



City of Killeen

Agenda City Council

Tuesday, April 28, 2015

5:00 PM

Killeen City Hall
101 North College Street
City Council Chambers

Call to Order and Roll Call

<input type="checkbox"/> Scott Cospers, Mayor	<input type="checkbox"/> Elizabeth Blackstone
<input type="checkbox"/> Steve Harris	<input type="checkbox"/> Terry Clark
<input type="checkbox"/> Jose Segarra	<input type="checkbox"/> Wayne Gilmore
<input type="checkbox"/> Juan Rivera	<input type="checkbox"/> Jonathan Okray

Invocation

Pledge of Allegiance

Approval of Agenda

Minutes

[MN-15-002](#) Consider minutes of Regular City Council meeting of April 14, 2015.

Attachments: [Minutes](#)

Resolutions

[RS-15-006](#) Consider a memorandum/resolution awarding Bid No. 15-11 for the Killeen Transportation-Street Services Stewart Neighborhood Project.

Attachments: [Council Memorandum](#)

[Bid Analysis](#)

[Recommendation Letter](#)

[RS-15-007](#) Consider a memorandum/resolution authorizing Change Order No. 29 to the US 190/FM 2410/Rosewood Drive project with James Construction Group, LLC.

Attachments: [Council Memorandum](#)

[RS-15-008](#) Consider a memorandum/resolution authorizing the City Manager to submit a Transportation Alternatives Program (TAP) application to the Texas Department of Transportation (TxDOT) to construct a hike and bike trail.

Attachments: [Council Memorandum](#)
[Extension Map](#)
[Boundary Map](#)

[RS-15-009](#) Consider a memorandum/resolution to amend the current Community Development Killeen Citizen Participation Plan.

Attachments: [Council Memorandum](#)
[Revision Summary](#)
[Citizen Participation Plan Draft](#)
[Minutes](#)

[RS-15-010](#) Consider a memorandum/resolution accepting the annual audit report for the fiscal year ended September 30, 2014.

Attachments: [Council Memorandum](#)
[Comprehensive Annual Financial Report](#)

Public Hearings

[PH-15-017A](#) Consider a memorandum/resolution for Bid #15-15 Families in Crisis Homeless Shelter Renovations.

Attachments: [Council Memorandum](#)
[Bid Analysis](#)

[PH-15-017B](#) HOLD a public hearing and consider an ordinance to amend the FY 14-15 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing the Community Development Block Grant Budget by \$92,963.

Attachments: [Council Memorandum](#)
[Ordinance](#)

[PH-15-018A](#) Consider a memorandum/resolution approving procurement of one Caterpillar motor grader through the TASB Buy Board State Cooperative for the Streets Division.

Attachments: [Council Memorandum](#)

[PH-15-018B](#) HOLD a public hearing and consider an ordinance amending the FY 2015 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing the General Fund Revenue and Expenditure accounts by \$220,000 to fund the procurement of one Caterpillar motor grader.

Attachments: [Council Memorandum](#)
[Ordinance](#)

Adjournment

I certify that the above notice of meeting was posted on the Internet and on the bulletin

boards at Killeen City Hall and at the Killeen Police Department on or before 5:00 p.m. on April 24, 2015.

Dianna Barker, City Secretary

The public is hereby informed that notices for City of Killeen meetings will no longer distinguish between matters to be discussed in open or closed session of a meeting. This practice is in accordance with rulings by the Texas Attorney General that, under the Texas Open Meetings Act, the City Council may convene a closed session to discuss any matter listed on the agenda, without prior or further notice, if the matter is one that the Open Meetings Act allows to be discussed in a closed session.

This meeting is being conducted in accordance with the Texas Open Meetings Law [V.T.C.A., Government Code, § 551.001 et seq.]. This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for those services, please call 254-501-7700, City Manager's Office, or TDD 1-800-734-2989.

Future Workshop Items

The following items have been scheduled for workshop discussion on the dates shown. The final scheduling of these items is dependent upon the presenters/interested parties being available on the dates projected.

Notice of Meetings

The Mayor and/or City Council have been invited to attend and/or participate in the following meetings/conferences/events. Although a quorum of the members of the City Council may or may not be available to attend this meeting, this notice is being posted to meet the requirements of the Texas Open Meetings Act and subsequent opinions of the Texas Attorney General's Office.

- Celebrate Killeen Festival, April 23-25, 2015, Killeen Community Center

Dedicated Service -- Every Day, for Everyone!



City of Killeen

Legislation Details

File #: MN-15-002 **Version:** 1 **Name:** Minutes of Regular City Council Meeting of April 14, 2015
Type: Minutes **Status:** Minutes
File created: 4/2/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: Consider minutes of Regular City Council meeting of April 14, 2015.
Sponsors: City Secretary
Indexes:
Code sections:
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

City of Killeen
Regular City Council Meeting
Killeen City Hall
April 14, 2015 at 5:00 p.m.

Presiding: Mayor Scott Cospers

Attending: Mayor Pro-Tem Elizabeth Blackstone, Council members Terry Clark, Juan Rivera, Wayne Gilmore, Steve Harris, Jonathan Okray, and Jose Segarra

Also attending were City Manager Glenn Morrison, City Attorney Kathryn Davis, City Secretary Dianna Barker, and Sergeant-at-Arms McDaniel.

Mr. Gig Jones gave the invocation, and Councilmember Rivera led everyone in the pledge of allegiance.

Approval of Agenda

Motion was made by Mayor Pro-Tem Blackstone to approve the agenda as written. Motion seconded by Councilmember Gilmore. The motion carried unanimously.

Minutes

Motion was made by Councilmember Rivera to approve the minutes of the March 31st Regular City Council Meeting. Motion was seconded by Councilmember Harris. Motion carried unanimously.

Resolutions

RS-15-001 Consider a memorandum/resolution authorizing the award of a professional services contract for geotechnical and materials testing to Kleinfelder Professional Services, Inc. for various City of Killeen transportation improvement projects.

Staff comments: Scott Osburn

In order to ensure that the materials incorporated into these projects meet the specification requirements set forth in the construction plans, it is necessary to secure the services of a qualified geotechnical laboratory to provide project materials testing services. City staff recommends that the City Council authorize the City Manager to enter into a Professional Services Contract for geotechnical and materials testing with Kleinfelder in the amount of \$55,623. The staff also recommends that City Council authorize the City Manager to execute any and all change orders within amounts set by state and local law.

Motion was made by Mayor Pro-Tem Blackstone to approve RS-001. Motion was seconded by Councilmember Gilmore. Motion carried unanimously.

RS-15-002 Consider a memorandum/resolution authorizing a fireworks display to be conducted at the Killeen Community Center Complex.

Staff comments: Brett Williams

Staff recommends that City Council authorize the issuance of a permit to discharge fireworks to American Fireworks as part of the City's annual Celebrate Killeen Festival, scheduled for April 25, 2015, at 9:30 p.m. at the Killeen Community Center Complex.

Motion was made by Councilmember Okray to approve RS-002. Motion was seconded by Councilmember Harris. Motion carried unanimously.

RS-15-003 Consider a memorandum/resolution authorizing the donation of race proceeds to the LEAF Hornsby and Dinwiddie Scholarship Funds.

Staff comments: Brett Williams

Staff recommends that the City Council finds the donation of race proceeds to the LEAF Hornsby and Dinwiddie scholarship funds is a legitimate public purpose, and authorize the city manager to allocate funds generated from the 2015 Fallen Heroes 5K to the Killeen Chapter of LEAF for its Hornsby and Dinwiddie scholarships.

Motion was made by Councilmember Rivera to approve RS-003. Motion was seconded by Councilmember Segarra. Motion carried unanimously.

RS-15-004 Consider a memorandum/resolution approving a lease agreement for office space at Killeen Fort Hood Regional Airport with the General Service Administration (GSA).

Staff comments: Matthew Van Valkenburg

This lease agreement is expected to generate \$112,286 in annual revenue to the airport enterprise fund account. Staff recommends City Council approve the attached lease agreement with the General Service Administration to be retroactively effective March 7, 2015 and to authorize the City Manager to execute same.

Motion was made by Councilmember Gilmore to approve RS-004. Motion was seconded by Councilmember Clark. Motion carried unanimously.

RS-15-005 Consider a memorandum/resolution appointing members to various boards, commissions, and/or commissions' sub-committees.

Staff comments: Kathy Davis

The following individuals have been recommended for appointment:

Arts Commission: John Doranski to replace Catherine Mason, Nina Cobb to replace Alan Badger.

Senior Citizen Advisory Board: Larry Egly to fill vacancy, Marjorie Banta to replace Juanita Borth, and Sean Payton to replace Lucille Jump.

Killeen Sister Cities: Ursula Silva to replace Minerva Verdejo.

Killeen Volunteers Inc. – Youth Advisory Commission: Kayla Kennedy to fill vacancy, and Marcus Fails to fill vacancy.

Bell County Health District: Dr. Samuel Fiala as Alternate to fill vacancy.

Motion was made by Councilmember Clark to approve RS-005. Motion was seconded by Councilmember Segarra. Motion carried unanimously.

Public Hearings

PH-15-016 HOLD a public hearing and consider an ordinance amending the FY 2015 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing the General Fund accounts by \$336,197 to fund the oversizing of Mustang Creek Road and Prewitt Ranch Road, in association with the landing at Clear Creek Phase III subdivision city/owner agreement-in-principal.

The City Secretary read the caption of the ordinance.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING THE FY 2015 ANNUAL BUDGET AND PLAN OF MUNICIPAL SERVICES OF THE CITY OF KILLEEN BY INCREASING THE GENERAL FUND ACCOUNTS BY \$336,197 TO FUND THE OVERSIZING OF MUSTANG CREEK ROAD AND PREWITT RANCH ROAD IN ASSOCIATION WITH THE LANDING AT CLEAR CREEK PHASE III SUBDIVISION CITY OWNER AGREEMENT; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING A SAVINGS CLAUSE AND ESTABLISHING AN EFFECTIVE DATE.

Staff comments: Karen Evans

The invoice for the city's participation arrived in February of 2015 after the FY 2014 budget year had closed and funding had lapsed. Therefore, a budget amendment for FY 2015 needs to be approved. Staff recommends that the City Council approve this ordinance amending the FY 2015 Municipal Operating budget by \$336,197.

Mayor Cospers opened the public hearing. With no one appearing the public hearing was closed.

Motion was made by Councilmember Rivera to approve PH-016. Motion was seconded by Councilmember Segarra. Motion carried 5 to 2 with Councilmember Harris and Councilmember Okray in opposition.

Adjournment

With no further business, upon motion being made by Mayor Pro-Tem Blackstone, seconded by Councilmember Okray, and unanimously approved, the meeting was adjourned at 5:17 p.m.



City of Killeen

Legislation Details

File #: RS-15-006 **Version:** 1 **Name:** Stewart Project Bid 15-11
Type: Resolution **Status:** Resolutions
File created: 3/26/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: Consider a memorandum/resolution awarding Bid No. 15-11 for the Killeen Transportation-Street Services Stewart Neighborhood Project.
Sponsors: Streets, Public Works Department
Indexes: Stewart Street Project
Code sections:
Attachments: [Council Memorandum](#)
[Bid Analysis](#)
[Recommendation Letter](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**Contract Award for Bid #15-11, Stewart
Neighborhood Project**

ORIGINATING DEPARTMENT

**Public Works - Transportation
Division/Community Development**

BACKGROUND INFORMATION

During the FY 2014-15 budget process, the Transportation Division - Street Services was allocated \$359,035.01 of Community Development Block Grant (CDBG) (Ord. 14-046) funds to be used on concrete improvements and asphalt paving on Stewart Street, from E. Rancier Avenue to Duncan Avenue, including approximately 3,100 LF of concrete curb and gutter, replacing existing driveways (approaches), curb ramps, drainage improvements, approximately 1,600 LF of sidewalk along both the east and west sides of Stewart Street, and an 1.5 inch asphalt overlay. Additional work, to be completed in-house by various City departments, includes a water line upsize and line change, rehabilitating manholes, other drainage improvements to Stewart Ditch, park improvements with lighting, walking trail and resurfacing of existing sport courts.

DISCUSSION/CONCLUSION

Three (3) bidders submitted bids for the project as follows:

Concrete Improvements Base Bid - M2 Federal, Inc., San Marcos, Texas - \$484,763.85;
Ambreco, LTD., Belton, Texas - \$196,226.50

Concrete Improvements Add Alternate #1 - M2 Federal, Inc. - \$62,512.50; Ambreco, LTD.,
Belton, Texas - \$22,292.00,

Asphalt paving - Alpha Paving Industries, LLC, Round Rock, Texas - \$63,457.75

The concrete improvements Base Bid from Ambreco, LTD. and the asphalt paving bid from Alpha Paving Industries, LLC are within the available budget. The concrete improvements Add Alternate #1 will be reevaluated and may be rebid in the future.

FISCAL IMPACT

The Transportation Division - Street Services was allocated \$359,035.01 of CDBG funds during the 2014-2015 budget process to be used on the Stewart Neighborhood project. After advertising costs, available funds for this project are \$358,660.91.

RECOMMENDATION

City staff recommends the City Council award a construction contract to Ambreco, LTD for the concrete improvements in the amount of \$196,226.50; award the asphalt paving bid to Alpha

Paving Industries, LLC, in the amount of \$63,457.75; and further authorize the City Manager to execute all change orders within the amounts established by state and local law.

BID ANALYSIS

**BID NO. 15-11 – Killeen Stewart Neighborhood Project aka Stewart Street
#14.03/B-14-MC-48-0020 OPENING March 6, 2015 AT 2:00 P.M.**

PROJECT INFORMATION: Improvements to Stewart Street from E. Rancier Ave (FM 439) to Duncan Avenue.

This project is for work consisting of:

Reconstruction of Stewart Street beginning at E. Rancier Avenue extending to Duncan Avenue with approximately 3,100 LF of concrete curb and gutter, replacing existing driveways (approaches), curb ramps, approximately 1,600 LF of sidewalk along both East and West side of Stewart Street, and 1.5 inch asphalt overlay.

Additional work, to be completed by city departments, will consist of a water line upsize and line change from below ground to above ground; rehabbing manholes; drainage improvements to Stewart Ditch; park improvements with lighting, walking trail and resurfacing the existing sport courts. This project is a collaboration between Water/Sewer, Drainage, Environmental Services, and Transportation-Street Services Departments.

The Civil Engineer is Mitchell & Associates, Inc., 102 N. College Street, Killeen, TX 76541, telephone-254.634.5541, email – mkriegel@mitchellinc.net

City Staff from Community Development worked together with the Engineer to produce a bid packet with separately identified sections for Concrete and Asphalt that included: a base bid and one alternate addition for the concrete portion, and a single bid amount for the 1.5 inches of asphalt overlay for the street. The bidder was to complete the bid form for those items he/she wished to bid – concrete, asphalt, or both. This methodology was used to allow for a more reasonable project price on each separate component vs. a combined bid from one general contractor with unnecessary costs added for project management.

The contract will be awarded for the Concrete Base Bid, the ordered alternate addition, and the bid for the Asphalt - up to the available budget minus a contingency amount of ten percent (minimum) of the total.

Additionally, each contractor was to complete the Killeen Community Development Department Contractor Certification Application. All contractors selected for award of federal funding must be certified “eligible” and not be debarred or suspended from federally funded contracts.

DRAWINGS and SPECIFICATIONS:

The drawings and specifications consisted of 266 pages defining the scope of work and detail to complete the project, as well as the standard requirement for the use of Federal Wage Rates for TX150016 01/02/2015 TX16 for Heavy and Highway construction for various counties in Texas including Bell.

BID ANALYSIS

**BID NO. 15-11 – Killeen Stewart Neighborhood Project aka Stewart Street
#14.03/B-14-MC-48-0020 OPENING March 6, 2015 AT 2:00 P.M.**

PROJECT FUNDING SOURCE:

City of Killeen Community Development Block Grant Program funding – FY 2014 Killeen Street Department – Stewart Neighborhood Project (account #228-0065-495-51-80).

Various other department funding will be utilized in completion of this overall project however those funds will not be part of this contract award.

COMPETITIVE BIDDING PROCESS:

The competitive bid packet was developed by the Community Development Division and is part of the City's approved bidding terms and conditions consistent with bid document requirements including special terms and conditions associated with the federal funding source – U.S. Department of Housing and Urban Development (HUD). The Invitation to Bid was placed on the City's purchasing web page via DemandStar, the Electronic State Business Daily, IonWave E-bid system, and seven (7) Plans Rooms also received notice of the bid invitation on February 9, 2015.

The *Notice to Bidders* was published February 8 and 15, 2015 in the Killeen Daily Herald. Questions and clarifications were due to the Purchasing Division, in writing, by 4:00 p.m., February 23, 2015. The bid closed at 2:00 pm March 6, 2015 and all sealed bids received at the Purchasing Division were then taken to Killeen City Hall Council Chambers; opened at 2:15 p.m. and read aloud.

A pre-bid conference was conducted for this project at 10:00 a.m. February 18, 2015 in the S.T.A.R. conference room in the Killeen Transportation Services building; the project Engineer, City Street Department, Community Development Department, and Purchasing Division Staff conducted the meeting for three (3) attending bidders.

Written requests for clarification and questions were received by the February 23, 2015 due date – **Three (3) Addenda** were issued for this project. The Addenda were posted on the Purchasing "city bids" page; all plan holders on file were sent - via email - a copy of the addenda.

BID PACKET REQUESTS:

Bid packets were made available via the File Transfer Protocol (FTP) server established under the City's Internet due to the total size of the associated project files. A full scale complete set of drawings, specifications, and bid forms and conditions were available at the City of Killeen Community Development Department Office located at 802 N. 2nd Street, Building E, Killeen Arts & Activities Center, Killeen, Texas - Monday through Friday, 8:00 a.m. until 5:00 p.m. beginning February 9, 2015. Additionally, the electronically formatted documents were available at the Electronic State Business Daily (ESBD), the Central Texas Chapter of Associated General Contractors (Centex AGC, AGC Austin, and AGS of America), the AMTEK Information Services (Amtekusa), and Construction Data Company (CDCnews), Bidders' Resource Inc. Construction Software Technologies, Inc. (iSqFt), Virtual Builders Exchange, LLC (BXTX), Dodge Data & Analytics, and CMD – Construction Management Data (formerly Reed Elsevier, Inc.-Reed Business Information). All plan sets and bid packets were available at no charge.

BID ANALYSIS

**BID NO. 15-11 – Killeen Stewart Neighborhood Project aka Stewart Street
#14.03/B-14-MC-48-0020 OPENING March 6, 2015 AT 2:00 P.M.**

Plan Holder List

Bid 15-11 Killeen Stewart Neighborhood Project aka Killeen Stewart Street Project

#14.03/B-14-MC-48-0020 BIDS DUE: March 4, 2015 at 2:00 P.M.

BID PACKET REQUESTS:

Bid packets available via email from the City of Killeen Community Development Division Office located at 802 N. 2nd Street, Building E, Killeen, Texas, Monday through Friday, 8:00 a.m. until 5:00 p.m. The estimate packets are available at NO CHARGE to interested contractors and plans rooms.

The following is a complete list of those contractor businesses and individuals that obtained a bid packet:

Date	Name	Company	Address	Telephone	Email	Plan Room/ Gen. Cont./Sub
2-9-15	Elaine Hobbs	Centex AGC	Waco, TX	254-772-5400	plans@centexagc.org	PR
2-9-15	Amy Dubin	CMD Group – Construction Data Mgt.	Norcross, GA	630-288-8317	amy.dubin@cmdgroup.com	PR
2-10-15	John Rugh	AMTECK Information Services	7801 N. Lamar Blvd Ste A137 Austin, TX 78752	512-323-0508	john@amtekusa.com	PR
2-10-15	Ethan Marler	CDC News – Construction Data Company	14205 N Mopac Expw Ste 550 Austin, TX 78728	512-634-5980	emarler@cdcnews.com	PR
2-17-15	Roger Meyers Franklin Fernandez	RK Bass Electric	1200 E FM 2410 Harker Heights TX 76548	254-698-8751	franklin@basselectric.com	Sub
2-16-15	Edward Jimenez	HOLY Contractors, LLC	123 Topeka Dr. Waco, TX 76712	254-224-6759	edward.jimenez@outlook.com	GC
2-18-15	Tom Lauderdale	M2 Federal	San Marcos, TX 78666	512-878-1050	Info@m2federal.com	GC
2-19-15	Robert Dominguez	Ambreco, LTD	Belton, TX 76513	254-939-5175	robert.dominguez@ambreco.com	GC


BID ANALYSIS

**BID NO. 15-11 – Killeen Stewart Neighborhood Project aka Stewart Street
#14.03/B-14-MC-48-0020 OPENING March 6, 2015 AT 2:00 P.M.**

Plan Holder List

Bid 15-11 Killeen Stewart Neighborhood Project aka Killeen Stewart Street Project

#14.03/B-14-MC-48-0020 BIDS DUE: March 4, 2015 at 2:00 P.M.

Date	Name	Company	Address	Telephone	Email	Plan Room/ Gen. Cont./Sub
2-23-15	Javier Alonzo	Yoko Excavating, LLC	2608 N. Main #282 Belton, TX 76513	254-780-9707	javierdirt@gmail.com	Sub
3-2-15	SanJuana	SJ & J Construction		214-688-1986	sjicons@hotmail.com	?
<i>As of 3-3-15 10:30 am</i>						
						

BIDDER QUALIFICATION SUMMARY: Each bidder is required by federal regulation, to be certified through the Community Development Department office formal Contractor Certification Process (CCP). Bidders not previously approved by the Department are required to submit the application and required documentation along with the sealed bid for eligibility verification.

No plan holders listed were previously approved (in the most recent two years) through the Community Development CCP process; bidders were determined eligible for federal contract award through research conducted in the State Comptroller’s Debarred Vendor List and the federal System for Award Management (SAM) database regarding excluded parties listings.

BID CLOSING/OPENING:


Sealed bids were received by 2:00 p.m. in the Purchasing Division on March 6, 2015, and then opened at 2:15 p.m. at Killeen City Hall, Council Chambers.

BID ANALYSIS

**BID NO. 15-11 – Killeen Stewart Neighborhood Project aka Stewart Street
#14.03/B-14-MC-48-0020 OPENING March 6, 2015 AT 2:00 P.M.**

BID/PROPOSAL TABULATION

**BID #15-11 2014 KILLEEN STEWART NEIGHBORHOOD PROJECT aka
KILLEEN STEWART STREET PROJECT
#14.03/B-14-MC-48-0020 BIDS DUE: MARCH 4, 2015 2:00 PM**

Contractor's Submitting Estimates			
			
Contractor's Estimate			
Concrete			
Add Alt. #1			
Asphalt			
Addendum #2 <small>*✓ indicates attached and executed</small>			
Addendum #3 <small>*✓ indicates attached and executed</small>			
Bid Bond <small>*✓ indicates attached and executed</small>			
KCDD Contractor Certification Application <small>*✓ indicates attached</small>			

Initials CTT

page 2 of 2

Bids Opened by: _____
Name and Position

Date: _____

Witnessed by: CTT
Name and Position Program Mgr.

Date: 3/6/2015

Reviewed by: CTT
Name and Position Specialist

Date: 3/6/2015

BID ANALYSIS

**BID NO. 15-11 – Killeen Stewart Neighborhood Project aka Stewart Street
#14.03/B-14-MC-48-0020 OPENING March 6, 2015 AT 2:00 P.M.**

BID PROPOSAL - CONCRETE IMPROVEMENTS						BIDDERS									
PROJECT: STEWART NEIGHBORHOOD PROJECT BID NUMBER: #15-11						M2 Federal Inc. San Marcos, TX			Notes	Ambreco, LTD Belton, TX		Notes	Alpha Paving Industries, LLC. Round Rock, TX		Notes
ENGINEER'S ESTIMATE															
Item	Description	Estimated Quantity	Units	Unit Price	Amount	Unit Price	Amount	diff. +/- Cost Estimate	Unit Price	Amount	diff. +/- Cost Estimate	Unit Price	Amount	diff. +/- Cost Estimate	
1.00	Base Bid: Concrete Improvements														
1.01	Remove Conc (Curb and Gutter)	3,097	LF	\$8.00	\$24,776.00	\$ 5.25	\$ 16,259.25	\$ (8,516.75)	\$ 4.50	\$ 13,936.50	\$ (10,839.50)	\$ -	\$ -		
1.02	Remove Conc (Flume)	147	SY	\$12.00	\$1,764.00	\$ 42.75	\$ 6,284.25	\$ 4,520.25	\$ 9.50	\$ 1,396.50	\$ (367.50)	\$ -	\$ -		
1.03	Remove Conc (Valley Gutter & Fillet)	132	SY	\$12.00	\$1,584.00	\$ 42.75	\$ 5,643.00	\$ 4,059.00	\$ 9.50	\$ 1,254.00	\$ (330.00)	\$ -	\$ -		
1.04	Remove Conc (Driveways)	349	SY	\$12.00	\$4,188.00	\$ 42.75	\$ 14,919.75	\$ 10,731.75	\$ 9.50	\$ 3,315.50	\$ (872.50)	\$ -	\$ -		
1.05	Remove Conc (Sidewalk or Ramp)	666	SY	\$12.00	\$7,992.00	\$ 42.75	\$ 28,471.50	\$ 20,479.50	\$ 9.50	\$ 6,327.00	\$ (1,665.00)	\$ -	\$ -		
1.06	Concrete Curb & Gutter	3,151	LF	\$15.00	\$47,265.00	\$ 20.00	\$ 63,020.00	\$ 15,755.00	\$ 12.00	\$ 37,812.00	\$ (9,453.00)	\$ -	\$ -		
1.07	Concrete Flume	170	SY	\$60.00	\$10,200.00	\$ 171.00	\$ 29,070.00	\$ 18,870.00	\$ 36.00	\$ 6,120.00	\$ (4,080.00)	\$ -	\$ -		
1.08	Concrete Sidewalk Flume	80	SY	\$80.00	\$6,400.00	\$ 378.00	\$ 30,240.00	\$ 23,840.00	\$ 36.00	\$ 2,880.00	\$ (3,520.00)	\$ -	\$ -		
1.09	Concrete Valley Gutter or Fillet	221	SY	\$75.00	\$16,575.00	\$ 144.00	\$ 31,824.00	\$ 15,249.00	\$ 36.00	\$ 7,956.00	\$ (8,619.00)	\$ -	\$ -		
1.10	Concrete Driveway	366	SY	\$60.00	\$21,960.00	\$ 153.00	\$ 55,998.00	\$ 34,038.00	\$ 36.00	\$ 13,176.00	\$ (8,784.00)	\$ -	\$ -		
1.11	Concrete Sidewalk	1,594	SY	\$55.00	\$87,670.00	\$ 56.25	\$ 89,662.50	\$ 1,992.50	\$ 36.00	\$ 57,384.00	\$ (30,286.00)	\$ -	\$ -		
1.12	Handrail Concrete Base	103	LF	\$50.00	\$5,150.00	\$ 115.50	\$ 11,896.50	\$ 6,746.50	\$ 48.00	\$ 4,944.00	\$ (206.00)	\$ -	\$ -		
1.13	Curb Ramp (Ty 1)	5	EA	\$1,500.00	\$7,500.00	\$ 2,500.00	\$ 12,500.00	\$ 5,000.00	\$ 500.00	\$ 2,500.00	\$ (5,000.00)	\$ -	\$ -		
1.14	Curb Ramp (Ty 3)	1	EA	\$1,500.00	\$1,500.00	\$ 2,500.00	\$ 2,500.00	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ (1,000.00)	\$ -	\$ -		
1.15	Curb Ramp (Ty 7)	7	EA	\$1,500.00	\$10,500.00	\$ 2,500.00	\$ 17,500.00	\$ 7,000.00	\$ 500.00	\$ 3,500.00	\$ (7,000.00)	\$ -	\$ -		
1.16	Mobilization	1	LS	\$12,751.20	\$12,751.20	\$ 30,000.00	\$ 30,000.00	\$ 17,248.80	\$ 2,500.00	\$ 2,500.00	\$ (10,251.20)	\$ -	\$ -		
1.17	2" Electrical Conduit	1,500	LF	\$6.00	\$9,000.00	\$ 25.00	\$ 37,500.00	\$ 28,500.00	\$ 19.50	\$ 29,250.00	\$ 20,250.00	\$ -	\$ -		
1.18	TDLR Submittal & Inspections	1	LS	\$1,475.00	\$1,475.00	\$ 1,475.00	\$ 1,475.00	\$ -	\$ 1,475.00	\$ 1,475.00	\$ -	\$ -	\$ -		
Total Base Bid: Concrete Improvements					\$278,250.20		\$ 484,763.75	\$ 206,513.55		\$ 196,226.50	\$ (82,023.70)		NO BID		
A1.00	Add Alternate #1: Concrete Improvements														
A1.01	Concrete Sidewalk	322	SY	\$55.00	\$17,710.00	\$ 56.25	\$ 18,112.50	\$402.50	\$ 36.00	\$ 11,592.00	\$ (6,118.00)	\$ -	\$ -		
A1.02	2" Electrical Conduit	600	LF	\$6.00	\$3,600.00	\$ 25.00	\$ 15,000.00	\$11,400.00	\$ 19.50	\$ 11,700.00	\$ 8,100.00	\$ -	\$ -		
A1.03	Retaining Wall	980	SF	\$20.00	\$19,600.00	\$ 30.00	\$ 29,400.00	\$9,800.00	NO BID		\$ (19,600.00)	\$ -	\$ -		
Total Add Alternate #1: Concrete Improvements					\$40,910.00		\$ 62,512.50			\$ 23,292.00			NO BID		
Total Base Bid plus Add Alternate #1: Concrete Improvements							\$ 547,276.25			\$ 219,518.50			NO BID		
BID PROPOSAL - ASPHALT PAVING															
Item	Description	Estimated Quantity	Units	Unit Price	Amount	Unit Price	Amount		Unit Price	Amount		Unit Price	Amount		
2.00	Asphalt Paving					NO BID	NO BID		NO BID	NO BID					
2.01	1.5" Hot Mix Asphaltic Concrete (Type D)	6,191	SY	\$11.00	\$68,101.00	\$ -	\$ -		\$ -	\$ -		\$ 10.25	\$ 63,457.75	\$ (4,643.25)	
Total Asphalt Paving Bid					\$68,101.00		\$ -		\$ -	\$ -		\$ 63,457.75			

BID ANALYSIS

**BID NO. 15-11 – Killeen Stewart Neighborhood Project aka Stewart Street
#14.03/B-14-MC-48-0020 OPENING March 6, 2015 AT 2:00 P.M.**

CONCLUSION:

The Killeen Transportation Department-Street Services was allocated \$359,035.01 from the FY 2014 Community Development Block Grant (CDBG) during the annual budget process under Ordinance #14-046. After advertising costs are deducted, remaining CDBG funds total \$358,660.91.

Staff recommends that Council award the following:

Ambreco, LTD. of Belton, Texas - \$196,226.50 for the base bid for Concrete Improvements; and
Alpha Paving Industries, LLC of Round Rock, Texas - \$63,457.75 for the Asphalt Paving base bid.

Bids reviewed by: Cinda Hayward, CD Program Manager; Celeste Sierra, CD Specialist.
Prepared by: Cinda Hayward, CD Programs Manager, Community Development Division

Mitchell & Associates, Inc.

Engineering & Surveying

March 10, 2015

Cinda Hayward
CD Program Manager
City of Killeen
802 N. 2nd Street, Building E
Killeen, Texas 76540

Re: Killeen Street Services – Stewart Neighborhood Project (#14-03/B-14-MC-48-0020)
Recommendation of Award Letter

Ms. Hayward:

I have reviewed the three bids received for this project in a formal Bid Opening performed on March 6, 2015. Two bids were received for the "Concrete Improvements" scope of work and the apparent responsive, responsible low bidder for this scope of work is Ambreco, LTD, in the amount of \$196,226.50, with an Add Alternate #1 Bid of \$23,292.00 with a "no bid" for item A1.03.

Only one bid was received for the "Asphalt Paving" scope of work and the apparent responsive, responsible low bidder for this scope of work is Alpha Industries, LLC, in the amount of \$63,457.75.

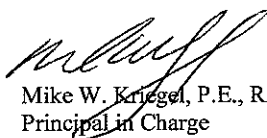
A bid was also submitted by M2 Federal Inc. for the Concrete Improvements scope of work.

I have reviewed the Bid Form provided to us from Ms. Hayward, and compared it to the bid prices that were read out loud at the Bid Opening, and find no irregularities in the Bids of Ambreco, LTD and Alpha Industries, LLC. The Engineer's Estimate for this project was \$278,250.20 and \$40,910.00 for the Concrete Improvements and Asphalt Paving respectively, and were based upon unit prices that have been utilized on prior projects that have been built in Killeen for the City.

On the basis of lowest responsive, responsible bid price, we recommend the award of a contract to Ambreco, LTD, in the amount of \$196,226.50 for the Concrete Improvement base bid and Alpha Industries, LLC, in the amount of \$63,457.75 for the Asphalt Paving base bid. We recommend the Concrete Improvements Add Alternate #1 be reevaluated for a re-bid if the City wishes to construct the subject improvements.

We respectfully present this recommendation for review and consideration. We will be pleased to answer any questions concerning this recommendation.

Sincerely,



Mike W. Kriegel, P.E., R.P.L.S.
Principal in Charge

Encl: Bid Tabulation



**ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COST
CONCRETE IMPROVEMENTS**

PROJECT: STEWART NEIGHBORHOOD PROJECT

BID NUMBER: #15-11

Prepared by: Mitchell & Associates, Inc., TBPE Firm No.: 3241

Item	Description	Estimated Quantity	Units	Unit Price	Amount
1.00	Base Bid: Concrete Improvements				
1.01	Remove Conc (Curb and Gutter)	3,097	LF	\$8.00	\$24,776.00
1.02	Remove Conc (Flume)	147	SY	\$12.00	\$1,764.00
1.03	Remove Conc (Valley Gutter & Fillet)	132	SY	\$12.00	\$1,584.00
1.04	Remove Conc (Driveways)	349	SY	\$12.00	\$4,188.00
1.05	Remove Conc (Sidewalk or Ramp)	666	SY	\$12.00	\$7,992.00
1.06	Concrete Curb & Gutter	3,151	LF	\$15.00	\$47,265.00
1.07	Concrete Flume	170	SY	\$60.00	\$10,200.00
1.08	Concrete Sidewalk Flume	80	SY	\$80.00	\$6,400.00
1.09	Concrete Valley Gutter or Fillet	221	SY	\$75.00	\$16,575.00
1.10	Concrete Driveway	366	SY	\$60.00	\$21,960.00
1.11	Concrete Sidewalk	1,594	SY	\$55.00	\$87,670.00
1.12	Handrail Concrete Base	103	LF	\$50.00	\$5,150.00
1.13	Curb Ramp (Ty 1)	5	EA	\$1,500.00	\$7,500.00
1.14	Curb Ramp (Ty 3)	1	EA	\$1,500.00	\$1,500.00
1.15	Curb Ramp (Ty 7)	7	EA	\$1,500.00	\$10,500.00
1.16	Mobilization	1	LS	\$12,751.20	\$12,751.20
1.17	2" Electrical Conduit	1,500	LF	\$6.00	\$9,000.00
1.18	TDLR Submittal & Inspection	1	LS	\$1,475.00	\$1,475.00
Total Base Bid: Concrete Improvements					\$278,250.20
A1.00	Add Alternate #1: Concrete Improvements				
A1.01	Concrete Sidewalk	322	SY	\$55.00	\$17,710.00
A1.02	2" Electrical Conduit	600	LF	\$6.00	\$3,600.00
A1.03	Retaining Wall	980	SF	\$20.00	\$19,600.00
Total Add Alternate #1: Concrete Improvements					\$40,910.00

The Engineer's evaluations of the Owner's project budget and its opinions of construction costs as provided for herein will be made on the basis of the Engineer's experience and qualifications and will represent Engineer's best judgment as a qualified design professional familiar with the construction industry. Because, however, the Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor's methods of determining prices, or over the competitive bidding process or future market conditions, the Engineer can not and does not guarantee or represent that proposals, bids, negotiated prices, or actual construction costs will not vary from the opinions of probable construction costs prepared or agreed upon by the Engineer.



City of Killeen

Legislation Details

File #: RS-15-007 **Version:** 1 **Name:** US 190/FM 2410/Rosewood Drive - Change Order 29
Type: Resolution **Status:** Resolutions
File created: 3/31/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: Consider a memorandum/resolution authorizing Change Order No. 29 to the US 190/FM 2410/Rosewood Drive project with James Construction Group, LLC.
Sponsors: Transportation Division, Public Works Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**AUTHORIZE CHANGE ORDER NO. 29 TO THE
US 190/FM 2410/ROSEWOOD DRIVE
PROJECT**

ORIGINATING DEPARTMENT

**PUBLIC WORKS - TRANSPORTATION
DIVISION**

BACKGROUND INFORMATION

On January 8, 2013 (CCM/R 13-001R), the City Council awarded a construction contract to James Construction Group, LLC for the Pass Through Financing (PTF) Project, also known as the US 190/FM 2410/Rosewood Drive Project. This project includes the construction of an overpass at the intersection of US 190 and Rosewood Drive, the widening of FM 2410, and the construction of Rosewood Drive from US 190 to Fawn Drive.

DISCUSSION/CONCLUSION

Change Order No. 29 is necessary to compensate the contractor for various west bound main lane detour repairs. Although the contractor is generally responsible for routine maintenance of detours, the extent of the repairs over the course of the project exceeds routine maintenance as contemplated by the contract.

After evaluation of the contractors bid documents, investigation of the detour failures and ongoing discussions with the contractor and Texas Department of Transportation staff, City staff concurs that a portion of the detour repairs are beyond routine maintenance contemplated by the contract. The total cost of the west bound main lane repairs to date is \$94,297.22. Based on all factors, reasonable compensation to the contractor totals 60%, or \$56,578.33, to offset the contractor's total incurred cost for the repairs.

FISCAL IMPACT

Change Order No. 29 will increase the expenditure for the Project in the Pass-Thru Finance US 190/FM 2410/Rosewood Drive, General Obligation Bonds, US 190/FM 2410/Rosewood Drive Account #341-3490-800.58-23. The total cost of the change is a net increase of \$56,578.33 for a total contract price of \$22,229,557.16, which, when combined with previous change orders to date, represents a cumulative 1.26% increase to the original contract.

RECOMMENDATION

City staff recommends that the City Council authorize the City Manager to execute Change Order No. 29 with James Construction Group, LLC.



City of Killeen

Legislation Details

File #: RS-15-008 **Version:** 1 **Name:** TxDOT TAP Application - Heritage Oaks Hike & Bike Trail

Type: Resolution **Status:** Resolutions

File created: 4/8/2015 **In control:** City Council

On agenda: 4/28/2015 **Final action:**

Title: Consider a memorandum/resolution authorizing the City Manager to submit a Transportation Alternatives Program (TAP) application to the Texas Department of Transportation (TxDOT) to construct a hike and bike trail.

Sponsors: Public Works Department, Transportation Division

Indexes:

Code sections:

Attachments: [Council Memorandum](#)
[Extension Map](#)
[Boundary Map](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council	Workshop	

CITY COUNCIL MEMORANDUM

AGENDA ITEM

CONSIDER AUTHORIZING THE CITY MANAGER TO SUBMIT A TRANSPORTATION ALTERNATIVES PROGRAM (TAP) APPLICATION TO THE TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) TO CONSTRUCT A HIKE AND BIKE TRAIL

ORIGINATING DEPARTMENT

Public Works - Transportation Division

BACKGROUND INFORMATION

On January 16, 2015, the Texas Department of Transportation, in cooperation with the Federal Highway Administration, issued a call for project nominations for the statewide Transportation Alternative Program (TAP). Under the program, 80% of eligible projects costs can be reimbursed with the nominating entity providing at least 20% of the projects' allowable costs. Cost-reimbursement programs require sponsors to pay for project costs up front with the funding agency providing reimbursement for costs throughout various stages of the project. Projects are funded through a statewide competitive process with funds limited to those authorized in the TAP.

On January 20, 2015, a special Council workshop was held to present the proposed Heritage Oaks Hike and Bike Trail. The City Council indicated a consensus for the allocation of \$1,300,000 for the Heritage Oaks Park project. City Council also authorized staff to enter into negotiation for the design of the proposed hike and bike trail portion of the project. City Council supports the submission of an application for the TxDOT 2015 TAP Call for Projects.

Subsequent to the Council workshop, TxDOT provided further guidance to nominating entities that indicated that, in order for projects to be eligible, they had to be constructed within the boundaries shown on Exhibit A - MPO Boundary Map. Therefore, staff is proposing a re-scope of the project to extend the proposed hike and bike trail south to US Government property in Bell County. The proposed Heritage Oaks Hike and Bike Trail calls for nine miles of multi-use trail connecting the following: Central Texas Expressway/US 190 in Killeen, TX; Purser Family Park in Harker Heights, TX; Heritage Oaks Park in Killeen, TX; a Killeen Independent School District (KISD) Elementary School; and Stillhouse Hollow Lake.

Due to the length of the regional trail, the overall nine-mile multi-use trail is planned to be constructed in five segments and are described as follows: Segment 1 - US 190 to Stagecoach Road which is constructed as part of the US 190/FM 2410/Rosewood Drive Pass Through Funding (PTF) project; Segment 2 - Rosewood Drive from Stagecoach Road to Chaparral Road is to be constructed as part of the Rosewood Drive Extension project; Segment 3 - Intersection of Rosewood Drive and Chaparral Road to the eastern boundary of the WBW Land Investments property is to be constructed as part of the Chaparral Road Widening project; Segment 4 - KISD Elementary School south to the US Government property in Bell County; and Segment 5 - US Government property in Bell County to Stillhouse Hollow Lake.

DISCUSSION/CONCLUSION

With this grant application, the City of Killeen is proposing a three-mile (Segment 4) multi-use trail connecting the future residential KISD Elementary School location south to the US Government property in Bell County. The construction of the proposed trail will dictate a total width of 16 to 18 feet shared use path. All trail sections will be constructed of concrete with several low water crossings and neighborhood connections along with appropriate pedestrian ramps, striping, signage, and street crossings. In addition, the following trail amenities will be provided: a trail head, bicycle racks, emergency call boxes, pet waste stations, trash receptacles, gateway signage, seating areas, and trail lighting. The proposed project will include multiple pedestrian bridges that will spur neighborhood connections and provide significantly increased access across the creek. This will encourage more children to walk or bike to school without being deterred by travel distances to any of the limited roadway crossings. This project will also feature the inclusion of a future transit fixed route by the Hill County Transit District (HCTD).

FISCAL IMPACT

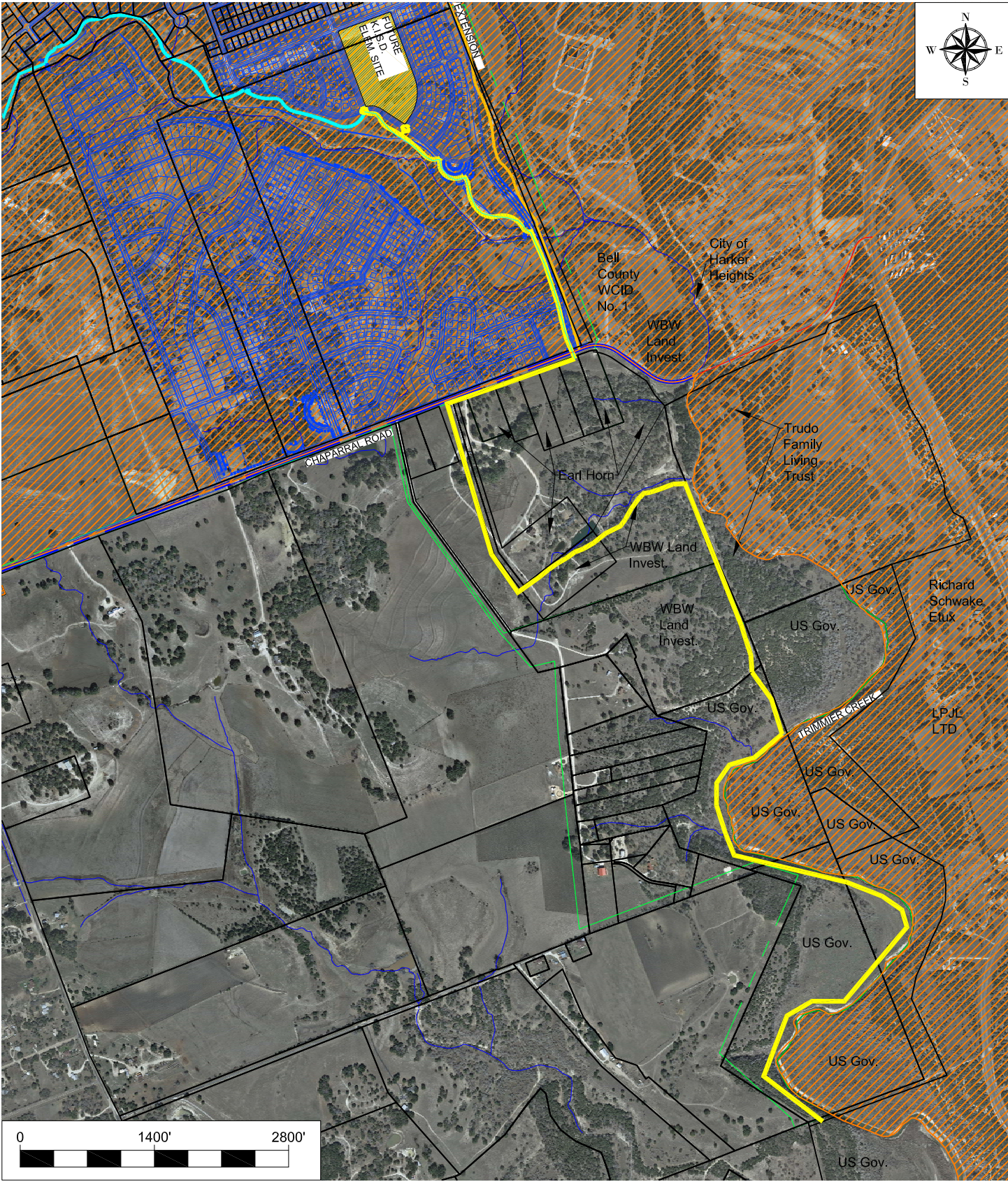
In order to meet the spirit of TxDOT goals, priority consideration is given to those projects that request federal funds for construction associated costs only. The project budget estimates the total project construction costs of \$3,500,000. The City would provide approximately \$1,000,000 (29% of construction-related costs) and will be reimbursed \$2,500,000 (71% of construction project costs) as the project progresses.

Project Components	Funded By	COK Participation	TAP Participation	Cost
Engineering Fees	100% COK	\$300,000		\$300,000
Construction Costs	29%COK/71%TAP	\$1,000,000	\$2,500,000	\$3,500,000
Total Costs:		\$1,300,000	\$2,500,000	\$3,800,000

RECOMMENDATION

Recommend that the City Council authorize the City Manager to submit a Transportation Alternatives Program application to the Texas Department of Transportation for the Heritage Oaks Hike and Bike Trail.

"The City of Killeen supports funding this project as shown in the nomination budget (including the 29% local match for construction costs) and commits to the project's development, implementation, construction, maintenance, management, and financing. The City of Killeen is willing and able to enter into an agreement with TxDOT by resolution or ordinance should the project receive funding."



