



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2023

CITY OF ALLEN, TEXAS · 305 CENTURY PARKWAY · ALLEN, TEXAS



# **CITY OF ALLEN, TEXAS**

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

**AS PREPARED BY THE  
FINANCE DEPARTMENT**



**City of Allen, Texas**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended September 30, 2023  
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# Introductory Section





March 19, 2024

Mayor Baine Brooks,  
The Honorable Mayor and Members of the Allen City Council,  
Citizens of Allen:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Allen, Texas (the City), for the fiscal year ended September 30, 2023.

This report is published to provide the City Council, our citizens, City staff, and other readers with detailed information concerning the financial position and activities of the City. Management has prepared the report and is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Also included in this report is an unmodified ("clean") opinion on the City of Allen's financial statements for the year ended September 30, 2023, issued by Weaver and Tidwell, L.L.P. The independent auditors' report is located at the beginning of the financial section of the ACFR.

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. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

## **REPORTING ENTITY**

This report includes all funds of the City including its component units. Component units are legally separate entities for which the City is financially accountable but are not part of the City's operations. The Allen Economic Development Corporation (AEDC) and Allen Community Development Corporation (ACDC) are included in the financial statements as discreetly presented component units.

## **CITY PROFILE**

The City of Allen is in Collin County, which is the 3rd fastest-growing county in the nation. Collin County's population, 1,158,696 in 2022 and is expected to reach 2.4 million by 2050. Located 25 miles north of downtown Dallas on US 75, Allen encompasses approximately 27 square miles. The George Bush Tollway and Sam Rayburn Tollway (Hwy 121) provide direct access into the Metroplex and access to Love Field (27 miles) and Dallas Ft Worth International Airport (31 miles). The City of Allen sits in a prime location for restaurants, shopping centers and other retail venues. The quality of the City's community attracts well-educated residents with a high level of spending power and disposable income. Allen's population reached 111,551 residents in 2022, more than doubling from just over 45,000 in the year 2000 and is projected to reach approximately 140,000 at build-out.

Incorporated in 1953, Allen is a home rule charter city. The Charter can be amended only by a vote of the people and provides for seven non-partisan Council members, including the Mayor, to be elected at-large to staggered terms of three years. The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as adopting the annual budget which serves as the foundation for financial planning and control. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The Council also appoints the Municipal Judge and various advisory boards.

City service departments provide a full range of services including police and fire protection, emergency ambulance service, municipal courts, building code enforcement, library, parks and recreation, tourism, water and sewer services, sanitation/solid waste services, traffic engineering, and construction and maintenance of streets and infrastructure. The City currently has a staff of 937.17 full time equivalent employees.

## **ECONOMIC CONDITIONS AND OUTLOOK**

### **Regional Economy**

The Dallas-Fort Worth area has an incredibly diversified economy, an extremely low unemployment rate, a growing labor force, low cost of living, affordable real estate, and a superior business climate. The City of Allen's unemployment rate as of September 2023 was 3.5%, and the Collin County unemployment rate was 3.7% -- both of which were below the national rate of 3.8%. Allen has increasingly become a home for highly educated, high-income professionals, yet maintains a welcoming spirit for people and families from all stations of life. The median household income in Allen was \$121,259 in 2022, and over 55% of the City's residents have earned a bachelor's degree or higher.

### **Allen's Position in the Region**

Along with being situated in an ideal location just 12 miles north of Dallas on US 75, Allen's appealing demographics have spurred along record-breaking growth. The population of 111,551 is expanding at a moderate growth rate. Allen is a community that offers exceptional housing, award-winning schools, steady job growth, and a dynamic business climate, all of which are strong factors in the success of the City's economy.

Allen is a vibrant city with award winning amenities. The pro-business environment and superior quality of life come together to empower Allen's residents and businesses to achieve higher levels of success. This unique combination has received national recognition, including Wallet Hub ranking Allen the 2<sup>nd</sup> best real-estate market in America. (2022)

### **Long Range Financial Planning**

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in its fiscal health. The City has a five-year financial plan and a seven-year capital improvement plan where departments reevaluate project priorities, review funding sources, and identify new projects as needed. Using this plan allows the City to plan the timing of projects associated with debt issuance and the effects on the tax rate. The ratings on the City's General Obligation debt were reaffirmed at AAA by Standard and Poor's and Aaa by Moody's. The Water and Sewer Revenue Bonds are rated 'AAA' from Standard and Poor's and Aa2 from Moody's. S&P's recent rating report supporting the 'AAA' rating stated the following credit factors:

- Very strong economy
- Very strong management with strong financial policies and practices
- Very strong budgetary flexibility and strong budgetary performance
- Very strong liquidity
- Adequate debt and contingent liability position
- Strong institutional framework score.

During fiscal year 2016, the City began a CIP Bond Program that totaled \$93 million and estimated to be completed over seven years. Since that time Allen has issued \$93 million related to the bond program. The City held a Bond Election in November of 2023 for \$156,500,000. There were five propositions on the ballot and but for one proposition, all were approved by the voters. The four propositions that passed are for public improvements.

## Fiscal Year 2023 Highlights

During fiscal year 2023, the City accomplished many initiatives to enhance livability, improve personal experience, invest in the future, and celebrate the successes. From quality neighborhoods to park development, community safety, and environmental initiatives, it's no surprise that people move here to experience the quality of life the citizens of Allen enjoy.

The City continues to meet the growing diversity of residents by adding a variety of housing types--single-family homes, townhomes, and multifamily units; single-family and townhome revenue activity represent the predominant revenue sources. Permit activity for commercial and mixed-use development showed the greatest revenue across all development types, due largely to the development activity in the Watters Creek District and The Farm mixed-use development.

The City has an overall crime rate of 10 per 1,000 residents compared to other communities of similar population size, the City has a crime rate that is one of the lowest in the nation. According to Homesnacks list of Safest Cities in America for 2023, Allen ranks the 12<sup>th</sup>, and the 13<sup>th</sup>, among lists of the safest cities with a population exceeding 100,000 residents. Regarding violent crimes, *NeighborhoodScout's* research shows that Allen's violent crime rate is .92 or less than 1 per 1,000 inhabitants, which is well below the national average for all communities of all population sizes.

The Fire Department is currently focused on improving emergency services and care for its citizens and visitors. The department has updated medical treatment protocols to include the latest in-patient care, expanded professional development programs for staff, and provided education programs to the community. Additionally, the department has implemented a new records management system to better organize data. Construction of Fire Station #6 is almost completed, and the department has increased inter-operability with neighboring fire departments through joint training and resource sharing.

Environmentally focused public activities continued to be a priority for the community and residents of the City. Educational opportunities were provided to homeschoolers, our local public and private schools, scouts, and youth camps. The City was able to provide 58 programs to 2,053 children and adults. Various Keep Allen Beautiful (KAB) youth contests and award ceremonies were conducted before the Allen City Council at Regular City Council meetings. Our franchised waste services provider, Community Waste Disposal, continued to support all residential and commercial waste and recycling activities including the major KAB events like Great American Clean Up, the city's "Allen USA" Independence Day Celebration, and Allen Recycles Day. The year 2023 marked the City's 22nd year as a Tree City USA, and its 21st National Arbor Day Foundation Growth Award. KAB and the City continue to be recognized by Keep Texas Beautiful as a Gold Star Affiliate and Sustained Excellence Award Winner. KAB has won the Keep Texas Beautiful Governor's Community Achievement award a total of three times. This recognizes the City and KAB as sponsoring the best in public environmental education activities among Texas cities similar to our population.

During fiscal year 2023, the CDC oversaw the expenditure of Type B half-cent sales tax revenue on projects that enhanced the overall quality of life in Allen. Some of these projects included: construction of various hike and bike trails, Allen USA Celebration, a new dog park, Allen Heritage Village, various playground renovation/replacements and shade structure additions, construction of the Stephen G Terrell Recreation Center and Park, and the master planning of Molsen Farm.

The Allen Public Library (the "Library") continues to provide a vibrant, welcoming environment for Allen citizens with an emphasis on exemplary customer service and support for lifelong learning, literacy, access to information, and bringing the community closer together. To encourage literacy and lifelong learning, the Library offers programs for children and teens on art, science (including STEM kits for checkout), animals, and reading. Adults find opportunities to feed their literary, cultural, historical, musical, and travel interests augmented by hands-on activities for crafts and food. During the hot Texas summers, visitors of all ages participate in the cool Summer Reading Clubs, while reading, learning, and earning prizes. The Library's digital collection, both e-books and e-audiobooks, continued to grow with the cloud Library service, notably through a consortium with sixty-eight other Texas libraries, to offer more than 272,000 items. Physical books and DVD's remain popular among patrons of all ages. During fiscal 2023, the Library was recognized by the Texas Municipal Library Directors Association for the tenth consecutive year for Achievement of Library Excellence. The Library also provided residents with access to information outside the Library through databases, Interlibrary Loans, and expanded options for digital books, audiobooks, digital magazines, digital graphic novels, and streaming videos from cloud Library.

The Allen Economic Development Corporation (AEDC) worked to bring a variety of companies and related development to Allen. Sol-Ark, a manufacturer of solar power invertors, committed to relocating their corporate headquarters and production into 300,000-SF in Allen, bringing 400 new jobs. AEDC secured the headquarters and distribution facility for Grupo OmniLife, a large Mexico-based maker of health and sports related supplements. The project also includes the construction of a second 75,000-SF spec office/showroom from Heady Investments. Additional office tenants who committed to Allen in FY23 include: Resi Media/Pushpay and Inbenta.

One of the City's major draws, The Credit Union of Texas Event Center, consists of a main arena and support facilities, the Allen Community Ice Rink, the south parking structure, and shared ownership of the north parking structure with The Village at Allen. The Center hosts a wide variety of activities including shows, concerts, exhibitions, contests, athletic competitions, cultural events, trade shows, as well as civic ceremonies and activities. We are beginning to see pre-pandemic levels of participation at sporting events and live shows helping to bring in an annual estimated impact of over \$12,000,000. The Event Center is also the home to professional sports; the Allen American Hockey Club (ECHL), and the Dallas Sidekicks Soccer Club (MASL). The Center celebrated its 14th anniversary in November 2023.

With all this happening within Allen's borders, it's clear that the city is working hard to provide every resident and visitor with great experiences, services, and safety.

### **Relevant Financial Policies**

The City's financial policies and practices set forth the basic framework for the fiscal management of the City. The policies and procedures were developed within the parameters established by applicable provisions of the Texas Local Government Code, the City of Allen charter, and internal management laws, and are reviewed on a periodic basis. The Investment Policy is also approved annually by the Council. All other policies (accounting, budgeting, procurement, capital improvements, asset management, and risk management) are internal policies approved by the Finance department and City Manager. On a quarterly basis, the Finance Department prepares financial and investment reports that are presented to the City Council.

### **Internal Control**

Management of the City, through its Finance Department, is responsible for the implementation, maintenance, and monitoring of a set of comprehensive internal controls. The goal of the City's system of internal control is to limit opportunity for theft, fraud, or abuse by ensuring adequate separation of duties and systematic monitoring with a positive control environment set at the top of the organization. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### **AWARDS AND ACKNOWLEDGEMENTS**

**Awards** -- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Allen for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. Fiscal year 2022 was the twenty-third consecutive year for which the City has achieved this prestigious award. To be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual program of services dated October 1, 2022. This is the twenty-third consecutive year the City has received the award. To qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy document, financial plan, operations guide, and communications device.

**Acknowledgements** – We would like to express our sincere gratitude to City’s personnel who contributed to the production of this report, especially the accounting division. Appreciation is expressed to representatives of Weaver, LLP, for their invaluable assistance in producing the final document, and to the City Manager’s office and the members of the City Council, whose leadership and commitment are vital to the health and vitality of the City of Allen.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Eric Ellwanger', with a large, stylized flourish at the end.

Eric Ellwanger  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Allen  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

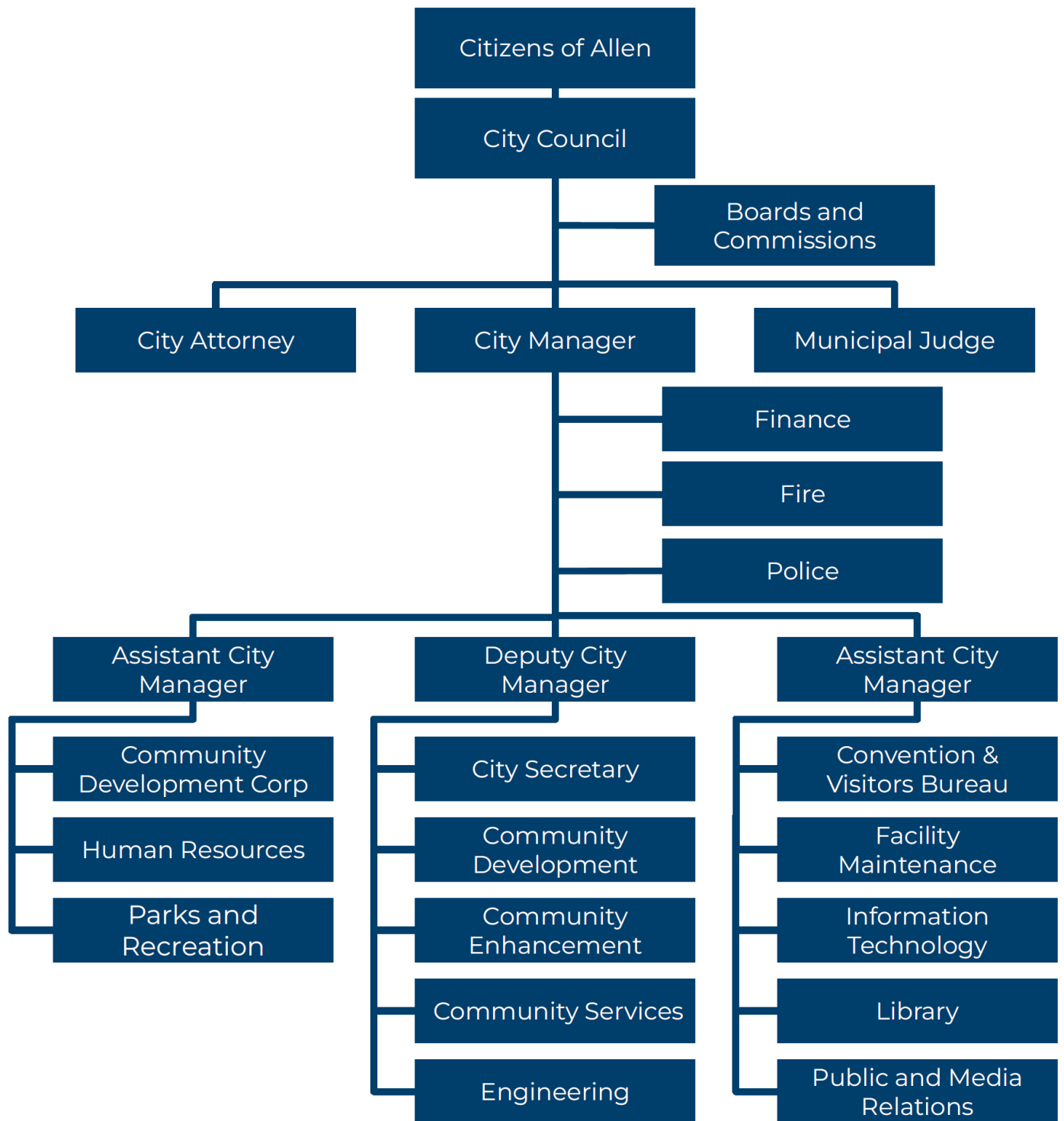
*Christopher P. Morrill*

Executive Director/CEO



# CITY OF ALLEN

## ORGANIZATIONAL CHART



**CITY OF ALLEN, TEXAS  
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
SEPTEMBER 30, 2023**



**City Council**

Mayor	Baine Brooks
Mayor Pro Tem, Place No. 4	Chris Schulmeister
Councilmember, Place No. 1	Daren Meis
Councilmember, Place No. 2	Tommy Baril
Councilmember, Place No. 3	Dave Cornette
Councilmember, Place No. 5	Dave Shafer
Councilmember, Place No. 6	Ben Trahan

**Management Staff**

City Manager	Eric Ellwanger
Chief Financial Officer	Peter Phillis
Assistant Chief Financial Officer	Mark Davies
Controller	Allyson Baker
Chief Accountant	Tru Nguyen

# **Financial Section**



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

The Honorable Mayor and Members of City Council  
City of Allen, Texas

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and budgetary comparison schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information Included in the Annual Comprehensive Financial Report (ACFR)**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
March 19, 2024





## Management's Discussion and Analysis

As management of the City of Allen, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2023, by \$679,174,450. Of this amount, \$141,941,460 (23%) represented the unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$13,107,608. Out of this, \$2,304,502 is from governmental activities and \$10,803,106 is from business-type activities.
- On a government-wide basis, the City's total assets increased by \$18,156,728 or 2% and total liabilities increased by \$40,657,673 or 19%.
- As of September 30, 2023, the City's governmental funds reported combined ending fund balances of \$125,075,963 a decrease of \$5,655,724 or 4% in comparison to the previous year. As of September 30, 2023, \$31,416,575 or 25% of the fund balance, is available for spending at the government's discretion (unassigned fund balance).

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements 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 other supplementary information in addition to the basic financial statements.

**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 like that of a private-sector business.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure.

The Statement of Activities presents information that shows how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Accordingly, 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 compensated absences). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

In the government-wide financial statements, on pages 22 through 24, the City is divided into three kinds of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including the police, fire, library, community development, parks and recreation, municipal court, and general administration. Property and sales taxes, charges for services, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities** - The City's water, sewer, solid waste, drainage, and golf course operations are reported here. These are functions intended to recover all or a significant portion of their costs through user fees and charges.
- **Component units** - The City includes two separate legal entities in this report: the Allen Economic Development Corporation (AEDC) and the Allen Community Development Corporation (ACDC). Although legally separate, these component units are important because the City is financially accountable for them.

**Fund financial statements** - A fund is a grouping of related accounts 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. The funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds.

**Governmental Funds** - These funds are used to account for most of the City's activities, which are essentially the same functions as governmental activities in the government-wide 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 resources available for future spending at fiscal year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. When compared with similar information in the broader government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliation is provided, which details the relationships or differences between governmental activities and governmental funds; reconciliation follows the fund financial statements.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, General Capital Projects Fund, Grants Fund and General Obligation Bond Fund, all of which are major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 25 through 31 of this report.

**Proprietary Funds** - The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection and disposal services, drainage operations, golf course and event center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for vehicle, machinery, and equipment replacements and costs associated with workers compensation, liability and property insurance, and employee medical and dental insurance programs. These services have been included within governmental activities in the government-wide financial statements as they predominantly benefit governmental rather than business-type functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, solid waste collection, and disposal services since they are major funds of the City. The Drainage Fund and the Golf Course Fund are the only remaining enterprise funds, and they are being presented as major funds even though they do not meet the criteria of a major fund. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules elsewhere in this report.

The basic proprietary fund financial statements are located on pages 32 through 36 of this report.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements are located on pages 37 and 38 of this report.

**Notes to the Financial Statements** - Additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements is provided in the notes to the financial statements located on pages 42 through 80 of this report.

**Required Supplementary Information** includes budgetary comparison schedules that have been provided for the general fund and grants fund to demonstrate compliance with the budget. Required supplementary information also includes schedules of changes in net liabilities and related ratios and on contributions to the City's pension and other postemployment benefits (OPEB). The City participates in Texas Municipal Retirement System (TMRS) for its pension plan and provides its employees with post-retirement healthcare benefits (OPEB). The required supplementary information is found on pages 83 through 90 of this report.

The combining and budgetary schedules referred to earlier include information for nonmajor governmental funds, internal service funds, and the discretely presented component units, and are presented immediately following the required supplementary information.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of the financial position of a government. The assets and deferred outflows of the City of Allen exceed the liabilities and deferred inflows by \$679,174,450 at September 30, 2023.

By far the largest portion of the City's net position, \$512,337,702 or 75%, reflects its net investment in capital assets (i.e. land, buildings, infrastructure, vehicles, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position, \$24,895,288 or 4%, represents resources that are subject to external restrictions on how those resources can be used. The remaining balance of \$141,941,460 (21%) is available to be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported a positive balance 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. The same situation held true for the prior fiscal year.

The net position for governmental activities and business-type activities are summarized as follows:

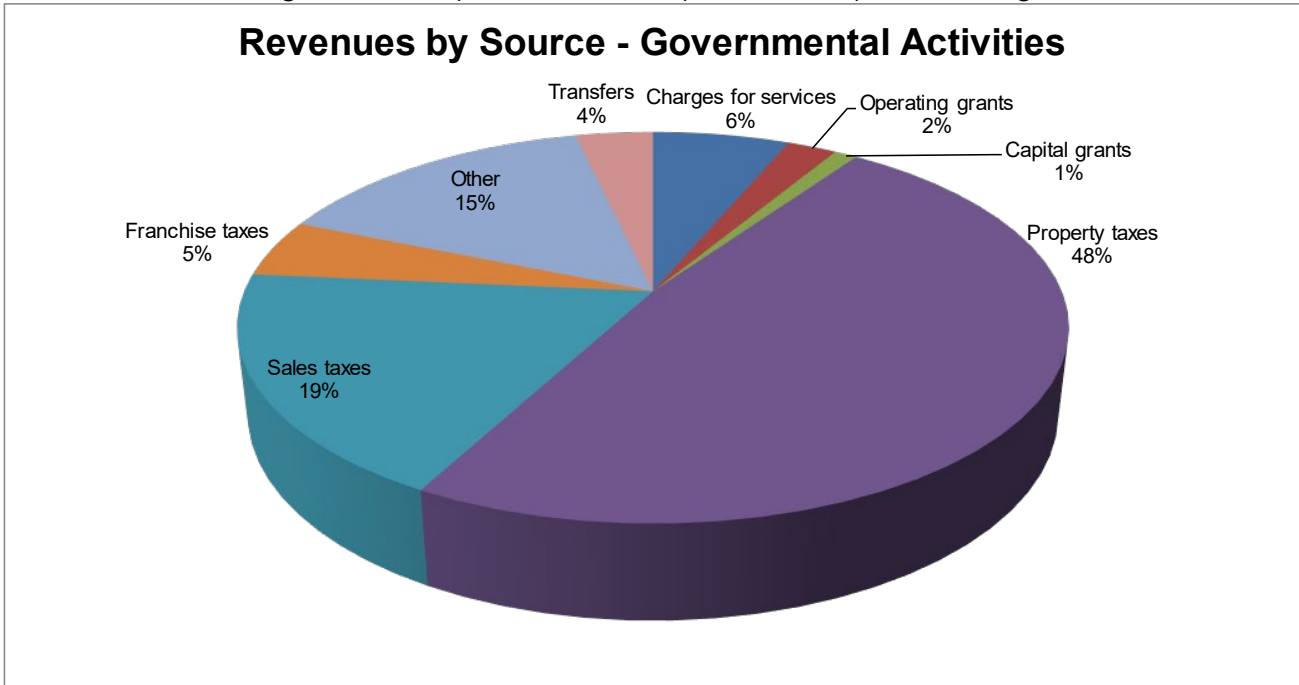
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 182,460,034	\$ 187,962,485	\$ 81,731,599	\$ 87,665,268	\$ 264,191,633	\$ 275,627,753
Capital assets	492,207,665	481,832,657	150,597,204	131,379,364	642,804,869	613,212,021
Total assets	674,667,699	669,795,142	232,328,803	219,044,632	906,996,502	888,839,774
Deferred outflows of resources	28,117,426	10,041,701	4,127,809	1,252,185	32,245,235	11,293,886
Long-term liabilities	191,786,745	153,972,967	36,931,924	33,303,148	228,718,669	187,276,115
Other liabilities	21,269,923	25,320,841	8,356,386	5,090,349	29,626,309	30,411,190
Total liabilities	213,056,668	179,293,808	45,288,310	38,393,497	258,344,978	217,687,305
Deferred inflows of resources	1,558,993	14,678,073	163,316	1,701,440	1,722,309	16,379,513
Net position:						
Net investment in capital assets	389,804,091	392,949,598	122,533,611	108,374,156	512,337,702	501,323,754
Restricted	22,260,823	16,101,110	2,634,465	1,230,726	24,895,288	17,331,836
Unrestricted	76,104,550	76,814,254	65,836,910	70,596,998	141,941,460	147,411,252
<b>Total net position</b>	<b>\$ 488,169,464</b>	<b>\$ 485,864,962</b>	<b>\$ 191,004,986</b>	<b>\$ 180,201,880</b>	<b>\$ 679,174,450</b>	<b>\$ 666,066,842</b>

As of September 30, 2023, the City had an overall increase in net position of \$13,107,608 for the primary government, which represents an increase of \$2,304,502 for governmental activities and an increase of \$10,803,106 for business-type activities. Details are in Table 2 as listed below.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 10,110,093	\$ 13,259,722	\$ 86,317,673	\$ 71,283,519	\$ 96,427,766	\$ 84,543,241
Operating grants and contributions	3,639,508	5,477,428	-	-	3,639,508	5,477,428
Capital grants and contributions	1,675,949	11,162,094	4,267,362	4,072,343	5,943,311	15,234,437
General revenues:						
Property taxes	76,465,116	74,289,475	-	-	76,465,116	74,289,475
Sales tax	29,480,960	27,609,918	-	-	29,480,960	27,609,918
Franchise taxes	7,573,389	7,481,353	-	-	7,573,389	7,481,353
Hotel motel taxes	2,382,951	2,074,533	-	-	2,382,951	2,074,533
Other taxes	1,406,052	1,425,226	-	-	1,406,052	1,425,226
Investment earnings (loss)	8,614,384	(4,921,824)	2,238,213	(1,830,191)	10,852,597	(6,752,015)
Gain on sale of capital assets	-	291,333	-	-	-	291,333
Miscellaneous	11,688,618	8,689,016	1,075,923	1,147,237	12,764,541	9,836,253
Total revenues	153,037,020	146,838,274	93,899,171	74,672,908	246,936,191	221,511,182
Expenses:						
General government	29,565,683	26,469,412	-	-	29,565,683	26,469,412
Public safety	57,988,034	48,813,300	-	-	57,988,034	48,813,300
Public works	27,241,203	24,226,768	-	-	27,241,203	24,226,768
Culture and recreation	29,952,582	36,053,830	-	-	29,952,582	36,053,830
Community development	6,731,357	5,587,202	-	-	6,731,357	5,587,202
Interest on long-term debt	4,966,234	2,312,561	-	-	4,966,234	2,980,513
Water and sewer	-	-	54,520,345	46,917,817	54,520,345	46,917,817
Solid waste services	-	-	7,563,726	7,088,901	7,563,726	7,088,901
Drainage	-	-	1,588,923	1,349,306	1,588,923	1,349,306
Golf course	-	-	4,267,842	3,800,645	4,267,842	3,800,645
Allen event center	-	-	9,442,654	-	9,442,654	-
Total expenses	156,445,093	143,463,073	77,383,490	59,156,669	233,828,583	202,619,742
Change in net position before transfers	(3,408,073)	3,375,201	16,515,681	15,516,239	13,107,608	18,891,440
Transfers	5,712,575	6,365,977	(5,712,575)	(6,365,977)	-	-
Change in net position	2,304,502	9,741,178	10,803,106	9,150,262	13,107,608	18,891,440
Net position, beginning of year	485,864,962	476,123,784	180,201,880	171,051,618	666,066,842	647,175,402
Net position, end of year	\$ 488,169,464	\$ 485,864,962	\$ 191,004,986	\$ 180,201,880	\$ 679,174,450	\$ 666,066,842

**Governmental activities**

Revenues – The following chart visually illustrates the City's revenue by sources for governmental activities:



Revenues for the City's governmental activities totaled \$153,037,020, an increase of \$6,198,746 (4%). Major components of revenue increases and decreases are explained as follows:

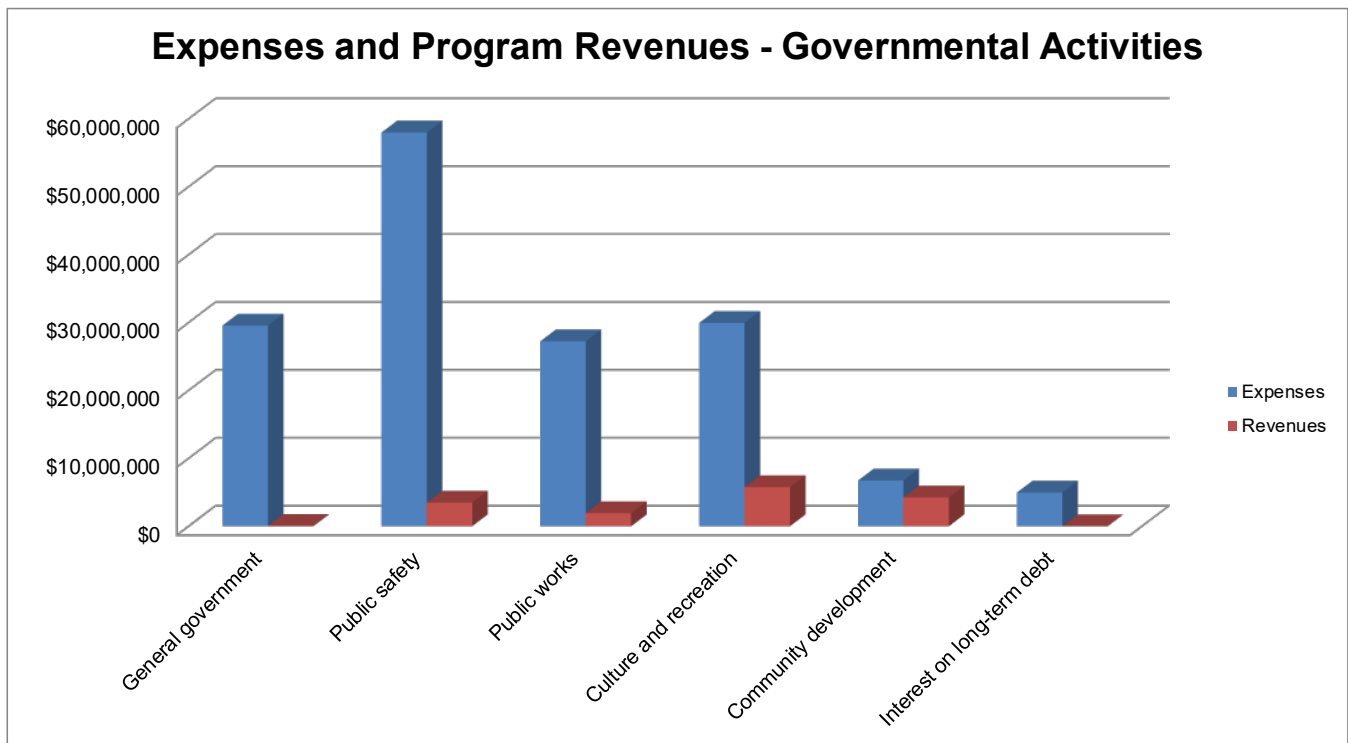
- Property taxes increased by \$2,175,641 (3%), due to an increase in assessed value and new property additions.
- Sales taxes increased by \$1,871,042 (7%), as a result of better than expected economic conditions. The City of Allen is largely dependent upon retail sales. Consumers purchased more goods than expected.
- Franchise taxes increased by \$92,036 (1%), due to new growth in the City.
- Hotel motel taxes increased \$308,418 (15%), as a result of increased tourism.
- Charges for services decreased by \$3,149,629 (24%) primarily due the Allen Event Center being accounted for as business-type activities in the current fiscal year as opposed to governmental in the prior fiscal year.
- Operating grants and contributions decreased by \$1,837,920 (34%), due to a decrease in recognition of grant revenue as compared to the prior year.
- Capital grants and contributions decreased by \$9,486,145 (85%) with lower construction activities.
- Investment earnings increased by \$13,536,208 (275%) over prior year, as a result of higher interest rates and an increase in fair market values of investments during fiscal 2023.

