


CITY OF ALLEN

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## FISCAL YEAR ENDED SEPTEMBER 30, 2025

CITY OF ALLEN • 305 CENTURY PARKWAY • ALLEN, TEXAS

# CITY OF ALLEN, TEXAS

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

# FOR THE FISCAL YEAR ENDED

# SEPTEMBER 30, 2025

CITY OF ALLEN

AS PREPARED BY THE CITY OF ALLEN CITY MANAGER'S OFFICE AND FINANCE DEPARTMENT:

| | |
|---|---|
| CITY MANAGER | ERIC ELLWANGER |
| DEPUTY CITY MANAGER | ERIC STRONG |
| ASSISTANT CITY MANAGER | TIM DENTLER |
| ASSISTANT CITY MANAGER | REBECCA VICE |
| CHIEF FINANCIAL OFFICER | PETE PHILLIS |
| CONTROLLER | ALLYSON BAKER |

City of Allen, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025
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# Introductory Section


CITY OF ALLEN

CITY OF ALLEN

March 10, 2026

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, 2025.

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, 2025, 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, 1,303,157 in 2025 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 114,647 residents in 2025, 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 978.67 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 2025 was 3.9%, and the Collin County unemployment rate was 3.6% -- both of which were below the national rate of 4.4%. 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 $137,627 in 2025, and over 57.5% 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 114,647 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 best city to move to in Texas by Consumer Affairs, and Wallet Hub ranking Allen as the one of the best real estate markets in America. (2022, 2024, 2025).

## 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 Aaa 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.

The City held a Bond Election in November of 2023 for $156.5 Million. 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. Of this amount authorized by the voters, the City issued $104 Million for street improvements, a park and a new Police Headquarters.

## Fiscal Year 2025 Highlights

During fiscal year 2025, the City accomplished many initiatives to enhance livability, to improve personal experience, to invest in the future, and to celebrate the successes. From quality neighborhoods to park development, to community safety, and to 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, a 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 2024, Allen ranks 5th, among lists of the safest cities with a population exceeding 100,000 residents. Regarding violent crimes, Neighborhood Scout's research shows that Allen's violent crime rate is 1 per 1,000 inhabitants, which is well below the national average for all communities of all population sizes. Allen is frequently cited as having the lowest property crime rate among Texas' 50 largest cities.

The Fire Department is committed to advancing emergency services and care for its citizens and visitors. Recent accomplishments include updating medical treatment protocols to reflect the latest in-patient care

and expanding professional development programs for staff. The department has enhanced its training capabilities with the launch of the ARIES simulation platform, offering state-of-the-art virtual environments for high-stress incident training. Community education efforts have grown through programs like Drive to Thrive, which promotes safety and risk reduction. Construction of Fire Station #6 has been completed, increasing response capabilities in the community. Additionally, interoperability with neighboring departments has strengthened through joint training and resource sharing, enhancing regional response coordination.

The City's public works activities continued to support community needs in 2025. In Water and Sewer Operations, the City completed fielding its Advanced Meter Infrastructure (AMI) system to 35,000 customers. This system provides the capability for data-driven water use analysis and the proactive detection of water leaks for all customers. The water system also installed two Residual Control Systems at elevated water towers. These systems optimize chloramine disinfectant levels to prolong water life and avoid over 200 million gallons of water line flushing annually. The City's oldest pump station was also completely refurbished with new controls, pumps, and an additional auxiliary generator. The engineering department also began a project to replace the water lines and concomitantly replace the asphalt road in two old subdivisions. Water and sewer system maintenance and capital improvements are optimally funded. This is accomplished while the City's fees for customers continues to be among the lowest few of thirteen local comparison cities. Road maintenance and replacement was funded and proceeded in accordance with the road condition assessment study. The City continued to support citizen focused solid waste and drainage services. The Solid Waste and Drainage enterprise funds operate at costs to citizens that are the lowest of the five similar comparison cities that are proximate to Allen.

Environmentally focused public activities continued to be a priority for the community and residents of the City. Environmental education opportunities were provided to homeschoolers, our local public and private schools, scouts, and youth camps. Various Keep Allen Beautiful (KAB) Board 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. 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 state level award recognizes the City for sponsoring the best in public environmental education activities among Texas cities with a population like Allen's.

The Allen Public 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. Physical books and videos remain popular among patrons of all ages. The library's annual circulation has exceeded one million for ten consecutive years and was recognized by the Texas Municipal Library Directors Association for the eleventh consecutive year for Achievement of Library Excellence.

In 2025, Allen Parks and Recreation made significant progress in achieving its mission of creating meaningful LIFE experiences. A major milestone was the grand opening of the Stephen G. Terrell Recreation Center, a 149,000-square-foot facility offering diverse fitness and leisure amenities for all ages. In its first

year of operations, the center exceeded expectations by surpassing both membership and revenue goals, reflecting the community's enthusiasm for this state-of-the-art addition.

The department also advanced several key parks and trail projects. A highlight was the launch of "Reimagining Ford Park," a master planning process focused on redeveloping one of Allen's oldest and most-used parks. Community engagement was a vital component, with residents contributing ideas through public events and surveys. Another significant accomplishment was the June 2024 opening of The Bark Yard, a highly anticipated dog park that features unique and interactive Public Art installations. Additionally, the department secured further grant funding for the Rowlett Creek Trail expansion, a project with a total budget of $8 million and a construction start date planned for late 2025. There were many other accomplishments achieved during the year as well.

The Allen Economic Development Corporation (AEDC) worked to bring a variety of companies and related development to Allen. There were many successes this past year with the development along the City's northern boundary with the establishment of a new tax increment reinvestment zone for a large mixed-use development and several land transactions that will further economic development opportunities.

One of the City's major draws, The Credit Union of Texas Event Center. 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. The Event Center is also the home to professional sports; the Allen American Hockey Club (ECHL), and the Dallas Sidekicks Soccer Club (MASL).

## 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.

## Budget Controls

By August 10 of each year the City Manager shall prepare and submit the budget for the ensuing year to the City Council. The budget is to include revenues and expenditure associated with the plan. City Council is required to have a public hearing on the budget or annual service plan. After the hearing City Council is to discuss, deliberate, amend the proposed budget as appropriate and shall at least by the second City Council meeting in September prior to the beginning of the next fiscal year, adopt by favorable majority. There are extended technical provisions that could require a super majority vote for the passage of the budget. Annual budgets are legally adopted for the General Fund, Debt Service Fund, Hotel Occupancy Tax Fund, Asset Forfeiture Fund, Special Revenue Fund, Grants Fund, and Tax Increment Financing 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.

## 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

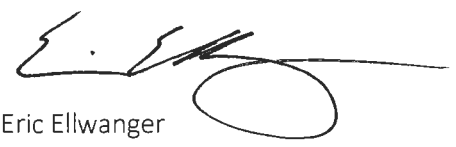
**Awards** -- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Allen for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. Fiscal year 2024 was the twenty-seventh 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, 2025. This is the twenty-sixth 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,



Eric Ellwanger
City Manager


CITY OF ALLEN

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

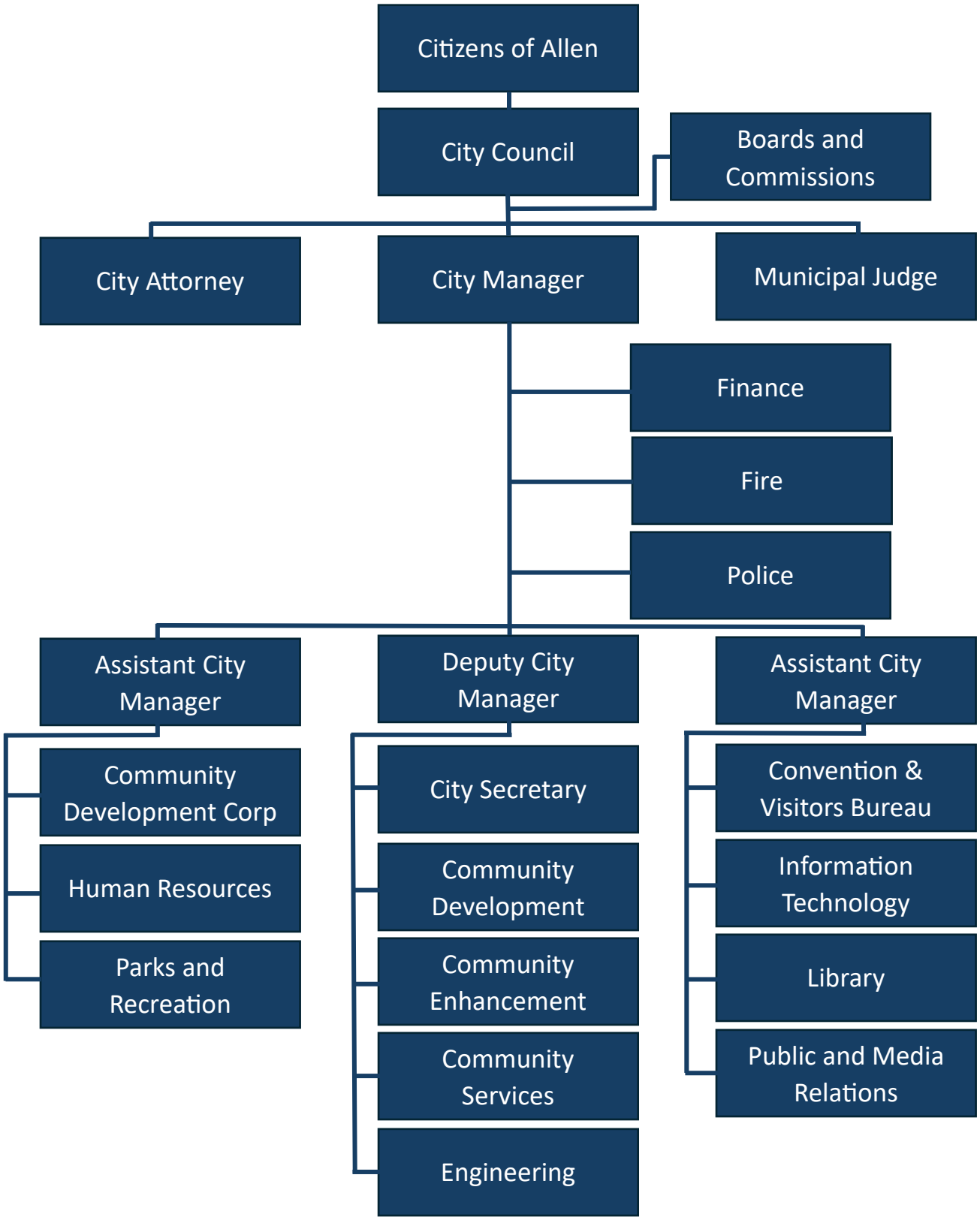
September 30, 2024

Christopher P. Morrill

Executive Director/CEO

# CITY OF ALLEN, TEXAS

ORGANIZATIONAL CHART



# CITY OF ALLEN, TEXAS
# ANNUAL COMPREHENSIVE FINANCIAL REPORT
# FOR THE YEAR ENDED SEPTEMBER 30, 2025

## LIST OF PRINCIPAL OFFICIALS

### CITY COUNCIL (ELECTED)

| | |
|---|---|
| Mayor | Baine Brooks |
| Mayor Pro Tem, Place No. 6 | Ben Trahan |
| Councilmember, Place No. 1 | Michael Schaeffer |
| Councilmember, Place No. 2 | Tommy Baril |
| Councilmember, Place No. 3 | Ken Cook |
| Councilmember, Place No. 4 | Amy Gnadt |
| Councilmember, Place No. 5 | Carl Clemencich |

### MANAGEMENT STAFF AND DIRECTORS

| | |
|---|---|
| City Manager (appointed) | Eric Ellwanger |
| Deputy City Manager | Eric Strong |
| Assistant City Manager | Tim Dentler |
| Assistant City Manager | Rebecca Vice |
| City Secretary | Shelley George |
| Chief Financial Officer | Pete Phillis |
| Chief Information Officer | Eric Matthews |
| Municipal Court Judge (appointed) | Michelle Montemayor |
| Fire Chief | Jon Boyd |
| Police Chief | Steve Dye |
| Director of Economic Development Corporation | Dan Bowman |
| Director of Community Development Corporation | Jason Cooley |
| Director of Community Services | Steve Massey |
| Director of Engineering | Chris Flanigan |
| Director of Community Development | *vacant* |
| Director of Community Enhancement | Lee Battle |
| Director of Human Resources | Cheree Bontrager |
| Director of Parks and Recreation | Kate Meacham |
| Director of Public and Media Relations | Chelsey Aprill |
| Director of the Convention & Visitors Bureau | Brandy O'Keefe |
| Director of the Library | Jeff Timbs |

# Financial Section


CITY OF ALLEN

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

# 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 (the City) as of and for the year ended September 30, 2025, 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, 2025, 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.

### *Emphasis of Matter*

As discussed in Note 1D to the basic financial statements, during the year ended September 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

### *Responsibilities of Management for the Financial Statements*

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

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

***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.

***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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 2, 2026, 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 2, 2026


CITY OF ALLEN

# 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, 2025.

## 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, 2025, by $785,972,869. Of this amount, $173,138,731 (22%) 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 $71,402,809. Out of this, $65,975,047 is from governmental activities and $5,427,762 is from business-type activities. The City also restated beginning net position, reducing it by a total of ($2,714,747) due to the implementation of GASB Statement 101, Compensated Absences. This standard increased the liability for compensated absences because the liability now includes accrued compensated absences that will be used as time off in addition to the previously included liability for amounts that could be paid in cash to employees upon separation.

On a government-wide basis, the City's total assets increased by $79,962,248 or 8% and total liabilities increased by $2,860,622 or 1%.

As of September 30, 2025, the City's governmental funds reported combined ending fund balances of $199,641,884, a decrease of $2,304,876 or 1% in comparison to the previous year. As of September 30, 2025, $37,952,039 or 19% 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 33 through 35, 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, golf course, and Allen event center 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 two categories: governmental and proprietary.

*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, 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 36 through 43 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, costs associated with workers compensation, liability and property insurance and employee medical and dental insurance programs, and costs associated with the maintenance of City facilities. These services have been included within governmental activities and business-type activities in the government-wide financial statements as they provide benefit to both functions of the primary government.

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, event center operations and other enterprise fund services are grouped into a single aggregated presentation in the proprietary fund statements as they do not meet the requirements to be classified as major funds. Individual nonmajor enterprise fund data is provided in the form of combining statements in another section of this report. 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 also provided in the form of combining schedules elsewhere in this report. The basic proprietary fund financial statements are located on pages 44 through 47 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 51 through 84 of this report.

*Required Supplementary Information*. Required supplementary information includes budgetary comparison schedules that have been provided for the general 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 City also has a separate defined benefit retiree healthcare plan that is no longer adding new beneficiaries and will eventually terminate. The required supplementary information is found on pages 89 through 99 of this report.

The combining and budgetary schedules referred to earlier include information for nonmajor governmental funds, nonmajor enterprise 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 $785,972,869 at September 30, 2025.

By far the largest portion of the City's net position, $584,414,009 or 74%, 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, $28,420,129 or 4%, represents resources that are subject to external restrictions on how those resources can be used. The remaining balance of $173,138,731 (22%) 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:

**Table 1**
**Statement of Net Position**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Current and other assets | $ 257,078,715 | $ 252,210,622 | $ 103,598,501 | $ 99,098,303 | $ 360,677,216 | $ 351,308,925 |
| Capital assets | 574,063,042 | 506,322,303 | 157,267,922 | 154,414,704 | 731,330,964 | 660,737,007 |
| Total assets | 831,141,757 | 758,532,925 | 260,866,423 | 253,513,007 | 1,092,008,180 | 1,012,045,932 |
| Deferred outflows of resources | 16,510,238 | 20,441,056 | 2,537,102 | 3,035,514 | 19,047,340 | 23,476,570 |
| Long-term liabilities | 259,978,968 | 260,251,908 | 32,703,970 | 34,891,921 | 292,682,938 | 295,143,829 |
| Other liabilities | 18,190,149 | 15,824,078 | 8,625,316 | 5,669,874 | 26,815,465 | 21,493,952 |
| Total liabilities | 278,169,117 | 276,075,986 | 41,329,286 | 40,561,795 | 319,498,403 | 316,637,781 |
| Deferred inflows of resources | 4,939,313 | 1,393,046 | 644,935 | 206,868 | 5,584,248 | 1,599,914 |
| Net position: | | | | | | |
| Net investment in capital assets | 456,007,649 | 404,047,053 | 128,406,360 | 125,811,570 | 584,414,009 | 529,858,623 |
| Restricted | 25,918,296 | 26,737,949 | 2,501,833 | 2,336,548 | 28,420,129 | 29,074,497 |
| Unrestricted | 82,617,620 | 70,719,947 | 90,521,111 | 87,631,740 | 173,138,731 | 158,351,687 |
| Total net position | $ 564,543,565 | $ 501,504,949 | $ 221,429,304 | $ 215,779,858 | $ 785,972,869 | $ 717,284,807 |

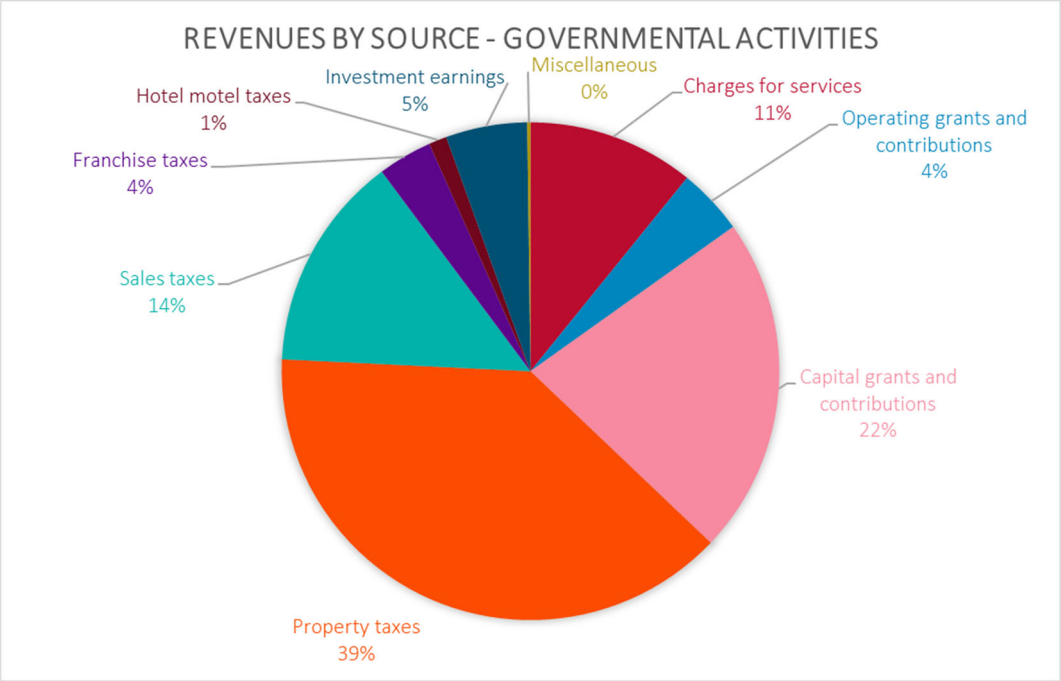
As of September 30, 2025, the City had an overall increase in net position of $71,402,809 for the primary government, which represents an increase of $65,975,047 for governmental activities and an increase of $5,427,762 for business-type activities. Beginning net position was restated by ($2,936,431) for governmental activities and $221,684 for business-type activities as a result of a change in accounting principle for the implementation of GASB 101, *Compensated Absences*. Details are in Table 2 as listed below.

**Table 2**
**Changes in Net Position**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | $ 24,994,617 | $ 17,899,679 | $ 98,447,160 | $ 101,385,132 | $ 123,441,777 | $ 119,284,811 |
| Operating grants and contributions | 9,956,238 | 10,617,394 | 717,436 | - | 10,673,674 | 10,617,394 |
| Capital grants and contributions | 50,629,518 | 15,764,984 | 5,809,167 | 7,014,220 | 56,438,685 | 22,779,204 |
| General revenues | | | | | - | - |
| Property taxes | 89,170,582 | 83,821,874 | - | - | 89,170,582 | 83,821,874 |
| Sales taxes | 32,389,161 | 31,547,688 | - | - | 32,389,161 | 31,547,688 |
| Franchise taxes | 8,134,411 | 7,735,536 | - | - | 8,134,411 | 7,735,536 |
| Hotel motel taxes | 2,696,118 | 2,481,874 | - | - | 2,696,118 | 2,481,874 |
| Investment earnings (loss) | 12,197,343 | 11,035,616 | 2,302,787 | 2,853,701 | 14,500,130 | 13,889,317 |
| Miscellaneous | 481,107 | 162,288 | 2,172,660 | 2,600,635 | 2,653,767 | 2,762,923 |
| Total revenues | 230,649,095 | 181,066,933 | 109,449,210 | 113,853,688 | 340,098,305 | 294,920,621 |
| Expenses | | | | | | |
| General government | 35,270,238 | 36,583,521 | - | - | 35,270,238 | 36,583,521 |
| Public safety | 73,885,692 | 67,135,182 | - | - | 73,885,692 | 67,135,182 |
| Public works | 28,256,296 | 29,858,727 | - | - | 28,256,296 | 29,858,727 |
| Culture and recreation | 33,752,858 | 31,337,978 | - | - | 33,752,858 | 31,337,978 |
| Community development | 6,672,806 | 6,470,480 | - | - | 6,672,806 | 6,470,480 |
| Interest on long-term debt | 6,966,930 | 4,022,874 | - | - | 6,966,930 | 4,022,874 |
| Water and sewer | - | - | 58,329,250 | 57,160,608 | 58,329,250 | 57,160,608 |
| Solid waste services | - | - | 8,003,251 | 7,725,311 | 8,003,251 | 7,725,311 |
| Drainage | - | - | 1,964,894 | 1,808,497 | 1,964,894 | 1,808,497 |
| Golf course | - | - | 4,351,713 | 4,579,932 | 4,351,713 | 4,579,932 |
| Allen event center | - | - | 11,241,568 | 10,127,154 | 11,241,568 | 10,127,154 |
| Total expenses | 184,804,820 | 175,408,762 | 83,890,676 | 81,401,502 | 268,695,496 | 256,810,264 |
| Change in net position before transfers | 45,844,275 | 5,658,171 | 25,558,534 | 32,452,186 | 71,402,809 | 38,110,357 |
| Transfers | 20,130,772 | 7,677,314 | (20,130,772) | (7,677,314) | - | - |
| Change in net position | 65,975,047 | 13,335,485 | 5,427,762 | 24,774,872 | 71,402,809 | 38,110,357 |
| Net position, beginning of year | 501,504,949 | 488,169,464 | 215,779,858 | 191,004,986 | 717,284,807 | 679,174,450 |
| Change in accounting principle - GASB 101 | (2,936,431) | - | 221,684 | - | (2,714,747) | - |
| Net position, beginning of year - restated | 498,568,518 | 488,169,464 | 216,001,542 | 191,004,986 | 714,570,060 | 679,174,450 |
| Net position, end of year | $ 564,543,565 | $ 501,504,949 | $ 221,429,304 | $ 215,779,858 | $ 785,972,869 | $ 717,284,807 |

## 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 $230,649,095, an increase of $49,582,162 (27%) from prior year. Major components of revenue increases and decreases are explained as follows:

- Property taxes increased by $5,348,708 (6%), due to an increase in assessed value and new property additions. This is in line with the estimate published in the adopted budget for the year.
- Sales taxes increased by $841,473 (3%), as a result of expected economic conditions, as the City of Allen is largely dependent upon retail sales.
- Franchise taxes increased by $398,875 (5%), due to new growth in the City.
- Hotel motel taxes increased by $214,244 (9%), as a result of increased tourism.
- Charges for services increased by $7,094,938 (40%) primarily due to increased use of the Steven G. Terrell Recreation Center. The City has also seen a significant increase in fines revenues during the fiscal year.
- Operating grants and contributions decreased by $661,156 (6%), with major factors including the completion of a large project in FY24 that was partially funded by the county and the conclusion of ARPA funding by December 2025. These were large sources of operating grants in FY24 that either didn't happen in FY25 or concluded early in the year.
- Capital grants and contributions increased by $34,864,534 (221%) due in large part to the large piece of land purchased by the EDC for an economic development agreement that was transferred to the City during the fiscal year to facilitate the lease of the land to the lessor.
- Investment earnings increased by $1,161,727 (11%) over prior year, as a result of higher interest rates and an increase in fair market values of investments during fiscal 2024.
- Miscellaneous revenues increased by $318,819 (196%) from prior year, with the largest source being a rebate from the City's purchasing card administrator.

Expenses for governmental activities totaled $184,804,820, an increase of $9,396,058 (5%) from fiscal year 2024. Components of increases and decreases are explained as follows:

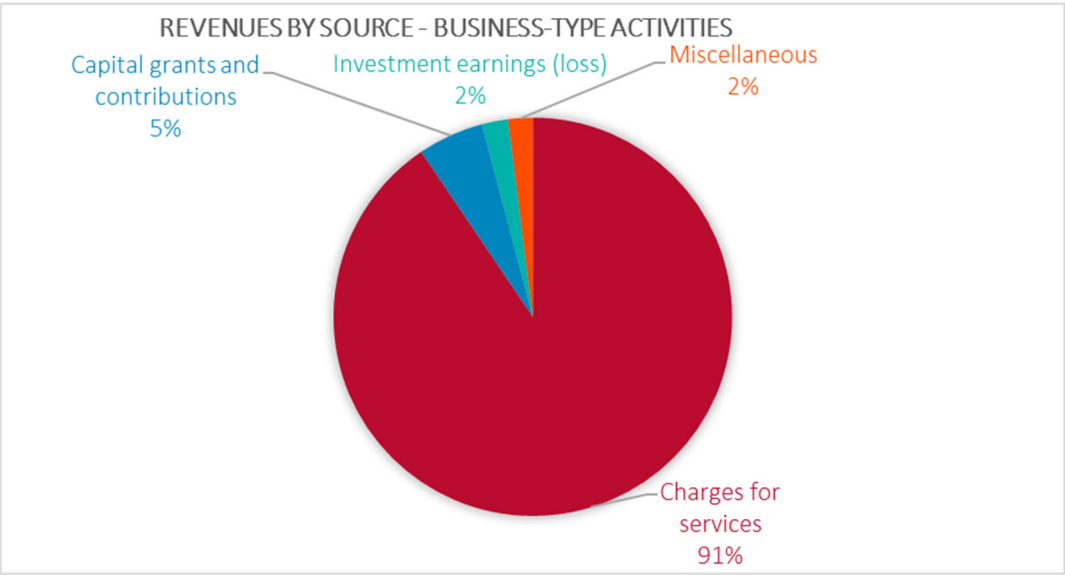
- Expenses for General Government decreased by $1,313,283 (4%), due primarily to the City's strategic goal of contributing more reserve funding to its Facility Maintenance internal service fund in the prior year.
- Expenses for Public Safety increased by $6,750,510 (10%), due primarily to the scheduled salaries market adjustment for both Fire and Police departments and increases in health insurance costs.
- Expenses for Public Works decreased by $1,602,431 (5%), because the City is winding down on its bond program dedicated to streets projects.
- Expenses for Culture and Recreation increased by $2,414,880 (8%), due to increased community membership to the Stephen G Terrell Recreation Center.
- Expenses for Community Development increased $202,326 (3%) due mostly to an increase in neighborhood reinvestment projects.
- Expenses for interest on long-term debt increased by $2,944,056 (73%), due to the first year of interest being due on the Series 2024 bond issuance. With the total bond being $84.4 million, the first interest payment was $3.8 million.