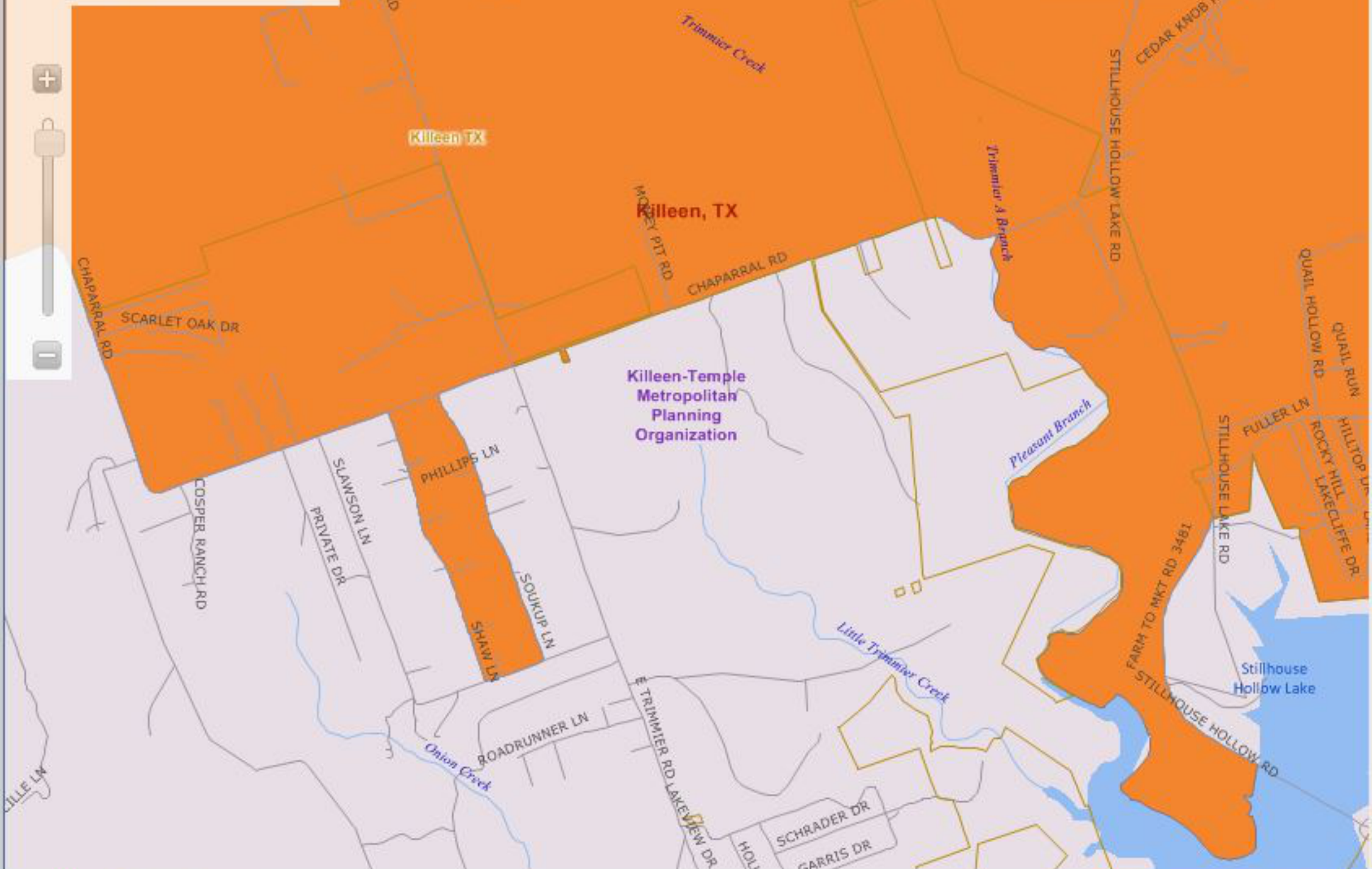
CITY OF KILLEEN
TRANSPORTATION ENGINEERING
STREET & TRAFFIC SERVICES
3201-A S. W.S. YOUNG DRIVE
KILLEEN, TEXAS 76542
Phone: 254 - 501 - 6527
Fax: 254 - 616 - 3182
www.killeentexas.gov

Scale	1" = 1400'
Date	08 APR 2015
Drawn By	DAW
Checked By	GL
Project No.	X
Drawing No.	1 of 1

HIKE AND BIKE TRAIL
ROSEWOOD EXTENSION TO
STILLHOUSE LAKE CONNECTION

CITY OF KILLEEN BELL COUNTY

MPO Boundary



Show/Hide	Labels
<input type="checkbox"/>	<input checked="" type="checkbox"/> OST Challenge City
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> MPO Boundary
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Census Place 2010
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 2010 Urbanized Area
<input type="checkbox"/>	<input checked="" type="checkbox"/> 2000 Urbanized Area
<input type="checkbox"/>	<input checked="" type="checkbox"/> Metropolitan Statistical Area
<input type="checkbox"/>	<input checked="" type="checkbox"/> Micropolitan Statistical Area
<input type="checkbox"/>	<input checked="" type="checkbox"/> County (2010)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Interstate Highway
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> River
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Streets
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Water Area

Redraw Map

MPO Boundaries updated: March 6, 2015
Data Source: Office of Planning, Federal Highway Administration (FHWA)

Download Shapefiles:
[2010 Urbanized Area Boundary](#)
[MPO Boundary](#)

Please contact [Supin Yoder](#) for assistance.
HEPGIS works with IE8, Chrome or Firefox



City of Killeen

Legislation Details

File #: RS-15-009 **Version:** 1 **Name:** Amend Killeen Citizen Participation Plan
Type: Resolution **Status:** Resolutions
File created: 4/9/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: Consider a memorandum/resolution to amend the current Community Development Killeen Citizen Participation Plan.
Sponsors: Community Development
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Revision Summary](#)
[Citizen Participation Plan Draft](#)
[Minutes](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Amendment to Killeen Citizen Participation Plan

ORIGINATING DEPARTMENT

Community Development Department

BACKGROUND INFORMATION

The U.S. Department of Housing and Urban Development requires recipient jurisdictions of formula grant programs to adopt and maintain a plan and process that encourages participation of low- and moderate-income persons and residents of predominantly low- and moderate-income neighborhoods, including minorities, non-English speaking persons, and persons with disabilities, in areas where CDBG funds are proposed for use. The plan shall also encourage participation of local and regional institutions and other interested organizations in the process of developing and implementing the 3-5 year Consolidated Strategic Plan (Con Plan), substantial plan amendments, and the annual performance report. This is the City of Killeen Citizen Participation Plan (CPP); initial adoption July 1988 with the latest revision as January 2011 (12-025R).

The CPP is a document that emphasizes involvement of all stakeholders in consideration of utilizing the HUD funds; outlines the processes in which the public can participate; access general information; receive technical assistance; comment on the plans, amendments, and annual performance reports; and identifies the process of the Con Plan and Annual Action Plans as well as the Community Development Advisory Committee (CDAC) and its composition.

DISCUSSION/CONCLUSION

The Community Development Staff briefed the Community Development Advisory Committee ("CDAC") on needed revisions to the CPP regarding changes to:

- Public Notices - changes to the language with reference to when, how, and how much advance notice; update the percent of the Hispanic population in Killeen;
- Meetings - a change from "neighborhood" to "community" planning meetings and an addition of advance notice for translators for meetings;
- Public Hearings - changes to the language in reference to the revised method for conducting the public hearings as well as when, how, and how much advance notice;
- Con Plan/Action Plan - Notice of community planning meetings - publishing of notices, providing two options, a change associated in the 30-day comment period;
- Displacement - annotation of the Code of Federal Regulations reference; and
- Complaints - a change in the protocol for complaint/grievance resolution. There are other minor "housekeeping" changes of language reference and grammatical corrections.

The CDAC collectively reviewed and discussed the changed contents and provided final recommendations for the revised document on February 11, 2015. All revisions and recommendations meet statutory and regulatory requirements for the HUD required citizen

participation plan process. Citizens will have 15-days to review and amend the CPP and submit comments to the City of Killeen through the Community Development Department.

FISCAL IMPACT

None

RECOMMENDATION

Recommend adoption of the Citizen Participation Plan dated January 2015, as appropriate, with citizen comments to be presented to City Council.

**Citizen Participation Plan
Summary of Revisions
February 2015**

- Throughout the document - revision to the name from “Division” to “Department,” reference to the Community Development Division was changed to Community Development Department
- Throughout the document - addition of the reference from “Director to Executive Director” to include the abbreviated reference of “EDCDD” – when referring to the Executive Director of the Community Development Department
- Addition of the reference of “January 2015” to the most current version of the Citizen Participation Plan document - *ref. Cover page and Preface, par. 1*
- Addition of abbreviation reference to the Consolidated Plan (CP) and Annual Action Plan (AP) – *ref. Killeen Responsibility, p. 4*
- Correction to address for Community Development Department offices- *ref. Citizen Participation Plan, p. 4*
- Change in reference to annual meetings from “neighborhood planning meetings to community planning meetings” and the addition of language for those meetings to be conducted for citizen input to “citizens, residents, stakeholders, and assess community needs”– *ref. Community Development Advisory Committee, p. 5*
- Throughout the document – Change from reference of “neighborhood” planning meetings to “community” planning meetings. – *ref. Meetings, p. 6*
- Removing the words “and web” – reference to the internet is the appropriate term regarding information placed on the official City of Killeen web site. – *ref. Public Notices, p. 5*
- Grammatical correction to the word “Internet”; Addition of language to regarding advance placement of public notices regarding specific information, i.e. , the availability, proposed use, expenditure, and amendments, as well as other relevant information regarding the HUD funds; Addition of advertising such public notice, as budgeting permits, in a newspaper of general circulation and daily publication serving the Killeen area, “two calendars days in advance of specific information” – *ref. Public Notices, p. 5*
- Change in the percent to the Hispanic population of Killeen from 18% to “22%” including identification of the information source in the corresponding footnote. – *ref. Public Notices, pp. 5 and 6*
- Grammatical correction in the use of words regarding a bilingual representative; and Addition of the statement regarding notice to the city for accommodating other non-English speaking groups. – *ref. Meetings, p. 6*
- Change in language referencing the two [required] public hearings by removing the words “ at two different stages of” and inserting the word “in”; Addition of language referencing the use of the Internet at the City web page for the posting of Public Hearing notices; Change in the language tense regarding the City providing translation for non-English speaking persons attending the Public Hearings; and Addition of reference to that same respect for persons requiring language translation.- *ref. Public Hearings, p. 7*

**Citizen Participation Plan
Summary of Revisions
February 2015**

- Change in the number of days notifying the public of the Community Planning Meetings – from “7 day” notice to” seventy-two (72) hours / three (3) calendar days with an additional three (3) day advance notice on the Internet at the City’s web page”. This provides for two options for notices. – *ref. The Consolidated Plan and Annual Action Plans, Notice of Community Planning Meetings, pp. 8 and 9.*
Language explanation regarding the change in the process by which the public comment period will be conducted associated with the Action Plan of objectives and proposed strategy in the use of the HUD funds. – *ref. The Consolidated Plan and Annual Action Plans, Public Hearings, pp. 9 and 10.*

This change introduces the opportunity for Public Hearings requiring a specific number of days for public comment to be conducted in a manner whereby the Public Notice of the hearing is identified, a presentation to the City Council, the Opening of the “Public Hearing” and acceptance of public comment for the specified number of days, a final presentation to City Council with comments received during the comment period, closing of the public comment period and the Public Hearing, and final action by Council on Committee or Staff recommendations.

- Addition of language referencing Program Implementation of approved projects with the “applicant/sub-recipient” entities and the availability of open public meetings of the Community Development Advisory Committee when reviewing the status of “approved” projects. – *ref. The Consolidated Plan and Annual Action Plans, Program Implementation, p. 10.*
- Addition of formal reference of the Code of Federal Regulations Section 470.612(a) regarding displacement of persons as a result of activities in the Consolidated Plan or Annual Action Plans; Change in language tense regarding actions taken to mitigate effects in the event displacement cannot be avoided. *Ref. Displacement, p. 11.*
- Correction to address for Community Development Department offices - *ref. Availability to the Public, p. 12*
- Change in language regarding complaints about the planning process and the resolution hierarchy of management in the complaint resolution process. - *ref. Complaints, p. 13*

CITY OF KILLEEN, TEXAS



CITIZEN PARTICIPATION PLAN

As Amended

Adopted - July 1988

Revised January 1995

Revised April 1998

Revised January 2011

Revised January 2015

City of Killeen
Community Development Department
Killeen, TX 76541
(254) 501-7845
www.killeentexas.gov

ADDITIONS = Underlined

DELETIONS = ~~Strikethrough~~

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PREFACE

In order to receive CDBG funding, the U.S. Department of Housing and Urban Development (HUD) requires that the City of Killeen have an approved Citizen Participation Plan (CPP) that outlines policies and procedures for ensuring that residents have an opportunity to be fully engaged in community improvement activities. The Citizen Participation Plan provides the framework through which residents can have input and influence improvement activities particularly the development, implementation, and assessment of programs for the Consolidated Plan and other local HUD-funded programs. The first Citizen Participation Plan for the City of Killeen was developed by the Community Development ~~Division~~ Department under the guidance and requirements of 24 CFR Part 91.105 and complying with Section 104(a)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(A)(3)). The CPP was approved and adopted by the Killeen City Council in July 1988 with revisions in January 1995 ~~and~~, April 1998, January 2011 and January 2015; all comply with revised regulations for Community Planning and Development Programs.

The consolidated submission process envisions that housing and community development planning and programming will be accomplished through a unified and comprehensive framework that will open new opportunities for collaboration and collective problem solving, involving all residents with citizen participation being an integral part of the City's relationship with the residents it serves. The City of Killeen encourages participation of local and regional institutions and other organizations (including businesses, developers, and community and faith-based organizations) in the process of developing and implementing the consolidated plan. The City will encourage, in consultation with the Housing Authority of Killeen [public housing agency], the participation of residents of public and assisted housing developments, along with residents of targeted revitalization areas in the process of developing and implementing the consolidated plan.

The CPP emphasizes the involvement of all residents, particularly residents of predominantly low- and moderate-income neighborhoods, minorities, and non-English speaking persons, persons with disabilities and persons residing in designated areas proposed to utilize CDBG funds.

The CPP also outlines the process through which the public can participate in the development of the consolidated plan, access general information, receive technical assistance, and to provide comments on any substantial amendments, the annual performance report, and receive timely responses to questions. The City will continue to explore alternative public involvement techniques and quantitative ways to measure efforts that encourage citizen participation in a shared vision for change in the community and neighborhoods, and the review of program performance through focus groups, and use of the Internet.

Involving the community is more than a formality or program requirement; it is the heart of the community development process. The community knows its own needs, and the advice and participation of each member of the community is essential to successful planning and implementation of community development programs. To that end, it is with great expectations that the community, its residents, and elected officials will resolve community and neighborhood concerns through the citizen participation process.

~CITY OF KILLEEN RESPONSIBILITY~

The Citizen Participation Plan is developed so as not to restrict the responsibility or the authority of the City to develop and execute its consolidated plan, annual action plans, program amendments, or performance report.

The Community Development ~~Division~~Department (CDD) is responsible for the administration in the development and implementation of community development plans, programs, and services assisting eligible residents, sub-recipient organizations, and City Departments in obtaining and making use of the services and benefits provided by the Community Development ~~Division~~Department. The Community Development ~~Division~~Department, ~~city~~City staff will:

- Encourage residents to provide input for the Consolidated Plan (CP) and Annual Action Plans (AP) through letters, postings, and notices of such opportunities;
- Make available to all interested parties, information that includes the amount and proposed use of program funds, the estimated number of low- and moderate-income persons estimated to benefit from proposed activities, and the efforts to minimize adverse effects of any program activity on Killeen's residents, including displacement¹;
- Publish notices pertaining to the Consolidated Plan, Annual Action Plans, program/plan amendments, and the Consolidated Annual Performance Report;
- Ensure that each report, plan, or summary provides a detailed overview of each program or service's objectives, outcomes, and performance measurements in compliance with the requirements of HUD Community Planning and Development program funds; and
- Ensure compliance with all federal requirements associated with the use and expenditure of HUD Community Planning and Development program funds.

~CITIZEN PARTICIPATION COORDINATOR~

The administrative authority for the operation of Community Planning and Development programs shall rest with the office of the City Manager. The Executive Director of the Community Development ~~Division~~Department (EDCDD) will serve as the approving office for program implementation. In order to provide consistency and a single point-of-contact, the EDCDD and staff will be responsible for insuring that the CPP is carried out and that the City's citizen participation efforts are carefully documented and monitored. The EDCDD will serve as an advisor and secretary to the Community Development Advisory Committee (CDAC), keeping minutes, contacting committee members of hearings and meetings, and providing general program information to the members on a timely basis. The EDCDD may be contacted during regular business hours at 254.501.7847, at Community Development ~~Division~~Department offices-802 N. 2ND Street, Building E, or by electronic mail to lhinkle@killeentexas.gov. All requests for information and/or assistance will be channeled through the EDCDD.

~COMMUNITY DEVELOPMENT ADVISORY COMMITTEE~

The Killeen City Council has established a Community Development Advisory Committee to encourage the amount of citizen participation in the planning and implementation of community planning and development programs. The committee consists of ten (10) members directly appointed by the City Council who are broadly representative of all elements in the community.

¹ To minimize and mitigate the effects of displacement, the City will follow the procedures set out under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act)

Insofar as practical, the committee will include some residents of low-and moderate-income neighborhoods.

The general duties of the Community Development Advisory Committee will include:

- Conduct neighborhoodcommunity-planning meetings to solicit community input from residents and stakeholders, and assess community needs;
- Assist in the assessment and determination of community needs at both citywide and neighborhood levels and in the development of realistic goals and objectives to meet these needs;
- Assist in the evaluation and recommendation of proposals from community organizations and other eligible entities requesting funding and assistance;
- Assist in the development of specific project proposals for community development in the Consolidated Plan;
- Assist in the development of goals for housing assistance by type and location, and make recommendations to the City Council;
- Assist in the monitoring of current program activities and the evaluation of past program performance; and
- Assist in the implementation of HUD Community Planning and Development programs and modifications as determined by community assessment and HUD requirements.

~PUBLIC NOTICES~

The City of Killeen publicizes information pertaining to community planning and development programs. The EDCDD is responsible for insuring timely and descriptive notices are conveyed to the community through conventional and alternative mediums including methods such as newspaper, radio, television announcements, bulletin board postings, Internet, email, ~~and~~ web page postings, and other acceptable means of communication. The various means of communication may include:

- Posting notices at various public places frequented by low-and moderate-income persons, i.e. City Utility Collections offices, City Hall, City Public Library, area Community Centers, and at the Killeen Housing Authority, etc.
- Providing notices to social and community service agencies that assist children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons; and
- Providing notices to local and regional institutions and other organizations including businesses, developers, and community, neighborhood, civic, and faith-based organizations

Such notices will be published on the ~~internet~~Internet at the ~~city~~City web page two weeks in advance of specific information and, as budgeting permits, in a newspaper of general circulation and daily publication primarily serving the Killeen area two calendar days in advance of specific information. Notices published in the daily newspaper will appear in the non-legal, non-classified section of the publication. At a minimum, the notices shall be written in the English language, easily readable and include the date, time, place, and general topics to be considered.

Notices will be published in English language. Additionally, notices will be published in non-English language(s) at such time the population of persons in Killeen equal 15% or more of the total population of Killeen city [according to U.S. Census Bureau Data]. (i.e., an estimated

| 1822.9%² of the population of Killeen is Hispanic, therefore notices will also be published in the Spanish language).

~MEETINGS~

| The City will provide citizens reasonable and timely access to local meetings including, but not limited to Community Development Advisory Committee Meetings, ~~Neighborhood-Community~~ Planning Meetings, Town Hall Meetings, and City Council Meetings. These meetings will be typical of informal “community” meetings where attendees will be given an opportunity to participate and engage in communications on housing and community development needs including priority non-housing community development needs.

The City will require a register of all persons attending the meeting and minutes of the meeting will be recorded. A copy of the attendee register and the minutes of the meeting will be available to the public within five (5) business days after the date of the meeting.

| Community Development Advisory Committee Meetings and ~~Neighborhood-Community~~ Planning Meetings will be held at easily accessible locations where a large percentage of very low- and low-income persons have been identified to reside.

| Because it is anticipated that representatives of the local Hispanic population will attend these meetings, the City will have a bilingual representative ~~present available~~, fluent in both English and Spanish languages. The City ~~will shall~~ provide translators for non-English speaking groups (e.g. Korean) upon requests received at least 48 hours prior to the meeting.

~USE OF THE CITIZEN PARTICIPATON PLAN~

The City of Killeen will follow guidelines established in the Citizen Participation Plan and will provide for any revisions or changes in accordance to the CPP. The CPP will be made available to all citizens and in a format accessible to persons with disabilities.

GOALS OF THE CITIZEN PARTICIPATION PLAN

The goals of the Citizen Participation Plan are to:

- Identify the authority and responsibilities of the City of Killeen with regard to adherence of federal statutory, regulatory, and written guidance associated with application, receipt and use of U.S. Department of Housing and Urban Development-Community Planning and Development Programs funding;
- Ensure that development of the Consolidated Plan is responsive to the needs of Killeen’s low- and moderate-income residents;
- Provide a framework for residents, and community and neighborhood-based organizations to have input in the planning implementation, coordination, and assessment of the Consolidated Plan. The CPP details the proposed use of the City’s HUD funded Community Planning and Development Programs;

| ² U.S.Census bureau State & County QuickFacts. Data derived from Population Estimates, American CommunitySurvey, Census of Populaitn and Housing. Last Revised: Thursday December 4, 2014 09:57:02 EST.

- Ensure maximum participation from all interested local and regional developers including Community Housing Development Organizations (CHDOs), Community Based Development Organizations (CBDOs), and Community Development Corporations (CDCs) in partnership with the City to secure decent housing, create suitable living environments and expand economic opportunities for residents of the Killeen community.

~REVISION OF THE CITIZEN PARTICIPATION PLAN~

At such time the Citizen Participation Plan requires revision, the Community Development ~~Division~~ Department will publish a notice on its ~~internet~~ Internet web site. The notice will indicate that the Citizen Participation Plan has been revised, identify how a copy of the document may be obtained, and invite public comments.

The public review/comment period will be for fifteen (15) days. Citizens will have 15 days to review the amended CPP and submit comments to the City of Killeen through the Community Development ~~Division~~ Department. All citizen comments will be included in the submission to City Council for adoption. Upon request, arrangements will be made to accommodate requirements for persons with disabilities to access the amended CPP.

~PUBLIC HEARINGS~

The ~~EDCC~~ EDCDD will initiate, schedule and publicize any public hearings pertaining to the receipt, use, and expenditure of HUD Community Planning and Development program funds. A minimum of two (2) public hearings, per year, will be conducted ~~at two different stages of in~~ the program year to obtain citizens' views and to respond to proposals and questions. Together, the hearings will address housing and community development needs, development of proposed activities, and review of program performance. At least one of the hearings will be held before the proposed consolidated plan is published for comment.

Public hearing notices will be published in accordance with the PUBLIC NOTICES section of this plan and include sufficient information about the subject of the hearing. Public Hearings notices will be published on the Internet at the City web page a minimum of two (2) weeks in advance of the public hearing date.

Public Hearings will be held primarily in City Council Chambers, 101 N. College Street. In the case of public hearings where significant number of non-English speaking residents can be reasonably expected to participate, the City ~~will~~ shall have a person fluent in both English and the non-English language. Requests for accommodations for persons with disabilities or persons requiring language translation shall be met providing a minimum of 48 hours notice prior to the date and time of the hearing.

Public hearings will be held primarily after 5:00 PM to accommodate persons who work during the day.

~TECHNICAL ASSISTANCE~

The City of Killeen will provide technical assistance to all interested persons/parties so they may adequately participate in the planning, implementing, and assessing of community development programs. Technical assistance will also be available for assisting community organizations serving low- and moderate-income persons or that provide services in target areas in developing their proposals for HUD-CPD funded programs.

Technical assistance will include review and analysis of proposals by ~~city~~City staff specialists, the use of public meeting rooms, and access to program information. Technical assistance may be offered as one-on-one sessions, group training, or at community meetings and/or workshops. If staff capability does not exist to handle a request within a reasonable time period or an expenditure of funds is required, then the request will be routed through the City Manager to determine what action can be taken to more expeditiously resolve the issue.

~THE CONSOLIDATED PLAN AND ANNUAL ACTION PLANS~

Development of the Consolidated Plan

Every three to five years the City will submit to HUD, a strategic plan of action describing local housing and community conditions, general and geographical priorities including the rationale for establishing priorities, identification of obstacles to meeting underserved needs, a summarization of specific objectives and expected outcomes addressing-affordable housing, public housing, homelessness, other special needs of categorized persons, non-housing community development needs, neighborhood revitalization, anti-poverty strategy, the institutional structures and its strengths and weaknesses in its delivery system. Local resources and coordination of those resources, and the lead agency or entity responsible for overseeing the development of the plan will be identified and the significant aspects of the process by which the consolidated plan was developed. The Consolidated Plan will also identify the agencies, groups, organizations, and others who participated in the development process, a description of the City's consultations with social service, health, housing, child services, and other entities, and a concise summary of the citizen review process and public comments.

Development of Annual Action Plans

In accordance with the requirements of the Consolidated Plan (CP), annually, the City will submit a concise summary of objectives and expected outcomes of proposed activities that the jurisdiction will undertake during the next year to address priority needs and objectives identified in the Consolidated Plan. The Annual Action Plan (AP) will also include an evaluation of past performance, geographic distribution of available resources, consultation efforts, and a summary of citizen participation.

At a minimum, the planning and development of the Consolidated Plan and Annual Action Plans will include:

Notice of ~~Neighborhood-Community~~ Planning Meetings. A notice of ~~neighborhood-community~~ planning meetings, to be conducted at designated locations, will be published in the local daily newspaper and on the Internet at the City's web page. These meetings will be conducted by the Community Development Advisory Committee and the EDCDD to provide program information and to offer technical assistance to citizens, community organizations, and other eligible entities. The notice will be published -at least ~~seven-seventy-two hours (772) hours / three (3)~~ calendar

days in advance of the meeting(s) in the non-legal section of the local newspaper and at least three (3) days in advance on the Internet at the City's ~~on the~~ Community Development ~~Division~~ Department Neighborhood-Community Planning Meetings web page. The notice will contain:

- Information on program funds made available from the U.S. Department of Housing and Urban Development-Community Planning and Development programs;
- The scheduled date, time, location, and general topics of discussion for the meetings; and
- The notice will be published in other non-English languages as described in the Public Notices section of this plan.

Accessible Meeting Materials. General information will be provided at the meeting either in the form of a brochure/handout or in an audio-visual presentation of program and meeting content. The City will use such means as signing interpretation for deaf persons, non-English language interpreters, and large print materials for sight impaired persons. Such material will include:

- The anticipated amount of HUD Community Planning and Development Program funds;
- The summary of requirements and the type of activities that may be undertaken including the type of activities previously funded in Killeen;
- The processes to be followed in the application/proposal process;
- The role of citizens in the planning process;
- The schedule of meetings and hearings associated with the Consolidated Plan and Action Plans

Location of Neighborhood-Community Planning Meetings. The ~~neighborhood-community~~ planning meetings will be held throughout the ~~city-City~~ in locations easily accessible by low- and moderate-income persons, and to interested groups, and organizations.

Project Proposal/Application.

The Community Development ~~Division-Department~~ is responsible for development of an annual project proposal/application. The proposal/application will aid ~~city-City~~ staff and CDAC in the review and recommendation of eligible activities [projects, programs, or services] to be funded by the HUD-CPD programs. The proposal submittal will be open for a period not less than thirty-days. The CDD will provide applicants with technical assistance in completing the proposal/application.

Any oral project suggestions during planned meetings will be followed by encouragement to submit written project proposals.

Committee Review and Recommendation of Proposals. Upon the close of the proposal/application period, the Community Development Advisory Committee will meet, receive presentations from proposal applicants, discuss, and rank/prioritize the eligible projects submitted based on the priority needs expressed in the ~~Neighborhood-Community~~ Planning Meetings and consistent with established goals and objectives identified by community stakeholders. The CDAC will then submit their recommendation to the Killeen City Council during two public hearings.

Public Hearings. Following the ~~neighborhood-community~~ planning meetings and the annual request for proposals, the City Council will hold two public hearings to consider and review the recommendations from the CDAC and to hear citizen comments pertaining to these recommendations. At these public hearings, citizens and community organizations will be given the opportunity to present their proposals to the City Council for final consideration.

During the public hearings, citizens are invited to comment on the proposed plan(s) and provide comments or views in writing, or orally; a summary of these comments or views shall be attached to the submission to HUD.

Following the first public hearing, the EDCDD will prepare a notice of the proposed Action Plan of community development objectives and a summary of the proposed strategy detailed in the Consolidated Plan, and publish the notice in the local daily newspaper and on the Internet at the City's web page opening a 30-day public comment period. The notice will advise interested parties that a copy of the proposed action plan is on the Internet, at the Library section "in this section" of the City's Community Development Division-Department web page and on file in the Community Development Division-Department office for public review. It will state that interested parties may submit any comments on the proposed action plan or Consolidated Plan for consideration prior to the final (second) public hearing and that such comments shall be directed to the Executive Director of the Community Development Division-Department. A summary of the public comments will be attached to the final version of the Annual Action Plan, Consolidated Plan, or such amendments to those plans.

Upon hearing any public comment and after consideration of these comments, the City Council may modify the proposed plan(s) if deemed appropriate. The City Council will adopt the plan(s) or amendments [as applicable] through an official Ordinance.

~~Following the close of the second public hearing, the DCDD will prepare a notice for the adopted plan(s) or amendments [as applicable] opening a 30-day public comment.~~ Any additional public comments received will be included in the final plan(s) or amendment(s) submission to HUD.

Notice of Final Plan(s)/Amendment(s). Upon submission of the final plan(s) or amendment(s) and subsequent acceptance by HUD, the EDCDD will prepare and publish a notice advising interested parties where copies of such plan(s) or amendment(s) are available for public view. The notice will indicate that objections can be filed with the City in the Community Development Division-Department office. The DCDD will provide a written response to the complaint or objection within fifteen (15) business days of receipt of such complaint or objection.

Program Implementation. The Community Development Division-Department will implement the approved projects with the applicant/sub-recipient entities for the program year. Periodically the EDCDD will meet with the CDAC, interested citizens, community agencies and other entities for the purpose of reviewing the overall status of projects and to consider and approve necessary changes in the program. All meetings will be open to the public and the status of neighborhood approved projects will be discussed to allow citizens and interested groups an opportunity to voice concerns. Notice of these meetings shall be given in the same manner as other city-City appointed boards, commissions, and committee meetings.

~PERFORMANCE REPORT~

The Consolidated Annual Performance and Evaluation Report (CAPER) is submitted to HUD not later than ninety (90) days following the end of each program year. This report summarizes resources available, investment, affordable housing initiatives and accomplishments, geographic areas targeted for implementation, households assisted, household renters assisted through Public

Housing administrators, assisted homeless persons, intergovernmental cooperation, public housing improvements and resident initiatives, public policies, lead based paint hazard reductions, fair housing, institutional structure, assessment of annual performance and summary of citizen comments.

Prior to the submission of the report to HUD, the City will publish a public notice soliciting citizen comment for a period of fifteen (15) days. Citizens may view the proposed report at Community Development ~~Division-Department~~ offices. Comments or views received pertaining to the development and contents of the report will be considered by the City and shall be included in the submission of the report to HUD. The final report will be available on the Internet at the City's Community Development ~~Division-Department~~ web page and at the Community Development ~~Division-Department~~ offices.

~DISPLACEMENT~

The City of Killeen does not anticipate the displacement of persons, as defined in Code of Federal Regulations Section 470.612(a) (24 CFR Section 470.612(a)), as a result of its activities during the development of the Consolidated Plan or Annual Action Plans however, should displacement occur as a result of community development programs, the City of Killeen ~~would~~ will minimize and mitigate the effects of displacement by following the procedures set out under the Uniform Relocation Assistance and Real Property Acquisition Policies Action of 1970 (the Uniform Act).

When displacement is unavoidable, the EDCDD will notify the affected residents in writing informing them of the types of services available for displacement in accordance with the Uniform Act.

In the event that an affected resident disagrees with the need for displacement, the resident may file a written appeal with the Community Development ~~Division-Department~~ Executive Director.

~AMENDMENTS~

The City is required to amend the Annual Action Plan or Consolidated Plan whenever it adds or deletes projects during the program year or substantially changes the purpose, scope, location, or beneficiaries of an activity. Amendments include changes in objectives, goals, strategies, resources available, etc. Reprogramming of funds may be necessitated by cost overruns, unforeseen circumstances, or low bids.

The CDD has identified the following criteria for what constitutes a substantial change or amendment in the planned or actual activities of the Consolidated Plan or Annual Action Plan:

- | | |
|--------------|---|
| PURPOSE | When the purpose of a project/program/activity is redesigned because of a significant change in how the funds will be used or the inclusion of a funding component not previously described in the Consolidated Plan or Annual Action Plan. |
| SCOPE/BUDGET | When the scope or a monetary change, of a project/program/activity, by an increase to the budget equal to 25% or more [from the originally |

approved allocation] and not previously described in the Consolidated Plan or Annual Action Plan.

LOCATION When the location of a project/program/activity is changed from the original site(s)/location(s) and not previously described in the Consolidated Plan or Annual Action Plan.

BENEFICIARIES When the beneficiary population is changed from the original type [limited clientele to area benefit, seniors to children, job benefit to housing, etc.] and not previously described in the Consolidated Plan or Annual Action Plan.

Such amendments will be presented to the Community Development Advisory Committee at any of the regular or special called meetings of that committee. Following this meeting, the CDAC will submit its recommendation to the City Council on the program amendment. The City of Killeen will also consider written comments or views submitted by citizens in the preparation of a substantial amendment to the Consolidated Plan. The proposed amendment will be published in accordance with the PUBLIC NOTICES section in this plan for a citizen review period of thirty-(30) days. The City Council will act on the proposed amendment at a subsequent City Council Meeting in which proper notice of program amendment has been given and in accordance with citizen comment received.

~ACCESS TO RECORDS~

The City of Killeen will provide timely access to information and records relating to the City's Consolidated Plan and use of funding under the HUD-CPD programs covered in the Plan from the preceding five years to citizens, public agencies and other interested parties. Information will be requested through the Community Development ~~Division~~Department.

The request will be processed in accordance with the City of Killeen Open Records Requests policy and the Texas Open Records Act, V.T.C.A., Government Code, § 551.001 *et seq.*

~AVAILABILITY TO THE PUBLIC~

Copies of the ~~CPP, the~~ Consolidated Plan and Annual Action Plans, as adopted, any substantial amendments, and the Consolidated Annual Performance Evaluation Report will be available to the public on the Internet at the City's Community Development ~~Division~~Department web page and in hardcopy at the Community Development ~~Division~~Department office at 802 N. 2nd Street, Building E, Killeen, Texas 76541.

~COMPLAINTS~

Complaints about the ~~Neighborhood-Community~~ Planning Meetings, Meetings, Public Hearings, the Consolidated Plan, Annual Action Plan and Consolidated Annual Performance and Evaluation Report may be submitted in writing to the Community Development ~~Division~~Department Executive Director. Written complaints may be filed at:

City of Killeen

Director of Community Development ~~Division~~Department

P.O. Box 1329
Killeen, Texas 76540-1329

Each complaint will receive a written response within fifteen (15) business days of receipt. The EDCDD will make every attempt to resolve the complaint in a timely manner. The Community Development ~~Division-Department~~ will maintain a log of all complaints and responses for a period of five (5) years.

In the event the ~~grievance-complaint~~ is not satisfied, the plaintiff may request submittal and resolution to the next level of management (the Assistant City Manager-External Services, ~~Executive Director of Planning~~, the City Manager, and then the City Council.) Every level of management will make every effort to equitably resolve a complaint.

MINUTES
COMMUNITY DEVELOPMENT ADVISORY COMMITTEE
FEBRUARY 11, 2015, 2:00 P.M.
COMMUNITY DEVELOPMENT TRAINING ROOM #E105
KILLEEN ARTS AND ACTIVITIES CENTER
802 N. 2ND ST., BUILDING E, KILLEEN, TX 76541

1. CALL TO ORDER – Meeting was called to order at 2:02 PM by Chairman Cossey.

2. ROLL CALL: Committee Members in attendance: Angelia Batie, Dr. Alvin Dillard, Ashley Whitworth, Richard Banta, TaNeika Driver-Moultrie, Kim Barr and Eric McConaughy. Ramon Alvarez entered the meeting at 2:05 PM and Charles Guidry was absent. City Staff in attendance: Leslie Hinkle, Traci Briggs, Cinda Hayward and Celeste Sierra.

3. APPROVAL OF AGENDA: Mr. Barr moved, seconded by Ms. Whitworth to approve the agenda as written. Motion carried.

4. APPROVAL OF MINUTES: Dr. Dillard moved, seconded by Ms. Driver-Moultrie to approve the minutes of April 29-30, 2014 as written. Motion carried.

5. COMMITTEE & STAFF ITEMS

- A. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON:** Ms. Driver-Moultrie nominated Mr. Cossey for Chairman and Ms. Driver-Moultrie as Vice-Chairman. No other nominations were submitted. Ms. Driver-Moultrie moved, seconded by Mr. Banta to retain Mr. Cossey as Chairman and Ms. Driver-Moultrie as Vice-Chairman. Motion carried.
- B. RECEIVE BRIEFING ON COMMITTEE PROCEDURES FROM DEPUTY CITY ATTORNEY:** Ms. Briggs briefed committee on Open Meetings, Robert's Rules of Order, Conflicts of Interest, and Attendance Policy for Committee and Board Members.
- C. DISCUSS AND CONSIDER THE 2015-16 ANNUAL PLANNING CALENDAR FOR CDBG AND HOME PROGRAMS, SET DATES FOR CDAC TO PRIORITIZE APPLICATIONS FOR FUNDING:** Ms. Hinkle reviewed the Annual Planning Calendar with Committee. Mr. Barr moved, seconded by Mr. Banta to approve calendar as written and to schedule meetings to prioritize funding proposals on May 6 and 7, 2015. Motion carried.
- D. DISCUSS AND CONSIDER UPDATES AND REVISIONS TO THE CITIZEN PARTICIPATION PLAN.** Ms. Hayward reviewed and explained the changes and revisions to the current plan. Ms. Driver-Moultrie moved, seconded by Mr. Alvarez to approve the plan with the noted corrections. Motion carried.
- E. RECEIVE BRIEFING ON FY 2015-16 PROPOSALS FOR FUNDING:** Ms. Hayward briefed Committee on changes to the FY 15-16 applications for funding and advised that applications will be accepted between March 2 and April 2, 2015.
- F. RECEIVE BRIEFING ON COMMUNITY PLANNING MEETINGS AND 2015-19 CONSOLIDATED PLAN:** Ms. Hayward briefed Committee on discussing and establishing new community priorities for the upcoming five year consolidated plan during the Community Planning Meetings scheduled for February 18th and 26th to meet new HUD format for the plan. A survey will be available as a tool to help with establishing priorities for persons attending and for persons who were not able to attend the planning meetings.
- G. DISCUSS CDBG AND HOME PROJECT STATUS REPORTS:** Ms. Hinkle reviewed current CDBG and HOME projects and discussed current status, amount of funding expended during the first quarter and what beneficiary goals were met. She also added that the Homeless Shelter project would be going out for bids for a second time on March 1 and would be reviewed by Council on April 14.

6. ADJOURNMENT: Ms. Driver-Moultrie moved, seconded by Mr. Banta to adjourn. Motion carried and the February 11, 2015 CDAC meeting adjourned at 3:27 PM.



City of Killeen

Legislation Details

File #: RS-15-010 **Version:** 1 **Name:** Acceptance of FY2014 Annual Audit Report
Type: Resolution **Status:** Resolutions
File created: 4/9/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: Consider a memorandum/resolution accepting the annual audit report for the fiscal year ended September 30, 2014.
Sponsors: City Auditor, Finance Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Comprehensive Annual Financial Report](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Acceptance of the annual audit report for the fiscal year ended September 30, 2014.

ORIGINATING DEPARTMENT

City Auditor

BACKGROUND INFORMATION

The City Council previously approved the engagement of Weaver, LLP to perform the independent audit of the City's financial records for the fiscal year ended September 30, 2014.

DISCUSSION/CONCLUSION

Weaver, LLP has completed their audit and a copy of the Comprehensive Annual Financial Report has been provided to the City Council. Representatives of Weaver, LLP will appear at the City Council Workshop on April 21, 2015, to present the results of the audit to the City Council. The goal of the audit was to provide reasonable assurance that the financial statements of the City of Killeen for fiscal year ended September 30, 2014, are free of material misstatement. The audit report has been formatted to comply with all required provisions of the Governmental Accounting Standards Board.

FISCAL IMPACT

The fees associated with the performance of the annual audit were budgeted and are available in various Professional Services accounts located in the major funds.

RECOMMENDATION

The staff recommends that the City Council approve the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014.

CITY OF KILLEEN, TEXAS



Fiscal Year Ended September 30, 2014
COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KILLEEN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2014

ELECTED OFFICIALS

Scott Cospers, Mayor
Elizabeth Blackstone, Mayor Pro-Tem
Wayne Gilmore, Councilman
Jose Segarra, Councilman
Terry Clark, Councilman
Steve Harris, Councilman
Jonathan Okray, Councilman
Juan Rivera, Councilman

MANAGEMENT STAFF

Glenn P. Morrison, City Manager
John W. Sutton, Assistant City Manager, External Services
Lillian Ann Farris, Ph.D., Assistant City Manager, Internal Services

OFFICIALS ISSUING REPORT

Karen Evans, CPA, Interim Executive Director of Finance
Amanda Wallace, CPA, City Auditor



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INTRODUCTORY SECTION

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CITY OF KILLEEN

March 31, 2015

The Honorable Mayor, City Council, and
Citizens of the City of Killeen, Texas

The comprehensive annual financial report of the City of Killeen, Texas, for the fiscal year ended September 30, 2014, is submitted in accordance with the provisions of the City Charter. This report was prepared by City of Killeen management in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and audited in accordance with U.S. Generally Accepted Auditing Standards (GAAS) by a firm of licensed independent certified public accountants.

This report consists of management's representations concerning the finances of the City of Killeen. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. To provide a reasonable basis for making these representations, management of the City of Killeen has established a comprehensive internal control framework that is designed both to protect the government's assets and to compile sufficient reliable information. Because the cost of a control should not exceed the benefits to be derived, the objective in establishing a comprehensive internal control framework is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

The City of Killeen's financial statements have been audited by Weaver, LLP, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Killeen for fiscal year ended September 30, 2014, are free of material misstatement. The independent audit involved examining evidence on a test basis, supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

GOVERNMENT STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The City of Killeen was established May 15, 1882, and incorporated as a municipality on March 3, 1949. Located in Bell County, it is situated along U.S. Highway 190, 17 miles east of Interstate 35. Geographically, Killeen is located on the main line of the Santa Fe Railroad and encompasses an area of 55.56 square miles. Its central

location makes major metropolitan areas easily accessible - 70 miles to Austin, 150 miles to San Antonio, 160 miles to Dallas-Fort Worth, and 190 miles to Houston. With an estimated population of 137,147, Killeen is the most populated city in Bell County. It is also home to Fort Hood, the largest active duty armored post in the United States Armed Services.

The City provides essential and meaningful services to its citizens to create an exceptional quality of life. Major services provided under general government and enterprise functions include the following: police and fire protection; emergency medical services; water, sewer and garbage utilities; two airports; an 18-hole golf course; a public library system with two locations; numerous parks and recreation facilities, including parks, athletic fields, a fitness center, two public swimming pools, and a family aquatics center; and a hike and bike trail.

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

As the local and state economies continue to improve, Killeen continues to closely monitor the national economy and the future decisions in and around Fort Hood and to proceed with caution in developing the FY 14-15 budget. Killeen has maintained strong fund balance reserves despite the challenges posed by diminishing revenues from property and sales taxes. Although affected by the economic downturn, the local economy, fueled by its proximity to Fort Hood, affordable housing, and transportation infrastructure improvements, remains relatively stable in comparison to cities across the United States.

BUDGET PROCESS

The budget process for the City of Killeen is a year-round process defined by a fiscal year, not a calendar year. Killeen's fiscal year begins on October 1 and ends on September 30. The Killeen City Charter vests the responsibility for preparing an annual budget and plan of municipal services with the City Manager. The City Manager must then submit the proposed budget to the City Council for its review and adoption. The City Manager, not less than forty five days prior to the beginning of each fiscal year, must submit to the Council a proposed budget which shall provide a complete financial plan for the coming fiscal year. The proposed budget is made available as a public record at the time it is presented to the City Council. Public hearings, as required by the Charter and state law, are held on the proposed budget and tax rate. The Council has the opportunity to make changes to the proposed budget during this process subject to required additional public hearings. The budget is adopted by the favorable vote of a majority of the members of the whole Council and must be adopted not later than September 20 of each year. If the Council fails to adopt a budget by this date, the proposed budget submitted by the City Manager shall be deemed to have been adopted by the Council. The FY 13-14 Budget and Plan of Municipal Services was adopted by the City Council on September 10, 2013.

MAJOR INITIATIVES

The FY 13-14 adopted budget was very conservative. The City of Killeen has been prudent in maximizing resources and efficiencies in order to provide the same levels of city services in spite of the challenging economic environment. The construction of a new university, medical facility and other projects create great potential for future economic growth. The City of Killeen will continue its fiscally conservative approach to budgeting to ensure the city's long-term success.

KILLEEN CHALLENGE

In developing the FY 14-15 budget, staff established several "fence posts" to help guide the process. Those markers included the following: maintaining fiscal soundness within the existing tax rate, focusing on the mission and service levels, aligning programs and services with our Strategic, Financial and Master Plans, and assessing economic conditions and military trends. With those in mind, staff diligently evaluated current programs and services in all major operating funds and thoughtfully considered new programs designed to meet the increasing demands for city services.

The operating budget highlights, in addition to the priorities noted in the above paragraph, are as follows:

1. Adopt the ad valorem tax rate at 74.98 cents. It provides adequate funding to maintain existing levels of service to our citizens and to make payments on new and existing debt. The budget maintains a strong ending fund balance in all major operating funds.
2. Maintain adequate and fair pay for all City employees.
3. Utilizing the \$20 million Capital Improvements Program approved in FY 2014, improve roadways, renovate the Killeen Community Center, construct Fire Station #9, and improve parks.
4. Maintain adequate employee health care coverage.
5. Increase City staff by nine new full-time positions.
6. Continue to make the fleet replacement program a priority.
7. Continue to contribute funding to the Greater Killeen Chamber of Commerce and the Killeen Economic Development Corporation.
8. Align water and sewer rates with the existing rate model.
9. Increase the franchise fee charged to the Water and Sewer Fund by the General Fund for the use of rights-of-way.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Killeen for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the 23rd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR which must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. This Certificate of Achievement is awarded on a yearly basis. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements; we are submitting this year's CAFR to the GFOA to determine its eligibility for another Certificate of Achievement.

The City of Killeen received the Distinguished Budget Presentation Award for the fiscal year beginning October 1, 2013, from the GFOA for our conformity in budget presentation. We believe that our current budget continues to conform to the program requirements and expect to receive this award for the fiscal year beginning October 1, 2014.

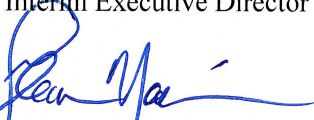
The preparation of this report could not have been accomplished without the efficient and dedicated services of City staff and through the competent service of our independent auditors. Appreciation is expressed to City employees throughout the organization who were instrumental in the successful completion of this report.

We also wish to express our sincere appreciation to the Mayor and City Council for your leadership and guidance in the financial affairs of the City of Killeen. You make it possible for City staff to achieve our mission: Dedicated Service – Every Day, for Everyone!

Respectfully submitted,



Karen Evans, CPA
Interim Executive Director of Finance

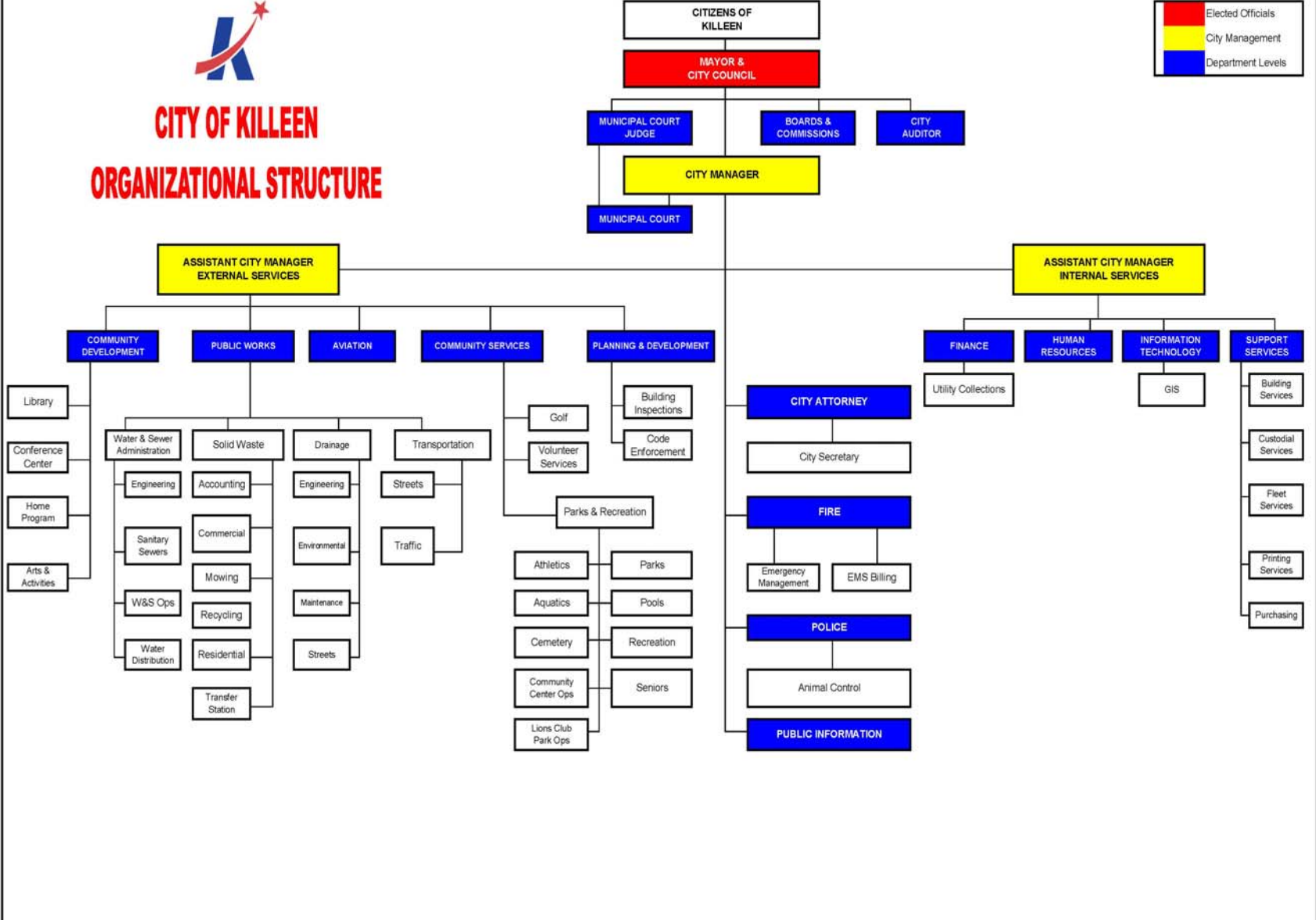


Glenn P. Morrison
City Manager



CITY OF KILLEEN ORGANIZATIONAL STRUCTURE

Red	Elected Officials
Yellow	City Management
Blue	Department Levels



**CITY OF KILLEEN
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2014**

Mayor	Scott Cospier
Mayor Pro Tem	Elizabeth Blackstone
Councilman – District 1	Wayne Gilmore
Councilman – District 2	Jose Segarra
Councilman – District 3	Terry Clark
Councilman – District 4	Steve Harris
Councilman – At Large	Jonathan Okray
Councilman – At Large	Juan Rivera
City Manager	Glenn Morrison
Assistant City Manager, External Services	John Sutton
Assistant City Manager, Internal Services	Lillian Ann Farris, Ph.D.
City Attorney	Kathryn Davis
City Auditor	Amanda Wallace, CPA
Executive Director of Aviation	Matthew Van Valkenburgh
Interim Executive Director of Finance	Karen Evans, CPA
Executive Director of Information Technology	Tom Moore
Executive Director of Planning	Ray Shanaa, Ph.D.
Executive Director of Public Information	Hilary Shine
Executive Director of Public Works	Scott Osburn
Executive Director of Support Services	Stuart McLennan
Chief of Police	Dennis Baldwin
Fire Chief	Jerry Gardner
Presiding Municipal Judge	Mark Kimball



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Killeen
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Killeen, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Killeen, Texas (the City) as of and for the year ended September 30, 2014, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements. We did not audit the financial statements of Killeen Economic Development Corporation (KEDC), the City's discretely presented component unit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of KEDC, the City's discretely presented component unit. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for KEDC, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of KEDC were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Killeen, Texas, as of September 30, 2014, 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.

