,150
Court sessions	100	47	47	70	70
Defendant requests for court date	4,350	4,200	4,200	4,350	4,100
Public Works					
Review CIP designated by others	12	12	10	10	10
Street Resurfacing (miles)	14	16	10	16	20
Sidewalks repaired (linear feet)	1,700	1,769	1,500	1,000	4,000
Parks and Recreation					
Park acreage	491	491	491	491	491
Facility reservations	1,000	975	978	1,000	1,192
Program attendance (incl. Sr. programs)	15,007	40,412	41,985	44,000	51,526
Athletic field permits issued	N/A	N/A	N/A	N/A	N/A
Recreation programs provided (incl. Sr. programs)	410	1,679	1,828	1,850	1,792
Library					
Library customer visits	231,500	229,020	227,000	228,000	227,227
Total volumes borrowed	563,000	516,693	495,395	500,000	438,874
Volumes in collection	114,363	127,663	138,663	149,663	117,158
Water					
New customers (net)	254	326	255	240	155
Water Main breaks	22	27	14	14	17
Average daily consumption (gallons)	8,297	8,400	7,692	7,565	8,018
Peak daily consumption (million gallons)	23.465	18.981	21.591	18.299	19.360
Water purchased (million gallons)	3,028.5	2,843.5	2,807.7	2,642.6	2,927.0
Wastewater					
Average daily sewage treatment (million gallons)	2.876	2.950	2.950	3.290	3.290

Source: ¹ Information provided by city staff. Information was not collected, and therefore not available where 'n/a' is shown.

² Decrease due to actual verification by city staff for 2011. Only an estimate in previous years.

³ Trinity River Authority-annual audits

CITY OF KELLER, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM(UNAUDITED)
Last Ten Fiscal Years

Table 22
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Function	2018	2019	2020	2021	2022
Human Resources					
Applications processed	4,625	4,297	704	1,360	1,506
Vacancies filled	257	376	143	168	191
Turnover rage	35%	24%	14%	16%	16%
Safety classes conducted	68	57	41	13	15
Workers compensation claims	22	25	31	64	61
Municipal court					
Citations processed	8,449	8,200	6,675	4,633	5,827
Warrants processed	2,100	2,315	3,159	125	-
Court sessions	70	94	80	58	119
Defendant requests for court date	3,005	2,650	2,450	1,038	1,363
Public Works					
Review CIP designated by others	48	15	20	24	10
Street Resurfacing (miles)	0.62	1.45	2.62	1.9	2.11
Sidewalks repaired (linear feet)	1,872	2,873	2,214	3,828	21,872
Parks and Recreation					
Park acreage	491	491	491	491	491
Facility reservations	1,128	957	540	751	884
Program attendance (incl. Sr. programs)	37,838	45,240	29,491	59,278	109,477
Athletic field permits issued	N/A	N/A	1	1	n/a
Recreation programs provided (incl. Sr. programs)	1,816	2,024	938	817	1,677
Library					
Library customer visits	213,252	200,581	129,129	126,375	134,804
Total volumes borrowed	465,921	634,134	502,949	463,720	467,689
Volumes in collection	82,549	86,493	101,191	82,697	82,877
Water					
New customers (net)	151	129	134	123	104
Water Main breaks	25	17	23	21	18
Average daily consumption (gallons)	9,382	7,382	8,463	8,090	10,025
Peak daily consumption (million gallons)	20.280	19.000	23.850	17.630	28.918
Water purchased (million gallons)	3,063	2,694	3,089	2,953	3,659
Wastewater					
Average daily sewage treatment (million gallons)	3.446	3.908	3.837	7.406	6.030

Source: ¹ Information provided by city staff. Information was not collected, and therefore not available where 'n/a' is shown.

² Decrease due to actual verification by city staff for 2011. Only an estimate in previous years.

³ Trinity River Authority-annual audits

CITY OF KELLER, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 23
Page 1 of 2

Function	2013	2014	2015	2016	2017
Police Stations					
Stations	1	1	1	1	1
Patrol units	23	23	29	29	29
Fire Stations					
Stations	3	3	3	3	3
Engines/trucks	5	5	5	5	5
Public Works					
Streets (miles)	477	475	485	495	497
Alleys (miles)	2,585	2,487	2,605	2,625	2,752
Traffic signals	10	-	10	10	11
Parks and Recreations					
Acreage	491	491	491	491	491
Playgrounds	9	9	9	9	9
Baseball/softball fields	11	11	11	11	11
Soccer/football fields	9	9	9	9	9
Community Centers	1	1	2	2	1
Water					
Water mains (miles)	290	288	286	288	284
Storage capacity (million gallons)	10	10	10	10	10
Wastewater					
Sanitary sewers (miles)	192	192	196	197	210
Storm sewers (miles)	50.15	50.15	50.15	50.15	75.00
Treatment capacity (million gallons)	10	10	10	10	10

Source - Information provided by city staff.

CITY OF KELLER, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 23
Page 2 of 2

Function	2018	2019	2020	2021	2022
Police Stations					
Stations	1	1	1	1	1
Patrol units	10	10	13	15	15
Fire Stations					
Stations	3	3	3	3	3
Engines/trucks	5	5	5	5	5
Public Works					
Streets (miles)	447	446	447	444	444
Alleys (miles)	3,167	2,794	2,800	2,792	2,764
Traffic signals	11	11	12	12	12
Parks and Recreations					
Acreage	491	491	491	491	491
Playgrounds	9	9	9	9	9
Baseball/softball fields	11	11	11	11	11
Soccer/football fields	9	9	9	10	10
Community Centers	1	1	1	1	1
Water					
Water mains (miles)	275	278	281	283	285
Storage capacity (million gallons)	10	10	10	10	10
Wastewater					
Sanitary sewers (miles)	208	211	212	214	215
Storm sewers (miles)	71.00	72.00	71.70	71.50	71.60
Treatment capacity (million gallons)	10	10	10	10	10

Source - Information provided by city staff.

