



Meeting Location:
City Council Chambers
Allen City Hall
305 Century Parkway, Allen, Texas 75013

AGENDA
CITY COUNCIL REGULAR MEETING
Tuesday, March 10, 2026, 7:00 PM

1. Call to Order and Announce a Quorum is Present

2. Pledge of Allegiance

3. Public Recognition

- 3.1 Presentation of a Blue Star Flag to a family of Allen service personnel currently deployed by the U.S. Armed Forces.
- 3.2 City of Allen 2025 Excellence in P.R.I.D.E. (People First, Respect, Integrity, Deliver, and Excel) Award Winners.

4. Citizens' Comments

[The City Council invites citizens to speak to the Council on any topic not on the agenda or not already scheduled for Public Hearing. Prior to the meeting, please complete a "Public Meeting Appearance Card" and present it to the City Secretary. The time limit is three minutes per speaker, not to exceed a total of fifteen minutes for all speakers.]

5. Presentations from Boards, Commissions, and Committees

- 5.1 Board of Adjustment/Building & Standards Commission/Sign Control Board Annual Report.
- 5.2 Planning and Zoning Commission Annual Report.
- 5.3 Allen Animal Shelter Advisory Committee Annual Report.

6. Consent Agenda

[Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.]

- 6.1 Approve Minutes of the February 24, 2026, Regular City Council Meeting.
- 6.2 Adopt a Resolution authorizing the City Manager to execute an Interlocal Agreement between the Cities of Allen, Plano, and Lavon allowing the City of Lavon use of the Radio System jointly owned by the Cities of Allen and Plano.

- 6.3 Authorize the City Manager to execute the second modification of the Memorandum of Understanding with the North Texas Municipal Water District, and the Cities of Allen, Frisco, McKinney, Plano, and Richardson, regarding the Amended and Restated Regional Composting Interlocal Agreement.
- 6.4 Authorize the City Manager to negotiate and execute a four year Dell Tax Exempt Lease Purchase Schedule, subject to the Master Lease Agreement between Dell Financial Services and the State of Texas for computer equipment and services for \$126,420 annually.

7. Regular Agenda

- 7.1 Motion to accept the Fiscal Year 2024-2025 Annual Comprehensive Financial Report.
- 7.2 Authorize the City Manager to negotiate and execute various agreements with the Allen Economic Development Corporation, Allen Community Development Corporation, and/or Rough Creek Capital Services, LLC and/or its affiliates, including, but not limited to, a ground lease, parking license agreement, real estate purchase option agreement, right of first refusal agreement, a construction incentive agreement, a programming agreement, and any amendments and instruments related to such agreements relating to the development of the Downtown Catalyst Project.

8. Other Business

[Board announcements regarding local civic and charitable events, meetings, and fundraisers.]

- 8.1 Calendar
- 8.2 Items of Interest

9. Executive Session

Legal, Section 551.071.

As authorized by Section 551.071(2) of the Texas Government Code, the Workshop Meeting and/or the Regular Agenda may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the City Attorney on any Agenda Item Listed on the Workshop or Regular Agenda, and for any Executive Session listed below. (Closed to Public as Provided in the Texas Government Code.)

- 9.1 Reconvene and Consider Action on Items Resulting from Executive Session.

10. Adjournment

This notice was posted at Allen City Hall, 305 Century Parkway, Allen, Texas, at a place convenient and readily accessible to the public at all times, in accordance with state law.

Shelley B. George, City Secretary

Allen City Hall is wheelchair accessible. Access to the building and special parking are available at the entrance facing Century Parkway. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 214.509.4105.

Date Posted: March 3, 2026

CITY COUNCIL REGULAR MEETING AGENDA COMMUNICATION

AGENDA DATE: Tuesday, March 10, 2026, 7:00 PM

AGENDA CAPTION: Presentation of a Blue Star Flag to a family of Allen service personnel currently deployed by the U.S. Armed Forces.