Change in Accounting Principle

As discussed in Note IV.G. to the financial statements, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of September 30, 2014. Our opinion was not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Retirement and Post Employment Benefit Plans Other than Pensions Required Supplementary Information, and the General Fund budgetary comparison information on pages 5 through 17 and 83 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

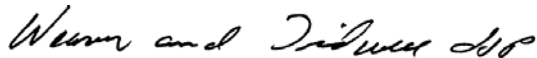
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 31, 2015

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**CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

As management of the City of Killeen, we offer readers of the City of Killeen's financial statements this narrative overview and analysis of the financial activities of the City of Killeen for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with our letter of transmittal which can be found on pages iii - v of this report and the basic financial statements that follow this section. This discussion and analysis includes comparative data to fiscal year ended September 30, 2013. All amounts, unless otherwise indicated, are expressed in dollars.

Fiscal Year 2013-14 Financial Highlights

City-wide:

- The City's total net position was \$297.2 million at September 30, 2014, of which \$74.8 million were in Governmental Activities and \$222.4 million were in Business-Type Activities.
- Total City revenues were \$144.0 million, of which \$82.4 million were derived from Governmental Activities and \$61.6 million were derived from Business-Type Activities.
- Total City expenses were \$158.6 million, of which \$99.7 million were incurred by Governmental Activities and \$58.9 million were incurred by Business-Type Activities.
- The total revenue and expense amounts stated above do not include transfers between funds or outgoing contributions.

Fund Level:

- Governmental funds reported combined ending fund balances of \$72.2 million at September 30, 2014. Of the combined ending fund balances, \$0.6 million is nonspendable, \$4.5 million is restricted for debt service, \$44.8 million is restricted in capital project funds, \$2.9 million is restricted for other purposes, and \$19.4 million is unassigned.
- Governmental fund revenues were \$80.7 million, an increase of \$0.5 million from fiscal year 2013's \$80.2 million. This is due mostly to an increase in ad valorem tax revenue.
- Governmental fund expenditures decreased to \$112.3 million in fiscal year 2014, down \$6.6 million from the prior year.
- Enterprise fund operating revenues were \$59.0 million in fiscal year 2014, down \$0.9 million from the prior year.
- Enterprise fund operating expenses were \$51.8 million in fiscal year 2014, an increase of \$2.8 million from the prior year.
- Enterprise fund non-operating revenues, including capital contributions, were \$2.6 million in fiscal year 2014, a decrease of \$7.4 million from the prior year. This is due mostly to a decrease in intergovernmental revenue and developer contributions.

General Fund:

- General Fund revenues were \$63.0 million, an increase of \$1.6 million from the prior year.
- General Fund expenditures were \$73.7 million, an increase of \$3.3 million from the prior year.
- Net transfers into the General Fund were \$8.7 million in fiscal year 2014, an increase of approximately \$1.1 million from the prior year.
- Unassigned fund balance for the general fund was \$19.4 million at September 30, 2014 or 26.3 percent of total general fund expenditures of \$73.7 million. The unassigned ending fund balance is down approximately \$1.8 million from the prior year.

**CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014**

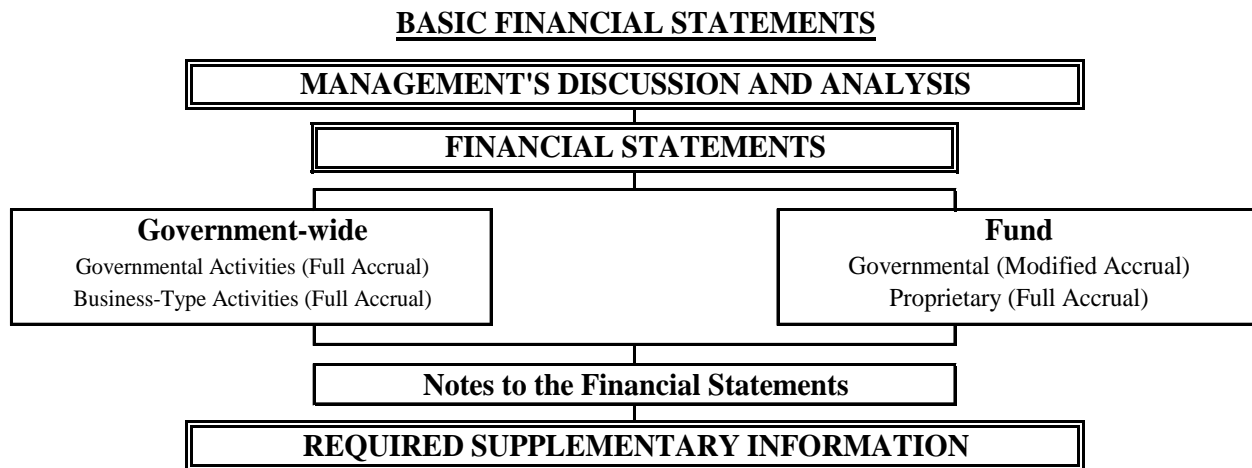
USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of three sections: introductory, financial and statistical. As illustrated in the chart below, the financial section of this report has three components: management's discussion and analysis (this section), the basic financial statements and required supplementary information.

The government-wide financial statements, which focus on the City as a whole, provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the city government, reporting the operations of the City in more detail than the government-wide statements.

The objective of the Statistical Section is to provide additional historical perspective (most recent 10 years), context, and detail to assist users of the financial report to understand and assess a government's economic condition. The objectives are met by providing the information in these five categories: Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic, and Operating.

Components of the Financial Section:



OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014

deteriorating. To assess the overall health of the City, one needs to consider other non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

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 flows. 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).

Government-wide financial statements of the City are divided into three categories:

- **Governmental Activities** – Functions of the City that are principally supported by taxes and intergovernmental revenues. The governmental activities of the City include General Government, Police, Fire, Public Works, Parks and Recreation, Golf, Library, and Community Development/Services.
- **Business-Type Activities** – Functions of the City that are intended to recover all or a significant portion of their costs through user fees and charges. The business-type activities of the City include Airport, Solid Waste, Water and Sewer and Drainage Utility operations.
- **Component Unit** – The City includes a separate legal entity in its report, the Killeen Economic Development Corporation. Although legally separate, this component unit is important because the City is financially accountable for it.

The government-wide financial statements can be found on pages 21-23 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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. A reconciliation between changes in net position and changes in fund balances is provided on pages 25 and 27 to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the 2011A pass thru financing 190/2410 bond fund, and the 2011 C.O. bond fund because they are considered to be major funds. Data from the other governmental funds are combined into a

**CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014**

single, aggregated column labeled as "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the "Combining Statements" section of this financial report. The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement (page 86) has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

Enterprise Funds

Enterprise funds are generally used to account for services for which the City charges outside customers for services. Enterprise funds provide the same type of information as shown in the government-wide financial statements, only in more detail, and are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the Airport, Solid Waste, Water and Sewer, and Drainage Utility activities. All enterprise funds except Drainage Utility are considered to be major funds of the City in accordance with the major fund test. However, the City has elected to report the Drainage Utility fund as a major fund.

The basic enterprise fund financial statements can be found on pages 28-37 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 41 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning: General Fund – Budget vs. Actual (page 86) and the City's progress in funding its obligation to provide pension benefits and other post employment benefits to qualifying employees and retirees (pages 83-85).

Combining Statements

The combining statements referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information.

CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014

Government-Wide Financial Analysis:

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities by \$297.2 million for the year ended September 30, 2014.

	Net Position					
	<i>(in millions of dollars)</i>					
	Governmental Activities		Business-Type Activities		Total Activities	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
ASSETS						
Current and other assets	\$ 81.6	\$ 84.8	\$ 58.3	\$ 71.7	\$ 139.9	\$ 156.5
Capital assets	224.1	213.1	247.4	245.4	471.5	458.5
Total assets	<u>305.7</u>	<u>297.9</u>	<u>305.7</u>	<u>317.1</u>	<u>611.4</u>	<u>615.0</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	5.5	-	3.8	-	9.3	-
Total deferred outflows of resources	<u>5.5</u>	<u>-</u>	<u>3.8</u>	<u>-</u>	<u>9.3</u>	<u>-</u>
LIABILITIES						
Current liabilities	8.0	7.1	6.7	6.4	14.7	13.5
Noncurrent liabilities	228.4	205.9	80.4	81.8	308.8	287.7
Total liabilities	<u>236.4</u>	<u>213.0</u>	<u>87.1</u>	<u>88.2</u>	<u>323.5</u>	<u>301.2</u>
NET POSITION						
Net investment in capital assets	54.6	62.9	192.1	188.4	246.7	251.3
Restricted	8.5	7.6	8.4	8.7	16.9	16.3
Unrestricted	11.7	14.4	21.9	31.8	33.6	46.2
Total net position	<u>74.8</u>	<u>84.9</u>	<u>222.4</u>	<u>228.9</u>	<u>297.2</u>	<u>313.8</u>

The largest portion of the City's net position, \$246.7 million or 83.0 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, equipment and systems), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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, \$16.9 million or 5.7 percent, represents resources that are subject to external restrictions on how they may be used. These restrictions are detailed in debt covenants, unexpended construction contracts, intergovernmental agreements, and in the City of Killeen Charter. The remaining balance of unrestricted net position, \$33.6 million or 11.3 percent, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014

Analysis of Changes in Net Position

The City's net position overall decreased by \$16.6 million during the current fiscal year. These increments are explained in the governmental and business-type activities discussion in the following tables.

Changes in Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
<i>Program revenues:</i>						
Charges for services	\$ 12.49	\$ 12.23	\$ 58.99	\$ 59.94	\$ 71.48	\$ 72.17
Operating grants and contributions	3.33	2.73	0.007	-	3.34	2.73
Capital grants and contributions	2.11	5.49	2.42	9.64	4.53	15.13
<i>General revenues:</i>						
Property taxes	36.00	34.85	-	-	36.00	34.85
Business taxes	5.98	5.67	-	-	5.98	5.67
Sales taxes	22.12	22.06	-	-	22.12	22.06
Interest and investment income	0.14	0.31	0.14	0.17	0.28	0.48
Gain on sale of capital assets	0.02	-	0.01	0.21	0.03	0.21
Lease revenue	0.17	0.15	0.07	0.05	0.24	0.20
Total revenues	<u>82.36</u>	<u>83.49</u>	<u>61.64</u>	<u>70.01</u>	<u>144.00</u>	<u>153.50</u>
Expenses						
General	18.28	18.13	-	-	18.28	18.13
Police	29.63	28.39	-	-	29.63	28.39
Fire	19.81	19.09	-	-	19.81	19.09
Public works	11.86	10.04	-	-	11.86	10.04
Parks and recreation	4.78	4.43	-	-	4.78	4.43
Golf	1.60	1.52	-	-	1.60	1.52
Library	1.60	1.56	-	-	1.60	1.56
Community development/services	3.86	3.73	-	-	3.86	3.73
Interest on long-term debt	8.26	8.54	-	-	8.26	8.54
Airport operations	-	-	7.57	7.29	7.57	7.29
Solid waste	-	-	12.95	12.87	12.95	12.87
Water and sewer	-	-	34.98	28.45	34.98	28.45
Drainage utility	-	-	3.40	2.95	3.40	2.95
Total expenses	<u>99.68</u>	<u>95.43</u>	<u>58.90</u>	<u>51.56</u>	<u>158.58</u>	<u>146.99</u>
Change in net position before transfers	(17.32)	(11.94)	2.74	18.45	(14.58)	6.51
Transfers	8.39	7.42	(8.39)	(7.42)	-	-
Change in net position	<u>(8.93)</u>	<u>(4.52)</u>	<u>(5.65)</u>	<u>11.03</u>	<u>(14.58)</u>	<u>6.51</u>
Net position at beginning of year	84.93	89.45	228.94	217.90	313.87	307.35
Prior period adjustment	(1.21)	-	(0.82)	-	(2.03)	-
Net position at end of year	<u>\$ 74.79</u>	<u>\$ 84.93</u>	<u>\$ 222.47</u>	<u>\$ 228.93</u>	<u>\$ 297.26</u>	<u>\$ 313.86</u>

**CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014**

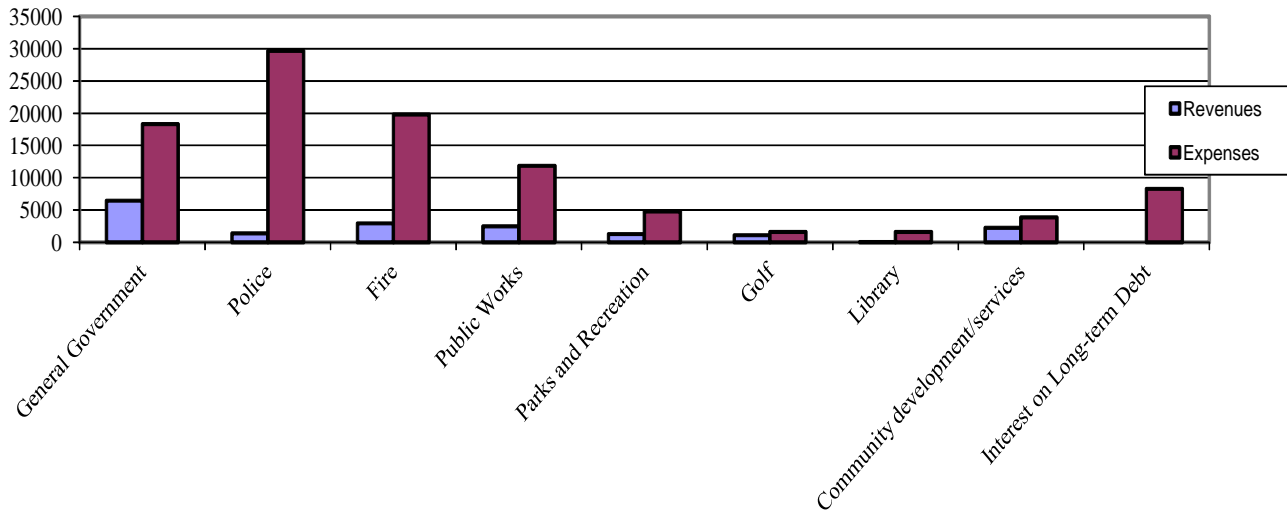
Governmental Activities

Governmental activities decreased the City's net position by \$10.1 million, of which \$1.2 million is attributable to the implementation of GASB 65 (see Note IV. G.), which required a restatement of beginning net position. Other key factors of this decrease are discussed in the following section.

The charts below illustrate the City's governmental expenses and revenues by function. As shown, police is the largest function in expense (\$29.63 million), followed by fire (\$19.81 million) and general government (\$18.28 million). Overall expenses increased by \$4.25 million due to an increase in salaries and overtime for public safety employees, the purchase of necessary equipment, the need to fund additional street repairs and maintenance, and an increase in depreciation expense in public works.

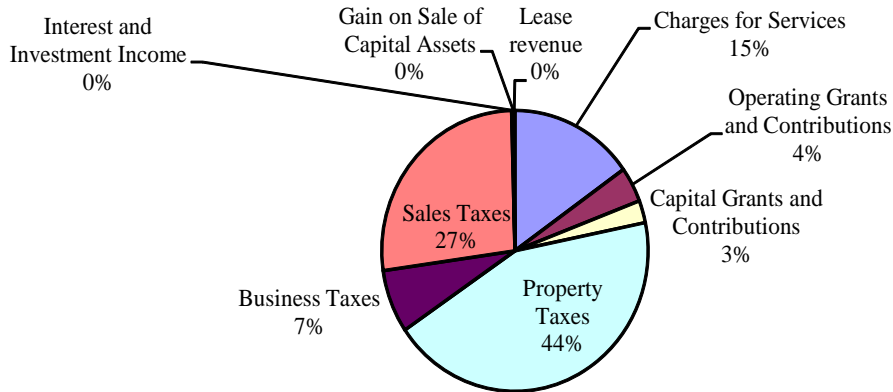
General revenues such as property, sales, and business taxes are not shown by program, but are effectively used to support program activities citywide. For governmental activities overall, without regard to program, property taxes are the largest single source of funds (\$36.00 million), followed by sales taxes (\$22.12 million) and charges for services (\$12.49 million). Overall revenues decreased by \$1.13 million due to a decrease in capital grants and contributions; however, there was an increase of \$1.15 million in property tax revenue from the previous fiscal year due to the increase in the property tax base within the City.

**Program Revenues and Expenses - Governmental Activities
Fiscal Year 2013-14
(in thousands of dollars)**



**CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014**

**Revenue by Source - Governmental Activities
Fiscal Year 2013-14**



Business-type Activities

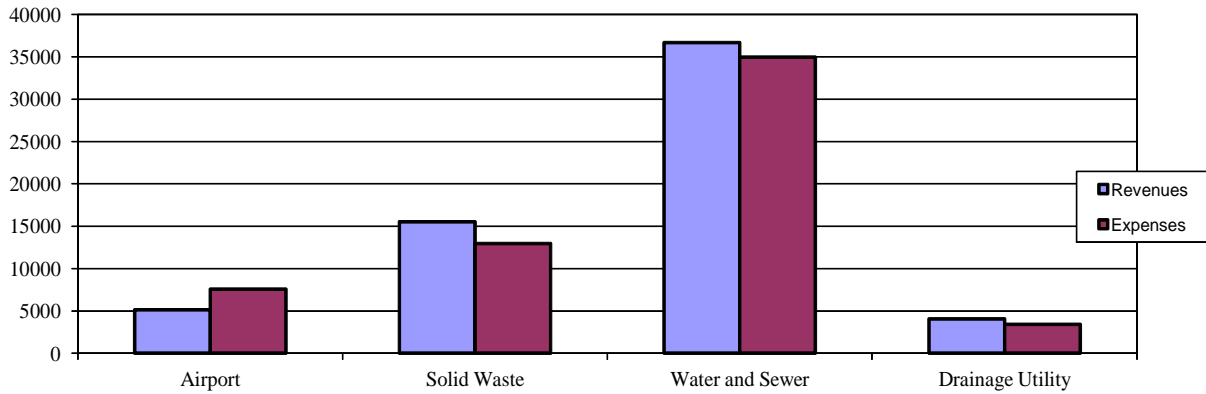
Business-type activities decreased the City's net position by \$6.5 million, of which \$0.8 million is attributable to the implementation of GASB 65 (see Note IV. G.), which required a restatement of beginning net position. Other key factors of this decrease are discussed in the following section.

The charts below illustrate the City's business-type expenses and revenues by fund. The largest of the City's business-type activities, Water and Sewer, had expenses of \$34.98 million in fiscal year 2014, followed by Solid Waste with expenses of approximately \$12.95 million. Overall expenses increased by \$7.34 million due to an increase in the water and sewer rates charged to the City during fiscal year 2014 and the \$5 million water and sewer outgoing contribution to Bell County Water Control and Improvement District #1 to help fund a new area-wide water treatment facility.

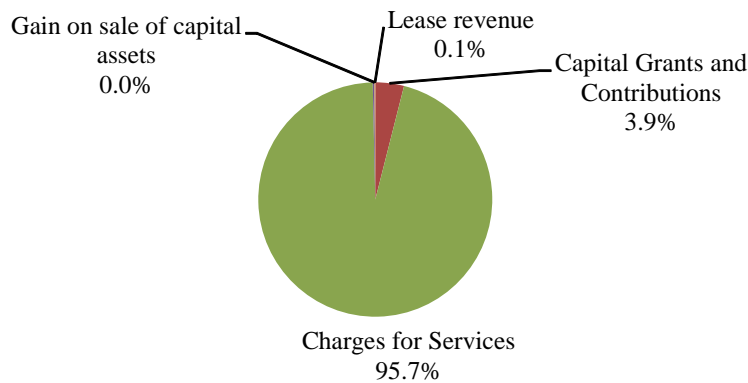
Charges for services provided the largest share of revenues (95.70 percent) followed by capital grants and contributions (3.94 percent) for all business-type activities. Overall revenues decreased by \$8.37 million due mostly to a decrease in capital grants and contributions.

**CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014**

**Program Revenues and Expenses - Business-Type Activities
Fiscal Year 2013-14
(in thousands of dollars)**



**Revenue by Source - Business-Type Activities
Fiscal Year 2013-14**



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. 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. Governmental funds reported by the City include the general fund, special revenue funds, debt service funds, and capital project funds.

CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$72.2 million, a decrease of \$3.2 million in comparison with the prior year. Approximately \$19.4 million (26.9 percent) of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is in nonspendable form, or restricted for debt service, capital projects and other purposes.

Revenues for governmental functions overall totaled approximately \$80.7 million in the fiscal year ended September 30, 2014, which represents a \$0.5 million increase from the prior fiscal year. Expenditures for governmental functions totaling \$112.3 million decreased by approximately \$6.6 million from the previous fiscal year. While there was an overall decrease in expenditures due to the decrease in capital outlay, there was an increase in public safety expenditures by \$2.0 million due to an increase in salaries and overtime for public safety employees and the purchase of necessary equipment. In the fiscal year ended September 30, 2014, expenditures for governmental functions exceeded revenues by approximately \$31.6 million.

The general fund is the chief operating fund of the City and one of three major governmental funds presented in the financial statements. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$19.4 million, while total fund balance was \$20.3 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.3 percent of total general fund expenditures, while total fund balance represents 27.6 percent of that same amount.

The 2011A Pass Thru Financing 190/2410 fund is the second major governmental fund presented in the financial statements. During fiscal year 2011-2012, the City issued \$31.4 million in Pass-Thru Financing to fund state highway projects. During the current fiscal year, the fund balance decreased by \$10.8 million. As with the nature of any capital project fund, the fund balance will decrease significantly each year as the bond proceeds are expended for their intended purposes.

The 2011 C.O. Bond fund is the third major governmental fund presented in the financial statements. During fiscal year 2010-2011, the City issued \$32.0 million in Certificates of Obligation to fund street improvements and improvements to certain City facilities. During the current fiscal year, the fund balance decreased by \$8.7 million. As noted above, the fund balance of any capital project fund will decrease significantly each year as the bond proceeds are expended for their intended purposes.

General Fund Budgetary Highlights

The following is a brief review of the budgetary changes from the original to the final general fund budget. Operating revenue and expenditure budgets were increased in the following categories through budget amendments/transfers.

- \$100 thousand increase in intergovernmental revenue and contributions due to the acceptance of grant funding.
- \$1.4 million increase in general government expenditures due largely to expenditures related to a reimbursement resolution in which the general fund incurs the expenditures up front and is subsequently reimbursed by an alternate funding source afterwards.
- \$2.1 million increase in public safety expenditures due mostly to an increase in salaries and overtime for public safety employees and the purchase of necessary equipment.
- \$1.1 million increase in public works for a street condition assessment, additional street repairs and maintenance, city owner agreements, and expenditures related to a reimbursement resolution in which the

**CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014**

general fund incurs the expenditures up front and is subsequently reimbursed by an alternate funding source afterwards.

- \$200 thousand increase in Community Development/Services due to a reorganization of staff.

In comparing the final amended budget for the general fund to actual results during FY2014, total actual expenditures were \$5.6 million less than the budget. This is due in part to the reimbursement resolutions as noted in the previous paragraph, for which the anticipated work was not completed in FY2014 as expected. The remainder of the variance is due to fiscal conservativeness as well as the lapsing of encumbrances which are then re-encumbered and budgeted in the following fiscal year.

Proprietary Funds

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

At the end of the fiscal year, the unrestricted net position for the Airport Fund was \$1.8 million. The Solid Waste Fund had \$3.6 million, the Water and Sewer Fund had \$12.5 million and the Drainage Utility Fund had \$3.9 million in unrestricted net position. The total decrease in net position for the enterprise funds was \$6.5 million. Factors concerning the finances of these funds have been addressed previously in the discussion of the City's business-type activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2014, amount to \$471.6 million (net of accumulated depreciation). Capital assets include land, construction in progress, buildings and improvements, furniture and equipment, vehicles, and infrastructure. The total increase in the City's capital assets (net of accumulated depreciation) for the current fiscal year was \$13.2 million (a 5.2 percent increase for governmental activities and a 0.9 percent increase for business-type activities) as shown in the table below.

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

	Governmental Activities		Business-Type Activities		Total Activities	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 7.6	\$ 7.6	\$ 1.8	\$ 1.6	\$ 9.4	\$ 9.2
Construction in progress	29.4	14.1	4.3	2.2	33.7	16.3
Buildings and improvements	69.3	69.5	144.8	146.9	214.1	216.4
Improvements - other	-	-	91.0	89.3	91.0	89.3
Furniture and equipment	1.8	2.1	1.9	1.7	3.7	3.8
Vehicles	5.6	7.2	3.7	3.6	9.3	10.8
Infrastructure assets	110.4	112.6	-	-	110.4	112.6
Total	<u>\$ 224.1</u>	<u>\$ 213.1</u>	<u>\$ 247.5</u>	<u>\$ 245.3</u>	<u>\$ 471.6</u>	<u>\$ 458.4</u>

Construction in progress increased with the ongoing work on various construction projects, which accounts for the increase in capital assets during the current fiscal year.

CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Section IV, Note D, in the Notes to the Financial Statements for further information regarding capital assets.

Debt Administration

At the end of the current fiscal year, the City had total long-term obligations outstanding of \$297.0 million. Of this amount, \$108.4 million is general obligation bonds backed by the full faith and credit of the City and \$62.8 million in revenue bonds or certificates of obligation of the City's business enterprises. The remainder includes certificates of obligation of \$107.5 million and \$0.1 million in capital leases payable of governmental activities.

During fiscal year 2014, the City's total bonded debt increased by approximately \$10.0 million (excluding deferred amounts on refunding from fiscal year 2013). The increase is the result of the issuance of new debt to fund public safety buildings/facilities, recreation projects, and various streets projects.

Outstanding Debt
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013
Revenue bonds	\$ -	\$ -	\$ 60.8	\$ 65.4	\$ 60.8	\$ 65.4
General obligation bonds	97.3	92.1	11.1	10.1	108.4	102.2
Certificates of obligation	107.5	98.4	2.0	3.7	109.5	102.1
Capital lease payable	0.1	0.2	-	-	0.1	0.2
Plus unamortized bond premiums/discounts	12.5	11.1	5.7	6.0	18.2	17.1
Less deferred amounts on refunding (1)	-	(5.6)	-	(4.3)	-	(9.9)
Total outstanding debt	\$217.4	\$196.2	\$ 79.6	\$ 80.9	\$297.0	\$277.1

(1) The City implemented GASB 65 in FY2014, requiring the reclassification of the deferred amounts on refunding from a reduction to debt to a deferred outflow of resources. See Note IV. G.

The City's debt service management policies are designed to comply with the legal provisions of the various bond ordinances and covenants governing the debt issue. The City established separate interest and sinking funds for each general obligation bond, certificate of obligation, and revenue bond issued. In addition, bond insurance is obtained for each revenue bond issue as required. City policy attempts to maintain a fund balance of at least two months of annual appropriated expenditures for debt service and any associated fees as a fund balance in the debt service funds at fiscal year end.

The most recent debt issuances of the City of Killeen earned ratings from Standard & Poors and Fitch as follows:

City of Killeen Bonded Debt Ratings
September 30, 2014

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

**CITY OF KILLEEN, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2014**

The state limits the legal amount of general obligation debt of a governmental entity to \$2.50 per \$100 valuation. The City's 2014 debt levy equaled \$0.4619 per \$100 assessed valuation, or 18.5 percent of the maximum allowed. Additional information on the City's long-term debt can be found in Section IV. Note F. of the notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time this MD&A was written, most of the leading indicators such as the stock market, money supply, and the labor market were showing signs of steady economic recovery from the national recession. The housing sector has improved along with the increase of household spending. A key to supporting economic growth will be continued labor market improvements in jobs and income. During the month of December, the national unemployment rate declined to 6.2 percent from 6.7 percent a year ago, and Killeen's unemployment rate declined to 4.8 percent in December as compared to 6.4 percent a year ago. Other local economic indicators in Killeen are showing signs of continual and steady improvement. Sales tax revenues for the month of December have increased to \$1.6 million, compared to last year's \$1.5 million, and year-to-date sales tax revenue has increased by about \$0.5 million. Hotel occupancy year-to-date tax revenues have increased from last year's revenues by 17.2%.

The 2015 budget is submitted in accordance with the provisions of our City Charter which requires the City Manager to submit a proposed budget between forty-five and ninety days prior to the beginning of each fiscal year. Management believes that this budget formulates a plan of municipal services that reflects the general directions and concerns of the City Council and the input from citizens received during the public forums. Many factors were considered in preparing the City's budget for fiscal year 2015, including national, state, and local economic trends. The concerns of our citizens and the priorities of the City Council were included in the development of the budget. The budget priorities for the 2015 fiscal year include:

- Maintaining fiscal soundness within the existing tax rate,
- Focusing on the mission and service levels,
- Aligning programs and services with our Strategic and Master Plans, and
- Assessing economic conditions and military trends.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. If there are any questions about this report or additional financial information is needed, contact:

City of Killeen Finance Department
Karen Evans, CPA
Interim Executive Director of Finance
802 N. 2nd Street, Building E
P. O. Box 1329
Killeen, TX 76540
(254) 501-7730

Or visit our website at:
<http://www.killeentexas.gov>

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BASIC FINANCIAL STATEMENTS

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CITY OF KILLEEN, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Killeen Economic Development Corp.
ASSETS				
Cash and cash equivalents	\$ 61,786,369	\$ 17,283,536	\$ 79,069,905	\$ 5,493,017
Investments	12,007,808	11,000,000	23,007,808	-
Receivables (net of allowances for uncollectibles):				
Taxes	4,359,626	-	4,359,626	-
Accounts	2,355,551	7,516,074	9,871,625	-
Accrued interest	23,838	93,093	116,931	-
Intergovernmental receivable	122,796	987,729	1,110,525	-
Inventories	447,592	355,565	803,157	-
Prepaid items	108,402	695,000	803,402	-
Restricted assets:				
Cash and cash equivalents	339,857	7,350,505	7,690,362	-
Investments	-	13,007,210	13,007,210	-
Other assets:				
Skylark project	-	-	-	153,400
Deferred lease incentive	-	-	-	34,677
Capital assets:				
Non-depreciable	36,941,770	6,121,732	43,063,502	2,303,392
Depreciable (net)	187,168,323	241,365,087	428,533,410	3,002,262
Total assets	<u>305,661,932</u>	<u>305,775,531</u>	<u>611,437,463</u>	<u>10,986,748</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	5,541,694	3,864,340	9,406,034	-
Total deferred outflows of resources	<u>5,541,694</u>	<u>3,864,340</u>	<u>9,406,034</u>	<u>-</u>
LIABILITIES				
Accounts payable	4,228,597	3,423,235	7,651,832	2,000
Escrow payable	-	12,000	12,000	-
Due to other governments	435,175	-	435,175	-
Customer deposits	141,238	2,499,482	2,640,720	-
Unearned revenue	233,578	42,065	275,643	-
Accrued salaries payable	1,436,025	370,950	1,806,975	-
Accrued interest payable	1,520,041	369,953	1,889,994	-
Noncurrent liabilities:				
Due within one year	7,817,679	6,083,788	13,901,467	-
Due in more than one year	220,599,302	74,372,591	294,971,893	977,344
Total liabilities	<u>236,411,635</u>	<u>87,174,064</u>	<u>323,585,699</u>	<u>979,344</u>
NET POSITION				
Net investment in capital assets	54,564,150	192,106,889	246,671,039	4,328,310
Restricted for:				
Debt service	3,131,449	8,437,776	11,569,225	-
Capital projects	2,472,582	-	2,472,582	-
Other purposes	2,952,565	-	2,952,565	-
Economic development	-	-	-	5,679,094
Unrestricted	11,671,245	21,921,142	33,592,387	-
Total net position	<u>\$ 74,791,991</u>	<u>\$ 222,465,807</u>	<u>\$ 297,257,798</u>	<u>\$ 10,007,404</u>

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

**CITY OF KILLEEN, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 18,280,688	\$ 5,750,455	\$ 387,874	\$ 326,633
Police	29,622,532	736,603	471,165	170,483
Fire	19,811,934	2,876,388	39,942	37,813
Public works	11,861,694	-	918,448	1,578,884
Parks and recreation	4,780,138	1,252,935	-	-
Golf	1,598,226	1,078,735	-	-
Library	1,605,680	40,365	10,187	-
Community development/services	3,857,355	756,278	1,498,790	-
Interest on long-term debt	8,263,132	-	-	-
Total governmental activities	<u>99,681,379</u>	<u>12,491,759</u>	<u>3,326,406</u>	<u>2,113,813</u>
Business-type activities:				
Airport operations	7,572,452	4,234,301	-	915,269
Solid waste	12,953,683	15,535,858	-	-
Water and sewer	34,975,124	35,391,913	6,900	1,281,003
Drainage utility	3,400,443	3,828,757	-	228,311
Total business-type activities	<u>58,901,702</u>	<u>58,990,829</u>	<u>6,900</u>	<u>2,424,583</u>
Total primary government	<u>\$ 158,583,081</u>	<u>\$ 71,482,588</u>	<u>\$ 3,333,306</u>	<u>\$ 4,538,396</u>
Component Unit:				
Killeen Economic Development Corp.	<u>\$ 1,288,630</u>	<u>\$ 567,196</u>	<u>\$ 940,668</u>	<u>\$ -</u>

General revenues:
Taxes:
 Ad valorem taxes
 Penalties and interest
 Mixed beverage taxes
 Franchise taxes
 Sales and occupancy taxes
 Bingo taxes
Investment income
Gain on sale of capital assets
Lease revenue
Transfers
 Total general revenues and transfers
Change in net position
Net position - beginning
Cumulative effect of change in accounting principle (See Note IV. G.)
Net position - ending

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

EXHIBIT A-2

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Primary Government		Component Unit
	Business - Type Activities	Total	Killeen Economic Development Corp.
\$ (11,815,726)	\$ -	\$ (11,815,726)	\$ -
(28,244,281)	-	(28,244,281)	-
(16,857,791)	-	(16,857,791)	-
(9,364,362)	-	(9,364,362)	-
(3,527,203)	-	(3,527,203)	-
(519,491)	-	(519,491)	-
(1,555,128)	-	(1,555,128)	-
(1,602,287)	-	(1,602,287)	-
(8,263,132)	-	(8,263,132)	-
<u>(81,749,401)</u>	<u>-</u>	<u>(81,749,401)</u>	<u>-</u>
-	(2,422,882)	(2,422,882)	-
-	2,582,175	2,582,175	-
-	1,704,692	1,704,692	-
-	656,625	656,625	-
<u>-</u>	<u>2,520,610</u>	<u>2,520,610</u>	<u>-</u>
<u>(81,749,401)</u>	<u>2,520,610</u>	<u>(79,228,791)</u>	<u>-</u>
			<u>219,234</u>
35,730,858	-	35,730,858	-
271,326	-	271,326	-
293,502	-	293,502	-
5,428,953	-	5,428,953	-
22,118,887	-	22,118,887	-
258,546	-	258,546	-
140,560	140,175	280,735	-
24,192	14,853	39,045	-
165,351	66,000	231,351	-
8,394,420	(8,394,420)	-	-
<u>72,826,595</u>	<u>(8,173,392)</u>	<u>64,653,203</u>	<u>-</u>
(8,922,806)	(5,652,782)	(14,575,588)	219,234
84,926,841	228,938,664	313,865,505	9,788,170
<u>(1,212,044)</u>	<u>(820,075)</u>	<u>(2,032,119)</u>	<u>-</u>
<u>\$ 74,791,991</u>	<u>\$ 222,465,807</u>	<u>\$ 297,257,798</u>	<u>\$ 10,007,404</u>

CITY OF KILLEEN, TEXAS
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2014

	General Fund	2011A Pass Thru Financing 190/2410	2011 C.O. Bonds	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 16,829,114	\$ 12,252,667	\$ 8,068,794	\$ 24,635,794	\$ 61,786,369
Investments	2,000,000	-	3,007,808	7,000,000	12,007,808
Receivables (net of allowances for uncollectibles):					
Taxes	4,211,163	-	-	148,463	4,359,626
Accounts	2,178,695	-	-	176,856	2,355,551
Accrued interest	18,130	-	3,202	2,506	23,838
Intergovernmental receivable	52,311	-	8,650	61,835	122,796
Due from other funds	50,390	-	-	-	50,390
Restricted assets:					
Cash and cash equivalents	315,957	-	-	23,900	339,857
Inventories	441,742	-	-	5,850	447,592
Prepaid assets	108,402	-	-	-	108,402
Total assets	<u>\$ 26,205,904</u>	<u>\$ 12,252,667</u>	<u>\$ 11,088,454</u>	<u>\$ 32,055,204</u>	<u>\$ 81,602,229</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,081,278	\$ 801,384	\$ 1,642,852	\$ 703,083	\$ 4,228,597
Due to other governments	417,324	-	-	17,851	435,175
Due to other funds	-	-	-	50,390	50,390
Other liabilities	141,238	-	-	-	141,238
Accrued salaries payable	1,402,321	11,031	-	22,673	1,436,025
Compensated absences	33,830	-	-	-	33,830
Unearned revenue	222,785	-	-	10,793	233,578
Total liabilities	<u>3,298,776</u>	<u>812,415</u>	<u>1,642,852</u>	<u>804,790</u>	<u>6,558,833</u>
Deferred inflows of resources:					
Unavailable revenue	2,574,107	-	-	270,917	2,845,024
Total deferred inflows of resources	<u>2,574,107</u>	<u>-</u>	<u>-</u>	<u>270,917</u>	<u>2,845,024</u>
Fund Balances:					
Nonspendable:					
Inventories	441,742	-	-	5,850	447,592
Prepaid assets	108,402	-	-	-	108,402
Restricted for:					
Debt service	68,313	-	-	4,434,714	4,503,027
Capital projects	-	11,440,252	9,445,602	23,902,325	44,788,179
Other purposes	315,957	-	-	2,636,608	2,952,565
Unassigned	19,398,607	-	-	-	19,398,607
Total fund balances	<u>20,333,021</u>	<u>11,440,252</u>	<u>9,445,602</u>	<u>30,979,497</u>	<u>72,198,372</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,205,904</u>	<u>\$ 12,252,667</u>	<u>\$ 11,088,454</u>	<u>\$ 32,055,204</u>	<u>\$ 81,602,229</u>

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

CITY OF KILLEEN, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

Total fund balances - governmental funds balance sheet	\$ 72,198,372
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (net of accumulated depreciation) used in governmental funds are not financial resources and, therefore, are not reported in the funds.	224,110,093
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(222,828,300)
The Other Post Employment Benefit Obligation (OPEB) is not due and payable in the current period and, therefore, is not reported in the funds	(1,533,198)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	<u>2,845,024</u>
Net position of governmental activities - statement of net position	<u><u>\$ 74,791,991</u></u>

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

**CITY OF KILLEEN, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	General Fund	2011A Pass Thru Financing 190/2410	2011 C.O. Bonds	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 50,650,046	\$ -	\$ -	\$ 13,465,736	\$ 64,115,782
Licenses and permits	1,898,797	-	-	-	1,898,797
Intergovernmental	754,572	-	-	2,289,094	3,043,666
Contributions	440,296	-	7,897	318,693	766,886
Charges for services	5,330,262	-	-	614,614	5,944,876
Fines	2,629,747	-	-	858,588	3,488,335
Miscellaneous	1,283,669	29,788	28,621	82,781	1,424,859
Total revenues	<u>62,987,389</u>	<u>29,788</u>	<u>36,518</u>	<u>17,629,506</u>	<u>80,683,201</u>
EXPENDITURES					
Current:					
General government	9,712,302	-	-	1,584,884	11,297,186
Public safety	44,258,487	-	-	477,043	44,735,530
Public works	4,133,163	299,000	239,749	97,814	4,769,726
Community development/services	7,990,472	-	-	1,645,858	9,636,330
Miscellaneous	6,256,371	-	-	-	6,256,371
Capital outlay	1,247,656	9,947,172	8,543,609	3,122,771	22,861,208
Debt service:					
Principal	61,871	-	-	4,360,000	4,421,871
Interest	6,442	-	-	8,075,145	8,081,587
Fiscal charges	-	-	-	22,235	22,235
Costs of issuance	-	-	-	196,863	196,863
Total expenditures	<u>73,666,764</u>	<u>10,246,172</u>	<u>8,783,358</u>	<u>19,582,613</u>	<u>112,278,907</u>
Deficiency of revenues under expenditures	<u>(10,679,375)</u>	<u>(10,216,384)</u>	<u>(8,746,840)</u>	<u>(1,953,107)</u>	<u>(31,595,706)</u>
OTHER FINANCING SOURCES (USES)					
Capital-related bonds issued	-	-	-	18,730,000	18,730,000
Refunding bonds issued	-	-	-	4,940,000	4,940,000
Premium on issuance of debt	-	-	-	1,739,296	1,739,296
Payment to refunded bond escrow agent	-	-	-	(5,392,746)	(5,392,746)
Transfers in	8,694,145	-	-	1,935,493	10,629,638
Transfers out	(16,755)	(640,088)	-	(1,578,375)	(2,235,218)
Total other financing sources (uses)	<u>8,677,390</u>	<u>(640,088)</u>	<u>-</u>	<u>20,373,668</u>	<u>28,410,970</u>
Net change in fund balances	(2,001,985)	(10,856,472)	(8,746,840)	18,420,561	(3,184,736)
Fund balances, October 1	22,335,006	22,296,724	18,192,442	12,558,936	75,383,108
Fund balances, September 30	<u>\$ 20,333,021</u>	<u>\$ 11,440,252</u>	<u>\$ 9,445,602</u>	<u>\$ 30,979,497</u>	<u>\$ 72,198,372</u>

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

CITY OF KILLEEN, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Net change in fund balances - total governmental funds	\$ (3,184,736)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report all capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This reconciling item represents the amount by which capital outlays exceeded depreciation in the current period.	11,023,028
The issuance of long-term debt (i.e. bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This reconciling item represents the net effect of these differences in the treatment of long-term debt and related items.	(15,770,707)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This reconciling item reflects the net of such expenses.	(1,426,196)
Some revenues in the statement of activities do not provide current financial resources and are not included in the governmental funds. This reconciling item represents the total of such revenues.	<u>435,805</u>
Change in net position of governmental activities - statement of activities	<u><u>\$ (8,922,806)</u></u>

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

CITY OF KILLEEN, TEXAS
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
SEPTEMBER 30, 2014

	Airport Enterprise Fund	Solid Waste Enterprise Fund	Water and Sewer Enterprise Fund
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,656,539	\$ 2,171,561	\$ 10,917,640
Investments	-	1,000,000	6,000,000
Receivables (net of allowances for uncollectibles):			
Accounts	13,536	1,999,319	5,177,411
Accrued interest	-	362	91,495
Intergovernmental receivable	516,551	232,340	-
Inventories	95,341	-	260,224
Prepaid items	-	-	695,000
Restricted assets:			
Cash and cash equivalents	248,355	5,523	5,958,510
Investments	-	-	13,007,210
Total current assets	<u>2,530,322</u>	<u>5,409,105</u>	<u>42,107,490</u>
Noncurrent assets:			
Property and equipment:			
Land	1,319,003	72,165	243,332
Buildings and improvements	108,985,002	12,494,536	95,392,601
Improvements other than buildings	-	-	103,925,111
Furniture and equipment	2,550,835	4,085,838	5,057,636
Vehicles	881,881	10,932,034	4,358,702
Construction in progress	-	-	4,315,042
Less accumulated depreciation	(38,377,570)	(16,997,147)	(57,884,102)
Net property and equipment	<u>75,359,151</u>	<u>10,587,426</u>	<u>155,408,322</u>
Total assets	<u>77,889,473</u>	<u>15,996,531</u>	<u>197,515,812</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	512,716	2,996,638
Total deferred outflows of resources	<u>-</u>	<u>512,716</u>	<u>2,996,638</u>

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

EXHIBIT A-7

Drainage Utility Enterprise Fund	Total Enterprise Funds
\$ 2,537,796	\$ 17,283,536
4,000,000	11,000,000
325,808	7,516,074
1,236	93,093
238,838	987,729
-	355,565
-	695,000
1,138,117	7,350,505
-	13,007,210
<u>8,241,795</u>	<u>58,288,712</u>
172,190	1,806,690
-	216,872,139
6,881,981	110,807,092
1,024,190	12,718,499
1,202,861	17,375,478
-	4,315,042
<u>(3,149,302)</u>	<u>(116,408,121)</u>
<u>6,131,920</u>	<u>247,486,819</u>
<u>14,373,715</u>	<u>305,775,531</u>
354,986	3,864,340
<u>354,986</u>	<u>3,864,340</u>

(CONTINUED)

CITY OF KILLEEN, TEXAS
STATEMENT OF NET POSITION
ENTERPRISE FUNDS (CONTINUED)
SEPTEMBER 30, 2014

	Airport Enterprise Fund	Solid Waste Enterprise Fund	Water and Sewer Enterprise Fund
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 475,212	\$ 616,567	\$ 2,083,003
Escrow payable	12,000	-	-
Customer deposits	-	-	2,499,482
Unearned revenue	1,575	13,727	10,594
Accrued salaries payable	49,508	116,707	167,136
Accrued interest payable	-	57,262	275,554
Compensated absences	7,432	17,775	22,962
Current portion of general obligation bonds payable	-	344,782	-
Current portion of certificate of obligation/revenue bonds payable	-	80,000	5,252,465
Total current liabilities	<u>545,727</u>	<u>1,246,820</u>	<u>10,311,196</u>
Noncurrent liabilities:			
Compensated absences	116,442	278,474	359,734
General obligation bonds payable - long-term	-	6,978,568	-
Certificate of obligation/revenue bonds payable - long-term	-	1,590,000	59,806,852
Total non-current liabilities	<u>116,442</u>	<u>8,847,042</u>	<u>60,166,586</u>
Total liabilities	<u>662,169</u>	<u>10,093,862</u>	<u>70,477,782</u>
NET POSITION			
Net investment in capital assets	75,359,151	2,106,792	110,323,111
Restricted for debt service	-	722,008	7,159,430
Unrestricted	1,868,153	3,586,585	12,552,127
Total net position	<u>77,227,304</u>	<u>6,415,385</u>	<u>130,034,668</u>
Total liabilities and net position	<u>\$ 77,889,473</u>	<u>\$ 16,509,247</u>	<u>\$ 200,512,450</u>

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

EXHIBIT A-7 (CONT'D)

Drainage Utility Enterprise Fund	Total Enterprise Funds
\$ 248,453	\$ 3,423,235
-	12,000
-	2,499,482
16,169	42,065
37,599	370,950
37,137	369,953
3,931	52,100
34,443	379,225
319,998	5,652,463
<u>697,730</u>	<u>12,801,473</u>
61,586	816,236
4,555,557	11,534,125
625,378	62,022,230
<u>5,242,521</u>	<u>74,372,591</u>
<u>5,940,251</u>	<u>87,174,064</u>
4,317,835	192,106,889
556,338	8,437,776
3,914,277	21,921,142
<u>8,788,450</u>	<u>222,465,807</u>
<u>\$ 14,728,701</u>	<u>\$ 309,639,871</u>

