



# FY 2022 ANNUAL AUDIT

RS-23-060

March 21, 2023

# Major Funds – Unassigned Fund Balance

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<b>Fund</b>	<b>Balance @ 9/30 (Millions)</b>	<b>Fund Balance @ 22% (Millions)</b>	<b>Excess Above 22% (Millions)</b>
General	\$33.72	\$24.97	\$8.75
Water & Sewer	\$11.19	\$9.90	\$1.29
Solid Waste	\$6.14	\$4.94	\$1.20
Drainage	\$1.28	\$1.20	\$0.08
Aviation	\$2.79	\$1.04	\$1.75
Street Maintenance	\$4.94	\$1.30	\$3.64
Hotel Occupancy Tax	\$1.66	\$0.72	\$0.94

# Introduction of Audit Firm

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- External audit firm:
  - ▣ Pattillo, Brown, & Hill, LLP
- Presenting annual audit findings:
  - ▣ Todd Pruitt, CPA



**PRESENTED TO**  
**CITY OF KILLEEN, TEXAS**  
Annual Financial and Compliance Audit

**CITY COUNCIL**  
March 21, 2023



# Todd Pruitt, CPA

*Partner, Government Audit*

## Results of the Audit

- Audit of the Financial Statements
- *Government Auditing Standards Report*
- Audit of the City's Federal Grants

## Financial Highlights



## Independent Auditor's Report on the Audit of the Financial Statements

- Management is responsible for the preparation of the financial statements.
- Your auditors express an opinion on the financial statements.
- Our audit was performed in accordance with GAAS, GAS & the Uniform Guidance.
- We have issued an **unmodified opinion**.



## Government Auditing Standards Report

- No significant internal control deficiencies identified
- No noncompliance with:
  - Laws
  - Regulations
  - Contracts
  - Grant agreements



## Uniform Guidance Report (Federal Grants)

- We tested the following programs:
  - Coronavirus State and Local Fiscal Recovery Fund
  - Highway Planning and Construction Cluster
  - Airport Improvement Program
- We have issued an **unmodified opinion**.
- No significant internal control deficiencies over compliance with federal grants were identified.
- No findings or questioned costs





# FINANCIAL HIGHLIGHTS

Governmental Activities (pages 35-36 of ACFR)

- Net position increased by \$63M.
- Total net position was \$101M at year-end.
  - \$76M – Net investment in capital assets
  - \$42M was restricted
  - Unrestricted was a \$16M deficit.
- Revenues increased by \$18M (15%).
  - Largest increases were in charges for services and grants & contributions.
- Expenses decreased by \$28M (25%).
  - Largely attributable to a change in net pension liability and other postemployment benefits decreasing expenses by \$41 million

# FINANCIAL HIGHLIGHTS

## Fund Balance Policy

- Required to be maintained by the General Fund as 18 to 22% of operating expenditures
- As of fiscal year-end, the City's fund balance in the General Fund was \$ 33,936,872 or 34% of expenditures.

# FINANCIAL HIGHLIGHTS

Business-type Activities (pages 35-36 of ACFR)

- Net position increased by \$21M.
- Total net position was \$263M at year-end.
  - \$202M – Net investment in capital assets
  - \$5M was restricted
  - Unrestricted was \$56M.
- Revenues increased by \$4M (5%)
  - Largest increases were in charges for services.
- Expenses decreased by \$5M (8%).
  - Largely attributable to a change in net pension liability and other postemployment benefits decreasing expenses by \$9 million