### Business-type Activities

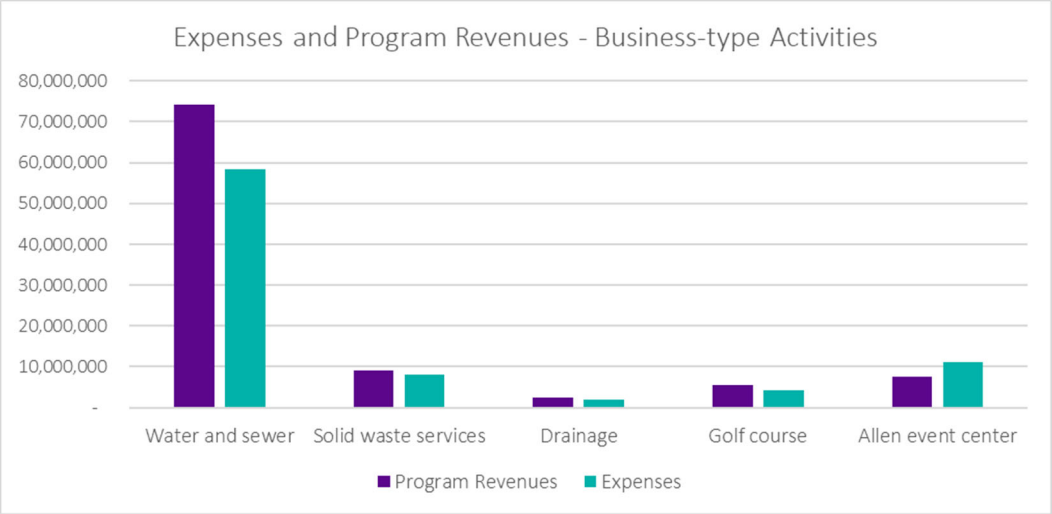
Revenues from business-type activities totaled $109,449,210, a decrease of $4,404,478, or 4%. Major components of the net decrease are as follows:

- Charges for services for business-type activities decreased by $2,937,972 (3%), due to the business-type activities no longer recognizing a portion of internal service activities.
- Capital grants and contributions decreased by $1,205,053 (17%) from fiscal 2024 due to a large amount of capital contributions in the prior fiscal year.
- Miscellaneous revenues decreased by $427,975 (16%) due to prior year revenue from interlocal agreements.

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



Expenses for business-type activities increased by $2,489,174, or 3%. 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:




## 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 $199,641,884, a decrease of $2,304,876 (1%) in comparison with the prior fiscal year. Approximately 19%, or $37,952,039, constitutes unassigned fund balance, which is 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 totals $63,381 for both prepaid items and inventories. The restricted portion includes: $3,883,953 restricted for debt service, $102,486,553 restricted for capital expenditures, $2,860,442 restricted for tourism, $13,876,715 restricted for tax increment financing agreements, and $6,271,845 restricted for other purposes detailed in the basic financial statements and notes to the financial statements. In addition, $31,396,748 was assigned to capital expenditures and $850,208 to neighborhood reinvestment.

***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 $37,952,039, while the total fund balance was $38,335,156. 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 27% or 3 months 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 $3,966,477 or 12% during the current fiscal year. This was the result of actual revenues significantly exceeding budgeted revenues, especially in investment earnings, licenses, charges for services, and fines and forfeitures. Favorable investment activity in local government investment

pools contributed to investment earning $1.7 million over budgeted amounts. The General fund had expenditures in excess of appropriations in the public safety function due to higher than expected personnel costs.

*Debt Service Fund*. The Debt Service Fund balance of $3,883,953, all of which is restricted for the payment of debt, represents a decrease from the prior year of $504,842 (12%). The decrease was primarily related to the paying down of debt and an increase in interest costs in the current year.

*Capital Projects Fund*. The General Capital Projects Fund provides information on cash financed capital projects and had an ending fund balance of $32,246,956 at September 30, 2025, an increase of $3,826,597 (13%). The increase was caused by transfers from other funds in order to fund future capital projects.

*General Obligation Bond Fund*. The General Obligation Bond Fund had an ending fund balance of $102,486,553, which represents a decrease of $10,144,321 (9%) from the prior year. The decrease was due to a large amount of capital expenditures in the current year. The fund had expenditures of $29,406,389 for the purchase and construction of capital assets.

### 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, 2025, the unrestricted net position for all enterprise funds were $90,521,111, an increase of $2,889,371 (3%) from prior year.

*Water and Sewer Fund*. The Water and Sewer Fund had an ending net position of $212,632,840, which represents an increase in net position of $14,646,587 (7%). This change was as a result of an increase in water and sewer rates.

*Allen Event Center Fund.* The Allen Event Center Fund had an ending deficit net position of ($1,268,617), which represents a decrease of $765,315 (152%). The main reason for this change was an increase in facility maintenance costs during the fiscal year. The fund also had a negative adjustment to beginning net position due to the implementation of GASB 101 related to compensated absences.

## 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 in a mid-year adjustment 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, 2025, the City Council amended the budget for the General Fund one time.

Adjustments made during fiscal year 2025 increased the original revenue budget by $3,796,265 and increased the expenditure budget by $4,133,199. Due to actual revenues over the revised budget by $2,543,128, and expenditures being less than the revised budget by $2,771,019, the City was able to increase the unassigned General Fund balance by $3,966,477, after net transfers and other financing sources and uses. The unassigned fund balance of $37,952,039 is equal to 25%, or 92 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, 2025, was $731,330,964 (net of accumulated depreciation). Investment in capital assets includes land and improvements, buildings, vehicles, machinery and equipment, park land and facilities, and roads and bridges. About 78% of the capital assets are governmental and 22% represent business-type activities. There was an increase of 11% 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 | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | $ 222,476,684 | $ 176,321,479 | $ 4,091,626 | $ 4,091,626 | $ 226,568,310 | $ 180,413,105 |
| Construction in progress | 51,394,131 | 79,372,216 | 26,919,046 | 18,605,322 | 78,313,177 | 97,977,538 |
| Buildings | 120,711,790 | 66,400,594 | - | - | 120,711,790 | 66,400,594 |
| Towers, tanks, and pump stations | - | - | 81,007,134 | 82,673,061 | 81,007,134 | 82,673,061 |
| Intangibles | - | - | 7,194,892 | 7,461,370 | 7,194,892 | 7,461,370 |
| Other improvements | 159,038,788 | 169,289,376 | 35,273,946 | 36,637,498 | 194,312,734 | 205,926,874 |
| Furniture and fixtures | 300,875 | 81,371 | - | - | 300,875 | 81,371 |
| Vehicles | 12,705,390 | 8,936,269 | 624,678 | 2,312,889 | 13,330,068 | 11,249,158 |
| Machinery and equipment | 7,435,384 | 5,920,998 | 2,156,600 | 2,632,938 | 9,591,984 | 8,553,936 |
| Total | $ 574,063,042 | $ 506,322,303 | $ 157,267,922 | $ 154,414,704 | $ 731,330,964 | $ 660,737,007 |

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

| | |
|---|---|
| Library Expansion – Phase II | $13,289,857 |
| Police Department Headquarters | 13,762,236 |
| Chelsea Blvd NB Extension | 2,602,361 |
| Land purchase transferred from EDC to City | 43,017,580 |
| Developer contributions and right-of-way | 7,611,938 |
| | |
| Completed CIP Projects (not equal to current year expenditures) | |
| Stephen G. Terrell Recreation Center | $45,473,463 |
| Fire Station #6 | 13,252,430 |
| Allen Media Productions Center | 1,884,614 |

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

| | |
|---|---|
| Developer Contributed Water Mains and Sewer Lines | $ 3,037,136 |
| Heritage/Allen Heights Sewer System Main Replacement | 3,374,682 |
| Timbercreek & Allenwood Watermain Replacement | 3,655,321 |
| Advanced Meter Infrastructure | 603,247 |

Additional information on the City's capital assets can be found in Note 3-C 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, 2025, was $292,682,938. This includes gross bonded debt of $235,801,232 and other long-term debt of $56,881,706. Gross bonded debt includes general obligation bonds, certificates of obligation, revenue bonds, sales tax revenue bonds, tax notes, and premiums and discounts on gross bonded debt. Other long-term debt includes accrued compensated absences, net pension liability, total OPEB liability, leases, and financing arrangements. Outstanding debts associated with the component units totaled $20,855,792. Out of which, $20,710,000 are secured by future sales tax revenue; and $145,792 are premiums and discounts from bond issuances.

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

| | Governmental Activities | | Business-type Activities | | Total Primary Government | | Component Units | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Gross bonded debt | | | | | | | | |
| General obligation bonds | $ 172,240,000 | $ 169,025,000 | $ - | $ - | $ 172,240,000 | $ 169,025,000 | $ - | $ - |
| Certificates of obligation | 18,300,000 | 19,550,000 | - | - | 18,300,000 | 19,550,000 | - | - |
| Revenue bonds payable | - | - | 22,760,000 | 24,180,000 | 22,760,000 | 24,180,000 | - | - |
| Premiums and discounts | 19,226,225 | 20,988,725 | 2,695,007 | 2,890,723 | 21,921,232 | 23,879,448 | 145,792 | 218,687 |
| Sales tax revenue bonds | - | - | - | - | - | - | 20,710,000 | 24,225,000 |
| Tax notes | 580,000 | 1,140,000 | - | - | 580,000 | 1,140,000 | - | - |
| Total gross bonded debt | 210,346,225 | 210,703,725 | 25,455,007 | 27,070,723 | 235,801,232 | 237,774,448 | 20,855,792 | 24,443,687 |
| Other long-term debt | | | | | | | | |
| Compensated absences | 13,599,808 | 9,428,600 | 1,184,456 | 1,286,610 | 14,784,264 | 10,715,210 | - | - |
| Net pension liability | 33,281,442 | 37,675,672 | 5,114,315 | 5,594,881 | 38,395,757 | 43,270,553 | - | - |
| Total OPEB liability | 1,652,935 | 1,649,539 | 254,004 | 244,959 | 1,906,939 | 1,894,498 | - | - |
| Leases | 1,098,558 | 794,372 | 680,525 | 662,774 | 1,779,083 | 1,457,146 | - | - |
| Financing arrangements | - | - | 15,663 | 31,974 | 15,663 | 31,974 | - | - |
| Total other long-term debt | 49,632,743 | 49,548,183 | 7,248,963 | 7,821,198 | 56,881,706 | 57,369,381 | - | - |
| Total | $ 259,978,968 | $ 260,251,908 | $ 32,703,970 | $ 34,891,921 | $ 292,682,938 | $ 295,143,829 | $ 20,855,792 | $ 24,443,687 |

During fiscal year 2025, the City issued General Obligation Improvement and Refunding Bonds in the amount of $17,295,000.

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 15%.

The underlying credit ratings from both Moody's Investors Service and Standard and Poor's for the City's and Component Unit Bond types 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 | n/a | AAA |
| CDC Sales Tax Revenue Bonds | Aaa | |
| EDC Sales Tax Revenue Bonds | Aaa | |

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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 2026 budget, tax rates and fees that will be charged for the business-type activities. The priority for fiscal year 2026 continues to be maintaining quality service while observing prudent spending practices. Highlights of the 2026 budget include:

- Balanced budget, with total revenues equal to total expenditures
- Property tax rate reduced to $0.4154 per $100 assessed value
- Total City budget $348.8 million
- General Fund budget $149.9 million
- Sustained funding for equipment and facilities improvements
- Additional 16.96 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.


CITY OF ALLEN

# Basic Financial Statements


CITY OF ALLEN

# City of Allen, Texas
## Statement of Net Position
## As of September 30, 2025

| | Primary Government | | | | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Allen Economic Development Corporation | Allen Community Development Corporation |
| ASSETS | | | | | |
| Cash and cash equivalents | $ 204,087,707 | $ 49,357,718 | $ 253,445,425 | $ 10,681,757 | $ 8,206,353 |
| Investments | 41,597,293 | 25,722,143 | 67,319,436 | 4,240,266 | 2,398,545 |
| Receivables (net of allowance for uncollectibles) | 10,683,440 | 20,313,072 | 30,996,512 | 2,787,584 | 2,765,825 |
| Intergovernmental receivable | 480,604 | 661,073 | 1,141,677 | - | - |
| Prepaid items | 175,539 | 19,769 | 195,308 | 5,000 | 65,000 |
| Inventories | 54,132 | 150,483 | 204,615 | - | - |
| Restricted cash and cash equivalents | - | 7,374,243 | 7,374,243 | - | - |
| Land held for sale | - | - | - | 40,160,439 | - |
| Capital assets: | | | | | |
| Non-depreciable assets | 273,870,815 | 31,010,672 | 304,881,487 | - | 11,347,793 |
| Depreciable assets (net of accumulated depreciation/amortization) | 300,192,227 | 126,257,250 | 426,449,477 | 677,761 | 43,081,649 |
| TOTAL ASSETS | 831,141,757 | 260,866,423 | 1,092,008,180 | 58,552,807 | 67,865,165 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows of resources - pension | 16,280,135 | 2,501,744 | 18,781,879 | - | - |
| Deferred outflows of resources - OPEB | 230,103 | 35,358 | 265,461 | - | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 16,510,238 | 2,537,102 | 19,047,340 | - | - |
| LIABILITIES | | | | | |
| Accounts payable | 9,268,569 | 3,228,917 | 12,497,486 | 350,247 | 604,748 |
| Accrued liabilities | 5,720,739 | 734,572 | 6,455,311 | 41,804 | 8,169 |
| Accrued interest payable | 1,020,682 | 295,210 | 1,315,892 | 15,142 | 34,543 |
| Customer deposits | 50 | 1,089,957 | 1,090,007 | - | - |
| Unearned revenue | 718,895 | 2,183,501 | 2,902,396 | - | - |
| Retainage payable | 1,461,214 | 1,093,159 | 2,554,373 | - | 213,621 |
| Non-current liabilities: | | | | | |
| Due within one year: | | | | | |
| Bonds, tax notes, leases, financing compensated absences | 17,648,642 | 1,745,976 | 19,394,618 | 1,645,000 | 1,980,000 |
| Total OPEB liability | 34,880 | 5,358 | 40,238 | - | - |
| Due in more than one year: | | | | | |
| Bonds, tax notes, leases, financing compensated absences | 207,395,949 | 25,589,675 | 232,985,624 | 4,170,792 | 13,060,000 |
| Net pension liability | 33,281,442 | 5,114,315 | 38,395,757 | - | - |
| Total OPEB liability | 1,618,055 | 248,646 | 1,866,701 | - | - |
| TOTAL LIABILITIES | 278,169,117 | 41,329,286 | 319,498,403 | 6,222,985 | 15,901,081 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows of resources - pension | 3,587,549 | 552,292 | 4,139,841 | - | - |
| Deferred inflows of resources - OPEB | 602,876 | 92,643 | 695,519 | - | - |
| Deferred gain on refunding | 748,888 | - | 748,888 | - | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 4,939,313 | 644,935 | 5,584,248 | - | - |
| NET POSITION | | | | | |
| Net investment in capital assets | 456,007,649 | 128,406,360 | 584,414,009 | 677,761 | 38,838,171 |
| Restricted for: | | | | | |
| Debt service | 2,909,294 | 2,501,833 | 5,411,127 | 2,262,462 | 2,376,975 |
| Tourism | 2,860,442 | - | 2,860,442 | - | - |
| State and federal grants | 483,907 | - | 483,907 | - | - |
| Park acquisition and development | 2,232,051 | - | 2,232,051 | - | - |
| Tax increment financing | 13,876,715 | - | 13,876,715 | - | - |
| Other purposes | 3,555,887 | - | 3,555,887 | - | - |
| Unrestricted | 82,617,620 | 90,521,111 | 173,138,731 | 49,389,599 | 10,748,938 |
| TOTAL NET POSITION | $ 564,543,565 | $ 221,429,304 | $ 785,972,869 | $ 52,329,822 | $ 51,964,084 |

The notes to the financial statements are an integral part of this statement.

# City of Allen, Texas
## Statement of Activities
## For the Year Ended September 30, 2025

| Functions/Programs: | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| General government | $ 35,270,238 | $ 6,178,834 | $ 2,815,877 | $ - |
| Public safety | 73,885,692 | 3,189,697 | 3,747,637 | - |
| Public works | 28,256,296 | 3,470,821 | 2,190,384 | 4,474,313 |
| Culture and recreation | 33,752,858 | 8,568,812 | 234,977 | - |
| Community development | 6,672,806 | 3,586,453 | 967,363 | 46,155,205 |
| Interest | 6,966,930 | - | - | - |
| Total governmental activities | 184,804,820 | 24,994,617 | 9,956,238 | 50,629,518 |
| Business-type activities: | | | | |
| Water and sewer | 58,329,250 | 74,095,681 | - | 5,809,167 |
| Solid waste | 8,003,251 | 8,980,407 | - | - |
| Drainage | 1,964,894 | 2,387,112 | - | - |
| Golf course | 4,351,713 | 5,407,762 | - | - |
| Allen event center | 11,241,568 | 7,576,198 | 717,436 | - |
| Total business-type activities | 83,890,676 | 98,447,160 | 717,436 | 5,809,167 |
| TOTAL PRIMARY GOVERNMENT | $ 268,695,496 | $ 123,441,777 | $ 10,673,674 | $ 56,438,685 |
| COMPONENT UNITS | | | | |
| Allen Economic Development Corporation | $ 52,038,838 | $ - | $ - | $ 23,799,265 |
| Allen Community Development Corporation | 32,069,035 | - | - | - |
| TOTAL COMPONENT UNITS | $ 84,107,873 | $ - | $ - | $ 23,799,265 |
| General revenues: | | | | |
| Property taxes | | | | |
| Sales taxes | | | | |
| Franchise taxes | | | | |
| Hotel occupancy taxes | | | | |
| Unrestricted investment earnings | | | | |
| Gain on sale of capital assets | | | | |
| Miscellaneous | | | | |
| Transfers | | | | |
| Total general revenues and transfers | | | | |
| CHANGE IN NET POSITION | | | | |
| NET POSITION - 9/30/2024 | | | | |
| RESTATEMENT - change in accounting principle (GASB 101) | | | | |
| NET POSITION - 9/30/2024 as restated | | | | |
| NET POSITION - 9/30/2025 | | | | |

The notes to the financial statements are an integral part of this statement.

| Net (Expense) Revenue and Changes in Net Position | | | | |
|---|---|---|---|---|
| Primary Government | | | Component Units | |
| Governmental Activities | Business-type Activities | Total | Allen Economic Development Corporation | Allen Community Development Corporation |
| $ (26,275,527) | $ - | $ (26,275,527) | $ - | $ - |
| (66,948,358) | - | (66,948,358) | - | - |
| (18,120,778) | - | (18,120,778) | - | - |
| (24,949,069) | - | (24,949,069) | - | - |
| 44,036,215 | - | 44,036,215 | - | - |
| (6,966,930) | - | (6,966,930) | - | - |
| (99,224,447) | - | (99,224,447) | - | - |
| - | 21,575,598 | 21,575,598 | - | - |
| - | 977,156 | 977,156 | - | - |
| - | 422,218 | 422,218 | - | - |
| - | 1,056,049 | 1,056,049 | - | - |
| - | (2,947,934) | (2,947,934) | - | - |
| - | 21,083,087 | 21,083,087 | - | - |
| $ (99,224,447) | $ 21,083,087 | $ (78,141,360) | $ - | $ - |
| $ - | $ - | $ - | $ (28,239,573) | $ - |
| - | - | - | - | (32,069,035) |
| $ - | $ - | $ - | $ (28,239,573) | $ (32,069,035) |
| 89,170,582 | - | 89,170,582 | - | - |
| 32,389,161 | - | 32,389,161 | 15,936,483 | 15,936,483 |
| 8,134,411 | - | 8,134,411 | - | - |
| 2,696,118 | - | 2,696,118 | - | - |
| 12,197,343 | 2,302,787 | 14,500,130 | 704,702 | 770,272 |
| 208,205 | 93,967 | 302,172 | 8,284,884 | - |
| 272,902 | 2,078,693 | 2,351,595 | 662,073 | - |
| 20,130,772 | (20,130,772) | - | - | - |
| 165,199,494 | (15,655,325) | 149,544,169 | 25,588,142 | 16,706,755 |
| 65,975,047 | 5,427,762 | 71,402,809 | (2,651,431) | (15,362,280) |
| 501,504,949 | 215,779,858 | 717,284,807 | 54,981,253 | 67,326,364 |
| (2,936,431) | 221,684 | (2,714,747) | - | - |
| 498,568,518 | 216,001,542 | 714,570,060 | 54,981,253 | 67,326,364 |
| $ 564,543,565 | $ 221,429,304 | $ 785,972,869 | $ 52,329,822 | $ 51,964,084 |

The notes to the financial statements are an integral part of this statement.

# City of Allen, Texas
## Balance Sheet - Governmental Funds
## September 30, 2025

| | General | Debt Service | General Capital Projects |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | $ 17,344,230 | $ 3,883,953 | $ 24,734,519 |
| Investments | 20,927,607 | - | 8,938,867 |
| Receivables, net of allowances for uncollectibles | | | |
| Ad valorem taxes | 152,131 | 46,023 | - |
| Sales taxes | 5,579,535 | - | - |
| Franchise and right-of-way fees | 1,841,488 | - | - |
| Municipal court | 889,010 | - | - |
| Accounts receivable | 1,137,791 | - | - |
| Accrued interest | 133,520 | - | 57,031 |
| Due from other governments | 245,393 | - | - |
| Inventories | 54,132 | - | - |
| Prepaid items | 9,249 | - | - |
| TOTAL ASSETS | $ 48,314,086 | $ 3,929,976 | $ 33,730,417 |
| LIABILITIES | | | |
| Accounts payable | 2,636,497 | - | 1,273,292 |
| Accrued liabilities | 5,378,240 | - | 183,430 |
| Retainage payable | - | - | 26,739 |
| Deposits payable | 50 | - | - |
| Unearned revenue | 509,434 | - | - |
| TOTAL LIABILITIES | 8,524,221 | - | 1,483,461 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue - ad valorem taxes | 152,131 | 46,023 | - |
| Unavailable Revenue - ambulance | 386,852 | - | - |
| Unavailable Revenue - police alarms | 26,716 | - | - |
| Unavailable Revenue - municipal court | 889,010 | - | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,454,709 | 46,023 | - |
| FUND BALANCES | | | |
| Nonspendable | | | |
| Prepaid items | 9,249 | - | - |
| Inventories | 54,132 | - | - |
| Restricted | | | |
| Debt service | - | 3,883,953 | - |
| Capital expenditures | - | - | - |
| Tourism | - | - | - |
| State and federal grants | 245,393 | - | - |
| Park acquisition and development | - | - | - |
| Tax increment financing agreement | - | - | - |
| Other purposes | 74,343 | - | - |
| Assigned | | | |
| Capital expenditures | - | - | 31,396,748 |
| Neighborhood reinvestment | - | - | 850,208 |
| Unassigned | 37,952,039 | - | - |
| TOTAL FUND BALANCES | 38,335,156 | 3,883,953 | 32,246,956 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | $ 48,314,086 | $ 3,929,976 | $ 33,730,417 |

The notes to the financial statements are an integral part of this statement.

| General Obligation Bond | Other Governmental Funds | Total Governmental Funds |
|---|---|---|
| $ 106,485,732 | $ 19,305,795 | $ 171,754,229 |
| 551,074 | 3,463,738 | 33,881,286 |
| | | |
| - | - | 198,154 |
| - | - | 5,579,535 |
| - | 18,063 | 1,859,551 |
| - | - | 889,010 |
| - | 204,589 | 1,342,380 |
| 3,516 | 22,099 | 216,166 |
| - | 235,211 | 480,604 |
| - | - | 54,132 |
| - | - | 9,249 |
| $ 107,040,322 | $ 23,249,495 | $ 216,264,296 |
| | | |
| 3,157,926 | 212,629 | 7,280,344 |
| - | 138,139 | 5,699,809 |
| 1,395,843 | - | 1,422,582 |
| - | - | 50 |
| - | 209,461 | 718,895 |
| 4,553,769 | 560,229 | 15,121,680 |
| | | |
| - | - | 198,154 |
| - | - | 386,852 |
| - | - | 26,716 |
| - | - | 889,010 |
| - | - | 1,500,732 |
| | | |
| - | - | 9,249 |
| - | - | 54,132 |
| | | |
| - | - | 3,883,953 |
| 102,486,553 | - | 102,486,553 |
| - | 2,860,442 | 2,860,442 |
| - | 238,514 | 483,907 |
| - | 2,232,051 | 2,232,051 |
| - | 13,876,715 | 13,876,715 |
| - | 3,481,544 | 3,555,887 |
| | | |
| - | - | 31,396,748 |
| - | - | 850,208 |
| - | - | 37,952,039 |
| 102,486,553 | 22,689,266 | 199,641,884 |
| | | |
| $ 107,040,322 | $ 23,249,495 | $ 216,264,296 |

The notes to the financial statements are an integral part of this statement.