Expenses for governmental activities totaled \$156,445,093, an increase of \$11,871,702 (8%) from fiscal year 2022. Components of increases and decreases are explained as follows:

- Expenses for General Government increased by \$3,096,271 (12%), due primarily to an economic grant for "The Farm", a mixed-use development that was part of a large economic development project for the City.
- Expenses for Public Safety increased by \$9,174,734 (19%), due primarily to the scheduled salaries market adjustment for both Fire and Police departments and the expense of contributing to the internal service fund for equipment replacement.
- Expenses for Public Works increased by \$3,014,435 (12%), because the City is completing its bond program.

- Expenses for Culture and Recreation decreased by \$6,101,248 (17%), due to the Event Center fund being moved out of the General Fund governmental activities to a new Enterprise Fund.
- Expenses for Community Development increased \$1,144,155 (20%) due mostly to salary increases.

The following chart illustrates the relationship between expenses and program revenues for governmental type activities:



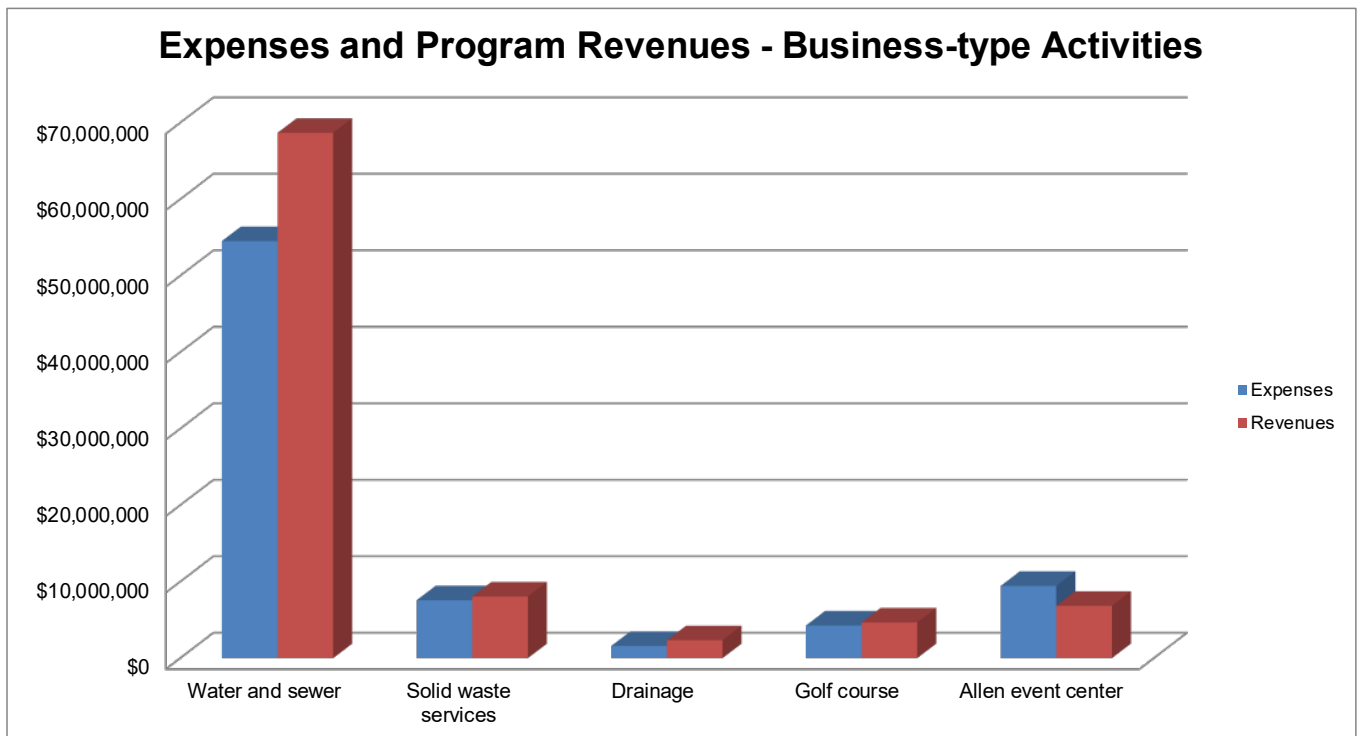
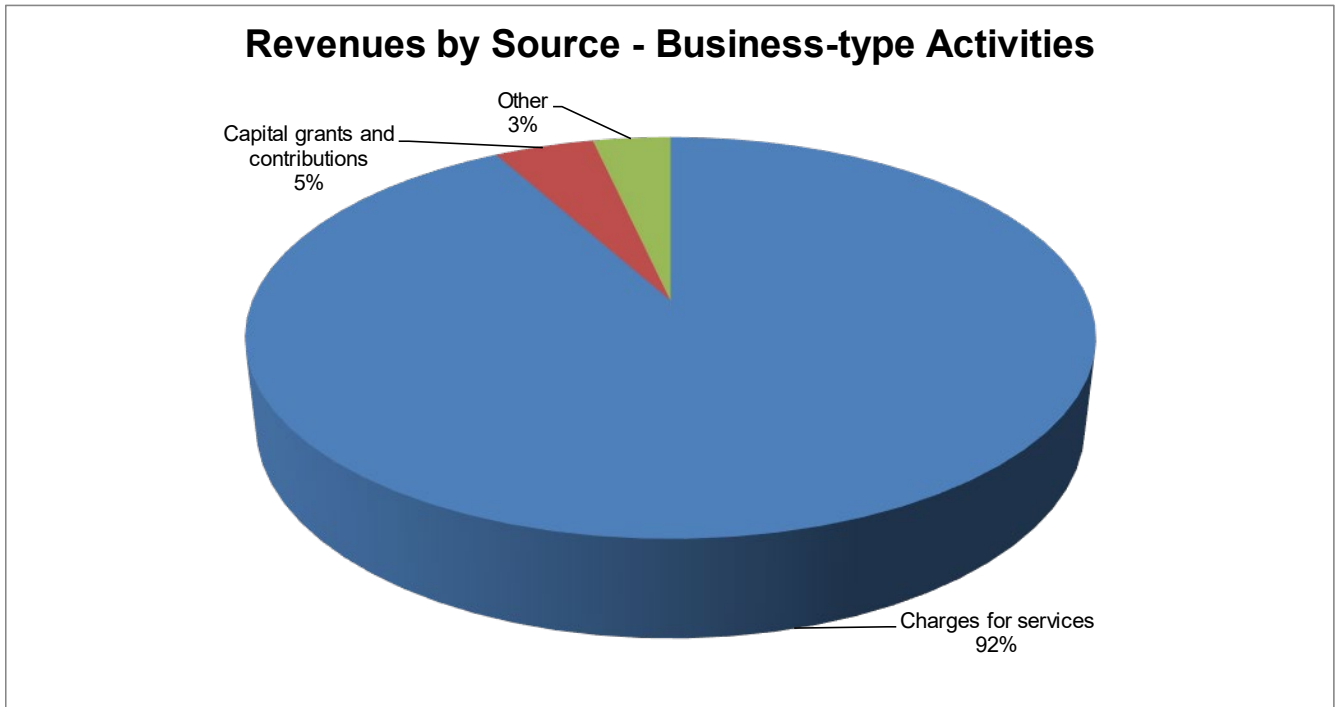
### Business-type activities –

Revenues from business-type activities totaled \$93,899,171, an increase of \$19,226,263, or 26%. Major components of the net decrease are as follows:

- Charges for services for business-type activities increased by \$15,034,154 (21%), due to an increase in water and sewer rates and a very dry summer and the Allen Event Center moving from governmental activities to business-type activities in fiscal year 2023.
- Investment earnings increased by \$4,068,404 (222%) over fiscal 2022 due to higher interest rates offset by a larger increase in the fair market value of investments during fiscal year 2023.

Expenses for business-type activities increased by \$18,226,821, or 31%. The increase was due to an increase in cost of services and supplies. The following chart illustrates the relationship between expenses and program revenues for business-type activities:

Revenues – The following chart visually illustrates the City's revenue by sources for business-type activities:



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

### Governmental funds

The focus of the City of Allen's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the governmental funds reported a combined ending fund balance of \$125,075,963, a decrease of \$5,655,724 or (4%) in comparison with the prior fiscal year. Approximately 25%, or \$31,416,575, constitutes unassigned fund balances, which are available for spending at the government's discretion. The remaining fund balances are classified as non-spendable, restricted, or assigned to indicate that they are not available for new spending allocation. The non-spendable portion includes \$114,595 related to prepaid items and \$26,709 associated with inventories. The restricted portion includes: debt service (\$3,938,037), capital expenditures (\$40,471,307), tourism (\$2,627,044), asset forfeiture (\$88,309), state and federal grants (\$238,514), park acquisition and development (\$1,849,269), tax increment financing agreements (\$11,878,998), court technology and security (\$136,756), juvenile case manager (\$1,168), PEG fees (\$717,668), radio system (\$460,641), public safety and library enhancements (\$314,813), and cemetery trust (\$67,335). In addition, \$29,805,326 was assigned to capital expenditures and \$922,899 to other purposes.

**General Fund.** The General Fund is the chief operating fund of the City. As of the end of the current fiscal year, the total unassigned fund balance was \$31,416,575, while the total fund balance was \$32,548,113. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28% of total General Fund expenditures.

The original budget included a planned balanced budget with no change in fund balance. However, the General Fund balance increased by \$3,768,189 or 13% during the current fiscal year. This was the result of achieving actual expenditures below budget and reductions in culture and recreation expenditures and planned capital outlay that carried over to the next fiscal year.

**Debt Service Fund.** The Debt Service Fund balance of \$3,938,037, all of which is restricted for the payment of debt, represents an increase from the prior year of \$3,017,830 (77%). The increase was primarily related to a \$3,000,000 transfer in from the General Fund.

**Capital Projects Fund.** The General Capital Projects Fund provides information on cash financed capital projects and had an ending fund balance of \$29,805,326 at September 30, 2023, a decrease of \$5,404,230. Revenues and other financing sources totaled \$6,172,561, which includes \$2,550,000 from other funds to cash finance capital projects, and \$805,533 in charges for median and streets improvements. Total expenditures and other uses of \$11,576,791 consisted primarily of \$2,488,187 for the Stephen G. Terrell Recreation Center and \$631,481 for traffic signal improvements on Bethany.

**Grants Fund.** The Grants Fund accounts for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets and had an ending fund balance of \$238,514, which is unchanged from the prior year. In fiscal year 2023, Advanced funding of \$5,079,935 from the American Rescue Plan Act (ARPA) was received in fiscal year 2022 and an additional \$5,079,935 was received in fiscal year 2023. There was \$6,231,619 in ARPA expenditures during fiscal year 2023 and the remaining balance of \$2,529,193 is recorded as unearned revenue.

**General Obligation Bond Fund.** The General Obligation Bond Fund had an ending fund balance of \$40,471,307, which represents a decrease of \$9,298,614 (23%) from the prior year. Expenditures totaled \$25,378,515, which consisted mainly of \$15,507,022 in construction costs for bond projects including the Stephen G. Terrell Recreation Center, the Library expansion Phase II, the Highway Safety Improvement Project, and improvements to Ridgeway Dr. The City also had an Economic Grant Expense to the Farm Development Corporation in the amount of \$2,179,886. Other financing sources consisted mainly of issuance of bonds totaling \$14,525,000 and the related premium of \$771,340.



## Proprietary funds

The City's proprietary funds provide information like the presentation in the government-wide financial statements, but in more detail. As of September 30, 2023, the unrestricted net position for all enterprise funds were as follows: Water and Sewer, \$57,883,277; Solid Waste, \$2,823,623; Drainage, \$1,455,197; Golf Course, \$2,770,609; and Allen Event Center (\$672,780). The total change in net position for these funds was an increase of \$10,650,764; an increase of \$26,672; an increase of \$376,350; an increase of \$422,100; and a decrease of \$672,780, respectively.

The Water and Sewer Fund had an increase in net position as a result of an increase in water and sewer rates. The Solid Waste Fund had an increase in net position due to an increase in garbage collection fees. The Drainage Fund had an increase in net position due to an increase in inspection fees and a decrease in operating expenses. The Golf Course Fund had an increase in net position due to the increase in driving range and green fee revenues. The Allen Event Center fund had a decrease in net position due to a large increase in personnel costs, particularly in the expense related to the change in net pension liability.

## General Fund Budgetary Highlights

During April and May each year, all accounts are evaluated to determine whether they are in line with the original budgets. Accounts that are under or over budget are revised to meet year-end final estimates. New projects are not added to the year-end estimate; only the cost of maintaining the current base operation is revised as needed. As is customary, during fiscal year ended September 30, 2023, the City Council amended the budget for the General Fund one time.

Adjustments made during fiscal year 2023 increased the original revenue budget by \$2,283,762 and increased the expenditure budget by \$1,519,369. Due to actual expenditures being \$4,902,869 less than the revised budget and revenues over the revised budget by \$2,049,598, the City was able to increase the unassigned General Fund balance by \$3,768,189, after net transfers. The unassigned fund balance of \$31,416,575 is equal to 25%, or 90 days of next year's operating budget.

## CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, was \$642,804,869 (net of accumulated depreciation). Investment in capital assets includes land and improvements, buildings, vehicles, machinery and equipment, park land and facilities, roads and bridges. About 77% of the capital assets are governmental and 23% represent business-type activities. There was an increase of 3% in the investment in capital assets for the current fiscal year.

**Table 3**  
**Capital Assets at Year-end, Net of Accumulated Depreciation/Amortization**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 168,211,753	\$ 164,253,182	\$ 4,091,626	\$ 4,091,626	\$ 172,303,379	\$ 168,344,808
Buildings	64,628,539	67,379,851	-	-	64,628,539	67,379,851
Towers, tanks, and pump stations	-	-	107,883,393	107,329,605	107,883,393	107,329,605
Intangibles	-	-	7,727,847	7,994,325	7,727,847	7,994,325
Other Improvements	175,953,014	191,827,851	882,943	936,316	176,835,957	192,764,167
Furniture and fixtures	136,519	150,386	-	-	136,519	150,386
Vehicles	7,156,718	5,374,307	347,641	463,267	7,504,359	5,837,574
Machinery and equipment	6,644,308	6,807,609	1,110,085	1,381,460	7,754,393	8,189,069
Construction in progress	69,476,814	46,039,471	28,553,669	17,177,090	98,030,483	63,216,561
Total	\$ 492,207,665	\$ 481,832,657	\$150,597,204	\$ 139,373,689	\$ 642,804,869	\$ 621,206,346

The major governmental-type capital improvement projects and developer contributions during the current fiscal year included the following:

Developer Contributed Street, Alley, and Right of Way	\$ 1,675,949
S. G. Terrell Community P&R Center	12,001,773
Fire Station #6	6,535,585
Police Department Headquarters	1,580,214
Street construction:	
Traffic Signal Improvements	\$ 1,433,697
Highway Safety Improvement Project	984,753

Business-type capital improvement projects and developer contributions during the current fiscal year include the following:

Developer Contributed Water Mains and Sewer Lines	\$ 1,758,952
Stacy Road Pump Station Rehabilitation	2,804,599
24" Waterline Sloan Creek	2,973,344
Advanced Meter Infrastructure	8,949,256

Additional information on the City's capital assets can be found in Note 4 of this report.

## DEBT ADMINISTRATION

As shown in Table 4, the City's total outstanding long term liabilities of the primary government at September 30, 2023, was \$228,718,669. Of this total, \$191,786,745 (84%) was associated with governmental activities and \$36,931,924 (16%) was business-type activities. Total gross bonded debt and a note payable accounted for \$165,508,424, which include \$100,895,000 of General Obligation (G.O.) bonds and \$20,740,000 of Certificates of Obligation backed by the full faith and credit of the primary government; \$25,825,000 secured solely by water and sewer revenues; notes payable balance of \$1,680,000 and \$16,368,424 in net premiums and discounts from bond issuances. Other long-term debt relates to accrued compensated absences, net pension liability, net OPEB liability, and capital leases liability. Outstanding debts associated with the component units totaled \$27,921,582. Out of which, \$27,630,000 are secured by future sales tax revenue; and \$291,582 are premiums and discounts from bond issuances.

During fiscal year 2023, the City issued General Obligation Bonds in the amount of \$14,525,000.

The revenue bond debt for both component units relates to debt issued to support public infrastructure improvements, land acquisition, and construction of the Allen Event Center. Total debt of the Component Units decreased by 10%. Total debt for the Allen Economic Development Corporation decreased by 13%, and for the Allen Community Development Corporation, total debt decreased by 9%.

**Table 4**  
**Outstanding Debt at Year-end**  
**Bonds and Other Long-Term Liabilities**

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross bonded debt								
General obligation bonds	\$ 100,895,000	\$ 95,885,000	\$ -	\$ -	\$ 100,895,000	\$ 95,885,000	\$ -	\$ -
Certificates of obligation	20,740,000	21,870,000	-	-	20,740,000	21,870,000	-	-
Revenue bonds payable	-	-	25,825,000	27,400,000	25,825,000	27,400,000	-	-
Premiums and discounts	13,394,731	13,419,341	2,973,693	3,069,408	16,368,424	16,488,749	291,582	364,477
Sales tax revenue bonds	-	-	-	-	-	-	27,630,000	30,785,000
Tax notes	1,680,000	2,200,000	-	-	1,680,000	2,200,000	-	-
Total gross bonded debt	136,709,731	133,374,341	28,798,693	30,469,408	165,508,424	163,843,749	27,921,582	31,149,477
Other long-term debt								
Compensated absences	8,709,800	8,021,323	1,169,170	801,496	9,878,970	8,822,819	-	-
Net pension liability	44,094,117	9,390,772	6,582,950	1,302,113	50,677,067	10,692,885	-	-
Net OPEB liability	1,448,322	2,165,664	216,225	259,532	1,664,547	2,425,196	-	-
Right-to-use leases	824,775	1,020,867	117,372	279,154	942,147	1,300,021	-	-
Financed purchases	-	-	47,514	191,445	47,514	191,445	-	-
Total other long-term debt	55,077,014	20,598,626	8,133,231	2,833,740	63,210,245	23,432,366	-	-
<b>Total</b>	<b>\$ 191,786,745</b>	<b>\$ 153,972,967</b>	<b>\$ 36,931,924</b>	<b>\$ 33,303,148</b>	<b>\$ 228,718,669</b>	<b>\$ 187,276,115</b>	<b>\$ 27,921,582</b>	<b>\$ 31,149,477</b>

The underlying credit ratings from both Moody's Investors Service and Standard and Poor's for the City's General Obligation Bonds, Certificates of Obligation, Waterworks and Sewer System Revenue Bonds, Community Development Corporation's Sales Tax Bonds, and Economic Development Sales Tax Revenue Bonds are shown below in Table 5. Additional information on the City's long-term debt can be found in Note 5 to the basic financial statements.

**Table 5  
Bond Ratings**

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	Aaa	AAA
Certificates of Obligation	Aaa	AAA
Water & Sewer Revenue Bonds	Aa2	AAA
CDC Sales Tax Revenue Bonds	Aa2	
EDC Sales Tax Revenue Bonds	Aa2	

The City of Allen, Texas continues to be financially strong. Although the economy is the primary factor, the City's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, tax rates and fees that will be charged for the business-type activities. The priority for fiscal year 2024 continues to be maintaining quality service while observing prudent spending practices.

Highlights of the 2024 budget include:

- Balanced budget, with total revenues equal to or greater than total expenditures
- Property tax rate reduced to \$0.4205 per \$100 assessed value
- Total City budget \$300 million
- General Fund budget \$129 million
- Sustained funding for equipment and facilities improvements
- Additional 20 full-time equivalent (FTE) positions

**Request for Information**

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, please contact the Finance Department at 305 Century Parkway, Allen, Texas, 75013, or call (214) 509-4626.



# **Basic Financial Statements**



**City of Allen, Texas**  
Statement of Net Position  
September 30, 2023

**Exhibit 1**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 84,768,339	\$ 32,465,701	\$ 117,234,040	\$ 21,575,830
Investments	85,393,396	25,087,792	110,481,188	22,247,443
Receivables (net of allowance for uncollectibles)	12,846,494	17,911,504	30,757,998	5,132,825
Internal balances	(1,576,984)	1,576,984	-	-
Prepaid items and other assets	236,519	-	236,519	5,000
Net OPEB asset	765,561	-	765,561	-
Inventories	26,709	89,368	116,077	-
Restricted cash and cash equivalents	-	4,600,250	4,600,250	-
Capital assets:				
Non-depreciable	237,688,567	32,645,295	270,333,862	44,753,055
Depreciable (net of depreciation/amortization)	254,519,098	117,951,909	372,471,007	41,018,725
<b>TOTAL ASSETS</b>	<b>674,667,699</b>	<b>232,328,803</b>	<b>906,996,502</b>	<b>134,732,878</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	252,323	-	252,323	129,925
Deferred outflows of resources - OPEB	605,968	58,211	664,179	-
Deferred outflows of resources - pension	27,259,135	4,069,598	31,328,733	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>28,117,426</b>	<b>4,127,809</b>	<b>32,245,235</b>	<b>129,925</b>
<b>LIABILITIES</b>				
Accounts payable	9,185,555	4,161,100	13,346,655	1,302,484
Accrued liabilities	3,463,627	330,640	3,794,267	24,121
Accrued interest payable	646,407	320,785	967,192	66,600
Customer deposits	-	2,373,716	2,373,716	-
Unearned revenue	5,210,762	296,451	5,507,213	-
Retainage payable	2,763,572	873,694	3,637,266	258,134
Non-current liabilities:				
Due within one year	15,872,435	2,002,804	17,875,239	3,405,000
Due in more than one year	175,914,310	34,929,120	210,843,430	24,516,582
<b>TOTAL LIABILITIES</b>	<b>213,056,668</b>	<b>45,288,310</b>	<b>258,344,978</b>	<b>29,572,921</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on refunding	135,786	-	135,786	-
Deferred inflows of resources - OPEB	1,177,506	126,634	1,304,140	-
Deferred inflows of resources - pension	245,701	36,682	282,383	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,558,993</b>	<b>163,316</b>	<b>1,722,309</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	389,804,091	122,533,611	512,337,702	57,173,933
Restricted for:				
Debt service	3,332,287	2,634,465	5,966,752	4,685,423
Net OPEB Asset	765,561	-	765,561	-
Tourism	2,627,044	-	2,627,044	-
Park acquisition and development	1,849,269	-	1,849,269	-
State and federal grants	88,309	-	88,309	-
Tax increment financing	11,878,998	-	11,878,998	-
Other purposes	1,719,355	-	1,719,355	-
Unrestricted	76,104,550	65,836,910	141,941,460	43,430,526
<b>TOTAL NET POSITION</b>	<b>\$ 488,169,464</b>	<b>\$ 191,004,986</b>	<b>\$ 679,174,450</b>	<b>\$ 105,289,882</b>

The Notes to Financial Statements are an integral part of this statement.

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

Functions/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government	\$ 29,565,683	\$ 43,068	\$ -	\$ -
Public safety	57,988,034	3,198,388	266,626	-
Public works	27,241,203	247,203	-	1,675,949
Culture and recreation	29,952,582	2,949,789	2,805,735	-
Community development	6,731,357	3,671,645	567,147	-
Interest on long-term debt	4,966,234	-	-	-
Total governmental activities	156,445,093	10,110,093	3,639,508	1,675,949
Business-type activities:				
Water and sewer	54,520,345	64,410,519	-	4,267,362
Solid waste	7,563,726	8,057,287	-	-
Drainage	1,588,923	2,333,571	-	-
Golf course	4,267,842	4,666,829	-	-
Allen event center	9,442,654	6,849,467	-	-
Total business-type activities	77,383,490	86,317,673	-	4,267,362
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 233,828,583</b>	<b>\$ 96,427,766</b>	<b>\$ 3,639,508</b>	<b>\$ 5,943,311</b>
<b>COMPONENT UNITS:</b>				
Allen Economic Development Corporation	\$ 6,653,336	\$ -	\$ -	\$ -
Allen Community Development Corporation	9,887,112	-	-	-
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 16,540,448</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

General revenues:

Taxes:

- Property taxes
- Sales taxes
- Franchise taxes
- Hotel motel taxes
- Other taxes

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

**CHANGE IN NET POSITION**

**NET POSITION, beginning of year**

**NET POSITION, end of year**



<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>TOTAL</b>	<b>COMPONENT UNITS</b>
\$ (29,522,615)	\$ -	\$ (29,522,615)	\$ -
(54,523,020)	-	(54,523,020)	-
(25,318,051)	-	(25,318,051)	-
(24,197,058)	-	(24,197,058)	-
(2,492,565)	-	(2,492,565)	-
(4,966,234)	-	(4,966,234)	-
<u>(141,019,543)</u>	<u>-</u>	<u>(141,019,543)</u>	<u>-</u>
-	14,157,536	14,157,536	-
-	493,561	493,561	-
-	744,648	744,648	-
-	398,987	398,987	-
-	(2,593,187)	(2,593,187)	-
<u>-</u>	<u>13,201,545</u>	<u>13,201,545</u>	<u>-</u>
<u>\$ (141,019,543)</u>	<u>\$ 13,201,545</u>	<u>\$ (127,817,998)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (6,653,336)
-	-	-	(9,887,112)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,540,448)</u>
\$ 76,465,116	\$ -	\$ 76,465,116	\$ -
29,480,960	-	29,480,960	28,948,370
7,573,389	-	7,573,389	-
2,382,951	-	2,382,951	-
1,406,052	-	1,406,052	-
8,614,384	2,238,213	10,852,597	687,065
11,688,618	1,075,923	12,764,541	654,332
5,712,575	(5,712,575)	-	-
<u>143,324,045</u>	<u>(2,398,439)</u>	<u>140,925,606</u>	<u>30,289,767</u>
2,304,502	10,803,106	13,107,608	13,749,319
<u>485,864,962</u>	<u>180,201,880</u>	<u>666,066,842</u>	<u>91,540,563</u>
<u>\$ 488,169,464</u>	<u>\$ 191,004,986</u>	<u>\$ 679,174,450</u>	<u>\$ 105,289,882</u>

**City of Allen, Texas**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2023**

	<b>General</b>	<b>Debt Service</b>	<b>General Capital Projects</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 123,853	\$ 3,947,125	\$ 7,070,297
Investments	31,204,181	-	23,633,564
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	148,559	40,657	-
Sales taxes	5,105,741	-	-
Accounts receivable	-	-	-
Accrued interest	144,491	-	109,353
Other	3,385,177	-	3,321,045
Inventories	26,709	-	-
Prepaid items	114,595	-	-
<b>TOTAL ASSETS</b>	<b>\$ 40,253,306</b>	<b>\$ 3,987,782</b>	<b>\$ 34,134,259</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 4,272,506	\$ 9,088	\$ 1,303,964
Accrued liabilities	2,078,348	-	218,094
Unearned revenue	8,329	-	2,508,610
Retainage payable	-	-	298,265
<b>TOTAL LIABILITIES</b>	<b>6,359,183</b>	<b>9,088</b>	<b>4,328,933</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	148,559	40,657	-
Unavailable revenue - charges for services	309,010	-	-
Unavailable revenue - ambulance	789,300	-	-
Unavailable revenue - PD alarms	25,285	-	-
Unavailable revenue - court fines and fees	73,856	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,346,010</b>	<b>40,657</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	114,595	-	-
Inventories	26,709	-	-
Restricted			
Debt service	-	3,938,037	-
Capital expenditures	-	-	-
Tourism	-	-	-
Asset forfeiture	-	-	-
State and federal grants	-	-	-
Park acquisition and development	-	-	-
Tax increment financing agreement	-	-	-
Court technology and security	-	-	-
Juvenile case manager	-	-	-
PEG fees	-	-	-
Radio system	-	-	-
Public safety and library enhancements	-	-	-
Cemetery trust	67,335	-	-
Assigned			
Capital expenditures	-	-	29,805,326
Other purposes	922,899	-	-
Unassigned	31,416,575	-	-
<b>TOTAL FUND BALANCES</b>	<b>32,548,113</b>	<b>3,938,037</b>	<b>29,805,326</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 40,253,306</b>	<b>\$ 3,987,782</b>	<b>\$ 34,134,259</b>

The Notes to Financial Statements are an integral part of this statement.