STAFF RESOURCE: Shelley B. George, City Secretary

BOARD/COMMISSION ACTION: None

PREVIOUS COUNCIL ACTION: None

STRATEGIC PLANNING GOAL: Engaged and connected Allen community.

BACKGROUND:

Allen City Council presents Blue Star Flags to the families of Allen service members currently deployed in the U.S. Armed Forces. The program honors the individuals serving our country while acknowledging the sacrifices of the families that are left behind. Originating in World War I, the Blue Star Flag is designed to hang in a front window of the family's home to reflect the service of those in the Armed Forces.

CITY COUNCIL REGULAR MEETING AGENDA COMMUNICATION

AGENDA DATE: Tuesday, March 10, 2026, 7:00 PM

AGENDA CAPTION: Approve Minutes of the February 24, 2026, Regular City Council Meeting.

STAFF RESOURCE: Shelley B. George, City Secretary

BOARD/COMMISSION ACTION: None

PREVIOUS COUNCIL ACTION: None

STRATEGIC PLANNING GOAL: Financially sound and transparent City government.

Attachments

[Minutes](#)

ALLEN CITY COUNCIL

REGULAR MEETING

FEBRUARY 24, 2026

Present:

Baine L. Brooks, Mayor

Allen City Council:

Ben Trahan, Mayor Pro Tem

Michael Schaeffer

Tommy Baril

Ken Cook

Amy Gnad

Carl Clemencich

City Staff:

Eric Ellwanger, City Manager

Eric Strong, Deputy City Manager

Tim Dentler, Assistant City Manager

Rebecca Vice, Assistant City Manager

Shelley B. George, City Secretary

Rocio Gonzalez, Deputy City Secretary

Chelsey Aprill, Director, Public and Media Relations

Pete Smith, City Attorney

Workshop Session

1. Call to Order and Announce a Quorum is Present

With a quorum of the Allen City Council present, the Workshop of the Allen City Council was called to order by Mayor Brooks at 6:00 p.m. on Tuesday, February 24, 2026, in Basement Meeting Rooms A and B at Allen City Hall, 305 Century Parkway, Allen, Texas.

2. Discussion Items

2.1 Allen Police Department 2025 Annual Report.

2.2 Committee Updates from City Council Liaisons.

2.3 Questions on the Current Agenda.

3. Executive Session

An Executive Session was not held.

4. Adjourn to Regular Meeting

With no further discussion, Mayor Brooks adjourned the Workshop of the Allen City Council at 6:45 p.m. on Tuesday, February 24, 2026, in Basement Meeting Rooms A and B at Allen City Hall, 305 Century Parkway, Allen, Texas.

Regular Meeting

1. Call to Order and Announce a Quorum is Present

With a quorum of the Allen City Council present, the Regular Meeting of the Allen City Council was called to order by Mayor Brooks at 7:00 p.m. on Tuesday, February 24, 2026, in the Council Chambers at Allen City Hall, 305 Century Parkway, Allen, Texas.

2. Pledge of Allegiance

Mayor Brooks and the Allen City Council observed a moment of silence.

3. Public Recognition

3.1 Recognition of Dr. Joe Farmer for his service as an Allen Representative on the North Texas Municipal Water District Board of Directors.

Mayor Brooks recessed the Regular Meeting at 7:16 p.m.

The Allen City Council reconvened into the Regular Meeting at 7:25 p.m. on Tuesday, February 24, 2026.

3.2 Recognition of the City of Allen Parks and Recreation Department for Receipt of the Texas Recreation and Park Society Gold Medal Award.

4. Citizens' Comments

- Kyle Jacobsen, Allen, Texas, spoke regarding the Allen Chamber of Commerce.