CITY OF KILLEEN, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION – ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Airport Enterprise Fund	Solid Waste Enterprise Fund	Water and Sewer Enterprise Fund
OPERATING REVENUES			
Charges for services	\$ 4,234,301	\$ 15,287,232	\$ 35,243,516
Miscellaneous	-	248,626	148,397
Total operating revenues	<u>4,234,301</u>	<u>15,535,858</u>	<u>35,391,913</u>
OPERATING EXPENSES			
Purchase of water	-	-	7,467,995
Sewage treatment	-	-	6,297,470
Salaries	1,668,630	3,820,797	5,124,382
Employee benefits	426,044	1,087,001	1,393,369
Repairs and maintenance	301,967	1,469,269	971,086
Supplies	119,789	954,423	736,799
Depreciation	3,897,703	1,250,580	5,116,850
Miscellaneous services and charges	1,158,319	427,007	1,338,680
Refuse disposal costs	-	3,564,698	-
Total operating expenses	<u>7,572,452</u>	<u>12,573,775</u>	<u>28,446,631</u>
Operating income (loss)	<u>(3,338,151)</u>	<u>2,962,083</u>	<u>6,945,282</u>
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of capital assets	-	14,853	-
Lease revenue	-	66,000	-
Contributions - other	-	-	6,900
Investment revenue	752	2,153	122,657
Contribution to BCWCID	-	-	(5,000,000)
Industrial development	-	-	(792,812)
Interest and fiscal charges	-	(379,908)	(735,681)
Total non-operating revenues (expenses)	<u>752</u>	<u>(296,902)</u>	<u>(6,398,936)</u>
Income (loss) before contributions and transfers	<u>(3,337,399)</u>	<u>2,665,181</u>	<u>546,346</u>
CONTRIBUTIONS AND TRANSFERS			
Contributions - capital	915,269	-	1,281,003
Transfers out	-	(2,329,346)	(5,750,711)
Total contributions and transfers	<u>915,269</u>	<u>(2,329,346)</u>	<u>(4,469,708)</u>
Change in net position	(2,422,130)	335,835	(3,923,362)
Net position - beginning	79,649,434	6,195,777	134,576,464
Cumulative effect on change in accounting principle (See Note IV. G.)	-	(116,227)	(618,434)
Net position - ending	<u>\$ 77,227,304</u>	<u>\$ 6,415,385</u>	<u>\$ 130,034,668</u>

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

EXHIBIT A-8

Drainage Utility Enterprise Fund	Total Enterprise Funds
\$ 3,828,757	\$ 58,593,806
<u>-</u>	<u>397,023</u>
<u>3,828,757</u>	<u>58,990,829</u>
-	7,467,995
-	6,297,470
1,149,596	11,763,405
357,118	3,263,532
616,086	3,358,408
148,960	1,959,971
509,082	10,774,215
389,737	3,313,743
<u>-</u>	<u>3,564,698</u>
<u>3,170,579</u>	<u>51,763,437</u>
<u>658,178</u>	<u>7,227,392</u>
-	14,853
-	66,000
-	6,900
14,613	140,175
-	(5,000,000)
-	(792,812)
<u>(229,864)</u>	<u>(1,345,453)</u>
<u>(215,251)</u>	<u>(6,910,337)</u>
<u>442,927</u>	<u>317,055</u>
228,311	2,424,583
<u>(314,363)</u>	<u>(8,394,420)</u>
<u>(86,052)</u>	<u>(5,969,837)</u>
356,875	(5,652,782)
8,516,989	228,938,664
<u>(85,414)</u>	<u>(820,075)</u>
<u>\$ 8,788,450</u>	<u>\$ 222,465,807</u>

CITY OF KILLEEN, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Airport Enterprise Fund	Solid Waste Enterprise Fund	Water and Sewer Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,327,543	\$ 15,271,404	\$ 35,477,280
Payments to suppliers	(1,713,383)	(6,177,664)	(16,061,574)
Payments to employees	(2,081,704)	(4,893,093)	(6,473,766)
Industrial development	-	-	(792,812)
Net cash provided by operating activities	<u>532,456</u>	<u>4,200,647</u>	<u>12,149,128</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Noncapital contributions/grants	-	-	6,900
Capital contributions (outgoing)	-	-	(5,000,000)
Transfers out to other funds	-	(2,329,346)	(5,750,711)
Net cash used by noncapital financing activities	<u>-</u>	<u>(2,329,346)</u>	<u>(10,743,811)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions/grants	915,269	-	-
Purchase and construction of capital assets	(2,271,595)	(960,804)	(7,491,522)
Proceeds from sale of capital assets	-	14,853	-
Lease revenue	-	66,000	-
Principal paid on long-term debt	-	(365,000)	(4,655,000)
Interest and fees paid on long-term debt	-	(364,558)	(1,444,136)
Net cash provided (used) by capital and related financing activities	<u>(1,356,326)</u>	<u>(1,609,509)</u>	<u>(13,590,658)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	-	(1,000,000)	12,492,790
Interest and dividends on investments	752	2,153	122,657
Net cash provided (used) by investing activities	<u>752</u>	<u>(997,847)</u>	<u>12,615,447</u>
Net increase (decrease) in cash and cash equivalents	(823,118)	(736,055)	430,106
Cash and cash equivalents at beginning of year (including \$321,601, \$5,523, \$7,546,494, and \$1,477,640 for the Airport, Solid Waste, Water and Sewer, and Drainage Utility funds, respectively, reported in restricted cash accounts)	<u>2,728,012</u>	<u>2,913,139</u>	<u>16,446,044</u>
Cash and cash equivalents at end of year (including \$248,355, \$5,523, \$5,958,510, and \$1,138,117 for the Airport, Solid Waste, Water and Sewer, and Drainage Utility funds, respectively, reported in restricted cash accounts)	<u>\$ 1,904,894</u>	<u>\$ 2,177,084</u>	<u>\$ 16,876,150</u>

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

EXHIBIT A-9

Drainage Utility Enterprise Fund	Total Enterprise Funds
\$ 3,595,883	\$ 58,672,110
(964,045)	(24,916,666)
(1,501,225)	(14,949,788)
-	(792,812)
<u>1,130,613</u>	<u>18,012,844</u>
-	6,900
-	(5,000,000)
(314,363)	(8,394,420)
<u>(314,363)</u>	<u>(13,387,520)</u>
228,311	1,143,580
(874,818)	(11,598,739)
-	14,853
-	66,000
(340,000)	(5,360,000)
(204,556)	(2,013,250)
<u>(1,191,063)</u>	<u>(17,747,556)</u>
(1,000,000)	10,492,790
14,613	140,175
<u>(985,387)</u>	<u>10,632,965</u>
(1,360,200)	(2,489,267)
<u>5,036,113</u>	<u>27,123,308</u>
<u>\$ 3,675,913</u>	<u>\$ 24,634,041</u>

(CONTINUED)

**CITY OF KILLEEN, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Airport Enterprise Fund	Solid Waste Enterprise Fund	Water and Sewer Enterprise Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (3,338,151)	\$ 2,962,083	\$ 6,945,282
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	3,897,703	1,250,580	5,116,850
Industrial development	-	-	(792,812)
Changes in assets and liabilities:			
Decrease (increase) in receivables	93,242	(265,726)	86,063
Decrease (increase) in inventories	20,366	-	(12,770)
Decrease (increase) in other assets	-	-	(38,500)
Increase (decrease) in payables	(153,674)	237,733	625,167
Increase (decrease) in customer deposits	-	-	176,559
Increase (decrease) in accrued salaries payable	4,705	8,216	38,950
Increase (decrease) in compensated absences	8,265	6,489	5,035
Increase (decrease) in unearned revenue	-	1,272	(696)
Total adjustments	<u>3,870,607</u>	<u>1,238,564</u>	<u>5,203,846</u>
Net cash provided by operating activities	<u>\$ 532,456</u>	<u>\$ 4,200,647</u>	<u>\$ 12,149,128</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ 1,281,003
Refunding bonds issued	-	-	-

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

EXHIBIT A-9 (CONT'D)

Drainage Utility Enterprise Fund	Total Enterprise Funds
\$ 658,178	\$ 7,227,392
509,082	10,774,215
-	(792,812)
(249,043)	(335,464)
-	7,596
-	(38,500)
190,738	899,964
-	176,559
8,757	60,628
(3,268)	16,521
16,169	16,745
<u>472,435</u>	<u>10,785,452</u>
<u>\$ 1,130,613</u>	<u>\$ 18,012,844</u>

\$ -	\$ 1,281,003
(15,000)	(15,000)

**CITY OF KILLEEN, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE BENEFITS TRUST FUND
SEPTEMBER 30, 2014**

	Employee Benefits Trust Fund
ASSETS	
Cash and cash equivalents	\$ 49,180
Accounts receivable	508,381
Total assets	\$ 557,561
 LIABILITIES AND NET POSITION	
Liabilities:	
Distributions payable	\$ 536,089
Total liabilities	536,089
Net Position:	
Net position held in trust for employee benefits	21,472
Total net position	21,472
Total liabilities and net position	\$ 557,561

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

**CITY OF KILLEEN, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE BENEFITS TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Employee Benefits Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 4,129,922
Employee	1,833,335
Retiree	308,300
COBRA	41,686
Total contributions	<u>6,313,243</u>
 DEDUCTIONS	
Benefit payments	6,322,793
Administrative expenses	49
Total deductions	<u>6,322,842</u>
Change in net position	(9,599)
Net position - beginning of the year	<u>31,071</u>
Net position - end of the year	<u><u>\$ 21,472</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Killeen, Texas, a Home-Rule Municipal Corporation, organized and existing under the Provisions of the Constitution of the State of Texas, adopted its Charter March 3, 1949. The City operates under the Council-Manager form of government and provides the following services as authorized by its Charter: public safety (police and fire), public works, community services, solid waste, water and sewer, airport, drainage and general administrative services. The financial statements of the City of Killeen, Texas, (the primary government) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Statements The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, 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 given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function. Also included in program revenues are grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Fund Financial Statements Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The non-major funds are combined in a separate column in the fund financial statements, and are detailed in the combining section of the statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are 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. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. The government-wide statement of activities reflects depreciation expenses on the City's capital assets. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. 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.

In addition to the government-wide financial statements, the City has prepared governmental fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus. 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.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, penalties, interest revenue, and charges for services. Sales and other taxes are recognized in the period that the exchange transaction on which the tax is imposed occurs. Fines, permits, beverage and bingo taxes are not susceptible to accrual because, generally, they are not measurable until received in cash. Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. Revenue is recognized in subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources.

Proprietary funds and fiduciary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Enterprise funds distinguish operating revenues and

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, solid waste, drainage utility, and airport funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. 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 City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds:

General Fund – is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and state-shared revenues. The primary expenditures are for public safety, streets, parks and recreation, and general governmental services.

2011A Pass Thru Financing 190/2410 – is a capital projects fund that accounts for projects on the State highway system in the City financed through bond proceeds.

2011 C.O. Bonds – is a capital projects fund that accounts for expenditure of bond proceeds for street improvements.

Additionally, the City reports the following fund types:

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

Capital Projects Funds – are used to account for and report financial resources that are restricted, committed or assigned to be used for the acquisition or construction of major capital projects.

Debt Service Funds – are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on long-term debt of governmental funds.

The City reports the following major enterprise funds:

Airport Fund – is used to account for the provision of airport facilities. All activities necessary to provide such services are accounted for in this fund.

Solid Waste Fund – is used to account for the provision of solid waste collection and disposal services to customers who are billed monthly at a rate sufficient to cover the cost of providing the service.

Water and Sewer Fund – is used to account for water and sewer operations. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Drainage Utility Fund – is used to account for financial resources to be used for the construction and maintenance of the drainage utility facilities.

The City also reports an Employee Benefits Trust Fund, which accounts for the City’s health and life insurance benefits. It does not include pension information.

D. ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE

1) Deposits 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.

Investments are stated at fair value based on quoted market values. The City is authorized to invest funds in the following:

- i. Obligations of the United States or its agencies and instrumentalities;
- ii. Direct obligations of the State of Texas or its agencies and instrumentalities;
- iii. Financial institution deposits with a state or national bank, savings and loan association, or credit union, that meet the requirements of the Public Funds Investment Act and are fully collateralized;
- iv. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed with the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;
- v. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent;
- vi. Eligible fully collateralized repurchase agreements, as defined by the Public Funds Investment Act;
- vii. Eligible investment pools, continuously rated AAAM, in accordance with the Public Funds Investment Act;
- viii. Eligible money market mutual funds, continuously rated AAAM that are registered with and regulated by the Securities and Exchange Commission.

2) Interfund Transactions and Receivables and Payables

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund transactions, other than reimbursements, are reported as transfers.

Short-term advances between funds, due to the use of a central cash pool, are accounted for in the appropriate interfund receivable and payable accounts. All ending balances in the current year represent short-term financing of related activity that the City intends to settle within one year. Transfers of a

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

recurring or routine nature are legally authorized and are included in the operations of both governmental and enterprise funds.

3) Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the general fund and the special revenue funds. Encumbrances outstanding at year-end lapse and are rolled into the following fiscal year budget.

4) Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the first-in/first out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5) Restricted Assets

Certain resources are classified as restricted assets on the balance sheet because their use is limited by City Council commitment, donor restriction or applicable bond covenants.

6) Capital Assets

Property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items) purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Capital assets are defined by the City using the following thresholds:

<u>Asset Class</u>	<u>Threshold</u>
Land/land improvements	Capitalize All
Buildings/building improvements	\$ 25,000
Facilities and other improvements	\$ 25,000
Infrastructure	\$ 25,000
Personal property (equipment)	\$ 5,000
Library books/materials (collections)	Capitalize All
Works of art/historical treasures	Capitalize All
Leasehold improvements	\$ 25,000

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed. Interest is capitalized on enterprise fund assets acquired

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

with tax-exempt debt. The amount of interest expense, incurred from the date of the borrowing until completion of the project, is offset by interest earned on invested proceeds over the same period.

Capital assets of the City are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings and improvements	15-30
Improvements - other	10-20
Infrastructure	10-50
Personal property (equipment)	3-10

The useful lives used for GASB 34 depreciation purposes differ from the City's asset replacement criteria.

7) **Compensated Absences**

Accruals for vacation, sick pay, and compensatory time are reflected in the government-wide and enterprise financial statements for unpaid amounts of vacation, sick, and compensatory pay earned by employees. In the event of termination, all permanent employees will be reimbursed for accrued vacation time. All full-time employees, other than policemen and firemen, upon retirement only, will be reimbursed for accrued sick pay up to 720 hours. Policemen and firemen, upon resignation or retirement, will be reimbursed for accrued sick pay up to 720 and 1080 hours, respectively. All non-exempt employees will be reimbursed for accumulated compensatory time up to 120 hours upon separation from the City.

The governmental funds report a liability for these amounts only if they have matured, for example, as a result of employee resignations and retirements.

Actual vacation, sick, and compensatory benefits paid during the current year that were not accrued in the prior year, are recorded as expenditures in the general fund. For enterprise funds, vacation, sick pay, and compensatory time are recorded as an expense when earned.

8) **Long-Term Obligations**

In the government-wide financial statements and enterprise funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Due to the issuance of GASB Statement No. 65, bond issuance costs are no longer amortized over the term of the related debt, but are expensed when incurred. This has been implemented in the government-wide financial statements and the enterprise funds in the fund financial statements retroactively in fiscal year ended September 30, 2014, requiring a restatement of beginning net position (see Note IV. G.).

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 expenditures.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

9) Fund Balances

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

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantors or contributors, laws or regulations of other governments, through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes, pursuant to constraints imposed to establish, modify or rescind a fund balance commitment by the City Council through a resolution.

Assigned fund balance – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has authorized the City Manager to assign, remove or modify fund balance assigned constraints to a specific purpose.

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

For the classification of fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

The City Council has established a minimum fund balance guideline for the general fund and net position for the enterprise funds collectively. As a general practice, the City will strive to maintain fund balances/net position equal to 22% or above of operating expenditures.

10) Comparative Data/Reclassifications

Comparative data have not been presented in the accompanying financial statements because their inclusion would make certain statements unduly complex and difficult to understand.

11) Pension Plans

It is the policy of the City to fund annual pension costs, which are composed of normal cost and amortization of unfunded prior service cost.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

12) Unearned Revenues

Unearned revenues are those where an asset has been received in advance of having been earned. The City has reported in the fund financial statements the following as unearned revenues:

	Fund		Total Governmental Funds
	General	Special Revenue	
Miscellaneous	\$ 222,785	\$ -	\$ 222,785
Intergovernmental	-	10,793	10,793
Total unearned revenue	\$ 222,785	\$ 10,793	\$ 233,578

13) Other Post-Employment Benefits

In the government-wide financial statements, other post-employment benefit (OPEB) liabilities are reported as liabilities for the amount that the annual required contribution exceeds the amount funded by the City on a cumulative basis. The City began reporting this liability in fiscal year 2009 on a prospective basis.

14) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the actuarial calculations used to determine the annual required contributions and related liabilities of the City's post-employment obligation are based on assumptions about the possibility of events far into the future. Accordingly, actual results could differ from those estimates.

15) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

	Fund			Total Governmental Funds
	General	Special Revenue	Debt Service	
Property taxes receivable	\$ 539,490	\$ -	\$ 148,463	\$ 687,953
Ambulance fees receivable	799,441	-	-	799,441
Municipal court receivable	1,142,432	122,454	-	1,264,886
Parks and recreation	92,744	-	-	92,744
Total unavailable revenue	<u>\$ 2,574,107</u>	<u>\$ 122,454</u>	<u>\$ 148,463</u>	<u>\$ 2,845,024</u>

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation *between fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$222,828,300 difference are as follows:

General obligation bonds payable	\$ (97,255,000)
Certificates of obligation bonds payable	(107,520,000)
Capital lease payable	(129,374)
Deferred amount on refunding	5,541,694
Unamortized premium (discount)	(12,498,860)
Accrued interest payable	(1,520,041)
Vacation, sick leave, and compensatory time payable (in excess of fund financial statement liability)	<u>(9,446,719)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (222,828,300)</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$11,023,028 difference are as follows:

Capital outlay	\$ 22,861,208
Developer contributions	1,245,147
Depreciation expense	<u>(13,083,327)</u>
Net adjustment to increase net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	<u>\$ 11,023,028</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$15,770,707 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (10,610,000)
Less: Refunded general obligation bonds	2,650,000
Less: Refunded certificates of obligation bonds	2,440,000
Issuance of certificates of obligation bonds	(13,060,000)
Less: Deferred amount on refunding	182,746
Less: Bond discount/premium	(1,795,324)
Principal repayments:	
General obligation debt	2,840,000
Certificates of obligation debt	1,520,000
Capital lease payable	<u>61,871</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (15,770,707)</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$1,426,196 difference are as follows:

Other Post Employment Benefits	\$ (366,890)
Vacation and sick leave	(999,614)
Accrued interest	(155,930)
Amortization of bond premium	402,865
Amortization of amount deferred on refunding	<u>(306,627)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,426,196)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for salary accruals, sales tax receivables, and the use of encumbrances as discussed below. Annual appropriated budgets are adopted for the General, Special Revenue (except for Fire State Seizure and Police Department Donations), Debt Service (except for Certificates of Obligation 2014) and Enterprise funds. Project-length financial plans are adopted for all Capital Projects funds.

CITY OF KILLEEN, TEXAS
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SEPTEMBER 30, 2014

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end lapse and do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year.

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

1. Prior to August 1, the City Manager submits a proposed budget to the City Council for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. On or before September 20, the budget is legally adopted by the City Council.
3. Subsequent to enactment of the appropriation ordinance, the City Council has the authority to make necessary adjustments to the budget which may result in a change in total appropriations as long as total estimated expenditures do not exceed total estimated resources. The legal level of control (the level at which expenditures may not legally exceed appropriations) is the department. Each special revenue fund represents a single department. The City Manager may reallocate expenditures within a department without prior City Council approval.
4. Formal budgetary integration is employed as a management control device by expenditure category for the following funds, which have legally adopted annual budgets: general fund, special revenue funds and enterprise funds. Formal annual budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Annual budgetary integration is not employed for the capital projects funds because the contracts and projects in these funds provide effective project-length budgetary control.
5. Budgets for the general fund, the special revenue funds, and enterprise funds are adopted on a basis specified by the charge of the City of Killeen. For the special revenue funds, this basis is consistent with the modified accrual basis of accounting. For the general fund, the budgetary comparison presented in this report is on the budgetary basis, which differs from generally accepted accounting principles due to adjustments for the sales taxes receivable and the salary accrual at year-end.
6. Unencumbered budget appropriations lapse at year-end and do not carry forward to future periods except for appropriations for major capital projects.

During the year, general fund budgeted appropriations were increased by \$4.8 million due largely to the anticipation of design work on a project and the anticipated purchase of public safety vehicles. Additionally, the budgeted appropriations were increased due to the encumbrance rollover, when encumbrances that were outstanding at year-end of the previous year were cancelled in that year, and rolled into the following year's budget. These appropriations were adopted prior to year-end.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Deposits

All of the City's demand depository accounts are held in a local banking institution under the terms of a written depository contract. The City's policy requires the depository bank to secure the City's funds on a day-to-day basis with approved pledged securities with a fair value equal to, but not less than, 102 percent of the uninsured deposit. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At September 30, 2014, the City's deposit balance was fully collateralized with securities held by the pledging financial institution. The City's policy is to maximize its earnings potential by keeping a majority of the City's funds on deposit with external investment pools. Funds are transferred from the pools, as needed, to ensure that the bank balance remains positive at all times.

Cash and Investments

Investments are made in accordance with the Investment Policy updated and adopted by the City on September 9, 2014 to comply with the Public Funds Investment Act. This policy, which is applicable to all City funds, permits investments that are in the Notes to the Financial Statements detailed at Note I. D. 1).

The Investment Policy is consistent with statutory limitations of the State of Texas, requiring collateralization of deposits on a dollar for dollar basis, or Treasury Issues, which are backed by the full faith and credit of the United States Government; therefore, the City was not exposed to custodial credit risk during the fiscal year ended September 30, 2014.

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

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

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

Credit Risk – Any securities which may be added should meet the requirements of the State of Texas as permissible investments for municipal governments which are in compliance with the Public Funds Investment Act. Investment pools must be continually rated AAAM by at least one nationally recognized rating service or not lower than investment grade by at least one nationally recognized rating service with a weighted average maturity not greater than 90 days. Market

CITY OF KILLEEN, TEXAS
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mutual funds must be registered with and regulated by the Securities and Exchange Commission and must provide the City with a prospectus and other information required by federal law. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

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

The following summarizes investments of City Funds:

	Fair Value	Effective Duration (years)	Credit Rating
TexPool *	\$ 35,992,920	0.003	AAAm
TexStar *	3,644,163	0.003	AAAm
TexasTerm *	788,786	0.003	AAAm
Money Market Accounts *	48,694,303	0.003	AA+
Certificates of Deposit	36,119,443	0.892	AA+
Total fair value	<u>\$ 125,239,615</u>		
Portfolio weighted average maturity		0.259	

* External investment pools and money market accounts are considered cash and cash equivalents due to liquidity.

Fair values of the U.S. Treasury securities and U. S. Agencies investments are based on quoted fair values. In accordance with Governmental Accounting Standards Board Statement (GASB) No. 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools,” these securities are reported at fair value. All unrealized gains/losses are reported as net increases (decreases) in the fair value of investments. The City has elected to report short term as well as long-term U. S. Treasury Agency securities at fair value.

External Investment Pools:

The City uses the following external investment pools:

TexPool

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool (the Texas Local Government Investment Pool). 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. The Advisory Board members review the investment policy and management fee structure.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Finally, as a requirement to maintain the credit rating, weekly portfolio information must be submitted to Standard & Poors, as well as the Office of the Comptroller of Public Accounts for review.

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Act of 1940. TexPool uses amortized cost rather than fair value to report net asset to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

TexStar

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

TexStar operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The TexStar Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit and provides participants with the investment of funds that require daily liquidity availability. All investments are stated at amortized cost, which closely approximates the fair value of the securities. All TexStar securities are marked to market on a daily basis.

TexasTerm

The TexasTerm Local Government Investment Pool was created by Texas local governments to provide investment programs tailored to the needs of Texas cities, school districts and other public investors. TexasTerm offers participants two investment portfolio options: TexasTerm and TexasDaily. TexasTerm is a fixed rate, fixed term portfolio option rated AAAM by Standard and Poor's Corporation. Participants may lock in a fixed rate for a term of 60 to 365 days.

The Pool is directed by an Advisory Board of experienced local governmental finance directors and treasurers. The Advisory Board contracts for services with professional service providers who are industry leaders in their field. The TexasTerm Program is managed by a team of industry leaders known throughout Texas for superior service and advice.

TexasTerm operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexasTerm uses amortized cost rather than fair value to report net asset to compute share prices. Accordingly, the fair value of the position in TexasTerm is the same as the value of TexasTerm shares.

The Program also has an Advisory Board made up of representatives of several participating local governments who meet periodically to discuss TexasTerm's services and provide recommendations for enhancements.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

B. PROPERTY TAXES

The City's property tax is levied each October 1 on the assessed value listed as of the previous January 1 for all real and personal property located in the City. The assessed value for the roll of January 1, 2013, upon which the 2014 fiscal year levy was based, was \$5,004,176,039.

The tax assessment of October 1, 2013 set a tax levy at \$0.7428 per \$100 of assessed valuation at 100 percent of assumed market value. The City may levy a tax of up to \$1.50 per \$100 of assessed valuations for operations and maintenance purposes.

Taxes are due by January 1 following the October 1 levy date, at which time a lien attaches to the property. Tax collections during the fiscal year ended September 30, 2014, for the fiscal year 2014 tax levy, were 95.4 percent of the total tax levy for that year.

Delinquent property taxes, estimated to be collectible within 60 days after the fiscal year end, are recognized as revenues. Other delinquent property taxes are recorded as unearned revenue.

At September 30, 2014, delinquent property taxes receivable were \$917,269, net of allowance for uncollectible accounts of \$229,317.

Since 1982, the appraisal of property within the City has been the responsibility of the county-wide appraisal district. The appraisal district is required under the property tax code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the City limits. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, and adjusted for new improvements, exceeds the rate of the previous year by more than 8 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year.

C. RECEIVABLES

Receivables at September 30, 2014 for the City's individual major governmental funds, in the aggregate non-major governmental funds, proprietary funds, and fiduciary fund, net of allowances for uncollectible accounts, consist of the following:

	Receivables				
	Taxes	Accounts	Accrued Interest	Intergovernmental	Total Net
General	\$4,211,163	\$2,178,695	\$ 18,130	\$ 52,311	\$ 6,407,988
2011 C.O. Bonds	-	-	3,202	8,650	3,202
Other Governmental Funds	148,463	176,856	2,506	61,835	327,825
Airport	-	13,536	-	516,551	13,536
Solid Waste	-	1,999,319	362	232,340	1,999,681
Water & Sewer	-	5,177,411	91,495	-	5,268,906
Drainage Utility	-	325,808	1,236	238,838	327,044
Total	<u>\$4,359,626</u>	<u>\$9,871,625</u>	<u>\$ 116,931</u>	<u>\$ 1,110,525</u>	<u>\$14,348,182</u>
Employee Benefits Trust	\$ -	\$ 508,381	\$ -	\$ -	\$ 508,381

The enterprise funds accounts receivable include unbilled charges for services rendered at September 30, 2014.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

D. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

Primary Government

	Balance 9/30/2013	Additions	Deletions	Balance 9/30/2014
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,570,005	\$ -	\$ -	\$ 7,570,005
Construction in progress	14,062,906	15,308,859	-	29,371,765
Total capital assets not being depreciated	<u>21,632,911</u>	<u>15,308,859</u>	<u>-</u>	<u>36,941,770</u>
Capital assets, being depreciated:				
Buildings and improvements	97,256,331	3,047,598	-	100,303,929
Furniture and equipment	24,390,657	740,307	(3,573)	25,127,391
Vehicles	26,777,108	566,846	(90,360)	27,253,594
Infrastructure assets	226,415,996	4,442,745	-	230,858,741
Total capital assets being depreciated	<u>374,840,092</u>	<u>8,797,496</u>	<u>(93,933)</u>	<u>383,543,655</u>
Less accumulated depreciation for:				
Buildings and improvements	27,752,109	3,209,500	-	30,961,609
Furniture and equipment	22,294,133	1,066,458	(3,573)	23,357,018
Vehicles	19,506,881	2,188,064	(90,360)	21,604,585
Infrastructure assets	113,832,815	6,619,305	-	120,452,120
Total accumulated depreciation	<u>183,385,938</u>	<u>13,083,327</u>	<u>(93,933)</u>	<u>196,375,332</u>
Total capital assets being depreciated, net	<u>191,454,154</u>	<u>(4,285,831)</u>	<u>-</u>	<u>187,168,323</u>
Governmental activities capital assets, net	<u>\$ 213,087,065</u>	<u>\$ 11,023,028</u>	<u>\$ -</u>	<u>\$ 224,110,093</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

	Balance 9/30/2013	Additions	Deletions	Balance 9/30/2014
Airport activities:				
Capital assets not being depreciated:				
Land	\$ 1,319,003	\$ -	\$ -	\$ 1,319,003
Construction in progress	287,594	-	(287,594)	-
Total capital assets not being depreciated	1,606,597	-	(287,594)	1,319,003
Capital assets being depreciated:				
Buildings and improvements	106,507,337	2,477,665	-	108,985,002
Furniture and equipment	2,479,098	81,524	(9,787)	2,550,835
Vehicles	881,881	-	-	881,881
Total capital assets being depreciated	109,868,316	2,559,189	(9,787)	112,417,718
Less accumulated depreciation for:				
Buildings and improvements	32,328,754	3,542,584	-	35,871,338
Furniture and equipment	1,338,474	332,277	(9,787)	1,660,964
Vehicles	822,426	22,842	-	845,268
Total accumulated depreciation	34,489,654	3,897,703	(9,787)	38,377,570
Total capital assets being depreciated, net	75,378,662	(1,338,514)	-	74,040,148
Aviation activities capital assets, net	\$ 76,985,259	\$ (1,338,514)	\$ (287,594)	\$ 75,359,151
	Balance 9/30/2013	Additions	Deletions	Balance 9/30/2014
Solid Waste activities:				
Capital assets not being depreciated:				
Land	\$ 72,165	\$ -	\$ -	\$ 72,165
Construction in progress	42,600	-	(42,600)	-
Total capital assets not being depreciated	114,765	-	(42,600)	72,165
Capital assets being depreciated:				
Buildings and improvements	12,144,579	349,957	-	12,494,536
Furniture and equipment	3,994,188	91,650	-	4,085,838
Vehicles	10,826,657	561,797	(456,420)	10,932,034
Total capital assets being depreciated	26,965,424	1,003,404	(456,420)	27,512,408
Less accumulated depreciation for:				
Buildings and improvements	3,639,774	449,334	-	4,089,108
Furniture and equipment	3,900,672	55,126	-	3,955,798
Vehicles	8,662,541	746,120	(456,420)	8,952,241
Total accumulated depreciation	16,202,987	1,250,580	(456,420)	16,997,147
Total capital assets being depreciated, net	10,762,437	(247,176)	-	10,515,261
Solid waste activities capital assets, net	\$ 10,877,202	\$ (247,176)	\$ (42,600)	\$ 10,587,426

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

	Balance 9/30/2013	Additions	Deletions	Balance 9/30/2014
Water and Sewer activities:				
Capital assets not being depreciated:				
Land	\$ 243,332	\$ -	\$ -	\$ 243,332
Construction in progress	1,902,186	5,436,562	(3,023,706)	4,315,042
Total capital assets not being depreciated	2,145,518	5,436,562	(3,023,706)	4,558,374
Capital assets being depreciated:				
Buildings and improvements	94,537,805	854,796	-	95,392,601
Improvements - other	99,620,402	4,304,709	-	103,925,111
Furniture and equipment	4,416,806	640,830	-	5,057,636
Vehicles	3,836,846	559,334	(37,478)	4,358,702
Total capital assets being depreciated	202,411,859	6,359,669	(37,478)	208,734,050
Less accumulated depreciation for:				
Buildings and improvements	30,282,763	1,855,387	-	32,138,150
Improvements - other	15,593,460	2,754,497	-	18,347,957
Furniture and equipment	4,036,010	178,963	-	4,214,973
Vehicles	2,892,497	328,003	(37,478)	3,183,022
Total accumulated depreciation	52,804,730	5,116,850	(37,478)	57,884,102
Total capital assets being depreciated, net	149,607,129	1,242,819	-	150,849,948
Water and Sewer activities capital assets, net	\$ 151,752,647	\$ 6,679,381	\$ (3,023,706)	\$ 155,408,322
	Balance 9/30/2013	Additions	Deletions	Balance 9/30/2014
Drainage Utility activities:				
Capital assets not being depreciated:				
Land	-	172,190	-	172,190
Total capital assets not being depreciated	-	172,190	-	172,190
Capital assets being depreciated:				
Improvements - other	\$ 6,335,144	\$ 546,837	\$ -	\$ 6,881,981
Furniture and equipment	1,019,533	4,657	-	1,024,190
Vehicles	1,051,727	151,134	-	1,202,861
Total capital assets being depreciated	8,406,404	702,628	-	9,109,032
Less accumulated depreciation for:				
Improvements - other	1,169,765	318,645	-	1,488,410
Furniture and equipment	894,252	32,587	-	926,839
Vehicles	576,203	157,850	-	734,053
Total accumulated depreciation	2,640,220	509,082	-	3,149,302
Total capital assets being depreciated, net	5,766,184	193,546	-	5,959,730
Drainage Utility activities capital assets, net	\$ 5,766,184	\$ 365,736	\$ -	\$ 6,131,920

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

	Balance 9/30/2013	Additions	Deletions	Balance 9/30/2014
Total Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,634,500	\$ 172,190	\$ -	\$ 1,806,690
Construction in progress	2,232,380	5,436,562	(3,353,900)	4,315,042
Total capital assets not being depreciated	<u>3,866,880</u>	<u>5,608,752</u>	<u>(3,353,900)</u>	<u>6,121,732</u>
Capital assets being depreciated:				
Buildings and improvements	213,189,721	3,682,418	-	216,872,139
Improvements - other	105,955,546	4,851,546	-	110,807,092
Furniture and equipment	11,909,625	818,661	(9,787)	12,718,499
Vehicles	16,597,111	1,272,265	(493,898)	17,375,478
Total capital assets being depreciated	<u>347,652,003</u>	<u>10,624,890</u>	<u>(503,685)</u>	<u>357,773,208</u>
Less accumulated depreciation for:				
Buildings and improvements	66,251,291	5,847,305	-	72,098,596
Improvements - other	16,763,225	3,073,142	-	19,836,367
Furniture and equipment	10,169,408	598,953	(9,787)	10,758,574
Vehicles	12,953,667	1,254,815	(493,898)	13,714,584
Total accumulated depreciation	<u>106,137,591</u>	<u>10,774,215</u>	<u>(503,685)</u>	<u>116,408,121</u>
Total capital assets being depreciated, net	<u>241,514,412</u>	<u>(149,325)</u>	<u>-</u>	<u>241,365,087</u>
Business-type activities capital assets, net	<u>\$ 245,381,292</u>	<u>\$ 5,459,427</u>	<u>\$ (3,353,900)</u>	<u>\$ 247,486,819</u>

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

Governmental activities:	
General government	\$ 473,731
Police	2,018,147
Fire	1,534,529
Public works	7,017,363
Parks and recreation	738,786
Golf	118,370
Library	244,107
Community development/services	938,294
Total governmental activities	<u>\$ 13,083,327</u>
Business-type activities:	
Airport	\$ 3,897,703
Solid waste	1,250,580
Water and sewer	5,116,850
Drainage utility	509,082
Total business-type activities	<u>\$ 10,774,215</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Construction Commitments

The City had active Water and Sewer, Drainage Utility, Aviation, and Governmental construction projects as of September 30, 2014. At year-end the City's commitments with contractors were as follows:

	Contract Amount	Spent-to-Date	Remaining Commitment
Water and Sewer	\$ 5,022,170	\$ 2,466,399	\$ 2,555,771
Drainage Utility	659,935	477,017	182,918
Aviation	9,759,120	8,797,680	961,440
Governmental Funds	53,154,965	37,331,635	15,823,330
	<u>\$ 68,596,190</u>	<u>\$ 49,072,731</u>	<u>\$ 19,523,459</u>

Discretely presented component unit

	Balance 9/30/2013	Additions	Deletions	Balance 9/30/2014
Killeen Economic Development Corp. (KEDC)				
Capital assets not being depreciated:				
Land				
KEDC - owned	\$ 280,007	\$ -	\$ -	\$ 280,007
Industrial Park	1,723,082	-	-	1,723,082
Convergys	110,000	-	-	110,000
Enterprise	100,000	-	-	100,000
First National Bank	90,303	-	-	90,303
Total capital assets not being depreciated	<u>2,303,392</u>	<u>-</u>	<u>-</u>	<u>2,303,392</u>
Capital assets being depreciated:				
Buildings				
Presidium	3,402,535	-	-	3,402,535
First National Bank/Raytheon	1,850,700	-	-	1,850,700
Entrance Sign	31,382	-	-	31,382
Total capital assets being depreciated	<u>5,284,617</u>	<u>-</u>	<u>-</u>	<u>5,284,617</u>
Less accumulated depreciation for:				
Buildings	2,145,445	136,910	-	2,282,355
Total accumulated depreciation	<u>2,145,445</u>	<u>136,910</u>	<u>-</u>	<u>2,282,355</u>
Total capital assets being depreciated, net	<u>3,139,172</u>	<u>(136,910)</u>	<u>-</u>	<u>3,002,262</u>
KEDC capital assets, net	<u>\$ 5,442,564</u>	<u>\$ (136,910)</u>	<u>\$ -</u>	<u>\$ 5,305,654</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables represent short term advances primarily to support operations of funds. A summary of interfund receivables and payables at September 30, 2014 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 50,390	\$ -
Other Governmental Funds:		
Special Revenue		
Home	-	50,390
Total Interfund Balances	<u>\$ 50,390</u>	<u>\$ 50,390</u>

Transfers between funds were primarily to support debt service and operations of funds. Transfers during the year ended September 30, 2014 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 8,694,145	\$ 16,755
2011A Pass Thru Financing 190/2410	-	640,088
Other Governmental Funds:		
Special Revenue:		
Hotel Occupancy Tax	-	727,900
CDBG HOME Program	16,755	-
KAAC	-	101,169
Debt Service:		
Tax Interest and Sinking 2005	-	6,484
Tax Interest and Sinking 2006	-	15,819
General Obligation 2007	-	36,022
Certificates of Obligation 2007	-	46,876
Refunding Bond 2010	609,900	-
Certificates of Obligation 2011	118,000	-
Pass Thru Financing 195/201 2011	430,750	-
Pass Thru Financing 190/2410 2011A	640,088	-
General Obligation & Refunding 2014	120,000	-
Capital Project:		
2011 Pass Thru Financing 195/201	-	430,750
2014 C.O. Bonds	-	213,355
Total Other Governmental Funds	<u>1,935,493</u>	<u>1,578,375</u>
Total Governmental Funds	<u>10,629,638</u>	<u>2,235,218</u>
Enterprise:		
Solid Waste	-	2,329,346
Water & Sewer	-	5,750,711
Drainage Utility	-	314,363
Total Enterprise Funds	<u>-</u>	<u>8,394,420</u>
Totals	<u>\$ 10,629,638</u>	<u>\$ 10,629,638</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

F. LONG-TERM DEBT

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2014 is as follows:

Primary government:

	September 30, 2013	Additions	Deletions	September 30, 2014	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 92,135,000	\$ 10,610,000	\$ (5,490,000)	\$ 97,255,000	\$ (3,485,000)
Tax/Revenue Certificates of obligation	98,420,000	13,060,000	(3,960,000)	107,520,000	(2,170,000)
Unamortized bond premiums/(discounts)	11,106,401	1,795,324	(402,865)	12,498,860	(526,180)
Total bonds payable	201,661,401	25,465,324	(9,852,865)	217,273,860	(6,181,180)
Compensated absences	8,539,039	5,297,504	(4,355,994)	9,480,549	(1,090,263)
Net OPEB Obligation	1,166,308	640,163	(273,273)	1,533,198	(482,344)
Capital lease payable	191,245		(61,871)	129,374	(63,892)
Governmental activity long-term debt	<u>\$ 211,557,993</u>	<u>\$ 31,402,991</u>	<u>\$ (14,544,003)</u>	<u>\$ 228,416,981</u>	<u>\$ (7,817,679)</u>
Business-Type Activities:					
Revenue bonds	\$ 65,430,000	\$ -	\$ (4,655,000)	\$ 60,775,000	\$ (4,955,000)
General obligation bonds	10,095,000	1,010,000	-	11,105,000	(300,000)
Certificates of obligation	3,725,000	-	(1,715,000)	2,010,000	(420,000)
Unamortized bond premiums/(discounts)	6,069,368	76,648	(447,973)	5,698,043	(356,688)
Total bonds payable	85,319,368	1,086,648	(6,817,973)	79,588,043	(6,031,688)
Compensated absences	851,815	1,357,058	(1,340,537)	868,336	(52,100)
Business-type activity long-term debt	<u>\$ 86,171,183</u>	<u>\$ 2,443,706</u>	<u>\$ (8,158,510)</u>	<u>\$ 80,456,379</u>	<u>\$ (6,083,788)</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Long-term debt at September 30, 2014 is comprised of the following:

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
Governmental Funds						
Capital Lease Payable:	3.40	7/16/2013	9/15/2016	\$ 258,936	\$ 129,562	\$ 129,374
General Obligation Bonds:						
2006 Various purpose	4.00-4.70	05/01/06	08/01/26	10,000,000	9,110,000	890,000
2007 Various purpose	4.00-4.63	10/01/07	08/01/32	17,665,000	17,085,000	580,000
2009 Various purpose	3.00-4.80	08/15/09	08/01/34	13,175,000	1,235,000	11,940,000
2010 Refunding HOT	2.00-4.00	05/15/10	08/01/30	8,500,000	1,410,000	7,090,000
2010 Refunding	2.00-4.00	05/15/10	08/01/30	4,830,000	850,000	3,980,000
2011 Refunding	3.25-5.00	07/01/11	08/01/23	6,875,000	925,000	5,950,000
2012 Various purpose & refunding	2.00-5.00	09/05/12	08/01/32	19,500,000	80,000	19,420,000
2013 Refunding	2.00-5.00	04/15/13	08/01/32	37,290,000	495,000	36,795,000
2014 Refunding	2.00-5.00	07/16/14	08/01/34	10,610,000	-	10,610,000
Total General Obligation Bonds				<u>128,445,000</u>	<u>31,190,000</u>	<u>97,255,000</u>
Tax/Revenue Certificates of Obligation:						
2005 Various purpose	3.25-4.50	09/15/05	08/01/30	11,500,000	11,500,000	-
2007 Various purpose	4.00-5.00	10/01/07	08/01/32	24,120,000	23,370,000	750,000
2009 Various purpose	2.75-4.35	08/15/09	08/01/29	6,500,000	805,000	5,695,000
2011 Various purpose	2.00-5.00	06/15/11	08/01/36	32,040,000	200,000	31,840,000
2011 PTF 195/201	2.00-5.00	06/15/11	08/01/34	18,060,000	-	18,060,000
2011A PTF 190/2410	2.00-5.00	11/01/11	08/01/35	31,400,000	-	31,400,000
2012 Various Purpose & Refunding	2.00-3.00	08/22/12	08/01/32	6,765,000	50,000	6,715,000
2014 Various Purpose	2.00-5.00	07/16/14	08/01/39	13,060,000	-	13,060,000
Total Tax/Revenue Certificates of Obligation				<u>143,445,000</u>	<u>35,925,000</u>	<u>107,520,000</u>
Total Governmental Funds				<u>\$ 272,148,936</u>	<u>\$ 67,244,562</u>	<u>\$ 204,904,374</u>
Proprietary Funds						
Revenue Bonds:						
2005 Refunding	3.25-4.50	09/15/05	08/15/19	16,875,000	16,875,000	-
2007 Various purpose	4.00-5.00	10/01/07	08/15/27	21,165,000	19,595,000	1,570,000
2010 Refunding	2.00-4.00	05/15/10	08/15/21	6,870,000	1,980,000	4,890,000
2011 Refunding	3.75-5.00	07/01/11	08/15/22	11,135,000	70,000	11,065,000
2012 Refunding	2.98	07/12/12	08/15/27	7,365,000	85,000	7,280,000
2013 Refunding and Improvement	2.00-5.00	03/15/13	08/15/33	29,030,000	990,000	28,040,000
2013 Refunding	0.40-1.62	03/15/13	08/15/19	8,270,000	340,000	7,930,000
Total Revenue Bonds				<u>100,710,000</u>	<u>39,935,000</u>	<u>60,775,000</u>
General Obligation Bonds:						
2012 Various Purpose & Refunding	2.00-5.00	08/01/12	08/01/32	6,215,000	-	6,215,000
2013 Refunding	2.00-5.00	04/15/13	08/01/32	3,935,000	55,000	3,880,000
2014 GO & Refunding	2.00-5.00	07/16/14	08/01/34	1,010,000	-	1,010,000
Total General Obligation Bonds				<u>11,160,000</u>	<u>55,000</u>	<u>11,105,000</u>
Tax/Revenue Certificates of Obligation:						
2005 Various purpose	3.25-4.50	09/15/05	08/01/30	9,100,000	9,100,000	-
2009 Various purpose	2.75-4.35	08/15/09	08/01/29	2,000,000	330,000	1,670,000
2006 Various purpose	4.00-4.70	05/01/06	08/01/26	8,000,000	7,660,000	340,000
Total Tax/Revenue Certificates of Obligation				<u>19,100,000</u>	<u>17,090,000</u>	<u>2,010,000</u>
Total Proprietary Funds				<u>\$ 130,970,000</u>	<u>\$ 57,080,000</u>	<u>\$ 73,890,000</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Capital Lease Payable

A capital lease was issued during fiscal year 2013 to acquire police vehicles. Annual debt service requirements to maturity for the Capital Lease Payable are as follows:

Year Ending September 30	Governmental Activities	
	Principal	Interest
2015	\$ 63,892	\$ 4,421
2016	65,482	2,831
Total	<u>\$ 129,374</u>	<u>\$ 7,252</u>

General Obligation Bonds

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

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 3,485,000	\$ 4,193,192	\$ 300,000	\$ 478,900
2016	4,245,000	4,058,913	655,000	471,613
2017	4,565,000	3,921,813	675,000	451,963
2018	4,995,000	3,748,813	690,000	424,963
2019	5,250,000	3,561,163	720,000	401,013
2020-2024	29,145,000	14,341,263	4,050,000	1,523,013
2025-2029	29,835,000	7,379,740	3,460,000	495,813
2030-2034	15,735,000	1,605,376	555,000	18,038
Total	<u>\$ 97,255,000</u>	<u>\$ 42,810,273</u>	<u>\$ 11,105,000</u>	<u>\$ 4,265,316</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Revenue Bonds

The City also issues Revenue Bonds where the city pledges income derived from the acquired or constructed assets to pay debt service. These Revenue Bonds constitute special obligations of the City solely secured by a lien and a pledge of the net revenues of the water and sewer system established by the bond ordinances and covenants. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amount and certain financial ratios are met. Management of the City believes that it is in compliance with all significant requirements as of September 30, 2014. Revenue Bond debt service requirements to maturity are as follows:

Year Ending September 30	Business-type Activities	
	Principal	Interest
2015	\$ 4,955,000	\$ 2,204,430
2016	5,075,000	2,088,175
2017	5,205,000	1,956,301
2018	4,335,000	1,830,871
2019	4,480,000	1,690,688
2020-2024	19,700,000	5,983,782
2025-2029	11,285,000	2,532,450
2030-2033	5,740,000	711,644
Total	<u>\$ 60,775,000</u>	<u>\$ 18,998,341</u>

Tax and Revenue Certificates of Obligation

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

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 2,170,000	\$ 4,667,833	\$ 420,000	\$ 79,445
2016	3,270,000	4,583,238	85,000	61,745
2017	3,445,000	4,500,038	85,000	59,195
2018	3,550,000	4,399,163	90,000	56,433
2019	3,870,000	4,261,250	95,000	53,508
2020-2024	22,185,000	18,600,373	545,000	213,583
2025-2029	27,615,000	13,310,095	690,000	91,653
2030-2034	30,530,000	6,707,088	-	-
2035-2039	10,885,000	970,113	-	-
Total	<u>\$ 107,520,000</u>	<u>\$ 61,999,191</u>	<u>\$ 2,010,000</u>	<u>\$ 615,562</u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

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

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

During fiscal year ended 2014, the City issued \$11,620,000 in General Obligation & Refunding Bonds with an average interest rate of 3.5% to fund public safety buildings/facilities and parks and recreation projects, and to refund and legally defease \$775,000 of General Obligation Bonds, Series 2006, \$1,875,000 of General Obligation Bonds, Series 2007, \$2,440,000 of Certificates of Obligation Bonds, Series 2007, \$300,000 of Solid Waste Certificates of Obligation Bonds, Series 2005, and \$725,000 of Drainage Utility Certificates of Obligation Bonds, Series 2006. \$6,470,777 of the net proceeds of \$12,600,464 (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase U.S. securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. It is bond counsel's opinion that the advance refunding is a legal defeasance.

Due to the refundings, the City's debt service requirements are decreased by \$240,135 over a period beginning fiscal year 2013-2014 and ending with the fiscal year 2017-2018. These refundings allowed the City of Killeen to obtain an economic gain of \$235,777.

The City also issued new debt during the fiscal year. \$13,060,000 in Certificates of Obligation Bonds was issued to be used to fund the constructing, improving and repairing of city fire facilities and community service facilities as well as completing various streets projects.

G. RESTATEMENT FOR THE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

Effective for fiscal year 2014, the GASB issued Statement No. 65 "*Items Previously Reported as Assets and Liabilities.*" The Objective of the statement is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources or inflows of resources.