CITY OF ALLEN

# City of Allen, Texas

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

## September 30, 2025

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

| | | |
|---|---|---|
| Total fund balances - governmental funds | $ | 199,641,884 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. This is not including capital assets held by internal service funds. | | |
| Total capital assets | | 1,019,782,245 |
| Accumulated depreciation | | (461,638,293) |
| Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position. | | |
| Deferred outflows of resources - pension | | 16,280,135 |
| Deferred inflows of resources - pension | | (3,587,549) |
| Deferred outflows of resources - OPEB | | 230,103 |
| Deferred inflows of resources - OPEB | | (602,876) |
| Internal service funds are used by management to charge the cost of fleet management and risk management to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position. | | 54,685,722 |
| Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds: | | |
| General obligation bonds payable | | (172,240,000) |
| Certificates of obligation payable | | (18,300,000) |
| Tax notes payable | | (580,000) |
| Leases payable | | (1,098,558) |
| Accrued interest payable on long-term debt | | (1,020,682) |
| Compensated absences | | (13,599,808) |
| Net pension liability | | (33,281,442) |
| Total OPEB liability | | (1,652,935) |
| Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Deferred amount on refundings | | (748,888) |
| Premiums on general obligation bonds | | (19,226,225) |
| Revenues earned but not available within sixty days of the fiscal year-end are not recognized as revenue in the funds. | | 1,500,732 |
| Net position of governmental activities | $ | 564,543,565 |

The notes to the 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, 2025

| | General | Debt Service | General Capital Projects |
|---|---|---|---|
| REVENUES | | | |
| Taxes | | | |
| Ad valorem taxes | $ 66,300,467 | $ 20,037,062 | $ - |
| Sales taxes | 32,165,443 | - | - |
| Franchise and right-of-way fees | 8,063,990 | - | - |
| Hotel occupancy taxes | - | - | - |
| Licenses, permits and fees | 3,959,078 | - | - |
| Charges for services | 11,017,245 | - | 2,852,236 |
| Fines and forfeitures | 3,004,773 | - | - |
| Intergovernmental | 2,960,553 | - | 2,394,446 |
| Investment earnings | 5,390,125 | 534,186 | 982,485 |
| Gifts and contributions | 2,716,437 | - | 110,960 |
| Miscellaneous | 190,270 | - | 85,000 |
| TOTAL REVENUES | 135,768,381 | 20,571,248 | 6,425,127 |
| EXPENDITURES | | | |
| Current | | | |
| General government | 28,595,817 | - | 611,027 |
| Public safety | 67,907,556 | - | 368,925 |
| Public works | 8,535,712 | - | 1,392,838 |
| Culture and recreation | 27,322,867 | - | - |
| Community development | 4,582,943 | - | 1,324,192 |
| Capital outlay | 1,825,826 | - | 4,316,068 |
| Debt Service | | | |
| Principal retirement | 618,584 | 12,750,000 | - |
| Interest and fiscal charges | 31,421 | 8,314,839 | - |
| Issuance costs | - | 43,042 | - |
| TOTAL EXPENDITURES | 139,420,726 | 21,107,881 | 8,013,050 |
| Excess (deficiency) of revenues over (under) expenditures | (3,652,345) | (536,633) | (1,587,923) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 12,061,851 | - | 5,703,989 |
| Transfers out | (5,820,718) | - | (289,469) |
| Issuance of general obligation bonds | - | - | - |
| Issuance of refunding bonds | - | 3,055,000 | - |
| Premium on bonds issued | - | 133,761 | - |
| Payment to escrow agent | - | (3,156,970) | - |
| Leases | 922,770 | - | - |
| Insurance recoveries | 421,894 | - | - |
| Proceeds from sale of capital assets | 33,025 | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 7,618,822 | 31,791 | 5,414,520 |
| NET CHANGE IN FUND BALANCES | 3,966,477 | (504,842) | 3,826,597 |
| FUND BALANCES - 9/30/2024 | 34,368,679 | 4,388,795 | 28,420,359 |
| FUND BALANCES - 9/30/2025 | $ 38,335,156 | $ 3,883,953 | $ 32,246,956 |

The notes to the financial statements are an integral part of this statement.

| General Obligation Bond | Other Governmental Funds | Total Governmental Funds |
|---|---|---|
| $ - | $ 2,947,161 | $ 89,284,690 |
| - | 223,718 | 32,389,161 |
| - | 70,421 | 8,134,411 |
| - | 2,696,118 | 2,696,118 |
| - | 904,698 | 4,863,776 |
| - | - | 13,869,481 |
| - | 513,666 | 3,518,439 |
| - | 1,375,302 | 6,730,301 |
| 4,744,094 | 546,453 | 12,197,343 |
| - | 154,349 | 2,981,746 |
| - | - | 275,270 |
| 4,744,094 | 9,431,886 | 176,940,736 |
| | | |
| 11,605 | 5,008,665 | 34,227,114 |
| - | 352,936 | 68,629,417 |
| 2,150,304 | - | 12,078,854 |
| - | 2,212,138 | 29,535,005 |
| - | 622,719 | 6,529,854 |
| 27,244,480 | 324,767 | 33,711,141 |
| | | |
| - | - | 13,368,584 |
| - | - | 8,346,260 |
| 354,125 | - | 397,167 |
| 29,760,514 | 8,521,225 | 206,823,396 |
| | | |
| (25,016,420) | 910,661 | (29,882,660) |
| | | |
| - | 15,329 | 17,781,169 |
| (336,836) | (384,000) | (6,831,023) |
| 14,240,000 | - | 14,240,000 |
| - | - | 3,055,000 |
| 968,935 | - | 1,102,696 |
| - | - | (3,156,970) |
| - | - | 922,770 |
| - | - | 421,894 |
| - | 9,223 | 42,248 |
| 14,872,099 | (359,448) | 27,577,784 |
| | | |
| (10,144,321) | 551,213 | (2,304,876) |
| | | |
| 112,630,874 | 22,138,053 | 201,946,760 |
| | | |
| $ 102,486,553 | $ 22,689,266 | $ 199,641,884 |

The notes to the financial statements are an integral part of this statement.


CITY OF ALLEN

# City of Allen, Texas

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

## Year Ended September 30, 2025

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

| | |
|---|---|
| Net change in fund balance - total governmental funds | $ (2,304,876) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays expense in the current period. | 11,065,641 |
| The net effect of various miscellaneous transactions involving capitals assets (i.e. sales, trade-ins, and donations) increases (decreases) net position. | |
| Contributed capital assets | 50,629,518 |
| Gain (loss) on sale of assets | (255,937) |
| Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | |
| Issuance of bonds and payment to escrow agent | (14,138,030) |
| Premium on bonds issued | (1,102,696) |
| Bond and lease principal paid | 13,368,584 |
| Amortization of bond premiums and refunding | 2,865,196 |
| Deferred loss/gain on refunding charges | (765,858) |
| Issuance of leases | (922,770) |
| Internal service funds are used by management to charge the cost of certain activities such as insurance, asset replacement, and facility maintenance, to individual funds. The net operating and non-operating income and transfers of the internal service funds is reported with governmental activities. | 11,471,928 |
| Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported in the governmental funds. | |
| Accrued interest on long-term debt | (322,841) |
| Changes in compensated absences | (1,234,777) |
| Changes in pension liabilities and related deferred outflows and inflows of resources | (2,298,986) |
| Changes in OPEB liabilities and related deferred outflows and inflows of resources | (38,377) |
| Changes in unavailable revenue | (40,672) |
| Change in net position of governmental activities | $ 65,975,047 |

The notes to the financial statements are an integral part of this statement.

# City of Allen, Texas
## Statement of Net Position - Proprietary Funds
## September 30, 2025

| | Business-type Activities Enterprise Funds | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Water and Sewer | Allen Event Center Fund | Total Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| **ASSETS** | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | $ 40,115,837 | $ 1,674,975 | $ 7,566,906 | $ 49,357,718 | $ 32,333,478 |
| Investments | 24,999,759 | - | 722,384 | 25,722,143 | 7,716,007 |
| Receivables, net of allowances for uncollectibles: | | | | | |
| Accounts | 17,716,358 | 264,429 | 2,168,175 | 20,148,962 | 549,415 |
| Accrued Interest | 159,501 | - | 4,609 | 164,110 | 49,229 |
| Due from other governments | - | 661,073 | - | 661,073 | - |
| Inventories | - | 105,935 | 44,548 | 150,483 | - |
| Prepaid items | 19,769 | - | - | 19,769 | 166,290 |
| Restricted cash and cash equivalents | 7,374,243 | - | - | 7,374,243 | - |
| TOTAL CURRENT ASSETS | 90,385,467 | 2,706,412 | 10,506,622 | 103,598,501 | 40,814,419 |
| NONCURRENT ASSETS | | | | | |
| CAPITAL ASSETS | | | | | |
| Land | 4,091,626 | - | - | 4,091,626 | - |
| Construction in Progress | 26,919,046 | - | - | 26,919,046 | 3,063,626 |
| Towers, tanks and pump stations | 199,262,191 | - | - | 199,262,191 | - |
| Other improvements | 43,846,000 | - | 1,230,546 | 45,076,546 | 68,257 |
| Intangible assets | 7,994,325 | - | - | 7,994,325 | - |
| Machinery and equipment | 2,649,503 | 12,019 | 3,051,597 | 5,713,119 | 7,518,121 |
| Vehicles | 1,080,042 | - | 541,520 | 1,621,562 | 28,556,940 |
| Less: accumulated depreciation/amortization | (130,885,251) | (1,202) | (2,524,040) | (133,410,493) | (23,287,854) |
| TOTAL NONCURRENT ASSETS | 154,957,482 | 10,817 | 2,299,623 | 157,267,922 | 15,919,090 |
| **TOTAL ASSETS** | 245,342,949 | 2,717,229 | 12,806,245 | 260,866,423 | 56,733,509 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Deferred outflows of resources - pension | 1,264,020 | 636,705 | 601,019 | 2,501,744 | - |
| Deferred outflows of resources - OPEB | 17,866 | 8,999 | 8,493 | 35,358 | - |
| **TOTAL DEFERRED OUTFLOWS OF RESOURCES** | 1,281,886 | 645,704 | 609,512 | 2,537,102 | - |
| **LIABILITIES** | | | | | |
| CURRENT LIABILITIES | | | | | |
| Accounts payable | 2,128,743 | 616,953 | 483,221 | 3,228,917 | 930,449 |
| Accrued liabilities | 263,669 | 170,495 | 300,408 | 734,572 | 20,930 |
| Retainage payable | 1,093,159 | - | - | 1,093,159 | 38,632 |
| Financing arrangements - current | - | - | 15,663 | 15,663 | - |
| Leases - current | - | - | 182,466 | 182,466 | - |
| Compensated absences - current | 168,501 | 105,919 | 73,427 | 347,847 | - |
| Total OPEB liability - current | 2,708 | 1,364 | 1,286 | 5,358 | - |
| Unearned revenue | 153,992 | 1,931,719 | 97,790 | 2,183,501 | - |
| Incurred but not reported claims | - | - | - | - | 1,057,776 |
| Payable from restricted assets: | | | | | |
| Revenue bonds payable - current | 1,200,000 | - | - | 1,200,000 | - |
| Accrued interest payable | 295,210 | - | - | 295,210 | - |
| Customer deposits payable | 1,089,957 | - | - | 1,089,957 | - |
| TOTAL CURRENT LIABILITIES | 6,395,939 | 2,826,450 | 1,154,261 | 10,376,650 | 2,047,787 |
| NONCURRENT LIABILITIES | | | | | |
| Revenue bonds payable | 24,255,007 | - | - | 24,255,007 | - |
| Leases | - | - | 498,059 | 498,059 | - |
| Net pension liability | 2,584,034 | 1,301,616 | 1,228,665 | 5,114,315 | - |
| Total OPEB liability | 125,629 | 63,281 | 59,736 | 248,646 | - |
| Compensated absences | 305,966 | 275,419 | 255,224 | 836,609 | - |
| TOTAL NONCURRENT LIABILITIES | 27,270,636 | 1,640,316 | 2,041,684 | 30,952,636 | - |
| **TOTAL LIABILITIES** | 33,666,575 | 4,466,766 | 3,195,945 | 41,329,286 | 2,047,787 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred inflows of resources - pension | 278,612 | 141,206 | 132,474 | 552,292 | - |
| Deferred inflows of resources - OPEB | 46,808 | 23,578 | 22,257 | 92,643 | - |
| **TOTAL DEFERRED INFLOWS OF RESOURCES** | 325,420 | 164,784 | 154,731 | 644,935 | - |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 126,818,146 | 10,817 | 1,577,397 | 128,406,360 | 15,611,089 |
| Restricted for debt service | 2,501,833 | - | - | 2,501,833 | - |
| Unrestricted | 83,312,861 | (1,279,434) | 8,487,684 | 90,521,111 | 39,074,633 |
| **TOTAL NET POSITION** | $ 212,632,840 | $ (1,268,617) | $ 10,065,081 | $ 221,429,304 | $ 54,685,722 |

The notes to the financial statements are an integral part of this statement.

## City of Allen, Texas

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

For the year ended September 30, 2025

| | Business-type Activities Enterprise Funds | | | | Governmental Activities |
|---|---|---|---|---|---|
| | Water and Sewer | Allen Event Center Fund | Total Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| **OPERATING REVENUES** | | | | | |
| Charges for services: | | | | | |
| Water sales | $ 42,151,542 | $ - | $ - | $ 42,151,542 | $ - |
| Sewer charges | 31,062,924 | - | - | 31,062,924 | - |
| Connection fees | 105,943 | - | - | 105,943 | - |
| Garbage collections | - | - | 8,980,407 | 8,980,407 | - |
| Service charges | 775,272 | 7,576,198 | 5,486,340 | 13,837,810 | 21,760,836 |
| Drainage fees | - | - | 2,308,534 | 2,308,534 | - |
| Insurance recoveries | 3,858 | - | 16,566 | 20,424 | 2,122,980 |
| Intergovernmental revenues | - | 717,436 | - | 717,436 | - |
| Miscellaneous | 537,466 | 1,409,865 | 110,938 | 2,058,269 | 15 |
| TOTAL OPERATING REVENUES | 74,637,005 | 9,703,499 | 16,902,785 | 101,243,289 | 23,883,831 |
| **OPERATING EXPENSES** | | | | | |
| Personnel services | 8,002,821 | 3,463,945 | 3,921,826 | 15,388,592 | 613,603 |
| Contractual services | 40,779,787 | 7,061,903 | 8,978,664 | 56,820,354 | 18,216,740 |
| Maintenance | 1,611,588 | 523,568 | 514,550 | 2,649,706 | 578,439 |
| Supplies | 625,121 | 190,950 | 446,210 | 1,262,281 | 135,136 |
| Depreciation and amortization | 6,584,048 | 1,202 | 420,091 | 7,005,341 | 3,547,704 |
| TOTAL OPERATING EXPENSES | 57,603,365 | 11,241,568 | 14,281,341 | 83,126,274 | 23,091,622 |
| OPERATING INCOME (LOSS) | 17,033,640 | (1,538,069) | 2,621,444 | 18,117,015 | 792,209 |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | | |
| Investment earnings | 2,097,056 | 2,561 | 203,170 | 2,302,787 | 1,137,839 |
| Interest expense | (725,885) | - | (38,517) | (764,402) | - |
| Gain on disposal of capital assets | 66,122 | 20,193 | 7,652 | 93,967 | 361,254 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 1,437,293 | 22,754 | 172,305 | 1,632,352 | 1,499,093 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 18,470,933 | (1,515,315) | 2,793,749 | 19,749,367 | 2,291,302 |
| CAPITAL CONTRIBUTIONS AND TRANSFERS | | | | | |
| Development fees | 2,772,031 | - | - | 2,772,031 | - |
| Capital contributions | 3,037,136 | - | - | 3,037,136 | - |
| Transfers in | 68,019 | 750,000 | 1,400 | 819,419 | - |
| Transfers out | (9,701,532) | - | (2,068,033) | (11,769,565) | - |
| TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS | (3,824,346) | 750,000 | (2,066,633) | (5,140,979) | - |
| CHANGE IN NET POSITION | 14,646,587 | (765,315) | 727,116 | 14,608,388 | 2,291,302 |
| NET POSITION - 9/30/2024 | 197,791,974 | - | 8,807,258 | | 52,394,420 |
| Change in accounting principle - GASB 101 | 194,279 | - | 27,405 | | - |
| Change in reporting entity - nonmajor to major | - | (503,302) | 503,302 | | |
| NET POSITION - 9/30/2024, as restated | 197,986,253 | (503,302) | 9,337,965 | | 52,394,420 |
| NET POSITION - 9/30/2025 | $ 212,632,840 | $ (1,268,617) | $ 10,065,081 | | $ 54,685,722 |
| Adjustment for the net effect of the elimination of internal service activities attributed to business-type activities | | | | (9,180,626) | |
| Changes in net position of business-type activities | | | | $ 5,427,762 | |

The notes to the financial statements are an integral part of this statement.


CITY OF ALLEN

## City of Allen, Texas
Statement of Cash Flows - Proprietary Funds
For the year ended September 30, 2025

| | Business-type Activities Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Water and Sewer | Allen Event Center Fund | Total Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Cash received from customers | $ 77,056,492 | $ 10,035,713 | $ 16,533,278 | $ 103,625,483 | $ 2,115,695 |
| Cash received from transactions with other funds | - | - | - | - | 21,305,739 |
| Cash paid to employees for salaries and benefits | (7,642,692) | (3,108,688) | (3,758,436) | (14,509,816) | (605,063) |
| Cash paid for goods and services | (41,340,597) | (7,759,028) | (10,009,353) | (59,108,978) | (885,588) |
| Cash paid for claims | - | - | - | - | (17,607,170) |
| **NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES** | 28,073,203 | (832,003) | 2,765,489 | 30,006,689 | 4,323,613 |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | | | | | |
| Transfers in from other funds | 68,019 | 750,000 | 1,400 | 819,419 | - |
| Transfers out to other funds | (9,701,532) | - | (2,068,033) | (11,769,565) | - |
| **NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES** | (9,633,513) | 750,000 | (2,066,633) | (10,950,146) | - |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Contributions from developers | 2,772,031 | - | - | 2,772,031 | - |
| Acquisition and construction of capital assets | (8,788,664) | (12,019) | (615,689) | (9,416,372) | (7,063,980) |
| Proceeds from sale of capital assets | 66,122 | 20,193 | 7,652 | 93,967 | 361,254 |
| Principal paid on capital debt | (1,645,000) | - | (188,852) | (1,833,852) | - |
| Interest and fees paid on capital debt | (708,751) | - | (38,517) | (747,268) | - |
| **NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES** | (8,304,262) | 8,174 | (835,406) | (9,131,494) | (6,702,726) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Interest on investments | 2,003,443 | 2,561 | 203,771 | 2,209,775 | 1,125,247 |
| Proceeds from sale of investments | 10,727,275 | - | 631,335 | 11,358,610 | 1,804,147 |
| Purchase of investments | (19,000,000) | - | - | (19,000,000) | - |
| **NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES** | (6,269,282) | 2,561 | 835,106 | (5,431,615) | 2,929,394 |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | 3,866,146 | (71,268) | 698,556 | 4,493,434 | 550,281 |
| **CASH AND CASH EQUIVALENTS - BEGINNING** | 43,623,934 | 1,746,243 | 6,868,350 | 52,238,527 | 31,783,197 |
| **CASH AND CASH EQUIVALENTS - ENDING** | $ 47,490,080 | $ 1,674,975 | $ 7,566,906 | $ 56,731,961 | $ 32,333,478 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES** | | | | | |
| Net operating income (loss) | $ 17,033,640 | $ (1,538,069) | $ 2,621,444 | $ 18,117,015 | $ 792,209 |
| Adjustments to reconcile income to net cash provided by (used in) operating activities: | | | | | |
| Depreciation and amortization expense | 6,584,048 | 1,202 | 420,091 | 7,005,341 | 3,547,704 |
| (Increase) decrease in accounts receivable | 2,419,816 | 22,149 | (385,238) | 2,056,727 | (462,397) |
| (Increase) decrease in intergovernmental receivables | - | (661,073) | - | (661,073) | - |
| (Increase) decrease in prepaid items | (19,769) | - | - | (19,769) | 56,021 |
| (Increase) decrease in inventories | - | (36,076) | (12,457) | (48,533) | - |
| (Increase) decrease in pension related deferred outflows | 298,504 | 4,922 | 179,088 | 482,514 | - |
| (Increase) decrease in OPEB related deferred outflows | 8,972 | 2,021 | 4,905 | 15,898 | - |
| Increase (decrease) in accounts payable | 1,348,117 | 53,469 | (57,472) | 1,344,114 | 369,798 |
| Increase (decrease) in retainage payable | 347,551 | - | - | 347,551 | 16,765 |
| Increase (decrease) in accrued liabilities | 94,548 | 93,362 | 106,378 | 294,288 | 8,540 |
| Increase (decrease) in unearned revenue | - | 971,138 | 15,731 | 986,869 | - |
| Increase (decrease) in deposits payable | (329) | - | - | (329) | - |
| Increase (decrease) in incurred but not reported claims | - | - | - | - | (5,027) |
| Increase (decrease) in net pension liability | (345,382) | 98,695 | (233,879) | (480,566) | - |
| Increase (decrease) in total OPEB liability | 79 | 11,978 | (3,012) | 9,045 | - |
| Increase (decrease) in compensated absences | 86,302 | 23,972 | 9,256 | 119,530 | - |
| Increase (decrease) in pension related deferred inflows | 223,401 | 118,535 | 104,909 | 446,845 | - |
| Increase (decrease) in OPEB related deferred inflows | (6,295) | 1,772 | (4,255) | (8,778) | - |
| Total adjustments | 11,039,563 | 706,066 | 144,045 | 11,889,674 | 3,531,404 |
| **NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES** | $ 28,073,203 | $ (832,003) | $ 2,765,489 | $ 30,006,689 | $ 4,323,613 |
| **NON-CASH INVESTING ACTIVITIES** | | | | | |
| Initiation of capital asset lease | - | - | 190,292 | 190,292 | - |
| **NON-CASH FINANCING ACTIVITIES** | | | | | |
| Contributions of capital assets from developers | 3,037,136 | - | - | 3,037,136 | - |
| **RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION** | | | | | |
| Cash and cash equivalents - current | $ 40,115,837 | $ 1,674,975 | $ 7,566,906 | $ 49,357,718 | $ 32,333,478 |
| Restricted cash and cash equivalents | 7,374,243 | - | - | 7,374,243 | - |
| **CASH AND CASH EQUIVALENTS - END OF YEAR** | $ 47,490,080 | $ 1,674,975 | $ 7,566,906 | $ 56,731,961 | $ 32,333,478 |

The notes to the financial statements are an integral part of this statement.


CITY OF ALLEN

# Notes to the Financial Statements


CITY OF ALLEN

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. 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. Allen City Council, which consists of the mayor and six councilmembers, is elected citywide by Allen voters and not by district. The mayor and councilmembers serve three-year, staggered terms of office. 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.

### B. 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.

## C. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. 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.

## D. Adoption of New Accounting Standards

GASB Statement No. 101*, Compensated Absences* (GASB 101), provides guidance meant to better meet the information needs of financial statement users by updating the recognition and measurement of compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

## E. 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 and proprietary 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.

*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.

*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 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.

*Allen Event Center*. The Allen Event Center Fund is used to account for the maintenance and operation of the Credit Union of Texas Event Center owned and operated by the City. The Event Center is a multi-purpose indoor arena built by the City in 2009 and renamed to the Credit Union of Texas Event Center in 2021.

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.

## F. 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 and fund financial statements for proprietary funds 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.

## G. Budgetary Information

*Budgetary basis of accounting*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund, and several nonmajor governmental funds. The general capital projects and general obligation bond funds are appropriated on a project-length basis. Other funds do not have appropriated budgets since other means control the use of the resources (e.g. availability and restriction requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is adopted at the fund level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

## H. 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.

## I. Property Taxes

The City's property tax is levied each October 1st on the assessed value listed as of the prior January 1st 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 2024 levy was based is $21,505,959,363. Taxes are due on October 1st and are delinquent after the following January 31st. 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, 2025, the combined tax rate to finance general government services, including the payment of principal and interest on long-term debt, was $0.4175 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 7.45% 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.

### J. 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, 2025, the General Fund contributed $201,028 to AEDC to service debt benefiting the City. The ACDC contributed $3,585,843 to the City during the fiscal year: $1,886,900 to the General Fund to service debt related to the Terrell Recreation Center, $492,983 to the General Fund for general and administrative costs, $160,000 in sponsorship of the Allen USA Celebration, $95,960 to the General Capital Projects fund to fund neighborhood reinvestment projects, and $950,000 in operational support funds to the Allen Event Center. The AEDC contributed $114,745 to the General Fund during the year for general and administrative costs. There were also several operational support transactions recorded in order to provide funding for the EDC to purchase 108 acres of land near Highway 121 and Stacy Rd in Allen for use in future economic development agreements. The CDC provided $20,000,000 in operational support for this purchase. The EDC also purchased 7 acres of land near Highway 75 for future economic development agreements to which the Tax Increment Financing Zone #2 (Central Business District) contributed $3,799,265. These revenues were reflected as operating grants and contributions for the primary government in the government-wide statement of activities.

### K. 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. Inventories for the Golf Course Pro Shop and Event Center food and beverage are valued at cost using the first-in-first out method. The inventories of enterprise funds are recorded as expenditures when purchased and adjusted with an inventory count at yearend.

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.

### L. 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).

## M. 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 |
| Right-to-use 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 fixtures | 5 - 10 Years |
| Other improvements | 2 - 30 Years |
| Right-to-use equipment | Lease Term |

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.

## N. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. The City's policy permits employees to accumulate earned but unused vacation benefits and sick leave, which are eligible for payment at the employee's current pay rate upon separation from employment. The amount accumulated and the amount eligible for payment upon separation are subject to limits based on type of employee and years of service with the City.

## O. Leases- Lessee

The City is a lessee for a noncancellable lease of equipment and vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial individual value of $20,000 or more.

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 term of the lease.

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 and purchase option price that the City is reasonably certain not to exercise.

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

## P. 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.

## Q. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included

in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

## R. 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. These are deferred and recognized over the estimated average remaining lives of all members as of the measurement date. The City has the following items that qualify for reporting in this category:

- Contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between projected and actual investment earnings related to pension and OPEB plans.
- 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.

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. 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.

## S. 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.

## T. 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 internally assigned amounts for capital projects, 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.

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. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Deficit Fund Equity

At September 30, 2025, the Allen Event Center fund, has a deficit net position balance of $1,268,617. The reason for the deficit in this case is that the City reclassified the Allen Event Center fund as a proprietary fund in fiscal year ended September 30, 2023, which caused the fund to have to recognize a portion of net pension and total OPEB liabilities based on the number of employees paid from the fund. The fund is partially supported by the City and the Allen Community Development Corporation and while cash transactions were covered by transfers from the City and CDC, these non-cash transactions were not

considered. The City expects this to be corrected in subsequent years as the fund builds net position to cover these long-term accruals.

## NOTE 3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

### A. 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, 2025, with collateral required by state statutes. At year's end, the carrying amount of the City's pooled deposits was $5,737,743, and the bank balance was $5,625,637. 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, 2025, was $27,909. The carrying amount of deposits for ACDC and AEDC, discretely presented component units, were $1,088,250 and $4,479,725, 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 and TexasCLASS, which are investment funds 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 and TexasCLASS 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 and Texas CLASS 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.

| Authorized Investment Type | Maximum Maturity | Maximum Investment in One Issuer |
|---|---|---|
| Certificates of Deposit | 5 years | 35% |
| Repurchase Agreements | 5 years | 35% |
| U. S. Treasure 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-calla | 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.