5. Presentations from Boards, Commissions, and Committees

5.1 Allen Public Library Board Annual Report.

5.2 Allen Parks and Recreation Advisory Board Annual Report.

5.3 Community Engagement Advisory Board Annual Report.

6. Consent Agenda

MOTION: Upon a motion made by Councilmember Baril and a second by Councilmember Clemencich, the Council voted seven (7) for and none (0) opposed to approve all items on the Consent Agenda as follows:

6.1 Approve Minutes from the February 10, 2026, Regular City Council Meeting.

6.2 Award bid and authorize the purchase of vehicles for the Fire, Community Enhancement, Community Services, and Parks and Recreation Departments from Bob Tomes Ford and Olathe Ford for \$273,093.

6.3 Authorize the City Manager to execute a contract with Halff Associates, Inc. for the

design of the Carter Ct, Stacy Ridge, and Summerside Lift Station Rehabilitation Project for \$710,500.

- 6.4 Authorize the City Manager to execute a contract with Allison Aquatics Group for pool resurfacing and slide repair at Ford Pool for \$335,350.
- 6.5 Receive the Quarterly Financial Report for the Period Ending December 31, 2025.
- 6.6 Receive the Quarterly Investment Report for Period Ending December 31, 2025.
- 6.7 Motion to cancel the March 24, 2026, Regular City Council Meeting.

The motion carried.

7. **Regular Agenda**

- 7.1 Award Bid and Authorize the City Manager to execute a contract with Jim Bowman Construction Co., LP, for the 2026 Street and Alley Rehabilitation Project, for \$4,873,703.

MOTION: Upon a motion made by Councilmember Gnadt and a second by Mayor Pro Tem Trahan, the Council voted seven (7) for and none (0) opposed to award bid and authorize the City Manager to execute a contract with Jim Bowman Construction Co., LP, for the 2026 Street and Alley Rehabilitation Project. The motion carried.

8. **Other Business**

8.1 **Calendar.**

- February 17-27, 2026 – Early Voting for Primary Election

8.2 **Items of Interest.**

- Councilmember Gnadt announced the Allen Chamber of Commerce’s 2026 Annual Recognition Gala on February 27, 2026, and the Allen Library Endowment Fund’s Uncorked & Unbound Fundraiser on February 28, 2026.
- Councilmember Cook congratulated the women’s and men’s U.S. Olympic hockey teams on their gold medal wins at the 2026 Olympic Games.
- Mayor Brooks shared good news in Allen about Keep Allen Beautiful hosting its first Volunteer Appreciation Celebration, honoring approximately 60 volunteers who support litter prevention, beautification, and environmental efforts across Allen.

Mayor Brooks announced the Executive Session and recessed the Regular Session at 8:24 p.m.

9. **Executive Session**

In accordance with the Texas Government Code, the Allen City Council convened into Executive Session at 8:31 p.m. on Tuesday, February 24, 2026, in Basement Meeting Rooms A and B at Allen City Hall, 305 Century Parkway, Allen, Texas, to discuss matters pertaining to:

- 9.1 Pursuant to Texas Government Code, Section 551.087 - Deliberation of Economic Development Negotiations; and, Texas Government Code, Section 551.072 - Deliberation

Regarding Real Property: Briefing regarding a proposed Economic Development Incentive Agreement by and among the Allen Economic Development Corporation, the Allen Community Development Corporation, and GPG Watters Creek Member, LLC, and its related entities, to support improvements at Watters Creek Village.

9.2 Pursuant to Texas Government Code, Section 551.087 - Deliberation of Economic Development Negotiations; and, Texas Government Code, Section 551.072 - Deliberation Regarding Real Property: Discussion of proposed Economic Development Agreement by and among the City of Allen, Allen Economic Development Corporation, Allen Community Development Corporation, Rough Creek Capital Services, LLC, and Blender Brands, LLC, and related parties, for the Downtown Catalyst Project.

9.3 Pursuant to Texas Government Code, Section 551.074(a) - Personnel Matters: Deliberation of appointments of City Council Liaisons and Quasi-Judicial Boards and Commissions members.