Exhibit 3

<u>Grants</u>	<u>General Obligation Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,356,226	\$ 35,029,003	\$ 11,707,412	\$ 61,233,916
-	9,390,562	6,399,232	70,627,539
-	-	-	189,216
-	-	-	5,105,741
94,326	-	226,525	320,851
-	43,389	29,633	326,866
-	8,086	-	6,714,308
-	-	-	26,709
-	-	-	114,595
<u>\$ 3,450,552</u>	<u>\$ 44,471,040</u>	<u>\$ 18,362,802</u>	<u>\$ 144,659,741</u>
\$ 309,717	\$ 1,775,244	\$ 115,727	\$ 7,786,246
-	-	151,677	2,448,119
2,693,823	-	-	5,210,762
208,498	2,224,489	20,732	2,751,984
<u>3,212,038</u>	<u>3,999,733</u>	<u>288,136</u>	<u>18,197,111</u>
-	-	-	189,216
-	-	-	309,010
-	-	-	789,300
-	-	-	25,285
-	-	-	73,856
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,386,667</u>
-	-	-	114,595
-	-	-	26,709
-	-	-	3,938,037
-	40,471,307	-	40,471,307
-	-	2,627,044	2,627,044
-	-	88,309	88,309
238,514	-	-	238,514
-	-	1,849,269	1,849,269
-	-	11,878,998	11,878,998
-	-	136,756	136,756
-	-	1,168	1,168
-	-	717,668	717,668
-	-	460,641	460,641
-	-	314,813	314,813
-	-	-	67,335
-	-	-	29,805,326
-	-	-	922,899
-	-	-	31,416,575
<u>238,514</u>	<u>40,471,307</u>	<u>18,074,666</u>	<u>125,075,963</u>
<u>\$ 3,450,552</u>	<u>\$ 44,471,040</u>	<u>\$ 18,362,802</u>	<u>\$ 144,659,741</u>

**City of Allen, Texas**

**Exhibit 4**

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
September 30, 2023

Total fund balance of governmental funds balance sheet	\$	125,075,963
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		492,207,665
Funds comprising the net OPEB asset are not current financial resources and therefore are not reported in the governmental funds balance sheet.		765,561
The following deferred outflows of resources and deferred inflows of resources are not reported in governmental funds:		
Deferred loss on refunding	\$	252,323
Deferred gain on refunding		(135,786)
Deferred outflows of resources - OPEB		605,968
Deferred outflows of resources - pension		27,259,135
Deferred inflows of resources - OPEB		(1,177,506)
Deferred inflows of resources - pension		(245,701)
		26,558,433
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability on the governmental funds balance sheet.		(646,407)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds (\$44,463,784) are net of the amount allocated to business-type activities (\$1,576,984) and to capital assets (\$8,278,473).		34,608,327
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.		1,386,667
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		
Long-term liabilities consist of:		
General obligation bonds	\$	(100,895,000)
Certificates of obligation		(20,740,000)
Tax notes		(1,680,000)
Right-to-use leases		(824,775)
Premiums/discounts		(13,394,731)
Compensated absences		(8,709,800)
Net OPEB liability		(1,448,322)
Net pension liability		(44,094,117)
		<u>(191,786,745)</u>
Net position of governmental activities	\$	<u>488,169,464</u>

The Notes to Financial Statements are an integral part of this statement.



# City of Allen, Texas

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

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
<b>REVENUES</b>			
Ad valorem taxes, penalties and interest	\$ 58,160,407	\$ 15,907,229	\$ -
Municipal sales tax	29,267,736	-	-
Franchise taxes	7,454,546	-	-
Licenses, permits and fees	3,520,343	-	-
Charges for services	5,273,847	-	838,942
Fines	1,298,422	-	-
Gifts and contributions	2,565,742	-	-
Hotel / motel fees	-	-	-
Intergovernmental	587,251	-	1,647,850
Investment earnings	4,124,625	434,592	919,227
Miscellaneous	2,929,119	-	216,542
<b>Total revenues</b>	<u>115,182,038</u>	<u>16,341,821</u>	<u>3,622,561</u>
<b>EXPENDITURES</b>			
Current			
General government	23,891,282	-	1,938,780
Public safety	56,106,863	-	-
Public works	6,152,353	-	3,412,150
Culture and recreation	21,411,786	-	2,663
Community development	4,034,780	-	102,622
Capital outlay	519,281	-	6,120,576
Debt service:			
Principal retirement	476,269	11,165,000	-
Interest and fiscal charges	40,814	5,158,991	-
<b>Total expenditures</b>	<u>112,633,428</u>	<u>16,323,991</u>	<u>11,576,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,548,610</u>	<u>17,830</u>	<u>(7,954,230)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of bonds	-	-	-
Premium on bonds issued	-	-	-
Right-to-use leases	280,177	-	-
Transfers in	7,189,554	3,000,000	2,550,000
Transfers out	(6,255,315)	-	-
Proceeds from sale of capital assets	5,163	-	-
<b>Total other financing sources (uses)</b>	<u>1,219,579</u>	<u>3,000,000</u>	<u>2,550,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,768,189	3,017,830	(5,404,230)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>28,779,924</u>	<u>920,207</u>	<u>35,209,556</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 32,548,113</u>	<u>\$ 3,938,037</u>	<u>\$ 29,805,326</u>

The Notes to Financial Statements are an integral part of this statement.

Exhibit 5

<u>Grants</u>	<u>General Obligation Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 2,392,430	\$ 76,460,066
-	-	213,224	29,480,960
-	-	118,843	7,573,389
-	-	244,658	3,765,001
-	-	-	6,112,789
-	-	107,630	1,406,052
-	-	-	2,565,742
-	-	2,382,951	2,382,951
6,874,425	-	209,892	9,319,418
-	1,113,036	590,759	7,182,239
-	-	88,283	3,233,944
<u>6,874,425</u>	<u>1,113,036</u>	<u>6,348,670</u>	<u>149,482,551</u>
-	2,379,140	863,964	29,073,166
15,294	24,152	91,635	56,237,944
2,614,305	4,224,399	-	16,403,207
28,033	-	1,990,715	23,433,197
-	-	-	4,137,402
4,223,783	18,750,824	702,159	30,316,623
-	-	-	11,641,269
-	-	-	5,199,805
<u>6,881,415</u>	<u>25,378,515</u>	<u>3,648,473</u>	<u>176,442,613</u>
<u>(6,990)</u>	<u>(24,265,479)</u>	<u>2,700,197</u>	<u>(26,960,062)</u>
-	14,525,000	-	14,525,000
-	771,340	-	771,340
-	-	-	280,177
6,990	-	-	12,746,544
-	(329,475)	(449,179)	(7,033,969)
-	-	10,083	15,246
<u>6,990</u>	<u>14,966,865</u>	<u>(439,096)</u>	<u>21,304,338</u>
-	(9,298,614)	2,261,101	(5,655,724)
<u>238,514</u>	<u>49,769,921</u>	<u>15,813,565</u>	<u>130,731,687</u>
<u>\$ 238,514</u>	<u>\$ 40,471,307</u>	<u>\$ 18,074,666</u>	<u>\$ 125,075,963</u>

**City of Allen, Texas**

**Exhibit 6**

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended September 30, 2023

Net change in fund balances - total governmental funds		\$ (5,655,724)
Amounts reported for governmental activities in the statement of activities are different because:		
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/amortization expense. This is the amount of capital assets recorded in the current period.		30,316,623
Governmental funds report loss on disposal of capital assets. However, in the statement of activities the loss is reported.		(269,285)
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the acquisition value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		1,675,949
Depreciation/amortization expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.		(22,159,352)
The proceeds from issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:		
Bonds issued	(14,525,000)	
Premium on bonds issued	(771,340)	
Issuance of right-to-use lease	(280,177)	
Bond and lease principal retirement	11,641,269	
Amortization of bond premiums	795,950	
Deferred loss/gain on refunding changes	113,837	(3,025,461)
Current year changes for compensated absences, net pension liability, net OPEB liability/asset, deferred inflows/outflows related to pensions, and OPEB do not require the use of current financial resources and, therefore, are not reported in governmental funds.		(3,779,142)
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		119,736
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net operating and non-operating income and transfers of the internal service funds is reported with governmental activities net of amounts allocated to business-type activities.		4,650,474
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		<u>430,684</u>
Change in net position of governmental activities		<u>\$ 2,304,502</u>



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

**Exhibit 7**

	Business-type Activities					Total	Governmental Activities Internal Service Funds
	Enterprise Funds						
	Water and Sewer	Solid Waste	Drainage	Golf Course	Allen Event Center		
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 25,248,103	\$ 2,203,357	\$ 1,343,145	\$ 1,965,217	\$ 1,705,879	\$ 32,465,701	\$ 23,534,423
Investments	23,335,122	-	-	1,752,670	-	25,087,792	14,765,857
Receivables, net of allowance for uncollectibles:							
Accounts	11,391,034	923,272	300,874	-	251,262	12,866,442	121,224
Accrued interest	107,923	-	-	8,098	-	116,021	68,288
Other	4,458,928	462,425	854	6,834	-	4,929,041	-
Inventories	-	-	-	27,347	62,021	89,368	121,924
Restricted cash and cash equivalents	4,600,250	-	-	-	-	4,600,250	-
<b>Total current assets</b>	<b>69,141,360</b>	<b>3,589,054</b>	<b>1,644,873</b>	<b>3,760,166</b>	<b>2,019,162</b>	<b>80,154,615</b>	<b>38,611,716</b>
<b>NONCURRENT ASSETS</b>							
<b>CAPITAL ASSETS</b>							
Land	4,091,626	-	-	-	-	4,091,626	-
Construction in progress	28,553,669	-	-	-	-	28,553,669	266,977
Other improvements	-	-	1,230,546	-	-	1,230,546	-
Towers, tanks, and pump stations	223,887,758	-	-	-	-	223,887,758	-
Vehicles	817,002	140,440	151,554	-	-	1,108,996	21,675,934
Intangible	7,994,325	-	-	-	-	7,994,325	-
Machinery and equipment	3,028,209	-	589,020	836,758	-	4,453,987	6,438,578
Machinery and equipment - right - to -use	-	-	-	430,202	-	430,202	-
<b>Total capital assets</b>	<b>268,372,589</b>	<b>140,440</b>	<b>1,971,120</b>	<b>1,266,960</b>	<b>-</b>	<b>271,751,109</b>	<b>28,381,489</b>
Less: accumulated depreciation/amortization	(119,171,606)	(105,330)	(842,529)	(1,034,440)	-	(121,153,905)	(20,103,016)
<b>Capital assets, net of accumulated depreciation/amortization</b>	<b>149,200,983</b>	<b>35,110</b>	<b>1,128,591</b>	<b>232,520</b>	<b>-</b>	<b>150,597,204</b>	<b>8,278,473</b>
<b>TOTAL ASSETS</b>	<b>218,342,343</b>	<b>3,624,164</b>	<b>2,773,464</b>	<b>3,992,686</b>	<b>2,019,162</b>	<b>230,751,819</b>	<b>46,890,189</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows of resources - OPEB	29,353	3,808	3,002	8,963	13,085	58,211	-
Deferred outflows of resources - pension	2,052,031	266,293	209,901	626,575	914,798	4,069,598	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2,081,384</b>	<b>270,101</b>	<b>212,903</b>	<b>635,538</b>	<b>927,883</b>	<b>4,127,809</b>	<b>-</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	3,236,240	375,804	21,350	210,176	317,530	4,161,100	1,410,897
Accrued liabilities	130,740	88,323	13,640	39,020	58,917	330,640	-
Retainage payable	873,299	-	395	-	-	873,694	-
Accrued compensated absences - current	106,069	23,163	11,546	47,046	46,010	233,834	-
Unearned revenue	-	-	-	-	296,451	296,451	-
Incurred but not reported claims	-	-	-	-	-	-	1,015,508
Payable from restricted assets:							
Revenue bonds payable - current	1,645,000	-	-	-	-	1,645,000	-
Finance Purchases - current	-	-	-	15,540	-	15,540	-
Right-to-use leases - current	-	-	-	108,430	-	108,430	-
Accrued interest payable	320,785	-	-	-	-	320,785	-
Customer deposits payable	1,153,234	-	-	68,694	1,151,788	2,373,716	-
<b>Total current liabilities</b>	<b>7,465,367</b>	<b>487,290</b>	<b>46,931</b>	<b>488,906</b>	<b>1,870,696</b>	<b>10,359,190</b>	<b>2,426,405</b>
<b>NONCURRENT LIABILITIES</b>							
Revenue bonds payable	27,153,693	-	-	-	-	27,153,693	-
Financed purchases	-	-	-	31,974	-	31,974	-
Right-to-use leases	-	-	-	8,942	-	8,942	-
Net OPEB liability	109,028	14,149	11,152	33,291	48,605	216,225	-
Net pension liability	3,319,348	430,755	339,536	1,013,541	1,479,770	6,582,950	-
Accrued compensated absences	424,278	92,652	46,182	188,182	184,042	935,336	-
<b>Total noncurrent liabilities</b>	<b>31,006,347</b>	<b>537,556</b>	<b>396,870</b>	<b>1,275,930</b>	<b>1,712,417</b>	<b>34,929,120</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>38,471,714</b>	<b>1,024,846</b>	<b>443,801</b>	<b>1,764,836</b>	<b>3,583,113</b>	<b>45,288,310</b>	<b>2,426,405</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows of resources - pension	18,496	2,400	1,892	5,648	8,246	36,682	-
Deferred inflows of resources - OPEB	63,853	8,286	6,532	19,497	28,466	126,634	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>82,349</b>	<b>10,686</b>	<b>8,424</b>	<b>25,145</b>	<b>36,712</b>	<b>163,316</b>	<b>-</b>
<b>NET POSITION</b>							
Net investment in capital assets	121,351,922	35,110	1,078,945	67,634	-	122,533,611	8,246,153
Restricted for revenue bond principal and interest	2,634,465	-	-	-	-	2,634,465	-
Unrestricted	57,883,277	2,823,623	1,455,197	2,770,609	(672,780)	64,259,926	36,217,631
<b>TOTAL NET POSITION</b>	<b>\$ 181,869,664</b>	<b>\$ 2,858,733</b>	<b>\$ 2,534,142</b>	<b>\$ 2,838,243</b>	<b>\$ (672,780)</b>	<b>\$ 189,428,002</b>	<b>\$ 44,463,784</b>

The Notes to Financial Statements are an integral part of this statement.

**City of Allen, Texas**

**Exhibit 8**

Reconciliation of the Statement of Net Position  
of Proprietary Funds to the  
Government – Wide Statement of Net Position  
September 30, 2023

Amounts reported for business-type activities in the statement of net position are different because:

Total net position per statement of net position	\$	189,428,002
--------------------------------------------------	----	-------------

Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.

The assets and liabilities of internal service funds are included in the governmental activities in the government-wide statement of net position. The amount shown represents the net receivable from internal service funds allocated to business-type activities since the adoption of GASB 34.

1,576,984

Total net position of business-type activities	\$	<u>191,004,986</u>
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# City of Allen, Texas

## Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended September 30, 2023

# Exhibit 9

	Business-type Activities Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Water and Sewer	Solid Waste	Drainage	Golf Course	Allen Event Center		
<b>OPERATING REVENUES</b>							
Charges for sales and services:							
Water sales	\$ 37,339,684	\$ -	\$ -	\$ -	\$ -	\$ 37,339,684	\$ -
Sewer charges	26,391,658	-	-	-	-	26,391,658	-
Connection fees	73,627	-	-	-	-	73,627	-
Garbage collections	-	8,057,287	-	-	-	8,057,287	-
Service charges	605,550	-	103,259	4,666,829	6,175,305	11,550,943	19,691,686
Drainage fees	-	-	2,230,312	-	-	2,230,312	-
Gifts and contributions	-	-	-	-	674,162	674,162	-
Miscellaneous	357,366	58,314	25,213	63,514	571,516	1,075,923	2,319,309
Total operating revenues	<u>64,767,885</u>	<u>8,115,601</u>	<u>2,358,784</u>	<u>4,730,343</u>	<u>7,420,983</u>	<u>87,393,596</u>	<u>22,010,995</u>
<b>OPERATING EXPENSES</b>							
Personnel services	6,414,567	851,571	684,647	2,042,213	3,742,192	13,735,190	560,205
Contractual services	36,941,308	6,597,224	215,061	1,115,396	5,034,576	49,903,565	13,068,966
Maintenance	824,798	6,323	309,166	162,301	474,199	1,776,787	1,252,213
Supplies	405,352	30,661	71,012	385,647	132,166	1,024,838	741,689
Depreciation and amortization	6,380,266	14,044	115,831	214,705	-	6,724,846	2,329,005
Other	2,617,187	63,903	193,206	340,359	59,521	3,274,176	-
Total operating expenses	<u>53,583,478</u>	<u>7,563,726</u>	<u>1,588,923</u>	<u>4,260,621</u>	<u>9,442,654</u>	<u>76,439,402</u>	<u>17,952,078</u>
<b>OPERATING INCOME (LOSS)</b>	<u>11,184,407</u>	<u>551,875</u>	<u>769,861</u>	<u>469,722</u>	<u>(2,021,671)</u>	<u>10,954,194</u>	<u>4,058,917</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Investment earnings (loss)	2,135,440	101,681	40,927	(40,401)	566	2,238,213	1,447,836
Interest expense	(936,867)	-	-	(7,221)	-	(944,088)	-
Loss on disposal of capital assets	-	-	-	-	-	-	(856,279)
Total non-operating revenues (expenses)	<u>1,198,573</u>	<u>101,681</u>	<u>40,927</u>	<u>(47,622)</u>	<u>566</u>	<u>1,294,125</u>	<u>591,557</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>12,382,980</u>	<u>653,556</u>	<u>810,788</u>	<u>422,100</u>	<u>(2,021,105)</u>	<u>12,248,319</u>	<u>4,650,474</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>							
Development fees	2,508,410	-	-	-	-	2,508,410	-
Capital contributions	1,758,952	-	-	-	-	1,758,952	-
Transfers in	60,739	-	-	-	1,348,325	1,409,064	-
Transfers out	(6,060,317)	(626,884)	(434,438)	-	-	(7,121,639)	-
Total capital contributions and transfers	<u>(1,732,216)</u>	<u>(626,884)</u>	<u>(434,438)</u>	<u>-</u>	<u>1,348,325</u>	<u>(1,445,213)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>10,650,764</u>	<u>26,672</u>	<u>376,350</u>	<u>422,100</u>	<u>(672,780)</u>	<u>10,803,106</u>	<u>4,650,474</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>171,218,900</u>	<u>2,832,061</u>	<u>2,157,792</u>	<u>2,416,143</u>	<u>-</u>	<u>178,624,896</u>	<u>39,813,310</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 181,869,664</u>	<u>\$ 2,858,733</u>	<u>\$ 2,534,142</u>	<u>\$ 2,838,243</u>	<u>\$ (672,780)</u>	<u>\$ 189,428,002</u>	<u>\$ 44,463,784</u>

The Notes to Financial Statements are an integral part of this statement.

**City of Allen, Texas**

**Exhibit 10**

Reconciliation of the Statement of Revenues, Expenses,  
and Changes in Net Position of Proprietary Funds  
to the Statement of Activities  
For the Year Ended September 30, 2023

Amounts reported for business-type activities in the statement of activities  
are different because:

Net change in fund net position- total proprietary funds \$ 10,803,106

Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.

The net expenses of certain activities of internal service funds is allocated to business-type activities. No allocation in fiscal year 2023.

-

Change in net position of business-type activities \$ 10,803,106

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

**Exhibit 11**

	Business-type Activities					Total	Governmental Activities Internal Service Funds
	Enterprise Funds						
	Water and Sewer	Solid Waste	Drainage	Golf Course	Allen Event Center		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from customers	\$ 62,336,255	\$ 8,174,745	\$ 2,297,558	\$ 4,751,976	\$ 8,869,222	\$ 86,429,756	\$ -
Cash received from transactions with other funds	-	-	-	-	-	-	21,172,054
Cash paid to employees for services	(6,206,069)	(796,872)	(659,918)	(1,982,555)	(2,816,785)	(12,462,199)	(556,277)
Cash paid for goods and services	(39,363,146)	(6,858,794)	(811,200)	(2,036,939)	(5,695,449)	(54,765,528)	(3,894,111)
Cash paid for claims	-	-	-	-	-	-	(9,840,863)
Net cash provided by operating activities	16,767,040	519,079	826,440	732,482	356,988	19,202,029	6,880,803
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>							
Transfers in from other funds	60,739	-	-	-	1,348,325	1,409,064	1,838,657
Transfers out to other funds	(6,060,317)	(626,884)	(434,438)	-	-	(7,121,639)	(1,838,657)
Net cash provided by (used in) non-capital financing activities	(5,999,578)	(626,884)	(434,438)	-	1,348,325	(5,712,575)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Principal paid on revenue bond maturities	(1,575,000)	-	-	-	-	(1,575,000)	-
Interest and fees paid on long-term debt	(1,023,167)	-	-	-	-	(1,023,167)	-
Acquisition and construction of capital assets	(16,086,524)	-	(102,885)	-	-	(16,189,409)	(4,034,657)
Proceeds from sale of capital assets	-	-	-	-	-	-	38,300
Financed purchases payments	-	-	-	(143,931)	-	(143,931)	-
Right-to-use lease principal payments	-	-	-	(161,782)	-	(161,782)	-
Contributions from developers	2,508,410	-	-	-	-	2,508,410	-
Net cash used in capital and related financing activities	(16,176,281)	-	(102,885)	(305,713)	-	(16,584,879)	(3,996,357)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
(Purchases) sales of investment securities	8,903,040	872,950	-	(614,222)	-	9,161,768	3,589,551
Interest on investments	1,039,251	106,530	40,929	31,566	566	1,218,842	791,943
Net cash provided by (used in) investing activities	9,942,291	979,480	40,929	(582,656)	566	10,380,610	4,381,494
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	4,533,472	871,675	330,046	(155,887)	1,705,879	7,285,185	7,265,940
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	25,314,881	1,331,682	1,013,099	2,121,104	-	29,780,766	16,268,483
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 29,848,353	\$ 2,203,357	\$ 1,343,145	\$ 1,965,217	\$ 1,705,879	\$ 37,065,951	\$ 23,534,423
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>							
Net operating income (loss)	\$ 11,184,407	\$ 551,875	\$ 769,861	\$ 469,722	\$ (2,021,671)	\$ 10,954,194	\$ 4,058,917
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation and amortization expense	6,380,266	14,044	115,831	214,705	-	6,724,846	2,329,005
Change in assets and liabilities:							
Accounts receivable	(19,773)	(154,639)	(64,570)	-	(251,262)	(490,244)	(104,513)
Other receivables	(2,418,560)	59,144	3,346	10,595	-	(2,345,475)	-
Prepays	-	-	-	-	-	-	(39,370)
Inventories	-	-	-	(27,347)	(62,021)	(89,368)	-
Deferred outflows - pension	(1,292,589)	(176,894)	(122,503)	(402,047)	(914,798)	(2,908,831)	-
Deferred outflows - OPEB	13,135	1,654	2,327	3,589	(13,085)	7,620	-
Accounts payable	889,535	(26,141)	(23,150)	(6,332)	317,530	1,151,442	636,764
Retainage payable	554,202	-	395	-	-	554,597	-
Accrued liabilities	33,067	24,146	5,052	8,779	58,917	129,961	-
Unearned revenue	-	-	-	-	296,451	296,451	-
Net OPEB liability	(58,520)	(7,055)	(8,628)	(17,709)	48,605	(43,307)	-
Net pension liability	2,427,154	348,791	260,617	764,505	1,479,770	5,280,837	-
Compensated absences	104,651	19,113	14,489	(631)	230,052	367,674	-
Deposits	(13,070)	-	-	11,038	1,151,788	1,149,756	-
Deferred inflows - pension	(1,058,547)	(140,457)	(130,354)	(309,252)	8,246	(1,630,364)	-
Deferred inflows - OPEB	41,682	5,498	3,727	12,867	28,466	92,240	-
Total adjustments	5,582,633	(32,796)	56,579	262,760	2,378,659	8,247,835	2,821,886
Net cash provided by operating activities	\$ 16,767,040	\$ 519,079	\$ 826,440	\$ 732,482	\$ 356,988	\$ 19,202,029	\$ 6,880,803
<b>NON-CASH INVESTING ACTIVITIES:</b>							
Change in the fair value of investments	\$ 1,145,598	\$ 51,181	\$ -	\$ (76,958)	\$ -	\$ 1,119,821	\$ 680,545
<b>NON-CASH FINANCING ACTIVITIES:</b>							
Contributions of capital assets from developers	\$ 1,758,952	\$ -	\$ -	\$ -	\$ -	\$ 1,758,952	\$ -
<b>Reconciliation of total cash to the statement of net position</b>							
Cash and cash equivalents - current	\$ 25,248,103	\$ 2,203,357	\$ 1,343,145	\$ 1,965,217	\$ 1,705,879	\$ 32,465,701	\$ 23,534,423
Restricted cash and cash equivalents	4,600,250	-	-	-	-	4,600,250	-
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 29,848,353	\$ 2,203,357	\$ 1,343,145	\$ 1,965,217	\$ 1,705,879	\$ 37,065,951	\$ 23,534,423

The Notes to Financial Statements are an integral part of this statement.