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 | Total September 30, 2025 | Significant Other Observable Inputs (Level 2) | % of Total Government-wide Investments | Weighted Avg Maturity (Days) | Credit Rating |
|---|---|---|---|---|---|---|---|---|
| Investments Measured at Amortized Cost: | | | | | | | | |
| TexPool | $ 6,208,624 | $ 1,845,142 | $ 2,411,534 | $ 10,465,300 | $ - | 3.01% | 0.03 | AAAm |
| Investments Measured at NAV: | | | | | | | | |
| Texas CLASS | 254,413,470 | 4,356,884 | 4,706,576 | 263,476,930 | - | 75.73% | 0.76 | AAAm |
| Investments Subject to Fair Value: | | | | | | | | |
| U.S. Agencies | 67,319,437 | 4,240,266 | 2,398,545 | 73,958,248 | 73,958,248 | 21.26% | 95.76 | AA+ |
| Total | $ 327,941,531 | $ 10,442,292 | $ 9,516,655 | $ 347,900,478 | $ 73,958,248 | | | |

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 has 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.

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, 2025.

*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, 2025, apart from funds invested in TexPool or Texas CLASS, the City did not have any investments with a single issuer exceeding 5% or more of the City's investments.

*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, 2025, the City's deposits with financial institutions above the federal depository limits were fully collateralized.

## B. Receivables

Receivables at September 30, 2025, for both governmental and proprietary funds, including the applicable allowances for uncollectible accounts, consist of the following:

### *Governmental Funds*

| | General | Debt Service | General Capital Projects | General Obligation Bond | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Ad valorem taxes | $ 604,450 | $ 173,529 | $ - | $ - | $ - | $ 777,979 |
| Sales taxes | 5,579,535 | - | - | - | - | 5,579,535 |
| Franchise and right-of-way fees | 1,841,488 | - | - | - | 18,063 | 1,859,551 |
| Municipal court | 1,779,166 | - | - | - | - | 1,779,166 |
| PD alarms | 110,929 | - | - | - | - | 110,929 |
| EMS receivable | 2,240,962 | - | - | - | - | 2,240,962 |
| Accounts receivable | 826,522 | - | - | - | 204,589 | 1,031,111 |
| Accrued interest | 133,520 | - | 57,031 | 3,516 | 22,099 | 216,166 |
| Gross receivables | 13,116,572 | 173,529 | 57,031 | 3,516 | 244,751 | 13,595,399 |
| Less: allowance for uncollectibles | (3,383,097) | (127,506) | - | - | - | (3,510,603) |
| Total net receivables | $ 9,733,475 | $ 46,023 | $ 57,031 | $ 3,516 | $ 244,751 | $ 10,084,796 |

### *Proprietary Funds*

| | Water and Sewer | Allen Event Center | Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
|---|---|---|---|---|---|
| Accounts receivable | $ 18,132,092 | $ 296,368 | $ 2,248,182 | $ 20,676,642 | $ 550,556 |
| Due from other governments | - | 661,073 | - | 661,073 | - |
| Accrued interest | 159,501 | - | 4,609 | 164,110 | 49,229 |
| Gross receivables | 18,291,593 | 957,441 | 2,252,791 | 21,501,825 | 599,785 |
| Less: allowance for uncollectibles | (415,734) | (31,939) | (80,007) | (527,680) | (1,141) |
| Total net receivables | $ 17,875,859 | $ 925,502 | $ 2,172,784 | $ 20,974,145 | $ 598,644 |

The Water and Sewer Fund, Solid Waste Fund, and Drainage Fund accounts receivable include unbilled charges for services rendered through September 30, 2025.

## C. Capital Assets

Capital asset activity for the year ended September 30, 2025, was as follows:

### *Governmental Activities*

| | Balance September 30, 2024 | Additions | Deletions/ Transfers | Balance September 30, 2025 |
|---|---|---|---|---|
| Governmental Activities | | | | |
| Governmental Funds | | | | |
| Capital assets, not being depreciated/amortized | | | | |
| Land | $ 176,321,479 | $ 3,137,625 | $ 43,017,580 | $ 222,476,684 |
| Construction in progress | 79,372,216 | 35,289,020 | (63,267,105) | 51,394,131 |
| Total capital assets, not being depreciated/amortized | 255,693,695 | 38,426,645 | (20,249,525) | 273,870,815 |
| Capital assets, being depreciated/amortized | | | | |
| Buildings | 108,548,675 | - | 57,597,040 | 166,145,715 |
| Buildings - right-to-use | 4,600,000 | - | - | 4,600,000 |
| Improvements other than buildings | 548,478,488 | 4,547,957 | 2,535,768 | 555,562,213 |
| Furniture and fixtures | 4,608,135 | 277,767 | - | 4,885,902 |
| Vehicles | 23,563,154 | 2,970,937 | 5,338,952 | 31,873,043 |
| Machinery and equipment | 16,432,686 | 1,251,473 | 2,228,971 | 19,913,130 |
| Machinery and equipment - right-to-use | 1,449,553 | 922,770 | (233,952) | 2,138,371 |
| Total capital assets, being depreciated/amortized | 707,680,691 | 9,970,904 | 67,466,779 | 785,118,374 |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings | (46,671,414) | (3,470,418) | 337,907 | (49,803,925) |
| Buildings - right-to-use | (76,667) | (153,333) | - | (230,000) |
| Improvements other than buildings | (379,189,112) | (17,334,313) | - | (396,523,425) |
| Furniture and fixtures | (4,526,764) | (58,263) | - | (4,585,027) |
| Vehicles | (14,626,885) | (3,388,159) | (1,152,609) | (19,167,653) |
| Machinery and equipment | (11,283,872) | (1,234,637) | (1,091,176) | (13,609,685) |
| Machinery and equipment - right-to-use | (677,369) | (563,015) | 233,952 | (1,006,432) |
| Total accumulated depreciation/amortization | (457,052,083) | (26,202,138) | (1,671,926) | (484,926,147) |
| Total governmental funds capital assets, being depreciated/amortized, net | 250,628,608 | (16,231,234) | 65,794,853 | 300,192,227 |
| Total governmental funds capital assets, net | $ 506,322,303 | $ 22,195,411 | $ 45,545,328 | $ 574,063,042 |

### *Business-Type Activities*

| | Balance September 30, 2024 | Additions | Deletions/ Transfers | Balance September 30, 2025 |
|---|---|---|---|---|
| Business-type Activities | | | | |
| Enterprise Funds | | | | |
| Capital assets, not being depreciated/amortized | | | | |
| Land | $ 4,091,626 | $ - | $ - | $ 4,091,626 |
| Construction in progress | 18,605,322 | 8,313,724 | - | 26,919,046 |
| Total capital assets, not being depreciated/amortized | 22,696,948 | 8,313,724 | - | 31,010,672 |
| Capital assets, being depreciated/amortized | | | | |
| Towers, tanks, and pump stations | 196,225,055 | 3,037,136 | - | 199,262,191 |
| Other improvements | 45,076,546 | - | - | 45,076,546 |
| Intangible asset | 7,994,325 | - | - | 7,994,325 |
| Vehicles | 1,351,890 | 269,672 | - | 1,621,562 |
| Machinery and equipment | 3,871,887 | 832,207 | (61,912) | 4,642,182 |
| Machinery and equipment - right-to-use | 880,644 | 190,293 | - | 1,070,937 |
| Total capital assets, being depreciated/amortized | 255,400,347 | 4,329,308 | (61,912) | 259,667,743 |
| Less accumulated depreciation/amortization for: | | | | |
| Towers, tanks, and pump stations | (113,551,994) | (4,703,063) | - | (118,255,057) |
| Other improvements | (8,439,048) | (1,363,552) | - | (9,802,600) |
| Intangible asset | (532,955) | (266,478) | - | (799,433) |
| Vehicles | (811,079) | (186,573) | 768 | (996,884) |
| Machinery and equipment | (2,891,338) | (293,413) | 61,912 | (3,122,839) |
| Machinery and equipment - right-to-use | (304,418) | (192,262) | 63,000 | (433,680) |
| Total accumulated depreciation/amortization | (126,530,832) | (7,005,341) | 125,680 | (133,410,493) |
| Total enterprise funds capital assets, being depreciated/amortized, net | 128,869,515 | (2,676,033) | 63,768 | 126,257,250 |
| Total enterprise funds capital assets, net | $ 151,566,463 | $ 5,637,691 | $ 63,768 | $ 157,267,922 |

### *Component Unit Activities*

| | Balance September 30, 2024 | Additions | Deletions/ Transfers | Balance September 30, 2025 |
|---|---|---|---|---|
| Component Unit Activities | | | | |
| Allen Economic Development Corporation | | | | |
| Capital assets, being depreciated | | | | |
| Buildings | $ 1,004,091 | $ - | $ - | $ 1,004,091 |
| Total capital assets, being depreciated | 1,004,091 | - | - | 1,004,091 |
| Less accumulated depreciation for: | | | | |
| Buildings | (276,125) | (50,205) | - | (326,330) |
| Total accumulated depreciation | (276,125) | (50,205) | - | (326,330) |
| Total AEDC capital assets, being depreciated, net | 727,966 | (50,205) | - | 677,761 |
| Total AEDC capital assets, net | $ 727,966 | $ (50,205) | $ - | $ 677,761 |

Land previously recorded to capital assets for the Allen Economic Development Corporation was reclassified as land held-for-sale as the corporation intends to use the land in future economic development agreements.

| | Balance September 30, 2024 | Additions | Deletions/ Transfers | Balance September 30, 2025 |
|---|---|---|---|---|
| Allen Community Development Corporation | | | | |
| Capital assets, not being depreciated | | | | |
| Land | $ 2,239,201 | $ - | $ - | $ 2,239,201 |
| Construction in progress | 13,632,313 | 2,619,742 | (7,143,463) | 9,108,592 |
| Total capital assets, not being depreciated | 15,871,514 | 2,619,742 | (7,143,463) | 11,347,793 |
| Capital assets, being depreciated | | | | |
| Buildings | 36,202,922 | - | 6,998,011 | 43,200,933 |
| Improvements other than buildings | 39,567,360 | 129,831 | 145,452 | 39,842,643 |
| Furniture and fixtures | 113,211 | - | - | 113,211 |
| Vehicles | 670,893 | - | - | 670,893 |
| Machinery and equipment | 4,645,975 | 291,947 | (31,819) | 4,906,103 |
| Total capital assets, being depreciated | 81,200,361 | 421,778 | 7,111,644 | 88,733,783 |
| Less accumulated depreciation for: | | | | |
| Buildings | (13,393,531) | (996,119) | - | (14,389,650) |
| Improvements other than buildings | (25,532,918) | (1,382,042) | - | (26,914,960) |
| Furniture and fixtures | (28,743) | (20,095) | - | (48,838) |
| Vehicles | (647,679) | (15,476) | - | (663,155) |
| Machinery and equipment | (3,291,493) | (375,857) | 31,819 | (3,635,531) |
| Total accumulated depreciation | (42,894,364) | (2,789,589) | 31,819 | (45,652,134) |
| Total ACDC capital assets, being depreciated, net | 38,305,997 | (2,367,811) | 7,143,463 | 43,081,649 |
| Total ACDC capital assets, net | $ 54,177,511 | $ 251,931 | $ - | $ 54,429,442 |

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

| | |
|---|---|
| **Governmental activities:** | |
| General government | 1,245,553 |
| Public safety | 3,950,838 |
| Public works | 16,798,820 |
| Culture and recreation | 4,130,507 |
| Community development | 76,420 |
| Total governmental activities depreciation and amortization expense | 26,202,138 |
| **Business-type activities:** | |
| Water and sewer | 6,584,048 |
| Solid waste | 19,110 |
| Drainage | 158,856 |
| Golf course | 242,125 |
| Event Center | 1,202 |
| Total business-type activities depreciation and amortization expense | 7,005,341 |
| **Component unit activities** | |
| Allen Economic Development Corporation | 50,205 |
| Allen Community Development Corporation | 2,789,589 |
| Total component unit activities depreciation expense | 2,839,794 |

Outstanding commitments at September 30, 2025, under authorized construction contracts totaled $15,465,880. These outstanding commitments for capital projects will be funded from unspent bond proceeds and additional general obligation bonds.

## D. 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, 2025, the cost of water purchased under this contract was $24,608,692.

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 2025, the cost for transportation, treatment and disposal of sewage and other wastes was $12,258,102.

## E. Long-term Liabilities

At September 30, 2025, bonds payable consisted of the following individual issues:

| | Original Borrowing | Interest Rates | Final Maturity | Outstanding at 9/30/2025 |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| *General Obligation Bonds* | | | | |
| General Obligation Bonds, Series 2006 | 1,595,000 | 4.0% - 4.2% | 8/15/2026 | 115,000 |
| General Obligation Bonds, Series 2013 | 5,065,000 | 2.0% - 3.5% | 8/15/2029 | 1,185,000 |
| General Obligation Bonds, Series 2014 | 10,595,000 | 2.0% - 4.0% | 8/15/2028 | 1,790,000 |
| General Obligation Refunding & Improvement Bonds, Series 2015 | 32,245,000 | 2.0% - 5.0% | 8/15/2034 | 3,835,000 |
| General Obligation Refunding Bonds, Series 2016 | 6,910,000 | 2.0% - 4.0% | 8/15/2028 | 2,710,000 |
| General Obligation Bonds, Series 2017 | 11,845,000 | 2.25% - 5.0% | 8/15/2032 | 5,930,000 |
| General Obligation Bonds, Series 2018 | 8,355,000 | 2.0% - 5.0% | 8/15/2033 | 4,975,000 |
| General Obligation Refunding & Improvement Bonds, Series 2019 | 8,630,000 | 2.5% - 4.0% | 8/15/2034 | 4,515,000 |
| General Obligation Refunding & Improvement Bonds, Series 2020 | 23,385,000 | 2.0% - 4.0% | 8/15/2035 | 13,305,000 |
| General Obligation Refunding & Improvement Bonds, Series 2021 | 10,595,000 | 3.0% - 5.0% | 8/15/2036 | 4,010,000 |
| General Obligation Bonds, Series 2022 | 23,000,000 | 4.0% - 5.0% | 8/15/2041 | 19,995,000 |
| General Obligation Bonds, Series 2023 | 14,525,000 | 4.0% - 5.0% | 8/15/2043 | 10,900,000 |
| General Obligation Improvement & Refunding Bonds, Series 2024 | 84,455,000 | 5.0% | 8/15/2044 | 81,680,000 |
| General Obligation Bonds, Series 2025 | 17,295,000 | 5.0% | 8/15/2045 | 17,295,000 |
| Governmental Bonds Total | 258,495,000 | | | 172,240,000 |
| *Certificates of Obligation Bonds* | | | | |
| Combination Tax & Revenue Certificates of Obligation, Series 2021 | 22,945,000 | 4.0% - 5.0% | 8/15/2036 | 18,300,000 |
| *Tax Notes* | | | | |
| Tax Notes, Series 2020 | 3,175,000 | 4.00% | 8/15/2026 | 580,000 |
| Total Governmental Activities | | | | 191,120,000 |
| **Business-type Activities** | | | | |
| Waterworks & Sewer System Revenue Bonds, Series 2018 | 9,330,000 | 2.0% - 5.0% | 6/1/2038 | 6,875,000 |
| Waterworks & Sewer System Revenue Bonds, Series 2019 | 3,845,000 | 2.0% - 4.0% | 6/1/2039 | 2,910,000 |
| Waterworks & Sewer System Revenue Bonds, Series 2020 | 4,880,000 | 2.0% - 5.0% | 6/1/2040 | 3,950,000 |
| Waterworks & Sewer System Revenue Bonds, Series 2021 | 10,675,000 | 2.0% - 5.0% | 6/1/2036 | 9,025,000 |
| Business-type Activities Total | 28,730,000 | | | 22,760,000 |

| | Original Borrowing | Interest Rates | Final Maturity | Outstanding at 9/30/2025 |
|---|---|---|---|---|
| **Allen Economic Development Corporation Bonds** | | | | |
| Sales Tax Revenue Refunding Bonds, Series 2017A | 11,810,000 | 2.0% - 5.0% | 9/1/2027 | 2,605,000 |
| Sales Tax Revenue Bonds, Series 2020 | 2,110,000 | 0.75% - 2.0% | 9/1/2030 | 1,090,000 |
| Sales Tax Revenue Bonds, Series 2021 | 2,295,000 | 0.65% - 2.45% | 9/1/2036 | 1,975,000 |
| AEDC Bonds Total | 16,215,000 | | | 5,670,000 |
| **Allen Community Development Corporation Bonds** | | | | |
| Sales Tax Revenue Refunding Bonds, Series 2016 | 31,235,000 | 0.750% - 2.353% | 9/1/2032 | 15,040,000 |

The following is a summary of long-term liabilities transactions, including current portion, of the City for the year ended September 30, 2025:

| | Balance Beginning of Year | Increases | Decreases | Balance Ending of Year | Due within One Year |
|---|---|---|---|---|---|
| ***Governmental Activities*** | | | | | |
| General obligation bonds | $ 169,025,000 | $ 17,295,000 | $ (14,080,000) | $ 172,240,000 | $ 11,895,000 |
| Certificates of obligation | 19,550,000 | - | (1,250,000) | 18,300,000 | 1,310,000 |
| Tax notes | 1,140,000 | - | (560,000) | 580,000 | 580,000 |
| Leases | 794,372 | 922,770 | (618,584) | 1,098,558 | 475,488 |
| Premiums (discounts) | 20,988,725 | 1,102,696 | (2,865,196) | 19,226,225 | - |
| Compensated absences | 12,365,031 | 1,234,777 | - | 13,599,808 | 3,388,154 |
| Total Governmental Activities | $ 223,863,128 | $ 20,555,243 | $ (19,373,780) | $ 225,044,591 | $ 17,648,642 |
| ***Business Type Activities*** | | | | | |
| Water and sewer revenue bonds | $ 24,180,000 | $ - | $ (1,420,000) | $ 22,760,000 | $ 1,200,000 |
| Financing arrangements | 31,974 | - | (16,311) | 15,663 | 15,663 |
| Leases | 662,774 | 190,292 | (172,541) | 680,525 | 182,466 |
| Premiums (discounts) | 2,890,723 | - | (195,716) | 2,695,007 | - |
| Compensated absences | 1,054,926 | 129,530 | - | 1,184,456 | 347,847 |
| Total Business Type Activities | $ 28,820,397 | $ 319,822 | $ (1,804,568) | $ 27,335,651 | $ 1,745,976 |
| ***Component Units*** | | | | | |
| *Allen Economic Development Corporation* | | | | | |
| Sales tax revenue bonds | $ 7,250,000 | $ - | $ (1,580,000) | $ 5,670,000 | $ 1,645,000 |
| Premiums (discounts) | 218,687 | - | (72,895) | 145,792 | - |
| Total Allen Economic Development Corporation | $ 7,468,687 | $ - | $ (1,652,895) | $ 5,815,792 | $ 1,645,000 |
| *Allen Community Development Corporation* | | | | | |
| Sales tax revenue bonds | $ 16,975,000 | $ - | $ (1,935,000) | $ 15,040,000 | $ 1,980,000 |
| Total Allen Community Development Corporation | $ 16,975,000 | $ - | $ (1,935,000) | $ 15,040,000 | $ 1,980,000 |

***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, 2025, are as follows:

**Governmental Activities**

*General Obligation Bonds*

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 11,895,000 | $ 7,960,701 | $ 19,855,701 |
| 2027 | 11,800,000 | 7,510,871 | 19,310,871 |
| 2028 | 10,965,000 | 6,990,221 | 17,955,221 |
| 2029 | 10,305,000 | 6,508,506 | 16,813,506 |
| 2030 | 9,960,000 | 6,039,006 | 15,999,006 |
| 2031-2035 | 47,500,000 | 23,177,169 | 70,677,169 |
| 2036-2040 | 38,045,000 | 13,293,450 | 51,338,450 |
| 2041-2045 | 31,770,000 | 3,929,450 | 35,699,450 |
| | $ 172,240,000 | $ 75,409,374 | $ 247,649,374 |

*Certificates of Obligation*

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 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 | 1,510,000 | 598,000 | 2,108,000 |
| 2030 | 1,590,000 | 522,500 | 2,112,500 |
| 2031-2035 | 9,040,000 | 1,520,200 | 10,560,200 |
| 2036 | 2,035,000 | 81,400 | 2,116,400 |
| | $ 18,300,000 | $ 4,935,350 | $ 23,235,350 |

*Tax Notes*

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 580,000 | $ 23,200 | $ 603,200 |
| | $ 580,000 | $ 23,200 | $ 603,200 |

**Business Type Activities**

*Waterworks and Sewer System Revenue Bonds*

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 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 | 1,305,000 | 780,200 | 2,085,200 |
| 2030 | 1,370,000 | 716,750 | 2,086,750 |
| 2031-2035 | 7,830,000 | 2,604,550 | 10,434,550 |
| 2036-2040 | 7,850,000 | 920,450 | 8,770,450 |
| 2041 | 715,000 | 21,450 | 736,450 |
| | $ 22,760,000 | $ 7,623,200 | $ 30,383,200 |

**Component Unit Activities**

***Sales Tax Revenue Bonds - Allen EDC***

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 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 | 390,000 | 41,098 | 431,098 |
| 2030 | 400,000 | 33,688 | 433,688 |
| 2031-2035 | 930,000 | 89,973 | 1,019,973 |
| 2036 | 200,000 | 4,900 | 204,900 |
| | $ 5,670,000 | $ 526,920 | $ 6,196,920 |

***Sales Tax Revenue Bonds - Allen CDC***

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 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 | 2,145,000 | 270,874 | 2,415,874 |
| 2030 | 2,205,000 | 209,248 | 2,414,248 |
| 2031-2032 | 4,600,000 | 217,783 | 4,817,783 |
| | $ 15,040,000 | $ 1,840,694 | $ 16,880,694 |

***Bond Issuances.*** On August 15, 2025, the City issued City of Allen, Texas General Obligation Improvement and Refunding Bonds, Series 2025, in the amount of $17,295,000 for streets improvements, parks and recreation projects and the refunding of a portion of General Obligation Bonds, Series 2015. Bond proceeds totaled $18,397,696 and includes a premium of $1,102,696. Expenses incurred to deliver the Series 2024 bonds, including issuance costs, underwriter's discount, and agents' fees amounted to $240,726. The Series 2025 bonds incur an average cost over the life of the debt at a rate of 5.00% and mature annually, with semi-annual interest payments. Bond proceeds related to the partial refunding of existing bonds in the amount of $3,156,970 was deposited into an escrow account to cover issuance costs and the refunding of $3,140,000 of principal payments to the above-mentioned bond issuance. Due to this refunding, the City received $71,423 in debt service savings, coming to a present value savings of $65,195.

A schedule of authorized but unissued direct General Obligation Bonds as of September 30, 2025, is as follows:

| Purpose | Date of Authorization | Original Amount Authorized | Issued in Prior Fiscal Years | Issued in Current Year | Unissued Balance |
|---|---|---|---|---|---|
| Service Center Facilities | 5/12/2007 | $ 14,500,000 | $ 12,500,000 | $ - | $ 2,000,000 |
| Streets | 11/7/2023 | 47,000,000 | 6,000,000 | 5,150,000 | 35,850,000 |
| Parks and Recreation | 11/7/2023 | 17,000,000 | - | 9,850,000 | 7,150,000 |
| Mobility Projects | 11/7/2023 | 8,000,000 | - | - | 8,000,000 |
| Police Facilities | 11/7/2023 | 83,000,000 | 83,000,000 | - | - |
| | | $ 169,500,000 | $ 101,500,000 | $ 15,000,000 | $ 53,000,000 |

The amount issued in current year includes premium generated in the bond sale and is counted against the amount authorized.

***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 $2,501,833 at September 30, 2025, 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, 2025, of $3,997,043 are adequate to meet the reserve requirements.

As of September 30, 2025, 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 | $ 1,903,839 |
| Revenue bond debt service fund | 2,093,204 |
| | $ 3,997,043 |

| | |
|---|---|
| Net position reserved for Water and Sewer revenue bond retirement is detailed as follows: | |
| Restricted assets, revenue bond debt service and reserve funds | $ 3,997,043 |
| Accrued interest, payable from restricted assets | (295,210) |
| Current maturities of revenue bonds, payable from restricted assets | (1,200,000) |
| **Reserved for water and sewer revenue bonds principal and interest** | $ 2,501,833 |

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

***Financing Arrangements.*** The City has acquired golf course equipment under various agreements accounted for as financed purchases. As of September 30, 2025, the capitalized costs of business-type property under financed purchase arrangements were $73,292.

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, 2025, are as follows:

| Fiscal Year Ending | Business-type Activities | | |
|---|---|---|---|
| September 30, | Principal | Interest | Total |
| 2026 | $ 15,663 | $ 383 | $ 16,046 |
| Total | $ 15,663 | $ 383 | $ 16,046 |

***Leases*** – ***Lessee.*** The City is a lessee for noncancellable leases of vehicles, 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.

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 | Governmental Activities | | | Business-type Activities | | |
|---|---|---|---|---|---|---|
| September 30, | Principal | Interest | Total | Principal | Interest | Total |
| 2026 | $ 475,488 | $ 62,110 | $ 537,598 | $ 182,466 | $ 29,882 | $ 212,348 |
| 2027 | 385,505 | 38,538 | 424,043 | 191,802 | 20,547 | 212,349 |
| 2028 | 237,565 | 15,699 | 253,264 | 201,614 | 10,734 | 212,348 |
| 2029 | - | - | - | 104,643 | 1,532 | 106,175 |
| Total | $ 1,098,558 | $ 116,347 | $ 1,214,905 | $ 680,525 | $ 62,695 | $ 743,220 |

## F. Fund Balance Classifications

As previously stated in the summary of significant accounting policies, 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. A number of restrictions are grouped as "other purposes" in the basic financial statements, therefore, more specific restriction descriptions are provided below.

| | General | Debt Service | General Capital Projects | General Obligation Bond | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| FUND BALANCES | | | | | | |
| Nonspendable | | | | | | |
| Prepaid items | $ 9,249 | $ - | $ - | $ - | $ - | $ 9,249 |
| Inventories | 54,132 | - | - | - | - | 54,132 |
| Restricted | | | | | | |
| Debt service | - | 3,883,953 | - | - | - | 3,883,953 |
| Capital expenditures | - | - | - | 102,486,553 | - | 102,486,553 |
| Tourism | - | - | - | - | 2,860,442 | 2,860,442 |
| Asset forfeiture | - | - | - | - | 240,405 | 240,405 |
| State and federal grants | 245,393 | - | - | - | 238,514 | 483,907 |
| Park acquisition and development | - | - | - | - | 2,232,051 | 2,232,051 |
| Tax increment financing agreement | - | - | - | - | 13,876,715 | 13,876,715 |
| Court technology and security | - | - | - | - | 339,761 | 339,761 |
| Juvenile case manager | - | - | - | - | 80,053 | 80,053 |
| PEG fees | - | - | - | - | 201,926 | 201,926 |
| Radio system | - | - | - | - | 483,714 | 483,714 |
| Tree mitigation | - | - | - | - | 1,917,139 | 1,917,139 |
| Public safety and library enhancements | - | - | - | - | 218,546 | 218,546 |
| Cemetery trust | 74,343 | - | - | - | - | 74,343 |
| Assigned | | | | | | |
| Capital expenditures | - | - | 31,396,748 | - | - | 31,396,748 |
| Neighborhood reinvestment | - | - | 850,208 | - | - | 850,208 |
| Unassigned | 37,952,039 | - | - | - | - | 37,952,039 |
| TOTAL FUND BALANCES | $ 38,335,156 | $ 3,883,953 | $ 32,246,956 | $ 102,486,553 | $ 22,689,266 | $ 199,641,884 |

## G. Interfund Transfers

Individual fund operating transfers for fiscal year ended September 30, 2025, were as follows:

| | | | ***Transfers In:*** | | | | |
|---|---|---|---|---|---|---|---|
| ***Transfers Out:*** | General Fund | General Capital Projects Fund | Nonmajor Governmental Funds | Water and Sewer Fund | Event Center | Nonmajor Enterprise Funds | Total |
| General Fund | $ - | $ 5,403,989 | $ 15,329 | $ - | $ 400,000 | $ 1,400 | $ 5,820,718 |
| General Obligation Bond Fund | 336,836 | - | - | - | - | - | 336,836 |
| General Capital Projects Fund | 289,469 | - | - | - | - | - | 289,469 |
| Nonmajor Governmental Funds | 34,000 | - | - | - | 350,000 | - | 384,000 |
| Water and Sewer Fund | 9,701,532 | - | - | - | - | - | 9,701,532 |
| Nonmajor Enterprise Funds | 1,700,014 | 300,000 | - | 68,019 | - | - | 2,068,033 |
| Total | $ 12,061,851 | $ 5,703,989 | $ 15,329 | $ 68,019 | $ 750,000 | $ 1,400 | $ 18,600,588 |

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. The City also assesses ending fund balance and working capital for yearend transfers into funds used for the capital improvement program.