The Executive Session adjourned at 9:21 p.m. on Tuesday, February 24, 2026.

9.4 Reconvene and Consider Action on Items Resulting from Executive Session.

The Allen City Council reconvened into the Regular Meeting at 9:25 p.m. on Tuesday, February 24, 2026. The following action was taken on items discussed during the Executive Session:

MOTION: Upon a motion made by Councilmember Gnadl and a second by Councilmember Cook, the Council voted six (6) for, none (0) opposed, and one (1) abstaining, with Councilmember Clemencich abstaining, to appoint Councilmember Schaeffer to the Council Finance/Audit Committee. The motion carried.

10. Adjournment

Mayor Brooks adjourned the Regular Meeting of the Allen City Council at 9:27 p.m. on Tuesday, February 24, 2026.

These minutes were approved on the 10th day of March 2026.

APPROVED:

Baine L. Brooks, MAYOR

ATTEST:

Shelley B. George, TRMC, CITY SECRETARY

CITY COUNCIL REGULAR MEETING AGENDA COMMUNICATION

AGENDA DATE:

Tuesday, March 10, 2026, 7:00 PM

AGENDA CAPTION:

Adopt a Resolution authorizing the City Manager to execute an Interlocal Agreement between the Cities of Allen, Plano, and Lavon allowing the City of Lavon use of the Radio System jointly owned by the Cities of Allen and Plano.

STAFF RESOURCE:

Eric Matthews, Chief Information Officer

BOARD/COMMISSION ACTION:

PREVIOUS COUNCIL ACTION:

September 11, 2018 - City Council adopted Resolution No. 3603-9-18(R) authorizing an Interlocal Agreement by and between the Cities of Allen and Plano providing terms and conditions for the purchase and operation of a joint radio system for Municipal Services.

STRATEGIC PLANNING GOAL:

Safe and livable community for all.

BACKGROUND:

On September 11, 2018, City Council adopted Resolution number 3603-9-18(R) authorizing an Interlocal Agreement between Allen and Plano for a Joint Radio Communications System for Municipal Services. Through this agreement, Allen and Plano continued the decade-long joint ownership of the system and reserve the right to seek additional subscribers. The revenue from any additional subscribers will be held by Allen and Plano and used to support the jointly owned radio system infrastructure.

With this new ILA, the City of Lavon will be subscribing to the Joint Radio System as a new member. This new agreement will be auto-renewed annually for up to ten years. The benefits of a jointly owned and operated radio system have been proven. Cities have been able to reduce overall system costs through shared investments, have improved agility and interoperability, and maintained a high-performing and fault-tolerant system that would not have been possible if each entity had chosen to run its own system.

STAFF RECOMMENDATION:

Staff recommends approval.

MOTION:

I make a motion to adopt Resolution No. _____ authorizing the City Manager to execute an Interlocal Agreement between the Cities of Allen, Plano and Lavon for use of the Joint Radio System.

Attachments

[Resolution](#)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL COOPERATION AGREEMENT BY AND BETWEEN THE CITIES OF ALLEN AND PLANO AND THE CITY OF LAVON FOR THE USE OF THE RADIO SYSTEM THAT IS JOINTLY OWNED BY THE CITY OF ALLEN AND THE CITY OF PLANO; AUTHORIZING EXECUTION OF THE INTERLOCAL AGREEMENTS BY THE CITY MANAGER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes governmental entities to contract with each other to perform government functions and services under the terms thereof; and,

WHEREAS, the City Council authorized an Interlocal Agreement by and between the Cities of Allen and Plano providing terms and conditions for the purchase and operation of a joint radio system for Municipal Services with such Agreement being approved by the Allen City Council on September 11, 2018, through Resolution No. 3603-9-18(R); and,