**City of Allen, Texas**

Statement of Fiduciary Net Position  
 Fiduciary Fund  
 September 30, 2023

**Exhibit 12**

	<b>Other Postemployment Benefits Trust Fund</b>
	<hr/>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and deposits	\$ 33,118
Investments:	
Domestic Equities	186,940
Fixed Income	562,922
International Equity	49,929
Real Estate	<u>7,649</u>
Total current assets	<hr/> 840,558 <hr/>
<b>TOTAL ASSETS</b>	<hr/> 840,558 <hr/>
<b>NET POSITION</b>	
Restricted for postemployment benefits other than pensions	<hr/> 840,558 <hr/>
<b>TOTAL NET POSITION</b>	<hr/> <u>\$ 840,558</u> <hr/>

**City of Allen, Texas**

Statement of Changes in Fiduciary Net Position  
 Fiduciary Fund  
 For the Year Ended September 30, 2023

**Exhibit 13**

	<b>Other Postemployment Benefits Trust Fund</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Investment Income:	
Net increase in fair value of investments	\$ 65,367
	<u>                    </u>
Net Investment Income	65,367
	<u>                    </u>
<b>TOTAL ADDITIONS</b>	<u>65,367</u>
<b>DEDUCTIONS</b>	
Benefit payments	\$ 283,983
Administrative expense	7,056
	<u>                    </u>
<b>TOTAL DEDUCTIONS</b>	<u>291,039</u>
<b>CHANGE IN NET POSITION</b>	(225,672)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>1,066,230</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 840,558</u>

**City of Allen, Texas**  
Statement of Net Position  
Component Units  
September 30, 2023

**Exhibit 14**

	<b>Allen Economic Development Corporation</b>	<b>Allen Community Development Corporation</b>	<b>Totals</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 9,626,648	\$ 11,949,182	\$ 21,575,830
Investments	5,413,183	16,834,260	22,247,443
Sales tax receivable	2,511,489	2,511,489	5,022,978
Accounts receivable	-	7,054	7,054
Accrued interest receivable	25,011	77,782	102,793
Prepaid items	5,000	-	5,000
Total current assets	<u>17,581,331</u>	<u>31,379,767</u>	<u>48,961,098</u>
<b>NONCURRENT ASSETS</b>			
<b>CAPITAL ASSETS</b>			
Land	35,079,254	2,239,201	37,318,455
Construction in progress	-	7,434,600	7,434,600
Buildings	1,004,091	36,202,922	37,207,013
Furniture and fixtures	-	106,211	106,211
Machinery & equipment	-	3,822,995	3,822,995
Vehicles	-	702,596	702,596
Improvements other than buildings	-	42,016,201	42,016,201
Total capital assets	<u>36,083,345</u>	<u>92,524,726</u>	<u>128,608,071</u>
Less: accumulated depreciation	<u>(225,922)</u>	<u>(42,610,369)</u>	<u>(42,836,291)</u>
Capital assets, net of accumulated depreciation	<u>35,857,423</u>	<u>49,914,357</u>	<u>85,771,780</u>
Total noncurrent assets	<u>35,857,423</u>	<u>49,914,357</u>	<u>85,771,780</u>
<b>TOTAL ASSETS</b>	<u>53,438,754</u>	<u>81,294,124</u>	<u>134,732,878</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	<u>129,925</u>	<u>-</u>	<u>129,925</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>129,925</u>	<u>-</u>	<u>129,925</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	107,787	1,194,697	1,302,484
Retainage payable	-	258,134	258,134
Accrued interest payable	25,076	41,524	66,600
Accrued and other liabilities	19,519	4,602	24,121
Current portion of long-term debt	<u>1,515,000</u>	<u>1,890,000</u>	<u>3,405,000</u>
Total current liabilities	<u>1,667,382</u>	<u>3,388,957</u>	<u>5,056,339</u>
<b>NONCURRENT LIABILITIES</b>			
Noncurrent portion of long-term debt	<u>7,541,582</u>	<u>16,975,000</u>	<u>24,516,582</u>
Total noncurrent liabilities	<u>7,541,582</u>	<u>16,975,000</u>	<u>24,516,582</u>
<b>TOTAL LIABILITIES</b>	<u>9,208,964</u>	<u>20,363,957</u>	<u>29,572,921</u>
<b>NET POSITION</b>			
Net investment in capital assets	27,403,157	29,770,776	57,173,933
Restricted for debt service	2,268,523	2,416,900	4,685,423
Unrestricted	<u>14,688,035</u>	<u>28,742,491</u>	<u>43,430,526</u>
<b>TOTAL NET POSITION</b>	<u>\$ 44,359,715</u>	<u>\$ 60,930,167</u>	<u>\$ 105,289,882</u>

The Notes to Financial Statements are an integral part of this statement.



**City of Allen, Texas**

Statement of Activities

Component Units

For the year ended September 30, 2023

**Exhibit 15**

Function/Program Activities	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Component Units		Totals
				Allen Economic Development Corporation	Allen Community Development Corporation	
<b>COMPONENT UNITS</b>						
Allen Economic Development Corporation	\$ 6,653,336	\$ -	\$ -	\$ (6,653,336)	\$ -	\$ (6,653,336)
Allen Community Development Corporation	9,887,112	-	-	-	(9,887,112)	(9,887,112)
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 16,540,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,653,336)</u>	<u>\$ (9,887,112)</u>	<u>\$ (16,540,448)</u>
General revenues:						
Sales taxes				\$ 14,474,185	\$ 14,474,185	\$ 28,948,370
Investment income				42,068	644,997	687,065
Miscellaneous				455,444	198,888	654,332
Total general revenues				<u>14,971,697</u>	<u>15,318,070</u>	<u>30,289,767</u>
<b>CHANGE IN NET POSITION</b>				8,318,361	5,430,958	13,749,319
<b>NET POSITION, beginning of year</b>				<u>36,041,354</u>	<u>55,499,209</u>	<u>91,540,563</u>
<b>NET POSITION, end of year</b>				<u>\$ 44,359,715</u>	<u>\$ 60,930,167</u>	<u>\$ 105,289,882</u>



## City of Allen, Texas

### Notes to Financial Statements

#### Note 1. Summary of Significant Accounting Policies

##### General Statement

The City of Allen (the City) was incorporated in 1953, under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925. In 1979, the City adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*. The more significant accounting policies of the City are described below.

##### Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the City include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government can impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. The following entities were found to be component units of the City and are included in the basic financial statements:

Allen Economic Development Corporation (AEDC) - The AEDC is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) - The ACDC is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

The members of both the AEDC's and ACDC's Boards of Directors are appointed by the City Council. Both the AEDC and ACDC are fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. However, the component units do not qualify for blending because the component services directly benefit the community rather than the City itself. The AEDC and ACDC are discretely presented as governmental fund types and do not issue separate financial statements.

## City of Allen, Texas

### Notes to Financial Statements

#### **Basis of Presentation**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements; however, 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. Additionally, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### **Adoption of New Accounting Standards- GASB 96 (Subscription-Based Information Technology Arrangements)**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. The implementation of this GASB had no impact on the City's financial statements.

#### **Fund Financial Statements**

The City segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds, proprietary funds, and fiduciary funds. These statements present each major fund as a separate column on the fund financial statements; all nonmajor funds are aggregated and presented in a single column. Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The City has presented the following major governmental funds:

##### **General Fund**

The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

##### **Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

## **City of Allen, Texas**

### Notes to Financial Statements

#### **General Capital Projects Fund**

The General Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds and not accounted for by another capital projects fund.

#### **Grants Fund**

The Grants Fund is used to account for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets.

#### **General Obligation Bond Capital Projects Fund**

The General Obligation Bond Fund is used to account for financing, acquisitions, and construction of improvements to City facilities and infrastructure not accounted for by other bond funds.

Business-type activities and all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods relating to a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City reports the following major proprietary funds:

#### **Enterprise Funds**

##### **Water and Sewer Fund**

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities for the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

##### **Solid Waste Fund**

The Solid Waste Fund is used to account for the provision of solid waste services to residents of the City.

##### **Drainage Fund**

The Drainage Fund is used to account for the provision of developing and maintaining proper drainage services to the residents of the City.

##### **Golf Course Fund**

The Golf Course Fund is used to account for activities associated with the operations of The Courses at Watters Creek Golf Course purchased by the City in October 2004.

##### **Credit Union of Texas Allen Event Center**

The Allen Event Center is used to account for the activities related to the multi-purpose indoor arena located within the City.

## **City of Allen, Texas**

### Notes to Financial Statements

Additionally, the City reports the following Internal Service Funds:

#### **Internal Service Funds**

##### **Replacement Fund**

The Replacement Fund is an internal service fund that accounts for the costs associated with the acquisition and replacement of vehicles, machinery, and equipment through the rental of such items to other departments.

##### **Risk Management Fund**

The Risk Management Fund accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

##### **Facility Maintenance Fund**

The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

##### **Fiduciary Fund**

The Fiduciary Fund is used to hold assets for the benefit of third parties (pension participants) and cannot be used to address activities or obligations of the primary government. This fund is not incorporated into the government-wide financial statements. The City's fiduciary fund accounts for the assets of the postemployment benefits trust.

#### **Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements, fund financial statements for proprietary funds, and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The revenues susceptible to accrual are property and sales taxes, franchise taxes and interest income. Other receipts (special assessments) become measurable and available when cash is received by the City and are recognized as revenue at that time.

## **City of Allen, Texas**

### Notes to Financial Statements

#### **Cash, Cash Equivalents, and Investments**

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury, investment pools consisting of such U.S. Treasury obligations, repurchase agreements, commercial paper and mutual funds. Substantially all operating cash and cash equivalents are maintained in pooled cash and time deposit accounts. Interest income relating to pooled deposits is allocated to the individual funds based on each fund's pro rata share of total pooled deposits.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents, as they are available for withdrawal on demand. Investments are recorded at amortized cost when original maturity at the time of purchase is less than one year or at market if greater than one year.

#### **Encumbrances**

To preserve portions of applicable appropriations, encumbrance accounting is used in governmental funds for purchase orders, contracts, and other commitments on the expenditure of funds. Under the City's budgetary process, appropriations lapse at fiscal year-end. Encumbrances are reported as assigned fund balance because they do not constitute expenditures or liabilities. Encumbrances included in assigned fund balance include \$922,899 for the General Fund and \$4,475,219 for the Capital Projects Fund.

#### **Property Taxes**

The City's property tax is levied each October 1<sup>st</sup> on the assessed value listed as of the prior January 1<sup>st</sup> for all real and certain personal property located within the City. Appraised values are established by Collin County Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the 2022 levy was based is \$17,482,292,966. Taxes are due on October 1<sup>st</sup> and are delinquent after the following January 31<sup>st</sup>. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. For the year ended September 30, 2023, the combined tax rate to finance general government services, including the payment of principal and interest on long-term debt, was \$0.4212 per \$100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district based on 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. 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 City property. However, if the effective maintenance and operations tax rate, increased by 8% excluding other contractual obligations, adjusted for new improvements, plus the calculated debt tax rate is less than the proposed city tax rate, then qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than the rollback tax rate.

#### **Interfund Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

## City of Allen, Texas

### Notes to Financial Statements

#### Transactions Between Funds and Between Funds and Component Units

Interfund services provided and used are accounted for as revenues, expenditures or expenses. 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 a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except transactions between the component units and the primary government are recorded as transfers. Transactions between the component units and the primary government are accounted for as external transactions (revenues and expenses). During the fiscal year ended September 30, 2023, ACDC contributed \$1,147,794 and AEDC contributed \$110,289 to the General Fund for administrative costs. The ACDC contributed \$1,887,850 to the General Fund to service debt related to the Terrell Recreation Center. These revenues were reflected as operating grants and contributions for the primary government in the government-wide statement of activities.

#### Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out method for fuel. The inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will provide benefit in subsequent fiscal periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported as non-spendable fund balance in the governmental funds in the fund financial statements to signify that a portion of fund balance is not available for other subsequent expenditures. The consumption method is used in the fund financial statements.

#### Special Assessments

The City has the authority to make special assessments to property owners as part of the financing of capital improvements. Such assessments are recorded in the capital projects fund as receivables when assessed and are recognized as revenue when both the measurable and available criteria have been met (generally when collected).

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated. The costs of normal repairs and maintenance that do not add value to assets or materially extend asset lives are not capitalized. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Financed purchase assets are City owned assets and follow the depreciation of regular capital assets. Capital assets and right-to-use assets of the City are depreciated and amortized using the straight-line method over the following estimated useful lives:

Buildings	10 - 40 Years
Towers, tanks, and pump stations	5 - 40 Years
Infrastructure	3 - 50 Years
Machinery and equipment	3 - 15 Years
Vehicles	2 - 15 years
Furniture and fixture	5 - 10 Years
Other improvements	2 - 30 Years
Right-to-use leased equipment	Lease Term



## **City of Allen, Texas**

### Notes to Financial Statements

The City has established the Replacement Fund to account for the replacement of the City-owned vehicles, machinery, and equipment. Charges for use in the form of user payments are made by City departments to the Replacement Fund to provide for future acquisitions and replacements.

#### **Compensated Absences**

City employees earn vacation and sick leave, which may either be taken or accumulated up to certain amounts until paid upon retirement or termination. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of vacation pay and sick leave based upon the years of service. Accumulated vacation and sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

#### **Pensions**

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company.

#### **Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and the additions to/deductions from the City's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the City's Other Postemployment Benefit Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments are reported at fair value.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between expected and actual pension and OPEB experience – This difference is deferred and amortized over a closed period.
- Changes in actuarial assumptions – these are deferred and recognized over the remaining lives of all members as of the measurement date.

## **City of Allen, Texas**

### Notes to Financial Statements

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. In the statement of net position, the City reports the difference in expected and actual pension and OPEB experience, the changes in actuarial assumptions and the difference in projected and actual investment earnings. These are deferred and recognized over the estimated average remaining lives of all members as of the measurement date. In the balance sheet for the governmental funds, the City reports unavailable revenue for revenue not received within 60 days of year end.

#### **Net Position**

Net position represents the difference between assets, liabilities, and deferred inflows and outflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

#### **Fund Balance**

Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund.

The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The City classifies governmental fund balances as follows:

Non-spendable -- includes fund balance amounts that cannot be spent because they are either not in spendable form, or for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long-term receivables.

Restricted -- includes fund balance amounts that are either constrained for specific purposes imposed by external providers, such as creditors, or restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, construction programs, and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes imposed internally by the City through formal action of the highest level of decision-making authority. Committed fund balance is reported pursuant to resolutions passed by the City Council.

Assigned -- includes fund balance amounts that are self-imposed by the City to be used for a particular purpose. Fund balance can be assigned by the City Manager or the Chief Financial Officer. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

## City of Allen, Texas

### Notes to Financial Statements

When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Minimum General Fund Unassigned Fund Balance - It is the goal of the City to achieve and maintain an unassigned General Fund balance that is within a range of 60 to 90 days of annual expenditures. If unassigned General Fund balance falls below the goal or has a deficiency, the City will establish a timeframe and work plan to replenish the fund balance. The work plan may include tax increases, fee increases, reduction of services, and/or reduction of expenditures (i.e. hiring freeze, salary freeze, or reduction of travel/training).

#### **Note 2. Deposits, Investments and Investment Policies**

**Deposits** – State statutes require all deposits to be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies with market values not less than the principal amount of the deposits. Pursuant to the Texas Public Funds Investment Act (PFIA) and the City's investment policy, all deposits of the City that exceed the federal depository insurance coverage level must be collateralized with irrevocable letters of credit and/or by governmental obligations pledged to the City with market values of at least 103% of the deposit balances plus accrued interest.

The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2023, with collateral required by state statutes. At year's end, the carrying amount of the City's pooled deposits was \$10,458,476, and the bank balance was \$9,461,688. Of the bank balance, federal depository insurance covered \$250,000 at each depository bank, and the remainder was covered by collateral held by the pledging financial institution's agent in the City's name. The City's petty cash balance at September 30, 2023, was \$21,609. The carrying amount of deposits for ACDC and AEDC, discretely presented component units, were \$1,990,425 and \$2,340,850, respectively, with no corresponding bank balances as they are pooled with the City's deposits.

**Investments** – State statutes authorize the City to invest in U.S. Government obligations, obligations of Texas and its agencies and fully collateralized repurchase agreements. The City, AEDC and ACDC invest in TexPool which is an investment fund authorized by the Texas Legislature and administered by the Texas State Treasury. The Texas Treasury Safekeeping Trust Company is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code. The purpose of TexPool is to allow for the pooling of public funds to provide a higher yield on the pooled investment than would be possible with the investment of the individual public entity's funds. TexPool investments are subject to the same investment policies maintained by the State Treasury for all state funds. The Legislature has authorized only certain investment instruments for public funds, including repurchase agreements, U.S. Treasury bills and bonds, securities of other U.S. Government agencies, commercial paper and other safe instruments.

The *PFIA* (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. In compliance with *PFIA*, the City has adopted an investment policy and is authorized to invest in obligations of, or guaranteed by, governmental entities, certificates of deposit, Texas Public Funds Investment Pools, collateralized repurchase agreements, commercial paper, banker's acceptances, no-load money market mutual funds and guaranteed investment contracts. The table below identifies the investment types that are authorized for the City under Government Code Chapter 2256. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

## City of Allen, Texas

### Notes to Financial Statements

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Investment in One Issuer</u>
Certificates of Deposit	5 years	35%
Repurchase Agreements	5 years	35%
U. S. Treasury Obligations	5 years	None
Municipal Investment Pool	5 years	None
Commercial Bank Savings Account	5 years	None
Money Market Mutual Fund	5 years	35%
U. S. Government Securities (non-callable)	5 years	None
U. S. Government Securities (callable)	5 years	None
U. S. Government Sponsored Corp. Instruments: non-callable	5 years	None
U. S. Government Sponsored Corp. Instruments: callable	5 years	None
Commercial Paper	5 years	35%
Bankers' Acceptance	5 years	35%
Guaranteed Investment Contracts	5 years	35%
State or Local Governmental Obligations	5 years	35%

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

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

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

## City of Allen, Texas

### Notes to Financial Statements

The City's investments are measured as presented in the table below. The City's investment balances, weighted average maturity, and credit risk of such investments are as follows:

Investment Type	Primary Government	AEDC	ACDC	Other Postemployment Benefits Trust	Total September 30, 2023	Significant Other Observable Inputs (Level 2)	% of Total Government-wide Investments	Weighted Avg. Maturity (Days)	Credit Rating
<b>Government-wide:</b>									
Investments Measured at Amortized Cost:									
TexPool	\$ 5,515,747	\$ 2,268,523	\$ 2,416,900	\$ -	\$ 10,201,170	\$ -	3.83%	23.00	AAAm
Investments Measured at NAV:									
Money Market Accounts	1,576	-	-	-	1,576	-	0.00%	-	AAAm
Texas CLASS	110,169,734	5,017,276	7,541,858	-	122,728,868	-	46.06%	26.00	AAAm
Investments Measured at Cost:									
Certificates of Deposit	6,713,887	-	-	-	6,713,887	-	2.53%	4.06	n/a
Investments Subject to Fair Value:									
U.S. Agencies	71,108,333	3,785,299	11,771,763	-	86,665,395	86,665,395	32.62%	246.13	AA+
Certificates of Deposit	2,270,074	10,280	31,971	-	2,312,325	2,312,325	0.87%	3.17	n/a
Corporate bonds	771,239	41,055	127,676	-	939,970	939,970	0.35%	1.62	A+
Municipal Bonds	29,616,078	1,576,548	4,902,849	-	36,095,475	36,095,475	13.59%	39.08	A to AAA
<b>PARS OPEB Trust Program:</b>									
Domestic Equities	-	-	-	186,940	186,940	-	-	-	-
Fixed Income	-	-	-	562,922	562,922	-	-	-	-
International Equity	-	-	-	49,929	49,929	-	-	-	-
Real Estate	-	-	-	7,649	7,649	-	-	-	-
<b>Total Government-wide Plus PARS OPEB Trust</b>	<b>\$ 226,166,668</b>	<b>\$ 12,698,981</b>	<b>\$ 26,793,017</b>	<b>\$ 807,440</b>	<b>\$ 266,466,106</b>	<b>\$ 126,013,165</b>			

Investment pools, money markets, certificates of deposits (Level 1), and domestic equities are measured at amortized cost, net asset value, or cost; are valued using prices quoted in active markets for those securities; and are not required to be reported by levels in the table.

Investments in U.S. Agencies securities, certificates of deposits (Level 2), commercial paper, and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique in accordance with pricing sources by the custodian bank. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and TexSTAR have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

TexPool is an external investment pool measured at amortized cost. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TexSTAR is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of enough liquidity to meet participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. TexSTAR uses amortized costs rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexSTAR is the same as the value of TexSTAR's shares.

## **City of Allen, Texas**

### Notes to Financial Statements

Texas CLASS (Texas Cooperative Liquid Assets Security System) is an external investment pool measured at its net asset value. Texas CLASS' strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. Authority over the investment pool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. Texas CLASS was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Government Code Chapter 2256. The fund is administered by Public Trust Advisors, LLC and is rated AAAM by Standard & Poor's Rating Services.

Investments in the Other Postemployment Benefit Trust Program (the "Trust") are held by a bank trust department separate from the City's cash and investments. The City has contracted with Public Agency Retirement Services (PARS) to manage the investment portfolio of the Trust Fund. The investments are subject to the policies and guidelines established by the committee members of the Trust.

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. The City manages its exposure to market price changes by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to less than eighteen months, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities, U.S. Agency Obligations or Securities and authorized investment pools.

#### **Credit Risk**

The City's Investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This type of risk is typically expressed in terms of the credit ratings issued by a nationally recognized statistical rating organization. The City reduces the risk of issuer default by limiting investments to those instruments allowed by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The City's investments in U.S. Agency securities (FFCB, FHLB, FHLMC, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

The City's investments in municipal bonds are rated AA- by Standard and Poor's and Aa3 by Moody's Investors Service. Investments in TexPool, TexSTAR, Texas CLASS, and money market accounts carried a credit rating of AAAM by Standard & Poor's as of September 30, 2023.

#### **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy controls concentration of credit risk by limiting the amount of investment with a single issuer to no more than 35% of the total portfolio except for State approved investment pools and U.S. Government Securities and Agency Obligations. As of September 30, 2023, apart from funds invested in TexPool, TexSTAR, or Texas CLASS, the City did not have any investments with a single issuer exceeding 5% or more of the City's investments.

## City of Allen, Texas

### Notes to Financial Statements

#### Custodial Credit Risk

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

The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy minimizes custodial credit risk by requiring pledged securities to be in the name of the City.

The Public Funds Investment Act requires financial institutions to secure deposits made by state or local governmental bodies by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities of the collateral must always remain at least equivalent to the bank balance less the FDIC insurance.

As of September 30, 2023, the City's deposits with financial institutions above the federal depository limits were fully collateralized.

#### Note 3. Receivables

Receivables at September 30, 2023, for both governmental and business-type activities, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Sales Taxes	Accrued Accounts	Interest	Other	Total
General Fund	\$ 843,188	\$ 5,105,741	\$ -	\$ 144,491	\$ 4,964,095	\$ 11,057,515
Debt Service	231,985	-	-	-	-	231,985
General Capital Projects	-	-	-	109,353	3,321,045	3,430,398
Grants Fund	-	-	94,326	-	-	94,326
G.O. Bond Fund	-	-	-	43,389	8,086	51,475
Nonmajor Governmental Funds	-	-	226,525	29,633	-	256,158
Water and Sewer Fund	-	-	11,704,391	107,923	4,464,304	16,276,618
Solid Waste Fund	-	-	972,449	-	462,425	1,434,874
Drainage Fund	-	-	312,700	-	854	313,554
Golf Course Fund	-	-	-	8,098	6,834	14,932
Allen Event Center	-	-	256,262	-	-	256,262
Internal Service Funds	-	-	121,224	68,288	-	189,512
<b>Gross Receivables</b>	<b>1,075,173</b>	<b>5,105,741</b>	<b>13,687,877</b>	<b>511,175</b>	<b>13,227,643</b>	<b>33,607,609</b>
Less: Allowance for Uncollectibles	(885,957)	-	(379,360)	-	(1,584,294)	(2,849,611)
<b>Total Net Receivables, Primary Government</b>	<b>\$ 189,216</b>	<b>\$ 5,105,741</b>	<b>\$ 13,308,517</b>	<b>\$ 511,175</b>	<b>\$ 11,643,349</b>	<b>\$ 30,757,998</b>
<b>Component Units</b>	<b>\$ -</b>	<b>\$ 5,022,978</b>	<b>\$ -</b>	<b>\$ 102,793</b>	<b>\$ 7,054</b>	<b>\$ 5,132,825</b>

The Water and Sewer Fund, Solid Waste Fund, and Drainage Fund accounts receivable include unbilled charges for services rendered through September 30, 2023.

**City of Allen, Texas**  
Notes to Financial Statements

**Note 4. Capital Assets**

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

**Governmental Activities**

	Balance September 30 2022	Additions	Dispositions/ Transfers	Balance September 30, 2023
Governmental Funds:				
General capital assets				
not being depreciated/amortized:				
Land and land improvements	\$ 164,253,182	\$ 3,958,571	\$ -	\$ 168,211,753
Construction in progress	44,443,332	25,273,944	(507,439)	69,209,837
Total capital assets				
not being depreciated/amortized	208,696,514	29,232,515	(507,439)	237,421,590
General capital assets				
being depreciated/amortized:				
Buildings	108,548,675	-	-	108,548,675
Improvements				
other than buildings	551,657,018	1,675,949	300,751	553,633,718
Furniture and fixtures	4,563,486	44,649	-	4,608,135
Vehicles	1,793,290	85,919	(82,693)	1,796,516
Machinery and equipment	10,418,660	673,363	(195,397)	10,896,626
Machinery and equipment - right-to-use	1,475,397	280,177	(89,830)	1,665,744
Total capital assets being				
depreciated/amortized	678,456,526	2,760,057	(67,169)	681,149,414
Less accumulated				
depreciation/amortization for:				
Buildings	(41,168,824)	(2,751,312)	-	(43,920,136)
Improvements				
other than buildings	(359,829,167)	(17,851,537)	-	(377,680,704)
Furniture and fixtures	(4,413,100)	(58,516)	-	(4,471,616)
Vehicles	(1,304,869)	(172,895)	109,926	(1,367,838)
Machinery and equipment	(5,610,294)	(870,632)	195,397	(6,285,529)
Machinery and equipment - right-to-use	(461,529)	(454,460)	-	(915,989)
Total accumulated				
depreciation/amortization	(412,787,783)	(22,159,352)	305,323	(434,641,812)
Total general capital assets				
being depreciated/amortized, net	265,668,743	(19,399,295)	238,154	246,507,602
<b>General capital assets, net</b>	<b>\$ 474,365,257</b>	<b>\$ 9,833,220</b>	<b>\$ (269,285)</b>	<b>\$ 483,929,192</b>



**City of Allen, Texas**  
Notes to Financial Statements

	Balance September 30, 2022	Additions	Dispositions/ Transfers	Balance September 30,
Internal service funds assets not being depreciated:				
Construction in progress	\$ 1,596,139	\$ 1,509,788	\$ (2,838,950)	\$ 266,977
Total capital assets not being depreciated	<u>1,596,139</u>	<u>1,509,788</u>	<u>(2,838,950)</u>	<u>266,977</u>
Internal service funds assets being depreciated:				
Vehicles	18,117,806	1,769,294	1,788,834	21,675,934
Machinery and equipment	<u>5,683,003</u>	<u>755,575</u>	<u>-</u>	<u>6,438,578</u>
Total internal service assets being depreciated	<u>23,800,809</u>	<u>2,524,869</u>	<u>1,788,834</u>	<u>28,114,512</u>
Less accumulated depreciation for:				
Vehicles	(13,231,920)	(1,871,511)	155,537	(14,947,894)
Machinery and equipment	<u>(4,697,628)</u>	<u>(457,494)</u>	<u>-</u>	<u>(5,155,122)</u>
Total accumulated depreciation	<u>(17,929,548)</u>	<u>(2,329,005)</u>	<u>155,537</u>	<u>(20,103,016)</u>
Total Internal service funds capital assets being depreciated, net	<u>5,871,261</u>	<u>195,864</u>	<u>1,944,371</u>	<u>8,011,496</u>
Total Internal service funds capital assets, net	<u>7,467,400</u>	<u>1,705,652</u>	<u>(894,579)</u>	<u>8,278,473</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 481,832,657</u>	<u>\$ 11,538,872</u>	<u>\$ (1,163,864)</u>	<u>\$ 492,207,665</u>

**Business-Type Activities**

	Balance September 30, 2022	Additions	Dispositions / Transfers	Balance September 30, 2023
Capital assets not being depreciated/amortized:				
Land	\$ 4,091,626	\$ -	\$ -	\$ 4,091,626
Construction in progress	<u>17,177,090</u>	<u>16,020,307</u>	<u>(4,643,728)</u>	<u>28,553,669</u>
Total capital assets not being depreciated/amortized	<u>21,268,716</u>	<u>16,020,307</u>	<u>(4,643,728)</u>	<u>32,645,295</u>
Capital Assets Being depreciated/amortized:				
Towers, tanks, & pumps stations	217,485,078	1,758,952	4,643,728	223,887,758
Other improvements	1,230,546	-	-	1,230,546
Intangible	7,994,325	-	-	7,994,325
Machinery and equipment - right-to-use	430,202	-	-	430,202
Machinery and equipment	5,054,917	169,102	(770,032)	4,453,987
Vehicles	<u>1,108,996</u>	<u>-</u>	<u>-</u>	<u>1,108,996</u>
Total capital assets being depreciated/amortized	<u>233,304,064</u>	<u>1,928,054</u>	<u>3,873,696</u>	<u>239,105,814</u>
Less accumulated depreciation/amortization for:				
Towers, tanks, & pumps stations	(110,155,473)	(5,848,892)	-	(116,004,365)
Other improvements	(294,230)	(53,373)	-	(347,603)
Intangible	-	(266,478)	-	(266,478)
Machinery and equipment - right-to-use	(152,550)	(119,554)	-	(272,104)
Machinery and equipment	(3,951,109)	(320,923)	770,032	(3,502,000)
Vehicles	<u>(645,729)</u>	<u>(115,626)</u>	<u>-</u>	<u>(761,355)</u>
Total accumulated depreciation/amortization	<u>(115,199,091)</u>	<u>(6,724,846)</u>	<u>770,032</u>	<u>(121,153,905)</u>
Total capital assets being depreciated/amortized, net	<u>118,104,973</u>	<u>(4,796,792)</u>	<u>4,643,728</u>	<u>117,951,909</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 139,373,689</u>	<u>\$ 11,223,515</u>	<u>\$ -</u>	<u>\$ 150,597,204</u>

**City of Allen, Texas**  
Notes to Financial Statements

	Balance September 30, 2022	Additions	Dispositions / Transfers	Balance September 30, 2023
Economic Development Corporation:				
Capital assets not being depreciated:				
Land and Land Improvements	\$ 12,785,529	\$ 22,293,725	\$ -	\$ 35,079,254
Total capital assets not being depreciated	<u>12,785,529</u>	<u>22,293,725</u>	<u>-</u>	<u>35,079,254</u>
Capital assets being depreciated:				
Buildings	1,004,091	-	-	1,004,091
Total capital assets being depreciated	<u>1,004,091</u>	<u>-</u>	<u>-</u>	<u>1,004,091</u>
Less accumulated depreciation for:				
Buildings	(175,717)	(50,205)	-	(225,922)
Total accumulated depreciation	<u>(175,717)</u>	<u>(50,205)</u>	<u>-</u>	<u>(225,922)</u>
Total capital assets being depreciated, net	<u>828,374</u>	<u>(50,205)</u>	<u>-</u>	<u>778,169</u>
<b>Economic Development Corporation capital assets, net</b>	<u>\$ 13,613,903</u>	<u>\$ 22,243,520</u>	<u>\$ -</u>	<u>\$ 35,857,423</u>
Community Development Corporation:				
Capital assets not being depreciated:				
Land and Land Improvements	\$ 2,239,201	\$ -	\$ -	\$ 2,239,201
Construction in progress	2,167,720	7,481,690	(2,214,810)	7,434,600
Total capital assets not being depreciated	<u>4,406,921</u>	<u>7,481,690</u>	<u>(2,214,810)</u>	<u>9,673,801</u>
Capital assets being depreciated:				
Buildings	36,202,922	-	-	36,202,922
Machinery & Equipment	3,282,211	540,784	-	3,822,995
Improvements other than buildings	39,801,391	-	2,214,810	42,016,201
Furniture and fixtures	-	106,211	-	106,211
Vehicles	702,596	-	-	702,596
Total capital assets being depreciated	<u>79,989,120</u>	<u>646,995</u>	<u>2,214,810</u>	<u>82,850,925</u>
Less accumulated depreciation for:				
Buildings	(11,573,858)	(910,830)	-	(12,484,688)
Machinery & Equipment	(2,660,987)	(293,722)	-	(2,954,709)
Improvements other than buildings	(24,193,982)	(2,306,905)	-	(26,500,887)
Furniture and fixtures	-	(9,348)	-	(9,348)
Vehicles	(630,186)	(30,551)	-	(660,737)
Total accumulated depreciation	<u>(39,059,013)</u>	<u>(3,551,356)</u>	<u>-</u>	<u>(42,610,369)</u>
Total capital assets being depreciated, net	<u>40,930,107</u>	<u>(2,904,361)</u>	<u>2,214,810</u>	<u>40,240,556</u>
<b>Community Development Corporation capital assets, net</b>	<u>\$ 45,337,028</u>	<u>\$ 4,577,329</u>	<u>\$ -</u>	<u>\$ 49,914,357</u>
<b>Component units capital assets, net</b>	<u>\$ 58,950,931</u>	<u>\$ 26,820,849</u>	<u>\$ -</u>	<u>\$ 85,771,780</u>

## City of Allen, Texas

### Notes to Financial Statements

Depreciation/amortization expense was charged as direct expense to programs of the primary government and component units as follows:

Governmental activities:	
General government	\$ 725,764
Public safety	1,219,896
Public works	17,724,510
Culture and recreation	2,466,362
Community development	<u>22,820</u>
Total depreciation and amortization expense - General capital assets	22,159,352
Internal Service Funds	<u>2,329,005</u>
<b>Total depreciation/amortization expense - Governmental activities</b>	<b><u>\$ 24,488,357</u></b>
Business-type activities:	
Water and sewer	\$ 6,380,266
Solid waste	14,044
Drainage utility	115,831
Golf course	<u>214,705</u>
<b>Total depreciation/amortization expense - Business-type activities</b>	<b><u>\$ 6,724,846</u></b>
Component units:	
Allen Economic Development Corporation	\$ 50,205
Allen Community Development Corporation	<u>3,551,356</u>
<b>Total depreciation/amortization expense - Component units</b>	<b><u>\$ 3,601,561</u></b>

Outstanding commitments at September 30, 2023, under authorized construction contracts totaled \$11,478,974. These outstanding commitments for capital projects will be funded from unexpended bond proceeds and additional general obligation bonds.