## H. Retirement Plan

*TMRS Pension Plan*

***Plan Description.*** The City participates as one of 934 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*.

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.

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

| | |
|---|---|
| Employee deposit rate | 7% |
| Matching ratio (City to employees) | 2 to 1 |
| Years required for vesting | 5 |
| | 20 years at any age, 5 years |
| Service retirement eligibility | 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, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 406 |
| Inactive employees entitled to, but not yet receiving benefits | 598 |
| Active employees | 830 |
| | 1,834 |

***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 of the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 16.08% and 15.19% in calendar years 2025 and 2024, respectively. The City's contribution to TMRS for the year ended September 30, 2025 was $12,525,281, which was equal to the actuarially determined required contribution.

***Net Pension Liability.*** The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 2.75% per year |
| Investment Rate of Return | 6.75% |

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, 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 by best estimate ranges of expected future real rates of return for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by respective target asset allocation percentage. The target allocation and best estimates of expected return for each major asset class in fiscal year 2025 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Global Equity | 35.00% | 7.10% |
| Core Fixed Income | 6.00% | 5.00% |
| Non-Core Fixed Income | 6.00% | 6.80% |
| Hedge Funds | 5.00% | 6.40% |
| Private Equity | 13.00% | 8.50% |
| Private Debt | 13.00% | 8.20% |
| Real Estate | 12.00% | 6.70% |
| Infrastructure | 6.00% | 6.00% |
| Other Public and Private Markets | 4.00% | 7.30% |
| Total | 100.00% | |

***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.

***Changes in the Net Pension Liability.*** Changes in the net pension liability are as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|---|---|---|
| Balance at 12/31/2023 | $ 327,910,968 | $ 284,640,415 | $ 43,270,553 |
| Changes for the year: | | | |
| Service cost | 13,985,552 | - | 13,985,552 |
| Interest | 22,234,583 | - | 22,234,583 |
| Difference between expected and actual experience | 5,691,268 | - | 5,691,268 |
| Change in assumptions | - | - | - |
| Contributions - employer | - | 12,068,562 | (12,068,562) |
| Contributions - employee | - | 5,271,883 | (5,271,883) |
| Net investment income | - | 29,639,869 | (29,639,869) |
| Benefit payments, including refunds of employee contributions | (11,005,036) | (11,005,036) | - |
| Administrative expense | - | (189,678) | 189,678 |
| Other charges | - | (4,437) | 4,437 |
| Net changes | 30,906,367 | 35,781,163 | (4,874,796) |
| Balance at 12/31/2024 | $ 358,817,335 | $ 320,421,578 | $ 38,395,757 |

***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 | $ 93,563,764 | $ 38,395,757 | $ (6,560,303) |

***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.

***Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions.*** For the year ended September 30, 2025, the City recognized pension expense in the amount of $15,699,263. At September 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 9,076,439 | $ - |
| Changes in actuarial assumptions | - | 474,927 |
| Difference between projected and actual investment earnings | - | 3,664,914 |
| Contributions subsequent to the measurement date | 9,705,440 | - |
| Total | $ 18,781,879 | $ 4,139,841 |

$9,705,440 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, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Measurement year ending December 31 | |
|---|---|
| 2025 | $ 4,040,602 |
| 2026 | 5,747,208 |
| 2027 | (2,877,480) |
| 2028 | (1,973,732) |
| Total | 4,936,598 |

## I. Postemployment Benefits Other than Pensions

### *Supplemental Death Benefits Plan - TMRS*

***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

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.

***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, 2025, was $39,461, which was equal to the actuarially determined contribution (ADC).

*Summary of Actuarial Assumptions and Other Inputs Used*

| Summary of Actuarial Assumptions and Other Inputs Used | |
|---|---|
| Inflation | 2.50% |
| Salary Increases | 3.60% to 11.50%, including inflation |
| Discount Rate | 4.08%, as of December 31, 2024 |
| 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent scale MP-2021 (with immediate convergence). |
| 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 the most recent scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor. |

**Note:** The actuarial assumptions used in the December 31, 2023, valuation was based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2022.

***Employees Covered by Benefit Terms***. At December 31, 2024, the actuarial valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 284 |
| Inactive employees entitled to, but not yet receiving benefits | 150 |
| Active employees | 830 |
| | 1,264 |

***Changes in Total OPEB Liability.*** Changes in total OPEB liability are as follows:

| | |
|---|---|
| Total OPEB Liability - beginning of year | $ 1,894,498 |
| Changes for the year: | |
| Service cost | 112,969 |
| Interest on Total OPEB Liability | 72,842 |
| Difference between expected and actual experienc | (24,150) |
| Change in assumptions or other inputs | (111,564) |
| Benefit payments, including | (37,656) |
| Net changes | 12,441 |
| Total OPEB Liability - end of year | $ 1,906,939 |

The City's total OPEB liability of $1,906,939 was measured at December 31, 2024, 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 (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

| | 1% Decrease in Discount Rate (3.08%) | Discount Rate (4.08%) | 1% Increase in Discount Rate (5.08%) |
|---|---|---|---|
| City's total OPEB liability | $ 2,301,280 | $ 1,906,939 | $ 1,600,290 |

***OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB.*** For the year ended September 30, 2025, the City recognized OPEB expense of $95,403. OPEB expense recognized is as follows:

| | |
|---|---|
| Components of OPEB Expense: | |
| Service cost | $ 112,969 |
| Interest on Total OPEB Liability | 72,842 |
| Difference between expected and actual experience | (30,138) |
| Change in assumptions or other inputs | (60,270) |
| Total OPEB Expense | 95,403 |

At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 1,212 | $ 78,134 |
| Changes in actuarial assumptions or other inputs | 234,070 | 617,385 |
| Contributions subsequent to the measurement date | 30,179 | - |
| Total | 265,461 | 695,519 |

Deferred outflows of resources in the amount of $30,179 related to OPEB that resulted from contributions made subsequent to the measurement date but before September 30, 2026, 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:

| Year ending September 30, | Net deferred outflows/ (inflows) of resources |
|---|---|
| 2026 | $ (91,304) |
| 2027 | (109,655) |
| 2028 | (144,462) |
| 2029 | (96,149) |
| 2030 | (18,667) |
| Total | (460,237) |

## J. 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, 2025, was $1,057,776. Changes in the Risk Management liability during the past five fiscal years were as follows:

| Year Ending September 30, | Balance at Beginning of Fiscal Year | Current Year Claims and Changes in Estimates | Claim Payments | Balance at End of Fiscal Year |
|---|---|---|---|---|
| 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 |
| 2024 | 1,015,508 | 12,106,056 | 12,058,761 | 1,062,803 |
| 2025 | 1,062,803 | 10,858,625 | 10,863,652 | 1,057,776 |

***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.

The City has a workers' compensation deductible of $25,000 per occurrence, with an annual aggregate deductible of $330,000. During fiscal 2025, the City contributed $1,359,223 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 2025, the City contributed $1,553,337 for property and general liability.

## K. 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 2025, the City rebated $5,947,853 in taxes. Additionally, for fiscal year 2025, the Allen Economic Development Corporation rebated taxes in the amount of $70,170 and made incentive payments of $4,926,101, while the Allen Community Development Corporation rebated taxes in the amount of $70,171, and made a grant payment of $425,000.

*Significant Economic Development Projects*. During the fiscal year, the Allen Economic Development Corporation purchased a large parcel of land for approximately $43 million for the purpose of an economic development agreement with a large resort. The Allen Community Development Corporation contributed $20 million to the purchase while the Allen Economic Development Corporation funded the remaining balance. After the purchase, the EDC transferred ownership of the land to the City. The economic development agreement intends to recuperate the cost of the land in a lease where the land is owned by the City and leased to the resort operator. Due to events in the State legislative session, the original agreement has been put on hold until 2027. To date, the City collected $150,000 in rent that has been held in unearned revenue, as there is a possibility under the agreement for it to be refunded.

*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 $88,112 for the fiscal year ended September 30, 2025.

*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 $847,623 in payments for TIF obligations during fiscal year 2025.

## L. Commitments and Contingent Liabilities

*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.


CITY OF ALLEN


CITY OF ALLEN

# Required Supplementary Information


CITY OF ALLEN

# City of Allen, Texas
## General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## For the Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem taxes | $ 66,751,327 | $ 66,751,327 | $ 66,300,467 | $ (450,860) |
| Sales taxes | 32,488,068 | 32,444,420 | 32,165,443 | (278,977) |
| Franchise and right-of-way fees | 7,684,829 | 8,021,755 | 8,063,990 | 42,235 |
| Licenses, permits and fees | 2,733,875 | 3,618,732 | 3,959,078 | 340,346 |
| Charges for services | 9,518,206 | 10,294,438 | 11,017,245 | 722,807 |
| Fines and forfeitures | 1,573,433 | 2,832,433 | 3,004,773 | 172,340 |
| Intergovernmental | 2,049,882 | 2,609,570 | 2,960,553 | 350,983 |
| Investment earnings | 3,629,873 | 3,629,873 | 5,390,125 | 1,760,252 |
| Gifts and contributions | 2,719,328 | 2,780,378 | 2,716,437 | (63,941) |
| Miscellaneous | 280,167 | 242,327 | 190,270 | (52,057) |
| TOTAL REVENUES | 129,428,988 | 133,225,253 | 135,768,381 | 2,543,128 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 28,739,660 | 30,905,064 | 28,595,817 | 2,309,247 |
| Public safety | 65,212,691 | 65,727,353 | 67,907,556 | (2,180,203) |
| Public works | 9,552,367 | 10,015,680 | 8,535,712 | 1,479,968 |
| Culture and recreation | 28,784,457 | 29,110,694 | 27,322,867 | 1,787,827 |
| Community development | 5,296,744 | 5,248,505 | 4,582,943 | 665,562 |
| Capital outlay | 472,627 | 534,444 | 1,825,826 | (1,291,382) |
| Debt Service | | | | |
| Principal retirement | - | 618,584 | 618,584 | - |
| Interest and fiscal charges | - | 31,421 | 31,421 | - |
| TOTAL EXPENDITURES | 138,058,546 | 142,191,745 | 139,420,726 | 2,771,019 |
| Excess (deficiency) of revenues over (under) expenditures | (8,629,558) | (8,966,492) | (3,652,345) | 5,314,147 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 11,637,517 | 11,154,886 | 12,061,851 | 906,965 |
| Transfers out | (2,893,320) | (491,812) | (5,820,718) | (5,328,906) |
| Leases | - | - | 922,770 | 922,770 |
| Insurance recoveries | 31,600 | 31,600 | 421,894 | 390,294 |
| Proceeds from sale of capital assets | - | 29,040 | 33,025 | 3,985 |
| TOTAL OTHER FINANCING SOURCES (USES) | 8,775,797 | 10,723,714 | 7,618,822 | (3,104,892) |
| NET CHANGE IN FUND BALANCES | 146,239 | 1,757,222 | 3,966,477 | 2,209,255 |
| FUND BALANCES - BEGINNING | 34,368,679 | 34,368,679 | 34,368,679 | - |
| FUND BALANCES - ENDING | $ 34,514,918 | $ 36,125,901 | $ 38,335,156 | $ 2,209,255 |

See Notes to Required Supplementary Information

# City of Allen, Texas

## Schedule of Change is Net Pension Liability and Related Ratios - Retirement Plan (TMRS)

### Last Ten Measurement Years

| Measurement year ended December 31, | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Total pension liability** | | | | |
| Service cost | $ 13,985,552 | $ 12,173,921 | $ 10,871,510 | $ 10,401,936 |
| Interest | 22,234,583 | 20,392,381 | 18,606,874 | 17,039,222 |
| Difference in expected and actual experience | 5,691,268 | 4,623,251 | 5,017,307 | 4,068,814 |
| Change in assumptions or other inputs | - | (893,365) | - | - |
| Benefit payments, including refunds of employee contributions | (11,005,036) | (8,815,211) | (8,574,676) | (8,465,892) |
| Net change in total pension liability | 30,906,367 | 27,480,977 | 25,921,015 | 23,044,080 |
| Total pension liability - beginning of year | 327,910,968 | 300,429,991 | 274,508,976 | 251,464,896 |
| **Total pension liability - end of year (a)** | $ 358,817,335 | $ 327,910,968 | $ 300,429,991 | $ 274,508,976 |
| **Plan fiduciary net position** | | | | |
| Contributions - employer | $ 12,068,562 | $ 10,143,549 | $ 9,488,440 | $ 8,906,713 |
| Contributions - employee | 5,271,883 | 4,771,413 | 4,281,593 | 4,111,437 |
| Net investment income (loss) | 29,639,869 | 28,972,918 | (19,290,735) | 29,958,269 |
| Benefit payments, including refunds of employee contributions | (11,005,036) | (8,815,211) | (8,574,676) | (8,465,892) |
| Administrative expense | (189,678) | (183,894) | (166,644) | (138,398) |
| Other | (4,437) | (1,284) | 198,855 | 949 |
| Net change in plan fiduciary net position | 35,781,163 | 34,887,491 | (14,063,167) | 34,373,078 |
| Plan fiduciary net position - beginning of year | 284,640,415 | 249,752,924 | 263,816,091 | 229,443,013 |
| **Plan fiduciary net position - end of year (b)** | $ 320,421,578 | $ 284,640,415 | $ 249,752,924 | $ 263,816,091 |
| **Plan pension liability - ending (a) - (b)** | $ 38,395,757 | $ 43,270,553 | $ 50,677,067 | $ 10,692,885 |
| **Plan fiduciary net position as a % of total pension liability** | 89.30% | 86.80% | 83.13% | 96.10% |
| **Covered payroll** | $ 75,312,613 | $ 68,163,049 | $ 61,007,354 | $ 58,734,814 |
| **Net pension liability as a % of covered payroll** | 50.98% | 63.48% | 83.07% | 18.21% |

| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| $ 9,715,534 | $ 9,118,332 | $ 8,503,427 | $ 8,091,540 | $ 7,740,829 | $ 7,377,440 |
| 15,828,804 | 14,492,431 | 13,379,960 | 12,232,446 | 11,165,087 | 10,562,818 |
| - | 1,564,808 | (680) | 1,293,282 | 894,580 | 196,259 |
| (735,396) | 409,038 | - | - | - | (231,950) |
| (5,974,169) | (6,195,996) | (5,222,230) | (4,423,768) | (3,902,489) | (3,247,435) |
| 18,834,773 | 19,388,613 | 16,660,477 | 17,193,500 | 15,898,007 | 14,657,132 |
| 232,630,123 | 213,241,510 | 196,581,033 | 179,387,533 | 163,489,526 | 148,832,394 |
| $ 251,464,896 | $ 232,630,123 | $ 213,241,510 | $ 196,581,033 | $ 179,387,533 | $ 163,489,526 |
| $ 8,425,764 | $ 8,050,585 | $ 7,423,200 | $ 7,130,557 | $ 6,473,617 | $ 6,063,051 |
| 3,850,652 | 3,661,981 | 3,423,774 | 3,274,594 | 3,129,050 | 3,021,766 |
| 15,770,860 | 27,097,746 | (5,239,779) | 20,569,321 | 9,039,319 | 188,559 |
| (5,974,169) | (6,195,996) | (5,222,230) | (4,423,768) | (3,902,489) | (3,247,435) |
| (101,906) | (152,888) | (101,162) | (106,520) | (102,024) | (114,830) |
| (3,976) | (4,592) | (5,284) | (5,400) | (5,497) | (5,671) |
| 21,967,225 | 32,456,836 | 278,519 | 26,438,784 | 14,631,976 | 5,905,440 |
| 207,475,788 | 175,018,952 | 174,740,433 | 148,301,649 | 133,669,673 | 127,764,233 |
| $ 229,443,013 | $ 207,475,788 | $ 175,018,952 | $ 174,740,433 | $ 148,301,649 | $ 133,669,673 |
| $ 22,021,883 | $ 25,154,335 | $ 38,222,558 | $ 21,840,600 | $ 31,085,884 | $ 29,819,853 |
| 91.24% | 89.19% | 82.08% | 88.89% | 82.67% | 81.76% |
| $ 54,952,114 | $ 52,314,010 | $ 48,814,159 | $ 46,476,391 | $ 44,410,952 | $ 43,142,910 |
| 40.07% | 48.08% | 78.30% | 46.99% | 70.00% | 69.12% |

# City of Allen, Texas

## Schedule of Contributions - Retirement Plan (TMRS)

### Last Ten Fiscal Years

| Fiscal year ended September 30, | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Actuarially determined contributions | $ 12,525,281 | $ 10,638,139 | $ 9,556,198 | $ 8,810,782 |
| Contributions in relation to actuarially determined contributions | (12,525,281) | (11,266,720) | (9,866,638) | (8,810,782) |
| Contribution deficiency (excess) | $ - | $ (628,581) | $ (310,440) | $ - |
| **Covered payroll** | $ 78,921,012 | $ 70,846,166 | $ 66,253,024 | $ 66,253,024 |
| **Contributions as a percentage of covered payroll** | 15.87% | 15.90% | 14.89% | 13.30% |

**Notes to Schedule of pension contributions:**

*Valuation Date* — Actuarial determined contribution rates are calculated as of December 31 each year and become effected 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 | 21 years (longest amortization ladder) |
| Asset Valuation Method | 10 years smoothed fair value; 12% soft corridor |
| Inflation | 2.50% |
| Salary Increases | 3.60 % to 11.85% 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 2023 valuation pursuant to an experience study of the period ending 2022. |
| Mortality | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).<br>Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). |

*Other information:* There were no benefit changes during the year.

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $ 8,333,070 | $ 7,555,689 | $ 7,228,643 | $ 6,678,295 | $ 6,217,858 | $ 6,028,939 |
| (8,739,669) | (7,890,278) | (7,736,900) | (6,927,485) | (6,545,488) | (6,181,797) |
| $ (406,599) | $ (334,589) | $ (508,257) | $ (249,190) | $ (327,630) | $ (152,858) |
| $ 58,367,657 | $ 53,937,361 | $ 51,562,996 | $ 47,782,955 | $ 45,962,313 | $ 43,564,466 |
| 14.97% | 14.63% | 15.00% | 14.50% | 14.24% | 14.19% |

## City of Allen, Texas

Schedule of Change in Total OPEB Liability and Related Ratios - Supplemental Death Benefits Fund

Last Ten Measurement Years

| Measurement year ended December 31, | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Total OPEB liability** [3] | | | |
| Service cost | $ 112,969 | $ 109,061 | $ 176,921 |
| Interest | 72,842 | 68,932 | 46,027 |
| Difference in expected and actual experience | (24,150) | (11,425) | 903 |
| Change in assumptions or other inputs | (111,564) | 97,465 | (960,097) |
| Benefit payments [2] | (37,656) | (34,082) | (24,403) |
| **Net change in total OPEB liability** | 12,441 | 229,951 | (760,649) |
| **Total OPEB liability - beginning of year** | 1,894,498 | 1,664,547 | 2,425,196 |
| **Total OPEB liability - end of year** | $ 1,906,939 | $ 1,894,498 | $ 1,664,547 |
| **Covered-employee payroll** | $ 75,312,613 | $ 68,163,049 | $ 61,007,654 |
| **Total OPEB liability as a percentage of covered-employee payroll** | 2.53% | 2.78% | 2.73% |

**Notes to the Schedule:**

[1] GASB 75 requires ten fiscal years of data to be provided in this schedule. However information prior to 2017 is unavailable. Additional years will be displayed as they become available until ten years are presented.

[2] 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.

[3] There are no assets accumulated in trust to pay related benefits for the OPEB plan.

| 2021 | 2020 | 2019 | 2018 | 2017 [1] |
|---|---|---|---|---|
| $ 170,331 | $ 126,390 | $ 94,165 | $ 97,628 | $ 83,658 |
| 44,623 | 49,783 | 56,186 | 45,926 | 42,992 |
| (7,796) | (78,736) | (183,037) | 101,506 | - |
| 83,821 | 315,925 | 317,781 | (111,311) | 121,271 |
| (23,494) | (5,495) | (5,231) | (4,881) | (4,648) |
| 267,485 | 407,867 | 279,864 | 128,868 | 243,273 |
| 2,157,711 | 1,749,844 | 1,469,980 | 1,341,112 | 1,097,839 |
| $ 2,425,196 | $ 2,157,711 | $ 1,749,844 | $ 1,469,980 | $ 1,341,112 |
| $ 58,734,814 | $ 54,952,114 | $ 52,314,010 | $ 48,814,159 | $ 46,476,391 |
| 4.13% | 3.93% | 3.34% | 3.01% | 2.89% |

# City of Allen, Texas

## Schedule of OPEB Contributions - Supplemental Death Benefits Fund

### Last Ten Fiscal Years

| Fiscal year ended September 30, [2] | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Actuarially determined contributions | $ 39,461 | $ 35,423 | $ 31,627 | $ 24,889 |
| Contributions in relation to actuarially determined contributions | (39,461) | (35,423) | (31,627) | (24,889) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - |
| **Covered-employee payroll** | $ 78,921,012 | $ 70,846,166 | $ 66,253,024 | $ 62,223,037 |
| **Contributions as a percentage of covered-employee payroll** | 0.05% | 0.05% | 0.05% | 0.04% |

**Notes to the Schedule**

[1] GASB 75 requires ten fiscal years of data to be provided in this schedule. However information prior to 2018 is unavailable. Additional years will be displayed as they become available until ten years are presented.

[2] 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.

| 2021 | 2020 | 2019 | 2018 [1] |
|---|---|---|---|
| $ 18,595 | $ 5,394 | $ 5,156 | $ 4,778 |
| (18,595) | (5,394) | (5,156) | (4,778) |
| $ - | $ - | $ - | $ - |
| $ 58,367,657 | $ 53,937,361 | $ 51,562,996 | $ 47,782,955 |
| 0.03% | 0.01% | 0.01% | 0.01% |


CITY OF ALLEN

## 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, Debt Service Fund, Hotel Occupancy Tax Fund, Asset Forfeiture Fund, Special Revenue Fund, Grants Fund, and Tax Increment Financing 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 fund level.
6. Formal budgetary integration is not employed for 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 Capital Projects Funds has not been presented in the accompanying basic financial statements because such funds are budgeted over the life of the 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 presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.


CITY OF ALLEN

# Combining and Budgetary Comparison Schedules


CITY OF ALLEN

# City of Allen, Texas
## Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## For the Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem taxes | $ 20,396,378 | $ 20,396,378 | $ 20,037,062 | $ (359,316) |
| Investment earnings | 258,582 | 258,582 | 534,186 | 275,604 |
| TOTAL REVENUES | 20,654,960 | 20,654,960 | 20,571,248 | (83,712) |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal retirement | 12,725,000 | 12,725,000 | 12,750,000 | (25,000) |
| Interest and fiscal charges | 8,287,828 | 8,287,828 | 8,314,839 | (27,011) |
| Issuance costs | - | - | 43,042 | (43,042) |
| TOTAL EXPENDITURES | 21,012,828 | 21,012,828 | 21,107,881 | (95,053) |
| Excess of revenues over expenditures | (357,868) | (357,868) | (536,633) | 11,341 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of bonds | - | - | 3,055,000 | 3,055,000 |
| Premium on bonds issued | - | - | 133,761 | 133,761 |
| Payment to escrow agent | - | - | (3,156,970) | (3,156,970) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | 31,791 | 31,791 |
| NET CHANGE IN FUND BALANCES | (357,868) | (357,868) | (504,842) | (146,974) |
| FUND BALANCES - BEGINNING | 4,388,795 | 4,388,795 | 4,388,795 | - |
| FUND BALANCES - ENDING | $ 4,030,927 | $ 4,030,927 | $ 3,883,953 | $ (146,974) |


CITY OF ALLEN

## NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

HOTEL OCCUPANCY TAX FUND – This fund is used to account for funds received from hotels for hotel occupancy taxes. These revenues are restricted for use on expenditures that directly enhance and promote tourism and the convention and hotel industry. The City's Convention and Visitors Bureau is operated out of this fund.

ASSET FORFEITURE FUND – This fund is used to account for assets legally seized and forfeited. These revenues are restricted by state and federal statute.

SPECIAL REVENUE FUND – This fund is used to account for several programs that have external legal restrictions associated with their use. These programs are restricted for court technology and security, juvenile case manager, public, education, and government ("PEG") fees, and a radio system.

GRANTS FUND – This fund accounts for the revenues and expenditures associated with certain state and federal grants.

PARK DEDICATION FUND – This fund accounts for funds received and expended for the specified purpose of acquisition of additional park land and the development of neighborhood parks.

GIFT FUND – This fund accounts for the funds received as substantial gifts from the public and their restricted use.

TAX INCREMENT FINANCING FUND – This fund accounts for a portion of property and sales tax collected in tax increment financing (TIF) zones. The agreements associated with these zones restricts the expenditures for project and financing costs in these areas. The 2 active TIF zones are the Montgomery Farm "Garden District", and the Central Business District.