The implementation of Statement No. 65 resulted in the reclassification of the beginning net position of the governmental activities and the business-type activities in the government-wide financial statements and the beginning net position of the Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Funds. Issuance costs, previously amortized over the life of the debt issuance, are now expensed at the time of issue. Retroactively applying this change results in the adjustment shown on the following page.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

	Government-wide Statement of		Fund Level		
	Activities		Statement of Revenues, Expenses and Changes in		
	Governmental	Business-Type	Fund Net Position - Enterprise Funds		
	Activities	Activities	Solid Waste	Water & Sewer	Drainage Utility
Net position as previously reported					
September 30, 2013	\$ 84,926,839	\$ 228,938,664	\$ 6,195,777	\$ 134,576,464	\$ 8,516,989
Change in reporting for debt issuance costs	(1,212,044)	(820,075)	(116,227)	(618,434)	(85,414)
Net position at September 30, 2013 as restated	<u>\$ 83,714,795</u>	<u>\$ 228,118,589</u>	<u>\$ 6,079,550</u>	<u>\$ 133,958,030</u>	<u>\$ 8,431,575</u>

V. OTHER INFORMATION

A. RISK MANAGEMENT

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

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

B. COMMITMENTS AND CONTINGENCIES

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

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

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

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

C. EMPLOYEE BENEFITS

EMPLOYEE PENSION PLAN

Plan Description

The City provides pension benefits for all of its eligible employees, except firemen, through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from the TMRS website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2014</u>	<u>Plan Year 2013</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100%, Transfers	100%, Transfers
Annuity Increase (to retirees)	0% of CPI	70% of CPI

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e. the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015).

The annual pension cost and net pension obligation/(asset) are as follows in a three year trend format:

Schedule of Net Pension Obligation

	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2012</u>
Net Pension Obligation (NPO) at the Beginning of Period	\$ -	\$ -	\$ -
Annual Pension Cost:			
Annual Required Contribution (ARC)	3,429,108	3,134,221	4,410,989
Interest on NPO	-	-	-
Adjustment to the ARC	-	-	-
Subtotal	<u>3,429,108</u>	<u>3,134,221</u>	<u>4,410,989</u>
Contributions Made	3,429,108	3,134,221	4,410,989
Increase in NPO	-	-	-
NPO at the end of the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Valuation Date	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>12/31/2011</u>
Actuarial Cost Method	Entry Age Normal	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	17.4 years; closed period	14.7 years; closed period	15.8 years; closed period
Amortization Period for New Gains/Losses	25 years	25 years	25 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return *	7.0%	7.0%	7.0%
Project Salary Increases *	Varies by age and service	Varies by age and service	Varies by age and service
* Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	0.0%	0.0%	2.1%

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Funded Status and Funding Progress

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

Schedule of Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>12/31/2011</u>
Actuarial Value of Assets	\$ 127,723,538	\$ 118,799,860	\$ 110,610,374
Actuarial Accrued Liability	\$ 143,880,762	\$ 130,570,171	\$ 122,287,747
Percentage Funded	88.77%	90.99%	90.45%
Unfunded Actuarial			
Accrued Liability (UAAL)	\$ 16,157,224	\$ 11,770,311	\$ 11,677,373
Annual Covered Payroll	\$ 44,998,507	\$ 41,575,749	\$ 41,425,056
UAAL as a Percentage of Covered Payroll	35.91%	28.31%	28.19%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability of benefits.

**CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014**

SUPPLEMENTAL DEATH BENEFITS FUND

Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City 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 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); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. Additionally, retirees are responsible for 100% of premiums paid for the benefit.

The City of Killeen offers supplemental death to:	<u>Plan Year 2014</u>	<u>Plan Year 2013</u>
Active employees	Yes	Yes
Retirees	Yes	Yes

Contributions

The 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.

The City's contribution to the TMRS SDBF for the years ended 2014, 2013 and 2012 were \$13,500, \$12,473, and \$12,428, respectively, which equaled the required contributions each year.

**Schedule of Contribution Rates:
(RETIREE - only portion of the rate)**

<u>Plan/Calendar Year</u>	<u>Annual Required Contribution (Rate)</u>	<u>Actual Contribution Made (Rate)</u>	<u>Percentage of ARC Contributed</u>
2012	0.03%	0.03%	100.00%
2013	0.03%	0.03%	100.00%
2014	0.03%	0.03%	100.00%

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

DEFERRED COMPENSATION FUND

Plan Description

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

The plan, available to all permanent City employees, permits them to defer until future years up to 100% of annual gross earnings not to exceed \$16,500. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

FIREFIGHTER'S RELIEF AND RETIREMENT SYSTEM

Plan Description

The Board of Trustees of the Killeen Firefighter's Relief and Retirement Fund is the administrator of a single-employer defined benefit pension plan. It is a legally separate entity from the City. Complete financial statements for the Killeen Firefighter's Relief and Retirement Fund can be obtained by contacting the Fund Administrator at P.O. Box 497, Conroe, TX 77305.

Both paid and volunteer firefighters in the Killeen Fire Department are covered by the Killeen Firefighter's Relief and Retirement Fund. The table below summarizes the membership of the fund at September 30, 2012, the date of the most recent actuarial valuation.

	September 30, 2012
1. Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	58
2. Current employees	
a. Fully vested	21
b. Partially vested	48
c. Nonvested	135
3. Total	262

The Killeen Firefighter's Relief and Retirement Fund provides service retirement, death, disability, and withdrawal benefits for both paid and volunteer firefighters. These benefits fully vest after 20 years of credited service. Paid firefighters may retire at the earlier of age 55 with 20 years of service or age 50 with 25 years of service. A partially vested benefit is provided for paid firefighters with at least 10 years of service. Volunteer firefighters may retire at age 55 with 20 years of service. The fund, effective July 1, 2007 provides a monthly benefit for paid firefighters at retirement, payable in a Joint and Two-Thirds

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

to Spouse form of annuity, equal to 58.4% of Highest 60-Month Average Salary plus 2.275% of Highest 60-Month Average Salary for each year of service in excess of 20 years. The monthly benefit for volunteer firefighters at retirement is equal to \$155 per month payable in a Joint and Two-Thirds to Spouse form of annuity.

There is no provision for automatic post-retirement benefit increases. The fund has the authority to provide, and has periodically in the past provided for, ad hoc post retirement benefit increases. The benefit provisions of this fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

Summary of Significant Accounting Policies and Plan Asset Matters

The Killeen Firefighter's Relief and Retirement Fund financial statements are prepared using the accrual basis of accounting. The fund's fiscal year began October 1, 2013 and ended September 30, 2014. Employee and employer contributions are recognized as revenues in the period in which the salaries are earned. Investment income is recognized as it is earned. All unrealized gains/losses on sales of assets are recognized on the transaction date.

Contributions Required and Contributions Made

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

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

The funding policy of the Killeen Firefighter's Relief and Retirement Fund requires contributions equal to 11% of pay by the paid firefighters and 13% of payroll by the City. Contributions by the City of \$102 per year per active volunteer and \$16,010 per year for all active and retired volunteers are also required. The actuarial valuation includes the assumption that the City contribution rate will be 13% over the UAAL amortization period and that the contributions for volunteers will continue each year.

The funding policy also depends upon the total return of the fund's assets, which varies from year to year. For the year ending September 30, 2014, the money-weighted rate of return was 6.67%. This measurement of the investment performance is net of investment expenses and reflects the estimated effect of the timing of the contributions received and the benefits paid during the year.

For the fiscal year ending September 30, 2014, the City of Killeen's Annual Pension Cost (APC) was \$1,541,096 for the Killeen Firefighter's Relief and Retirement Fund. Based on the results of the September 30, 2012 actuarial valuation of the Plan effective July 1, 2007, the Board's actuary found that the fund has an adequate contribution arrangement based on the current level of the firefighter and City of

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Killeen contribution rates. The schedules of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements in the required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

The annual required contributions (ARC) by the city for the fiscal year ending September 30, 2014 were based on the results of the September 30, 2012 actuarial valuation and were determined to be in compliance with the Governmental Accounting Standards Board (GASB) Statement No. 27 parameters. The actuarial methods and assumptions used for the two most recent valuations are shown below. This information is also included in the required supplementary information immediately following the notes.

Valuation date	September 30, 2012	September 30, 2010
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percent of payroll, open	Level percent of payroll, open
Amotization period	36 years	27 years
Asset valuation method	5-year adjusted market value	5-year adjusted market value
Actuarial assumptions:		
- Investment rate of return, net of expenses	7.75% per year	7.75% per year
- Inflation	4.00% per year	4.00% per year
- Projected salary increases		
- general salary increase	4.00% per year	4.00% per year
- promotion and longevity increase	0% to 7% per year	0% to 7% per year
- total increase	4.00% to 11.28% per year	4% to 11.3% per year
- Payroll growth rate	4.00% per year	4.00% per year
- Postretirement cost-of-living adjustments	None	None
ARC	13.63%	13.00%
Fiscal years ending September 30	2013 and 2014	2011 and 2012

The following is a schedule of the funding progress for the Firefighter's Relief and Retirement fund for the three most recent actuarial valuations that presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. This information is also included in the required supplementary information immediately following the notes.

Schedule of Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Annual Covered Payroll ¹	UAAL as a Percentage of Covered Payroll
9/30/2008	2,3 20,223,436	31,663,825	63.9%	11,440,389	9,534,549	120.0%
9/30/2010	2,3 23,980,822	37,161,946	64.5%	13,181,124	10,564,186	124.8%
9/30/2012	2,3 27,528,834	41,142,502	66.9%	13,613,668	11,025,643	123.5%

¹ The covered payroll is based on estimated annualized salaries for the year following the valuation date.

² Economic and demographic assumptions were revised.

³ Reflects plan benefit provisions effective July 1, 2007.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Reporting Year Ended September 30	Annual Pension Cost (APC)	% Funded	Net Pension Obligation
2012	1,439,762	100%	-
2013	1,483,016	100%	-
2014	1,541,096	100%	-

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Effective in fiscal year 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement 45 “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)*” prospectively (no beginning Net OPEB Obligation). A separate, audited GAAP-basis postemployment benefit plan report is not available.

Plan Description

In addition to the pension benefits described in Note V. C., as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from a City sponsored retirement program (Texas Municipal Retirement System and Firefighter’s Relief and Retirement) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance, or until age 65 if eligible for Medicare to eligible retirees, their spouses and dependents through the City’s group health insurance plan, which covers both active and retired members. Benefit provisions are established by management.

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

Funding Policy

Current retirees contribute to the health plan 100% of the total blended premium for active and retired participants. Retiree contribution rates for fiscal year 2014 ranged from \$4,788 to \$20,768 per year depending on coverage levels selected.

The City’s annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City’s annual OPEB cost for the fiscal year ending September 30, 2014, is as follows:

Annual required contribution (ARC)	\$ 636,305
Interest on OPEB obligation	52,484
Adjustment to ARC	<u>(48,626)</u>
End of year annual OPEB cost (expense)	640,163
Net estimated employer contributions	<u>(273,273)</u>
Increase in net OPEB obligation	366,890
Net OPEB Obligation, beginning of year	1,166,308
Net OPEB Obligation, end of year	<u><u>\$ 1,533,198</u></u>

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2014 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Oligation
9/30/2012	478,618	285,338	59.6%	801,806
9/30/2013	620,424	255,922	41.2%	1,166,308
9/30/2014	640,163	273,273	42.7%	1,533,198

The funded status of the City's retiree health care plan, under GASB Statement No. 45 as of December 31, 2012 and the preceding two fiscal years were as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ -	\$ 3,227,494	\$ 3,227,494	0.0%	\$ 44,390,812	7.3%
12/31/2010	-	4,409,664	4,409,664	0.0%	52,374,642	8.4%
12/31/2012	-	5,560,589	5,560,589	0.0%	52,601,392	10.6%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$5,560,589 at December 31, 2012. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 10.6%. The schedule of funding progress presented above is also presented as Required Supplementary Information following the notes to the financial statements.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point.

CITY OF KILLEEN, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Actuarial valuation date	December 31, 2012
Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Payroll growth	3.00% per annum
Health care cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.5% after 8 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City’s retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. FUTURE FINANCIAL REPORTING REQUIREMENTS

Effective in fiscal year 2015, the GASB has issued Statement No. 68, “*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*” and Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.*” These statements change the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer’s financial statements for any actuarially unfunded portion of pension benefits earned to date.

Management has not yet determined the effect of this statement on the financial statements; however, the impact is expected to be significant as they will now reflect a previously unrecorded liability. The City also expects the largest deferred inflows and outflows to be pension related.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF KILLEEN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014

TEXAS MUNICIPAL RETIREMENT SYSTEM (UNAUDITED):**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2011	² 110,610,374	122,287,747	90.5%	11,677,373	41,425,056	28.2%
12/31/2012	² 118,799,860	130,570,171	91.0%	11,770,311	41,575,749	28.3%
12/31/2013	² 127,723,538	143,880,762	88.8%	16,157,224	44,998,507	35.9%

FIREFIGHTER'S RELIEF AND RETIREMENT FUND (UNAUDITED):**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Annual Covered Payroll ¹	UAAL as a Percentage of Covered Payroll
9/30/2008	^{2,3} 20,223,436	31,663,825	63.9%	11,440,389	9,534,549	120.0%
9/30/2010	^{2,3} 23,980,822	37,161,946	64.5%	13,181,124	10,564,186	124.8%
9/30/2012	^{2,3} 27,528,834	41,142,502	66.9%	13,613,668	11,025,643	123.5%

¹ The covered payroll is based on estimated annualized salaries for the year following the valuation date.

² Economic and demographic assumptions were revised.

³ Reflects plan benefit provisions effective July 1, 2007.

Schedule of Employer Contributions

Reporting Year Ended September 30	Annual Required Contribution (ARC) ¹	Actual Contribution	Percentage of Required Contribution Contributed ²
2012	1,439,762	1,439,762	100%
2013	1,483,016	1,483,016	100%
2014	1,541,096	1,541,096	100%

¹ The annual required contributions (ARC) is equal to the actual city contributions and equal to the budgeted contribution rate times the actual covered payroll for paid firefighters plus \$16,010 for volunteer firefighters plus \$102 per active volunteer firefighter.

² The percentage of the ARC contributed should be determine by dividing the actual contribution by the ARC.

(CONTINUED)

**CITY OF KILLEEN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014**

Notes to Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The actuarial methods and assumptions used for the two most recent valuations are shown below.

Valuation date	September 30, 2012	September 30, 2010
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percent of payroll, open	Level percent of payroll, open
Amortization period	36 years	27 years
Asset valuation method	5-year adjusted market value	5-year adjusted market value
Actuarial assumptions:		
- Investment rate of return, net of expenses	7.75% per year	7.75% per year
- Inflation	4.00% per year	4.00% per year
- Projected salary increases		
- general salary increase	4.00% per year	4.00% per year
- promotion and longevity increase	0% to 7% per year	0% to 7% per year
- total increase	4.00% to 11.28% per year	4% to 11.3% per year
- Payroll growth rate	4.00% per year	4.00% per year
- Postretirement cost-of-living adjustments	None	None
ARC	13.63%	13.00%
Fiscal years ending September 30	2013 and 2014	2011 and 2012

**CITY OF KILLEEN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014**

OTHER POST EMPLOYMENT BENEFITS (UNAUDITED):

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ -	\$ 3,227,494	\$ 3,227,494	0.0%	\$ 44,390,812	7.3%
12/31/2010	-	4,409,664	4,409,664	0.0%	52,374,642	8.4%
12/31/2012	-	5,560,589	5,560,589	0.0%	52,601,392	10.6%

CITY OF KILLEEN, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Adjustments	Actual	Budgeted Amounts		Variance -
	GAAP	Budget	Budget	Original	Final	Positive
	Basis	Basis	Basis			(Negative)
REVENUES						
Taxes	\$ 50,650,046	\$ (128,960)	\$ 50,521,086	\$ 52,887,225	\$ 52,887,225	\$ (2,366,139)
Licenses and permits	1,898,797	-	1,898,797	1,404,000	1,404,000	494,797
Intergovernmental	754,572	-	754,572	820,806	920,659	(166,087)
Contributions	440,296	-	440,296	375,000	375,000	65,296
Charges for services	5,330,262	-	5,330,262	5,401,777	5,401,777	(71,515)
Fines	2,629,747	-	2,629,747	2,691,550	2,691,550	(61,803)
Miscellaneous	1,283,669	-	1,283,669	1,184,613	1,184,613	99,056
Total revenues	<u>62,987,389</u>	<u>(128,960)</u>	<u>62,858,429</u>	<u>64,764,971</u>	<u>64,864,824</u>	<u>(2,006,395)</u>
EXPENDITURES						
General government	16,197,804	171,380	16,369,184	17,048,538	18,463,224	2,094,040
Public safety	45,082,201	-	45,082,201	44,735,114	46,804,095	1,721,894
Public works	4,133,162	-	4,133,162	4,179,287	5,276,739	1,143,577
Community services	8,253,597	-	8,253,597	8,676,133	8,863,764	610,167
Total expenditures	<u>73,666,764</u>	<u>171,380</u>	<u>73,838,144</u>	<u>74,639,072</u>	<u>79,407,822</u>	<u>5,569,678</u>
Deficiency of revenues under expenditures	(10,679,375)	(300,340)	(10,979,715)	(9,874,101)	(14,542,998)	3,563,283
OTHER FINANCING SOURCES (USES)						
Transfers in	8,694,145	-	8,694,145	8,459,033	8,459,033	235,112
Transfers out	(16,755)	-	(16,755)	-	-	(16,755)
Total other financing sources (uses)	<u>8,677,390</u>	<u>-</u>	<u>8,677,390</u>	<u>8,459,033</u>	<u>8,459,033</u>	<u>218,357</u>
Net change in fund balance	(2,001,985)	(300,340)	(2,302,325)	(1,415,068)	(6,083,965)	3,781,640
Fund balance, October 1	<u>22,335,006</u>	<u>292,492</u>	<u>22,627,498</u>	<u>20,866,071</u>	<u>22,335,868</u>	<u>291,630</u>
Fund balance, September 30	<u>\$ 20,333,021</u>	<u>\$ (7,848)</u>	<u>\$ 20,325,173</u>	<u>\$ 19,451,003</u>	<u>\$ 16,251,903</u>	<u>\$ 4,073,270</u>

COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

**CITY OF KILLEEN, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Cash and cash equivalents	\$ 3,355,551	\$ 4,033,968	\$ 17,246,275	\$ 24,635,794
Investments	-	-	7,000,000	7,000,000
Receivables (net of allowances for uncollectibles):				
Taxes	-	148,463	-	148,463
Accounts	176,856	-	-	176,856
Accrued interest	-	-	2,506	2,506
Intergovernmental receivable	58,673	-	3,162	61,835
Restricted assets:				
Cash and cash equivalents	23,900	-	-	23,900
Inventories	5,850	-	-	5,850
Total assets	<u>\$ 3,620,830</u>	<u>\$ 4,182,431</u>	<u>\$ 24,251,943</u>	<u>\$ 32,055,204</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 353,465	\$ -	\$ 349,618	\$ 703,083
Due to other governments	17,851	-	-	17,851
Due to other funds	50,390	-	-	50,390
Accrued salaries payable	22,673	-	-	22,673
Unearned revenue	10,793	-	-	10,793
Total liabilities	<u>455,172</u>	<u>-</u>	<u>349,618</u>	<u>804,790</u>
Deferred inflows of resources:				
Unavailable revenue	122,454	148,463	-	270,917
Total deferred inflows of resources	<u>122,454</u>	<u>148,463</u>	<u>-</u>	<u>270,917</u>
Fund Balances:				
Nonspendable:				
Inventories	5,850	-	-	5,850
Restricted for:				
Debt service	400,746	4,033,968	-	4,434,714
Capital projects	-	-	23,902,325	23,902,325
Other purposes	2,636,608	-	-	2,636,608
Total fund balances	<u>3,043,204</u>	<u>4,033,968</u>	<u>23,902,325</u>	<u>30,979,497</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,620,830</u>	<u>\$ 4,182,431</u>	<u>\$ 24,251,943</u>	<u>\$ 32,055,204</u>

CITY OF KILLEEN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES				
Taxes	\$ 2,016,274	\$ 11,449,462	\$ -	\$ 13,465,736
Intergovernmental	1,370,646	918,448	-	2,289,094
Contributions	18,693	-	300,000	318,693
Charges for services	614,614	-	-	614,614
Fines	858,588	-	-	858,588
Miscellaneous	68,949	7,142	6,690	82,781
Total revenues	<u>4,947,764</u>	<u>12,375,052</u>	<u>306,690</u>	<u>17,629,506</u>
EXPENDITURES				
Current:				
General government	1,584,884	-	-	1,584,884
Public safety	477,043	-	-	477,043
Public works	-	-	97,814	97,814
Community services	1,645,858	-	-	1,645,858
Capital outlay	463,131	-	2,659,640	3,122,771
Debt service:				
Principal	-	4,360,000	-	4,360,000
Interest	-	8,075,145	-	8,075,145
Fiscal charges	-	22,235	-	22,235
Costs of issuance	-	42,145	154,718	196,863
Total expenditures	<u>4,170,916</u>	<u>12,499,525</u>	<u>2,912,172</u>	<u>19,582,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>776,848</u>	<u>(124,473)</u>	<u>(2,605,482)</u>	<u>(1,953,107)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of capital-related debt	-	-	18,730,000	18,730,000
Refunding bonds issued	-	4,940,000	-	4,940,000
Premium on issuance of debt	-	374,891	1,364,405	1,739,296
Payment to refunded bond escrow agent	-	(5,392,746)	-	(5,392,746)
Transfers in	16,755	1,918,738	-	1,935,493
Transfers out	(829,069)	(105,201)	(644,105)	(1,578,375)
Total other financing sources (uses)	<u>(812,314)</u>	<u>1,735,682</u>	<u>19,450,300</u>	<u>20,373,668</u>
Net changes in fund balances	(35,466)	1,611,209	16,844,818	18,420,561
Fund balances, October 1	3,078,670	2,422,759	7,057,507	12,558,936
Fund balances, September 30	<u>\$ 3,043,204</u>	<u>\$ 4,033,968</u>	<u>\$ 23,902,325</u>	<u>\$ 30,979,497</u>

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific resources that are legally restricted to expenditure for particular purposes.

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

State Seizure Fund: To account for the revenues and expenditures restricted by state seizure requirements for the Police Department.

Federal Seizure Fund: To account for revenues and expenditures restricted by federal seizure requirements for the Police Department.

Emergency Management: To account for revenues and expenditures restricted for the management of emergency situations.

Fire State Seizure Fund: To account for revenues and expenditures restricted by state seizure requirements for the Fire Department.

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

Special Events Center Fund: To account for the funds to be used for the construction and operation of the Special Events Center.

Cablesystem Improvements Fund: To Account for resources contributed to the City, the use of which are restricted to the acquisition of appropriate equipment and other expenditure items for the benefit of the cable franchise system.

Library Memorial Fund: To account for revenues that are restricted for use for the Public Library.

Parks Fund: To account for funds to be used for the development and improvement of City park land.

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

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

Tax Increment Fund: To account for the ad valorem tax revenues collected from the taxable property in the tax increment zone. This fund also accounts for expenditures on projects that take place in the tax increment zone.

Lion's Club Park Fund: To account for resources contributed to the City and received from the Texas Parks and Wildlife Department, restricted to the development of a public park.

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

Court Security Fund: To account for Municipal Court security related expenditures from security fees collected as enacted by the Texas Legislature.

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

Photo Red Light Enforcement: To account for fees received from the photo red light ticket violation enforcement program and applicable authorized expenditures.

KAAC: To account for revenues and expenditures related to the Killeen Arts & Activity Center.

Police Department Donations: To account for contributions to the Police Department for various purposes as well as related expenditures.

**CITY OF KILLEEN, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014**

	Law Enforcement Grant	State Seizure	Federal Seizure	Emergency Management	Fire State Seizure
ASSETS					
Cash and cash equivalents	\$ 31,540	\$ 41,074	\$ 22,195	\$ 1,647	\$ 581
Receivables (net of allowances for uncollectibles):					
Accounts	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 31,540</u>	<u>\$ 41,074</u>	<u>\$ 22,195</u>	<u>\$ 1,647</u>	<u>\$ 581</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	17,851	-	-	-	-
Due to other funds	-	-	-	-	-
Accrued salaries payable	-	-	-	-	-
Unearned revenue	10,793	-	-	-	-
Total liabilities	<u>28,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Other purposes	2,896	41,074	22,195	1,647	581
Total fund balances	<u>2,896</u>	<u>41,074</u>	<u>22,195</u>	<u>1,647</u>	<u>581</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,540</u>	<u>\$ 41,074</u>	<u>\$ 22,195</u>	<u>\$ 1,647</u>	<u>\$ 581</u>

EXHIBIT C-3

<u>Hotel Occupancy Tax</u>	<u>Special Events Center</u>	<u>Cablesystem Improvements</u>	<u>Library Memorial</u>	<u>Parks</u>	<u>Community Development</u>	<u>CDBG Home Program</u>
\$ 426,069	\$ 17,447	\$ 692,556	\$ 5,264	\$ -	\$ 4,654	\$ 16,755
3,915	-	-	-	-	-	-
-	-	-	-	-	12,223	46,450
23,900	-	-	-	-	-	-
5,850	-	-	-	-	-	-
<u>\$ 459,734</u>	<u>\$ 17,447</u>	<u>\$ 692,556</u>	<u>\$ 5,264</u>	<u>\$ -</u>	<u>\$ 16,877</u>	<u>\$ 63,205</u>
\$ 36,572	\$ 17,380	\$ 65	\$ -	\$ -	\$ 8,915	\$ 6,760
-	-	-	-	-	-	-
-	-	-	-	-	-	50,390
16,566	-	4,167	-	-	-	-
-	-	-	-	-	-	-
<u>53,138</u>	<u>17,380</u>	<u>4,232</u>	<u>-</u>	<u>-</u>	<u>8,915</u>	<u>57,150</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,850	-	-	-	-	-	-
400,746	-	-	-	-	-	-
-	67	688,324	5,264	-	7,962	6,055
<u>406,596</u>	<u>67</u>	<u>688,324</u>	<u>5,264</u>	<u>-</u>	<u>7,962</u>	<u>6,055</u>
<u>\$ 459,734</u>	<u>\$ 17,447</u>	<u>\$ 692,556</u>	<u>\$ 5,264</u>	<u>\$ -</u>	<u>\$ 16,877</u>	<u>\$ 63,205</u>

(CONTINUED)

**CITY OF KILLEEN, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
SEPTEMBER 30, 2014**

	Tax Increment	Lion's Club Park	Court Technology	Court Security	Juvenile Case Manager
ASSETS					
Cash and cash equivalents	\$ 212,851	\$ -	\$ 488,500	\$ 196,406	\$ 483,232
Receivables (net of allowances for uncollectibles):					
Accounts	-	-	46,814	16,428	59,212
Intergovernmental receivable	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 212,851</u>	<u>\$ -</u>	<u>\$ 535,314</u>	<u>\$ 212,834</u>	<u>\$ 542,444</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 11,002	\$ 339	\$ 236
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Accrued salaries payable	-	-	-	739	1,201
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>11,002</u>	<u>1,078</u>	<u>1,437</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	46,814	16,428	59,212
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>46,814</u>	<u>16,428</u>	<u>59,212</u>
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Other purposes	212,851	-	477,498	195,328	481,795
Total fund balances	<u>212,851</u>	<u>-</u>	<u>477,498</u>	<u>195,328</u>	<u>481,795</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 212,851</u>	<u>\$ -</u>	<u>\$ 535,314</u>	<u>\$ 212,834</u>	<u>\$ 542,444</u>

EXHIBIT C-3 (CONT'D)

Photo Red Light Enforcement	KAAC	Police Department Donations	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 710,458	\$ -	\$ 4,322	\$ 3,355,551
50,487	-	-	176,856
-	-	-	58,673
-	-	-	23,900
-	-	-	5,850
<u>\$ 760,945</u>	<u>\$ -</u>	<u>\$ 4,322</u>	<u>\$ 3,620,830</u>
\$ 272,196	\$ -	\$ -	\$ 353,465
-	-	-	17,851
-	-	-	50,390
-	-	-	22,673
-	-	-	10,793
<u>272,196</u>	<u>-</u>	<u>-</u>	<u>455,172</u>
-	-	-	122,454
<u>-</u>	<u>-</u>	<u>-</u>	<u>122,454</u>
-	-	-	5,850
-	-	-	400,746
<u>488,749</u>	<u>-</u>	<u>4,322</u>	<u>2,636,608</u>
<u>488,749</u>	<u>-</u>	<u>4,322</u>	<u>3,043,204</u>
<u>\$ 760,945</u>	<u>\$ -</u>	<u>\$ 4,322</u>	<u>\$ 3,620,830</u>

CITY OF KILLEEN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Law Enforcement Grant	State Seizure	Federal Seizure	Emergency Management	Fire State Seizure
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	131,827	38,656	-	-	-
Contributions	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines	-	-	-	-	-
Miscellaneous	-	959	4	2	-
Total revenues	<u>131,827</u>	<u>39,615</u>	<u>4</u>	<u>2</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	131,803	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	109,764	-	12,305	-
Total expenditures	<u>131,803</u>	<u>109,764</u>	<u>-</u>	<u>12,305</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24</u>	<u>(70,149)</u>	<u>4</u>	<u>(12,303)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	24	(70,149)	4	(12,303)	-
Fund balances, October 1	<u>2,872</u>	<u>111,223</u>	<u>22,191</u>	<u>13,950</u>	<u>581</u>
Fund balances, September 30	<u>\$ 2,896</u>	<u>\$ 41,074</u>	<u>\$ 22,195</u>	<u>\$ 1,647</u>	<u>\$ 581</u>

EXHIBIT C-4

Hotel Occupancy Tax	Special Events Center	Cablesystem Improvements	Library Memorial	Parks	Community Development	CDBG Home Program
\$ 1,722,623	\$ -	\$ 203,571	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	852,419	347,744
1,355	-	-	10,187	-	2,829	-
614,614	-	-	-	-	-	-
-	-	-	-	-	-	-
871	27	205	-	-	6,316	60,565
<u>2,339,463</u>	<u>27</u>	<u>203,776</u>	<u>10,187</u>	<u>-</u>	<u>861,564</u>	<u>408,309</u>
1,506,634	-	-	-	-	-	-
-	-	-	-	-	-	-
175,652	-	172,965	6,000	3,453	861,364	425,065
5,136	71,959	38,943	2,266	8,875	-	-
<u>1,687,422</u>	<u>71,959</u>	<u>211,908</u>	<u>8,266</u>	<u>12,328</u>	<u>861,364</u>	<u>425,065</u>
<u>652,041</u>	<u>(71,932)</u>	<u>(8,132)</u>	<u>1,921</u>	<u>(12,328)</u>	<u>200</u>	<u>(16,756)</u>
-	-	-	-	-	-	16,755
<u>(727,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(727,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,755</u>
(75,859)	(71,932)	(8,132)	1,921	(12,328)	200	(1)
<u>482,455</u>	<u>71,999</u>	<u>696,456</u>	<u>3,343</u>	<u>12,328</u>	<u>7,762</u>	<u>6,056</u>
<u>\$ 406,596</u>	<u>\$ 67</u>	<u>\$ 688,324</u>	<u>\$ 5,264</u>	<u>\$ -</u>	<u>\$ 7,962</u>	<u>\$ 6,055</u>

(CONTINUED)

CITY OF KILLEEN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Tax Increment</u>	<u>Lion's Club Park</u>	<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>
REVENUES					
Taxes	\$ 90,080	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Contributions	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines	-	-	83,289	62,194	114,278
Miscellaneous	-	-	-	-	-
Total revenues	<u>90,080</u>	<u>-</u>	<u>83,289</u>	<u>62,194</u>	<u>114,278</u>
EXPENDITURES					
Current:					
General government	-	-	11,509	28,686	38,055
Public safety	-	-	-	-	-
Community services	-	1,359	-	-	-
Capital outlay	-	-	200,945	-	-
Total expenditures	<u>-</u>	<u>1,359</u>	<u>212,454</u>	<u>28,686</u>	<u>38,055</u>
Excess (deficiency) of revenues over (under) expenditures	<u>90,080</u>	<u>(1,359)</u>	<u>(129,165)</u>	<u>33,508</u>	<u>76,223</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	90,080	(1,359)	(129,165)	33,508	76,223
Fund balances, October 1	<u>122,771</u>	<u>1,359</u>	<u>606,663</u>	<u>161,820</u>	<u>405,572</u>
Fund balances, September 30	<u>\$ 212,851</u>	<u>\$ -</u>	<u>\$ 477,498</u>	<u>\$ 195,328</u>	<u>\$ 481,795</u>

EXHIBIT C-4 (CONT'D)

Photo Red Light Enforcement	KAAC	Police Department Donations	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ -	\$ -	\$ -	\$ 2,016,274
-	-	-	1,370,646
-	-	4,322	18,693
-	-	-	614,614
598,827	-	-	858,588
-	-	-	68,949
<u>598,827</u>	<u>-</u>	<u>4,322</u>	<u>4,947,764</u>
-	-	-	1,584,884
345,240	-	-	477,043
-	-	-	1,645,858
12,938	-	-	463,131
<u>358,178</u>	<u>-</u>	<u>-</u>	<u>4,170,916</u>
<u>240,649</u>	<u>-</u>	<u>4,322</u>	<u>776,848</u>
-	-	-	16,755
<u>-</u>	<u>(101,169)</u>	<u>-</u>	<u>(829,069)</u>
<u>-</u>	<u>(101,169)</u>	<u>-</u>	<u>(812,314)</u>
240,649	(101,169)	4,322	(35,466)
<u>248,100</u>	<u>101,169</u>	<u>-</u>	<u>3,078,670</u>
<u>\$ 488,749</u>	<u>\$ -</u>	<u>\$ 4,322</u>	<u>\$ 3,043,204</u>

CITY OF KILLEEN, TEXAS
LAW ENFORCEMENT GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 131,827	\$ 41,923	\$ 13,205	\$ 118,622
Total revenues	<u>131,827</u>	<u>41,923</u>	<u>13,205</u>	<u>118,622</u>
EXPENDITURES				
Current:				
Public safety	131,803	-	99,917	(31,886)
Capital outlay	-	41,923	1,855	1,855
Total expenditures	<u>131,803</u>	<u>41,923</u>	<u>101,772</u>	<u>(30,031)</u>
Net change in fund balance	24	<u>\$ -</u>	<u>\$ (88,567)</u>	<u>\$ 88,591</u>
Fund balance, October 1	<u>2,872</u>			
Fund balance, September 30	<u>\$ 2,896</u>			

CITY OF KILLEEN, TEXAS
STATE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 38,656	\$ 55,610	\$ 55,610	\$ (16,954)
Miscellaneous	959	20	20	939
Total revenues	<u>39,615</u>	<u>55,630</u>	<u>55,630</u>	<u>(16,015)</u>
EXPENDITURES				
Capital outlay	109,764	55,610	110,010	246
Total expenditures	<u>109,764</u>	<u>55,610</u>	<u>110,010</u>	<u>246</u>
Net change in fund balance	(70,149)	<u>\$ 20</u>	<u>\$ (54,380)</u>	<u>\$ (15,769)</u>
Fund balance, October 1	<u>111,223</u>			
Fund balance, September 30	<u>\$ 41,074</u>			

**CITY OF KILLEEN, TEXAS
FEDERAL SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Miscellaneous	\$ 4	\$ -	\$ -	\$ 4
Total revenues	4	-	-	4
EXPENDITURES				
Capital outlay	-	5,000	5,000	5,000
Total expenditures	-	5,000	5,000	5,000
Net change in fund balance	4	\$ (5,000)	\$ (5,000)	\$ 5,004
Fund balance, October 1	22,191			
Fund balance, September 30	\$ 22,195			

CITY OF KILLEEN, TEXAS
EMERGENCY MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Miscellaneous	\$ 2	\$ -	\$ -	\$ 2
Total revenues	2	-	-	2
EXPENDITURES				
Current:				
General government	-	1,836	31	31
Capital outlay	12,305	-	12,305	-
Total expenditures	12,305	1,836	12,336	31
Net change in fund balance	(12,303)	\$ (1,836)	\$ (12,336)	\$ 33
Fund balance, October 1	13,950			
Fund balance, September 30	\$ 1,647			

CITY OF KILLEEN, TEXAS
HOTEL OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance -
		Original	Final	Positive (Negative)
REVENUES				
Taxes	\$ 1,722,623	\$ 1,665,000	\$ 1,665,000	\$ 57,623
Contributions	1,355	5,000	5,000	(3,645)
Charges for services	614,614	743,300	743,300	(128,686)
Miscellaneous	871	1,600	1,600	(729)
Total revenues	<u>2,339,463</u>	<u>2,414,900</u>	<u>2,414,900</u>	<u>(75,437)</u>
EXPENDITURES				
Current:				
General government	1,506,634	1,730,004	1,769,371	262,737
Community services	175,652	239,940	328,229	152,577
Capital outlay	5,136	10,526	10,526	5,390
Total expenditures	<u>1,687,422</u>	<u>1,980,470</u>	<u>2,108,126</u>	<u>420,704</u>
Excess of revenues over expenditures	<u>652,041</u>	<u>434,430</u>	<u>306,774</u>	<u>345,267</u>
OTHER FINANCING USES				
Transfers out	(727,900)	(727,900)	(727,900)	-
Total other financing uses	<u>(727,900)</u>	<u>(727,900)</u>	<u>(727,900)</u>	<u>-</u>
Net change in fund balance	(75,859)	<u>\$ (293,470)</u>	<u>\$ (421,126)</u>	<u>\$ 345,267</u>
Fund balance, October 1	<u>482,455</u>			
Fund balance, September 30	<u>\$ 406,596</u>			

CITY OF KILLEEN, TEXAS
SPECIAL EVENTS CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Miscellaneous	\$ 27	\$ -	\$ -	\$ 27
Total revenues	<u>27</u>	<u>-</u>	<u>-</u>	<u>27</u>
EXPENDITURES				
Capital outlay	71,959	-	71,999	40
Total expenditures	<u>71,959</u>	<u>-</u>	<u>71,999</u>	<u>40</u>
Net change in fund balance	(71,932)	<u>\$ -</u>	<u>\$ (71,999)</u>	<u>\$ 67</u>
Fund balance, October 1	<u>71,999</u>			
Fund balance, September 30	<u>\$ 67</u>			

CITY OF KILLEEN, TEXAS
CABLESYSTEM IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 203,571	\$ 220,000	\$ 220,000	\$ (16,429)
Miscellaneous	205	350	350	(145)
Total revenues	<u>203,776</u>	<u>220,350</u>	<u>220,350</u>	<u>(16,574)</u>
EXPENDITURES				
Current:				
Community services	172,965	241,577	237,158	64,193
Capital outlay	38,943	30,000	39,889	946
Total expenditures	<u>211,908</u>	<u>271,577</u>	<u>277,047</u>	<u>65,139</u>
Net change in fund balance	(8,132)	<u>\$ (51,227)</u>	<u>\$ (56,697)</u>	<u>\$ 48,565</u>
Fund balance, October 1	<u>696,456</u>			
Fund balance, September 30	<u>\$ 688,324</u>			

**CITY OF KILLEEN, TEXAS
LIBRARY MEMORIAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Contributions	\$ 10,187	\$ 7,500	\$ 7,500	\$ 2,687
Total revenues	<u>10,187</u>	<u>7,500</u>	<u>7,500</u>	<u>2,687</u>
EXPENDITURES				
Current:				
Community services	6,000	6,000	6,000	-
Capital outlay	2,266	3,000	3,000	734
Total expenditures	<u>8,266</u>	<u>9,000</u>	<u>9,000</u>	<u>734</u>
Net change in fund balance	1,921	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	<u>\$ 3,421</u>
Fund balance, October 1	<u>3,343</u>			
Fund balance, September 30	<u>\$ 5,264</u>			

CITY OF KILLEEN, TEXAS
PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Community services	3,453	-	3,453	-
Capital outlay	8,875	12,328	8,875	-
Total expenditures	12,328	12,328	12,328	-
Net change in fund balance	(12,328)	\$ (12,328)	\$ (12,328)	\$ -
Fund balance, October 1	12,328			
Fund balance, September 30	\$ -			

CITY OF KILLEEN, TEXAS
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 852,419	\$ 1,151,300	\$ 1,151,300	\$ (298,881)
Contributions	2,829	-	-	2,829
Miscellaneous	6,316	3,000	3,000	3,316
Total revenues	<u>861,564</u>	<u>1,154,300</u>	<u>1,154,300</u>	<u>(292,736)</u>
EXPENDITURES				
Current:				
Community services	861,364	1,154,300	1,438,480	577,116
Total expenditures	<u>861,364</u>	<u>1,154,300</u>	<u>1,438,480</u>	<u>577,116</u>
Net change in fund balance	200	<u>\$ -</u>	<u>\$ (284,180)</u>	<u>\$ 284,380</u>
Fund balance, October 1	<u>7,762</u>			
Fund balance, September 30	<u>\$ 7,962</u>			

CITY OF KILLEEN, TEXAS
CDBG HOME PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Intergovernmental	\$ 347,744	\$ 836,790	\$ 836,790	\$ (489,046)
Miscellaneous	60,565	51,849	51,849	8,716
Total revenues	<u>408,309</u>	<u>888,639</u>	<u>888,639</u>	<u>(480,330)</u>
EXPENDITURES				
Current:				
Community services	425,065	888,639	938,680	513,615
Total expenditures	<u>425,065</u>	<u>888,639</u>	<u>938,680</u>	<u>513,615</u>
Deficiency of revenues under expenditures	<u>(16,756)</u>	<u>-</u>	<u>(50,041)</u>	<u>33,285</u>
OTHER FINANCING SOURCES				
Transfers in	16,755	-	-	16,755
Total other financing sources	<u>16,755</u>	<u>-</u>	<u>-</u>	<u>16,755</u>
Net change in fund balance	(1) \$	<u>-</u>	<u>\$ (50,041)</u>	<u>\$ 50,040</u>
Fund balance, October 1	<u>6,056</u>			
Fund balance, September 30	<u>\$ 6,055</u>			

CITY OF KILLEEN, TEXAS
TAX INCREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 90,080	\$ 72,000	\$ 72,000	\$ 18,080
Total revenues	<u>90,080</u>	<u>72,000</u>	<u>72,000</u>	<u>18,080</u>
EXPENDITURES				
Current:				
General government	-	80,000	80,000	80,000
Total expenditures	<u>-</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Net change in fund balance	90,080	<u>\$ (8,000)</u>	<u>\$ (8,000)</u>	<u>\$ 98,080</u>
Fund balance, October 1	<u>122,771</u>			
Fund balance, September 30	<u>\$ 212,851</u>			

**CITY OF KILLEEN, TEXAS
LION'S CLUB PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Community services	1,359	1,360	1,360	1
Total expenditures	1,359	1,360	1,360	1
Net change in fund balance	(1,359)	<u>\$ (1,360)</u>	<u>\$ (1,360)</u>	<u>\$ 1</u>
Fund balance, October 1	<u>1,359</u>			
Fund balance, September 30	<u>\$ -</u>			

**CITY OF KILLEEN, TEXAS
COURT TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 83,289	\$ 92,000	\$ 92,000	\$ (8,711)
Total revenues	83,289	92,000	92,000	(8,711)
EXPENDITURES				
Current:				
General government	11,509	-	1,500	(10,009)
Capital outlay	200,945	200,000	546,327	345,382
Total expenditures	212,454	200,000	547,827	335,373
Net change in fund balance	(129,165)	<u>\$ (108,000)</u>	<u>\$ (455,827)</u>	<u>\$ 326,662</u>
Fund balance, October 1	<u>606,663</u>			
Fund balance, September 30	<u>\$ 477,498</u>			

CITY OF KILLEEN, TEXAS
COURT SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 62,194	\$ 10,000	\$ 10,000	\$ 52,194
Total revenues	62,194	10,000	10,000	52,194
EXPENDITURES				
Current:				
General government	28,686	29,389	36,639	7,953
Capital outlay	-	50,000	43,000	43,000
Total expenditures	28,686	79,389	79,639	50,953
Net change in fund balance	33,508	\$ (69,389)	\$ (69,639)	\$ 103,147
Fund balance, October 1	161,820			
Fund balance, September 30	\$ 195,328			

CITY OF KILLEEN, TEXAS
JUVENILE CASE MANAGER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 114,278	\$ 90,000	\$ 90,000	\$ 24,278
Total revenues	114,278	90,000	90,000	24,278
EXPENDITURES				
Current:				
General government	38,055	49,065	49,465	11,410
Total expenditures	38,055	49,065	49,465	11,410
Net change in fund balance	76,223	\$ 40,935	\$ 40,535	\$ 35,688
Fund balance, October 1	405,572			
Fund balance, September 30	\$ 481,795			

CITY OF KILLEEN, TEXAS
PHOTO RED LIGHT ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Fines	\$ 598,827	\$ 590,000	\$ 590,000	\$ 8,827
Total revenues	<u>598,827</u>	<u>590,000</u>	<u>590,000</u>	<u>8,827</u>
EXPENDITURES				
Current:				
Public safety	345,240	332,500	338,170	(7,070)
Capital outlay	12,938	258,751	258,751	245,813
Total expenditures	<u>358,178</u>	<u>591,251</u>	<u>596,921</u>	<u>238,743</u>
Net change in fund balance	240,649	<u>\$ (1,251)</u>	<u>\$ (6,921)</u>	<u>\$ 247,570</u>
Fund balance, October 1	<u>248,100</u>			
Fund balance, September 30	<u>\$ 488,749</u>			

CITY OF KILLEEN, TEXAS
KAAC FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Community services	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
OTHER FINANCING USES				
Transfers out	(101,169)	(79,412)	(79,412)	(21,757)
Total other financing uses	(101,169)	(79,412)	(79,412)	(21,757)
Net change in fund balance	(101,169)	<u>\$ (79,412)</u>	<u>\$ (79,412)</u>	<u>\$ (21,757)</u>
Fund balance, October 1	<u>101,169</u>			
Fund balance, September 30	<u>\$ -</u>			

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DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources and payment of general, certificate, and contractual obligation bond principal and interest from government resources.