**City of Allen, Texas**  
Notes to Financial Statements

**Note 5. Long-term Liabilities**

At September 30, 2023, bonds payable consisted of the following individual issues:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at 9/30/2023
<b>Governmental Activities</b>				
<i>General Obligation Bonds</i>				
General Obligation Bonds, Series 2006	\$ 1,595,000	4.0% - 4.2%	8/15/2026	\$ 330,000
General Obligation Bonds, Series 2013	5,065,000	2.0% - 3.5%	8/15/2032	2,715,000
General Obligation Bonds, Series 2014	10,595,000	2.0% - 4.0%	8/15/2033	6,330,000
General Obligation Refunding & Improvement Bonds, Series 2015	32,245,000	2.0% - 5.0%	8/15/2034	10,205,000
General Obligation Refunding Bonds, Series 2016	6,910,000	2.0% - 4.0%	8/15/2028	4,350,000
General Obligation Bonds, Series 2017	11,845,000	2.25% - 5.0%	8/15/2032	7,370,000
General Obligation Bonds, Series 2018	8,355,000	2.0% - 5.0%	8/15/2033	5,945,000
General Obligation Refunding & Improvement Bonds, Series 2019	8,630,000	2.5% - 4.0%	8/15/2034	5,325,000
General Obligation Refunding & Improvement Bonds, Series 2020	23,385,000	2.0% - 4.0%	8/15/2035	16,285,000
General Obligation Refunding & Improvement Bonds, Series 2021	10,595,000	3.0% - 5.0%	8/15/2036	5,935,000
General Obligation Bonds, Series 2022	23,000,000	4.0% - 5.0%	8/15/2041	21,580,000
General Obligation Bonds, Series 2023	14,525,000	4.0% - 5.0%	8/15/2043	14,525,000
<b>General Obligation Bonds Total</b>	<b><u>\$ 156,745,000</u></b>			<b><u>\$ 100,895,000</u></b>
<i>Certificates of Obligation Bonds</i>				
Combination Tax & Revenue Certificates of Obligation, Series 2021	\$ 22,945,000	4.0% - 5.0%	8/15/2036	\$ 20,740,000
<i>Tax Notes</i>				
Tax Notes, Series 2020	\$ 3,175,000	4.00%	8/15/2026	\$ 1,680,000
<b>Governmental Activities Total</b>	<b><u>\$ 182,865,000</u></b>			<b><u>\$ 123,315,000</u></b>
<b>Business-type Activities</b>				
Waterworks & Sewer System Revenue Refunding Bonds, Series 2013	\$ 3,370,000	2.0% - 3.0%	6/1/2025	\$ 645,000
Waterworks & Sewer System Revenue Refunding Bonds, Series 2014	1,280,000	2.10%	6/1/2024	120,000
Waterworks & Sewer System Revenue Bonds, Series 2018	9,330,000	2.0% - 5.0%	6/1/2038	7,640,000
Waterworks & Sewer System Revenue Bonds, Series 2019	3,845,000	2.0% - 4.0%	6/1/2039	3,230,000
Waterworks & Sewer System Revenue Bonds, Series 2020	4,880,000	2.0% - 5.0%	6/1/2040	4,320,000
Waterworks & Sewer System Revenue Bonds, Series 2021	10,675,000	2.0% - 5.0%	6/1/2036	9,870,000
<b>Business-type Activities Total</b>	<b><u>\$ 33,380,000</u></b>			<b><u>\$ 25,825,000</u></b>
<b>Allen Economic Development Corporation Bonds</b>				
Sales Tax Revenue Refunding Bonds, Series 2017A	\$ 11,810,000	2.0% - 5.0%	9/1/2027	\$ 4,965,000
Sales Tax Revenue Bonds, Series 2020	2,110,000	0.75% - 2.0%	9/1/2030	1,505,000
Sales Tax Revenue Bonds, Series 2021	2,295,000	0.65% - 2.45%	9/1/2036	2,295,000
<b>AEDC Bonds Total</b>	<b><u>\$ 16,215,000</u></b>			<b><u>\$ 8,765,000</u></b>
<b>Allen Community Development Corporation Bonds</b>				
Sales Tax Revenue Refunding Bonds, Series 2016	\$ 31,235,000	0.750% - 2.353%	9/1/2032	\$ 18,865,000

**City of Allen, Texas**  
Notes to Financial Statements

The following is a summary of long-term liabilities transactions, including current portion, of the City for the year ended September 30, 2023:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 95,885,000	\$ 14,525,000	\$ (9,515,000)	\$ 100,895,000	\$ 11,905,000
Certificates of obligation	21,870,000	-	(1,130,000)	20,740,000	1,190,000
Tax notes	2,200,000	-	(520,000)	1,680,000	540,000
Right-to-use leases	1,020,867	280,177	(476,269)	824,775	495,475
Premiums (discounts)	13,419,341	771,340	(795,950)	13,394,731	-
Compensated absences	8,021,323	6,551,976	(5,863,499)	8,709,800	1,741,960
Net OPEB liability	2,165,664	-	(717,342)	1,448,322	-
Net pension liability	9,390,772	34,703,345	-	44,094,117	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 153,972,967</b>	<b>\$ 56,831,838</b>	<b>\$ (19,018,060)</b>	<b>\$ 191,786,745</b>	<b>\$ 15,872,435</b>

The general fund has typically been used to liquidate the liability for compensated absences for governmental activities.

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
<b>Business-Type Activities</b>					
Water and sewer revenue bonds	\$ 27,400,000	\$ -	\$ (1,575,000)	\$ 25,825,000	\$ 1,645,000
Financed purchases	191,445	-	(143,931)	47,514	15,540
Right-to-use leases	279,154	-	(161,782)	117,372	108,430
Premiums (discounts)	3,069,408	-	(95,715)	2,973,693	-
Net pension liability	1,302,113	5,280,837	-	6,582,950	-
Net OPEB liability	259,532	-	(43,307)	216,225	-
Compensated absences	801,496	1,189,692	(822,018)	1,169,170	233,834
<b>Business-type activity long-term liabilities</b>	<b>\$ 33,303,148</b>	<b>\$ 6,470,529</b>	<b>\$ (2,841,753)</b>	<b>\$ 36,931,924</b>	<b>\$ 2,002,804</b>
<b>Component Units</b>					
Allen Community Development Corporation					
Sales tax revenue bonds	\$ 20,715,000	\$ -	\$ (1,850,000)	\$ 18,865,000	\$ 1,890,000
<b>ACDC long-term debt</b>	<b>\$ 20,715,000</b>	<b>\$ -</b>	<b>\$ (1,850,000)</b>	<b>\$ 18,865,000</b>	<b>\$ 1,890,000</b>
Allen Economic Development Corporation					
Sales tax revenue bonds	\$ 10,070,000	\$ -	\$ (1,305,000)	\$ 8,765,000	\$ 1,515,000
Premiums (discounts)	364,477	-	(72,895)	291,582	-
<b>AEDC long-term debt</b>	<b>\$ 10,434,477</b>	<b>\$ -</b>	<b>\$ (1,377,895)</b>	<b>\$ 9,056,582</b>	<b>\$ 1,515,000</b>
<b>Component units long-term debt</b>	<b>\$ 31,149,477</b>	<b>\$ -</b>	<b>\$ (3,227,895)</b>	<b>\$ 27,921,582</b>	<b>\$ 3,405,000</b>

# City of Allen, Texas

## Notes to Financial Statements

### Annual Requirements to Retire Debt Obligations

The City intends to retire all its general long-term liabilities, plus accrued interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt, plus accrued interest, will be repaid from operating revenues of the Water and Sewer Fund. The annual aggregate maturities for each bond type for the years subsequent to September 30, 2023, are on the following pages.

#### Governmental Activities

##### General Obligation Bonds

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 11,905,000	\$ 4,206,406	\$ 16,111,406
2025	8,165,000	3,738,686	11,903,686
2026	8,475,000	3,425,857	11,900,857
2027	8,725,000	3,053,496	11,778,496
2028	7,700,000	2,686,446	10,386,446
2029-2033	32,465,000	8,982,069	41,447,069
2034-2038	14,560,000	3,454,363	18,014,363
2039-2043	8,900,000	888,800	9,788,800
	<u>\$ 100,895,000</u>	<u>\$ 30,436,123</u>	<u>\$ 131,331,123</u>

##### Certificates of Obligation

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 1,190,000	\$ 926,250	\$ 2,116,250
2025	1,250,000	866,750	2,116,750
2026	1,310,000	804,250	2,114,250
2027	1,370,000	738,750	2,108,750
2028	1,445,000	670,250	2,115,250
2029-2033	8,310,000	2,246,500	10,556,500
2034-2036	5,865,000	475,600	6,340,600
	<u>\$ 20,740,000</u>	<u>\$ 6,728,350</u>	<u>\$ 27,468,350</u>

##### Tax Notes

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 540,000	\$ 67,200	\$ 607,200
2025	560,000	45,600	605,600
2026	580,000	23,200	603,200
	<u>\$ 1,680,000</u>	<u>\$ 136,000</u>	<u>\$ 1,816,000</u>

**City of Allen, Texas**  
Notes to Financial Statements

**Annual Requirements to Retire Debt Obligations – Continued**

**Business Type Activities**

<b>Waterworks and Sewer System Revenue Bonds</b>				
Fiscal Year Ending September 30,	Principal		Interest	Total
2024	\$ 1,645,000	\$	970,308	\$ 2,615,308
2025	1,420,000		929,700	2,349,700
2026	1,200,000		892,950	2,092,950
2027	1,230,000		862,950	2,092,950
2028	1,260,000		823,900	2,083,900
2029-2033	7,185,000		3,254,600	10,439,600
2034-2038	8,830,000		1,598,650	10,428,650
2039-2041	3,055,000		190,150	3,245,150
	<u>\$ 25,825,000</u>	<u>\$</u>	<u>9,523,208</u>	<u>\$ 35,348,208</u>

**Component Unit Activities**

<b>Sales Tax Revenue Bonds - Allen EDC</b>				
Fiscal Year Ending September 30,	Principal		Interest	Total
2024	\$ 1,515,000	\$	314,743	\$ 1,829,743
2025	1,580,000		253,845	1,833,845
2026	1,645,000		189,015	1,834,015
2027	1,715,000		120,468	1,835,468
2028	390,000		47,778	437,778
2029-2033	1,335,000		142,923	1,477,923
2034-2036	585,000		48,525	633,525
	<u>\$ 8,765,000</u>	<u>\$</u>	<u>1,117,297</u>	<u>\$ 9,882,297</u>

<b>Sales Tax Revenue Bonds - Allen CDC</b>				
Fiscal Year Ending September 30,	Principal		Interest	Total
2024	\$ 1,890,000	\$	521,192	\$ 2,411,192
2025	1,935,000		476,721	2,411,721
2026	1,980,000		431,190	2,411,190
2027	2,030,000		382,423	2,412,423
2028	2,080,000		329,176	2,409,176
2029-2032	8,950,000		697,904	9,647,904
	<u>\$ 18,865,000</u>	<u>\$</u>	<u>2,838,606</u>	<u>\$ 21,703,606</u>

## City of Allen, Texas

### Notes to Financial Statements

#### Bond Issuances

On August 31, 2023, the City issued City of Allen, Texas General Obligation Bonds, Series 2023, in the amount of \$14,525,000 for capital improvements. Bond proceeds totaled \$15,296,440 and includes a premium of \$771,340. Expenses incurred to deliver the Series 2023 bonds, including issuance costs, underwriter's discount, and agents' fees amounted to \$194,280. The Series 2023 bonds incur an average cost over the life of the debt at a rate of 4.00%-5.00% and mature annually, with semi-annual interest payments.

A schedule of authorized but unissued direct General Obligation Bonds as of September 30, 2023, is as follows:

Purpose	Date of Authorization	Original Amount Authorized	Issued in Prior Fiscal Years	Issued in 2023	Unissued Balance
Service Center Facilities	5/12/2007	\$ 14,500,000	\$ 12,500,000	\$ -	\$ 2,000,000
Library	5/7/2016	16,045,000	16,045,000	-	-
Streets and Drainage	5/7/2016	23,890,000	18,990,000	4,900,000	-
Parks	5/7/2016	27,000,000	21,000,000	6,000,000	-
Public Art Projects	5/7/2016	1,770,000	867,940	902,060	-
Public Safety	5/7/2016	24,445,000	21,145,000	3,300,000	-
		<u>\$ 107,650,000</u>	<u>\$ 90,547,940</u>	<u>\$ 15,102,060</u>	<u>\$ 2,000,000</u>

#### **Waterworks and Sewer System Revenue Bonds**

Waterworks and Sewer System Revenue Bonds are used to finance the acquisition of major capital improvements for the City's water and sewer system and related facilities. Water and Sewer Revenue Bonds and Refunding Bonds are payable solely from and, equally secured by, a first lien on and pledge of the net revenue of the City's combined waterworks and sanitary sewer systems.

The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Enterprise Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

Funds aggregating \$2,634,465 at September 30, 2023, are restricted within the Water and Sewer Enterprise Fund for servicing of the debt. The respective bond indentures require the City to make equal monthly payments to the restricted accounts to accumulate the annual principal and interest requirements as they become due.

The ordinances authorizing the Revenue Bonds stipulate that the City will deposit, in addition to principal and interest requirements, certain amounts in a reserve fund. Amounts in the reserve fund are to be used to pay principal and interest on outstanding bonds whenever enough funds are not available in the bond interest and redemption fund. The bond indentures require that the City accumulate reserves to an amount equal to the average annual principal and interest requirements of all outstanding bonds secured by the net revenues of the system. Such reserves are funded up to the required level in equal monthly installments over a maximum five-year period, as defined in the indentures. Amounts in the reserve fund at September 30, 2023, of \$4,600,250 are adequate to meet the reserve requirements.



## City of Allen, Texas

### Notes to Financial Statements

At September 30, 2023, restricted assets, which include amounts in the Water and Sewer Revenue Bond Debt Service and the Revenue Bond Reserve Fund, were as follows:

Revenue bond reserve fund	\$ 1,978,440
Revenue bond debt service	<u>2,621,810</u>
	<u>\$ 4,600,250</u>
Net position reserved for Water and Sewer revenue bond retirement is detailed as follows:	
Restricted assets, revenue bond debt	
Service and reserve funds	\$ 4,600,250
Accrued interest, payable from restricted assets	(320,785)
Current maturities of revenue bonds, payable from restricted assets	<u>(1,645,000)</u>
<b>Reserved for water and sewer revenue bonds principal and interest</b>	<u><u>\$ 2,634,465</u></u>

The City complies with the various requirements of the bond ordinances.

### Financed Arrangements

The City has acquired office equipment, a building, and land under various agreements accounted for as financed purchases. As of September 30, 2023, the capitalized costs of business-type property under financed purchase arrangements were \$790,281.

The terms of the financed arrangements range from 3 - 5 years and call for monthly and annual payments over the life of the agreements. The future minimum payments under financed purchase arrangements and the net present value of the future minimum payments at September 30, 2023, are as follows:

Fiscal Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2024	\$ 15,540	\$ 1,964	\$ 17,504
2025	16,311	1,193	17,504
2026	<u>15,663</u>	<u>383</u>	<u>16,046</u>
<b>Total</b>	<u><u>\$ 47,514</u></u>	<u><u>\$ 3,540</u></u>	<u><u>\$ 51,054</u></u>

### Leases

#### Lessee

The City is a lessee for noncancellable leases of buildings, copiers, and other equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (leased asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with total lease payments of \$20,000 or more.

## City of Allen, Texas

### Notes to Financial Statements

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

The future principal and interest lease payments as of fiscal year-end are as follows:

Fiscal Year Ending September 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 495,475	\$ 23,207	\$ 518,682	\$ 108,430	\$ 458	\$ 108,888
2025	217,795	8,168	225,963	8,942	6	8,948
2026	111,505	2,051	113,556	-	-	-
<b>Total</b>	<b>\$ 824,775</b>	<b>\$ 33,426</b>	<b>\$ 858,201</b>	<b>\$ 117,372</b>	<b>\$ 464</b>	<b>\$ 117,836</b>

**City of Allen, Texas**  
Notes to Financial Statements

**Note 6. Interfund Transfers**

Individual fund operating transfers for fiscal year ended September 30, 2023, were as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>						<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>General Capital Projects Fund</u>	<u>Grants Fund</u>	<u>Water and Sewer Fund</u>	<u>Allen Event Center Fund</u>	
General Fund	\$ -	\$ 3,000,000	\$ 2,250,000	\$ 6,990	\$ -	\$ 998,325	\$ 6,255,315
General Obligation Bond Fund	329,475	-	-	-	-	-	329,475
Nonmajor Governmental Funds	99,179	-	-	-	-	350,000	449,179
Water and Sewer Fund	6,060,317	-	-	-	-	-	6,060,317
Solid Waste Fund	266,145	-	300,000	-	60,739	-	626,884
Drainage Utility Fund	434,438	-	-	-	-	-	434,438
Total	<u>\$ 7,189,554</u>	<u>\$ 3,000,000</u>	<u>\$ 2,550,000</u>	<u>\$ 6,990</u>	<u>\$ 60,739</u>	<u>\$ 1,348,325</u>	<u>\$ 14,155,608</u>

Transfers are used to move unrestricted funds to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs and to support cash financing of capital projects.

**Note 7. Retirement Plan**

**Plan Description**

The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [tmrs.com](http://tmrs.com).

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

**Benefits Provided**

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

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

## City of Allen, Texas

### Notes to Financial Statements

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

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating
Annuity Increase to retirees	70% of CPI Repeating

#### **Employees Covered by Benefit Terms:**

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	346
Inactive employees entitled to, but not yet receiving benefits	573
Active employees	<u>761</u>
<b>Total</b>	<u><u>1,680</u></u>

#### **Contributions**

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 14.46% and 14.16% in calendar years 2023 and 2022, respectively. The City's contribution to TMRS for the year ended September 30, 2023 was \$9,866,638, which exceeded the required contribution of \$9,556,198.

#### **Net Pension Liability**

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

#### **Actuarial Assumptions**

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

## City of Allen, Texas

### Notes to Financial Statements

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
<b>Total</b>	<b>100.0%</b>	

#### Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**City of Allen, Texas**  
Notes to Financial Statements

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2021	\$ 274,508,976	\$ 263,816,091	\$ 10,692,885
Changes for the year:			
Service cost	10,871,510	-	10,871,510
Interest	18,606,874	-	18,606,874
Difference between expected and actual experience	5,017,307	-	5,017,307
Change in assumptions	-	-	-
Contributions - employer	-	9,488,440	(9,488,440)
Contributions - employee	-	4,281,593	(4,281,593)
Net investment income	-	(19,290,735)	19,290,735
Benefit payments, including refunds of employee contributions	(8,574,676)	(8,574,676)	-
Administrative expense	-	(166,644)	166,644
Other changes	-	198,855	(198,855)
Net changes	<u>25,921,015</u>	<u>(14,063,167)</u>	<u>39,984,182</u>
<b>Balance at 12/31/2022</b>	<u><u>\$ 300,429,991</u></u>	<u><u>\$ 249,752,924</u></u>	<u><u>\$ 50,677,067</u></u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 98,275,007	\$ 50,677,067	\$ 12,081,307

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at [tmrs.com](http://tmrs.com).

**City of Allen, Texas**

Notes to Financial Statements

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

For the year ended September 30, 2023, the City recognized pension expense in the amount of \$14,165,896. At September 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,534,695	\$ (282,383)
Changes in actuarial assumptions	71,686	-
Difference between projected and actual investment earnings	17,232,847	-
Contributions subsequent to the measurement date	<u>7,489,505</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 31,328,733</u></b>	<b><u>\$ (282,383)</u></b>

\$7,489,505 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement year ending December 31:</u>	
2023	\$ 3,279,449
2024	6,009,945
2025	6,280,420
2026	<u>7,987,031</u>
<b>Total</b>	<b><u>\$ 23,556,845</u></b>

**Note 8. Water and Sewer Contracts**

In 1972, the City entered a forty-year contract with the North Texas Municipal Water District (District) for the purchase of water. Under the terms of this contract, the City is obligated to make a minimum annual payment (adjusted annually) in return for a minimum volume of gallons of water per year. During 1998, the City was annexed into the North Texas Municipal Water District, which guaranteed the City a minimum volume of water. For the year ended September 30, 2023, the cost of water purchased under this contract was \$21,298,628.

In 1978, the City entered a contract with the District for the transportation, treatment and disposal of sanitary sewage and other waste. The contract will continue in force at least until all bonds issued by the District pursuant to the contract have been paid in full and will remain in force thereafter throughout the useful life of the District's sanitary sewer system. The contract requires the City to pay varying amounts based on the costs associated with sewage transported and/or treated and disposed. The cost includes the City's proportionate share of the District's operating and maintenance expenses and related debt service costs. During fiscal year 2023, the cost for transportation, treatment and disposal of sewage and other wastes was \$11,278,034.

## City of Allen, Texas

### Notes to Financial Statements

#### Note 9. Deferred Compensation Plan

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property and rights of the City subject to the claims of the City's general creditors. As a result, at September 30, 2023, the deferred compensation investments are not reported in the City's financial statements.

#### Note 10. Risk Management

##### Health and Dental Insurance

The City provides health and dental insurance benefits to City employees under a modified self-insurance plan. Under the plan, the City and the employee pay a portion of a predetermined monthly premium, which is based on the estimated claims cost for the plan and the extent of medical coverage selected by the employee. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

A commercial insurance carrier is utilized to adjudicate and pay medical claims on behalf of the City. The City's medical claims liability is limited by a stop loss insurance policy that covers individuals' medical claims in excess of \$125,000 per plan year. Aggregate stop loss coverage of \$2,000,000 per plan year provides protection to limit claim liability for the plan as a whole. The liabilities for insurance claims reported are based on GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

These liabilities include an estimate for incurred but not reported claims. The estimated amount at September 30, 2023, was \$1,015,508. Changes in the Risk Management liability during the past five fiscal years were as follows:

<u>Year Ending September 30,</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2019	\$ 1,064,209	\$ 8,909,032	\$ 8,771,234	\$ 1,202,007
2020	1,202,007	8,285,276	8,433,972	1,053,311
2021	1,053,311	9,400,218	9,386,807	1,066,722
2022	1,066,722	9,789,575	9,721,444	1,134,853
2023	1,134,853	10,807,931	10,927,276	1,015,508

##### Workers Compensation & Property and Liability Insurance

The City participates in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for workers' compensation claims, liability (general, automobile, law enforcement, and errors/omissions), and property insurance. The cost is based on the pool's claims cost, which is adjusted to reflect the City's individual claims experience. As claims arise they are submitted to and paid by TMLIRP. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.



## City of Allen, Texas

### Notes to Financial Statements

The City has a workers' compensation deductible of \$25,000 per occurrence, with an annual aggregate deductible of \$330,000. During fiscal 2023, the City contributed \$959,162 to the Risk Management Fund for workers' compensation.

The City has various levels of insurance deductibles for property, liability, and automobile insurance with the maximum deductible set at \$10,000. All insured claims are paid by TMLIRP, less the appropriate deductible. During fiscal 2023, the City contributed \$1,190,136 for property and general liability.

#### Note 11. Postemployment Benefits Other Than Pensions (OPEB)

##### City of Allen Retiree Healthcare Plan:

##### Plan Description and Benefits Provided

In addition to the pension benefits described in Note 7, and as required by state law, the City provides post-retirement health care benefits for all permanent full-time employees through a single employer defined benefit medical plan. To be eligible under the plan, a participant must either attain age sixty (60) and at least five (5) years of TMRS service or be any age with twenty (20) or more years of service. Retirees must make a one-time irrevocable decision to continue benefits at the time of retirement, after which their eligibility for this benefit ends. The retiree benefit consists of medical, dental and vision care until age 65. The Allen Retiree Healthcare Plan does not issue a standalone financial report.

Employees who retired on or before December 31, 2012, were "grandfathered" in and allowed to pay the same blended medical premium rates as COBRA participants, which are the total cost of premiums (no City subsidy) plus 2% administration fees. The retirees are also subject to the same rate increases as COBRA participants. Employees who retire on or after January 1, 2013, can elect health care coverage but will be required to pay the (higher) unblended rate. Current OPEB benefits are made on a pay-as-you-go basis from the Risk Management Fund.

##### Employees Covered by Benefit Terms

Membership in the defined benefit medical plan consisted of the following at the measurement date of September 30, 2023:

Inactive employees or beneficiaries currently receiving benefits	5
Active plan members	<u>722</u>
<b>Total members</b>	<u><u>727</u></u>

##### Funding Policy

Due to the significant increase in retiree premium costs, the City elected to create a separate Other Postemployment Defined Benefit Medical Plan for retirees, effective January 1, 2013. The single employer defined benefit plan is created by City ordinance and appoints the City Manager as Plan Administrator for the program. The trust was established with Public Agency Retirement Services Company (PARS) and is used to accumulate resources to fund future benefits. However, it does not represent the activities of the plan. Related medical costs are incurred in and paid from the City's Risk Management Fund. The plan benefit provisions and obligations to contribute are established by City Council action and are actuarially determined.