# City of Allen, Texas
## Combining Balance Sheet - Nonmajor Governmental Funds
## September 30, 2025

| | Special Revenue | | |
|---|---|---|---|
| | Hotel Occupancy Tax Fund | Asset Forfeiture Fund | Special Revenue Fund |
| ASSETS | | | |
| Cash and cash equivalents | $ 2,624,246 | $ 365,094 | $ 3,004,530 |
| Investments | 170,946 | - | - |
| Receivables, net of allowances for uncollectibles | | | |
| Franchise and right-of-way fees | - | - | 18,063 |
| Accounts receivable | 204,589 | - | - |
| Accrued interest | 1,091 | - | - |
| Due from other governments | - | - | - |
| TOTAL ASSETS | $ 3,000,872 | $ 365,094 | $ 3,022,593 |
| LIABILITIES | | | |
| Accounts payable | 121,695 | 5,285 | - |
| Accrued liabilities | 18,735 | 119,404 | - |
| Unearned revenue | - | - | - |
| TOTAL LIABILITIES | 140,430 | 124,689 | - |
| FUND BALANCES | | | |
| Restricted | | | |
| Tourism | 2,860,442 | - | - |
| State and federal grants | - | - | - |
| Park acquisition and development | - | - | - |
| Tax increment financing agreement | - | - | - |
| Other purposes | - | 240,405 | 3,022,593 |
| TOTAL FUND BALANCES | 2,860,442 | 240,405 | 3,022,593 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | $ 3,000,872 | $ 365,094 | $ 3,022,593 |

| Special Revenue | | | | |
|---|---|---|---|---|
| Grants Fund | Park Dedication Fund | Gift Fund | Tax Increment Financing Fund | Total Nonmajor Governmental Funds |
| $ 277,674 | $ 2,233,095 | $ 238,241 | $ 10,562,915 | $ 19,305,795 |
| - | - | - | 3,292,792 | 3,463,738 |
| | | | | |
| - | - | - | - | 18,063 |
| - | - | - | - | 204,589 |
| - | - | - | 21,008 | 22,099 |
| 235,211 | - | - | - | 235,211 |
| $ 512,885 | $ 2,233,095 | $ 238,241 | $ 13,876,715 | $ 23,249,495 |
| | | | | |
| 64,910 | 1,044 | 19,695 | - | 212,629 |
| - | - | - | - | 138,139 |
| 209,461 | - | - | - | 209,461 |
| 274,371 | 1,044 | 19,695 | - | 560,229 |
| | | | | |
| - | - | - | - | 2,860,442 |
| 238,514 | - | - | - | 238,514 |
| - | 2,232,051 | - | - | 2,232,051 |
| - | - | - | 13,876,715 | 13,876,715 |
| - | - | 218,546 | - | 3,481,544 |
| 238,514 | 2,232,051 | 218,546 | 13,876,715 | 22,689,266 |
| | | | | |
| $ 512,885 | $ 2,233,095 | $ 238,241 | $ 13,876,715 | $ 23,249,495 |

# City of Allen, Texas
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
## For the Year Ended September 30, 2025

| | Special Revenue | | |
|---|---|---|---|
| | Hotel Occupancy Tax Fund | Asset Forfeiture Fund | Special Revenue Fund |
| REVENUES | | | |
| Taxes | | | |
| Ad valorem taxes | $ - | $ - | $ - |
| Sales taxes | - | - | - |
| Franchise and right-of-way fees | - | - | 70,421 |
| Hotel occupancy taxes | 2,696,118 | - | - |
| Licenses, permits and fees | 25,388 | - | 604,540 |
| Fines and forfeitures | - | 241,823 | 271,843 |
| Intergovernmental | - | - | - |
| Investment earnings | 86,579 | 7,494 | 7,135 |
| Gifts and contributions | - | - | - |
| TOTAL REVENUES | 2,808,085 | 249,317 | 953,939 |
| EXPENDITURES | | | |
| Current | | | |
| General government | - | - | 128,847 |
| Public safety | - | 148,875 | - |
| Culture and recreation | 2,203,404 | - | - |
| Community development | - | - | - |
| Capital outlay | - | - | 22,315 |
| TOTAL EXPENDITURES | 2,203,404 | 148,875 | 151,162 |
| Excess (deficiency) of revenues over (under) expenditures | 604,681 | 100,442 | 802,777 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | (350,000) | - | - |
| Proceeds from sale of capital assets | - | 9,223 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (350,000) | 9,223 | - |
| NET CHANGE IN FUND BALANCES | 254,681 | 109,665 | 802,777 |
| FUND BALANCES - 9/30/2024 | 2,605,761 | 130,740 | 2,219,816 |
| FUND BALANCES - 9/30/2025 | $ 2,860,442 | $ 240,405 | $ 3,022,593 |

| Special Revenue | | | | |
|---|---|---|---|---|
| Grants Fund | Park Dedication Fund | Gift Fund | Tax Increment Financing Fund | Total Nonmajor Governmental Funds |
| $ - | $ - | $ - | $ 2,947,161 | 2,947,161 |
| - | - | - | 223,718 | 223,718 |
| - | - | - | - | 70,421 |
| - | - | - | - | 2,696,118 |
| - | 274,770 | - | - | 904,698 |
| - | - | - | - | 513,666 |
| 1,147,789 | - | - | 227,513 | 1,375,302 |
| - | 33,966 | 4,406 | 406,873 | 546,453 |
| - | - | 154,349 | - | 154,349 |
| 1,147,789 | 308,736 | 158,755 | 3,805,265 | 9,431,886 |
| 232,930 | - | - | 4,646,888 | 5,008,665 |
| 136,269 | - | 67,792 | - | 352,936 |
| 5,365 | - | 3,369 | - | 2,212,138 |
| 622,719 | - | - | - | 622,719 |
| 165,835 | 5,040 | 131,577 | - | 324,767 |
| 1,163,118 | 5,040 | 202,738 | 4,646,888 | 8,521,225 |
| (15,329) | 303,696 | (43,983) | (841,623) | 910,661 |
| 15,329 | - | - | - | 15,329 |
| - | - | - | (34,000) | (384,000) |
| - | - | - | - | 9,223 |
| 15,329 | - | - | (34,000) | (359,448) |
| - | 303,696 | (43,983) | (875,623) | 551,213 |
| 238,514 | 1,928,355 | 262,529 | 14,752,338 | 22,138,053 |
| $ 238,514 | $ 2,232,051 | $ 218,546 | $ 13,876,715 | $ 22,689,266 |

# City of Allen, Texas

## Hotel Occupancy Tax Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

## For the Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Taxes | | | | |
| Hotel occupancy taxes | $ 2,418,156 | $ 2,550,000 | $ 2,696,118 | $ 146,118 |
| Licenses, permits and fees | - | 17,000 | 25,388 | 8,388 |
| Investment earnings | 64,750 | 64,750 | 86,579 | 21,829 |
| TOTAL REVENUES | 2,482,906 | 2,631,750 | 2,808,085 | 176,335 |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and recreation | 2,510,709 | 2,461,981 | 2,203,404 | 258,577 |
| TOTAL EXPENDITURES | 2,510,709 | 2,461,981 | 2,203,404 | 258,577 |
| Excess (deficiency) of revenues over (under) expenditures | (27,803) | 169,769 | 604,681 | (82,242) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | - | (350,000) | 350,000 |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | (350,000) | 350,000 |
| NET CHANGE IN FUND BALANCES | (27,803) | 169,769 | 254,681 | 267,758 |
| FUND BALANCES - BEGINNING | 2,605,761 | 2,605,761 | 2,605,761 | - |
| FUND BALANCES - ENDING | $ 2,577,958 | $ 2,775,530 | $ 2,860,442 | $ 84,912 |

# City of Allen, Texas
## Asset Forfeiture Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## For the Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Fines and forfeitures | $ 185,000 | $ 185,000 | $ 241,823 | $ 56,823 |
| Investment earnings | 5,559 | 5,559 | 7,494 | 1,935 |
| Miscellaneous | - | - | - | - |
| TOTAL REVENUES | 190,559 | 190,559 | 249,317 | 58,758 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 32,687 | 123,687 | 148,875 | (25,188) |
| TOTAL EXPENDITURES | 32,687 | 123,687 | 148,875 | (25,188) |
| Excess (deficiency) of revenues over (under) expenditures | 157,872 | 66,872 | 100,442 | 33,570 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of capital assets | - | - | 9,223 | 9,223 |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | 9,223 | 9,223 |
| NET CHANGE IN FUND BALANCES | 157,872 | 66,872 | 109,665 | 42,793 |
| FUND BALANCES - BEGINNING | 130,740 | 130,740 | 130,740 | - |
| FUND BALANCES - ENDING | $ 288,612 | $ 197,612 | $ 240,405 | $ 42,793 |

# City of Allen, Texas

## Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

## For the Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Taxes | | | | |
| Franchise and right-of-way fees | $ 115,357 | $ 93,507 | $ 70,421 | $ (23,086) |
| Licenses, permits and fees | - | - | 604,540 | 604,540 |
| Fines and forfeitures | 107,851 | 230,000 | 271,843 | 41,843 |
| Investment earnings | 27,919 | 27,919 | 7,135 | (20,784) |
| TOTAL REVENUES | 251,127 | 351,426 | 953,939 | 602,513 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 35,000 | 212,256 | 128,847 | 83,409 |
| Capital outlay | - | 23,169 | 22,315 | 854 |
| TOTAL EXPENDITURES | 35,000 | 235,425 | 151,162 | 84,263 |
| Excess (deficiency) of revenues over (under) expenditures | 216,127 | 116,001 | 802,777 | 686,776 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (77,201) | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (77,201) | - | - | - |
| NET CHANGE IN FUND BALANCES | 138,926 | 116,001 | 802,777 | 686,776 |
| FUND BALANCES - BEGINNING | 2,219,816 | 2,219,816 | 2,219,816 | - |
| FUND BALANCES - ENDING | $ 2,358,742 | $ 2,335,817 | $ 3,022,593 | $ 686,776 |

# City of Allen, Texas
## Grants Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## For the Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Intergovernmental | $ 795,310 | $ 1,387,401 | $ 1,147,789 | $ (239,612) |
| TOTAL REVENUES | 795,310 | 1,387,401 | 1,147,789 | (239,612) |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 152,150 | 258,653 | 232,930 | 25,723 |
| Public safety | 164,660 | 196,770 | 136,269 | 60,501 |
| Culture and recreation | 1,800 | 5,365 | 5,365 | - |
| Community development | 408,000 | 775,625 | 622,719 | 152,906 |
| Capital outlay | 70,000 | 167,800 | 165,835 | 1,965 |
| TOTAL EXPENDITURES | 796,610 | 1,404,213 | 1,163,118 | 241,095 |
| Excess (deficiency) of revenues over (under) expenditures | (1,300) | (16,812) | (15,329) | 1,483 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,300 | 16,812 | 15,329 | (1,483) |
| TOTAL OTHER FINANCING SOURCES (USES) | 1,300 | 16,812 | 15,329 | (1,483) |
| NET CHANGE IN FUND BALANCES | - | - | - | - |
| FUND BALANCES - BEGINNING | 238,514 | 238,514 | 238,514 | - |
| FUND BALANCES - ENDING | $ 238,514 | $ 238,514 | $ 238,514 | $ - |

# City of Allen, Texas

## Tax Increment Financing Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

## For the Year Ended September 30, 2025

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Taxes | | | | |
| Ad velorem taxes | $ 3,009,201 | $ 2,947,161 | $ 2,947,161 | $ - |
| Sales taxes | 222,674 | 192,000 | 223,718 | 31,718 |
| Intergovernmental | 190,660 | 227,513 | 227,513 | - |
| Investment earnings | 173,702 | 231,059 | 406,873 | 175,814 |
| TOTAL REVENUES | 3,596,237 | 3,597,733 | 3,805,265 | 207,532 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 755,760 | 4,646,889 | 4,646,888 | 1 |
| TOTAL EXPENDITURES | 755,760 | 4,646,889 | 4,646,888 | 1 |
| Excess (deficiency) of revenues over (under) expenditures | 2,840,477 | (1,049,156) | (841,623) | 207,531 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (34,000) | (34,000) | (34,000) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (34,000) | (34,000) | (34,000) | - |
| NET CHANGE IN FUND BALANCES | 2,806,477 | (1,083,156) | (875,623) | 207,533 |
| FUND BALANCES - BEGINNING | 14,752,338 | 14,752,338 | 14,752,338 | - |
| FUND BALANCES - ENDING | $ 17,558,815 | $ 13,669,182 | $ 13,876,715 | $ 207,533 |

## NONMAJOR PROPRIETARY FUNDS

## ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the majority of revenues come from fees charged to external users for goods or services.

SOLID WASTE FUND – This fund is used to account for the provision of solid waste services to residents of the city and associated operating and non-operating costs.

DRAINAGE FUND – This fund is used to account for the provision of developing and maintaining proper drainage services to the residents of the city.

GOLF COURSE FUND – This fund is used to account for activities associated with the operations of The Courses at Watters Creek Golf Course that has been owned by the City since October 2004.

# City of Allen, Texas
## Combining Statement of Net Position - Nonmajor Enterprise Funds
## September 30, 2025

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Solid Waste | Drainage | Golf Course | Total Nonmajor Enterprise Funds |
| **ASSETS** | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | $ 1,633,273 | $ 1,468,986 | $ 4,464,647 | $ 7,566,906 |
| Investments | - | - | 722,384 | 722,384 |
| Receivables, net of allowances for uncollectibles: | | | | |
| Accounts | 1,709,296 | 373,680 | 85,199 | 2,168,175 |
| Accrued Interest | - | - | 4,609 | 4,609 |
| Inventories | - | - | 44,548 | 44,548 |
| TOTAL CURRENT ASSETS | 3,342,569 | 1,842,666 | 5,321,387 | 10,506,622 |
| NONCURRENT ASSETS | | | | |
| CAPITAL ASSETS | | | | |
| Other improvements | - | 1,230,546 | - | 1,230,546 |
| Machinery and equipment | - | 741,956 | 2,309,641 | 3,051,597 |
| Vehicles | 189,369 | 352,151 | - | 541,520 |
| Less: accumulated depreciation/amortization | (138,311) | (1,118,327) | (1,267,402) | (2,524,040) |
| TOTAL NONCURRENT ASSETS | 51,058 | 1,206,326 | 1,042,239 | 2,299,623 |
| **TOTAL ASSETS** | 3,393,627 | 3,048,992 | 6,363,626 | 12,806,245 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred outflows of resources - pension | 129,594 | 138,986 | 332,439 | 601,019 |
| Deferred outflows of resources - OPEB | 1,831 | 1,964 | 4,698 | 8,493 |
| **TOTAL DEFERRED OUTFLOWS OF RESOURCES** | 131,425 | 140,950 | 337,137 | 609,512 |
| **LIABILITIES** | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | 305,752 | 17,189 | 160,280 | 483,221 |
| Accrued liabilities | 191,338 | 27,123 | 81,947 | 300,408 |
| Financing arrangements - current | - | - | 15,663 | 15,663 |
| Leases - current | - | - | 182,466 | 182,466 |
| Compensated absences - current | 12,934 | 19,296 | 41,197 | 73,427 |
| Total OPEB liability - current | 277 | 297 | 712 | 1,286 |
| Unearned revenue | - | - | 97,790 | 97,790 |
| TOTAL CURRENT LIABILITIES | 510,301 | 63,905 | 580,055 | 1,154,261 |
| NONCURRENT LIABILITIES | | | | |
| Leases | - | - | 498,059 | 498,059 |
| Net pension liability | 264,931 | 284,129 | 679,605 | 1,228,665 |
| Total OPEB liability | 12,881 | 13,814 | 33,041 | 59,736 |
| Compensated absences | 51,831 | 66,746 | 136,647 | 255,224 |
| TOTAL NONCURRENT LIABILITIES | 329,643 | 364,689 | 1,347,352 | 2,041,684 |
| **TOTAL LIABILITIES** | 839,944 | 428,594 | 1,927,407 | 3,195,945 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred inflows of resources - pension | 28,565 | 30,634 | 73,275 | 132,474 |
| Deferred inflows of resources - OPEB | 4,799 | 5,147 | 12,311 | 22,257 |
| **TOTAL DEFERRED INFLOWS OF RESOURCES** | 33,364 | 35,781 | 85,586 | 154,731 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 51,058 | 1,206,326 | 320,013 | 1,577,397 |
| Unrestricted | 2,600,686 | 1,519,241 | 4,367,757 | 8,487,684 |
| **TOTAL NET POSITION** | $ 2,651,744 | $ 2,725,567 | $ 4,687,770 | $ 10,065,081 |

# City of Allen, Texas

## Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds

For the year ended September 30, 2025

| | Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Solid Waste | Drainage | Golf Course | Previously reported as nonmajor: Allen Event Center | Total Nonmajor Enterprise Funds |
| **OPERATING REVENUES** | | | | | |
| Charges for services: | | | | | |
| Garbage collections | $ 8,980,407 | $ - | $ - | $ - | $ 8,980,407 |
| Service charges | - | 78,578 | 5,407,762 | - | 5,486,340 |
| Drainage fees | - | 2,308,534 | - | - | 2,308,534 |
| Insurance recoveries | - | - | 16,566 | - | 16,566 |
| Miscellaneous | 36,557 | 400 | 73,981 | - | 110,938 |
| TOTAL OPERATING REVENUES | 9,016,964 | 2,387,512 | 5,498,309 | - | 16,902,785 |
| **OPERATING EXPENSES** | | | | | |
| Personnel services | 781,777 | 916,770 | 2,223,279 | - | 3,921,826 |
| Contractual services | 7,148,254 | 493,434 | 1,336,976 | - | 8,978,664 |
| Maintenance | 7,625 | 316,852 | 190,073 | - | 514,550 |
| Supplies | 46,485 | 78,982 | 320,743 | - | 446,210 |
| Depreciation and amortization | 19,110 | 158,856 | 242,125 | - | 420,091 |
| TOTAL OPERATING EXPENSES | 8,003,251 | 1,964,894 | 4,313,196 | - | 14,281,341 |
| OPERATING INCOME | 1,013,713 | 422,618 | 1,185,113 | - | 2,621,444 |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | | |
| Investment earnings | 53,895 | 42,437 | 106,838 | - | 203,170 |
| Interest expense | - | - | (38,517) | - | (38,517) |
| Gain on disposal of capital assets | - | - | 7,652 | - | 7,652 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 53,895 | 42,437 | 75,973 | - | 172,305 |
| INCOME BEFORE TRANSFERS | 1,067,608 | 465,055 | 1,261,086 | - | 2,793,749 |
| TRANSFERS | | | | | |
| Transfers in | - | - | 1,400 | - | 1,400 |
| Transfers out | (1,566,400) | (501,633) | - | - | (2,068,033) |
| TOTAL TRANSFERS | (1,566,400) | (501,633) | 1,400 | - | (2,066,633) |
| CHANGE IN NET POSITION | (498,792) | (36,578) | 1,262,486 | - | 727,116 |
| NET POSITION - 9/30/2024 | 3,083,873 | 2,769,454 | 3,353,233 | (399,302) | 8,807,258 |
| Change in accounting principle - GASB 101 | 66,663 | (7,309) | 72,051 | (104,000) | 27,405 |
| Change in reporting entity - nonmajor to major | - | - | - | 503,302 | 503,302 |
| NET POSITION - 9/30/2024, as restated | 3,150,536 | 2,762,145 | 3,425,284 | - | 9,337,965 |
| NET POSITION - 9/30/2025 | $ 2,651,744 | $ 2,725,567 | $ 4,687,770 | $ - | $ 10,065,081 |

# City of Allen, Texas
## Combining Statement of Cash Flows - Nonmajor Enterprise Funds
## For the year ended September 30, 2025

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Solid Waste | Drainage | Golf Course | Total Nonmajor Enterprise Funds |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Cash received from customers | $ 8,648,652 | $ 2,377,068 | $ 5,507,558 | $ 16,533,278 |
| Cash paid to employees for salaries and benefits | (714,122) | (870,673) | (2,173,641) | (3,758,436) |
| Cash paid for goods and services | (7,207,820) | (888,699) | (1,912,834) | (10,009,353) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | 726,710 | 617,696 | 1,421,083 | 2,765,489 |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | | | | |
| Transfers in from other funds | - | - | 1,400 | 1,400 |
| Transfers out to other funds | (1,566,400) | (501,633) | - | (2,068,033) |
| **NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES** | (1,566,400) | (501,633) | 1,400 | (2,066,633) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Acquisition and construction of capital assets | (49,102) | (164,641) | (401,946) | (615,689) |
| Proceeds from sale of capital assets | - | - | 7,652 | 7,652 |
| Principal paid on capital debt | - | - | (188,852) | (188,852) |
| Interest and fees paid on capital debt | - | - | (38,517) | (38,517) |
| **NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES** | (49,102) | (164,641) | (621,663) | (835,406) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest on investments | 53,895 | 42,437 | 107,439 | 203,771 |
| Proceeds from sale of investments | - | - | 631,335 | 631,335 |
| **NET CASH PROVIDED BY INVESTING ACTIVITIES** | 53,895 | 42,437 | 738,774 | 835,106 |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | (834,897) | (6,141) | 1,539,594 | 698,556 |
| **CASH AND CASH EQUIVALENTS - BEGINNING** | 2,468,170 | 1,475,127 | 2,925,053 | 6,868,350 |
| **CASH AND CASH EQUIVALENTS - ENDING** | $ 1,633,273 | $ 1,468,986 | $ 4,464,647 | $ 7,566,906 |
| **RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES** | | | | |
| Net operating income | $ 1,013,713 | $ 422,618 | $ 1,185,113 | $ 2,621,444 |
| Adjustments to reconcile income to net cash provided by operating activities: | | | | |
| Depreciation and amortization expense | 19,110 | 158,856 | 242,125 | 420,091 |
| (Increase) decrease in accounts receivable | (368,312) | (10,444) | (6,482) | (385,238) |
| (Increase) decrease in inventories | - | - | (12,457) | (12,457) |
| (Increase) decrease in pension related deferred outflows | 55,047 | 27,191 | 96,850 | 179,088 |
| (Increase) decrease in OPEB related deferred outflows | 1,340 | 890 | 2,675 | 4,905 |
| Increase (decrease) in accounts payable | (5,456) | 569 | (52,585) | (57,472) |
| Increase (decrease) in accrued liabilities | 64,790 | 10,968 | 30,620 | 106,378 |
| Increase (decrease) in unearned revenue | - | - | 15,731 | 15,731 |
| Increase (decrease) in net pension liability | (81,233) | (27,419) | (125,227) | (233,879) |
| Increase (decrease) in total OPEB liability | (1,998) | 471 | (1,485) | (3,012) |
| Increase (decrease) in compensated absences | 9,144 | 9,734 | (9,622) | 9,256 |
| Increase (decrease) in pension related deferred inflows | 22,041 | 24,762 | 58,106 | 104,909 |
| Increase (decrease) in OPEB related deferred inflows | (1,476) | (500) | (2,279) | (4,255) |
| Total adjustments | (287,003) | 195,078 | 235,970 | 144,045 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | $ 726,710 | $ 617,696 | $ 1,421,083 | $ 2,765,489 |
| **NON-CASH INVESTING ACTIVITIES** | | | | |
| Initiation of capital asset lease | - | - | 190,292 | 190,292 |
| **CASH AND CASH EQUIVALENTS - END OF YEAR** | $ 1,633,273 | $ 1,468,986 | $ 4,464,647 | $ 7,566,906 |

## NONMAJOR PROPRIETARY FUNDS

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of services provided by one fund to the other funds within the City on a cost-reimbursement basis.

REPLACEMENT FUND – This fund is used to account for the costs associated with the replacement of capital assets in other funds and departments.

RISK MANAGEMENT FUND – This fund is used to account 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 – This fund is used to account for the accumulation of 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, 2025

| | Replacement Fund | Risk Management Fund | Facility Maintenance Fund | Totals |
|---|---|---|---|---|
| **ASSETS** | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | $ 16,994,571 | $ 8,456,537 | $ 6,882,370 | $ 32,333,478 |
| Investments | 1,846,522 | 5,604,624 | 264,861 | 7,716,007 |
| Receivables, net of allowances for uncollectibles: | | | | |
| Accounts | - | 549,415 | - | 549,415 |
| Accrued Interest | 11,781 | 35,758 | 1,690 | 49,229 |
| Prepaid items | - | 166,290 | - | 166,290 |
| TOTAL CURRENT ASSETS | 18,852,874 | 14,812,624 | 7,148,921 | 40,814,419 |
| NONCURRENT ASSETS | | | | |
| CAPITAL ASSETS | | | | |
| Construction in Progress | 2,151,441 | - | 912,185 | 3,063,626 |
| Other improvements | - | - | 68,257 | 68,257 |
| Machinery and equipment | 7,518,121 | - | - | 7,518,121 |
| Vehicles | 28,556,940 | - | - | 28,556,940 |
| Less: accumulated depreciation | (23,281,028) | - | (6,826) | (23,287,854) |
| TOTAL NONCURRENT ASSETS | 14,945,474 | - | 973,616 | 15,919,090 |
| **TOTAL ASSETS** | $ 33,798,348 | $ 14,812,624 | $ 8,122,537 | $ 56,733,509 |
| **LIABILITIES** | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | 49,786 | 646,886 | 233,777 | 930,449 |
| Accrued liabilities | - | 20,930 | - | 20,930 |
| Retainage payable | - | - | 38,632 | 38,632 |
| Incurred but not reported claims | - | 1,057,776 | - | 1,057,776 |
| **TOTAL LIABILITIES** | 49,786 | 1,725,592 | 272,409 | 2,047,787 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 14,637,473 | - | 973,616 | 15,611,089 |
| Unrestricted | 19,111,089 | 13,087,032 | 6,876,512 | 39,074,633 |
| **TOTAL NET POSITION** | $ 33,748,562 | $ 13,087,032 | $ 7,850,128 | $ 54,685,722 |

# City of Allen, Texas
## Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds
## For the year ended September 30, 2025

| | Replacement Fund | Risk Management Fund | Facility Maintenance Fund | Totals |
|---|---|---|---|---|
| **OPERATING REVENUES** | | | | |
| Charges for services | $ 2,622,677 | $ 17,338,159 | $ 1,800,000 | $ 21,760,836 |
| Insurance recoveries | 20,056 | 2,095,624 | 7,300 | 2,122,980 |
| Miscellaneous | 15 | - | - | 15 |
| TOTAL OPERATING REVENUES | 2,642,748 | 19,433,783 | 1,807,300 | 23,883,831 |
| **OPERATING EXPENSES** | | | | |
| Personnel services | - | 613,603 | - | 613,603 |
| Contractual services | 26,626 | 18,173,487 | 16,627 | 18,216,740 |
| Maintenance | - | 4,133 | 574,306 | 578,439 |
| Supplies | 123,218 | 11,402 | 516 | 135,136 |
| Depreciation and amortization | 3,540,878 | - | 6,826 | 3,547,704 |
| TOTAL OPERATING EXPENSES | 3,690,722 | 18,802,625 | 598,275 | 23,091,622 |
| OPERATING INCOME (LOSS) | (1,047,974) | 631,158 | 1,209,025 | 792,209 |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | |
| Investment earnings | 644,683 | 445,153 | 48,003 | 1,137,839 |
| Gain (loss) on disposal of capital assets | 361,254 | - | - | 361,254 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 1,005,937 | 445,153 | 48,003 | 1,499,093 |
| CHANGE IN NET POSITION | (42,037) | 1,076,311 | 1,257,028 | 2,291,302 |
| NET POSITION - 9/30/2024 | 33,790,599 | 12,010,721 | 6,593,100 | 52,394,420 |
| NET POSITION - 9/30/2025 | $ 33,748,562 | $ 13,087,032 | $ 7,850,128 | $ 54,685,722 |

# City of Allen, Texas
## Combining Statement of Cash Flows - Internal Service Funds
## For the year ended September 30, 2025

| | Replacement Fund | Risk Management Fund | Facility Maintenance Fund | Totals |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Cash received from customers | $ 20,071 | $ 2,095,624 | $ - | $ 2,115,695 |
| Cash received from transactions with other funds | 2,672,925 | 16,825,514 | 1,807,300 | 21,305,739 |
| Cash paid to employees for salaries and benefits | - | (605,063) | - | (605,063) |
| Cash paid for goods and services | (445,555) | - | (440,033) | (885,588) |
| Cash paid for claims | - | (17,607,170) | - | (17,607,170) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | 2,247,441 | 708,905 | 1,367,267 | 4,323,613 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Acquisition and construction of capital assets | (6,105,633) | - | (958,347) | (7,063,980) |
| Proceeds from sale of capital assets | 361,254 | - | - | 361,254 |
| **NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES** | (5,744,379) | - | (958,347) | (6,702,726) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest on investments | 648,677 | 428,347 | 48,223 | 1,125,247 |
| Proceeds from sale of investments | 2,252,607 | (679,938) | 231,478 | 1,804,147 |
| **NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES** | 2,901,284 | (251,591) | 279,701 | 2,929,394 |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | (595,654) | 457,314 | 688,621 | 550,281 |
| **CASH AND CASH EQUIVALENTS - BEGINNING** | 17,590,225 | 7,999,223 | 6,193,749 | 31,783,197 |
| **CASH AND CASH EQUIVALENTS - ENDING** | $ 16,994,571 | $ 8,456,537 | $ 6,882,370 | $ 32,333,478 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES** | | | | |
| Net operating income (loss) | $ (1,047,974) | $ 631,158 | $ 1,209,025 | $ 792,209 |
| Adjustments to reconcile income (loss) to net cash provided by operating activities: | | | | |
| Depreciation and amortization expense | 3,540,878 | - | 6,826 | 3,547,704 |
| (Increase) decrease in accounts receivable | 50,248 | (512,645) | - | (462,397) |
| (Increase) decrease in prepaid items | - | 56,021 | - | 56,021 |
| Increase (decrease) in accounts payable | (295,711) | 530,858 | 134,651 | 369,798 |
| Increase (decrease) in retainage payable | - | - | 16,765 | 16,765 |
| Increase (decrease) in accrued liabilities | - | 8,540 | - | 8,540 |
| Increase (decrease) in incurred but not reported claims | - | (5,027) | - | (5,027) |
| Total adjustments | 3,295,415 | 77,747 | 158,242 | 3,531,404 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | $ 2,247,441 | $ 708,905 | $ 1,367,267 | $ 4,323,613 |

## DISCRETELY PRESENTED COMPONENT UNITS

The City has two legally separate organizations 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.