Tax Interest and Sinking 2005

Tax Interest and Sinking 2006

General Obligation 2007

Certificates of Obligation 2007

General Obligation 2009

Certificates of Obligation 2009

Refunding Bond 2010

Certificates of Obligation 2011

Refunding Bond 2011

Pass Thru Financing 195/201 2011

Pass Thru Financing 190/2410 2011A

Certificates of Obligation 2012

General Obligation & Refunding 2012

Refunding Bonds 2013

Certificates of Obligation 2014

General Obligation & Refunding 2014

**CITY OF KILLEEN, TEXAS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
SEPTEMBER 30, 2014**

	Tax Interest and Sinking 2005	Tax Interest and Sinking 2006	General Obligation 2007	Certificates of Obligation 2007	General Obligation 2009	Certificates of Obligation 2009
ASSETS						
Cash and cash equivalents	\$ 22,908	\$ 139,144	\$ 98,418	\$ 130,545	\$ 125,121	\$ 103,187
Receivables (net of allowances for uncollectibles):						
Taxes	10,666	17,417	15,399	22,463	11,054	5,864
Total assets	<u>\$ 33,574</u>	<u>\$ 156,561</u>	<u>\$ 113,817</u>	<u>\$ 153,008</u>	<u>\$ 136,175</u>	<u>\$ 109,051</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Deferred inflows of resources:						
Unavailable revenue	<u>\$ 10,666</u>	<u>\$ 17,417</u>	<u>\$ 15,399</u>	<u>\$ 22,463</u>	<u>\$ 11,054</u>	<u>\$ 5,864</u>
Total deferred inflows of resources	<u>10,666</u>	<u>17,417</u>	<u>15,399</u>	<u>22,463</u>	<u>11,054</u>	<u>5,864</u>
Fund balances:						
Restricted for:						
Debt service	<u>22,908</u>	<u>139,144</u>	<u>98,418</u>	<u>130,545</u>	<u>125,121</u>	<u>103,187</u>
Total fund balances	<u>22,908</u>	<u>139,144</u>	<u>98,418</u>	<u>130,545</u>	<u>125,121</u>	<u>103,187</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,574</u>	<u>\$ 156,561</u>	<u>\$ 113,817</u>	<u>\$ 153,008</u>	<u>\$ 136,175</u>	<u>\$ 109,051</u>

EXHIBIT C-23

Refunding Bond 2010	Certificates of Obligation 2011	Refunding Bond 2011	Pass Thru Financing 195/201 2011	Pass Thru Financing 190/2410 2011A	Certificates of Obligation 2012	General Obligation & Refunding 2012
\$ 180,634	\$ 255,604	\$ 96,152	\$ 1,527,432	\$ 794,651	\$ 49,486	\$ 228,037
5,195	17,038	6,547	7,579	10,234	1,774	6,337
<u>\$ 185,829</u>	<u>\$ 272,642</u>	<u>\$ 102,699</u>	<u>\$ 1,535,011</u>	<u>\$ 804,885</u>	<u>\$ 51,260</u>	<u>\$ 234,374</u>
\$ 5,195	\$ 17,038	\$ 6,547	\$ 7,579	\$ 10,234	\$ 1,774	\$ 6,337
<u>5,195</u>	<u>17,038</u>	<u>6,547</u>	<u>7,579</u>	<u>10,234</u>	<u>1,774</u>	<u>6,337</u>
180,634	255,604	96,152	1,527,432	794,651	49,486	228,037
<u>180,634</u>	<u>255,604</u>	<u>96,152</u>	<u>1,527,432</u>	<u>794,651</u>	<u>49,486</u>	<u>228,037</u>
<u>\$ 185,829</u>	<u>\$ 272,642</u>	<u>\$ 102,699</u>	<u>\$ 1,535,011</u>	<u>\$ 804,885</u>	<u>\$ 51,260</u>	<u>\$ 234,374</u>

(CONTINUED)

**CITY OF KILLEEN, TEXAS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS (CONTINUED)
SEPTEMBER 30, 2014**

	General Obligation & Refunding 2013	Certificates of Obligation 2014	General Obligation & Refunding 2014	Total Nonmajor Debt Service Funds (See Exhibit C-1)
ASSETS				
Cash and cash equivalents	\$ 279,165	\$ 3,484	\$ -	\$ 4,033,968
Receivables (net of allowances for uncollectibles):				
Taxes	10,896	-	-	148,463
Total assets	<u>\$ 290,061</u>	<u>\$ 3,484</u>	<u>\$ -</u>	<u>\$ 4,182,431</u>
DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Deferred inflows of resources:				
Unavailable revenue	\$ 10,896	\$ -	\$ -	148,463
Total deferred inflows of resources	<u>10,896</u>	<u>-</u>	<u>-</u>	<u>148,463</u>
Fund balances:				
Restricted for:				
Debt service	279,165	3,484	-	4,033,968
Total fund balances	<u>279,165</u>	<u>3,484</u>	<u>-</u>	<u>4,033,968</u>
Total liabilities, deferred inflows of resources, and fund balances				
	<u>\$ 290,061</u>	<u>\$ 3,484</u>	<u>\$ -</u>	<u>\$ 4,182,431</u>

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CITY OF KILLEEN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Tax Interest and Sinking 2005	Tax Interest and Sinking 2006	General Obligation 2007	Certificates of Obligation 2007	General Obligation 2009	Certificates of Obligation 2009
REVENUES						
Taxes	\$ 215,183	\$ 945,882	\$ 646,810	\$ 849,867	\$ 633,961	\$ 481,171
Intergovernmental	-	-	-	-	-	-
Miscellaneous	124	250	170	222	183	122
Total revenues	<u>215,307</u>	<u>946,132</u>	<u>646,980</u>	<u>850,089</u>	<u>634,144</u>	<u>481,293</u>
EXPENDITURES						
Debt service:						
Principal	395,000	870,000	555,000	725,000	335,000	250,000
Interest	11,025	91,319	82,900	107,800	529,413	226,650
Fiscal charges	2,010	2,010	1,090	1,090	630	2,330
Costs of issuance	-	-	-	-	-	-
Total expenditures	<u>408,035</u>	<u>963,329</u>	<u>638,990</u>	<u>833,890</u>	<u>865,043</u>	<u>478,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(192,728)</u>	<u>(17,197)</u>	<u>7,990</u>	<u>16,199</u>	<u>(230,899)</u>	<u>2,313</u>
OTHER FINANCING SOURCES (USES)						
Refunding bonds issued	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(6,484)	(15,819)	(36,022)	(46,876)	-	-
Total other financing sources (uses)	<u>(6,484)</u>	<u>(15,819)</u>	<u>(36,022)</u>	<u>(46,876)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(199,212)	(33,016)	(28,032)	(30,677)	(230,899)	2,313
Fund balances, October 1	<u>222,120</u>	<u>172,160</u>	<u>126,450</u>	<u>161,222</u>	<u>356,020</u>	<u>100,874</u>
Fund balances, September 30	<u>\$ 22,908</u>	<u>\$ 139,144</u>	<u>\$ 98,418</u>	<u>\$ 130,545</u>	<u>\$ 125,121</u>	<u>\$ 103,187</u>

EXHIBIT C-24

Refunding Bond 2010	Certificates of Obligation 2011	Refunding Bond 2011	Pass Thru Financing 195/201 2011	Pass Thru Financing 190/2410 2011A	Certificates of Obligation 2012	General Obligation & Refunding 2012
\$ 421,350	\$ 1,561,772	\$ 710,582	\$ 939,559	\$ 1,308,765	\$ 130,947	\$ 957,442
-	-	-	918,448	-	-	-
115	291	165	190	251	58	196
<u>421,465</u>	<u>1,562,063</u>	<u>710,747</u>	<u>1,858,197</u>	<u>1,309,016</u>	<u>131,005</u>	<u>957,638</u>
570,000	100,000	470,000	-	-	50,000	40,000
454,050	1,514,425	233,650	861,500	1,280,175	175,688	846,856
2,010	1,260	2,010	-	2,010	1,890	1,845
-	-	-	-	-	-	-
<u>1,026,060</u>	<u>1,615,685</u>	<u>705,660</u>	<u>861,500</u>	<u>1,282,185</u>	<u>227,578</u>	<u>888,701</u>
(604,595)	(53,622)	5,087	996,697	26,831	(96,573)	68,937
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
609,900	118,000	-	430,750	640,088	-	-
-	-	-	-	-	-	-
<u>609,900</u>	<u>118,000</u>	<u>-</u>	<u>430,750</u>	<u>640,088</u>	<u>-</u>	<u>-</u>
5,305	64,378	5,087	1,427,447	666,919	(96,573)	68,937
175,329	191,226	91,065	99,985	127,732	146,059	159,100
<u>\$ 180,634</u>	<u>\$ 255,604</u>	<u>\$ 96,152</u>	<u>\$ 1,527,432</u>	<u>\$ 794,651</u>	<u>\$ 49,486</u>	<u>\$ 228,037</u>

(CONTINUED)

CITY OF KILLEEN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Obligation & Refunding 2013	Certificates of Obligation 2014	General Obligation & Refunding 2014	Total Nonmajor Debt Service Funds (See Exhibit C-2)
REVENUES				
Taxes	\$ 1,646,171	\$ -	\$ -	\$ 11,449,462
Intergovernmental	-	-	-	918,448
Miscellaneous	1,321	3,484	-	7,142
Total revenues	<u>1,647,492</u>	<u>3,484</u>	<u>-</u>	<u>12,375,052</u>
EXPENDITURES				
Debt service:				
Principal	-	-	-	4,360,000
Interest	1,659,694	-	-	8,075,145
Fiscal charges	2,050	-	-	22,235
Costs of issuance	-	-	42,145	42,145
Total expenditures	<u>1,661,744</u>	<u>-</u>	<u>42,145</u>	<u>12,499,525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,252)</u>	<u>3,484</u>	<u>(42,145)</u>	<u>(124,473)</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	4,940,000	4,940,000
Premium on issuance of debt	-	-	374,891	374,891
Payment to refunded bond escrow agent	-	-	(5,392,746)	(5,392,746)
Transfers in	-	-	120,000	1,918,738
Transfers out	-	-	-	(105,201)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>42,145</u>	<u>1,735,682</u>
Net changes in fund balances	(14,252)	3,484	-	1,611,209
Fund balances, October 1	<u>293,417</u>	<u>-</u>	<u>-</u>	<u>2,422,759</u>
Fund balances, September 30	<u>\$ 279,165</u>	<u>\$ 3,484</u>	<u>\$ -</u>	<u>\$ 4,033,968</u>

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CITY OF KILLEEN, TEXAS
TAX INTEREST & SINKING SERIES 2005 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 215,183	\$ 210,000	\$ 210,000	\$ 5,183
Miscellaneous	124	500	500	(376)
Total revenues	<u>215,307</u>	<u>210,500</u>	<u>210,500</u>	<u>4,807</u>
EXPENDITURES				
Debt service:				
Principal	395,000	685,000	685,000	290,000
Interest	11,025	44,325	37,841	26,816
Fiscal charges	2,010	4,000	4,000	1,990
Total expenditures	<u>408,035</u>	<u>733,325</u>	<u>726,841</u>	<u>318,806</u>
Deficiency of revenues under expenditures	<u>(192,728)</u>	<u>(522,825)</u>	<u>(516,341)</u>	<u>323,613</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	316,550	316,550	(316,550)
Transfers out	<u>(6,484)</u>	-	<u>(6,484)</u>	-
Total other financing sources (uses)	<u>(6,484)</u>	<u>316,550</u>	<u>310,066</u>	<u>(316,550)</u>
Net change in fund balance	(199,212)	<u>\$ (206,275)</u>	<u>\$ (206,275)</u>	<u>\$ 7,063</u>
Fund balance, October 1	<u>222,120</u>			
Fund balance, September 30	<u>\$ 22,908</u>			

CITY OF KILLEEN, TEXAS
TAX INTEREST & SINKING SERIES 2006 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 945,882	\$ 940,000	\$ 940,000	\$ 5,882
Miscellaneous	250	800	800	(550)
Total revenues	<u>946,132</u>	<u>940,800</u>	<u>940,800</u>	<u>5,332</u>
EXPENDITURES				
Debt service:				
Principal	870,000	870,000	870,000	-
Interest	91,319	107,788	91,969	650
Fiscal charges	2,010	4,000	4,000	1,990
Total expenditures	<u>963,329</u>	<u>981,788</u>	<u>965,969</u>	<u>2,640</u>
Deficiency of revenues under expenditures	<u>(17,197)</u>	<u>(40,988)</u>	<u>(25,169)</u>	<u>7,972</u>
OTHER FINANCING USES				
Transfers out	(15,819)	-	(15,819)	-
Total other financing uses	<u>(15,819)</u>	<u>-</u>	<u>(15,819)</u>	<u>-</u>
Net change in fund balance	(33,016)	<u>\$ (40,988)</u>	<u>\$ (40,988)</u>	<u>\$ 7,972</u>
Fund balance, October 1	<u>172,160</u>			
Fund balance, September 30	<u>\$ 139,144</u>			

CITY OF KILLEEN, TEXAS
GENERAL OBLIGATION SERIES 2007 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 646,810	\$ 640,000	\$ 640,000	\$ 6,810
Miscellaneous	170	800	800	(630)
Total revenues	<u>646,980</u>	<u>640,800</u>	<u>640,800</u>	<u>6,180</u>
EXPENDITURES				
Debt service:				
Principal	555,000	555,000	555,000	-
Interest	82,900	120,400	84,378	1,478
Fiscal charges	1,090	4,000	4,000	2,910
Total expenditures	<u>638,990</u>	<u>679,400</u>	<u>643,378</u>	<u>4,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,990</u>	<u>(38,600)</u>	<u>(2,578)</u>	<u>10,568</u>
OTHER FINANCING USES				
Transfers out	<u>(36,022)</u>	-	<u>(36,022)</u>	-
Total other financing uses	<u>(36,022)</u>	-	<u>(36,022)</u>	-
Net change in fund balance	(28,032)	<u>\$ (38,600)</u>	<u>\$ (38,600)</u>	<u>\$ 10,568</u>
Fund balance, October 1	<u>126,450</u>			
Fund balance, September 30	<u>\$ 98,418</u>			

CITY OF KILLEEN, TEXAS
CERTIFICATES OF OBLIGATION SERIES 2007 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 849,867	\$ 840,000	\$ 840,000	\$ 9,867
Miscellaneous	222	1,200	1,200	(978)
Total revenues	<u>850,089</u>	<u>841,200</u>	<u>841,200</u>	<u>8,889</u>
EXPENDITURES				
Debt service:				
Principal	725,000	725,000	725,000	-
Interest	107,800	156,600	109,724	1,924
Fiscal charges	1,090	4,000	4,000	2,910
Total expenditures	<u>833,890</u>	<u>885,600</u>	<u>838,724</u>	<u>4,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,199</u>	<u>(44,400)</u>	<u>2,476</u>	<u>13,723</u>
OTHER FINANCING USES				
Transfers out	(46,876)	-	(46,876)	-
Total other financing uses	<u>(46,876)</u>	<u>-</u>	<u>(46,876)</u>	<u>-</u>
Net change in fund balance	(30,677)	<u>\$ (44,400)</u>	<u>\$ (44,400)</u>	<u>\$ 13,723</u>
Fund balance, October 1	<u>161,222</u>			
Fund balance, September 30	<u>\$ 130,545</u>			

CITY OF KILLEEN, TEXAS
GENERAL OBLIGATION SERIES 2009 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 633,961	\$ 630,000	\$ 630,000	\$ 3,961
Miscellaneous	183	600	600	(417)
Total revenues	<u>634,144</u>	<u>630,600</u>	<u>630,600</u>	<u>3,544</u>
EXPENDITURES				
Debt service:				
Principal	335,000	335,000	335,000	-
Interest	529,413	529,413	529,413	-
Fiscal charges	630	4,000	4,000	3,370
Total expenditures	<u>865,043</u>	<u>868,413</u>	<u>868,413</u>	<u>3,370</u>
Net change in fund balance	(230,899)	<u>\$ (237,813)</u>	<u>\$ (237,813)</u>	<u>\$ 6,914</u>
Fund balance, October 1	<u>356,020</u>			
Fund balance, September 30	<u>\$ 125,121</u>			

CITY OF KILLEEN, TEXAS
CERTIFICATES OF OBLIGATION SERIES 2009 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 481,171	\$ 480,000	\$ 480,000	\$ 1,171
Miscellaneous	122	400	400	(278)
Total revenues	<u>481,293</u>	<u>480,400</u>	<u>480,400</u>	<u>893</u>
EXPENDITURES				
Debt service:				
Principal	250,000	325,000	325,000	75,000
Interest	226,650	293,045	293,045	66,395
Fiscal charges	2,330	4,000	4,000	1,670
Total expenditures	<u>478,980</u>	<u>622,045</u>	<u>622,045</u>	<u>143,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,313</u>	<u>(141,645)</u>	<u>(141,645)</u>	<u>143,958</u>
OTHER FINANCING SOURCES				
Transfers in	-	141,395	141,395	(141,395)
Total other financing sources	<u>-</u>	<u>141,395</u>	<u>141,395</u>	<u>(141,395)</u>
Net change in fund balance	2,313	<u>\$ (250)</u>	<u>\$ (250)</u>	<u>\$ 2,563</u>
Fund balance, October 1	<u>100,874</u>			
Fund balance, September 30	<u>\$ 103,187</u>			

CITY OF KILLEEN, TEXAS
REFUNDING BOND SERIES 2010 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 421,350	\$ 420,000	\$ 420,000	\$ 1,350
Miscellaneous	115	300	300	(185)
Total revenues	<u>421,465</u>	<u>420,300</u>	<u>420,300</u>	<u>1,165</u>
EXPENDITURES				
Debt service				
Principal	570,000	570,000	570,000	-
Interest	454,050	454,050	454,050	-
Fiscal charges	2,010	4,000	4,000	1,990
Total expenditures	<u>1,026,060</u>	<u>1,028,050</u>	<u>1,028,050</u>	<u>1,990</u>
Deficiency of revenues under expenditures	<u>(604,595)</u>	<u>(607,750)</u>	<u>(607,750)</u>	<u>3,155</u>
OTHER FINANCING SOURCES				
Transfers in	609,900	609,900	609,900	-
Total other financing sources	<u>609,900</u>	<u>609,900</u>	<u>609,900</u>	<u>-</u>
Net change in fund balance	5,305	<u>\$ 2,150</u>	<u>\$ 2,150</u>	<u>\$ 3,155</u>
Fund balance, October 1	<u>175,329</u>			
Fund balance, September 30	<u>\$ 180,634</u>			

CITY OF KILLEEN, TEXAS
CERTIFICATES OF OBLIGATION SERIES 2011 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 1,561,772	\$ 1,560,000	\$ 1,560,000	\$ 1,772
Miscellaneous	291	2,000	2,000	(1,709)
Total revenues	<u>1,562,063</u>	<u>1,562,000</u>	<u>1,562,000</u>	<u>63</u>
EXPENDITURES				
Debt service				
Principal	100,000	100,000	100,000	-
Interest	1,514,425	1,514,425	1,514,425	-
Fiscal charges	1,260	4,000	4,000	2,740
Total expenditures	<u>1,615,685</u>	<u>1,618,425</u>	<u>1,618,425</u>	<u>2,740</u>
Deficiency of revenues under expenditures	<u>(53,622)</u>	<u>(56,425)</u>	<u>(56,425)</u>	<u>2,803</u>
OTHER FINANCING SOURCES				
Transfers in	118,000	118,000	118,000	-
Total other financing sources	<u>118,000</u>	<u>118,000</u>	<u>118,000</u>	<u>-</u>
Net change in fund balance	64,378	<u>\$ 61,575</u>	<u>\$ 61,575</u>	<u>\$ 2,803</u>
Fund balance, October 1	<u>191,226</u>			
Fund balance, September 30	<u>\$ 255,604</u>			

CITY OF KILLEEN, TEXAS
REFUNDING BOND SERIES 2011 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 710,582	\$ 710,000	\$ 710,000	\$ 582
Miscellaneous	165	160	160	5
Total revenues	<u>710,747</u>	<u>710,160</u>	<u>710,160</u>	<u>587</u>
EXPENDITURES				
Debt service				
Principal	470,000	470,000	470,000	-
Interest	233,650	233,650	233,650	-
Fiscal charges	2,010	4,000	4,000	1,990
Total expenditures	<u>705,660</u>	<u>707,650</u>	<u>707,650</u>	<u>1,990</u>
Net change in fund balance	5,087	<u>\$ 2,510</u>	<u>\$ 2,510</u>	<u>\$ 2,577</u>
Fund balance, October 1	<u>91,065</u>			
Fund balance, September 30	<u>\$ 96,152</u>			

CITY OF KILLEEN, TEXAS
PASS THRU FINANCING 195/201 SERIES 2011 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 939,559	\$ 940,000	\$ 940,000	\$ (441)
Intergovernmental	918,448	-	-	918,448
Miscellaneous	190	900	900	(710)
Total revenues	<u>1,858,197</u>	<u>940,900</u>	<u>940,900</u>	<u>917,297</u>
EXPENDITURES				
Debt service				
Interest	861,500	861,500	861,500	-
Fiscal charges	-	4,000	4,000	4,000
Total expenditures	<u>861,500</u>	<u>865,500</u>	<u>865,500</u>	<u>4,000</u>
Excess of revenues over expenditures	<u>996,697</u>	<u>75,400</u>	<u>75,400</u>	<u>921,297</u>
OTHER FINANCING SOURCES				
Transfers in	430,750	-	-	430,750
Total other financing sources	<u>430,750</u>	<u>-</u>	<u>-</u>	<u>430,750</u>
Net change in fund balance	1,427,447	<u>\$ 75,400</u>	<u>\$ 75,400</u>	<u>\$ 1,352,047</u>
Fund balance, October 1	<u>99,985</u>			
Fund balance, September 30	<u>\$ 1,527,432</u>			

CITY OF KILLEEN, TEXAS
PASS THRU FINANCING 190/2410 SERIES 2011A FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 1,308,765	\$ 1,310,000	\$ 1,310,000	\$ (1,235)
Miscellaneous	251	1,200	1,200	(949)
Total revenues	<u>1,309,016</u>	<u>1,311,200</u>	<u>1,311,200</u>	<u>(2,184)</u>
EXPENDITURES				
Debt service				
Interest	1,280,175	1,280,175	1,280,175	-
Fiscal charges	2,010	4,000	4,000	1,990
Total expenditures	<u>1,282,185</u>	<u>1,284,175</u>	<u>1,284,175</u>	<u>1,990</u>
Excess of revenues over expenditures	<u>26,831</u>	<u>27,025</u>	<u>27,025</u>	<u>(194)</u>
OTHER FINANCING SOURCES				
Transfers in	640,088	-	-	640,088
Total other financing sources	<u>640,088</u>	<u>-</u>	<u>-</u>	<u>640,088</u>
Net change in fund balance	666,919	<u>\$ 27,025</u>	<u>\$ 27,025</u>	<u>\$ 639,894</u>
Fund balance, October 1	<u>127,732</u>			
Fund balance, September 30	<u>\$ 794,651</u>			

CITY OF KILLEEN, TEXAS
CERTIFICATES OF OBLIGATION SERIES 2012 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 130,947	\$ 130,000	\$ 130,000	\$ 947
Miscellaneous	58	200	200	(142)
Total revenues	<u>131,005</u>	<u>130,200</u>	<u>130,200</u>	<u>805</u>
EXPENDITURES				
Debt service				
Principal	50,000	50,000	50,000	-
Interest	175,688	175,688	175,688	-
Fiscal charges	1,890	4,000	4,000	2,110
Total expenditures	<u>227,578</u>	<u>229,688</u>	<u>229,688</u>	<u>2,110</u>
Net change in fund balance	(96,573)	<u>\$ (99,488)</u>	<u>\$ (99,488)</u>	<u>\$ 2,915</u>
Fund balance, October 1	<u>146,059</u>			
Fund balance, September 30	<u>\$ 49,486</u>			

CITY OF KILLEEN, TEXAS
GENERAL OBLIGATION & REFUNDING SERIES 2012 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 957,442	\$ 960,000	\$ 960,000	\$ (2,558)
Miscellaneous	196	800	800	(604)
Total revenues	<u>957,638</u>	<u>960,800</u>	<u>960,800</u>	<u>(3,162)</u>
EXPENDITURES				
Debt service				
Principal	40,000	40,000	40,000	-
Interest	846,856	1,118,470	1,118,470	271,614
Fiscal charges	1,845	4,000	4,000	2,155
Total expenditures	<u>888,701</u>	<u>1,162,470</u>	<u>1,162,470</u>	<u>273,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>68,937</u>	<u>(201,670)</u>	<u>(201,670)</u>	<u>270,607</u>
OTHER FINANCING SOURCES				
Transfers in	-	271,613	271,613	(271,613)
Total other financing sources	<u>-</u>	<u>271,613</u>	<u>271,613</u>	<u>(271,613)</u>
Net change in fund balance	68,937	<u>\$ 69,943</u>	<u>\$ 69,943</u>	<u>\$ (1,006)</u>
Fund balance, October 1	<u>159,100</u>			
Fund balance, September 30	<u>\$ 228,037</u>			

CITY OF KILLEEN, TEXAS
REFUNDING BOND SERIES 2013 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ 1,646,171	\$ 1,650,000	\$ 1,650,000	\$ (3,829)
Miscellaneous	1,321	1,600	1,600	(279)
Total revenues	<u>1,647,492</u>	<u>1,651,600</u>	<u>1,651,600</u>	<u>(4,108)</u>
EXPENDITURES				
Debt service				
Interest	1,659,694	1,834,794	1,834,794	175,100
Fiscal charges	2,050	4,000	4,000	1,950
Total expenditures	<u>1,661,744</u>	<u>1,838,794</u>	<u>1,838,794</u>	<u>177,050</u>
Deficiency of revenues under expenditures	<u>(14,252)</u>	<u>(187,194)</u>	<u>(187,194)</u>	<u>172,942</u>
OTHER FINANCING SOURCES				
Transfers in	-	175,100	175,100	(175,100)
Total other financing sources	<u>-</u>	<u>175,100</u>	<u>175,100</u>	<u>(175,100)</u>
Net change in fund balance	(14,252)	<u>\$ (12,094)</u>	<u>\$ (12,094)</u>	<u>\$ (2,158)</u>
Fund balance, October 1	<u>293,417</u>			
Fund balance, September 30	<u>\$ 279,165</u>			

CITY OF KILLEEN, TEXAS
GENERAL OBLIGATION & REFUNDING SERIES 2014 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service				
Costs of issuance	42,145	-	50,762	8,617
Total expenditures	42,145	-	50,762	8,617
Deficiency of revenues under expenditures	(42,145)	-	(50,762)	8,617
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	4,940,000	-	5,950,000	(1,010,000)
Premium on issuance of debt	374,891	-	451,540	(76,649)
Payment to bond escrow agent	(5,392,746)	-	(6,470,778)	1,078,032
Transfers in	120,000	-	120,000	-
Total other financing sources (uses)	42,145	-	50,762	(8,617)
Net change in fund balance	-	\$ -	\$ -	\$ -
Fund balance, October 1	-			
Fund balance, September 30	\$ -			

CAPITAL PROJECTS FUNDS

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

1993 G.O. Bonds: To account for improving streets, constructing public service and animal control facilities, and improving the library building.

1995 G.O. Bonds: To account for constructing and improving streets, and constructing and improving public service buildings.

2000 Limited Tax Note: To account for expenditures of funds to be used for street improvements.

2004 C.O. Bonds: To account for expenditures for the purchase of fire, emergency medical and public works vehicles and equipment.

2004 G.O. Bonds: To account for expenditures of funds for street improvements and improvements to public safety and parks and recreation buildings financed through bond proceeds.

2005 C.O. Bonds: To account for expenditures which include the constructing and installation of a communications tower, constructing and improving streets, purchasing streets heavy equipment, ambulances and other projects financed through bond proceeds.

2006 G.O. Bonds: To account for expenditures for the construction of the Family Recreation Center and Senior Center Complex.

2007 G.O. and C.O. Bonds: To account for expenditures for the construction of various projects.

2009 G.O. Bonds: To account for expenditures of funds to be used for street improvements and parks and recreation building and facility improvements.

2009 C.O. Bonds: To account for expenditures of funds to be used for street improvements, acquiring and purchasing vehicles and equipment for public works, improving city parks and recreation facilities, acquiring and purchasing information technology, and improving the city landfill.

2011 Pass Thru Financing 195/201: To account for expenditures of funds to be used for improving roads on the state highway system located in the City, or as a continuation of the project or facility, adjacent to the City.

2011A Pass Thru Financing 190/2410: To account for expenditures of funds to be used for improving roads on the state highway system located in the City, or as a continuation of the project or facility, adjacent to the City. This fund is presented as a major fund; therefore, it is not presented in the following non-major combining statements.

2011 C.O. Bonds: To account for expenditures of funds to be used for street improvements. This fund is presented as a major fund; therefore, it is not presented in the following non-major combining statements.

2012 C.O. Bonds: To account for expenditures of funds to be used for acquiring public safety equipment and vehicles as well as the upgrading/developing of U.S. Hwy 190.

2012 G.O. Bonds: To account for expenditures of funds to be used for renovating and equipping the existing Community Center.

Downtown Improvements Phase II: To account for the Killeen Economic Development Corporation's share of Phase II of the downtown improvement project.

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

2014 G.O. Bonds: To account for expenditures of funds to be used for public safety buildings/facilities and parks and recreation projects.

**CITY OF KILLEEN, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2014**

	1993	1995	2000	2004	2004
	<u>G.O. Bonds</u>	<u>G.O. Bonds</u>	<u>Limited Tax Note</u>	<u>C.O. Bonds</u>	<u>G.O. Bonds</u>
ASSETS					
Cash and cash equivalents	\$ 7,074	\$ 14,911	\$ 145,834	\$ 607	\$ 19,397
Investments	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accrued interest	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 7,074</u>	<u>\$ 14,911</u>	<u>\$ 145,834</u>	<u>\$ 607</u>	<u>\$ 19,397</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 898	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>898</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted for:					
Capital projects	<u>7,074</u>	<u>14,911</u>	<u>144,936</u>	<u>607</u>	<u>19,397</u>
Total fund balances	<u>7,074</u>	<u>14,911</u>	<u>144,936</u>	<u>607</u>	<u>19,397</u>
 Total liabilities and fund balances	 <u>\$ 7,074</u>	 <u>\$ 14,911</u>	 <u>\$ 145,834</u>	 <u>\$ 607</u>	 <u>\$ 19,397</u>

EXHIBIT C-40

<u>2005 C.O. Bonds</u>	<u>2006 G.O. Bonds</u>	<u>2007 G.O. & C.O. Bonds</u>	<u>2009 G.O. Bonds</u>	<u>2009 C.O. Bonds</u>	<u>2011 Pass Thru Financing 195/201</u>	<u>2012 C.O. Bonds</u>
\$ 111,167	\$ 367	\$ 66,851	\$ 335,360	\$ 266,317	\$ 2,672,410	\$ 15,384
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,162	-	-	-	-
<u>\$ 111,167</u>	<u>\$ 367</u>	<u>\$ 70,013</u>	<u>\$ 335,360</u>	<u>\$ 266,317</u>	<u>\$ 2,672,410</u>	<u>\$ 15,384</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,393</u>	<u>\$ 19,664</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,393</u>	<u>19,664</u>	<u>-</u>
<u>111,167</u>	<u>367</u>	<u>70,013</u>	<u>335,360</u>	<u>164,924</u>	<u>2,652,746</u>	<u>15,384</u>
<u>111,167</u>	<u>367</u>	<u>70,013</u>	<u>335,360</u>	<u>164,924</u>	<u>2,652,746</u>	<u>15,384</u>
<u>\$ 111,167</u>	<u>\$ 367</u>	<u>\$ 70,013</u>	<u>\$ 335,360</u>	<u>\$ 266,317</u>	<u>\$ 2,672,410</u>	<u>\$ 15,384</u>

(CONTINUED)

**CITY OF KILLEEN, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)
SEPTEMBER 30, 2014**

	2012 G.O. Bonds	Downtown Improvements Phase II	2014 C.O. Bonds	2014 G.O. Bonds	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS					
Cash and cash equivalents	\$ 1,266,762	\$ 176,060	\$ 8,053,106	\$ 4,094,668	\$ 17,246,275
Investments	-	-	5,000,000	2,000,000	7,000,000
Receivables (net of allowance for uncollectibles):					
Accrued interest	-	-	1,670	836	2,506
Intergovernmental receivable	-	-	-	-	3,162
Total assets	<u>\$ 1,266,762</u>	<u>\$ 176,060</u>	<u>\$ 13,054,776</u>	<u>\$ 6,095,504</u>	<u>\$ 24,251,943</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 56,224	\$ 122,025	\$ 49,414	\$ 349,618
Total liabilities	<u>-</u>	<u>56,224</u>	<u>122,025</u>	<u>49,414</u>	<u>349,618</u>
Fund balances:					
Restricted for:					
Capital projects	<u>1,266,762</u>	<u>119,836</u>	<u>12,932,751</u>	<u>6,046,090</u>	<u>23,902,325</u>
Total fund balances	<u>1,266,762</u>	<u>119,836</u>	<u>12,932,751</u>	<u>6,046,090</u>	<u>23,902,325</u>
Total liabilities and fund balances	<u>\$ 1,266,762</u>	<u>\$ 176,060</u>	<u>\$ 13,054,776</u>	<u>\$ 6,095,504</u>	<u>\$ 24,251,943</u>

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CITY OF KILLEEN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	1993	1995	2000 Limited	2004	2004
	<u>G.O. Bonds</u>	<u>G.O. Bonds</u>	<u>Tax Note</u>	<u>C.O. Bonds</u>	<u>G.O. Bonds</u>
REVENUES					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	3	4	62	-	4
Total revenues	<u>3</u>	<u>4</u>	<u>62</u>	<u>-</u>	<u>4</u>
EXPENDITURES					
Public works	-	-	12,053	379	-
Capital outlay	-	-	898	-	-
Costs of issuance	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>12,951</u>	<u>379</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3</u>	<u>4</u>	<u>(12,889)</u>	<u>(379)</u>	<u>4</u>
OTHER FINANCING SOURCES (USES)					
Issuance of capital-related debt	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3	4	(12,889)	(379)	4
Fund balances, October 1	<u>7,071</u>	<u>14,907</u>	<u>157,825</u>	<u>986</u>	<u>19,393</u>
Fund balances, September 30	<u>\$ 7,074</u>	<u>\$ 14,911</u>	<u>\$ 144,936</u>	<u>\$ 607</u>	<u>\$ 19,397</u>

EXHIBIT C-41

2005 C.O. Bonds	2006 G.O. Bonds	2007 G.O. & C.O. Bonds	2009 G.O. Bonds	2009 C.O. Bonds	2011 Pass Thru Financing 195/201	2012 C.O. Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	-	821	92	192	1,068	12
<u>102</u>	<u>-</u>	<u>821</u>	<u>92</u>	<u>192</u>	<u>1,068</u>	<u>12</u>
36,566	717	1,271	-	42,725	4,103	-
349,152	-	512,587	79,733	555,509	156,324	73,878
-	-	-	-	-	-	-
<u>385,718</u>	<u>717</u>	<u>513,858</u>	<u>79,733</u>	<u>598,234</u>	<u>160,427</u>	<u>73,878</u>
<u>(385,616)</u>	<u>(717)</u>	<u>(513,037)</u>	<u>(79,641)</u>	<u>(598,042)</u>	<u>(159,359)</u>	<u>(73,866)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(430,750)	-
-	-	-	-	-	<u>(430,750)</u>	<u>-</u>
<u>(385,616)</u>	<u>(717)</u>	<u>(513,037)</u>	<u>(79,641)</u>	<u>(598,042)</u>	<u>(590,109)</u>	<u>(73,866)</u>
496,783	1,084	583,050	415,001	762,966	3,242,855	89,250
<u>\$ 111,167</u>	<u>\$ 367</u>	<u>\$ 70,013</u>	<u>\$ 335,360</u>	<u>\$ 164,924</u>	<u>\$ 2,652,746</u>	<u>\$ 15,384</u>

(CONTINUED)

CITY OF KILLEEN, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2012 G.O. Bonds	Downtown Improvements Phase II	2014 C.O. Bonds	2014 G.O. Bonds	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
REVENUES					
Contributions	\$ -	\$ 300,000	\$ -	\$ -	\$ 300,000
Miscellaneous	426	-	2,811	1,093	6,690
Total revenues	<u>426</u>	<u>300,000</u>	<u>2,811</u>	<u>1,093</u>	<u>306,690</u>
EXPENDITURES					
Public works	-	-	-	-	97,814
Capital outlay	-	180,164	666,705	84,690	2,659,640
Costs of issuance	-	-	99,345	55,373	154,718
Total expenditures	<u>-</u>	<u>180,164</u>	<u>766,050</u>	<u>140,063</u>	<u>2,912,172</u>
Excess (deficiency) of revenues over expenditures	<u>426</u>	<u>119,836</u>	<u>(763,239)</u>	<u>(138,970)</u>	<u>(2,605,482)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of capital-related debt	-	-	13,060,000	5,670,000	18,730,000
Premium on issuance of debt	-	-	849,345	515,060	1,364,405
Transfers out	-	-	(213,355)	-	(644,105)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>13,695,990</u>	<u>6,185,060</u>	<u>19,450,300</u>
Net change in fund balances	426	119,836	12,932,751	6,046,090	16,844,818
Fund balances, October 1	<u>1,266,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,057,507</u>
Fund balances, September 30	<u>\$ 1,266,762</u>	<u>\$ 119,836</u>	<u>\$ 12,932,751</u>	<u>\$ 6,046,090</u>	<u>\$ 23,902,325</u>

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CITY OF KILLEEN, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budgeted Amounts		Variance - Positive (Negative)
				Original	Final	
Taxes:						
Ad valorem	\$ 24,205,026	\$ -	\$ 24,205,026	\$ 25,600,502	\$ 25,600,502	\$ (1,395,476)
Penalty and interest	271,326	-	271,326	240,000	240,000	31,326
Mixed beverage	293,502	-	293,502	195,000	195,000	98,502
Franchise	5,225,382	-	5,225,382	5,372,800	5,372,800	(147,418)
Sales and occupancy	20,396,264	(128,960)	20,267,304	21,253,923	21,253,923	(986,619)
Bingo	258,546	-	258,546	225,000	225,000	33,546
Total taxes	50,650,046	(128,960)	50,521,086	52,887,225	52,887,225	(2,366,139)
Licenses, permits and fees:						
Building permits and inspections	981,433	-	981,433	560,000	560,000	421,433
Electrical permits and inspections	117,213	-	117,213	120,000	120,000	(2,787)
Plumbing permits and inspections	141,824	-	141,824	120,000	120,000	21,824
Miscellaneous licenses	238,907	-	238,907	229,000	229,000	9,907
Taxi operators licenses	4,330	-	4,330	4,500	4,500	(170)
Food handlers permits	24,550	-	24,550	23,500	23,500	1,050
Trailer court licenses	9,045	-	9,045	10,000	10,000	(955)
Building plans review	107,107	-	107,107	105,000	105,000	2,107
Mechanical inspections	48,559	-	48,559	48,000	48,000	559
Code enforcement abatement	225,829	-	225,829	184,000	184,000	41,829
Total licenses, permits and fees	1,898,797	-	1,898,797	1,404,000	1,404,000	494,797
Intergovernmental:						
Bell County contribution - ambulance service	-	-	-	35,000	35,000	(35,000)
Civil defense matching funds	31,924	-	31,924	25,000	25,000	6,924
Community assistance	246,532	-	246,532	248,000	248,000	(1,468)
Public safety	452,046	-	452,046	462,806	562,659	(110,613)
Traffic reimbursement	24,070	-	24,070	50,000	50,000	(25,930)
Total intergovernmental	754,572	-	754,572	820,806	920,659	(166,087)
Charges for Services:						
Ambulance service fees	2,735,577	-	2,735,577	2,772,000	2,772,000	(36,423)
Miscellaneous police receipts	52,714	-	52,714	98,400	98,400	(45,686)
Planning and zoning fees	34,035	-	34,035	30,000	30,000	4,035
Cemetery lots	33,660	-	33,660	28,500	28,500	5,160
Golf course receipts	1,078,735	-	1,078,735	1,220,927	1,220,927	(142,192)
Recreation receipts	870,597	-	870,597	799,000	799,000	71,597
Family aquatics center	330,213	-	330,213	314,750	314,750	15,463
Library charges and contributions	40,365	-	40,365	37,000	37,000	3,365
Swimming pool receipts and lessons	74,426	-	74,426	55,000	55,000	19,426
Graffiti removal	250	-	250	-	-	250
Killeen arts and activities center	79,690	-	79,690	46,200	46,200	33,490
Total charges for services	5,330,262	-	5,330,262	5,401,777	5,401,777	(71,515)
Fines:						
Municipal court fines	2,231,338	-	2,231,338	2,186,050	2,186,050	45,288
Arrest fines	254,430	-	254,430	350,000	350,000	(95,570)
Parking fines	9,003	-	9,003	15,500	15,500	(6,497)
Court tax service fee	134,976	-	134,976	140,000	140,000	(5,024)
Total fines	2,629,747	-	2,629,747	2,691,550	2,691,550	(61,803)
Miscellaneous:						
Contributions	440,296	-	440,296	375,000	375,000	65,296
Miscellaneous receipts	1,283,669	-	1,283,669	1,184,613	1,184,613	99,056
Total miscellaneous	1,723,965	-	1,723,965	1,559,613	1,559,613	164,352
Totals	\$ 62,987,389	\$ (128,960)	\$ 62,858,429	\$ 64,764,971	\$ 64,864,824	\$ (2,006,395)

**CITY OF KILLEEN, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Budgeted Amounts		Variance - Positive (Negative)
				Original	Final	
General Government:						
City council	\$ 47,374	\$ -	\$ 47,374	\$ 60,006	\$ 60,480	\$ 13,106
City manager	322,451	-	322,451	470,895	322,667	216
ACM - external services	225,215	-	225,215	231,814	227,285	2,070
ACM - internal services	227,829	-	227,829	226,342	231,223	3,394
City auditor	112,783	-	112,783	111,243	113,008	225
Municipal court	944,068	-	944,068	984,182	1,036,047	91,979
Public information	181,007	-	181,007	202,620	206,359	25,352
City attorney	797,225	-	797,225	842,701	890,909	93,684
City secretary	99,913	-	99,913	139,538	140,209	40,296
Financial services	2,613,884	-	2,613,884	2,727,726	2,833,104	219,220
Human resources	741,832	-	741,832	919,529	925,441	183,609
Information systems	1,087,903	-	1,087,903	1,128,388	1,254,558	166,655
Planning and development	2,525,360	-	2,525,360	2,592,236	2,644,975	119,615
Non-departmental	6,270,960	171,380	6,442,340	6,411,318	7,576,959	1,134,619
Total general government	16,197,804	171,380	16,369,184	17,048,538	18,463,224	2,094,040
Public Safety:						
Police	26,533,953	-	26,533,953	26,722,571	28,085,138	1,551,185
Animal control	731,316	-	731,316	696,204	834,431	103,115
Fire	17,816,932	-	17,816,932	17,316,339	17,884,526	67,594
Total public safety	45,082,201	-	45,082,201	44,735,114	46,804,095	1,721,894
Public Works:						
Public works	205,618	-	205,618	221,431	426,211	220,593
Traffic	393,581	-	393,581	429,890	457,797	64,216
Street	3,533,963	-	3,533,963	3,527,966	4,392,731	858,768
Total public works	4,133,162	-	4,133,162	4,179,287	5,276,739	1,143,577
Community Development/Services:						
Community development	453,046	-	453,046	386,127	461,644	8,598
Library	1,477,038	-	1,477,038	1,521,974	1,532,219	55,181
Killeen arts and activities center	361,988	-	361,988	477,741	484,596	122,608
Senior citizens	241,646	-	241,646	260,896	262,457	20,811
Parks	2,777,839	-	2,777,839	2,872,809	2,950,249	172,410
Recreation	166,271	-	166,271	268,043	265,011	98,740
Athletics	369,959	-	369,959	381,895	398,937	28,978
Swimming pools	27,492	-	27,492	32,024	33,424	5,932
Family aquatics center	447,724	-	447,724	503,090	486,241	38,517
Golf course	1,454,890	-	1,454,890	1,459,043	1,472,510	17,620
Cemetery	302,069	-	302,069	336,187	338,538	36,469
Volunteer services	173,635	-	173,635	176,304	177,938	4,303
Total community development/services	8,253,597	-	8,253,597	8,676,133	8,863,764	610,167
Totals	\$ 73,666,764	\$ 171,380	\$ 73,838,144	\$ 74,639,072	\$ 79,407,822	\$ 5,569,678

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STATISTICAL SECTION

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**CITY OF KILLEEN, TEXAS
STATISTICAL SECTION
(UNAUDITED)**

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	158
Revenue Capacity	
These schedules contain information to help the reader assess the City’s significant local revenue sources, the property and sales tax.	170
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City’s currently outstanding debt and the City’s ability to issue additional debt in the future.	176
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	186
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information contained in the City’s financial report relates to the services the City provides and the activities it performs.	188

Sources: Unless otherwise noted, the information in these schedules is derived from the City’s comprehensive annual financial reports for the relevant year.

**CITY OF KILLEEN, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	\$ 61,202,734	\$ 64,943,647	\$ 66,407,909	\$ 71,779,033
Restricted for:				
Debt service	1,805,892	1,834,087	2,358,132	3,440,517
Capital projects	1,959,944	3,375,187	5,336,131	5,073,720
Other purposes	1,045,638	1,753,412	1,976,662	2,976,016
Unrestricted	15,361,775	17,089,942	17,780,708	19,250,157
Total governmental activities net position	<u>\$ 81,375,983</u>	<u>\$ 88,996,275</u>	<u>\$ 93,859,542</u>	<u>\$ 102,519,443</u>
Business-type activities				
Net investment in capital assets	\$ 122,964,598	\$ 146,389,308	\$ 153,152,207	\$ 157,885,676
Restricted for:				
Debt service	6,130,078	8,246,358	6,277,051	6,466,505
Unrestricted	25,113,277	26,884,747	32,582,310	36,562,391
Total business-type activities net position	<u>\$ 154,207,953</u>	<u>\$ 181,520,413</u>	<u>\$ 192,011,568</u>	<u>\$ 200,914,572</u>
Primary government				
Net investment in capital assets	\$ 184,167,332	\$ 211,332,955	\$ 219,560,116	\$ 229,664,709
Restricted for:				
Debt service	7,935,970	10,080,445	8,635,183	9,907,022
Capital projects	1,959,944	3,375,187	5,336,131	5,073,720
Other purposes	1,045,638	1,753,412	1,976,662	2,976,016
Unrestricted	40,475,052	43,974,689	50,363,018	55,812,548
Total primary government activities net position	<u>\$ 235,583,936</u>	<u>\$ 270,516,688</u>	<u>\$ 285,871,110</u>	<u>\$ 303,434,015</u>

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

TABLE I

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 70,086,573	\$ 66,697,447	\$ 67,024,699	\$ 62,566,576	\$ 62,867,902	\$ 54,564,150
3,359,077	3,008,055	6,033,367	4,893,750	1,730,132	3,131,449
9,269,562	8,085,411	7,134,634	2,089,363	2,910,571	2,472,582
3,944,130	3,271,170	2,768,621	3,045,444	2,963,110	2,952,565
17,417,463	16,516,531	12,126,100	16,857,071	14,455,124	11,671,245
<u>\$ 104,076,805</u>	<u>\$ 97,578,614</u>	<u>\$ 95,087,421</u>	<u>\$ 89,452,204</u>	<u>\$ 84,926,839</u>	<u>\$ 74,791,991</u>
\$ 160,788,607	\$ 164,542,836	\$ 171,472,647	\$ 176,347,544	\$ 188,453,458	\$ 192,106,889
9,025,106	7,987,426	7,963,550	7,999,802	8,724,350	8,437,776
31,232,183	32,495,856	33,318,199	33,556,533	31,760,856	21,921,142
<u>\$ 201,045,896</u>	<u>\$ 205,026,118</u>	<u>\$ 212,754,396</u>	<u>\$ 217,903,879</u>	<u>\$ 228,938,664</u>	<u>\$ 222,465,807</u>
\$ 230,875,180	\$ 231,240,283	\$ 238,497,346	\$ 238,914,120	\$ 251,321,360	\$ 246,671,039
12,384,183	10,995,481	13,996,917	12,893,552	10,454,482	11,569,225
9,269,562	8,085,411	7,134,634	2,089,363	2,910,571	2,472,582
3,944,130	3,271,170	2,768,621	3,045,444	2,963,110	2,952,565
48,649,646	49,012,387	45,444,299	50,413,604	46,215,980	33,592,387
<u>\$ 305,122,701</u>	<u>\$ 302,604,732</u>	<u>\$ 307,841,817</u>	<u>\$ 307,356,083</u>	<u>\$ 313,865,503</u>	<u>\$ 297,257,798</u>

**CITY OF KILLEEN, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 10,682,868	\$ 8,999,154	\$ 13,059,352	\$ 14,662,853
Police	13,832,604	16,409,733	18,035,487	20,397,809
Fire	8,821,118	10,237,310	11,732,401	14,337,399
Public works	8,196,856	7,981,922	8,835,018	8,982,754
Parks and recreation	2,275,674	2,343,001	2,602,046	3,016,481
Golf	-	-	1,470,975	1,671,261
Library	1,191,165	1,251,417	1,324,670	1,454,180
Community services	1,978,699	1,249,783	4,201,866	4,499,962
Community development/services	-	-	-	-
Permits and inspections	660,593	831,036	1,402,169	1,116,316
Code enforcement	-	-	-	566,497
Miscellaneous	4,237,878	3,613,371	-	-
Interest on long-term debt	2,544,857	3,294,913	3,526,706	5,229,662
Total governmental activities expenses	54,422,312	56,211,640	66,190,690	75,935,174
Business-type activities				
Airport operations	4,882,236	5,433,754	6,032,956	6,945,205
Golf	1,217,555	1,300,493	-	-
Solid waste	7,485,257	9,235,406	9,923,685	11,119,731
Water and sewer	17,984,565	20,050,177	21,805,817	23,228,947
Drainage utility	430,436	526,775	1,354,988	1,792,628
Total business-type activities expenses	32,000,049	36,546,605	39,117,446	43,086,511
Total primary government expenses	\$ 86,422,361	\$ 92,758,245	\$ 105,308,136	\$ 119,021,685
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,074,124	\$ 1,449,310	\$ 1,845,447	\$ 2,262,954
Police	608,374	615,623	240,764	466,590
Fire	1,702,125	1,703,377	2,371,608	2,548,848
Parks and recreation	101,373	130,891	233,265	244,901
Golf course	-	-	1,084,479	1,267,776
Library	53,122	51,355	41,944	48,501
Community services	523,335	541,789	-	33,029
Community development/services	-	-	-	-
Permits and inspections	1,226,994	1,673,018	1,414,929	1,450,396
Code enforcement	-	-	-	67,685
Miscellaneous	384,367	596,207	-	-
Operating grants and contributions	2,433,893	1,743,344	5,088,196	3,402,527
Capital grants and contributions	154,573	5,230,912	4,293,671	6,400,992
Total governmental activities program revenues	\$ 8,262,280	\$ 13,735,826	\$ 16,614,303	\$ 18,194,199

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

TABLE II

	2009	2010	2011	2012	2013	2014
\$	13,873,564	\$ 16,580,327	\$ 18,165,769	\$ 16,841,919	\$ 18,130,388	\$ 18,280,688
	21,808,286	24,495,756	26,236,271	27,239,221	28,386,944	29,622,532
	16,272,177	16,345,268	18,226,647	17,869,191	19,085,563	19,811,934
	10,655,648	11,062,840	10,395,353	11,038,454	10,041,012	11,861,694
	3,472,513	2,684,980	3,865,604	3,769,409	4,429,935	4,780,138
	1,879,877	1,714,427	1,879,011	1,504,793	1,521,620	1,598,226
	1,683,583	1,481,728	1,607,797	1,494,038	1,563,247	1,605,680
	5,625,155	5,711,591	5,327,023	4,250,488	3,731,108	-
	-	-	-	-	-	3,857,355
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,092,447	5,280,410	5,418,468	7,632,519	8,547,412	8,263,132
	<u>80,363,250</u>	<u>85,357,327</u>	<u>91,121,943</u>	<u>91,640,032</u>	<u>95,437,229</u>	<u>99,681,379</u>
	6,788,224	6,843,195	7,266,448	7,244,913	7,287,062	7,572,452
	-	-	-	-	-	-
	11,811,015	12,239,129	12,522,011	13,019,791	12,871,668	12,953,683
	24,610,252	25,586,685	26,689,831	27,525,085	28,455,634	34,975,124
	2,405,678	2,336,704	2,926,201	2,778,690	2,949,262	3,400,443
	<u>45,615,169</u>	<u>47,005,713</u>	<u>49,404,491</u>	<u>50,568,479</u>	<u>51,563,626</u>	<u>58,901,702</u>
\$	<u>125,978,419</u>	<u>132,363,040</u>	<u>140,526,434</u>	<u>142,208,511</u>	<u>147,000,855</u>	<u>158,583,081</u>
\$	4,501,278	\$ 4,185,056	\$ 4,613,298	\$ 5,340,754	\$ 5,894,028	\$ 5,750,455
	1,442,079	877,344	898,164	893,428	684,624	736,603
	2,674,030	2,724,017	2,886,744	2,884,153	2,406,709	2,876,388
	756,496	1,049,252	1,097,994	1,185,028	1,315,141	1,252,935
	1,294,705	1,210,900	1,303,724	1,220,856	1,093,153	1,078,735
	39,973	42,879	40,032	40,430	38,892	40,365
	272,237	741,400	696,981	787,522	802,355	-
	-	-	-	-	-	756,278
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,079,605	2,816,838	3,398,318	2,143,652	2,726,431	3,326,406
	2,348,835	1,842,757	5,300,013	954,919	5,489,297	2,113,813
\$	<u>16,409,238</u>	<u>15,490,443</u>	<u>20,235,268</u>	<u>15,450,742</u>	<u>20,450,630</u>	<u>17,931,978</u>