# City of Allen, Texas

## Notes to Financial Statements

### Net OPEB Asset

**Actuarial Methods and Assumptions** - The City's net OPEB asset was measured as of October 1, 2021, and the total OPEB asset used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date, which was rolled forward using standard update procedures to determine the September 30, 2023 total OPEB asset based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	October 1, 2021
Measurement Date	September 30, 2023
Discount Rate	4.00%
Inflation	2.00% per annum
Payroll Growth Rate	3.00% per annum
Mortality, Non-Annuitants	Sex distinct headcount weighted PUB-2010 general and safety employees table, with mortality improvement scale MP-2021
Mortality, Annuitants	Sex distinct headcount weighted PUB-2010 general retirees table, with mortality improvement scale MP-2021
Healthcare Trend	6.80% initial, decreasing to an ultimate rate of 4.14% in 2043 and later years.
Participation Rate	20% of participants eligible for medical or dental benefits upon retirement are assumed to elect coverage.
Investment Rate of Return	4.00%, net of OPEB plan investment expenses

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	25.0%	7.90%
Fixed Income	70.0%	5.50%
International Equity	2.0%	9.90%
Real Estate	1.0%	5.70%
Cash	2.0%	2.40%
<b>Total</b>	<b>100.0%</b>	

**City of Allen, Texas**

Notes to Financial Statements

**Changes in the Net OPEB Liability (Asset)**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 09/30/2022	\$ 115,036	\$ 1,066,230	\$ (951,194)
Changes for the year:			
Interest	1,049	-	1,049
Difference between expected and actual experience	136,506	-	136,506
Net investment income (loss)	-	65,367	(65,367)
Benefit payments	(177,594)	(283,983)	106,389
Administrative expense	-	(7,056)	7,056
Net changes	<u>(40,039)</u>	<u>(225,672)</u>	<u>185,633</u>
Balance at 09/30/2023	<u>\$ 74,997</u>	<u>\$ 840,558</u>	<u>\$ (765,561)</u>
Plan fiduciary net position as a percentage of the Total OPEB Liability		1120.79%	

**Sensitivity of the Net OPEB Asset to Changes in the Discount Rate and Healthcare Cost Trend Rates**

The following presents the net OPEB Asset of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB Asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate of 4.00%:

	1% Decrease in Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase in Discount Rate (5.00%)
City's net OPEB (Asset)	<u>\$ (764,099)</u>	<u>\$ (765,561)</u>	<u>\$ (769,051)</u>

The following presents the net OPEB Asset of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB Asset would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate (5.80%)	Healthcare Cost Trend Rate (6.80%)	1% Increase in Trend Rate (7.80%)
City's net OPEB (Asset)	<u>\$ (767,475)</u>	<u>\$ (765,561)</u>	<u>\$ (761,592)</u>

**City of Allen, Texas**

Notes to Financial Statements

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended September 30, 2023, the collective OPEB expense of the City of Allen Retiree Healthcare Plan was a credit of \$47,285. At September 30, 2023, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,339	\$ (232,062)
Changes in actuarial assumptions	12,824	(97,219)
Difference between projected and actual investment earnings	81,862	-
<b>Total</b>	<b>\$ 216,025</b>	<b>\$ (329,281)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows.

Measurement year ending September 30,	Annual Amortization
2024	\$ (21,176)
2025	(12,612)
2026	66
2027	(32,572)
2028	(30,067)
Thereafter	(16,895)
<b>Total</b>	<b>\$ (113,256)</b>

**Supplemental Death Benefits Plan:**

**Plan Description**

Texas Municipal Retirement System (“TMRS”) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (“SDBF”). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e., no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

## City of Allen, Texas

### Notes to Financial Statements

#### Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500.

#### Contributions and Funding Policy

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 to not pre-fund retiree term life insurance during employees' entire careers.

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

The City's contribution to the TMRS SDBF for retirees for the fiscal year ended September 30, 2023, was \$31,627, which was equal to the actuarially determined contribution (ADC).

#### Summary of Actuarial Assumptions and Other Inputs Used

Inflation	2.5 %
Salary Increases	3.5% to 11.5%, including inflation.
Discount Rate	4.05%, as of December 31, 2022
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**Note:** The actuarial assumptions used in the December 31, 2022, valuation was based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2018.

## City of Allen, Texas

### Notes to Financial Statements

#### Employees Covered by Benefit Terms\*

At December 31, 2022, the actuarial valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	242
Inactive employees entitled to, but not yet receiving benefits	142
Active employees	<u>761</u>
<b>Total</b>	<u><u>1,145</u></u>

#### Changes in Total OPEB Liability

Total OPEB Liability – beginning of year	\$ 2,425,196
Changes for the year:	
Service Cost	176,921
Interest on Total OPEB Liability	46,027
Differences between expected and actual experience	903
Changes in assumptions or other inputs	(960,097)
Benefit payments	<u>(24,403)</u>
Net Change	<u>(760,649)</u>
<b>Total OPEB Liability - end of year</b>	<u><u>\$ 1,664,547</u></u>

The City's total OPEB liability of \$1,664,547 was measured at December 31, 2022, and determined by an actuarial valuation as of that date. Accordingly, no roll-forward is required.

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current discount rate:

	1.0% Decrease in Discount Rate (3.05%)	Current Discount Rate (4.05%)	1.0% Increase in Discount Rate (5.05%)
Total OPEB Liability	<u>\$ 2,028,081</u>	<u>\$ 1,664,547</u>	<u>\$ 1,385,316</u>

#### OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$157,837. OPEB expense recognized is as follows

Components of OPEB Expense:	
Service Cost	\$ 176,921
Interest on Total OPEB Liability	46,027
Differences between expected and actual experience	(24,273)
Change in assumptions or other input	<u>(40,838)</u>
<b>Total OPEB Expense</b>	<u><u>\$ 157,837</u></u>

## City of Allen, Texas

### Notes to Financial Statements

At September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
	<u>                    </u>	<u>                    </u>
Contributions made subsequent to measurement date	\$ 25,630	\$ -
Differences between expected and actual experience	30,282	(127,865)
Changes in assumptions or other inputs	<u>392,242</u>	<u>(846,994)</u>
<b>Total</b>	<u><u>\$ 448,154</u></u>	<u><u>\$ (974,859)</u></u>

Deferred outflows of resources in the amount of \$25,630 related to OPEB that resulted from contributions made subsequent to the measurement date but before September 30, 2023, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

<u>Year Ending September 30,</u>	<u>Net deferred outflows/ (inflows) of resources</u>
2024	\$ (65,113)
2025	(81,453)
2026	(82,353)
2027	(100,705)
2028	(135,512)
Thereafter	<u>(87,199)</u>
<b>Total</b>	<u><u>\$ (552,335)</u></u>

### Combined Totals for Retiree Healthcare Plan and Supplemental Death Benefits Plan

The combined totals for the two OPEB plans are as follows:

	<u>Retiree Healthcare Plan</u>	<u>SDBF</u>	<u>Total</u>
OPEB asset	\$ 765,561	\$ -	\$ 765,561
OPEB liability	-	(1,664,547)	(1,664,547)
Deferred inflows	(329,281)	(974,859)	(1,304,140)
Deferred outflows	216,025	448,154	664,179
OPEB expense (credit)	(47,285)	157,837	110,552

## City of Allen, Texas

### Notes to Financial Statements

#### Note 12. Tax Abatements and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales taxes and include incentive payments and rebates of fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act), and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact, or community impact of the project requesting assistance. Recipients of assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions that may require repayment or termination if recipients do not meet the required provisions of the economic incentives. The following are the three categories of economic development agreements City has contracted:

**General Economic Development** -The City, Allen Economic Development Corporation, and Allen Community Development Corporation enter into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received, may result in fee reductions or rebates, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. During fiscal year 2023, the City rebated \$6,294,615 in taxes. Additionally, for fiscal year 2023, the Allen Economic Development Corporation rebated taxes in the amount of \$176,227 and made incentive payments of \$3,747,898, while the Allen Community Development Corporation rebated taxes in the amount of \$176,227, and made an grant payment of \$15,000.

**Tax Abatements** - Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer pays taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were \$83,070 for the fiscal year ended September 30, 2023.

**Tax Increment Financing** -The City has adopted two Tax Increment Financing (TIF) zones under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements that earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. Additionally, the City may enter into general economic development agreements, under Chapter 380 of the Texas Local Government Code, which are funded with TIF resources. The City made \$779,018 in payments for TIF obligations during fiscal year 2023.

#### Note 13. Commitments and Contingent Liabilities

**Federal Grants** -The City participates in several State and Federal assisted grant programs. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.



## City of Allen, Texas

### Notes to Financial Statements

**Litigation** The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**Economic Development Grant** -The City has several economic development agreements whereby the City has agreed to pay a grant(s) to a developer and/or business in return for the design, construction, operating, and/or managing of the business within the City of Allen. All grants are performance based and do not constitute liabilities on the City's financial records.



## **Required Supplementary Information**

**City of Allen, Texas**

**Exhibit A-1**

Schedule of Changes in Total OPEB Liability and Related Ratios -  
Supplemental Death Benefits Fund  
Last Six Measurement Years

	2022*	2021*	2020*	2019*	2018*	2017*
<b>Total OPEB liability:</b>						
Service cost	\$ 176,921	\$ 170,331	\$ 126,390	\$ 94,165	\$ 97,628	\$ 83,658
Interest (on the total pension liability)	46,027	44,623	49,783	56,186	45,926	42,992
Changes in benefit terms	-	-	-	-	-	-
Difference in expected and actual experience	903	(7,796)	(78,736)	(183,037)	101,506	-
Change in assumptions or other inputs	(960,097)	83,821	315,925	317,781	(111,311)	121,271
Benefit payments **	(24,403)	(23,494)	(5,495)	(5,231)	(4,881)	(4,648)
Net change in total OPEB liability	(760,649)	267,485	407,867	279,864	128,868	243,273
Total OPEB liability, beginning of year	2,425,196	2,157,711	1,749,844	1,469,980	1,341,112	1,097,839
Total OPEB liability, end of year	<u>\$ 1,664,547</u>	<u>\$ 2,425,196</u>	<u>\$ 2,157,711</u>	<u>\$ 1,749,844</u>	<u>\$ 1,469,980</u>	<u>\$ 1,341,112</u>
<b>Covered-employee payroll</b>	\$ 61,007,654	\$ 58,734,814	\$ 54,952,114	\$ 52,314,010	\$ 48,814,159	\$ 46,476,391
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	2.73%	4.13%	3.93%	3.34%	3.01%	2.89%

**Notes to Schedule:**

\* GASB 75 requires 10 fiscal years of data to be provided in this schedule.  
However, information for additional years will be displayed as it becomes available.

\*\* Due to the SDBP being considered an unfunded plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

There are no assets accumulated in trust to pay related benefits for the OPEB Plan.

**City of Allen, Texas**

Schedule of OPEB Contributions -  
Supplemental Death Benefits Fund  
Last Six Fiscal Years

**Exhibit A-2**

	Fiscal Year Ended September 30,					
	2023*	2022*	2021*	2020*	2019*	2018*
Actuarially determined contributions	\$ 31,627	\$ 24,889	\$ 18,595	\$ 5,394	\$ 5,156	\$ 4,778
Contributions in relation to actuarially determined contribution	31,627	24,889	18,595	5,394	5,156	4,778
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Covered-employee payroll</b>	\$ 66,253,024	\$ 62,223,037	\$ 58,367,657	\$ 53,937,361	\$ 51,562,996	\$ 47,782,955
<b>Contributions as a percentage of covered-employee payroll</b>	0.05%	0.04%	0.03%	0.01%	0.01%	0.01%

**Notes to Schedule of OPEB Contributions**

GASB 75 requires 10 fiscal years of data to be provided in this schedule. However, information for additional years will be presented as it becomes available.

GASB 75, paragraph 57, requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

## City of Allen, Texas

## Exhibit A-3

### Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios - Defined Benefit Retiree Healthcare Plan Last Six Measurement Years

	Measurement Year Ended September 30,					
	2023*	2022*	2021*	2020*	2019*	2018*
<b>Total OPEB liability</b>						
Interest (on the total OPEB liability)	\$ 1,049	\$ 6,770	\$ 21,215	\$ 29,520	\$ 38,887	\$ 41,469
Difference in expected and actual experience	136,506	(255,282)	-	(5,299)	-	(91,701)
Change in assumptions	-	(25,531)	-	(120,997)	28,859	(30,415)
Benefit payments	(177,594)	(70,906)	(183,188)	(49,154)	(155,176)	29,767
Net change in total OPEB liability	(40,039)	(344,949)	(161,973)	(145,930)	(87,430)	(50,880)
Total OPEB liability, beginning of year	115,036	459,985	621,958	767,888	855,318	906,198
<b>Total OPEB liability, end of year (a)</b>	<b>\$ 74,997</b>	<b>\$ 115,036</b>	<b>\$ 459,985</b>	<b>\$ 621,958</b>	<b>\$ 767,888</b>	<b>\$ 855,318</b>
<b>Plan fiduciary net position:</b>						
Net investment income (loss)	\$ 65,367	\$ (179,315)	\$ 116,827	\$ 99,920	\$ 66,177	\$ 94,484
Benefit payments	(283,983)	(86,570)	(222,665)	(212,086)	(142,438)	(252,781)
Administrative expense	(7,056)	(7,943)	(8,523)	(9,065)	(8,119)	(10,442)
Net change in plan fiduciary net position	(225,672)	(273,828)	(114,361)	(121,231)	(84,380)	(168,739)
Plan fiduciary net position - beginning	1,066,230	1,340,058	1,454,419	1,575,650	1,660,030	1,828,769
Plan fiduciary net position - ending (b)	<b>\$ 840,558</b>	<b>\$ 1,066,230</b>	<b>\$ 1,340,058</b>	<b>\$ 1,454,419</b>	<b>\$ 1,575,650</b>	<b>\$ 1,660,030</b>
<b>Plan Net OPEB liability (asset) - ending (a) - (b)</b>	<b>\$ (765,561)</b>	<b>\$ (951,194)</b>	<b>\$ (880,073)</b>	<b>\$ (832,461)</b>	<b>\$ (807,762)</b>	<b>\$ (804,712)</b>
<b>Plan fiduciary net position as a % of total OPEB (liability) asset</b>	1120.79%	926.87%	291.33%	233.85%	205.19%	194.08%
<b>Covered payroll</b>	<b>\$ 64,089,728</b>	<b>\$ 62,223,037</b>	<b>\$ 58,367,657</b>	<b>\$ 53,973,541</b>	<b>\$ 47,857,137</b>	<b>\$ 41,451,256</b>
<b>Net OPEB liability (asset) as a % of covered payroll</b>	-1.19%	-1.53%	-1.51%	-1.54%	-1.69%	-1.94%

#### Notes to Schedule:

*Benefit changes.* There have been no material benefit changes during the valuation periods shown above.

*Changes in assumptions.* There have been no material benefit changes during the valuation period.

\* GASB 75 requires 10 fiscal years of data to be provided in this schedule.  
However, information for additional years will be displayed as it becomes available.

**City of Allen, Texas**

Schedule of OPEB Contributions -  
Defined Benefit Retiree Healthcare Plan  
Last Six Fiscal Years

	Fiscal Year Ended September 30,					
	2023*	2022*	2021*	2020*	2019*	2018*
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to actuarially determined contribution	-	-	-	-	-	-
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Covered payroll</b>	\$ 64,089,728	\$ 62,223,037	\$ 58,367,657	\$ 53,973,541	\$ 47,857,137	\$ 41,451,256
<b>Contributions as a percentage of covered payroll</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* GASB 75 requires 10 fiscal years of data to be provided in this schedule.  
However, information for additional years will be presented as it becomes available.

**Notes to Schedule of OPEB Contributions**

*Valuation Date:* The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2021

*Methods and Assumptions Used to Determine Contribution Rates:*

Actuarial Cost Method	Entry age, level percentage of salary
Amortization Method	Level dollar
Amortization Period	N/A
Asset Valuation Method	Market value of assets
Inflation	2.25% per annum
Healthcare cost trend rates	6.80% initial, decreasing to an ultimate rate of 4.14% in the year 2043
Investment Rate of Return	4.0%, net of OPEB plan investment expense
Retirement Age	Rates are the same as those used for the TMRS retirement plan
Mortality	Sex distinct headcount weighted PUB-2010 general safety employees mortality tables and general retirees table in conjunction with mortality improvement scale MP-2021

# City of Allen, Texas

# Exhibit A-5

## Schedule of Changes in Net Pension Liability and Related Ratios – Retirement Plan (TMRS) Last Nine Measurement Years

	Measurement Year Ended December 31,								
	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
<b>Total pension liability:</b>									
Service cost	\$ 10,871,510	\$ 10,401,936	\$ 9,715,534	\$ 9,118,332	\$ 8,503,427	\$ 8,091,540	\$ 7,740,829	\$ 7,377,440	\$ 6,407,942
Interest (on the total pension liability)	18,606,874	17,039,222	15,828,804	14,492,431	13,379,960	12,232,446	11,165,087	10,562,818	9,749,386
Difference in expected and actual experience	5,017,307	4,068,814	-	1,564,808	(680)	1,293,282	894,580	196,259	(1,791,341)
Change in assumptions	-	-	(735,396)	409,038	-	-	-	(231,950)	-
Benefit payments, including refunds of employee contributions	(8,574,676)	(8,465,892)	(5,974,169)	(6,195,996)	(5,222,230)	(4,423,768)	(3,902,489)	(3,247,435)	(3,213,118)
Net change in total pension liability	25,921,015	23,044,080	18,834,773	19,388,613	16,660,477	17,193,500	15,898,007	14,657,132	11,152,869
Total pension liability, beginning of year	274,508,976	251,464,896	232,630,123	213,241,510	196,581,033	179,387,533	163,489,526	148,832,394	137,679,525
<b>Total pension liability, end of year</b>	<b>\$ 300,429,991</b>	<b>\$ 274,508,976</b>	<b>\$ 251,464,896</b>	<b>\$ 232,630,123</b>	<b>\$ 213,241,510</b>	<b>\$ 196,581,033</b>	<b>\$ 179,387,533</b>	<b>\$ 163,489,526</b>	<b>\$ 148,832,394</b>
<b>Plan fiduciary net position:</b>									
Contributions -employer	\$ 9,488,440	\$ 8,906,713	\$ 8,425,764	\$ 8,050,585	\$ 7,423,200	\$ 7,130,557	\$ 6,473,617	\$ 6,063,051	\$ 5,455,902
Contributions -employee	4,281,593	4,111,437	3,850,652	3,661,981	3,423,774	3,274,594	3,129,050	3,021,766	2,754,779
Net investment income	(19,290,735)	29,958,269	15,770,860	27,097,746	(5,239,779)	20,569,321	9,039,319	188,559	6,648,346
Benefit payments, including refunds of employee contributions	(8,574,676)	(8,465,892)	(5,974,168)	(6,195,996)	(5,222,230)	(4,423,768)	(3,902,489)	(3,247,435)	(3,213,118)
Administrative expense	(166,644)	(138,398)	(101,906)	(152,888)	(101,162)	(106,520)	(102,024)	(114,830)	(69,397)
Other	198,855	949	(3,976)	(4,592)	(5,285)	(5,400)	(5,497)	(5,671)	(5,706)
Net change in plan fiduciary net position	(14,063,167)	34,373,078	21,967,226	32,456,836	278,518	26,438,784	14,631,976	5,905,440	11,570,806
Plan fiduciary net position - beginning	263,816,091	229,443,013	207,475,787	175,018,951	174,740,433	148,301,649	133,669,673	127,764,233	116,193,427
<b>Plan fiduciary net position - ending</b>	<b>\$ 249,752,924</b>	<b>\$ 263,816,091</b>	<b>\$ 229,443,013</b>	<b>\$ 207,475,787</b>	<b>\$ 175,018,951</b>	<b>\$ 174,740,433</b>	<b>\$ 148,301,649</b>	<b>\$ 133,669,673</b>	<b>\$ 127,764,233</b>
<b>Net pension liability - ending</b>	<b>\$ 50,677,067</b>	<b>\$ 10,692,885</b>	<b>\$ 22,021,883</b>	<b>\$ 25,154,336</b>	<b>\$ 38,222,559</b>	<b>\$ 21,840,600</b>	<b>\$ 31,085,884</b>	<b>\$ 29,819,853</b>	<b>\$ 21,068,161</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	83.13%	96.10%	91.24%	89.19%	82.08%	88.89%	82.67%	81.76%	85.84%
<b>Covered payroll</b>	<b>\$ 61,007,354</b>	<b>\$ 58,734,814</b>	<b>\$ 54,952,114</b>	<b>\$ 52,314,010</b>	<b>\$ 48,814,159</b>	<b>\$ 46,476,391</b>	<b>\$ 44,410,952</b>	<b>\$ 43,142,910</b>	<b>\$ 39,335,988</b>
<b>Net pension liability as a % of covered payroll</b>	83.07%	18.21%	40.07%	48.08%	78.30%	46.99%	70.00%	69.12%	53.56%

\* GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, information for additional years will be presented as it becomes available.



**City of Allen, Texas**  
 Schedule of Contributions –  
 Retirement Plan (TMRS)  
 Last Nine Fiscal Years

**Exhibit A-6**

	Fiscal Year Ended September 30,								
	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Actuarially determined contributions	\$ 9,556,198	\$ 8,810,782	\$ 8,333,070	\$ 7,555,689	\$ 7,228,643	\$ 6,678,295	\$ 6,217,858	\$ 6,028,939	\$ 5,785,220
Actual contributions	(9,866,638)	(8,810,782)	(8,739,669)	(7,890,278)	(7,736,900)	(6,927,485)	(6,545,488)	(6,181,797)	(5,797,651)
Contributions deficiency (excess)	\$ (310,440)	\$ -	\$ (406,599)	\$ (334,589)	\$ (508,257)	\$ (249,190)	\$ (327,630)	\$ (152,858)	\$ (12,431)
<b>Covered payroll</b>	\$ 66,253,024	\$ 66,253,024	\$ 58,367,657	\$ 53,937,361	\$ 51,562,996	\$ 47,782,955	\$ 45,962,313	\$ 43,564,466	\$ 40,985,314
<b>Ratio of actual contributions to covered payroll amount</b>	14.89%	13.30%	14.97%	14.63%	15.00%	14.50%	14.24%	14.19%	14.15%

\* GASB 68 requires 10 fiscal years of data to be provided in this schedule.  
 However, information for additional years will be presented as it becomes available.

**Notes to Schedule**

*Valuation Date:* Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January 13 months later.

*Methods and Assumptions Used to Determine Contribution Rates:*

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 Years (longest amortization ladder)
Asset Valuation Method	10 years smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
<i>Other information:</i>	There were no benefit changes during the year.

**City of Allen, Texas**

**Exhibit A-7**

General Fund Schedule of Revenues, Expenditures,  
and Changes in Fund Balances – Budget and Actual  
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Ad valorem taxes, penalties and interest	\$ 58,288,131	\$ 58,288,131	\$ 58,160,407	\$ (127,724)
Municipal sales tax	29,742,582	29,764,327	29,267,736	(496,591)
Franchise taxes	6,812,426	7,398,218	7,454,546	56,328
Licenses, permits and fees	2,989,565	2,556,605	3,520,343	963,738
Charges for services	5,626,046	5,228,355	5,273,847	45,492
Fines	1,349,588	1,349,588	1,298,422	(51,166)
Gifts and contributions	2,517,596	2,525,996	2,565,742	39,746
Intergovernmental	340,804	370,706	587,251	216,545
Investment earnings	1,157,956	2,654,200	4,124,625	1,470,425
Miscellaneous	2,023,984	2,996,314	2,929,119	(67,195)
<b>Total revenues</b>	<b>110,848,678</b>	<b>113,132,440</b>	<b>115,182,038</b>	<b>2,049,598</b>
<b>EXPENDITURES</b>				
Current:				
General government	24,092,410	24,098,321	23,891,282	207,039
Public safety	55,842,190	56,471,590	56,106,863	364,727
Public works	7,623,497	6,687,873	6,152,353	535,520
Culture and recreation	23,089,569	23,437,073	21,411,786	2,025,287
Community development	4,568,605	4,651,342	4,034,780	616,562
Capital Outlay	262,000	1,651,441	519,281	1,132,160
Debt Service				
Principal retirement	497,843	497,843	476,269	21,574
Interest and fiscal charges	40,814	40,814	40,814	-
<b>Total expenditures</b>	<b>116,016,928</b>	<b>117,536,297</b>	<b>112,633,428</b>	<b>4,902,869</b>
Excess (deficiency) of revenues over (under) expenditures	(5,168,250)	(4,403,857)	2,548,610	6,952,467
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,189,554	7,189,554	7,189,554	-
Transfers out	(2,031,304)	(2,783,794)	(6,255,315)	(3,471,521)
Right-to-use leases	-	-	280,177	280,177
Sale of capital assets	10,000	10,000	5,163	(4,837)
<b>Total other financing sources (uses)</b>	<b>5,168,250</b>	<b>4,415,760</b>	<b>1,219,579</b>	<b>(3,196,181)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>11,903</b>	<b>3,768,189</b>	<b>3,756,286</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>28,779,924</b>	<b>28,779,924</b>	<b>28,779,924</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 28,779,924</b>	<b>\$ 28,791,827</b>	<b>\$ 32,548,113</b>	<b>\$ 3,756,286</b>

**City of Allen, Texas**

**Exhibit A-8**

Grants Fund Schedule of Revenues, Expenditures,  
and Changes in Fund Balances – Budget and Actual  
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental	\$ 5,615,278	\$ 9,525,474	\$ 6,874,425	\$ (2,651,049)
Total revenues	<u>5,615,278</u>	<u>9,525,474</u>	<u>6,874,425</u>	<u>(2,651,049)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	23,474	63,248	15,294	47,954
Public works	3,567,434	4,198,023	2,614,305	1,583,718
Culture and recreation	28,870	29,283	28,033	1,250
Community development	2,000,000	5,241,910	4,223,783	1,018,127
Total expenditures	<u>5,619,778</u>	<u>9,532,464</u>	<u>6,881,415</u>	<u>2,651,049</u>
Deficiency of revenues under expenditures	<u>(4,500)</u>	<u>(6,990)</u>	<u>(6,990)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	4,500	6,990	6,990	-
Total other financing sources	<u>4,500</u>	<u>6,990</u>	<u>6,990</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>238,514</u>	<u>238,514</u>	<u>238,514</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 238,514</u>	<u>\$ 238,514</u>	<u>\$ 238,514</u>	<u>\$ -</u>

## City of Allen, Texas

Notes to Required Supplementary Information  
For the Year Ended September 30, 2023

### Budgetary Information

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. Prior to each October 1, the budget is legally enacted by the City Council through passage of an ordinance.
4. Annual budgets are legally adopted for the General Fund, Grants Fund and Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for proprietary funds. However, the City adopts an annual budget for those funds for managerial control purposes.
5. The City Manager is authorized to adjust budgeted amounts. However, such revisions may not result in total expenditures (appropriations) in excess of budgeted expenditures without approval of the City Council. Therefore, the legal level of budgetary control is the combined total budgeted expenditures for all fund types.
6. Formal budgetary integration is not employed for nonmajor Special Revenue Funds, Proprietary Funds or Capital Projects Funds. However, the City also adopts an annual budget for those funds for managerial control purposes.
7. Budgetary data for the non-major Special Revenue Funds and Capital Projects Funds has not been presented in the accompanying basic financial statements because such funds are budgeted over the life of the respective grant or project and not on an annual basis. Budgetary information for the Proprietary Funds has not been presented since reporting on such budgets is not legally required.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual — General Fund and Grants Fund present a comparison of budgetary data to actual results. The General Fund and Grants Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

# **Combining and Budgetary Comparison Schedules**



**City of Allen, Texas**  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Year Ended September 30, 2023

**Exhibit B-1**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Ad valorem taxes	\$ 16,171,085	\$ 16,171,085	\$ 15,907,229	\$ (263,856)
Investment earnings	21,282	237,326	434,592	197,266
Total revenues	16,192,367	16,408,411	16,341,821	(66,590)
<b>EXPENDITURES</b>				
Principal retirement	11,165,000	11,165,000	11,165,000	-
Interest and fiscal charges	5,161,525	5,161,525	5,158,991	2,534
Total expenditures	16,326,525	16,326,525	16,323,991	2,534
Excess (deficiency) of revenues over (under) expenditures	(134,158)	81,886	17,830	(64,056)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	3,000,000	3,000,000
Total other financing sources	-	-	3,000,000	3,000,000
<b>NET CHANGE IN FUND BALANCES</b>	(134,158)	81,886	3,017,830	2,935,944
<b>FUND BALANCE, BEGINNING OF YEAR</b>	920,207	920,207	920,207	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 786,049	\$ 1,002,093	\$ 3,938,037	\$ 2,935,944

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Hotel Occupancy Tax Fund** – To account for funds received from hotel occupancy tax and expend as allowed by state law.

**Asset Forfeiture Fund** – To account for activities associated with assets legally seized and forfeited.

**Special Revenue Fund** – To account for monies that have external legal restrictions associated with their use.

**Gift Permanent Fund** – To account for funds received through substantial gifts from the public.

**Park Dedication Fund** – To account for funds received and expended for the acquisition of additional park land and for the development of neighborhood parks.