ALLEN ECONOMIC DEVELOPMENT CORPORATION (AEDC) – The AEDC was formed in 1992 and is responsible for aiding, promoting, and furthering economic development within Allen.

ALLEN COMMUNITY DEVELOPMENT CORPORATION (ACDC) – This ACDC was formed in 1996 and receives funds from the Type 4B half-cent sales tax for community development projects. The ACDC 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 - Discretely Presented Component Units
## September 30, 2025

| | Allen Economic Development Corporation | Allen Community Development Corporation | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | $ 10,681,757 | $ 8,206,353 | $ 18,888,110 |
| Investments | 4,240,266 | 2,398,545 | 6,638,811 |
| Receivables, net of allowances for uncollectibles | | | |
| Sales taxes | 2,750,522 | 2,750,522 | 5,501,044 |
| Accounts receivable | 10,009 | - | 10,009 |
| Accrued interest | 27,053 | 15,303 | 42,356 |
| Prepaid items | 5,000 | 65,000 | 70,000 |
| TOTAL ASSETS | $ 17,714,607 | $ 13,435,723 | $ 31,150,330 |
| LIABILITIES | | | |
| Accounts payable | 350,247 | 604,748 | 954,995 |
| Accrued liabilities | 41,804 | 8,169 | 49,973 |
| Retainage payable | - | 213,621 | 213,621 |
| TOTAL LIABILITIES | 392,051 | 826,538 | 1,218,589 |
| FUND BALANCES | | | |
| Nonspendable | | | |
| Prepaid items | 5,000 | 65,000 | 70,000 |
| Restricted | | | |
| Debt service | 2,277,604 | 2,411,518 | 4,689,122 |
| Unassigned | 15,039,952 | 10,132,667 | 25,172,619 |
| TOTAL FUND BALANCES | 17,322,556 | 12,609,185 | 29,931,741 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 17,714,607 | $ 13,435,723 | $ 31,150,330 |

# City of Allen, Texas

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

## Discretely Presented Component Units

## September 30, 2025

| | Allen Economic Development Corporation | Allen Community Development Corporation |
|---|---|---|
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Total fund balances - governmental funds | $ 17,322,556 | $ 12,609,185 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. | | |
| Total capital assets | 41,164,530 | 100,081,576 |
| Accumulated depreciation | (326,330) | (45,652,134) |
| Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds: | | |
| Sales tax revenue bonds payable | (5,670,000) | (15,040,000) |
| Accrued interest payable on long-term debt | (15,142) | (34,543) |
| Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Premiums on general obligation bonds | (145,792) | - |
| Net position of governmental activities | $ 52,329,822 | $ 51,964,084 |

# City of Allen, Texas

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Discretely Presented Component Units

## For the Year Ended September 30, 2025

| | Allen Economic Development Corporation | Allen Community Development Corporation | Total |
|---|---|---|---|
| REVENUES | | | |
| Taxes | | | |
| Sales taxes | $ 15,936,483 | $ 15,936,483 | $ 31,872,966 |
| Intergovernmental | 20,000,000 | - | 20,000,000 |
| Investment earnings | 704,702 | 770,272 | 1,474,974 |
| Miscellaneous | 4,461,338 | - | 4,461,338 |
| TOTAL REVENUES | 41,102,523 | 16,706,755 | 57,809,278 |
| EXPENDITURES | | | |
| Current | | | |
| Economic development | 8,791,742 | 20,000,000 | 28,791,742 |
| Community development | - | 4,844,149 | 4,844,149 |
| Culture and recreation | - | 3,885,444 | 3,885,444 |
| Public works | - | 75,000 | 75,000 |
| Capital outlay | 50,673,601 | 3,041,521 | 53,715,122 |
| Debt Service | | | |
| Principal retirement | 1,580,000 | 1,935,000 | 3,515,000 |
| Interest and fiscal charges | 257,400 | 478,499 | 735,899 |
| TOTAL EXPENDITURES | 61,302,743 | 34,259,613 | 95,562,356 |
| Excess (deficiency) of revenues over (under) expenditures | (20,200,220) | (17,552,858) | (37,753,078) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of capital assets | 17,599,486 | - | 17,599,486 |
| TOTAL OTHER FINANCING SOURCES (USES) | 17,599,486 | - | 17,599,486 |
| NET CHANGE IN FUND BALANCES | (2,600,734) | (17,552,858) | (20,153,592) |
| FUND BALANCES - 9/30/2024 | 19,923,290 | 30,162,043 | 50,085,333 |
| FUND BALANCES - 9/30/2025 | $ 17,322,556 | $ 12,609,185 | $ 29,931,741 |

# City of Allen, Texas

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

## Discretely Presented Component Units

## Year Ended September 30, 2025

| | Allen Economic Development Corporation | Allen Community Development Corporation |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balance - total governmental funds | $ (2,600,734) | $ (17,552,858) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. | 7,605,816 | 251,931 |
| The net effect of various miscellaneous transactions involving capitals assets (i.e. sales, trade-ins, and donations) increases (decreases) net position. | | |
| Gain (loss) on sale of assets | (9,314,602) | - |
| Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Bond and lease principal paid | 1,580,000 | 1,935,000 |
| Amortization of bond premiums | 72,895 | - |
| Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported in the governmental funds. | | |
| Accrued interest on long-term debt | 5,194 | 3,647 |
| Change in net position of governmental activities | $ (2,651,431) | $ (15,362,280) |


CITY OF ALLEN

# Statistical Section
# (Unaudited)


CITY OF ALLEN

# STATISTICAL SECTION

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


| Contents | Table #s |
|---|---|
| **Financial Trends**<br>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 1, 2, 3 & 4 |
| **Revenue Capacity**<br>These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes. | 5, 6, 7 & 8 |
| **Debt Capacity**<br>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. | 9, 10, 11 & 12 |
| **Economic and Demographic Information**<br>These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place. | 13 & 14 |
| **Operating Information**<br>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. | 15, 16 & 17 |


**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 (Accrual Basis of Accounting) (Unaudited)

## Last Ten Fiscal Years

| Fiscal year ended September 30, | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Governmental activities | | | | |
| Net investment in capital assets | $ 456,007,649 | $ 404,047,053 | $ 389,804,091 | $ 392,949,598 |
| Restricted | 25,672,903 | 26,737,949 | 22,260,823 | 16,101,110 |
| Unrestricted | 82,863,013 | 70,719,947 | 76,104,550 | 76,814,254 |
| Total governmental net position | $ 564,543,565 | $ 501,504,949 | $ 488,169,464 | $ 485,864,962 |
| Business-type activities | | | | |
| Net investment in capital assets | $ 128,406,360 | $ 125,811,570 | $ 122,533,611 | $ 108,374,156 |
| Restricted | 2,501,833 | 2,336,548 | 2,634,465 | 1,230,726 |
| Unrestricted | 90,693,798 | 87,631,740 | 65,836,910 | 70,596,998 |
| Total business-type net position | $ 221,601,991 | $ 215,779,858 | $ 191,004,986 | $ 180,201,880 |
| Primary government | | | | |
| Net investment in capital assets | $ 584,414,009 | $ 529,858,623 | $ 512,337,702 | $ 501,323,754 |
| Restricted | 28,174,736 | 29,074,497 | 24,895,288 | 17,331,836 |
| Unrestricted | 173,556,811 | 158,351,687 | 141,941,460 | 147,411,252 |
| Total primary government net position | $ 786,145,556 | $ 717,284,807 | $ 679,174,450 | $ 666,066,842 |

**Source:** City of Allen Annual Comprehensive Financial Reports

Table 1

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $ 388,795,081 | $ 392,368,425 | $ 391,261,029 | $ 379,153,944 | $ 366,322,218 | $ 364,667,251 |
| 14,807,800 | 13,891,413 | 44,872,796 | 39,588,223 | 38,303,226 | 32,485,173 |
| 72,520,903 | 57,821,649 | 20,238,419 | 15,312,432 | 15,902,576 | 14,435,604 |
| $ 476,123,784 | $ 464,081,487 | $ 456,372,244 | $ 434,054,599 | $ 420,528,020 | $ 411,588,028 |
| | | | | | |
| $ 113,396,556 | $ 113,355,391 | $ 113,459,625 | $ 103,762,241 | $ 107,926,811 | $ 106,174,191 |
| 764,763 | 513,520 | 571,053 | 46,350 | 195,485 | 216,664 |
| 56,890,299 | 50,803,699 | 40,240,619 | 43,785,615 | 31,920,455 | 33,592,809 |
| $ 171,051,618 | $ 164,672,610 | $ 154,271,297 | $ 147,594,206 | $ 140,042,751 | $ 139,983,664 |
| | | | | | |
| $ 502,191,637 | $ 505,723,816 | $ 504,720,654 | $ 482,916,185 | $ 474,249,029 | $ 470,841,442 |
| 15,572,563 | 14,404,933 | 45,443,849 | 39,634,573 | 38,498,711 | 32,701,837 |
| 129,411,202 | 108,625,348 | 60,479,038 | 59,098,047 | 47,823,031 | 48,028,413 |
| $ 647,175,402 | $ 628,754,097 | $ 610,643,541 | $ 581,648,805 | $ 560,570,771 | $ 551,571,692 |

# City of Allen, Texas

## Changes in Net Position (Accrual Basis of Accounting) (Unaudited)

## Last Ten Fiscal Years

| Fiscal year ended September 30, | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | $ 35,270,238 | $ 36,583,521 | $ 29,565,683 | $ 26,469,412 |
| Public safety | 73,885,692 | 67,135,182 | 57,988,034 | 63,891,672 |
| Public works | 28,256,296 | 29,858,727 | 27,241,203 | 9,148,396 |
| Culture and recreation | 33,752,858 | 31,337,978 | 29,952,582 | 36,053,830 |
| Community development | 6,672,806 | 6,470,480 | 6,731,357 | 5,587,202 |
| Interest on long-term debt | 6,966,930 | 4,022,874 | 4,966,234 | 2,312,561 |
| Total governmental activities expenses | 184,804,820 | 175,408,762 | 156,445,093 | 143,463,073 |
| Business-type activities: | | | | |
| Water and sewer | 58,329,250 | 57,160,608 | 54,520,345 | 46,917,817 |
| Solid waste | 8,003,251 | 7,725,311 | 7,563,726 | 7,088,901 |
| Drainage | 1,964,894 | 1,808,497 | 1,588,923 | 1,349,306 |
| Golf Course | 4,351,713 | 4,579,932 | 4,267,842 | 3,800,645 |
| Allen event center | 11,241,568 | 10,127,154 | 9,442,654 | - |
| Total business-type activities expenses | 83,890,676 | 81,401,502 | 77,383,490 | 59,156,669 |
| Total primary government expenses | $ 268,695,496 | $ 256,810,264 | $ 233,828,583 | $ 202,619,742 |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for Services: | | | | |
| General government | $ 6,178,834 | $ 2,502,305 | $ 43,068 | $ 570,560 |
| Public safety | 3,189,697 | 2,811,849 | 3,198,388 | 2,221,519 |
| Public works | 3,470,821 | 1,903,232 | 247,203 | 484,796 |
| Culture and recreation | 8,568,812 | 7,116,231 | 2,949,789 | 7,154,042 |
| Community development | 3,586,453 | 3,566,062 | 3,671,645 | 2,828,805 |
| Operating grants and contributions | 9,956,238 | 10,617,394 | 3,639,508 | 5,477,428 |
| Capital grants and contributions | 50,629,518 | 15,764,984 | 1,675,949 | 11,162,094 |
| Total governmental activities program revenue | 85,580,373 | 44,282,057 | 15,425,550 | 29,899,244 |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Water and sewer | 74,095,681 | 75,772,356 | 64,410,519 | 57,519,014 |
| Solid waste | 8,980,407 | 8,511,164 | 8,057,287 | 7,278,382 |
| Drainage | 2,387,112 | 2,417,885 | 2,333,571 | 1,984,067 |
| Golf Course | 5,407,762 | 6,685,903 | 4,666,829 | 4,502,056 |
| Allen event center | 7,748,885 | 7,997,824 | 6,849,467 | - |
| Operating grants and contributions | 717,436 | - | - | - |
| Capital grants and contributions | 5,809,167 | 7,014,220 | 4,267,362 | 4,072,343 |
| Total business-type activities program revenue | 105,146,450 | 108,399,352 | 90,585,035 | 75,355,862 |
| Total primary government program revenues | $ 190,726,823 | $ 152,681,409 | $ 106,010,585 | $ 105,255,106 |
| Net (Expenses) Revenue | | | | |
| Governmental activities | $ (99,224,447) | $ (131,126,705) | $ (141,019,543) | $ (113,563,829) |
| Business-type activities | 21,255,774 | 26,997,850 | 13,201,545 | 16,199,193 |
| Total primary government net expenses | $ (77,968,673) | $ (104,128,855) | $ (127,817,998) | $ (97,364,636) |

Table 2

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $ 22,940,360 | $ 24,937,087 | $ 21,238,061 | $ 26,764,210 | $ 28,251,550 | $ 25,304,811 |
| 49,532,988 | 47,369,212 | 44,993,635 | 39,213,768 | 39,624,788 | 35,199,937 |
| 19,661,514 | 22,393,268 | 27,039,953 | 24,161,991 | 20,209,785 | 19,083,214 |
| 29,359,242 | 29,015,632 | 33,287,645 | 33,791,438 | 28,968,534 | 32,851,598 |
| 6,330,539 | 5,238,233 | 3,160,050 | 3,079,242 | 3,007,047 | 3,251,555 |
| 3,103,192 | 2,745,698 | 2,888,831 | 2,920,824 | 2,980,513 | 3,356,234 |
| 130,927,835 | 131,699,130 | 132,608,175 | 129,931,473 | 123,042,217 | 119,047,349 |
| 46,442,937 | 45,524,999 | 44,511,123 | 41,134,685 | 39,527,816 | 35,604,182 |
| 6,824,441 | 6,525,391 | 6,248,035 | 6,223,788 | 6,078,853 | 5,870,269 |
| 1,497,014 | 1,555,570 | 1,396,935 | 1,260,262 | 1,193,057 | 1,146,138 |
| 3,557,076 | 3,166,856 | 3,332,927 | 3,397,180 | 3,135,144 | 3,089,041 |
| - | - | - | - | - | - |
| 58,321,468 | 56,772,816 | 55,489,020 | 52,015,915 | 49,934,870 | 45,709,630 |
| $ 189,249,303 | $ 188,471,946 | $ 188,097,195 | $ 181,947,388 | $ 172,977,087 | $ 164,756,979 |
| $ 598,846 | $ 509,691 | $ 500,122 | $ 525,542 | $ 497,243 | $ 467,786 |
| 2,063,311 | 2,189,114 | 1,954,810 | 2,171,332 | 2,712,076 | 1,801,984 |
| 587,112 | 725,209 | 1,485,962 | 1,333,506 | 293,559 | 210,687 |
| 4,649,476 | 3,793,429 | 9,744,309 | 9,803,084 | 8,747,206 | 10,289,465 |
| 4,024,897 | 2,530,977 | 4,798,471 | 4,025,326 | 4,266,140 | 3,216,799 |
| 4,874,743 | 3,427,631 | 2,056,001 | 2,423,768 | 2,443,054 | 1,557,260 |
| 8,535,198 | 10,639,664 | 19,888,044 | 18,942,856 | 15,327,094 | 16,039,869 |
| 25,333,583 | 23,815,715 | 40,427,719 | 39,225,414 | 34,286,372 | 33,583,850 |
| 49,099,338 | 49,461,636 | 43,103,920 | 42,453,681 | 37,163,882 | 36,335,868 |
| 7,039,328 | 7,116,831 | 7,006,423 | 6,933,356 | 6,735,559 | 6,687,182 |
| 1,826,950 | 2,162,770 | 1,763,694 | 1,907,407 | 1,648,681 | 1,519,405 |
| 4,196,161 | 3,199,136 | 3,138,144 | 2,810,424 | 2,959,361 | 2,705,799 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 5,695,888 | 8,332,962 | 10,175,397 | 9,734,528 | 5,622,911 | 6,172,301 |
| 67,857,665 | 70,273,335 | 65,187,578 | 63,839,396 | 54,130,394 | 53,420,555 |
| $ 93,191,248 | $ 94,089,050 | $ 105,615,297 | $ 103,064,810 | $ 88,416,766 | $ 87,004,405 |
| $ (105,594,252) | $ (107,883,415) | $ (92,180,456) | $ (90,706,059) | $ (88,755,845) | $ (85,463,499) |
| 9,536,197 | 13,500,519 | 9,698,558 | 11,823,481 | 4,195,524 | 7,710,925 |
| $ (96,058,055) | $ (94,382,896) | $ (82,481,898) | $ (78,882,578) | $ (84,560,321) | $ (77,752,574) |

# City of Allen, Texas

## Changes in Net Position (Accrual Basis of Accounting) (Unaudited)

## Last Ten Fiscal Years (continued)

| Fiscal year ended September 30, | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| General Revenues | | | | |
| and Other Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property taxes | $ 89,170,582 | $ 83,821,874 | $ 76,465,116 | $ 74,289,475 |
| Sales taxes | 32,389,161 | 31,547,688 | 29,480,960 | 27,609,918 |
| Franchise taxes | 8,134,411 | 7,735,536 | 7,573,389 | 7,481,353 |
| Hotel / Motel taxes | 2,696,118 | 2,481,874 | 2,382,951 | 2,074,533 |
| Other taxes | - | - | 1,406,052 | 1,425,226 |
| Investment earnings | 12,197,343 | 11,035,616 | 8,614,384 | (4,921,824) |
| Gain on disposition of capital assets | 208,205 | - | - | 291,333 |
| Miscellaneous | 272,902 | 162,288 | 11,688,618 | 8,689,016 |
| Transfers | 20,130,772 | 7,677,314 | 5,712,575 | 6,365,977 |
| Total governmental activities | 165,199,494 | 144,462,190 | 143,324,045 | 123,305,007 |
| Business-type activities: | | | | |
| Investment earnings | 2,302,787 | 2,853,701 | 2,238,213 | (1,830,191) |
| Gain on disposition of capital assets | 93,967 | 9,650 | - | - |
| Miscellaneous | 2,078,693 | 2,590,985 | 1,075,923 | 1,147,237 |
| Transfers | (20,130,772) | (7,677,314) | (5,712,575) | (6,365,977) |
| Total business-type activities | (15,655,325) | (2,222,978) | (2,398,439) | (7,048,931) |
| Total primary government | $ 149,544,169 | $ 142,239,212 | $ 140,925,606 | $ 116,256,076 |
| Change in Net Position | | | | |
| Governmental activities | $ 65,975,047 | $ 13,335,485 | $ 2,304,502 | $ 9,741,178 |
| Business-type activities | 5,600,449 | 24,774,872 | 10,803,106 | 9,150,262 |
| Total primary government | $ 71,575,496 | $ 38,110,357 | $ 13,107,608 | $ 18,891,440 |

**Source:** City of Allen Annual Comprehensive Financial Reports

Table 2
*(continued)*

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $ 71,946,802 | $ 70,917,335 | $ 68,865,078 | $ 63,929,379 | $ 58,816,876 | $ 54,102,952 |
| 25,599,945 | 21,686,335 | 21,648,401 | 20,717,505 | 19,450,088 | 19,274,983 |
| 6,821,738 | 7,454,713 | 7,810,093 | 7,990,092 | 7,553,013 | 7,295,931 |
| 1,337,147 | 1,156,398 | 1,759,159 | 1,487,066 | 1,547,244 | 1,607,263 |
| 1,171,378 | 1,195,296 | 2,204,220 | 1,704,227 | 1,912,559 | 1,621,012 |
| 1,118,970 | 4,246,550 | 4,048,112 | 944,196 | 837,577 | 735,832 |
| 322,084 | 144,347 | - | 446,117 | 263,627 | - |
| 5,311,149 | 4,188,530 | 3,460,124 | 3,592,229 | 2,703,964 | 3,794,277 |
| 4,007,336 | 4,603,154 | 4,702,914 | 4,398,244 | 4,610,889 | 4,790,072 |
| 117,636,549 | 115,592,658 | 114,498,101 | 105,209,055 | 97,695,837 | 93,222,322 |
| 398,387 | 1,140,957 | 1,284,728 | 210,045 | 199,508 | 197,125 |
| 7,585 | 9,713 | - | 13,228 | - | 15,503 |
| 444,175 | 353,278 | 396,719 | 21,030 | 274,944 | - |
| (4,007,336) | (4,603,154) | (4,702,914) | (4,398,244) | (4,610,889) | (4,790,072) |
| (3,157,189) | (3,099,206) | (3,021,467) | (4,153,941) | (4,136,437) | (4,577,444) |
| $ 114,479,360 | $ 112,493,452 | $ 111,476,634 | $ 101,055,114 | $ 93,559,400 | $ 88,644,878 |
| $ 12,042,297 | $ 7,709,243 | $ 22,317,645 | $ 14,502,996 | $ 8,939,992 | $ 7,758,823 |
| 6,379,008 | 10,401,313 | 6,677,091 | 7,669,540 | 59,087 | 3,133,481 |
| $ 18,421,305 | $ 18,110,556 | $ 28,994,736 | $ 22,172,536 | $ 8,999,079 | $ 10,892,304 |

# City of Allen, Texas

## Fund Balances of Governmental Funds (Modified Accrual Basis of Accounting) (Unaudited)

## Last Ten Fiscal Years

| Fiscal year ended September 30, | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| General Fund | | | | |
| Nonspendable | $ 63,381 | $ 36,946 | $ 141,304 | $ 28,677 |
| Restricted | 319,736 | 71,089 | 67,335 | 64,234 |
| Assigned | - | - | 922,899 | 71,742 |
| Unassigned | 37,952,039 | 34,260,644 | 31,416,575 | 28,615,271 |
| Total General Fund | $ 38,335,156 | $ 34,368,679 | $ 32,548,113 | $ 28,779,924 |
| All Other Governmental Funds | | | | |
| Nonspendable | $ - | $ - | $ - | $ 751 |
| Restricted | 129,059,772 | 139,157,722 | 62,722,524 | 66,742,207 |
| Assigned | 32,246,956 | 28,420,359 | 29,805,326 | 35,208,805 |
| Unassigned (deficit) | - | - | - | - |
| Total all other governmental funds | $ 161,306,728 | $ 167,578,081 | $ 92,527,850 | $ 101,951,763 |

**Source:** City of Allen Annual Comprehensive Financial Reports

Table 3

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $ 145,700 | $ 8,777 | $ 209,323 | $ 25,747 | $ 126,833 | $ 2,129 |
| 63,627 | 63,185 | 61,304 | 59,386 | 58,910 | 907,908 |
| - | - | - | - | 2,000,000 | - |
| 27,554,966 | 26,826,184 | 25,744,069 | 23,626,108 | 19,684,053 | 20,911,943 |
| $ 27,764,293 | $ 26,898,146 | $ 26,014,696 | $ 23,711,241 | $ 21,869,796 | $ 21,821,980 |
| | | | | | |
| $ 751 | $ 751 | $ 751 | $ - | $ - | $ - |
| 72,968,241 | 46,411,439 | 31,444,917 | 27,922,044 | 57,540,668 | 46,610,702 |
| 42,842,631 | 34,703,219 | 32,023,933 | 28,349,191 | - | - |
| - | - | - | (4,428) | - | - |
| $ 115,811,623 | $ 81,115,409 | $ 63,469,601 | $ 56,266,807 | $ 57,540,668 | $ 46,610,702 |