(CONTINUED)

**CITY OF KILLEEN, TEXAS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2005	2006	2007	2008
Business-type activities:				
Charges for services:				
Airport operations	\$ 3,150,301	\$ 3,621,665	\$ 4,182,662	\$ 4,349,157
Golf	906,249	981,774	-	-
Solid waste	10,344,840	11,076,247	11,541,857	11,669,439
Water and sewer	31,422,147	27,036,300	26,898,319	30,195,389
Drainage utility	826,226	1,608,920	2,124,081	2,807,992
Operating grants and contributions	-	11,857	25,304	49,885
Capital grants and contributions	7,364,203	19,447,587	8,981,423	6,263,495
Total business-type activities				
program revenues	54,013,966	63,784,350	53,753,646	55,335,357
Total primary government				
program revenues	\$ 62,276,246	\$ 77,520,176	\$ 70,367,949	\$ 73,529,556
Net (expense)/revenue:				
Governmental activities	\$ (46,160,032)	\$ (42,475,814)	\$ (49,576,387)	\$ (57,740,975)
Business-type activities	22,013,917	27,237,745	14,636,200	12,248,846
Total primary government net expense	\$ (24,146,115)	\$ (15,238,069)	\$ (34,940,187)	\$ (45,492,129)
General revenues and other changes in net position				
Governmental activities:				
Ad valorem taxes	\$ 18,238,325	\$ 20,427,442	\$ 23,692,133	\$ 26,916,750
Penalties and interest	173,518	172,446	205,665	222,122
Mixed beverage taxes	183,734	188,977	240,268	310,536
Franchise taxes	4,231,604	4,739,736	4,960,867	5,078,001
Sales and occupancy taxes	17,395,394	18,452,935	20,009,130	21,220,074
Bingo taxes	159,131	199,000	199,589	222,237
Investment income	1,482,665	3,354,917	3,722,650	3,380,735
Gain on sale of capital assets	-	18,668	-	-
Lease revenue	-	-	-	-
Transfers	1,293,046	2,541,985	4,013,454	5,877,838
Total governmental activities	43,157,417	50,096,106	57,043,756	63,228,293
Business-type activities:				
Investment income	1,368,837	2,568,478	2,920,129	2,500,202
Gain on sale of capital assets	12,500	48,222	-	31,794
Lease revenue	-	-	-	-
Transfers	(1,293,046)	(2,541,985)	(4,013,454)	(5,877,838)
Total business-type activities	88,291	74,715	(1,093,325)	(3,345,842)
Total primary government	\$ 43,245,708	\$ 50,170,821	\$ 55,950,431	\$ 59,882,451
Changes in net position:				
Governmental activities	\$ (3,002,615)	\$ 7,620,293	\$ 7,467,369	\$ 5,487,318
Business-type activities	22,102,208	27,312,460	13,542,875	8,903,004
Total primary government	\$ 19,099,593	\$ 34,932,753	\$ 21,010,244	\$ 14,390,322

TABLE II (CONT'D)

2009	2010	2011	2012	2013	2014
\$ 4,165,638	\$ 4,632,837	\$ 4,699,432	\$ 4,470,443	\$ 4,573,403	\$ 4,234,301
-	-	-	-	-	-
11,688,896	13,530,501	14,405,513	15,366,604	15,053,351	15,535,858
30,603,258	30,001,656	35,659,361	37,571,221	36,532,116	35,391,913
2,909,004	3,016,767	3,597,206	3,732,993	3,779,799	3,828,757
-	-	-	21,759	6,418	6,900
4,590,343	5,125,074	6,195,071	2,322,768	9,643,994	2,424,583
53,957,139	56,306,835	64,556,583	63,485,788	69,589,081	61,422,312
\$ 70,366,377	\$ 71,797,278	\$ 84,791,851	\$ 78,936,530	\$ 90,039,711	\$ 79,354,290
\$ (63,954,012)	\$ (69,866,884)	\$ (70,886,675)	\$ (76,189,290)	\$ (74,986,599)	\$ (81,749,401)
8,341,970	9,301,122	15,152,092	12,917,309	18,025,455	2,520,610
\$ (55,612,042)	\$ (60,565,762)	\$ (55,734,583)	\$ (63,271,981)	\$ (56,961,144)	\$ (79,228,791)
\$ 29,735,458	\$ 30,779,266	\$ 33,109,001	\$ 34,033,003	\$ 34,611,293	\$ 35,730,858
238,617	250,000	256,765	254,874	236,548	271,326
268,902	293,119	254,405	202,262	179,856	293,502
5,203,332	5,406,007	6,277,179	5,621,923	5,269,332	5,428,953
19,850,152	20,648,682	20,306,910	21,557,147	22,058,498	22,118,887
221,231	220,694	213,972	218,269	218,595	258,546
1,013,032	211,699	353,738	502,041	314,478	140,560
-	-	-	27,600	-	24,192
-	-	-	166,113	153,092	165,351
7,697,188	5,559,226	7,623,512	7,970,841	7,419,542	8,394,420
64,227,912	63,368,693	68,395,482	70,554,073	70,461,234	72,826,595
747,651	203,576	128,751	144,151	168,372	140,175
22,353	34,750	21,334	31,364	212,404	14,853
-	-	49,613	27,500	48,096	66,000
(7,697,188)	(5,559,226)	(7,623,512)	(7,970,841)	(7,419,542)	(8,394,420)
(6,927,184)	(5,320,900)	(7,423,814)	(7,767,826)	(6,990,670)	(8,173,392)
\$ 57,300,728	\$ 58,047,793	\$ 60,971,668	\$ 62,786,247	\$ 63,470,564	\$ 64,653,203
\$ 273,900	\$ (6,498,191)	\$ (2,491,193)	\$ (5,635,217)	\$ (4,525,365)	\$ (8,922,806)
1,414,786	3,980,222	7,728,278	5,149,483	11,034,785	(5,652,782)
\$ 1,688,686	\$ (2,517,969)	\$ 5,237,085	\$ (485,734)	\$ 6,509,420	\$ (14,575,588)

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TABLE III

**CITY OF KILLEEN, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Ad Valorem Taxes*	Penalty and Interest	Mixed Beverage Tax	Franchise Tax	Sales and Occupancy Tax	Bingo	Total
2005	13,702,865	173,518	183,734	4,231,603	16,240,984	159,132	34,691,836
2006	14,750,670	172,446	188,977	4,739,736	18,452,935	199,000	38,503,764
2007	23,692,133	205,665	240,268	4,960,867	20,009,130	199,589	49,307,652
2008	26,916,750	222,122	310,536	5,078,001	21,220,074	222,237	53,969,720
2009	29,735,458	238,617	268,902	5,203,332	19,850,152	221,231	55,517,692
2010	30,779,266	250,000	293,119	5,406,007	20,648,682	220,694	57,597,768
2011	33,109,001	256,765	254,405	6,277,179	20,306,910	213,972	60,418,232
2012	34,033,003	254,874	202,262	5,621,923	21,557,147	218,269	61,887,478
2013	34,611,293	236,548	179,856	5,269,332	22,058,498	218,595	62,574,122
2014	35,730,858	271,326	293,502	5,428,953	22,118,887	258,546	64,102,072

*Includes General Fund tax revenues only for 2005-2006.

CITY OF KILLEEN, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2005	2006	2007	2008
General fund				
Reserved				
Encumbrances	\$ 1,194,710	\$ 930,956	\$ 1,716,100	\$ 754,278
Non-current portion of notes receivable	-	-	-	-
Inventories	291,166	282,285	361,620	414,624
Prepaid expenditures	-	-	-	-
Debt service	-	-	-	240,170
Unreserved				
Designated	1,525,000	1,525,000	1,525,000	1,525,000
Undesignated	14,880,099	17,896,691	18,186,697	21,177,858
Nonspendable:				
Inventories	-	-	-	-
Prepaid assets	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Other purposes	-	-	-	-
Committed to:				
Vehicle replacement	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 17,890,975</u>	<u>\$ 20,634,932</u>	<u>\$ 21,789,417</u>	<u>\$ 24,111,930</u>
All other governmental funds:				
Reserved for:				
Encumbrances	\$ 465,248	\$ 133,860	\$ 328,900	\$ 101,922
Inventories	-	-	-	-
Debt service	2,157,576	2,294,404	2,806,680	4,019,172
Capital projects	24,509,045	39,978,725	24,355,131	45,197,523
Unreserved:				
Other governmental funds	1,045,638	1,753,412	-	-
Undesignated - special revenue	-	-	1,976,662	2,976,016
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Committed to:				
Killeen Arts and Activities Center	-	-	-	-
Total all other governmental funds	<u>\$ 28,177,507</u>	<u>\$ 44,160,401</u>	<u>\$ 29,467,373</u>	<u>\$ 52,294,633</u>

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

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011, and opted not to restate previous years' activity.

TABLE IV

2009	2010	2011	2012	2013	2014
\$ 692,172	\$ 635,783	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
368,180	404,478	-	-	-	-
-	-	-	-	-	-
240,170	240,170	-	-	-	-
1,837,688	1,891,405	-	-	-	-
19,825,761	19,029,602	-	-	-	-
-	-	417,664	449,156	509,387	441,742
-	-	170,891	105,188	106,615	108,402
-	-	240,171	-	68,313	68,313
-	-	380,641	492,440	468,064	315,957
-	-	63,383	-	-	-
-	-	17,977,741	22,517,086	21,182,627	19,398,607
<u>\$ 22,963,971</u>	<u>\$ 22,201,438</u>	<u>\$ 19,250,491</u>	<u>\$ 23,563,870</u>	<u>\$ 22,335,006</u>	<u>\$ 20,333,021</u>
\$ 116,078	\$ 244,044	\$ -	\$ -	\$ -	\$ -
4,861	6,864	-	-	-	-
4,042,477	3,630,277	-	-	-	-
34,946,977	18,801,542	-	-	-	-
1,972	-	-	-	-	-
3,944,130	3,271,170	-	-	-	-
-	-	6,196	7,493	4,905	5,850
-	-	7,055,118	6,315,862	2,900,309	4,434,714
-	-	56,991,885	73,687,602	47,546,673	44,788,179
-	-	2,387,980	2,553,004	2,495,046	2,636,608
-	-	38,232	34,311	101,169	-
<u>\$ 43,056,495</u>	<u>\$ 25,953,897</u>	<u>\$ 66,479,411</u>	<u>\$ 82,598,272</u>	<u>\$ 53,048,102</u>	<u>\$ 51,865,351</u>

CITY OF KILLEEN, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
Taxes	\$ 40,374,681	\$ 44,209,826	\$ 49,259,941	\$ 53,937,806
Licenses and permits	1,226,994	1,673,018	1,292,332	1,438,989
Intergovernmental	2,544,806	1,808,426	5,088,196	3,023,159
Contributions	-	-	-	-
Charges for services	2,478,713	2,896,794	4,034,110	4,857,966
Fines	1,036,688	1,346,557	1,845,447	2,644,196
Developer contributions	-	5,152,753	3,305,484	5,888,521
Miscellaneous	2,542,252	4,573,737	4,711,079	3,755,908
Total revenues	<u>50,204,134</u>	<u>61,661,111</u>	<u>69,536,589</u>	<u>75,546,545</u>
Expenditures:				
General government	6,366,296	7,568,283	6,656,910	7,096,970
Public safety	21,486,251	25,346,243	28,487,534	33,188,694
Public works	4,517,392	4,303,518	4,881,644	5,100,406
Community services	5,196,402	4,704,721	9,822,757	10,566,828
Community development/services	-	-	-	-
Miscellaneous	5,690,519	4,851,202	4,652,358	5,468,436
Capital outlay	3,812,506	13,664,044	19,518,661	30,278,105
Debt service:				
Principal	2,907,350	3,066,407	4,528,400	5,120,434
Interest	2,531,840	3,167,191	3,507,615	4,795,150
Fiscal charges	18,677	19,089	6,227	259,376
Costs of issuance	120,732	-	-	-
Deferred amount on refunding	-	-	-	-
Total expenditures	<u>52,647,965</u>	<u>66,690,698</u>	<u>82,062,106</u>	<u>101,874,399</u>
Deficiency of revenues under expenditures	<u>(2,443,831)</u>	<u>(5,029,587)</u>	<u>(12,525,517)</u>	<u>(26,327,854)</u>
Other financing sources (uses):				
Capital-related bonds issued	18,969,760	21,623,647	-	42,868,775
Refunding bonds issued	-	-	-	-
Capital lease	-	-	-	-
Premium/discount on issuance of debt	-	(427,862)	-	(441,569)
Sale of capital assets	-	18,668	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	8,272,993	6,711,505	6,056,081	7,294,703
Transfers out	(2,940,146)	(4,169,520)	(2,042,627)	(1,416,865)
Total other financing sources (uses)	<u>24,302,607</u>	<u>23,756,438</u>	<u>4,013,454</u>	<u>48,305,044</u>
Net change in fund balances	<u>\$ 21,858,776</u>	<u>\$ 18,726,851</u>	<u>\$ (8,512,063)</u>	<u>\$ 21,977,190</u>
Debt service as a percentage of noncapital expenditures	11.5%	12.1%	13.1%	14.1%

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

TABLE V

	2009	2010	2011	2012	2013	2014
\$	55,435,770	\$ 57,594,108	\$ 60,328,145	\$ 61,993,688	\$ 62,585,863	\$ 64,115,782
	1,100,819	1,365,200	1,284,569	1,396,708	1,290,444	1,898,797
	2,416,723	3,302,656	4,714,540	2,067,471	4,761,906	3,043,666
	465,885	446,996	549,145	450,532	513,433	766,886
	5,474,140	5,581,992	5,896,989	5,952,211	5,487,183	5,944,876
	3,993,509	3,246,230	3,503,274	3,308,807	3,893,338	3,488,335
	1,984,083	850,165	3,375,908	-	-	-
	2,021,935	905,216	1,220,296	1,931,194	1,711,522	1,424,859
	<u>72,892,864</u>	<u>73,292,563</u>	<u>80,872,866</u>	<u>77,100,611</u>	<u>80,243,689</u>	<u>80,683,201</u>
	8,709,995	10,465,499	10,794,299	10,704,020	11,193,546	11,297,186
	35,666,780	36,873,391	40,841,867	41,517,877	42,733,351	44,735,530
	4,672,140	4,047,734	4,340,764	5,097,995	4,249,519	4,769,726
	10,863,401	9,305,228	10,701,424	8,858,814	9,056,971	-
	-	-	-	-	-	9,636,330
	4,247,495	5,531,595	6,412,904	5,451,968	6,181,920	6,256,371
	37,746,644	20,243,349	19,187,531	19,626,046	30,380,527	22,861,208
	5,005,274	4,985,911	5,366,470	5,575,102	5,915,391	4,421,871
	4,938,132	5,195,100	5,123,184	7,583,116	8,973,642	8,081,587
	18,924	25,732	13,395	14,245	17,540	22,235
	-	109,000	335,000	336,101	170,215	196,863
	-	546,097	140,981	-	-	-
	<u>111,868,785</u>	<u>97,328,636</u>	<u>103,257,819</u>	<u>104,765,284</u>	<u>118,872,622</u>	<u>112,278,907</u>
	<u>(38,975,921)</u>	<u>(24,036,073)</u>	<u>(22,384,953)</u>	<u>(27,664,673)</u>	<u>(38,628,933)</u>	<u>(31,595,706)</u>
	19,675,000	-	50,100,000	39,320,000	-	18,730,000
	744,600	13,330,000	6,875,000	18,345,000	37,290,000	4,940,000
	-	-	-	-	258,936	-
	(82,825)	365,808	2,451,008	3,391,957	5,716,664	1,739,296
	-	-	-	-	-	-
	(727,601)	(13,084,092)	(7,090,000)	(20,930,885)	(42,835,243)	(5,392,746)
	13,392,203	20,103,714	18,075,712	10,257,467	11,216,236	10,629,638
	(5,695,015)	(14,544,488)	(10,452,200)	(2,286,626)	(3,796,694)	(2,235,218)
	<u>27,306,362</u>	<u>6,170,942</u>	<u>59,959,520</u>	<u>48,096,913</u>	<u>7,849,899</u>	<u>28,410,970</u>
\$	<u>(11,669,559)</u>	<u>\$ (17,865,131)</u>	<u>\$ 37,574,567</u>	<u>\$ 20,432,240</u>	<u>\$ (30,779,034)</u>	<u>\$ (3,184,736)</u>
	13.3%	12.8%	12.4%	15.5%	16.8%	14.0%

TABLE VI

CITY OF KILLEEN, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended	Taxable Assessed Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property					
2005	2,660,558,752	350,370,677	320,635,274	2,690,294,155	0.6950	3,018,010,096	89.14%
2006	2,998,256,599	360,965,321	335,207,423	3,024,014,497	0.6950	3,395,819,417	89.05%
2007	3,492,613,445	362,828,152	350,942,363	3,504,499,234	0.6950	3,904,819,744	89.75%
2008	3,977,228,893	370,077,827	371,725,172	3,975,581,548	0.6950	4,375,136,071	90.87%
2009	4,399,405,101	388,992,264	390,286,994	4,398,110,371	0.6950	4,810,217,058	91.43%
2010	4,697,341,556	381,864,985	513,563,290	4,565,643,251	0.6950	5,097,637,799	89.56%
2011	4,757,431,670	379,688,426	538,872,784	4,598,247,312	0.7428	5,153,883,639	89.22%
2012	4,910,126,647	372,499,175	555,982,344	4,726,643,478	0.7428	5,301,412,785	89.16%
2013	5,056,322,730	367,818,504	612,203,199	4,811,938,035	0.7428	5,439,453,166	88.46%
2014	5,260,588,761	414,547,783	670,960,505	5,004,176,039	0.7428	5,677,195,525	88.15%

Source: Bell County Tax Appraisal District

TABLE VII

**CITY OF KILLEEN, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City of Killeen General Fund</u>	<u>City of Killeen Debt Service</u>	<u>Total City of Killeen</u>	<u>Bell County</u>	<u>Killeen ISD</u>	<u>Central Texas College</u>	<u>Total</u>
2005	2004	0.52183	0.17317	0.6950	0.3610	1.5583	0.1470	2.7613
2006	2005	0.50020	0.19480	0.6950	0.3760	1.5583	0.1460	2.7753
2007	2006	0.47625	0.21875	0.6950	0.3815	1.4191	0.1420	2.6376
2008	2007	0.46256	0.23244	0.6950	0.3795	1.1412	0.1420	2.3577
2009	2008	0.49281	0.20219	0.6950	0.3779	1.1412	0.1410	2.3551
2010	2009	0.49057	0.20443	0.6950	0.3759	1.1412	0.1409	2.3530
2011	2010	0.50872	0.23408	0.7428	0.3820	1.1412	0.1409	2.4069
2012	2011	0.54734	0.19546	0.7428	0.4096	1.1412	0.1409	2.4345
2013	2012	0.50563	0.23717	0.7428	0.4212	1.1310	0.1400	2.4350
2014	2013	0.50410	0.23870	0.7428	0.4212	1.1280	0.1370	2.4290

Source: Bell County Tax Appraisal District

TABLE VIII

**CITY OF KILLEEN, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Name of Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Oncor Electric Delivery Co. LLC	\$ 55,621,757	1	1.10%			
Wal-Mart Real Estate Business Trust	19,032,497	2	0.38%			
Killeen Mall LLC	16,388,819	3	0.33%	9,260,169	7	0.34%
Central Telephone Co. of Texas	14,835,487	4	0.30%	33,864,610	2	1.26%
Stone Creek Investment LLC	12,874,850	5	0.26%			
HEB Grocery Company LP	11,989,175	6	0.24%			
Watercrest Place LP	11,464,836	7	0.23%			
Bentina LTD	9,494,733	8	0.19%			
Feiga/Sierra Creek LP	9,429,867	9	0.19%	9,160,336	8	0.34%
Presidium HCO Killeen	9,065,475	10	0.18%			
TXU Electric Delivery Co.				35,806,660	1	1.33%
GG&A Killeen Mall LP				17,047,581	3	0.63%
Texas Cable Partners LP				14,562,770	4	0.54%
Sallie Mae, Inc.				12,576,845	5	0.47%
Wal-Mart Stores #0407				10,055,531	6	0.38%
Stone Stream Associates LP				7,793,870	9	0.29%
Arbors 2003 LP				7,393,050	10	0.28%
Subtotal	170,197,496		3.40%	157,521,422		5.86%
All other taxpayers	4,833,978,543		96.60%	2,532,772,733		94.14%
	<u>\$ 5,004,176,039</u>		<u>100.00%</u>	<u>\$ 2,690,294,155</u>		<u>100.00%</u>

TABLE IX

**CITY OF KILLEEN, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year September 30	Total Tax Levy for Fiscal Year	Tax Levy	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years (1)	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2004	18,697,545	17,957,697	96.04%	441,789	18,399,486	98.41%
2006	2005	21,016,898	20,179,257	96.01%	461,613	20,640,870	98.21%
2007	2006	24,348,127	23,386,242	96.05%	490,899	23,877,141	98.07%
2008	2007	27,630,290	26,697,567	96.62%	339,246	27,036,813	97.85%
2009	2008	30,566,865	29,523,348	96.59%	354,100	29,877,448	97.74%
2010	2009	31,715,948	30,605,848	96.50%	370,681	30,976,529	97.67%
2011	2010	34,067,649	32,916,498	96.62%	295,346	33,211,844	97.49%
2012	2011	35,011,924	33,901,259	96.83%	432,065	34,333,324	98.06%
2013	2012	35,654,174	34,501,855	96.77%	248,085	34,749,940	97.46%
2014	2013	37,098,327	35,407,969	95.44%	252,866	35,660,835	96.13%

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

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TABLE X**CITY OF KILLEEN, TEXAS
ADOPTED TAX RATE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Assessed Valuation</u>	<u>Assessments Rate</u>	<u>Gross Tax Rate</u>
2005	2004	3,010,929,429	100%	0.6950
2006	2005	3,359,221,920	100%	0.6950
2007	2006	3,855,441,597	100%	0.6950
2008	2007	4,347,306,720	100%	0.6950
2009	2008	4,788,397,365	100%	0.6950
2010	2009	5,079,206,541	100%	0.6950
2011	2010	5,137,120,096	100%	0.7428
2012	2011	5,282,625,822	100%	0.7428
2013	2012	5,424,141,234	100%	0.7428
2014	2013	5,675,136,544	100%	0.7428

Source: Bell County Tax Appraisal District

**CITY OF KILLEEN, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Total Governmental Activities (1)	General Obligation Bonds (1)
	General Obligation Bonds (1)	Certificates of Obligation (1)	Limited Tax Notes	Capital Lease Payable		
2005	25,784,251	29,718,500	1,065,000	-	56,567,751	7,905,749
2006	34,659,101	39,797,243	545,000	-	75,001,344	6,415,899
2007	31,963,701	41,421,743	-	-	73,385,444	5,486,299
2008	46,576,501	63,697,743	-	859,541	111,133,785	4,523,499
2009	56,829,600	68,331,973	-	658,937	125,820,510	3,635,400
2010	67,810,500	52,865,000	-	449,099	121,124,599	2,614,500
2011	72,163,200	93,250,000	-	229,602	165,642,802	1,626,800
2012	79,662,700	118,365,000	-	-	198,027,700	6,887,300
2013	92,135,000	98,420,000	-	191,245	190,746,245	10,095,000
2014	97,255,000	107,520,000	-	129,374	204,904,374	11,105,000

- (1) Presented net of original issuance discounts and premiums
- (2) Personal income is disclosed on page 186
- (3) United States Census Bureau

TABLE XI

Business-Type Activities					
Revenue Bonds (1)	Certificates of Obligation (1)	Total Business-Type Activities (1)	Total Primary Government (1)	Percentage of Personal Income (2)	Per Capita (3)
46,665,000	3,406,500	57,977,249	114,545,000	1.13%	1,109.82
45,320,000	19,702,757	71,438,656	146,440,000	1.26%	1,418.85
43,670,000	16,203,257	65,359,556	138,745,000	1.08%	1,344.30
63,105,000	15,602,257	83,230,756	194,364,541	1.43%	1,728.70
60,390,000	17,073,027	81,098,427	206,918,937	1.41%	1,769.54
56,640,000	16,320,000	75,574,500	196,699,099	1.30%	1,645.88
53,570,000	15,710,000	70,906,800	236,549,602	1.51%	1,849.19
50,945,000	8,570,000	66,402,300	264,430,000	1.60%	2,014.15
65,430,000	3,725,000	79,250,000	269,996,245	1.61%	1,999.75
60,775,000	2,010,000	73,890,000	278,794,374	1.67%	2,032.81

TABLE XII

**CITY OF KILLEEN, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2005	33,690,000	2,575,000	31,115,000	1.03%	301
2006	41,075,000	3,625,000	37,450,000	1.10%	363
2007	37,450,000	3,775,000	33,675,000	0.86%	326
2008	51,100,000	3,910,000	47,190,000	1.08%	420
2009	60,465,000	3,100,000	57,365,000	1.19%	491
2010	70,425,000	3,565,000	66,860,000	1.31%	559
2011	73,790,000	3,780,000	70,010,000	1.36%	547
2012	86,550,000	4,115,000	82,435,000	1.55%	628
2013	102,230,000	2,840,000	99,390,000	1.83%	736
2014	108,360,000	3,785,000	104,575,000	1.84%	763

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

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.
- (2) This is the amount restricted for debt service principal payments.
- (3) See the Schedule of Assessed and Estimated Actual Value of Property on page 170 for property value data.
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 186.

TABLE XIII

**CITY OF KILLEEN, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2014**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bell County	\$ 113,865,000	34.13%	\$ 38,862,125
Killeen Independent School District	78,505,000	74.11%	<u>58,180,056</u>
Subtotal, overlapping debt			97,042,181
City of Killeen			<u>204,904,374</u>
Total direct and overlapping debt			<u><u>\$ 301,946,555</u></u>

Sources: Outstanding debt provided by each governmental unit.

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

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

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TABLE XIV

**CITY OF KILLEEN, TEXAS
REVENUE BOND COVERAGE – WATER AND SEWER FUND
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Operating Expenses *	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	24,775,090	14,616,805	10,158,285	1,440,000	1,492,576	2,932,576	3.46
2006	27,036,300	15,531,689	11,504,611	1,490,000	2,349,391	3,839,391	3.00
2007	26,898,319	16,935,527	9,962,792	1,730,000	2,035,991	3,765,991	2.65
2008	30,195,389	17,735,554	12,459,835	2,715,000	2,881,361	5,596,361	2.23
2009	30,603,258	19,476,310	11,126,948	3,870,000	2,776,886	6,646,886	1.67
2010	30,001,656	20,290,881	9,710,775	3,050,000	2,298,482	5,348,482	1.82
2011	35,659,361	21,360,822	14,298,539	3,280,000	2,383,260	5,663,260	2.52
2012	37,571,221	21,373,966	16,197,255	3,765,000	2,259,114	6,024,114	2.69
2013	36,532,116	21,749,379	14,782,737	4,655,000	2,780,579	7,435,579	1.99
2014	35,391,913	23,329,781	12,062,132	4,955,000	2,204,430	7,159,430	1.68

Source: Finance Department, City of Killeen

* Total operating expenses less depreciation

**CITY OF KILLEEN, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
LAST TEN FISCAL YEARS**

Fiscal Year	City of Killeen			Overlapping Bell County		
	Net Debt Outstanding	Percentage Applicable to Killeen	Amount Applicable to Killeen	Net Debt Outstanding	Percentage Applicable to Killeen	Amount Applicable to Killeen
2005	114,545,000	100.00%	114,545,000	53,735,000	28.24%	15,174,764
2006	146,440,000	100.00%	146,440,000	98,050,000	28.24%	27,689,320
2007	138,745,000	100.00%	138,745,000	99,855,000	28.24%	28,199,052
2008	194,364,541	100.00%	194,364,541	131,625,000	28.24%	37,170,900
2009	206,918,937	100.00%	206,918,937	126,620,000	28.24%	35,757,488
2010	196,699,099	100.00%	196,699,099	130,835,000	28.24%	36,947,804
2011	236,549,602	100.00%	236,549,602	125,045,000	34.47%	43,103,012
2012	264,430,000	100.00%	264,430,000	118,200,000	32.98%	38,982,360
2013	269,996,245	100.00%	269,996,245	122,035,000	32.96%	40,222,736
2014	278,794,374	100.00%	278,794,374	113,865,000	34.13%	38,862,125

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

TABLE XV

Debt						
Killeen Independent School District			Central Texas College			Total Amount Applicable to Killeen
Net Debt Outstanding	Percentage Applicable to Killeen	Amount Applicable to Killeen	Net Debt Outstanding	Percentage Applicable to Killeen	Amount Applicable to Killeen	
167,140,974	77.93%	130,252,961	8,530,000	67.16%	5,728,748	265,701,473
158,793,665	77.93%	123,747,903	6,530,000	67.16%	4,385,548	302,262,771
144,650,000	77.93%	112,725,745	4,445,000	67.16%	2,985,262	282,655,059
135,050,000	77.93%	105,244,465	-	N/A	-	336,779,906
127,110,000	77.93%	99,056,823	-	N/A	-	341,733,248
115,830,000	77.93%	90,266,319	-	N/A	-	323,913,222
107,105,000	74.87%	80,189,514	-	N/A	-	359,842,127
94,535,000	74.93%	70,835,076	-	N/A	-	374,247,436
86,685,000	74.89%	64,918,397	-	N/A	-	375,137,378
78,505,000	74.11%	58,180,056	-	N/A	-	375,836,554

**CITY OF KILLEEN, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2005	2006	2007	2008
Assessed Value, Tax Roll	\$ 2,690,294,155	\$ 3,024,014,497	\$ 3,504,499,234	\$ 3,975,581,548
	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>
Legal Debt Limit	<u>\$ 67,257,354</u>	<u>\$ 75,600,362</u>	<u>\$ 87,612,481</u>	<u>\$ 99,389,539</u>
Actual amount expended for general obligation debt service during the year	\$ 3,269,538	\$ 4,075,825	\$ 5,470,766	\$ 5,449,036

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

TABLE XVI

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 4,398,110,371	\$ 4,565,643,251	\$ 4,598,247,312	\$ 4,726,643,478	\$ 4,811,938,035	\$ 5,004,176,039
<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>
<u>\$ 109,952,759</u>	<u>\$ 114,141,081</u>	<u>\$ 114,956,183</u>	<u>\$ 118,166,087</u>	<u>\$ 120,298,451</u>	<u>\$ 125,104,401</u>
\$ 6,162,242	\$ 6,100,636	\$ 6,407,155	\$ 6,834,172	\$ 8,202,360	\$ 7,184,594

TABLE XVII

**CITY OF KILLEEN, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	City of Killeen Population (a)	Killeen-Temple Fort Hood Metropolitan Statistical Area Population (b)	Killeen-Temple Fort Hood Metropolitan Personal Income (amounts expressed in thousands) (b)	Killeen-Temple Fort Hood Metropolitan Per Capita Personal Income	Killeen-Temple Fort Hood Metropolitan Unemployment Rates (c)
2005	103,210	341,797	10,162,000	29,731	5.2
2006	103,210	357,580	11,648,344	32,575	5.1
2007	103,210	370,755	12,845,443	34,647	4.7
2008	112,434	378,935	13,601,991	35,895	5.4
2009	116,934	379,231	14,697,693	38,757	7.1
2010	119,510	408,366	15,167,523	37,142	7.8
2011	127,921	405,300	15,620,330	38,260	8.5
2012	131,286	412,804	16,500,090	39,971	7.2
2013	135,015	420,532	16,809,925	39,973	7.2
2014	137,147	423,257	16,727,204	39,520	5.9

Sources: (a) U. S. Census Bureau.

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

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

TABLE XVIII

**CITY OF KILLEEN, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Name of Employer	2014			2005		
	Employees	Rank	% of Total	Employees	Rank	% of Total
Fort Hood (includes Soldiers and Civilians)	61,434	1	83.25%	46,964	1	81.27%
Killeen ISD	6,000	2	8.13%	5,145	2	8.90%
Central Texas College	1,487	3	2.02%	1,100	3	1.90%
Metroplex Hospital	1,200	4	1.63%	935	4	1.62%
Aegis Communications	1,200	5	1.63%			
City of Killeen	1,100	6	1.49%	865	5	1.50%
ESP, Inc.	420	7	0.57%			
Scott & White Clinic	361	8	0.49%			
Seaton Medical Center Harker Heights	350	9	0.47%			
Blackboard Student Services	238	10	0.32%			
Killeen Mall				800	6	1.38%
Walmart				700	7	1.21%
Sallie Mae				627	8	1.09%
Convergys Corporation				300	9	0.52%
M/A/R/C Group				350	10	0.61%
Subtotal	<u>73,790</u>		<u>100.00%</u>	<u>57,786</u>		<u>100.00%</u>

Source: Greater Killeen Chamber of Commerce

CITY OF KILLEEN, TEXAS
FULL TIME AND REGULAR PART-TIME EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
City Manager	3	3	4	4	4	4	4	3	4	2
Assistant City Manager - External	0	0	0	3	3	3	3	2	2	2
Assistant City Manager - Internal	0	0	0	0	0	0	0	0	0	2
Downtown Revitalization	0	0	1	1	0	0	0	1	0	0
City Auditor	0	0	1	1	1	1	1	1	1	1
Grant Administration	0	0	0	0	0	1	1	0	0	0
Municipal Court	19	19	23	23	24	24	24	24	25	25
Public Information	1	2	1.5	1.5	2.5	1.95	1.95	2.5	2.5	2.5
Killeen Volunteer Services	3	3	3	3	3	3	3	3	3	3
City Attorney	7	7	7	7	7	7	8	8	7	7
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	13	13	13	13	13	12	13	13	13	14
Purchasing	4	4	4	4	4	4	5	2	5	5
Building Services	2	3	3	3	3.5	3.5	3.5	3.5	6	6
Custodial Services	8	8	9	10	10	13	13	12	18	18
Printing Services	2	2	2	2	2.5	2.5	2.5	2.5	3	3
Purchasing - General Administratio	0	0	0	0	0	0	0	3	0	0
Support Services	0	0	0	0	0	0	0	0	2	1
Human Resources	8	10	10	11	12	12	12	12	12	13
Information Technology	10	12	12	14	15	15	15	14	19	19
Library Services	30	30	31	32	32	32	32	32	29	29
Golf Course	13	17	17	18	18	19	19	19	20	20
Golf Course Food & Beverage	0	0	5	5	5	5	5	0	0	0
Community Center Operations	0	0	0	6	6	6	6	6	3	5
Parks	31	31	37	33	33	33	33	33	33	35
Lions Club Park	0	0	0	14	14	14	14	14	13	14
Family Aquatics Center	0	0	0	0	2	2	2	2	2	2
Killeen Arts and Activities Center	0	0	0	0	0	0	0	4	4	5
Recreation	3	3	3	6	6	2	2	2	2	2
Athletics	3	3	3	3	3	3	3	3	3	3
Cemetery	6	6	6	6	6	6	6	6	6	6
Senior Citizens	3	3	5	6	6	6	6	6	4	4
Community Development	4	4	3	3	3	3	3	3	4	5
Home Program	2	2	1	1	1	1	1	1	1	1
Public Works	2	2	2	2	2	2	2	2	2	2
Traffic	10	10	9	10	10	10	10	10	5	5
Streets	35	39	39	43	47	47	47	48	52	52
Engineering	2	2	2	2	2	2	2	0	0	0
Planning & Development	7	8	9	9	9	10	10	10	7	7
Building Inspections	12	14	16	14	14	15	15	15	15	14
Code Enforcement	7	8	8	8	9	9	11	11	13	15
Police	230	249	267	287	305	314	316	327	319	333
Animal Control	8	8	8	11	11	11	11	11	12	13
Fire	137	143	194	194	200	200	200	200	200	200
Emergency Management & Homeland Security	0	0	1	1	1	1	1	1	1	1
EMS Billing & Collections	5	5	5	5	5	5	0	6	6	6
Total General Fund	631	674	765.5	820.5	855.5	865.95	867.95	879.5	879.5	903.5

Source: Finance Department, City of Killeen

TABLE XIX

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Killeen-Fort Hood Regional Airport										
Killeen-Fort Hood										
Regional Airport	<u>37.5</u>	<u>37.5</u>	<u>40</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>
Total Killeen-Fort Hood										
Regional Airport Fund	<u>37.5</u>	<u>37.5</u>	<u>40</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>41</u>
Skylark Field										
Skylark Field	<u>5.5</u>	<u>5.5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total Skylark Field Fund	<u>5.5</u>	<u>5.5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Solid Waste										
Custodial	0	0	1	1	1	1	1	1	0	0
Accounting	0	0	0	0	4	4	4	4	4	4
Residential Services	35	38	38	40	41.2	41.2	42.2	44	44	46
Commercial Services	19	19	20	21	20	20	20	20	20	20
Recycle Center	7	7	7	7	7	7	7	7	7	7
Transfer Station	11	11	13	13	15	15	16	16	16	16
Mowing Operations	0	11	11	19	22	22	22	17.5	23	21
Total Solid Waste Fund	<u>72</u>	<u>86</u>	<u>90</u>	<u>101</u>	<u>110.2</u>	<u>110.2</u>	<u>112.2</u>	<u>109.5</u>	<u>114</u>	<u>114</u>
Water and Sewer										
Fleet Services	19	19	22	23	23	23	23	26	26	26
Utility Collections	30	32	34	35	38	38	38	40	39.5	40.5
GIS	0	0	0	0	5	5	5	5	0	0
Water Distribution	15	15	15	19	19	19	19	19	19	19
Sanitary Sewer	11	13	13	13	15	15	15	15	15	15
Water and Sewer Operations	20	24	20	24	24	24	26	27	27	28
Engineering	0	0	8	9	9.6	9.6	10.6	11.8	11.8	10.8
Total Water and Sewer Fund	<u>95</u>	<u>103</u>	<u>112</u>	<u>123</u>	<u>133.6</u>	<u>133.6</u>	<u>136.6</u>	<u>143.8</u>	<u>138.3</u>	<u>139.3</u>
Drainage Utility Fund										
Engineering	3	9	3	3	3.2	3.2	4.2	4.2	3	4
Drainage Maintenance	0	0	12	21	30	30	31	32.5	33.5	34
Environmental Services	0	0	0	0	0	0	0	0.0	1.2	1.2
Total Drainage Utility Fund	<u>3</u>	<u>9</u>	<u>15</u>	<u>24</u>	<u>33.2</u>	<u>33.2</u>	<u>35.2</u>	<u>36.7</u>	<u>37.7</u>	<u>39.2</u>
Special Revenue Fund										
Cablesystem PEG	1	0	1.5	1.5	1.5	1.5	3.05	3.5	3.5	3.5
Civic and Conference Center	16	15	14	14	14	14	14	14	3	3
Community Development										
Block Grant	4	4	4	4	5	5	2	2	2	2
Home Program	1	1	1	1	1	1	1	1	1	1
Total Special Revenue Fund	<u>22</u>	<u>20</u>	<u>20.5</u>	<u>20.5</u>	<u>21.5</u>	<u>21.5</u>	<u>20.05</u>	<u>20.5</u>	<u>9.5</u>	<u>9.5</u>
Capital Improvement										
Bond Construction	5	0	0	0	1	1	1	1	0	0
Water and Sewer Improvements	0	0	0	0	0	0	0	0	5	5
Pass Thru Finance Construction	0	0	0	0	0	0	5	5	8	8
Total Capital Improvement Fund	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>13</u>	<u>13</u>
Total all funds	<u>871</u>	<u>935</u>	<u>1047</u>	<u>1134</u>	<u>1200</u>	<u>1210.5</u>	<u>1223</u>	<u>1241</u>	<u>1237</u>	<u>1263.5</u>

**CITY OF KILLEEN, TEXAS
WATERWORKS SYSTEM
SEPTEMBER 30, 2014**

WATER USAGE OF THE LAST TEN YEARS (IN MILLIONS OF GALLONS)

Fiscal Year	Peak Day Usage	Average Day Usage	Total Usage
2005	21.17	11.48	4194
2006	22.31	12.99	4747
2007	18.72	11.99	4378
2008	23.37	14.47	5299
2009	26.28	14.93	5460
2010	25.74	14.64	5350
2011	24.96	15.25	5566
2012	25.82	15.16	5553
2013	25.12	15.06	5497
2014	22.33	14.72	5371

TEN LARGEST WATER CUSTOMERS (IN THOUSANDS OF GALLONS)

Customer	Annual Water Usage	Annual Amount Billed	% of Total Water Usage
CITY OF KILLEEN - GOLF IRR	108,375,000	83,014.68	2.51699%
METROPLEX HOSPITAL	18,611,300	59,618.28	0.43224%
INDEPENDENCE PLACE AT FT HOOD	16,800,000	62,302.86	0.39018%
PREMIER CEMETERY SERVICE INC	13,466,900	39,188.69	0.31277%
KISD-ELLISON HIGH SCHOOL	12,407,800	39,456.84	0.28817%
TGFT ENTERPRISE INC	11,256,100	35,365.75	0.26142%
STONE HILL APTS	10,885,500	32,829.42	0.25281%
GOODE, GOODNIGHT	9,921,100	29,936.22	0.23042%
RATLIFF READY MIX LP	9,288,500	29,755.81	0.21572%
WEST RIVER OAKS LTD	9,125,200	27,548.52	0.21193%

Note: Percent of total consumption based on 4,305,739,113 gallons annual consumption.

MONTHLY WATER RATES (EFFECTIVE 10/01/2011)

The following rates apply to all classes of users inside the city limits.

0 to 2,000 gallons based on meter size:

	Residential and Multi-Family	Commercial
5/8" and 3/4"	12.03	12.46
1"	13.32	13.83
1-1/2"	16.54	17.17
2"	20.41	21.19
3"	29.45	30.59
4"	42.38	44.04
6"	75.61	78.60
8"	113.36	117.98
10"	158.56	164.86
Residential		Commercial
2,001 - 25,000 gals	\$3.00/1,000	All over 2,000 gals \$3.11/1,000
Over 25,000 gals	\$3.58/1,000	All over 2,000 gals \$3.11/1,000 Multi-Family & MHP

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

TEN LARGEST WASTEWATER CUSTOMERS (MGD)

Customer	Annual Water Usage	Annual Amount Billed
CTC	34,352,610	126,843.84
METROPLEX HOSPITAL	16,879,230	62,434.60
INDEPENDENCE PLACE AT FT HOOD	15,123,600	55,896.33
TGFT ENTERPRISE INC	10,134,090	37,485.04
STONE HILL APTS	9,800,550	36,254.29
GOODE, GOODNIGHT	8,932,590	33,051.49
WEST RIVER OAKS LTD	8,216,280	30,408.31
BLESSING STONEGATE MHP	7,839,400	43,185.32
SOUTHERN HILLS MHP	7,831,700	40,295.77
SUMMERFIELD COMMUNITY	7,378,500	41,493.44

**CITY OF KILLEEN, TEXAS
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2014**

Date of Incorporation	1882	Public Works	
Date of Charter	1949	Paved Streets	552 miles
Legal Form of Government: Home Rule Municipal Corp.		Unpaved Streets	1 mile
Management Form of Government: Council - Manager		Arterial Streets (State)	38.9 miles
Area in Square Miles	55.56	Storm Water Mains	93,099 linear ft
		Inlets and Outfalls	3,125 structures
Airport		Curb and Gutter	878 miles
Number of Airports	2	Open Channels	96 miles
Number of Acres	289	Signalized Intersections	92
Number of Airlines	3		
Passengers Enplaning	165,452	Wastewater Systems	
Passengers Deplaning	163,722	Sanitary Sewer Mains	535 miles
		Sewer Connections	52,636
Fire Protection		Number of Manholes	7,230
Number of Fire Stations	8		
Fire Apparatus	23	Bell Co. WCID #1 Wastewater Treatment Plants:	
Number of Fire Hydrants	5000+		
Number of Firefighters	194		
Number of Fire Runs	9,022		
Number of Paramedic Runs	12,181		
EMS Units	14		
Libraries			
Number of Libraries	2		
Number of Visitors	270,983		
Number of Volumes	129,563		
Circulation of Volumes	287,769		
Library Cards in Force	77,156		
Story Time Attendance	7,816		
Public Computer Sessions	100,057		
Parks and Recreation			
Number of Parks	21		
Playgrounds	22		
Municipal Golf Courses	1		
Disc Golf Course	1		
Swimming Pools	2		
Tennis Courts	7		
Recreation Centers	1		
Baseball/Softball Fields	15		
Soccer Fields	6		
Jogging/Walking Trails	7		
Senior Center	2		
Aquatics Center	1		
Police Protection			
Number of Facilities	5		
Number of Commissioned			
Police Officers	256		
Number of Employees-Other	87		
		Water System	
		Average Daily Consumption	16,256,458 gpd
		Rated Daily Capacity	32,000,000 gpd
		Water Mains	618 miles
		Water Connections	56,109
		Storage Capacity	41 mg
		Facilities not included in the Reporting Entity:	
		Education*	
		Number of Elementary Schools	33
		Number of Middle Schools	14
		Number of High Schools	11
		Number of Universities/Colleges	2
		* Schools include all campuses in the Killeen Independent School District.	

**CONTINUING FINANCIAL DISCLOSURE TABLES
(UNAUDITED)**

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

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**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

I. GENERAL OBLIGATION BOND TABLES

TABLE 1 – VALUATION, EXEMPTIONS AND TAX SUPPORTED DEBT

2014 Market Valuation Established by Bell County Appraisal District (excluding totally exempt property)		\$ 5,783,657,875
Less Exemptions/Deductions		764,110,031
		\$ 5,019,547,844
Debt Payable from Ad Valorem Taxes (as of 9-30-14)		
General Obligation Bonds	\$ 108,360,000	
Certificates of Obligation	60,070,000	
Pass Through Toll Revenue and Limited Tax Bonds	49,460,000	
Debt Payable from Ad Valorem Taxes		\$ 217,890,000
Less Self-Supporting Debt ⁽¹⁾		20,205,000
Net Debt Payable from Ad Valorem Taxes		\$ 197,685,000
Interest and Sinking Fund (as of 9-30-14)		\$ 4,033,968
Ratio Tax Supported Debt to Taxable Assessed Valuation		4.34%
Net Tax Supported Debt to Taxable Assessed Valuation		3.94%

2014 Estimated Population - 137,147
Per Capita Taxable Assessed Valuation - \$36,600
Per Capita Net Debt Payable from Ad Valorem Taxes - \$1,441

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

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

TABLE 2 – VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9-30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Funded Debt Outstanding at End of Year ⁽²⁾⁽³⁾	Ratio Funded Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2010	119,510	4,565,643,251	38,203	140,059,099	3.07%	1,172
2011	127,921	4,598,247,312	35,946	182,979,601	3.98%	1,430
2012	130,018	4,726,643,478	36,354	213,485,000	4.52%	1,642
2013	134,654	4,811,938,035	35,736	204,375,000	4.25%	1,518
2014	137,147	5,004,176,039	36,488	217,890,000	4.35%	1,589

(1) Source: The U.S. Census Bureau.

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

(3) Includes capital lease payable which was paid off in Fiscal Year Ended 9/30/2012.