**Tax Increment Financing Fund** – To account for the tracking of property tax and sales tax revenue and associated expenses for the City's Tax Increment Financing agreements.



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

**Exhibit B-2**

	Special Revenue						Total Non-major Governmental Funds
	Hotel Occupancy Tax	Asset Forfeiture	Special Revenue	Gift Permanent	Park Dedication	Tax Increment Financing	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,111,369	\$ 165,192	\$ 549,347	\$ 321,314	\$ 1,849,269	\$ 6,710,921	\$ 11,707,412
Investments	414,754	-	840,236	-	-	5,144,242	6,399,232
Accounts receivable	200,207	-	26,318	-	-	-	226,525
Accrued interest	1,916	-	3,882	-	-	23,835	29,633
<b>TOTAL ASSETS</b>	<b>\$ 2,728,246</b>	<b>\$ 165,192</b>	<b>\$ 1,419,783</b>	<b>\$ 321,314</b>	<b>\$ 1,849,269</b>	<b>\$ 11,878,998</b>	<b>\$ 18,362,802</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 15,833	\$ 10,575	\$ 82,818	\$ 6,501	\$ -	\$ -	\$ 115,727
Accrued liabilities	85,369	66,308	-	-	-	-	151,677
Retainage payable	-	-	20,732	-	-	-	20,732
<b>TOTAL LIABILITIES</b>	<b>101,202</b>	<b>76,883</b>	<b>103,550</b>	<b>6,501</b>	<b>-</b>	<b>-</b>	<b>288,136</b>
<b>FUND BALANCES</b>							
Restricted							
Tourism	2,627,044	-	-	-	-	-	2,627,044
Asset forfeiture	-	88,309	-	-	-	-	88,309
Park acquisition and development	-	-	-	-	1,849,269	-	1,849,269
Tax increment financing agreement	-	-	-	-	-	11,878,998	11,878,998
Court technology and security	-	-	136,756	-	-	-	136,756
Juvenile case manager	-	-	1,168	-	-	-	1,168
PEG fees	-	-	717,668	-	-	-	717,668
Radio system	-	-	460,641	-	-	-	460,641
Public safety and library enhancements	-	-	-	314,813	-	-	314,813
<b>TOTAL FUND BALANCES</b>	<b>2,627,044</b>	<b>88,309</b>	<b>1,316,233</b>	<b>314,813</b>	<b>1,849,269</b>	<b>11,878,998</b>	<b>18,074,666</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,728,246</b>	<b>\$ 165,192</b>	<b>\$ 1,419,783</b>	<b>\$ 321,314</b>	<b>\$ 1,849,269</b>	<b>\$ 11,878,998</b>	<b>\$ 18,362,802</b>

**City of Allen, Texas**

**Exhibit B-3**

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

	<b>SPECIAL REVENUE</b>						<b>Total Non-major Governmental Funds</b>
	<b>Hotel Occupancy Tax</b>	<b>Asset Forfeiture</b>	<b>Special Revenue</b>	<b>Gift Permanent</b>	<b>Park Dedication</b>	<b>Tax Increment Financing</b>	
<b>REVENUES</b>							
Ad valorem taxes, penalties and interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,392,430	\$ 2,392,430
Franchise taxes	-	-	118,843	-	-	-	118,843
Municipal sales tax	-	-	-	-	-	213,224	213,224
Licenses, permits, and fees	18,263	-	-	-	226,395	-	244,658
Fines	-	-	107,630	-	-	-	107,630
Hotel / motel taxes	2,382,951	-	-	-	-	-	2,382,951
Intergovernmental	-	-	-	-	-	209,892	209,892
Investment earnings	77,045	9,344	55,223	10,360	72,620	366,167	590,759
Miscellaneous	-	88,283	-	-	-	-	88,283
<b>Total revenues</b>	<b>2,478,259</b>	<b>97,627</b>	<b>281,696</b>	<b>10,360</b>	<b>299,015</b>	<b>3,181,713</b>	<b>6,348,670</b>
<b>EXPENDITURES</b>							
General government	-	-	54,948	-	-	809,016	863,964
Public safety	-	77,285	-	14,350	-	-	91,635
Culture and recreation	1,977,840	-	-	11,083	1,792	-	1,990,715
Capital outlay	-	36,870	449,679	67,463	148,147	-	702,159
<b>Total expenditures</b>	<b>1,977,840</b>	<b>114,155</b>	<b>504,627</b>	<b>92,896</b>	<b>149,939</b>	<b>809,016</b>	<b>3,648,473</b>
Excess (deficiency) of revenues over (under) expenditures	500,419	(16,528)	(222,931)	(82,536)	149,076	2,372,697	2,700,197
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	(350,000)	-	(99,179)	-	-	-	(449,179)
Sale of capital assets	-	10,083	-	-	-	-	10,083
<b>Total other financing sources (uses)</b>	<b>(350,000)</b>	<b>10,083</b>	<b>(99,179)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(439,096)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>150,419</b>	<b>(6,445)</b>	<b>(322,110)</b>	<b>(82,536)</b>	<b>149,076</b>	<b>2,372,697</b>	<b>2,261,101</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>2,476,625</b>	<b>94,754</b>	<b>1,638,343</b>	<b>397,349</b>	<b>1,700,193</b>	<b>9,506,301</b>	<b>15,813,565</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 2,627,044</b>	<b>\$ 88,309</b>	<b>\$ 1,316,233</b>	<b>\$ 314,813</b>	<b>\$ 1,849,269</b>	<b>\$ 11,878,998</b>	<b>\$ 18,074,666</b>

## INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for financing of services provided by one department to other departments of the City on a cost-reimbursement basis.

**Replacement Fund** - accounts for the costs associated with the acquisition of vehicles, machinery, and equipment through the rental of such items to other departments.

**Risk Management Fund** – accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

**Facility Maintenance Fund** - The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

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

**Exhibit C-1**

	<b>Replacement Fund</b>	<b>Risk Management Fund</b>	<b>Facility Maintenance Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 16,596,318	\$ 5,779,314	\$ 1,158,791	\$ 23,534,423
Investments	6,957,534	7,165,709	642,614	14,765,857
Accounts receivable	-	121,224	-	121,224
Accrued interest receivable	32,147	33,172	2,969	68,288
Prepaid items	-	121,924	-	121,924
	<u>23,585,999</u>	<u>13,221,343</u>	<u>1,804,374</u>	<u>38,611,716</u>
Total current assets				
<b>CAPITAL ASSETS</b>				
Machinery and equipment	6,438,578	-	-	6,438,578
Vehicles	21,675,934	-	-	21,675,934
Construction in progress	266,977	-	-	266,977
Accumulated depreciation	(20,103,016)	-	-	(20,103,016)
	<u>8,278,473</u>	<u>-</u>	<u>-</u>	<u>8,278,473</u>
Capital assets, net of accumulated depreciation				
<b>TOTAL ASSETS</b>	<u>31,864,472</u>	<u>13,221,343</u>	<u>1,804,374</u>	<u>46,890,189</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	950,964	282,721	177,212	1,410,897
Incurred but not reported claims	-	1,015,508	-	1,015,508
	<u>950,964</u>	<u>1,298,229</u>	<u>177,212</u>	<u>2,426,405</u>
<b>TOTAL LIABILITIES</b>				
<b>NET POSITION</b>				
Net investment in capital assets	8,246,153	-	-	8,246,153
Unrestricted	22,667,355	11,923,114	1,627,162	36,217,631
	<u>30,913,508</u>	<u>11,923,114</u>	<u>1,627,162</u>	<u>44,463,784</u>
<b>TOTAL NET POSITION</b>				

**City of Allen, Texas****Exhibit C-2**

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

	<b>Replacement Fund</b>	<b>Risk Management Fund</b>	<b>Facility Maintenance Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,787,863	\$ 13,903,823	\$ -	\$ 19,691,686
Other income	396,000	1,188,881	734,428	2,319,309
Total operating revenues	<u>6,183,863</u>	<u>15,092,704</u>	<u>734,428.00</u>	<u>22,010,995</u>
<b>OPERATING EXPENSES</b>				
Personal services	-	560,205	-	560,205
Contractual services	24,000	13,044,966	-	13,068,966
Maintenance	-	-	1,252,213	1,252,213
Supplies	741,689	-	-	741,689
Depreciation	2,329,005	-	-	2,329,005
Total operating expenses	<u>3,094,694</u>	<u>13,605,171</u>	<u>1,252,213</u>	<u>17,952,078</u>
<b>OPERATING INCOME (LOSS)</b>	<u>3,089,169</u>	<u>1,487,533</u>	<u>(517,785)</u>	<u>4,058,917</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment earnings	885,612	485,609	76,615	1,447,836
Loss on disposal of capital assets	(856,279)	-	-	(856,279)
Total non-operating revenues (expenses)	<u>29,333</u>	<u>485,609</u>	<u>76,615</u>	<u>591,557</u>
<b>CHANGE IN FUND NET POSITION</b>	3,118,502	1,973,142	(441,170)	4,650,474
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>27,795,006</u>	<u>9,949,972</u>	<u>2,068,332</u>	<u>39,813,310</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 30,913,508</u>	<u>\$ 11,923,114</u>	<u>\$ 1,627,162</u>	<u>\$ 44,463,784</u>

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

**Exhibit C-3**

	<b>Replacement Fund</b>	<b>Risk Management Fund</b>	<b>Facility Maintenance Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from transactions with other funds	\$ 6,183,863	\$ 14,988,191	\$ -	\$ 21,172,054
Cash paid to employees for services	-	(556,277)	-	(556,277)
Cash paid for goods and services	(18,798)	(3,329,605)	(545,708)	(3,894,111)
Cash paid for claims	-	(9,840,863)	-	(9,840,863)
	<u>6,165,065</u>	<u>1,261,446</u>	<u>(545,708)</u>	<u>6,880,803</u>
Net cash provided by (used in) operating activities				
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(4,034,657)	-	-	(4,034,657)
Proceeds from sale of capital assets	38,300	-	-	38,300
	<u>(3,996,357)</u>	<u>-</u>	<u>-</u>	<u>(3,996,357)</u>
Net cash used in capital and related financing activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities	1,761,744	1,626,021	201,786	3,589,551
Interest on investments	569,168	214,453	8,322	791,943
	<u>2,330,912</u>	<u>1,840,474</u>	<u>210,108</u>	<u>4,381,494</u>
Net cash provided by investing activities				
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	4,499,620	3,101,920	(335,600)	7,265,940
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	12,096,698	2,677,394	1,494,391	16,268,483
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 16,596,318</u>	<u>\$ 5,779,314</u>	<u>\$ 1,158,791</u>	<u>\$ 23,534,423</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Net operating income (loss)	\$ 3,089,169	\$ 1,487,533	\$ (517,785)	\$ 4,058,917
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,329,005	-	-	2,329,005
Change in assets and liabilities:				
Accounts receivable	-	(104,513)	-	(104,513)
Prepays	-	(39,370)	-	(39,370)
Liabilities	746,891	(82,204)	(27,923)	636,764
	<u>3,075,896</u>	<u>(226,087)</u>	<u>(27,923)</u>	<u>2,821,886</u>
Total adjustments				
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 6,165,065</u>	<u>\$ 1,261,446</u>	<u>\$ (545,708)</u>	<u>\$ 6,880,803</u>
<b>NON-CASH INVESTING ACTIVITIES</b>				
Change in the fair value of investments	\$ 320,250	\$ 291,649	\$ 68,646	\$ 680,545

## Discretely Presented Component Units

**Allen Economic Development Corporation (AEDC)** – AEDC is a legally separate entity from the City and is responsible for aiding, promoting and furthering economic development within the City.

**Allen Community Development Corporation (ACDC)** – ACDC is a legally separate entity from the City and is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

**City of Allen, Texas**

Balance Sheet

Allen Economic Development Corporation

September 30, 2023

**Exhibit D-1****ASSETS****CURRENT ASSETS**

Cash and cash equivalents	\$	9,626,648
Investments		5,413,183
Sales tax receivable		2,511,489
Accrued interest receivable		25,011
Prepaid items		5,000
		<hr/>

**TOTAL ASSETS****\$ 17,581,331**

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**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,  
AND FUND BALANCE****CURRENT LIABILITIES**

Accounts payable	\$	107,787
Accrued and other liabilities		19,519
		<hr/>

**TOTAL LIABILITIES****127,306**

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**FUND BALANCE**

Restricted		
Debt service		2,268,523
Unassigned		15,185,502
		<hr/>

**TOTAL FUND BALANCE****17,454,025**

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**TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCE****\$ 17,581,331**

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**City of Allen, Texas**

**Exhibit D-2**

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
Allen Economic Development Corporation  
September 30, 2023

Total fund balance of governmental fund balance sheet	\$ 17,454,025
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	129,925
Interest payable on long-term debt does not require current financial resources. Accordingly, interest payable is not reported as a liability on the governmental funds balance sheet.	(25,076)
Long-term liabilities, including bonds payable are not due and payable in the current period and, accordingly, are not reported in the fund financial statements.	(9,056,582)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, accordingly, are not reported on the governmental funds balance sheet.	<u>35,857,423</u>
Net position of governmental activities	<u>\$ 44,359,715</u>

**City of Allen, Texas****Exhibit D-3**Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Allen Economic Development Corporation  
For the Year Ended September 30, 2023**REVENUES**

Sales and other taxes	\$ 14,474,185
Investment earnings	42,068
Miscellaneous	<u>455,444</u>
Total revenues	<u>14,971,697</u>

**EXPENDITURES**

Current:	
Economic development	6,170,678
Capital projects:	
Economic development	22,293,725
Debt service:	
Principal retirement	1,305,000
Interest and fiscal charges	<u>374,043</u>
Total expenditures	<u>30,143,446</u>
Deficiency of revenues under expenditures	<u>(15,171,749)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(15,171,749)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>32,625,774</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 17,454,025</u>

**City of Allen, Texas****Exhibit D-4**

Reconciliation of the Governmental Funds Statement  
of Revenues, Expenditures, and Change in Fund Balance  
to the Statement of Activities

Allen Economic Development Corporation  
For the Year Ended September 30, 2023

Net change in fund balance - total governmental fund		\$	(15,171,749)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.			
			22,293,725
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.			
			(50,205)
The payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:			
Bond principal retirement	\$	1,305,000	
Amortization of bond premiums		72,895	
Amortization of deferred charges on refunding		<u>(137,212)</u>	1,240,683
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
			<u>5,907</u>
Change in net position of governmental activities		\$	<u>8,318,361</u>

**City of Allen, Texas**

Balance Sheet

Allen Community Development Corporation

September 30, 2023

**Exhibit D-5****ASSETS****CURRENT ASSETS**

Cash and cash equivalents	\$	11,949,182
Investments		16,834,260
Sales tax receivable		2,511,489
Accounts receivable		7,054
Accrued interest receivable		77,782
		<hr/>

**TOTAL ASSETS****\$ 31,379,767**

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**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,  
AND FUND BALANCE****CURRENT LIABILITIES**

Accounts payable	\$	1,194,697
Retainage payable		258,134
Accrued and other liabilities		4,602
		<hr/>

**TOTAL LIABILITIES****1,457,433**

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**FUND BALANCES**

Restricted		
Debt service		2,416,900
Unassigned		27,505,434
		<hr/>

**TOTAL FUND BALANCE****29,922,334**

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**TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCE****\$ 31,379,767**

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**City of Allen, Texas**

**Exhibit D-6**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
Allen Community Development Corporation  
September 30, 2023

Total governmental fund balance	\$	29,922,334
Amounts reported for governmental activities in the statement of net position are different because:		
Interest payable on long-term debt does not require the use of current financial resources, and, accordingly, is not reported as a liability on the governmental fund balance sheet.		(41,524)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		(18,865,000)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, therefore, are not reported on the governmental fund balance sheet.		<u>49,914,357</u>
Net position of governmental activities	\$	<u><u>60,930,167</u></u>

**City of Allen, Texas****Exhibit D-7**

Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Allen Community Development Corporation  
For the Year Ended September 30, 2023

**REVENUES**

Sales and other taxes	\$ 14,474,185
Investment earnings	644,997
Miscellaneous	198,888
	<hr/>
Total revenues	15,318,070
	<hr/>

**EXPENDITURES**

Current:	
Community development	5,536,594
Capital projects:	
Community development	8,128,685
Debt service:	
Principal retirement	1,850,000
Interest and fiscal charges	561,311
	<hr/>
Total expenditures	16,076,590
	<hr/>
Deficiency of revenues under expenditures	(758,520)
	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	(758,520)
	<hr/>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	30,680,854
	<hr/>
<b>FUND BALANCE, END OF YEAR</b>	\$ 29,922,334
	<hr/> <hr/>

**City of Allen, Texas****Exhibit D-8**Reconciliation of the Governmental Fund Statement  
of Revenues, Expenditures, and Change in Fund Balance  
to the Statement of Activities

Allen Community Development Corporation

For the Year Ended September 30, 2023

Net change in fund balance - total governmental fund	\$ (758,520)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	8,128,685
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements.	(243,040)
Current year changes in accrued interest payable do not require the use of current financial resources and, accordingly, are not reported as expenditures in governmental funds.	5,189
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.	(3,551,356)
Repayment of the principal on long-term debt consumes the current financial resources of governmental funds. However, these transactions have no effect on net position.	<u>1,850,000</u>
Change in net position of governmental activities	<u>\$ 5,430,958</u>





**Statistical Section  
(Unaudited)**



## STATISTICAL SECTION

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

### **Contents**

### **Table #s**

#### **Financial Trends**

**1, 2, 3 & 4**

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

**5, 6, 7 & 8**

These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.

#### **Debt Capacity**

**9, 10, 11 & 12**

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Economic and Demographic Information**

**13 & 14**

These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information**

**15, 16 & 17**

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.

**Source:** Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

**City of Allen, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

**Table 1**

	Fiscal Year Ended September 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 363,168,607	\$ 355,756,224	\$ 364,667,251	\$ 366,322,218	\$ 379,153,944	\$ 391,261,029	\$ 392,368,425	\$ 388,795,081	\$ 392,949,598	\$ 389,804,091
Restricted	26,066,205	31,476,026	32,485,173	38,303,226	39,588,223	44,872,796	13,891,413	14,807,800	16,101,110	22,260,823
Unrestricted	12,436,903	16,596,955	14,435,604	15,902,576	15,312,432	20,238,419	57,821,649	72,520,903	76,814,254	76,104,550
Total governmental net position	<u>\$ 401,671,715</u>	<u>\$ 403,829,205</u>	<u>\$ 411,588,028</u>	<u>\$ 420,528,020</u>	<u>\$ 434,054,599</u>	<u>\$ 456,372,244</u>	<u>\$ 464,081,487</u>	<u>\$ 476,123,784</u>	<u>\$ 485,864,962</u>	<u>\$ 488,169,464</u>
Business-type activities										
Net investment in capital assets	\$ 100,991,443	\$ 102,340,588	\$ 106,174,191	\$ 107,926,811	\$ 103,762,241	\$ 113,459,625	\$ 113,355,391	\$ 113,396,556	\$ 108,374,156	\$ 122,533,611
Restricted for debt service	26,859	344,421	216,664	195,485	46,350	571,053	513,520	764,763	1,230,726	2,634,465
Unrestricted	32,720,930	34,165,174	33,592,809	31,920,455	43,785,615	40,240,619	50,803,699	56,890,299	70,596,998	65,836,910
Total business-type net position	<u>\$ 133,739,232</u>	<u>\$ 136,850,183</u>	<u>\$ 139,983,664</u>	<u>\$ 140,042,751</u>	<u>\$ 147,594,206</u>	<u>\$ 154,271,297</u>	<u>\$ 164,672,610</u>	<u>\$ 171,051,618</u>	<u>\$ 180,201,880</u>	<u>\$ 191,004,986</u>
Primary government										
Net investment in capital assets	\$ 464,160,050	\$ 458,096,812	\$ 470,841,442	\$ 474,249,029	\$ 482,916,185	\$ 504,720,654	\$ 505,723,816	\$ 502,191,637	\$ 501,323,754	\$ 512,337,702
Restricted for debt service	26,093,064	31,820,447	32,701,837	38,498,711	39,634,573	45,443,849	14,404,933	15,572,563	17,331,836	24,895,288
Unrestricted	45,157,833	50,762,129	48,028,413	47,823,031	59,098,047	60,479,038	108,625,348	129,411,202	147,411,252	141,941,460
Total primary government net position	<u>\$ 535,410,947</u>	<u>\$ 540,679,388</u>	<u>\$ 551,571,692</u>	<u>\$ 560,570,771</u>	<u>\$ 581,648,805</u>	<u>\$ 610,643,541</u>	<u>\$ 628,754,097</u>	<u>\$ 647,175,402</u>	<u>\$ 666,066,842</u>	<u>\$ 679,174,450</u>

Source: City of Allen Annual Comprehensive Financial Reports

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

**Table 2**

	Fiscal Year Ended September 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 24,940,939	\$ 24,464,246	\$ 25,304,811	\$ 28,251,550	\$ 26,764,210	\$ 21,238,061	\$ 24,937,087	\$ 22,940,360	\$ 26,469,412	\$ 29,565,683
Public safety	30,408,487	31,607,444	35,199,937	39,624,788	39,213,768	44,993,635	47,369,212	49,532,988	63,891,672	57,988,034
Public works	18,252,130	18,349,569	19,083,214	20,209,785	24,161,991	27,039,953	22,393,268	19,661,514	9,148,396	27,241,203
Culture and recreation	30,987,689	32,407,934	32,851,598	28,968,534	33,791,438	33,287,645	29,015,632	29,359,242	36,053,830	29,952,582
Community development	2,689,517	2,861,704	3,251,555	3,007,047	3,079,242	3,160,050	5,238,233	6,330,539	5,587,202	6,731,357
Interest on long-term debt	3,955,305	3,921,989	3,356,234	2,980,513	2,920,824	2,888,831	2,745,698	3,103,192	2,312,561	4,966,234
Total governmental activities expenses	111,234,067	113,612,886	119,047,349	123,042,217	129,931,473	132,608,175	131,699,130	130,927,835	143,463,073	156,445,093
Business-type activities:										
Water and sewer	30,081,379	32,304,628	35,604,182	39,527,816	41,134,685	44,511,123	45,524,999	46,442,937	46,917,817	54,520,345
Solid waste	5,383,215	5,560,294	5,870,269	6,078,853	6,223,788	6,248,035	6,525,391	6,824,441	7,088,901	7,563,726
Drainage	951,973	914,322	1,146,138	1,193,057	1,260,262	1,396,935	1,555,570	1,497,014	1,349,306	1,588,923
Golf course	2,839,098	2,911,476	3,089,041	3,135,144	3,397,180	3,332,927	3,166,856	3,557,076	3,800,645	4,267,842
Allen event center	-	-	-	-	-	-	-	-	-	9,442,654
Total business-type activities expenses	39,255,665	41,690,720	45,709,630	49,934,870	52,015,915	55,489,020	56,772,816	58,321,468	59,156,669	77,383,490
Total primary government expenses	\$ 150,489,732	\$ 155,303,606	\$ 164,756,979	\$ 172,977,087	\$ 181,947,388	\$ 188,097,195	\$ 188,471,946	\$ 189,249,303	\$ 202,619,742	\$ 233,828,583
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services:										
General government	\$ 823,801	\$ 705,064	\$ 467,786	\$ 497,243	\$ 525,542	\$ 500,122	\$ 509,691	\$ 598,846	\$ 570,560	\$ 430,688
Public safety	1,568,294	1,647,407	1,801,984	2,712,076	2,171,332	1,954,810	2,189,114	2,063,311	2,221,519	3,198,388
Public works	154,418	233,808	210,687	293,559	1,333,506	1,485,962	725,209	587,112	484,796	247,203
Culture and recreation	8,425,791	9,177,211	10,289,465	8,747,206	9,803,084	9,744,309	3,793,429	4,649,476	7,154,042	2,949,789
Community development	3,103,410	3,021,708	3,216,799	4,266,140	4,025,326	4,798,471	2,530,977	4,024,897	2,828,805	3,671,645
Operating grants and contributions	1,121,356	1,749,567	1,557,260	2,443,054	2,423,768	2,056,001	3,427,631	4,874,743	5,477,428	3,639,508
Capital grants and contributions	9,571,206	10,552,610	16,039,869	15,327,094	18,942,856	19,888,044	10,639,664	8,535,198	11,162,094	1,675,949
Total governmental activities program revenues	24,768,276	27,087,375	33,583,850	34,286,372	39,225,414	40,427,719	23,815,715	25,333,583	29,899,244	15,425,550
Business-type activities:										
Charges for services:										
Water and sewer	28,955,282	34,135,714	36,335,868	37,163,882	42,453,681	43,103,920	49,461,636	49,099,338	57,519,014	64,410,519
Solid waste	6,309,729	6,474,386	6,687,182	6,735,559	6,933,356	7,006,423	7,116,831	7,039,328	7,278,382	8,057,287
Drainage	1,378,662	1,465,044	1,519,405	1,648,681	1,907,407	1,763,694	2,162,770	1,826,950	1,984,067	2,333,571
Golf Course	2,537,564	2,361,384	2,705,799	2,959,361	2,810,424	3,138,144	3,199,136	4,196,161	4,502,056	4,666,829
Allen event center	-	-	-	-	-	-	-	-	-	6,849,467
Operating grants and contributions	1,000,000	1,000,000	-	-	-	-	-	-	-	-
Capital grants and contributions	3,685,960	4,416,642	6,172,301	5,622,911	9,734,528	10,175,397	8,332,962	5,695,888	4,072,343	4,267,362
Total business-type activities program revenues	43,867,197	49,853,170	53,420,555	54,130,394	63,839,396	65,187,578	70,273,335	67,857,665	75,355,862	90,585,035
Total primary government program revenues	\$ 68,635,473	\$ 76,940,545	\$ 87,004,405	\$ 88,416,766	\$ 103,064,810	\$ 105,615,297	\$ 94,089,050	\$ 93,191,248	\$ 105,255,106	\$ 106,010,585

(continued) (continued) (continued) (continued)

**City of Allen, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Continued)**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

**Table 2**

<b>Net (Expenses) Revenue</b>										
Governmental activities	\$ (86,465,791)	\$ (86,525,511)	\$ (85,463,499)	\$ (88,755,845)	\$ (90,706,059)	\$ (92,180,456)	\$ (107,883,415)	\$ (105,594,252)	\$ (113,563,829)	\$ (141,019,543)
Business-type activities	4,611,532	8,162,450	7,710,925	4,195,524	11,823,481	9,698,558	13,500,519	9,536,197	16,199,193	13,201,545
Total primary government net expenses	<u>\$ (81,854,259)</u>	<u>\$ (78,363,061)</u>	<u>\$ (77,752,574)</u>	<u>\$ (84,560,321)</u>	<u>\$ (78,882,578)</u>	<u>\$ (82,481,898)</u>	<u>\$ (94,382,896)</u>	<u>\$ (96,058,055)</u>	<u>\$ (97,364,636)</u>	<u>\$ (127,817,998)</u>
<b>General Revenues</b>										
<b>and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 46,232,565	\$ 50,143,986	\$ 54,102,952	\$ 58,816,876	\$ 63,929,379	\$ 68,865,078	\$ 70,917,335	\$ 71,946,802	\$ 74,289,475	\$ 76,465,116
Sales taxes	18,004,636	18,141,683	19,274,983	19,450,088	20,717,505	21,648,401	21,686,335	25,599,945	27,609,918	29,480,960
Franchise taxes	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093	7,454,713	6,821,738	7,481,353	7,573,389
Hotel / Motel taxes	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,759,159	1,156,398	1,337,147	2,074,533	2,382,951
Other taxes	2,151,232	1,851,397	1,621,012	1,912,559	1,704,227	2,204,220	1,195,296	1,171,378	1,425,226	1,406,052
Investment earnings (loss)	416,828	689,736	735,832	837,577	944,196	4,048,112	4,246,550	1,118,970	(4,921,824)	8,614,384
Gain (loss) on disposition of capital assets	-	-	-	263,627	446,117	-	144,347	322,084	291,333	-
Miscellaneous	2,445,491	2,650,103	3,794,277	2,703,964	3,592,229	3,460,124	4,188,530	5,311,149	8,689,016	11,688,618
Transfers	5,627,137	6,249,489	4,790,072	4,610,889	4,398,244	4,702,914	4,603,154	4,007,336	6,365,977	5,712,575
Total governmental activities	<u>83,351,106</u>	<u>88,683,001</u>	<u>93,222,322</u>	<u>97,695,837</u>	<u>105,209,055</u>	<u>114,498,101</u>	<u>115,592,658</u>	<u>117,636,549</u>	<u>123,305,007</u>	<u>143,324,045</u>
Business-type activities:										
Investment earnings (loss)	134,988	194,051	197,125	199,508	210,045	1,284,728	1,140,957	398,387	(1,830,191)	2,238,213
Gain on disposition of capital assets	-	-	15,503	-	13,228	-	9,713	7,585	-	-
Miscellaneous	850,157	1,003,939	-	274,944	21,030	396,719	353,278	444,175	1,147,237	1,075,923
Transfers	(5,627,137)	(6,249,489)	(4,790,072)	(4,610,889)	(4,398,244)	(4,702,914)	(4,603,154)	(4,007,336)	(6,365,977)	(5,712,575)
Total business-type activities	<u>(4,641,992)</u>	<u>(5,051,499)</u>	<u>(4,577,444)</u>	<u>(4,136,437)</u>	<u>(4,153,941)</u>	<u>(3,021,467)</u>	<u>(3,099,206)</u>	<u>(3,157,189)</u>	<u>(7,048,931)</u>	<u>(2,398,439)</u>
Total primary government	<u>\$ 78,709,114</u>	<u>\$ 83,631,502</u>	<u>\$ 88,644,878</u>	<u>\$ 93,559,400</u>	<u>\$ 101,055,114</u>	<u>\$ 111,476,634</u>	<u>\$ 112,493,452</u>	<u>\$ 114,479,360</u>	<u>\$ 116,256,076</u>	<u>\$ 140,925,606</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (3,114,685)	\$ 2,157,490	\$ 7,758,823	\$ 8,939,992	\$ 14,502,996	\$ 22,317,645	\$ 7,709,243	\$ 12,042,297	\$ 9,741,178	\$ 2,304,502
Business-type activities	(30,460)	3,110,951	3,133,481	59,087	7,669,540	6,677,091	10,401,313	6,379,008	9,150,262	10,803,106
Total primary government	<u>\$ (3,145,145)</u>	<u>\$ 5,268,441</u>	<u>\$ 10,892,304</u>	<u>\$ 8,999,079</u>	<u>\$ 22,172,536</u>	<u>\$ 28,994,736</u>	<u>\$ 18,110,556</u>	<u>\$ 18,421,305</u>	<u>\$ 18,891,440</u>	<u>\$ 13,107,608</u>