# City of Allen, Texas

## Changes in Fund Balances - Governmental Funds (Modified Accrual Basis of Accounting) (Unaudited)

### Last Ten Fiscal Years

| Fiscal year ended September 30, | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem taxes | $ 89,284,690 | $ 83,698,828 | $ 76,460,066 | $ 74,300,459 |
| Sales taxes | 32,389,161 | 31,547,688 | 29,480,960 | 27,609,918 |
| Franchise and right-of-way fees | 8,134,411 | 7,735,536 | 7,573,389 | 7,481,353 |
| Hotel occupancy taxes | 2,696,118 | 2,481,874 | 3,765,001 | 2,074,533 |
| Licenses, permits and fees | 4,863,776 | 5,321,484 | 6,112,789 | 3,101,820 |
| Charges for services | 13,869,481 | 10,565,137 | 1,406,052 | 10,959,753 |
| Fines and forfeitures | 3,518,439 | 2,026,432 | 2,565,742 | 1,425,226 |
| Intergovernmental | 6,730,301 | 7,775,885 | 2,382,951 | 7,511,497 |
| Investment earnings | 12,197,343 | 11,035,616 | 9,319,418 | (3,634,356) |
| Gifts and contributions | 2,981,746 | 2,774,347 | 7,182,239 | 2,917,033 |
| Miscellaneous | 275,270 | 181,564 | 3,233,944 | 3,148,527 |
| TOTAL REVENUES | 176,940,736 | 165,144,391 | 149,482,551 | 136,895,763 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 34,227,114 | 34,670,192 | 29,073,166 | 26,252,997 |
| Public safety | 68,629,417 | 63,867,326 | 56,237,944 | 51,607,583 |
| Public works | 12,078,854 | 13,377,457 | 16,403,207 | 14,556,933 |
| Culture and recreation | 29,535,005 | 27,768,449 | 23,433,197 | 30,551,147 |
| Community development | 6,529,854 | 6,377,800 | 4,137,402 | 3,807,968 |
| Capital outlay | 33,711,141 | 20,045,550 | 30,316,623 | 36,748,922 |
| Debt Service | | | | |
| Principal retirement | 13,368,584 | 14,301,255 | 11,641,269 | 12,507,068 |
| Interest and fiscal charges | 8,346,260 | 5,223,063 | 5,199,805 | 4,412,050 |
| Issuance costs | 397,167 | 769,213 | - | - |
| TOTAL EXPENDITURES | 206,823,396 | 186,400,305 | 176,442,613 | 180,444,668 |
| Excess (deficiency) of revenues over (under) expenditures | (29,882,660) | (21,255,914) | (26,960,062) | (43,548,905) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 17,781,169 | 10,131,657 | 12,746,544 | 9,865,902 |
| Transfers out | (6,831,023) | (2,454,343) | (7,033,969) | (5,314,683) |
| Issuance of bonds | 14,240,000 | 80,500,000 | 14,525,000 | 23,000,000 |
| Issuance of refunding bonds | 3,055,000 | 3,955,000 | - | - |
| Premium on bonds issued | 1,102,696 | 9,741,523 | 771,340 | 2,777,611 |
| Financing arrangements | - | - | - | - |
| Leases | 922,770 | 635,852 | 280,177 | 318,698 |
| Payment to escrow agent | (3,156,970) | (4,430,156) | - | - |
| Insurance recoveries | 421,894 | 37,898 | - | - |
| Proceeds from sale of capital assets | 42,248 | 9,280 | 15,246 | 57,148 |
| TOTAL OTHER FINANCING SOURCES (USES) | 27,577,784 | 98,126,711 | 21,304,338 | 30,704,676 |
| NET CHANGE IN FUND BALANCES | $ (2,304,876) | $ 76,870,797 | $ (5,655,724) | $ (12,844,229) |
| Debt service as a percentage of noncapital expenditures | 14.64% | 13.8% | 11.5% | 11.8% |

**Source:** City of Allen Annual Comprehensive Financial Reports

Table 4

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $ 71,825,685 | $ 71,018,733 | $ 68,884,826 | $ 63,775,055 | $ 58,875,936 | $ 54,104,132 |
| 25,599,945 | 21,686,335 | 21,648,401 | 20,717,504 | 19,450,088 | 19,274,983 |
| 6,821,738 | 7,454,713 | 7,810,093 | 7,990,092 | 7,553,013 | 7,295,931 |
| 1,337,147 | 1,156,398 | 1,758,858 | 1,487,066 | 1,547,244 | 1,607,263 |
| 4,509,535 | 3,341,367 | 5,279,425 | 4,494,361 | 4,450,639 | 3,064,580 |
| 8,061,820 | 6,845,248 | 13,586,474 | 13,442,785 | 11,664,328 | 13,002,770 |
| 1,171,378 | 1,195,296 | 2,214,571 | 1,710,354 | 1,851,735 | 1,579,628 |
| 9,506,946 | 4,210,605 | 1,258,398 | 3,555,241 | 1,927,567 | 2,645,089 |
| 877,724 | 3,648,787 | 3,280,340 | 851,954 | 643,928 | 627,760 |
| 1,296,178 | 821,914 | 1,585,613 | 852,322 | 712,437 | 832,211 |
| 4,725,411 | 3,896,892 | 3,106,994 | 3,276,677 | 3,428,366 | 3,711,870 |
| 135,733,507 | 125,276,288 | 130,413,993 | 122,153,411 | 112,105,281 | 107,746,217 |
| 22,222,641 | 23,770,757 | 19,902,542 | 26,141,256 | 27,182,391 | 24,101,637 |
| 49,928,774 | 45,372,064 | 43,283,984 | 38,524,578 | 37,294,550 | 32,966,265 |
| 11,430,042 | 10,342,827 | 11,194,393 | 8,899,247 | 5,428,996 | 4,865,431 |
| 25,883,652 | 24,910,955 | 30,044,660 | 29,714,212 | 23,745,884 | 24,287,382 |
| 3,590,155 | 3,254,786 | 3,161,679 | 3,076,260 | 2,951,864 | 2,833,011 |
| 8,483,652 | 9,458,085 | 11,921,047 | 13,114,988 | 7,053,863 | 15,408,293 |
| 11,049,141 | 11,094,986 | 11,382,162 | 11,181,377 | 10,445,000 | 9,135,000 |
| 3,737,148 | 3,414,094 | 3,407,768 | 3,461,414 | 3,378,943 | 3,801,812 |
| - | - | - | - | - | - |
| 136,325,205 | 131,618,554 | 134,298,235 | 134,113,332 | 117,481,491 | 117,398,831 |
| (591,698) | (6,342,266) | (3,884,242) | (11,959,921) | (5,376,210) | (9,652,614) |
| 10,180,045 | 7,388,801 | 11,412,228 | 9,682,182 | 9,805,859 | 9,137,082 |
| (7,481,221) | (4,554,357) | (8,554,069) | (6,639,012) | (6,295,989) | (6,384,490) |
| 27,200,000 | 18,830,000 | 894,793 | 8,355,000 | 11,845,000 | 1,940,000 |
| 6,340,000 | 7,730,000 | 1,660,000 | | - | 6,910,000 |
| 6,881,772 | 4,034,604 | 9,570,000 | 978,386 | 955,225 | 1,039,610 |
| 100,674 | - | (1,675,000) | 75,622 | - | 1,700,000 |
| - | - | - | - | - | - |
| (7,105,226) | (8,595,000) | 33,908 | - | - | (7,789,058) |
| - | - | - | - | - | - |
| 38,015 | 37,476 | 38,631 | 85,327 | 43,897 | 24,148 |
| 36,154,059 | 24,871,524 | 13,380,491 | 12,537,505 | 16,353,992 | 6,577,292 |
| $ 35,562,361 | $ 18,529,258 | $ 9,496,249 | $ 577,584 | $ 10,977,782 | $ (3,075,322) |
| 11.6% | 11.9% | 12.1% | 12.1% | 12.5% | 12.7% |

**City of Allen, Texas** **Table 5**

Assessed Value And Estimated Actual Value Of Taxable Property
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year Ended September 30, | Estimated Market Value | | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate |
|---|---|---|---|---|---|
| | Real Property | Personal Property | | | |
| 2016 | $ 10,892,510,607 | $ 949,453,680 | $ 1,665,547,504 | $ 10,176,416,783 | 0.5300 |
| 2017 | 12,247,829,044 | 1,019,719,862 | 1,799,062,766 | 11,468,486,140 | 0.5200 |
| 2018 | 13,546,087,428 | 1,031,270,509 | 1,878,212,643 | 12,699,145,294 | 0.5100 |
| 2019 | 14,696,634,742 | 1,158,167,450 | 1,903,666,393 | 13,951,135,799 | 0.4980 |
| 2020 | 15,295,656,455 | 1,233,701,862 | 2,005,309,071 | 14,524,049,246 | 0.4890 |
| 2021 | 15,713,691,463 | 1,149,504,775 | 1,960,955,511 | 14,902,240,727 | 0.4850 |
| 2022 | 16,684,318,807 | 1,139,418,829 | 2,036,419,680 | 15,787,317,956 | 0.4700 |
| 2023 | 20,765,442,449 | 1,194,141,922 | 3,725,617,131 | 18,233,967,240 | 0.4212 |
| 2024 | 24,170,521,989 | 1,206,106,723 | 5,453,793,721 | 19,922,834,991 | 0.4205 |
| 2025 | 25,058,492,631 | 1,239,779,838 | 4,792,313,106 | 21,505,959,363 | 0.4175 |

**Source:** Collin Central Appraisal District

**City of Allen, Texas** **Table 6**

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

| | 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 | Lovejoy Independent School District | Collin County | Collin College District |
| 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 |
| 2024 | 0.32315 | 0.09735 | 0.42050 | 1.14120 | 1.21690 | 1.12750 | 1.44290 | 0.14934 | 0.08122 |
| 2025 | 0.32053 | 0.09697 | 0.41750 | 1.12580 | 1.04245 | 1.12520 | 1.25520 | 0.14934 | 0.08122 |

**Source:** Collin Central Appraisal District

**City of Allen, Texas** **Table 7**

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

| 2025 | | | 2016 | | |
|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value[a] | Taxpayer | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value[b] |
| VAA Improvements LLC | $ 174,884,500 | 0.81% | AT&T Mobility LLC | $ 146,950,999 | 1.44% |
| Allen Premium Outlets LP | 156,730,733 | 0.73% | The Village At Allen LP | 144,273,092 | 1.42% |
| S2 Twin Creek I LP | 120,965,924 | 0.56% | Watters Creek Owner LLC | 107,324,512 | 1.05% |
| Charter DW Watters Creek Village | 120,726,825 | 0.56% | AT&T Services Inc | 91,038,581 | 0.89% |
| C1 Dallas - Allen (lot 1) LLC | 115,366,254 | 0.54% | Cisco Systems Inc | 90,654,841 | 0.89% |
| Cisco Systems Inc | 99,500,000 | 0.46% | Chelsea Allen Development LP | 81,356,697 | 0.80% |
| Creekside Acquisition LP | 91,584,851 | 0.43% | BH Benton Pointe Apartments LLC | 41,354,800 | 0.41% |
| 1175 Montgomery (TX) Owner LP | 83,264,960 | 0.39% | Creekside Acquisition LP | 41,087,335 | 0.40% |
| CL Allen TX LLC & ETAL | 82,974,980 | 0.39% | EMC Corp | 40,006,030 | 0.39% |
| Benton Pointe LP | 79,864,052 | 0.37% | BH Settler's Gate Apartments LP | 39,697,861 | 0.39% |
| Allen Waterscape LLC | 77,762,044 | 0.36% | Oncor Electric Delivery Company | 37,480,205 | 0.37% |
| Total | $ 1,203,625,123 | 5.60% | Total | $ 861,224,953 | 8.47% |
| Total Assessed Valuation | $ 21,505,959,363 | 100.00% | Total Assessed Valuation | $ 10,176,416,783 | 100.00% |

**Source:** Collin Central Appraisal District

**Notes:** [a]Taxpayers are assessed on January 1, 2024 (2024 tax year) for the 2025 fiscal year.

[b]Taxpayers are assessed on January 1, 2015 (2015 tax year) for the 2016 fiscal year.

**City of Allen, Texas** **Table 8**

Ad Valorem Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

| | | Collected within the Fiscal Year of | | | Total Collections to Date | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended September 30, | Total Tax Levy for Fiscal Year | Amount | Percentage of Levy | Collections in Subsequent Years | Amount | Percentage of Levy |
| 2016 | $ 54,342,759 | $ 53,821,573 | 99.04 % | $ 493,417 | $ 54,314,990 | 99.95 % |
| 2017 | 58,617,868 | 58,282,589 | 99.43 % | 304,101 | 58,586,690 | 99.95 % |
| 2018 | 63,184,129 | 62,950,713 | 99.63 % | 197,409 | 63,148,122 | 99.94 % |
| 2019 | 67,684,728 | 67,511,154 | 99.74 % | 135,677 | 67,646,831 | 99.94 % |
| 2020 | 70,617,878 | 70,545,644 | 99.90 % | (11,833) | 70,533,811 | 99.88 % |
| 2021 | 71,909,214 | 71,715,864 | 99.73 % | 126,722 | 71,842,586 | 99.91 % |
| 2022 | 73,930,484 | 73,746,318 | 99.75 % | 110,981 | 73,857,300 | 99.90 % |
| 2023 | 76,291,666 | 76,102,449 | 99.75 % | 102,167 | 76,204,616 | 99.89 % |
| 2024 | 83,005,456 | 82,693,194 | 99.62 % | 205,397 | 82,898,591 | 99.87 % |
| 2025 | 89,061,752 | 88,863,597 | 99.78 % | - | 88,863,597 | 99.78 % |

**Source:** Collin County Tax Assessor

**City of Allen, Texas** **Table 9**

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

| | Governmental Activities | | | | Business-Type Activities | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year Ended September 30, | General Obligation Bonds | Certificates of Obligation | Tax Notes | Leases and Financing Arrangements | Water and Sewer Revenue Bonds | Leases and Financing Arrangements | Total Primary Government | Percentage of Personal Income[a] | Per Capita[a] |
| 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 |
| 2024 | 188,974,535 | 19,550,000 | 2,179,190 | 794,372 | 27,070,723 | 694,748 | 239,263,568 | 3.83% | 2,101 |
| 2025 | 190,946,630 | 18,300,000 | 1,099,595 | 1,098,558 | 25,455,007 | 696,188 | 237,595,978 | 3.80% | 2,087 |

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[a]See Table 13 for personal income and population data.

**City of Allen, Texas** **Table 10**

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

| Fiscal Year Ended September 30, | General Bonded Debt Outstanding | | | | Percentage of Actual Taxable Value of Property[a] | Per Capita[b] |
|---|---|---|---|---|---|---|
| | General Obligation Bonds | Certificates of Obligation | Tax Notes | Total | | |
| 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 |
| 2024 | 188,974,535 | 19,550,000 | 2,179,190 | 210,703,725 | 1.06% | 1,851 |
| 2025 | 190,946,630 | 18,300,000 | 1,099,595 | 210,346,225 | 0.98% | 1,847 |

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

[a]See Table 5 for property value data.

[b]See Table 13 for population data.

**City of Allen, Texas** **Table 11**

Direct and Overlapping Governmental Activities Debt
as of September 30, 2025
(Unaudited)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (a) | Estimated Share of Direct and Overlapping Debt |
|---|---|---|---|
| **Debt repaid with property taxes:** | | | |
| Allen I.S.D. | $ 726,869,039 | 84.77% | $ 616,166,884 |
| Plano I.S.D. | 1,541,530,000 | 0.86% | 13,257,158 |
| McKinney I.S.D. | 391,598,030 | 0.17% | 665,717 |
| Lovejoy I.S.D. | 192,515,000 | 8.55% | 16,460,033 |
| Collin County | 961,111,047 | 8.43% | 81,021,661 |
| Collin College | 436,235,315 | 8.43% | 36,774,637 |
| Subtotal, overlapping debt | | | $ 764,346,090 |
| **City of Allen direct debt outstanding** | 211,444,783 | 100.00% | 211,444,783 |
| **Total Direct and Overlapping Debt** | | | $ 975,790,873 |
| Total Direct and Overlapping Debt as a % of Assessed Value | | | 4.54% |
| Total Direct and Overlapping Debt per capita | | | $ 8,570.47 |

**Source:** Taxable value data used to estimated 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").

**Notes:** (a) 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** **Table 12**

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year Ended September 30, | Water and Sewer System Revenue Bonds | | | | |
|---|---|---|---|---|---|
| | Total Revenues[a] | Less: Operating Expenses[b] | Net Available Revenue | Annual Requirement[c] | Times Coverage |
| 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 |
| 2024 | 73,554,725 | 56,282,647 | 17,272,078 | 2,615,308 | 6.60 |
| 2025 | 76,800,183 | 57,603,365 | 19,196,818 | 2,349,700 | 8.17 |

**Notes:** [a]As of 2009, Development fees are no longer included as part of the non-operating revenues and therefore are not included in the times coverage calculation.

[b]Includes operating expenses minus depreciation.

[c]Includes Principal and Interest.

**City of Allen, Texas** **Table 13**

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year Ended September 30, | Estimated Population[a] | Personal Income | Per Capita Personal Income[b] | School Enrollment[c] | Unemployment Rate[d] |
|---|---|---|---|---|---|
| 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 [e] | 4,814,454,051 | 44,493 | 21,283 | 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% |
| 2024 | 113,855 | 6,245,288,315 | 54,853 | 20,871 | 4.1% |
| 2025 | 114,647 | 6,418,626,942 | 55,986 | 20,912 | 3.9% |

**Sources:** [a]Estimated population provided by the City of Allen.
[b]Estimated Per Capita Income provided by U.S. Census Bureau based on current income
[c]Allen Independent School District.
[d]Texas Workforce Commission.
[e]The reduction in population from prior years is due to inaccurate estimates used between the 2010 and 2020 decennial censuses.

**City of Allen, Texas** **Table 14**

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

| 2025 | | | 2016 | | |
|---|---|---|---|---|---|
| Employer | Total Employees | Percentage of Total City Employment | Employer | Total Employees | Percentage of Total City Employment |
| Allen Independent School District | 2,586 | 6.57% | Allen Independent School District | 2,210 | 7.00% |
| City of Allen | 995 | 2.27% | Experian | 865 | 2.74% |
| Experian Information Solutions | 817 | 1.93% | Frontier Communications | 850 | 2.69% |
| Jack Henry & Associates | 694 | 1.37% | City of Allen | 775 | 2.46% |
| Credit Union of Texas | 580 | 1.08% | Texas Health Presbyterian Hospital | 670 | 2.12% |
| Andrew's Distributing | 437 | 0.95% | Jack Henry & Associates | 600 | 1.90% |
| Texas Health Presbyterian Hospital | 435 | 0.93% | CVE Technology Group, Inc | 600 | 1.90% |
| Motorola Solutions | 375 | 0.86% | PFSweb | 450 | 1.43% |
| Netscout | 323 | 0.81% | Andrew's Distributing | 400 | 1.27% |
| Amphenol Fiber Systems Intl | 257 | 0.79% | Monkey Sports | 203 | 0.64% |
| Total | 7,499 | 17.55% | Total | 7,623 | 24.16% |
| Total Allen Daytime Employees | 52,906 | | Total Allen Daytime Employees | 31,557 | |

**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)

| | Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Government and Administration | 70.50 | 72.50 | 75.50 | 77.00 | 80.48 |
| Public Safety | 299.00 | 299.00 | 305.00 | 316.00 | 319.00 |
| Public Works | 59.00 | 59.00 | 60.50 | 62.50 | 63.50 |
| Culture and Recreational | 221.31 | 221.31 | 226.32 | 228.32 | 227.82 |
| Water and Sewer | 70.00 | 74.00 | 76.50 | 79.00 | 80.00 |
| Golf Course | 33.64 | 33.64 | 33.64 | 33.64 | 32.14 |
| Risk Management | 4.00 | 4.00 | 4.00 | 3.50 | 3.50 |
| Community Development | 28.50 | 27.50 | 30.50 | 32.00 | 32.00 |
| Economic Development | 7.00 | 7.00 | 7.00 | 7.50 | 7.50 |
| Total | 792.95 | 797.95 | 818.96 | 839.46 | 845.94 |

Source: City of Allen's Annual Official Budgets

Table 15

| Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|
| 2021 | 2022 | 2023 | 2024 | 2025 |
| 82.48 | 84.73 | 87.23 | 89.23 | 94.73 |
| 320.00 | 326.00 | 337.00 | 346.00 | 354.00 |
| 63.50 | 62.50 | 63.00 | 64.00 | 70.00 |
| 223.32 | 223.32 | 282.80 | 283.80 | 283.80 |
| 80.00 | 83.00 | 85.50 | 90.50 | 92.50 |
| 32.14 | 32.14 | 32.14 | 32.14 | 32.14 |
| 4.50 | 4.50 | 5.00 | 5.00 | 5.00 |
| 34.00 | 35.00 | 37.00 | 39.00 | 39.00 |
| 7.50 | 7.50 | 7.50 | 7.50 | 7.50 |
| 847.44 | 858.69 | 937.17 | 957.17 | 978.67 |

City of Allen, Texas
Operating Indicators by Function & Program
Last Ten Fiscal Years
(Unaudited)

| Function/Program | Fiscal Year Ended September 30, 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| Public Safety | | | | |
| Police | | | | |
| Number of Employees | 185 | 185 | 189 | 199 |
| Number of Violations (Citations) | 13,645 | 18,778 | 17,025 | 21,060 |
| Fire | | | | |
| Number of Employees | 114 | 114 | 116 | 117 |
| Number of Fire/Other runs | 1,822 | 1,886 | 1,896 | 1,899 |
| Number of EMS runs | 4,162 | 4,210 | 4,667 | 4,898 |
| Public Works | | | | |
| Streets paved (miles) | 5 | 5 | 6 | 2 |
| Building Permits Issued[a] | 7,022 | 7,116 | 7,126 | 9,414 |
| Cultural and Recreational | | | | |
| Parks and Recreation | | | | |
| Park maintained & operated per acre | $ 4,092 | $ 4,668 | $ 4,675 | $ 3,679 |
| Participants in Leisure Service Programs | 638,367 | 911,064 | 955,441 | 1,002,717 |
| Library - Volumes in Collection[b] | 138,041 | 141,774 | 139,605 | 146,699 |
| Water and Sewer | | | | |
| Number of Water Consumers | 30,332 | 30,920 | 31,391 | 31,922 |
| Average Daily Water Consumption (gallons) | 14,472,000 | 15,107,156 | 15,926,000 | 15,454,057 |
| Maximum Storage Capacity (million of gallons) | 33.0 | 33.0 | 33.0 | 33.0 |
| Sanitation | | | | |
| Recyclables Collected (tons) | 10,108 | 10,578 | 10,723 | 10,073 |
| Solid Waste Collected (tons) | 62,009 | 63,712 | 66,333 | 65,242 |
| Golf | | | | |
| Rounds of Golf | 44,478 | 47,010 | 44,163 | 49,293 |

**Source:** City of Allen Departments

**Notes:** [a]Includes residential, commercial, and miscellaneous permits (e.g. for pools, fences, and roof repairs)

[b]Includes books and media

Table 16

| Fiscal Year Ended September 30, | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| | | | | | |
| 201 | 202 | 204 | 211 | 216 | 221 |
| 8,774 | 10,715 | 11,721 | 10,596 | 19,238 | 28,204 |
| | | | | | |
| 118 | 122 | 122 | 126 | 130 | 133 |
| 1,912 | 2,490 | 2,406 | 2,236 | 3,043 | 3,165 |
| 4,725 | 5,753 | 6,251 | 4,725 | 5,786 | 5,700 |
| | | | | | |
| 2 | 1 | 26 | 66 | 1 | 2 |
| 6,440 | 6,104 | 5,531 | 6,705 | 6,936 | 5,665 |
| | | | | | |
| $ 3,667 | $ 3,771 | $ 3,988 | $ 4,209 | $ 4,478 | $ 5,034 |
| 528,935 | 595,869 | 791,359 | 844,201 | 1,284,796 | 1,284,796 |
| 143,103 | 142,324 | 143,495 | 147,860 | 139,376 | 149,927 |
| | | | | | |
| 32,334 | 33,109 | 33,385 | 35,045 | 35,231 | 35,619 |
| 15,710,457 | 16,143,000 | 15,296,000 | 15,075,194 | 15,100,000 | 14,492,789 |
| 33.0 | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 |
| | | | | | |
| 10,343 | 9,838 | 10,340 | 12,211 | 9,390 | 12,783 |
| 66,515 | 66,773 | 66,288 | 71,110 | 69,755 | 71,469 |
| | | | | | |
| 54,556 | 66,518 | 70,597 | 70,123 | 66,954 | 71,978 |

City of Allen, Texas
Capital Asset Statistics by Function & Program
Last Ten Fiscal Years
(Unaudited)

| | Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 |
| Public Safety | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 |
| Police Patrol Units | 28 | 31 | 31 | 31 | 31 |
| Fire Stations | 5 | 5 | 5 | 5 | 5 |
| Police Motorcycle Units | 4 | 4 | 4 | 4 | 4 |
| Public Works | | | | | |
| Streets-Paved (miles) | 336 | 341 | 347 | 349 | 351 |
| Alleys-Paved (miles) | 167 | 168 | 169 | 169 | 169 |
| Cultural and Recreational | | | | | |
| Parks (acres)[a] | 607 | 614 | 689 | 691 | 691 |
| Playgrounds | 32 | 32 | 32 | 32 | 32 |
| Swimming Pools (outdoor) | 1 | 1 | 1 | 1 | 1 |
| Recreation Centers | 1 | 1 | 1 | 1 | 1 |
| Senior Center | 1 | 1 | 1 | 1 | 1 |
| Tennis Courts | 5 | 5 | 5 | 5 | 5 |
| Natatorium | 1 | 1 | 1 | 1 | 1 |
| Visitor (Youth) Center | 1 | 1 | 1 | 1 | 1 |
| Water and Sewer | | | | | |
| Water Mains (miles) | 481 | 494 | 506 | 515 | 524 |
| Fire Hydrants | 4,560 | 4,675 | 4,982 | 4,934 | 5,316 |
| Sanitary Sewers (miles) | 361 | 370 | 379 | 386 | 393 |
| Storm Sewer Lines (miles) | 112 | 117 | 123 | 129 | 136 |
| Golf Course | 1 | 1 | 1 | 1 | 1 |
| Event Center | 1 | 1 | 1 | 1 | 1 |

**Source:** City of Allen Departments

**Notes**: [a]The methodology for calculating Park Acres was changed to reflect the total acres managed and controlled by the Parks and Recreation Department, whereas previously Parks Acres only reflected fully developed acres in dedicated parks.

Table 17

| Fiscal Year Ended September 30, | | | | |
|---|---|---|---|---|
| 2021 | 2022 | 2023 | 2024 | 2025 |
| 1 | 1 | 1 | 1 | 1 |
| 44 | 53 | 53 | 56 | 54 |
| 5 | 5 | 5 | 6 | 6 |
| 4 | 4 | 4 | 4 | 5 |
| 351 | 377 | 442 | 442 | 445 |
| 180 | 178 | 178 | 178 | 184 |
| 691 | 710 | 2,249 | 2,255 | 2,259 |
| 31 | 31 | 31 | 31 | 31 |
| 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 2 |
| 1 | 1 | 1 | 1 | 1 |
| 5 | 5 | 5 | 5 | 5 |
| 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 |
| 501 | 502 | 508 | 511 | 514 |
| 5,359 | 5,409 | 5,358 | 5,503 | 5,507 |
| 370 | 372 | 372 | 374 | 375 |
| 224 | 226 | 231 | 232 | 309 |
| 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 |