TABLE 3 – TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9-30	Tax Rate	Distribution		Tax Levy	% Current Collections	% Total Collections
		General Fund	Interest and Sinking Fund			
2010	0.6950	0.4906	0.2044	31,715,948	96.50%	97.67%
2011	0.7428	0.5087	0.2341	34,067,649	96.62%	97.49%
2012	0.7428	0.5473	0.1955	35,011,924	96.83%	98.06%
2013	0.7428	0.5056	0.2372	35,654,174	96.77%	97.46%
2014	0.7428	0.5041	0.2387	37,098,327	95.44%	96.13%

TABLE 4 – TEN LARGEST TAXPAYERS

NAME OF TAXPAYER	2014 Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
Oncor Electric Delivery Co. LLC	\$ 55,621,757	1.10%
Wal-Mart Real Estate Business Trust	19,032,497	0.38%
Killeen Mall, LLC	16,388,819	0.33%
Central Telephone Company	14,835,487	0.30%
Stone Creek Investment LLC	12,874,850	0.26%
HEB Grocery Company, LP	11,989,175	0.24%
Watercrest Place LP	11,464,836	0.23%
Bentina LTD	9,494,733	0.19%
Feiga/Sierra Creek, LP	9,429,867	0.19%
Presidium HCO Killeen	9,065,475	0.18%
	<u>170,197,496</u>	<u>3.40%</u>

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

TABLE 5 – ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information received from these various taxing entities. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional obligations since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional obligations, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

<u>Taxing Jurisdiction</u>	<u>Total G.O. Tax Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping G.O. Tax Debt as of 9/30/2013</u>
Bell County	\$ 113,865,000	34.13%	\$ 38,862,125
Killeen ISD	78,505,000	74.11%	58,180,056
City of Killeen	197,685,000 ⁽¹⁾	100.00%	<u>197,685,000</u> ⁽¹⁾
Total Direct and Overlapping Net Funded Debt			\$ 294,727,181
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			5.87% ⁽¹⁾
Per Capita Direct and Overlapping Net Funded Debt			\$ 2,149 ⁽¹⁾

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

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

TABLE 6 – GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Debt ⁽¹⁾			Total G.O. Debt Service	LESS: System- Supported Debt Service ⁽²⁾	Total Tax- Supported Debt Service
	Principal	Interest	Total			
2015	6,375,000	9,419,370	15,794,370	15,794,370	1,888,645	13,905,725
2016	8,255,000	9,175,507	17,430,507	17,430,507	1,883,758	15,546,749
2017	8,770,000	8,933,007	17,703,007	17,703,007	1,877,958	15,825,049
2018	9,325,000	8,629,370	17,954,370	17,954,370	1,869,196	16,085,174
2019	9,935,000	8,276,933	18,211,933	18,211,933	1,877,721	16,334,212
2020	10,360,000	7,877,438	18,237,438	18,237,438	1,873,986	16,363,452
2021	10,810,000	7,458,163	18,268,163	18,268,163	1,870,486	16,397,677
2022	11,330,000	6,960,328	18,290,328	18,290,328	1,876,886	16,413,442
2023	11,860,000	6,456,658	18,316,658	18,316,658	1,875,146	16,441,512
2024	11,565,000	5,925,645	17,490,645	17,490,645	1,875,496	15,615,149
2025	12,105,000	5,406,075	17,511,075	17,511,075	1,877,736	15,633,339
2026	12,670,000	4,834,973	17,504,973	17,504,973	1,876,598	15,628,375
2027	11,705,000	4,236,123	15,941,123	15,941,123	1,342,073	14,599,050
2028	12,275,000	3,682,235	15,957,235	15,957,235	1,340,823	14,616,412
2029	12,845,000	3,117,895	15,962,895	15,962,895	1,337,238	14,625,657
2030	11,355,000	2,558,214	13,913,214	13,913,214	1,181,438	12,731,776
2031	9,940,000	2,098,545	12,038,545	12,038,545	-	12,038,545
2032	10,415,000	1,633,333	12,048,333	12,048,333	-	12,048,333
2033	7,410,000	1,193,020	8,603,020	8,603,020	-	8,603,020
2034	7,700,000	847,390	8,547,390	8,547,390	-	8,547,390
2035	5,210,000	488,325	5,698,325	5,698,325	-	5,698,325
2036	3,095,000	255,338	3,350,338	3,350,338	-	3,350,338
2037	825,000	111,700	936,700	936,700	-	936,700
2038	860,000	76,000	936,000	936,000	-	936,000
2039	895,000	38,750	933,750	933,750	-	933,750
	<u>\$ 217,890,000</u>	<u>\$ 109,690,335</u>	<u>\$ 327,580,335</u>	<u>\$ 327,580,335</u>	<u>\$ 27,725,184</u>	<u>\$ 299,855,151</u>

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

(2) Self-supporting general obligation debt. - See Table 1, footnote 1 for more information.

TABLE 7 – AUTHORIZED BUT UNISSUED DEBT

Purpose	Date	Amount	Amount	Amount	Unissued Balance
	Authorized or Issued	Authorized	Heretofore Issued	Being Issued	
Public Safety	11/5/2002	\$23,255,000	\$21,665,000	\$1,588,717	\$1,283
Parks and Recreation	11/5/2002	18,040,000	13,440,000	4,596,343	3,657
Total		<u>\$41,295,000</u>	<u>\$35,105,000</u>	<u>\$6,185,060</u>	<u>\$4,940</u>

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

TABLE 8 – GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	2014	2013	2012	2011	2010
Revenues:					
Taxes	\$ 50,650,046	\$ 49,575,864	\$ 51,269,833	\$ 48,290,563	\$ 46,863,166
Licenses and Permits	1,898,797	1,290,444	1,396,708	1,284,569	1,365,200
Intergovernmental	754,572	961,131	708,341	638,832	641,191
Contributions	440,296	513,433	423,348	444,024	366,405
Charges for Services	5,330,262	5,022,021	5,486,497	5,422,747	5,148,265
Fines	2,629,747	3,035,507	2,390,901	2,550,388	2,334,651
Developer Contributions	-	-	-	3,375,908	850,165
Miscellaneous	1,283,669	1,003,786	1,037,278	650,178	467,695
Total Revenues	\$ 62,987,389	\$ 61,402,186	\$ 62,712,906	\$ 62,657,209	\$ 58,036,738
Expenditures:					
General Government	\$ 9,712,302	\$ 9,552,639	\$ 9,013,405	\$ 9,114,615	\$ 8,734,364
Public Safety	44,258,487	42,167,379	40,775,286	40,314,176	35,784,710
Public Works	4,133,163	3,743,936	3,696,299	4,117,983	4,047,734
Community Development/Services	7,990,472	7,114,645	7,320,501	7,904,779	7,180,195
Miscellaneous	6,256,371	6,181,920	5,451,968	6,412,904	5,531,515
Capital Outlay	1,247,656	1,638,211	758,245	4,968,038	2,766,241
Debt Service	68,313	67,691	241,187	240,170	240,170
Total Expenditures	\$ 73,666,764	\$ 70,466,421	\$ 67,256,891	\$ 73,072,665	\$ 64,284,929
Excess (deficiency) of Revenues Over Expenditures	\$ (10,679,375)	\$ (9,064,235)	\$ (4,543,985)	\$ (10,415,456)	\$ (6,248,191)
Other financing sources (uses)					
Budgeted Transfers In	\$ 8,694,145	\$ 7,588,166	\$ 8,857,364	\$ 7,571,598	\$ 5,509,779
Budgeted Transfers Out	(16,755)	(11,731)	-	(107,089)	(24,121)
Capital Lease	-	258,936	-	-	-
Total other financing sources (uses)	\$ 8,677,390	\$ 7,835,371	\$ 8,857,364	\$ 7,464,509	\$ 5,485,658
Net Increase (Decrease)	\$ (2,001,985)	\$ (1,228,864)	\$ 4,313,379	\$ (2,950,947)	\$ (762,533)
Beginning Fund Balance	22,335,006	23,563,870	19,250,491	22,201,438	22,963,971
Ending Fund Balance on September 30	\$ 20,333,021	\$ 22,335,006	\$ 23,563,870	\$ 19,250,491	\$ 22,201,438

TABLE 9 – MUNICIPAL SALES TAX HISTORY

Fiscal Year Ended 9-30	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2010	20,648,682	65.11%	0.4523	173
2011	20,306,910	59.61%	0.4416	159
2012	21,557,147	61.57%	0.4573	166
2013	22,058,498	61.87%	0.4596	164
2014	22,118,887	59.62%	0.4429	161

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

TABLE 10 – CURRENT INVESTMENTS

As of September 30, 2014 the City's investible funds were invested in the following categories:

Description	Percent	Book Value	Market Value
TexPool (Investment Pool)	28.739%	\$ 35,992,920	\$ 35,992,920
TexStar (Investment Pool)	2.910%	3,644,163	3,644,163
TexasTerm (Investment Pool)	0.630%	788,786	788,786
Money Market Accounts	38.881%	48,694,303	48,694,303
Certificates of Deposit	28.840%	36,119,443	36,119,443
Total	100.000%	\$ 125,239,615	\$ 125,239,615

As of such date, 92.82 % of the City's investment portfolio will mature within one year. The market value of the investment portfolio was approximately 100.00 % of its purchase price.

TABLE 11 – HOTEL OCCUPANCY TAX REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	2014	2013	2012	2011	2010
<u>Revenues:</u>					
Taxes	\$ 1,722,623	\$ 1,696,609	\$ 1,652,409	\$ 1,636,001	\$ 1,701,360
Miscellaneous	616,840	637,271	702,994	579,242	707,296
Total Revenues	\$ 2,339,463	\$ 2,333,880	\$ 2,355,403	\$ 2,215,243	\$ 2,408,656
<u>Expenditures:</u>					
General Government	\$ 1,506,634	\$ 1,540,785	\$ 1,582,371	\$ 1,606,911	\$ 1,651,970
Community Services	175,652	252,097	213,883	264,559	217,517
Capital Outlay	5,136	-	14,001	87,959	85,616
Total Expenditures	\$ 1,687,422	\$ 1,792,882	\$ 1,810,255	\$ 1,959,429	\$ 1,955,103
Excess (deficiency) of Revenues Over Expenditures	\$ 652,041	\$ 540,998	\$ 545,148	\$ 255,814	\$ 453,553
Operating Transfers Out	\$ (727,900)	\$ (725,200)	\$ (607,200)	\$ (695,300)	\$ (690,000)
Total Transfers	\$ (727,900)	\$ (725,200)	\$ (607,200)	\$ (695,300)	\$ (690,000)
Net Increase (Decrease)	\$ (75,859)	\$ (184,202)	\$ (62,052)	\$ (439,486)	\$ (236,447)
Beginning Fund Balance	482,455	666,657	728,709	1,168,195	1,404,642
Ending Fund Balance on September 30	\$ 406,596	\$ 482,455	\$ 666,657	\$ 728,709	\$ 1,168,195

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

TABLE 12 – SPECIAL EVENTS CENTER REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended September 30,				
	2014	2013	2012	2011	2010
<u>Revenues:</u>					
Miscellaneous	\$ 27	\$ 90	\$ 150	\$ 244	\$ 298
Total Revenues	<u>\$ 27</u>	<u>\$ 90</u>	<u>\$ 150</u>	<u>\$ 244</u>	<u>\$ 298</u>
<u>Expenditures:</u>					
Community Services	\$ -	\$ -	\$ -	\$ 6,839	\$ -
Capital Outlay	71,959	-	-	-	-
Total Expenditures	<u>\$ 71,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,839</u>	<u>\$ -</u>
Net Increase (Decrease)	\$ (71,932)	\$ 90	\$ 150	\$ (6,595)	\$ 298
Beginning Fund Balance	<u>71,999</u>	<u>71,909</u>	<u>71,759</u>	<u>78,354</u>	<u>78,056</u>
Ending Fund Balance on September 30	<u>\$ 67</u>	<u>\$ 71,999</u>	<u>\$ 71,909</u>	<u>\$ 71,759</u>	<u>\$ 78,354</u>

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

II. WATERWORKS AND SEWER SYSTEM REVENUE BOND TABLES

TABLE 1 – WATER USAGE (MGD)

FISCAL YEAR ENDED 9-30	PEAK DAY USAGE	AVERAGE DAY USAGE	TOTAL USAGE
2010	25.74	14.64	5,350
2011	24.96	15.25	5,566
2012	25.82	15.16	5,553
2013	25.12	15.06	5,497
2014	22.33	14.72	5,371

TABLE 2 – TEN LARGEST WATER CUSTOMERS (IN THOUSANDS OF GALLONS)

CUSTOMER	ANNUAL WATER USAGE	ANNUAL AMOUNT BILLED	% OF TOTAL WATER USAGE
CITY OF KILLEEN - GOLF IRR	108,375,000	83,014.68	2.51699%
METROPLEX HOSPITAL	18,611,300	59,618.28	0.43224%
INDEPENDENCE PLACE AT FT HOOD	16,800,000	62,302.86	0.39018%
PREMIER CEMETERY SERVICE INC	13,466,900	39,188.69	0.31277%
KISD-ELLISON HIGH SCHOOL	12,407,800	39,456.84	0.28817%
TGFT ENTERPRISE INC	11,256,100	35,365.75	0.26142%
STONE HILL APTS	10,885,500	32,829.42	0.25281%
GOODE, GOODNIGHT	9,921,100	29,936.22	0.23042%
RATLIFF READY MIX LP	9,288,500	29,755.81	0.21572%
WEST RIVER OAKS LTD	9,125,200	27,548.52	0.21193%

Note: Percent of total consumption based on 4,305,739,113 gallons annual consumption.

TABLE 3 – MONTHLY WATER RATES (EFFECTIVE 10/1/2014)

The following rates apply to all classes of users inside the city limits.

<u>0 to 2,000 gallons based on meter size:</u>			
		<u>Residential</u>	<u>Commercial</u>
5/8" and 3/4"	\$	12.39	\$ 12.83
1"		13.72	14.24
1-1/2"		17.04	17.69
2"		21.02	21.83
3"		30.33	31.51
4"		43.65	45.36
6"		77.88	80.96
8"		116.76	121.52
10"		163.32	169.81
2,001-25,000 gallons per 1,000		3.09	3.20
Over 25,000 gallons per 1,000		3.69	3.20

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

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

TABLE 4 – TEN LARGEST WASTEWATER CUSTOMERS (MGD)

<u>CUSTOMER</u>	<u>ANNUAL WATER USAGE</u>	<u>ANNUAL AMOUNT BILLED</u>
CTC	34,352,610	126,843.84
METROPLEX HOSPITAL	16,879,230	62,434.60
INDEPENDENCE PLACE AT FT HOOD	15,123,600	55,896.33
TGFT ENTERPRISE INC	10,134,090	37,485.04
STONE HILL APTS	9,800,550	36,254.29
GOODE, GOODNIGHT	8,932,590	33,051.49
WEST RIVER OAKS LTD	8,216,280	30,408.31
BLESSING STONEGATE MHP	7,839,400	43,185.32
SOUTHERN HILLS MHP	7,831,700	40,295.77
SUMMERFIELD COMMUNITY	7,378,500	41,493.44

TABLE 5 – MONTHLY WASTEWATER RATES (EFFECTIVE 10/1/2011)

TABLE 5 - MONTHLY WASTEWATER RATES (EFFECTIVE 10/01/2014)

<u>Water Consumption</u>	<u>Residential</u>	<u>Commercial</u>
First 3,000 Gallons of Water Consumption	\$18.76 Minimum	\$19.15 Minimum
All Over 3,000 Gallons at \$3.80 per 1,000 Gallons	Not to Exceed 10,000 Gallons	No Maximum

**CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014**

TABLE 6 – WATERWORKS AND SEWER SYSTEM REVENUE DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Debt ⁽¹⁾			Revenue	Plus:	Total
	Principal	Interest	Total	Bond Requirements	System- Supported Debt Service ⁽²⁾	Revenue Supported Debt Service
2014	4,655,000	2,780,579	7,435,579	7,435,579	-	7,435,579
2015	4,955,000	2,204,430	7,159,430	7,159,430	-	7,159,430
2016	5,075,000	2,088,175	7,163,175	7,163,175	-	7,163,175
2017	5,205,000	1,956,301	7,161,301	7,161,301	-	7,161,301
2018	4,335,000	1,830,871	6,165,871	6,165,871	-	6,165,871
2019	4,480,000	1,690,688	6,170,688	6,170,688	-	6,170,688
2020	3,935,000	1,528,158	5,463,158	5,463,158	-	5,463,158
2021	4,125,000	1,371,421	5,496,421	5,496,421	-	5,496,421
2022	3,675,000	1,191,934	4,866,934	4,866,934	-	4,866,934
2023	3,880,000	1,019,298	4,899,298	4,899,298	-	4,899,298
2024	4,085,000	872,970	4,957,970	4,957,970	-	4,957,970
2025	2,785,000	740,629	3,525,629	3,525,629	-	3,525,629
2026	2,880,000	629,229	3,509,229	3,509,229	-	3,509,229
2027	3,070,000	485,229	3,555,229	3,555,229	-	3,555,229
2028	1,245,000	369,806	1,614,806	1,614,806	-	1,614,806
2029	1,305,000	307,556	1,612,556	1,612,556	-	1,612,556
2030	1,345,000	265,144	1,610,144	1,610,144	-	1,610,144
2031	1,395,000	219,750	1,614,750	1,614,750	-	1,614,750
2032	1,465,000	150,000	1,615,000	1,615,000	-	1,615,000
2033	1,535,000	76,750	1,611,750	1,611,750	-	1,611,750
	<u>\$ 65,430,000</u>	<u>\$ 21,778,918</u>	<u>\$ 87,208,918</u>	<u>\$ 87,208,918</u>	<u>\$ -</u>	<u>\$ 87,208,918</u>

(1) Revenue Bonds.

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

CITY OF KILLEEN, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES
YEAR ENDED SEPTEMBER 30, 2014

TABLE 7 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Years Ended September 30,				
	2014	2013	2012	2011	2010
Revenues: (1)					
Charges for Services	\$ 35,243,516	\$ 36,532,116	\$ 37,571,221	\$ 35,659,361	\$ 30,001,656
Investment Revenue	148,397	132,662	103,721	104,123	164,504
Total Revenues	<u>\$ 35,391,913</u>	<u>\$ 36,664,778</u>	<u>\$ 37,674,942</u>	<u>\$ 35,763,484</u>	<u>\$ 30,166,160</u>
Expenditures: (2)					
Water Purchases	\$ 7,467,995	\$ 6,897,853	\$ 6,692,095	\$ 6,925,331	\$ 5,858,835
Sewer Service Contract	6,297,470	5,553,338	5,452,759	5,230,533	6,273,881
Operating Costs	9,564,316	9,298,188	9,229,112	9,204,958	8,158,165
Total Expenditures	<u>\$ 23,329,781</u>	<u>\$ 21,749,379</u>	<u>\$ 21,373,966</u>	<u>\$ 21,360,822</u>	<u>\$ 20,290,881</u>
Net Available for Debt Service	<u>\$ 12,062,132</u>	<u>\$ 14,915,399</u>	<u>\$ 16,300,976</u>	<u>\$ 14,402,662</u>	<u>\$ 9,875,279</u>
Customer Count:					
Water	46,073	44,510	45,068	41,765	42,611
Sewer	44,256	42,636	43,141	39,945	40,786

(1) Revenues do not include Developer Contributions for Donated Water and Sewer Lines.

(2) Expenditures do not include depreciation.

TABLE 8 – COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2015-2033	\$ 4,198,597
Coverage of Average Requirements by 2014 Net Income	2.87 Times
Maximum Principal and Interest Requirements, 2015-2033	\$ 7,163,175
Coverage of Average Requirements by 2014 Net Income	1.68 Times
Water and Sewer System Revenue Bonds Outstanding , 9-30-14	\$ 60,775,000
Interest and Sinking Fund, 9-30-14	\$ 1,255,468
Reserve Fund, 9-30-14	\$ - (1)

(1) Reserve fund satisfied with surety bond policies.

TABLE 9 – CURRENT INVESTMENTS

As of September 30, 2014 the City's investible funds were invested in the following categories:

Description	Percent	Book Value	Market Value
TexPool (Investment Pool)	28.739%	\$ 35,992,920	\$ 35,992,920
TexStar (Investment Pool)	2.910%	3,644,163	3,644,163
TexasTerm (Investment Pool)	0.630%	788,786	788,786
Money Market Accounts	38.881%	48,694,303	48,694,303
Certificates of Deposit	28.840%	36,119,443	36,119,443
Total	<u>100.000%</u>	<u>\$ 125,239,615</u>	<u>\$ 125,239,615</u>

As of such date, 92.82 % of the City's investment portfolio will mature within one year. The market value of the investment portfolio was approximately 100.00 % of its purchase price.





Fiscal Year Ended September 30, 2014
COMPREHENSIVE ANNUAL FINANCIAL REPORT

www.killeentexas.gov



City of Killeen

Legislation Details

File #: PH-15-017A **Version:** 1 **Name:** Award Bid #15-15
Type: Resolution/Public Hearing **Status:** Public Hearings
File created: 3/24/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: Consider a memorandum/resolution for Bid #15-15 Families in Crisis Homeless Shelter Renovations.
Sponsors: Community Development
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Bid Analysis](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Contract Award Bid #15-15 Families in Crisis Homeless Shelter Renovation Project

ORIGINATING DEPARTMENT

Community Development Department

BACKGROUND INFORMATION

During the FY 2013-2014 budget process, Families in Crisis, Inc. was allocated \$510,564.44 of Community Development Block Grant (CDBG) (Ord. 13-048) funds and \$250,000 from an amendment to the FY 2013-2014 Annual Budget and Plan of Municipal Services (Ord. 14-009) to be used for renovations to an existing building (owned by Families in Crisis, Inc.) to become a shelter for persons experiencing homelessness. The renovations will include 7,400 square feet. The work includes wood framing, drywall, mechanical, electrical, plumbing, fire sprinkler system, food service equipment, site improvements, sidewalk, fencing, earthwork, and utilities.

Electronic bid documents were available from the City of Killeen web site, Demand Star, and the Electronic State Business Daily (ESBD). Additionally, plans and specifications were available through seven (7) plans rooms. All plan sets and bid packets were available at no charge. Bids received for the project were opened and read aloud March 19, 2015 at 2:15 pm in the Council Chambers at City Hall.

DISCUSSION/CONCLUSION

Three (3) complete bids were received and are as follows:

A&L Sanchez Painting and Construction, Killeen, Texas - \$1,131,723.00; Built Wright Construction-Tom Wright Construction, LLC, Waco, Texas - \$1,292,000.00; and RM Rodriguez Construction, L.P., Temple, Texas - \$1,207,700.00.

The base bid (\$1,131,723.00) minus the two alternate deductions(-\$16,030.00) plus two alternate additions-#1A and #1B (+\$24,270.00) are within the budget funding amounts available to Families In Crisis, Inc.

Total award of \$1,139,963.00.

FISCAL IMPACT

Families in Crisis, Inc. was allocated \$510,564.44 of Community Development Block Grant (CDBG) funds during FY 2013-2014 and \$250,000 from an amendment to the FY 2013-2014 Annual Budget and Plan of Municipal Services. After advertising costs, available funds for the project are \$759,803.78.

Families in Crisis has secured the additional funding and will be responsible for the remaining funds required in the amount of \$380,159.30 plus any additional costs incurred on the project.

RECOMMENDATION

Staff recommends that Council award the bid to A&L Sanchez Painting & Construction of Killeen, Texas, for the base bid, minus alternate deductions 1 and 2, adding alternate additions 1A and 1B, for a total amount of \$1,139,963.00.

BID ANALYSIS

**BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
#13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.**

PROJECT INFORMATION: conversion by renovation of existing (church) commercial building to a shelter for homeless individuals and families.

This project is for work consisting of:

Renovation of approximately 7,400 s.f. building for the Killeen Homeless Shelter located in Killeen, Texas. The work includes wood framing, drywall, mechanical, electrical, plumbing, fire sprinkler system, food service equipment, site improvements, sidewalks, fencing, earthwork, and utilities.

The property owner is Families In Crisis, Inc. – local Texas non-profit organization with over 24 years of experience owner/operator of facilities and programs assisting battered and abused men, women, children, veterans, and homeless persons. Board President – Dr. Larry Moehnke, email- lmoehnke@hotmail.com; Organization Representatives – William Hall –Director of Operations, telephone – 254.634.1184, email – edficinc@earthlink.net, and Suzanne Armour – Director of Programs, telephone – 254.634.1184, ficinccr@earthlink.net.

The project Architect is Michael W. Marrs Architects, Inc. 3809 General Bruce Drive, Suite 103, Box 8329T, Temple Texas 76502, telephone- 254.778.0087, email - mmarrs@mikemars.com.

The Civil Engineer is Mitchell & Associates, Inc., 102 N. College Street, Killeen, TX 76541, telephone- 254.634.5541, email – mkriegel@mitchell.net

City Staff from Community Development together with the Architect re-worked the bid packet for this project and adjusted the separately identified sections that will be added or deducted from a base bid to ensure a contract award can be made within the available budget. The bid form contained a “base bid” and two (2) alternate deductions identified as Base Bid, and Alternate Deduction #1, and #2 followed by five (5) Alternate Additions identified as Alternate Addition #1A, #1B, #2, #3, and #4. The bidder must complete the bid form including bid amounts for the base bid and each alternate listed. This methodology allows for one or more “portions” of the project to be completed with the funding available.

The contract will be awarded for the Base Bid, the ordered alternate deductions, and then the ordered alternate additions - up to the available budget, plus funding from Families In Crisis to cover any additional costs.

Additionally, at the request of the Architect, the bid packet included the American Institute of Architects (AIA) Contractor Qualification Statement form (A305).

DRAWINGS and SPECIFICATIONS:

The drawings and specifications consisted of 611 pages defining the scope of work and civil, architectural, mechanical detail. Clarifications were included to complete the project, as well as the standard requirement for the use of Federal Wage Rates for TX150279 01/02/2015 TX279 for BUILDING CONSTRUCTION PROJECTS (not to include residential construction of single family homes and apartments up to and including 4 stories) for Bell and County Texas.

BID ANALYSIS

**BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
#13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.**

PROJECT FUNDING SOURCE (Development and Application):

City of Killeen Community Development Block Grant Program funding – FY 2013 Families In Crisis, Inc. – Homeless Shelter Renovations \$509,803.78 (account #228 0064 495.51-16) and FY 2013-14 City of Killeen Annual Budget and Plan of Municipal Services \$250,000.00 (account # 010-9503-491.44-84), and other “private” funding made available from Families In Crisis, Inc.

COMPETITIVE BIDDING PROCESS:

The competitive bid packet was developed by the Community Development Division and the Deputy City Attorney. The Invitation to Bid was placed on the City’s purchasing web page via Demand Star, the Electronic State Business Daily, and nine (9) Plans Rooms also received notice of the bid invitation on March 2, 2015.

The *Advertisement for Bids* was published March 1, and 8, 2015 in the Killeen Daily Herald. Questions and clarifications were due to the Purchasing Division, in writing, by 2:00 p.m., March 13, 2015. The bid closed at 2:00 pm March 19, 2015 and all sealed bids received at the Purchasing Division were then taken to Killeen City Hall Council Chambers; opened at 2:15 p.m. and read aloud.

A pre-bid conference was conducted for this project at 10:00 a.m. March 10, 2015 in the Community Development Division Training Room; the project Architect and Engineer, property owners and Community Development Staff conducted the meeting for fifteen (15) attending bidders.

Written requests for clarification and questions were received by the March 15, 2015 due date – **Two (2) Addenda** were issued for this project. The Addenda was posted on the Purchasing “city bids” page; all plan holders on file, were sent - via email - a copy of the addenda.

BID PACKET REQUESTS:

Bid packets were made available via the File Transfer Protocol (FTP) server established under the City’s Internet, due to the total size of the associated project files. A full scale complete set of drawings, specifications, bid forms and conditions were available at the City of Killeen Community Development Department Office located at 802 N. 2nd Street, Building E, Killeen Arts & Activities Center, Killeen, Texas - Monday through Friday, 8:00 a.m. until 5:00 p.m. beginning March 2, 2015 Additionally, the electronically formatted documents were available at the Electronic State Business Daily (ESBD), the Central Texas Chapter of Associated General Contractors (Centex AGC, AGC Austin, and AGS of America), the AMTEK Information Services (Amtekusa), and Construction Data Company (CDCnews), Bidders’ Resource Inc. Construction Software Technologies, Inc. (iSqFt), Virtual Builders Exchange, LLC (BXTX), Dodge Data & Analytics, and CMD – Construction Management Data (formerly Reed Elsevier, Inc.-Reed Business Information). All plan sets and bid packets were available at no charge.

BID ANALYSIS

**BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
#13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.**

Plan Holder List

Bid 15-15 Families In Crisis Homeless Shelter Renovation

#13.04/B-13-MC-48-0020 BIDS DUE: March 19, 2015 at 2:00 P.M.

BID PACKET REQUESTS:

Bid packets available via email from the City of Killeen Community Development Division Office located at 802 N. 2nd Street, Building E, Killeen, Texas, Monday through Friday, 8:00 a.m. until 5:00 p.m. The estimate packets are available at NO CHARGE to interested contractors and plans rooms.

The following is a complete list of those contractor businesses and individuals that obtained a bid packet:

Date	Name	Company	Address	Telephone	Email	Plan Room/ Gen. Cont./Sub
3-2	Elaine Hobbs	Centex AGC	Waco, TX	254-772-5400	plans@centexagc.org	PR
3-2	Daniel Matl	Ingenium	11149 Research Blvd. Ste 376, Austin, TX 78759	512-721-0366	dmatl@ingeniumcc.com	GC
3-2	Ricky Pierce	Pierce & Pierce Builders, Inc.	Waco, Tx	254-405-0073	piercepiercebuildersinc.@yahoo.com	GC
3-2	Heather Hope	Virtual Builders Exchange	San Antonio, TX	210-564-6900 xt 133	heather@virtualbx.com	PR
3-2	Karen Allums	RM Rodriguez Construction, LP	5116 S. General Bruce Dr. Suite A Temple, TX 76502	254-742-0102	estimating@rmrodriguezconstruction.com	GC
3-2	Toni Lawson	Dodge Data & Analytics		281-460-5730	Toni.lawson@construction.com	PR
3-2	Evan Echavarry	Rich Services	Belton, TX	254-831-3046	eee@richservicestx.com	Sub
3-3	David Eaton	CMDG-USA		630-288-8343	david.eaton@cmdgroup.com	PR

As of 03/04/2015 10:00 AM

BID ANALYSIS

**BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
#13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.**

Plan Holder List

Bid 15-15 Families In Crisis Homeless Shelter Renovation

#13.04/B-13-MC-48-0020 BIDS DUE: March 19, 2015 at 2:00 P.M.

Date	Name	Company	Address	Telephone	Email	Plan Room/ Gen. Cont./Sub
3-4	Lesley Greer	A&L Sanchez	Killeen, TX		lgreer@a-lsanchezpainting.com	GC
3-5	William Blair/ Michael Marcott	ACTS Inc.	13692 Okalla Rd. Killeen TX	254-518-5500	william@acts1.us	GC
As of 03-06-2015 11:45 am						
3-9	Adam Kent	Tom Wright Const.	Waco TX 76706	254-412-0801	adam@built-wright.net	GC
As of 03-09-2015 1:00 pm						
3-10	Cody Stanley Sally Martinez	Cody Stanley Const. LLC	Holland, TX 76534	254-721-2015	stanleys.construction@gmail.com	GC
3-10	Mike Hughes	CWS Services	Killeen, TX	254-423-3706	mikehughesCWS@gmail.com	Sub
3-10	George Franklin	Franklin Fire Professionals, LLC	Marlin, TX	254-896-5976	george.franklin@franklinfp.com	Sub
3-10	Billy Bartlett	Bartlett Electric	Gatesville, TX	254-702-4419	bartlettelectricinc@yahoo.com	Sub
3-10	Rudy Gonzales	Lockey Heating	Temple, TX	254-541-6930	rgonzales4050@sbcglobal.net	Sub

BID ANALYSIS

**BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
#13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.**

Plan Holder List

Bid 15-15 Families In Crisis Homeless Shelter Renovation

#13.04/B-13-MC-48-0020 BIDS DUE: March 19, 2015 at 2:00 P.M.

Date	Name	Company	Address	Telephone	Email	Plan Room/ Gen. Cont./Sub
3-10	Paul Weiss	A-1 Fire & Safety	Waco, TX	254-753-0337	paul@a1fire.net	Sub
3-10	Robert Antis	Bell Air Inc.	Belton, TX	254-939-1141	robert.bellaircond@gmail.com	Sub
As of 03-10-2015 1:00 pm						
3-10	Pancho Flores	PF Concrete Construction LLC	Belton, TX	254-338-0481	pconcreteconstruction@gmail.com	Sub
3-11	Billy Cordova	Cordova Construction Company, Inc.	Nacogdoches, TX	936-564-0485	Billy@cordovaconstructioncompany.com	GC
As of 03-12-2015 10:00 am						

BID ANALYSIS

**BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
#13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.**

BIDDER QUALIFICATION SUMMARY: Each bidder is required by federal regulation, to be certified through the Community Development Department office formal Contractor Certification Process (CCP). The Project Architect also requested that the contractor complete a Contractor Qualification Statement (AIA form A305). Since both the CCP and the A305 documents request similar information – the Community Development Department will use the A305 form for completing the necessary certification process. Bidders are required to submit the Contractor Qualification Statement (AIA form A305) form and documentation along with the sealed bid.

No plan holders were listed as recently (in the most recent two years) approved through the Community Development CCP process.

BID CLOSING/OPENING:

Sealed bids were received by the Purchasing Division by March 19, 2015, 2:00 p.m. bid closing date and time, which were then opened at 2:15 p.m. at Killeen City Hall, Council Chambers.

Attendees at the bid opening included: David Plouff – A&L Sanchez Painting & Construction, Killeen, Texas; John Urban – RM Rodriguez Construction, Temple, Texas; Neal Rhoden – Built Wright Construction-Tom Wright Construction, Waco, TX; Michael Marrs – Marrs Architects; Dr. Larry Moehnke – President, Suzanne Armour-Director of Programs - Families In Crisis, Inc.; Rosalind Graves-Mills, Killeen Senior Purchasing Specialist, Leslie Hinkle, Community Development Executive Director, and Cinda Hayward, Community Development Programs Manager.

The bid tabulation is as follows:

BID ANALYSIS

BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
 #13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.

BID/PROPOSAL TABULATION

BID #15-15 FAMILIES IN CRISIS HOMELESS SHELTER RENOVATION
 #13.04/B-13-MC-48-0020 BIDS DUE: MARCH 19, 2015, 2:00 PM

City of Killeen



Contractors Submitting Estimates

*As L Sanchez
 Painter and Const.
 Killeen TX 76541*

*Built Wright Const.
 Tom Wright Construction
 Waco, TX 76706*

Contractor's Estimate		
Base Bid	<i>1,131,723.⁰⁰</i>	<i>1,292,000.⁰⁰</i>
- Alternate Deduct #1	<i>3,300.⁰⁰</i>	<i>2,600.⁰⁰</i>
- Alternate Deduct #2	<i>12,730.⁰⁰</i>	<i>2,300.⁰⁰</i>
+ Alternate Add #1A	<i>15,776.⁰⁰</i>	<i>21,106.⁰⁰</i>
+ Alternate Add #1B	<i>8,494.⁰⁰</i>	<i>17,000.⁰⁰</i>
+ Alternate Add #2	<i>8,050.⁰⁰</i>	<i>9,200.⁰⁰</i>
+ Alternate Add #3	<i>9,411.⁰⁰</i>	<i>7,200.⁰⁰</i>
+ Alternate Add #4	<i>4,135.⁰⁰</i>	<i>8,600.⁰⁰</i>
ADDENDUM # 1 "✓" indicates item attached	<i>not attached ✓</i>	<i>✓</i>
ADDENDUM # 2 "✓" indicates item attached	<i>not attached ✓</i>	<i>✓</i>
BID BOND 5% OF TOTAL AMOUNT OF FULL BID "✓" indicates item attached	<i>✓</i>	<i>✓</i>
AIA A305 Contractor Qualification Statement "✓" indicates statement attached	<i>✓</i>	<i>✓</i>

Clifford

pg 1 of 3

BID ANALYSIS

BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
 #13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.

BID/PROPOSAL TABULATION

BID #15-15 FAMILIES IN CRISIS HOMELESS SHELTER RENOVATION
 #13.04/B-13-MC-48-0020 BIDS DUE: MARCH 19, 2015, 2:00 PM

City of Killeen



Contractors Submitting Estimates

	Contractors Submitting Estimates	
	<i>R M Rodriguez Construction Temple, Tx 76502</i>	
Contractor's Estimate		
Base Bid	1,207,700. ⁰⁰	
- Alternate Deduct #1	2,500. ⁰⁰	
- Alternate Deduct #2	2,300. ⁰⁰	
+ Alternate Add #1A	2,000. ⁰⁰	
+ Alternate Add #1B	16,000. ⁰⁰	
+ Alternate Add #2	11,100. ⁰⁰	
+ Alternate Add #3	6,800. ⁰⁰	
+ Alternate Add #4	8,200. ⁰⁰	
ADDENDUM # 1 "✓" indicates item attached	✓	
ADDENDUM # 2 "✓" indicates item attached	✓	
BID BOND 5% OF TOTAL AMOUNT OF FULL BID "✓" indicates item attached	✓	
AIA A305 Contractor Qualification Statement "✓" indicates statement attached	✓	

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pg 2 of 3

BID ANALYSIS

BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
#13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.

BID/PROPOSAL TABULATION

BID #15-15 FAMILIES IN CRISIS HOMELESS SHELTER RENOVATION
#13.04/B-13-MC-48-0020 BIDS DUE: MARCH 19, 2015, 2:00 PM

Bids Opened by: *Rosulud Jones*
Name and Position

Date: 3/19/2015

Witnessed by: *Cinda Hayward*
Name and Position
CD Program Manager

Date: 3/19/2015

Reviewed by: *Alissa*
Name and Position
CD Specialist

Date: 3/23/2015

page 3 of 3

BID ANALYSIS

**BID NO. 15-15 – Families In Crisis Homeless Shelter Renovation
#13.04/B-13-MC-48-0020 OPENING March 19, 2015 AT 2:15 P.M.**

Three (3) complete bids were received for the project.

CONCLUSION:

The Families In Crisis, Inc., a Texas non-profit organization, was allocated \$510,564.44 from the FY 2013 Community Development Block Grant (CDBG) during the annual budget process under Ordinance #13-048, and \$250,000 from the FY 2013-14 City of Killeen Annual Budget and Plan of Municipal Services under Ordinance #14-009. After advertising costs are deducted, remaining CDBG and Municipal funds total \$759,803.88.

Families In Crisis, Inc. will be responsible for the remaining funds required in the amount of \$380,716.12 plus additional costs incurred on the project.

Staff recommends that Council award the bid to A&L Sanchez Painting & Construction of Killeen, Texas in the amount of \$ 1,139,963.00 which consists of the base bid of \$1,131,723.00 minus Alternate Deducts #1 and #2 (-\$16,030.00) plus Add Alternates #1A and #1B (+\$24,270.00).

-Alternate DEDUCTION #1: In lieu of asphalt overlay paving per Site Plan sheet C 102-Note 2.1, PROVIDE paving overlay only at the two TAS parking spaces along with striped area.

- Alternate DEDUCTION #2: Delete 6" of new roof insulation in lieu of 12" shown.

+ Alternate ADDITION #1A: ADD - Install ceramic tile on all floors in Bath 112, Bath 113, Men 115, Women 116, Toilet 131 and 132, Refer to Specification Section 09310-Ceramic Tile.

+Alternate ADDITION #1B: ADD - Install ceramic tile on all walls in Bath 112, Bath 113, Men 115, Women 116, Toilet 131 and 132. Install wall tile to 8'-0"; Refer to Specification Section 09310-Ceramic Tile.

Bids reviewed by: Cinda Hayward, CD Program Manager; Celeste Sierra, CD Specialist.

Prepared by: Cinda Hayward, CD Programs Manager, Community Development Department



City of Killeen

Legislation Details

File #: PH-15-017B **Version:** 1 **Name:** Budget Amendment for Comm. Dev.
Type: Ordinance/Public Hearing **Status:** Public Hearings
File created: 3/30/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: HOLD a public hearing and consider an ordinance to amend the FY 14-15 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing the Community Development Block Grant Budget by \$92,963.
Sponsors: Community Development, Finance Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Ordinance](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

An ordinance amending the FY 2014-15 Annual Budget and Plan of Municipal Services for the City of Killeen by increasing the Community Development Block Grant Budget by \$92,963.

ORIGINATING DEPARTMENT

Finance/Community Development

BACKGROUND INFORMATION

On June 25, 2013, through Ordinance #13-048, the City Council approved the allocation of \$510,564.44 in Community Development Block Grant Funds to Families in Crisis, Inc. to allow for improvements to be made to a building for the purpose of providing a shelter for the homeless. No funding was expended during the FY 13-14 program year and, as a result, the ending balance on the allocation remained the same on September 30, 2014. Due to the timing of the budgeting process, it was uncertain if any grant funds would be expended in FY 13-14; therefore, there is currently a reconciliation difference between the two budgets that needs to be corrected.

DISCUSSION/CONCLUSION

Approval of this budget amendment will bring the 2014-15 Annual Budget and Plan of Municipal Services for the City of Killeen in line with the actual Community Development Block Grant fund and allow the project to move forward.

FISCAL IMPACT

The Community Development Block Grant Program fund budget will increase by \$92,963 to reconcile the city budget to the grant project budget.

Account Number	Account Name	Original Budget	Budget Increase	Amended Budget
228-0064-495-5116	Families in Crisis Improvements	\$417,602	\$92,963	\$510,565

RECOMMENDATION

Staff recommends that the City Council approve the attached ordinance amending the FY 2014-2015 Annual Budget and Plan of Municipal Services by \$92,963 in the 228 Community Development Fund.

ORDINANCE _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS AMENDING, THE FY 2014-15 ANNUAL BUDGET AND PLAN OF MUNICIPAL SERVICES OF THE CITY OF KILLEEN BY INCREASING THE COMMUNITY DEVELOPMENT BLOCK GRANT FUND BY \$92,963 FOR THE FAMILIES IN CRISIS IMPROVEMENTS PROJECT; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING A SAVINGS CLAUSE AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, a budget for operating the General Fund of the City of Killeen for the Fiscal Year October 1, 2014 to September 30, 2015, has been adopted by the City Council in accordance with the City Charter; and

WHEREAS, it is the desire of the Killeen City Council to increase the Community Development Block Grant Fund accounts to fund the Families in Crisis improvements project; and

WHEREAS, the need for the increase of funds within the Community Development Block Grant Fund requires a budget amendment:

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

SECTION I. That Ordinance 14-067 adopting a budget for operating the municipal government of the City of Killeen for the Fiscal Year October 1, 2014 to September 30, 2015, be amended as to the portion of said budget as follows,

Account Number	Account Name	Original Budget	Budget Increase	Amended Budget
228-0064-495-5116	Families in Crisis Improvements	\$417,602	\$92,963	\$510,565

SECTION II. That the City Council finds that the public notice and public hearing requirements of Section 56 of the City Charter have been complied with prior to the enactment of this ordinance.

SECTION III. That should any section or part of any section or paragraph of this ordinance be declared invalid or unconstitutional for any reason, it shall not invalidate or impair the validity, force or effect of any other section or sections or part of a section or paragraph of this ordinance.

SECTION IV. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

SECTION V. That this ordinance shall be effective after its passage and publication according to the law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas this 28th day of April, 2015, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, 551.001 *et seq.*

APPROVED

Scott Cospers, MAYOR

ATTEST:

Dianna Barker, CITY SECRETARY

APPROVED AS TO FORM:

Kathryn H. Davis, CITY ATTORNEY



City of Killeen

Legislation Details

File #: PH-15-018A **Version:** 1 **Name:** Procurement of Motor Grader through Holt Cat
Type: Resolution/Public Hearing **Status:** Public Hearings
File created: 4/2/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: Consider a memorandum/resolution approving procurement of one Caterpillar motor grader through the TASB Buy Board State Cooperative for the Streets Division.
Sponsors: Streets, Public Works Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Authorize Procurement of One (1) Caterpillar Motor Grader through TASB Buy Board

ORIGINATING DEPARTMENT

Public Works / Streets Division

BACKGROUND INFORMATION

Since 2002, the City of Killeen has procured a motor grader and subsequent replacements with a buyback option and guaranteed repurchase price. Most recently, in October 2008 and again in May 2012 (CCM/R 11-189R), City Council approved the motor grader purchase under the same repurchase program through Holt Cat of Waco. The guaranteed repurchase price has been applied as a trade-in allowance where Holt Cat purchases the motor grader back from the City of Killeen, thereby reducing the cost of the replacement motor grader.

This heavy equipment is used by the Street Services Division for many street utility and maintenance programs.

DISCUSSION/CONCLUSION

The City of Killeen is a member of six (6) purchasing cooperatives that are in compliance with Texas Local Government Code Section 271.102. The "Guaranteed Repurchase Program" with Holt Cat is available through the TASB Buy-Board Purchasing Cooperative.

BID	Holt Cat	
Purchase Price (includes extended warranty)		\$266,057.00
Trade-In Allowance	(\$220,000.00)	
Net Purchase Price	\$46,057.00	
Guaranteed Repurchase Price		\$250,000.00 - \$225,000.00 depending on the mileage

This guaranteed repurchase will be evaluated in three (3) years and reconsidered for the buyback option.

FISCAL IMPACT

Funds for this purchase will be available in the FY14-15, Street Services Division expenditure account number 010-3445-434.61-35 Equipment, in the amount of \$266,057.00 following a credit of \$220,000.00 to the Sale of Property account number 010-0000-363-99-30, which results in a net fiscal impact of \$46,057.00 (purchase price less trade-in allowance).

RECOMMENDATION

City staff recommends that City Council approve the procurement of one (1) motor grader from Holt Cat of Waco through the TASB Buy-Board purchasing cooperative for the net purchase price of \$46,057.00, and that the City Manager or designee be expressly authorized to execute any and all change orders within the amount set by state and local law.



City of Killeen

Legislation Details

File #: PH-15-018B **Version:** 1 **Name:** Budget Amendment - Maintainer Buy Back
Type: Ordinance/Public Hearing **Status:** Public Hearings
File created: 3/26/2015 **In control:** City Council
On agenda: 4/28/2015 **Final action:**
Title: HOLD a public hearing and consider an ordinance amending the FY 2015 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing the General Fund Revenue and Expenditure accounts by \$220,000 to fund the procurement of one Caterpillar motor grader.
Sponsors: Streets, Public Works Department
Indexes: Budget Amendments
Code sections:
Attachments: [Council Memorandum](#)
[Ordinance](#)

Date	Ver.	Action By	Action	Result
4/21/2015	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**Budget Amendment for the Procurement of
One (1) Caterpillar Motor Grader**

ORIGINATING DEPARTMENT

Finance/Public Works - Street Division

BACKGROUND INFORMATION

Since 2002, the City of Killeen has been involved in procuring a motor grader with a guaranteed repurchase price at the end of every three (3) years. In October 2008 and May 2012 (CCM/R 11-189R), City Council approved the motor grader purchase, utilizing the same repurchase program through Holt Cat with the initial option for the repurchase still being available.

This heavy equipment is used by the Street Services Division for many street utility and maintenance programs.

DISCUSSION/CONCLUSION

The City of Killeen is a member of six (6) purchasing cooperatives that are in compliance with Texas Local Government Code Section 271.102. The "Guaranteed Repurchase Program" with Holt Cat can be utilized through the TASB Buy-Board Purchasing Cooperative.

Bid	Holt Cat
Purchase Price (Includes Extended Warranty)	\$266,057
Trade-In Allowance	(220,000)
Net Purchase Price	\$46,057
Guaranteed Repurchase Price*	\$225,000 - \$250,000

*Price will be based upon the hours of operation within the three- (3) year period.

FISCAL IMPACT

Additional funds are needed to cover the purchase of the procurement of one (1) caterpillar motor G\grader through TASB Buy-Board. This budget amendment will increase the Streets Department expenditure account by \$220,000 and also increase the sale of city property revenue account by \$220,000.

Expenditures:

Account Number	Original Budget	Budget Increase	Amended Budget
010-3445-434.61-35	\$46,057	\$220,000	\$266,057

Revenues:

Account Number	Original Budget	Budget Increase	Amended Budget
010-0000-363-99-30	\$0	\$220,000	\$220,000

RECOMMENDATION

Staff recommends that City Council approve the attached ordinance amending the FY 2015 Annual Budget and Plan of Municipal Services increasing General Fund revenues and expenditures by \$220,000.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING THE FY 2015 ANNUAL BUDGET BY INCREASING GENERAL FUND REVENUE AND EXPENDITURE ACCOUNTS BY \$220,000; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING A SAVINGS CLAUSE AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, a budget for operating the municipal government of the City of Killeen for the Fiscal Year October 1, 2014, to September 30, 2015, has been adopted by City Council in accordance with the City Charter; and

WHEREAS, it is the desire of the Killeen City Council to increase the General Fund accounts by adding funds for the procurement of one (1) Caterpillar Motor Grader through TASB with a guaranteed repurchase price.

WHEREAS, the need for the additional funds requires a budget amendment;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

SECTION I. That Ordinance 14-067 adopting a budget for operating the municipal government of the City of Killeen for the Fiscal Year October 1, 2014, to September 30, 2015, be amended as to the portion of said budget as follows:

Expenditures:

<i>Account Number</i>	<i>Original Budget</i>	<i>Budget Increase</i>	<i>Amended Budget</i>
010-3445-434.61-35	\$46,057	\$220,000	\$266,057

Revenues:

<i>Account Number</i>	<i>Original Budget</i>	<i>Budget Increase</i>	<i>Amended Budget</i>
010-0000-363-99-30	\$0	\$220,000	\$220,000

SECTION II. That the City Council finds that the public notice and public hearing requirements of Section 56 of the City Charter have been complied with prior to the enactment of this ordinance.

SECTION III. That should any section or part of any section or paragraph of this ordinance be declared invalid or unconstitutional for any reason, it shall not invalidate

or impair the validity, force or effect of any other section or sections or part of a section or paragraph of this ordinance.

SECTION IV. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

SECTION V. That this ordinance shall be effective after its passage and publication according to the law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this 28th day of April, 2015, at which meeting 1a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, 551.001 *et seq.*

APPROVED

Scott Cospers, MAYOR

ATTEST:

Dianna Barker, CITY SECRETARY

APPROVED AS TO FORM:

Kathryn H. Davis, CITY ATTORNEY