Source: City of Allen Annual Comprehensive Financial Reports

**City of Allen, Texas**

Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

**Table 3**

	Fiscal Year Ended September 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 4,767	\$ 1,486	\$ 2,129	\$ 126,833	\$ 25,747	\$ 209,323	\$ 8,777	\$ 145,700	\$ 28,677	\$ 141,304
Restricted	752,238	779,185	907,908	58,910	59,386	61,304	63,185	63,627	64,234	67,335
Assigned	748,200	921,030	-	2,000,000	-	-	-	-	71,742	922,899
Unassigned	17,368,187	18,407,873	20,911,943	19,684,053	23,626,108	25,744,069	26,826,184	27,554,966	28,615,271	31,416,575
<b>Total General Fund</b>	<b>\$ 18,873,392</b>	<b>\$ 20,109,574</b>	<b>\$ 21,821,980</b>	<b>\$ 21,869,796</b>	<b>\$ 23,711,241</b>	<b>\$ 26,014,696</b>	<b>\$ 26,898,146</b>	<b>\$ 27,764,293</b>	<b>\$ 28,779,924</b>	<b>\$ 32,548,113</b>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 751	\$ 751	\$ 751	\$ 751	\$ -
Restricted	42,149,113	51,398,430	46,610,702	57,540,668	27,922,044	31,444,917	46,411,439	72,968,241	66,742,207	62,722,524
Assigned	-	-	-	-	28,349,191	32,023,933	34,703,219	42,842,631	35,208,805	29,805,326
Unassigned (deficit)	-	-	-	-	(4,428)	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 42,149,113</b>	<b>\$ 51,398,430</b>	<b>\$ 46,610,702</b>	<b>\$ 57,540,668</b>	<b>\$ 56,266,807</b>	<b>\$ 63,469,601</b>	<b>\$ 81,115,409</b>	<b>\$ 115,811,623</b>	<b>\$ 101,951,763</b>	<b>\$ 92,527,850</b>

Source: City of Allen Annual Comprehensive Financial Reports

# City of Allen, Texas

## Changes in Fund Balances - Governmental Funds

### Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

# Table 4

	Fiscal Year Ended September 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUES</b>										
Ad valorem taxes	\$ 46,142,222	\$ 50,177,840	\$ 54,104,132	\$ 58,875,936	\$ 63,775,055	\$ 68,884,826	\$ 71,018,733	\$ 71,825,685	\$ 74,300,459	\$ 76,460,066
Municipal sales tax	18,004,636	18,141,683	19,274,983	19,450,088	20,717,504	21,648,401	21,686,335	25,599,945	27,609,918	29,480,960
Franchise taxes	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093	7,454,713	6,821,738	7,481,353	7,573,389
Licenses, permits and fees	2,915,533	3,134,551	3,064,580	4,450,639	4,494,361	5,279,425	3,341,367	4,509,535	3,101,820	3,765,001
Charges for services	10,580,553	11,734,344	13,002,770	11,664,328	13,442,785	13,586,474	6,845,248	8,061,820	10,959,753	6,112,789
Fines	2,160,168	1,805,230	1,579,628	1,851,735	1,710,354	2,214,571	1,195,296	1,171,378	1,425,226	1,406,052
Gifts and contributions	819,408	1,012,103	832,211	712,437	852,322	1,585,613	821,914	1,296,178	2,917,033	2,565,742
Hotel / motel fees	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,758,858	1,156,398	1,337,147	2,074,533	2,382,951
Intergovernmental	1,704,404	3,570,737	2,645,089	1,927,567	3,555,241	1,258,398	4,210,605	9,506,946	7,511,497	9,319,418
Investment earnings	344,386	577,014	627,760	643,928	851,954	3,280,340	3,648,787	877,724	(3,634,356)	7,182,239
Miscellaneous	3,394,197	3,420,441	3,711,870	3,428,366	3,276,677	3,106,994	3,896,892	4,725,411	3,148,527	3,233,944
<b>Total revenues</b>	<b>94,538,724</b>	<b>102,530,550</b>	<b>107,746,217</b>	<b>112,105,281</b>	<b>122,153,411</b>	<b>130,413,993</b>	<b>125,276,288</b>	<b>135,733,507</b>	<b>136,895,763</b>	<b>149,482,551</b>
<b>EXPENDITURES</b>										
General government	23,544,055	23,996,598	24,101,637	27,182,391	26,141,256	19,902,542	23,770,757	22,222,641	26,252,997	29,073,166
Public safety	29,214,552	30,731,310	32,966,265	37,294,550	38,524,578	43,283,984	45,372,064	49,928,774	51,607,583	56,237,944
Public works	4,077,961	4,888,798	4,865,431	5,428,996	8,899,247	11,194,393	10,342,827	11,430,042	14,556,933	16,403,207
Culture and recreation	21,435,581	22,540,516	24,287,382	23,745,884	29,714,212	30,044,660	24,910,955	25,883,652	30,551,147	23,433,197
Community development	2,631,289	2,880,880	2,833,011	2,951,864	3,076,260	3,161,679	3,254,786	3,590,155	3,807,968	4,137,402
Capital outlay	6,573,002	6,555,445	15,408,293	7,053,863	13,114,988	11,921,047	9,458,085	8,483,652	36,748,922	30,316,623
Debt service										
Principal retirement	8,364,986	9,322,537	9,135,000	10,445,000	11,181,377	11,382,162	11,094,986	11,049,141	12,507,068	11,641,269
Interest and fiscal charges	3,882,394	3,931,548	3,801,812	3,378,943	3,461,414	3,407,768	3,414,094	3,737,148	4,412,050	5,199,805
<b>Total expenditures</b>	<b>99,723,820</b>	<b>104,847,632</b>	<b>117,398,831</b>	<b>117,481,491</b>	<b>134,113,332</b>	<b>134,298,235</b>	<b>131,618,554</b>	<b>136,325,205</b>	<b>180,444,668</b>	<b>176,442,613</b>
Deficiency of revenues under expenditures	(5,185,096)	(2,317,082)	(9,652,614)	(5,376,210)	(11,959,921)	(3,884,242)	(6,342,266)	(591,698)	(43,548,905)	(26,960,062)
<b>OTHER FINANCING SOURCES (USES)</b>										
Refunding bonds issued	-	32,245,000	6,910,000	-	-	1,660,000	7,730,000	6,340,000	-	-
Premium on bonds issued	432,879	3,772,133	1,039,610	955,225	978,386	9,570,000	4,034,604	6,881,772	2,777,611	771,340
Issuance of debt	10,595,000	-	1,940,000	11,845,000	8,355,000	894,793	18,830,000	27,200,000	23,000,000	14,525,000
Financed purchases	-	-	1,700,000	-	75,622	(1,675,000)	-	100,674	-	-
Right-to-use leases	-	-	-	-	-	-	-	-	318,698	280,177
Payment to refund bond escrow agent	-	(28,097,931)	(7,789,058)	-	-	33,908	(8,595,000)	(7,105,226)	-	-
Transfer in	9,257,105	9,711,565	9,137,082	9,805,859	9,682,182	11,412,228	7,388,801	10,180,045	9,865,902	12,746,544
Transfer out	(4,484,282)	(4,847,771)	(6,384,490)	(6,295,989)	(6,639,012)	(8,554,069)	(4,554,357)	(7,481,221)	(5,314,683)	(7,033,969)
Proceeds from sale of capital assets	21,258	19,585	24,148	43,897	85,327	38,631	37,476	38,015	57,148	15,246
<b>Total other financing sources</b>	<b>15,821,960</b>	<b>12,802,581</b>	<b>6,577,292</b>	<b>16,353,992</b>	<b>12,537,505</b>	<b>13,380,491</b>	<b>24,871,524</b>	<b>36,154,059</b>	<b>30,704,676</b>	<b>21,304,338</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 10,636,864</b>	<b>\$ 10,485,499</b>	<b>\$ (3,075,322)</b>	<b>\$ 10,977,782</b>	<b>\$ 577,584</b>	<b>\$ 9,496,249</b>	<b>\$ 18,529,258</b>	<b>\$ 35,562,361</b>	<b>\$ (12,844,229)</b>	<b>\$ (5,655,724)</b>
Debt service as a percentage of noncapital expenditures	13.2%	13.6%	12.7%	12.5%	12.1%	12.1%	11.9%	11.6%	11.8%	11.5%

Source: City of Allen Annual Comprehensive Financial Reports



**City of Allen, Texas**

Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 (Unaudited)

**Table 5**

Fiscal Year Ended September 30,	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2014	\$ 8,197,352,931	\$ 789,414,854	\$ 613,723,945	\$ 8,373,043,840	0.55000
2015	9,347,795,862	885,946,440	1,071,401,599	9,162,340,703	0.54000
2016	10,892,510,607	949,453,680	1,665,547,504	10,176,416,783	0.53000
2017	12,247,829,044	1,019,719,862	1,799,062,766	11,468,486,140	0.52000
2018	13,546,087,428	1,031,270,509	1,878,212,643	12,699,145,294	0.51000
2019	14,696,634,742	1,158,167,450	1,903,666,393	13,951,135,799	0.49800
2020	15,295,656,455	1,233,701,862	2,005,309,071	14,524,049,246	0.48900
2021	15,713,691,463	1,149,504,775	1,960,955,511	14,902,240,727	0.48500
2022	16,684,318,807	1,139,418,829	2,036,419,680	15,787,317,956	0.47000
2023	20,765,442,449	1,194,141,922	3,725,617,131	18,233,967,240	0.42120

**Sources:** Collin Central Appraisal District

**City of Allen, Texas**

Direct and Overlapping Property Tax Rates (Per \$100 Of Assessed Value)  
 Last Ten Fiscal Years  
 (Unaudited)

**Table 6**

Fiscal Year Ended September 30,	City Direct Rates			Overlapping Rates					Fiscal Year Ended September 30
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Allen Independent School District	Plano Independent School District	McKinney Independent School District	Love Joy Independent School District	Collin County	Collin County Community College District
2014	0.40912	0.14088	0.55000	1.67000	1.45300	1.67000	1.53500	0.23750	0.08364
2015	0.39836	0.14164	0.54000	1.64000	1.44800	1.67000	1.56000	0.23500	0.08196
2016	0.40627	0.12373	0.53000	1.61000	1.43900	1.67000	1.56000	0.22500	0.08196
2017	0.39627	0.12373	0.52000	1.59000	1.43900	1.62000	1.67000	0.20840	0.08122
2018	0.39274	0.11726	0.51000	1.57000	1.43900	1.62000	1.67000	0.19225	0.07981
2019	0.39346	0.10454	0.49800	1.55000	1.43900	1.59000	1.67000	0.18079	0.08122
2020	0.38704	0.10196	0.48900	1.45890	1.33735	1.48835	1.56835	0.17495	0.08122
2021	0.39052	0.09448	0.48500	1.43250	1.32375	1.47470	1.55470	0.17253	0.08122
2022	0.36876	0.10124	0.47000	1.40680	1.32075	1.37670	1.50500	0.16809	0.08122
2023	0.33070	0.09050	0.42120	1.33040	1.25975	1.31290	1.44290	0.15244	0.08122

**Source:** Collin Central Appraisal District

**City of Allen, Texas**  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

**Table 7**

2023			2014		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value <sup>a</sup>	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value <sup>b</sup>
VAA Improvements LLC	\$ 159,814,858	1.01%	The Village At Allen LP	\$ 142,468,550	1.70%
Allen Premium Outlets LP	122,664,130	0.78%	AT&T Mobility LLC	106,167,892	1.27%
S2 Twin Creek I LP	101,792,467	0.64%	Watters Creek Owner LLC	102,377,049	1.22%
Cisco Systems Inc	99,630,000	0.63%	Cisco Systems Inc	93,846,280	1.12%
Dolce Twin Creeks Phase 2 LLC	93,600,000	0.59%	AT&T Services Inc	79,675,121	0.95%
Charter DW Watters Creek Village LLC	87,082,963	0.55%	Chelsea Allen Development LP	78,000,000	0.93%
1175 Montgomery (TX) Owner LP	80,447,025	0.51%	BH Benton Pointe Apartments LLC	37,508,492	0.45%
AT&T Mobility LLC	78,447,246	0.50%	Oncor Electric Delivery Company	36,578,985	0.44%
Sovereign Twin Creeks Phase 1 LLC	78,000,000	0.49%	BH Settler's Gate Apartments LP	34,340,292	0.41%
TX Watters Creek Apartments LLC	75,152,106	0.48%	TC Village Inc	29,661,674	0.35%
<b>Total</b>	<b>\$ 976,630,795</b>	<b>6.19%</b>	<b>Total</b>	<b>\$ 740,624,335</b>	<b>8.86%</b>
<b>Total Assessed Valuation</b>	<b>\$ 15,787,317,956</b>	<b>100.00%</b>	<b>Total Assessed Valuation</b>	<b>\$ 8,373,043,840</b>	<b>100.00%</b>

**Source:** Collin Central Appraisal District

**Notes:** <sup>a</sup>Taxpayers are assessed on January 1, 2022 (2022 tax year) for the 2023 fiscal year.

<sup>b</sup>Taxpayers are assessed on January 1, 2013 (2013 tax year) for the 2014 fiscal year.

**City of Allen, Texas**

Ad Valorem Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

**Table 8**

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 46,466,114	\$ 45,924,321	98.83 %	\$ 527,945	\$ 46,452,266	99.97 %
2015	49,958,933	49,472,535	99.03 %	474,739	49,947,274	99.98 %
2016	54,342,759	53,821,573	99.04 %	512,618	54,334,191	99.98 %
2017	58,617,868	58,282,589	99.43 %	335,279	58,617,868	100.00 %
2018	63,184,129	62,950,713	99.63 %	213,142	63,163,855	99.97 %
2019	67,684,728	67,511,154	99.74 %	102,333	67,613,487	99.89 %
2020	70,617,878	70,550,256	99.90 %	(133,170)	70,417,086	99.67 %
2021	71,909,214	71,715,864	99.73 %	187,669	71,903,533	99.93 %
2022	73,930,484	73,746,318	99.75 %	71,676	73,817,994	99.75 %
2023	76,291,666	76,102,449	99.75 %	-	76,102,449	99.75 %

**Source:** Collin County Tax Assessor

**City of Allen, Texas**

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

**Table 9**

Fiscal Year Ended September 30,	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Other Obligations	Water and Sewer Revenue Bonds	Other Obligations			
2014	\$ 99,245,000	\$ 530,000	\$ -	\$ 4,615,649	\$ 8,015,000	\$ 691,493	113,097,142	3.19%	1,241
2015	95,690,000	490,000	-	7,258,749	6,735,000	596,700	110,770,449	2.81%	1,188
2016	93,920,844	450,000	1,940,000	1,700,000	5,760,000	448,387	104,219,231	2.73%	1,102
2017	96,184,995	405,000	1,255,000	1,250,000	4,760,000	282,326	104,137,321	2.60%	1,043
2018	94,460,400	-	635,000	864,245	13,850,800	719,391	110,529,836	2.34%	1,077
2019	91,466,739	-	2,600,000	75,991	16,637,388	569,182	111,349,300	2.37%	1,039
2020	98,980,840	-	4,920,000	46,005	21,520,600	423,155	125,890,600	2.58%	1,149
2021	92,079,808	28,278,061	3,917,980	102,538	32,435,106	332,535	157,146,028	3.26%	1,452
2022	104,656,037	26,338,466	2,379,838	1,020,867	30,469,408	279,154	165,143,770	3.14%	1,515
2023	112,730,945	20,740,000	3,238,786	824,775	28,798,693	164,886	166,498,085	2.72%	1,497

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

<sup>a</sup>See Table 13 for personal income and population data.

**City of Allen, Texas**

Ratio of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)

**Table 10**

Fiscal Year Ended September 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2014	\$ 99,245,000	\$ 530,000	\$ -	\$ 99,775,000	1.19%	\$ 1,095
2015	95,690,000	490,000	-	96,180,000	1.05%	1,031
2016	93,920,844	450,000	1,940,000	96,310,844	0.95%	1,018
2017	96,184,995	405,000	1,255,000	97,844,995	0.85%	980
2018	94,460,400	-	635,000	95,095,400	0.75%	927
2019	91,466,739	-	2,600,000	94,066,739	0.67%	878
2020	98,980,840	-	4,920,000	103,900,840	0.72%	948
2021	92,079,808	28,278,061	3,917,980	124,275,849	0.83%	1,149
2022	104,656,037	26,338,466	2,379,838	133,374,341	0.84%	1,223
2023	112,730,945	20,740,000	3,238,786	136,709,731	0.75%	1,229

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup>See Table 5 for property value data.

<sup>b</sup>See Table 13 for population data.

**City of Allen, Texas**

Direct and Overlapping Governmental Activities Debt  
as of September 30, 2023  
(Unaudited)

**Table 11**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Direct and Overlapping Debt
<b>Debt repaid with property taxes:</b>			
Allen I.S.D.	\$ 630,131,098	85.43%	\$ 538,320,997
Plano I.S.D.	992,285,000	0.85%	8,434,423
McKinney I.S.D.	492,835,000	0.08%	394,268
Lovejoy I.S.D.	133,285,000	8.76%	11,675,766
Collin County	721,825,000	8.77%	63,304,052
Collin College	480,350,000	8.77%	<u>42,126,695</u>
Subtotal, overlapping debt			\$ 664,256,201
<b>City of Allen direct debt outstanding</b>	137,534,506	100.00%	<u>137,534,506.00</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 801,790,707</u></u>

**Source:** Taxable value data used to estimate applicable percentages provided by Collin Central Appraisal District. Net Bonded Debt Outstanding and Percentage of debt obtained from the Texas Municipal Report ("TMR") that was prepared by the Municipal Advisory Council of Texas ("MAC").

<sup>a</sup>The percentage of applicable overlapping debt is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City of Allen's boundaries and dividing it by the county's total taxable assessed value.

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

**City of Allen, Texas**  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Unaudited)

**Table 12**

Water and Sewer System Revenue Bonds					
Fiscal Year Ended September 30,	Total Revenues <sup>a</sup>	Less: Operating Expenses <sup>b</sup>	Net Available Revenue	Annual Requirement <sup>c</sup>	Times Coverage
2014	\$ 30,887,999	\$ 23,754,848	\$ 7,133,151	\$ 1,585,519	4.50
2015	36,275,063	26,397,770	9,877,293	1,513,860	6.52
2016	36,509,983	29,287,984	7,221,999	1,173,576	6.15
2017	37,609,746	33,023,729	4,586,017	1,169,082	3.92
2018	42,629,369	34,843,950	7,785,419	1,181,675	6.59
2019	44,571,666	38,156,431	6,415,235	1,749,739	3.67
2020	50,756,732	39,026,679	11,730,053	1,501,611	7.81
2021	49,805,566	39,647,944	10,157,622	1,874,030	5.42
2022	56,776,891	40,235,647	16,541,244	2,595,735	6.37
2023	66,903,325	47,203,212	19,700,113	2,594,366	7.59

**Notes:** <sup>a</sup>Development fees are not included as part of the non-operating revenues and therefore are not included in the times coverage calculation.

<sup>b</sup>Includes operating expenses minus depreciation.

<sup>c</sup>Includes Principal and Interest.



## City of Allen, Texas

Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)

**Table 13**

<u>Fiscal Year Ended September 30,</u>	<u>Estimated Population<sup>a</sup></u>	<u>Personal Income</u>	<u>Per Capita Personal Income<sup>b</sup></u>	<u>School Enrollment<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2014	91,157	\$ 3,542,543,334	38,862	20,503	4.4%
2015	93,261	3,940,277,250	42,250	20,755	3.2%
2016	94,576	3,823,896,832	40,432	20,973	3.6%
2017	99,852	4,007,759,724	40,137	21,054	3.1%
2018	102,632	4,715,221,976	45,943	21,567	3.2%
2019	107,151	4,694,285,310	43,810	21,791	2.8%
2020	109,591	4,876,032,363	44,493	21,538	6.2%
2021	108,207 <sup>e</sup>	4,814,454,051	44,493	21,390	3.6%
2022	109,039	5,267,128,895	48,305	21,808	2.8%
2023	111,218	6,119,436,796	55,022	21,443	3.5%

**Sources:** <sup>a</sup>Estimated population provided by the City of Allen.

<sup>b</sup>Estimated Per Capita Income provided by U.S. Census Bureau based on current income trends within the area.

<sup>c</sup>Allen Independent School District.

<sup>d</sup>Texas Workforce Commission.

<sup>e</sup>The reduction in population from prior year is due to inaccurate estimates used between the 2010 and 2020 decennial censuses.

**City of Allen, Texas**  
 Principal Employers  
 Current Year and Nine Years Ago  
 (Unaudited)

**Table 14**

2023			2014		
Employer	Total Employees	Percentage of Total City Employment	Employer	Total Employees	Percentage of Total City Employment
Allen Independent School District	2,755	6.85%	Allen Independent School District	2,502	7.58%
City of Allen	937	2.33%	Experian	955	2.89%
Experian Information Solutions	817	2.03%	City of Allen	755	2.29%
Andrew's Distributing	487	1.21%	Frontier Communications	693	2.10%
Jack Henry & Associates	450	1.12%	Texas Health Presbyterian Hospital	670	2.03%
Motorola Solutions	436	1.08%	Jack Henry & Associates	569	1.72%
Texas Health Presbyterian Hospital	425	1.06%	Andrew Distributing	400	1.21%
Credit Union of Texas	424	1.05%	CVE Technology Group, Inc	400	1.21%
Netscout	420	1.04%	PFSweb	400	1.21%
Crawford and Company	365	0.91%	Finisar Corporation	175	0.53%
<b>Total</b>	<b>7,516</b>	<b>18.70%</b>	<b>Total</b>	<b>7,519</b>	<b>22.79%</b>
Total Allen Daytime Employees	40,193		Total Allen Daytime Employees	32,988	

**Source:** Top ten employers and employee count provided by Allen Fairview Chamber of Commerce and Allen Economic Development Corporation.

**City of Allen, Texas**

Full-Time Equivalent City Government Employees by Function & Program  
 Last Ten Fiscal Years  
 (Unaudited)

**Table 15**

Function/Program	Fiscal Year Ended September 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government and Administration	64.00	67.00	70.50	72.50	75.50	77.00	80.48	82.48	84.73	87.23
Public Safety	286.00	295.00	299.00	299.00	305.00	316.00	319.00	320.00	326.00	337.00
Public Works	54.50	55.50	59.00	59.00	60.50	62.50	63.50	63.50	62.50	63.00
Culture and Recreational	212.27	215.71	221.31	221.31	226.32	228.32	227.82	223.32	223.32	282.80
Water and Sewer	68.00	69.00	70.00	74.00	76.50	79.00	80.00	80.00	83.00	85.50
Golf Course	32.54	33.64	33.64	33.64	33.64	33.64	32.14	32.14	32.14	32.14
Community Development	27.00	27.50	28.50	27.50	30.50	32.00	32.00	34.00	35.00	37.00
Risk Management	4.00	4.00	4.00	4.00	4.00	3.50	3.50	4.50	4.50	5.00
Economic Development	6.25	7.00	7.00	7.00	7.00	7.50	7.50	7.50	7.50	7.50
<b>Total</b>	<b>754.56</b>	<b>774.35</b>	<b>792.95</b>	<b>797.95</b>	<b>818.96</b>	<b>839.46</b>	<b>845.94</b>	<b>847.44</b>	<b>858.69</b>	<b>937.17</b>

**Source:** City of Allen's Annual Official Budgets

**City of Allen, Texas**

Operating Indicators by Function & Program  
Last Ten Fiscal Years  
(Unaudited)

**Table 16**

Function/Program	Fiscal Year Ended September 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Number of Employees	175	183	185	185	189	199	201	202	204	211
Number of Violations (Citations)	19,943	14,000	13,645	18,778	17,025	21,060	8,774	10,715	11,721	10,596
Fire										
Number of Employees	111	112	114	114	116	117	118	122	122	126
Number of Fire/Other runs	1,541	1,622	1,822	1,886	1,896	1,899	1,912	2,490	2,406	2,236
Number of EMS runs	3,703	3,812	4,162	4,210	4,667	4,898	4,725	5,753	6,251	4,725
Development Services										
Streets paved (miles)										
	4	1	5	5	6	2	2	87	26	66
Building Permits Issued <sup>a</sup>										
	9,538	7,549	7,022	7,116	7,126	9,414	6,440	6,104	5,531	6,705
Cultural and Recreational										
Parks and Recreation										
Park maintained & operated per acre	\$ 4,022	\$ 4,083	\$ 4,092	\$ 4,668	\$ 4,675	\$ 3,679	\$ 3,667	\$ 3,771	\$ 3,988	\$ 4,209
Participants in Leisure Service										
Programs	646,719	568,503	638,367	911,064	955,441	1,002,717	528,935	595,869	791,359	844,201
Rounds of Golf	45,546	39,723	44,478	47,010	44,163	49,293	54,556	66,518	70,597	70,123
Library										
Volumes in Collection <sup>b</sup>	128,501	132,380	138,041	141,774	139,605	146,699	143,103	142,324	143,495	147,860
Water and Sewer										
Number of Water Consumers										
	29,124	29,750	30,332	30,920	31,391	31,922	32,334	33,109	33,385	35,045
Average Daily Water Consumption (gallons)										
	11,863,621	13,284,000	14,472,000	15,107,156	15,926,000	15,454,057	15,710,457	16,143,000	15,296,000	15,075,194
Maximum Storage Capacity (million of gallons)										
	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33	33.0	33.0
Sanitation										
Recyclables Collected (tons)										
	9,920	10,015	10,108	10,578	10,723	10,073	10,343	9,838	10,340	12,211
Solid Waste Collected (tons)										
	55,142	59,591	62,009	63,712	66,333	65,242	66,515	66,773	66,288	71,110

**Source:** City of Allen Departments

**Notes:** <sup>a</sup>Includes residential, commercial, and miscellaneous permits (e.g. for pools, fences, and roof repairs).

<sup>b</sup>Includes books and media.

**City of Allen, Texas**

Capital Assets Statistics by Function & Program  
Last Ten Fiscal Years  
(Unaudited)

**Table 17**

Function/Program	Fiscal Year Ended September 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	27	27	28	31	31	31	31	44	53	53
Fire Stations	5	5	5	5	5	5	5	5	5	5
Police Motorcycle Units	4	4	4	4	4	4	4	4	4	4
<b>Development Services</b>										
Streets-Paved (miles)	330	331	336	341	347	349	351	438	377	442
Alleys-Paved (miles)	165	166	167	168	169	169	169	180	178	178
<b>Cultural and Recreational</b>										
Parks (acres)	599	599	607	614	689	691	691	691	710	2,249
Playgrounds	32	32	32	32	32	32	32	31	31	31
Swimming Pools (outdoor)	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	5	5	5	5	5	5	5	5	5
Natatorium	1	1	1	1	1	1	1	1	1	1
Visitor (Youth) Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Event Center	1	1	1	1	1	1	1	1	1	1
<b>Water and Sewer</b>										
Water Mains (miles)	471	474	481	494	506	515	524	524	502	508
Fire Hydrants	4,329	4,398	4,560	4,675	4,982	4,934	5,316	5,359	5,409	5,358
Sanitary Sewers (miles)	354	356	361	370	379	386	393	393	372	372
Storm Sewer Lines (miles)	109	110	112	117	123	129	136	224	226	231

**Source:** City Of Allen Departments