WHEREAS, the City Council has been presented with an Interlocal Cooperation Agreement (“Agreement”) by and between the Cities of Allen and Plano and the City of Lavon to allow the use of the joint radio system by Lavon; and,

WHEREAS, the Agreement serves a valid public purpose of governmental services including public safety in that the use of the radio system allows emergency personnel to communicate thereby protecting the health, safety and welfare of residents; and,

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions of the Agreement should be approved, and that the City Manager should be authorized to execute said Agreement on behalf of the City of Allen.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, TEXAS, THAT:

SECTION 1. The terms and conditions of the Agreement having been reviewed by the City Council of the City of Allen, Texas, and are hereby in all things approved.

SECTION 2. The City Manager is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Allen, Texas.

SECTION 3. This Resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 10TH DAY OF MARCH 2026.

APPROVED:

Baine L. Brooks, MAYOR

ATTEST:

Shelley B. George, CITY SECRETARY

CITY COUNCIL REGULAR MEETING AGENDA COMMUNICATION

AGENDA DATE:

Tuesday, March 10, 2026, 7:00 PM

AGENDA CAPTION:

Authorize the City Manager to execute the second modification of the Memorandum of Understanding with the North Texas Municipal Water District, and the Cities of Allen, Frisco, McKinney, Plano, and Richardson, regarding the Amended and Restated Regional Composting Interlocal Agreement.

STAFF RESOURCE:

Steve Massey, Director, Community Services

BOARD/COMMISSION ACTION:

None

PREVIOUS COUNCIL ACTION:

March 22, 2016 – Approval of the current Memorandum of Understanding (MOU) with the North Texas Municipal Water District (NTMWD), and the Cities of Allen, Frisco, McKinney, Plano, and Richardson, regarding the Amended and Restated Regional Composting Program.

November 11, 2023- Approval of the First Modification of the Memorandum of Understanding (MOU) with the North Texas Municipal Water District (NTMWD), and the Cities of Allen, Frisco, McKinney, Plano, and Richardson, regarding the Amended and Restated Regional Composting Interlocal Agreement.

STRATEGIC PLANNING GOAL:

High-performing City team providing resident-focused services.

BACKGROUND:

The five North Texas Municipal Water District (NTMWD) Solid Waste Member Cities are Allen, Plano, Richardson, McKinney, and Frisco. The member cities initially agreed to begin a Regional Compost Program in 2003. The City of Plano was selected as the program's "contractor." Plano reached an agreement to serve as a contractor by Interlocal Agreement (ILA) with NTMWD. The current NTMWD-Plano ILA term ends in April 2026. Subsequently, all five member cities signed Memorandums of Understanding (MOU) agreeing to the program. The current program MOU is dated April 26, 2016. This MOU continued the ongoing cooperative partnership among the North Texas Municipal Water District (NTMWD) and the Cities of Allen, Frisco, McKinney, Plano, and Richardson for the operation of a regional composting program. The intent of the partnership remains to provide a long-term, cost-effective method for processing yard trimmings, reduce landfill disposal and thus extend the landfill's life, support water quality and conservation efforts, and produce marketable compost and mulch under the contractor's "Texas Pure Products" brand. Under the agreement, Member Cities are required to deliver acceptable yard waste collected by either waste services providers or by citizen self-help drop-off at the NTMWD Custer Road Transfer Station (CRTS) compostable drop-off area. At the CRTS, the contractor grinds the materials and hauls them to the NTMWD Regional Disposal Facility (RDF) composting area in Melissa for composting. After composting, the contractor produces a variety of bagged and bulk materials for sale to the public. The contractor's product sales revenue offsets about one-half of the program's operational costs.

On November 17, 2023, the City Council approved the First Modification to the MOU. This modification addressed increasing operating costs and capacity limitations at the Custer Road Transfer Station. It defined "Full Participation" and "Partial Participation," established notice requirements for withdrawal or re-entry into the program, clarified temporary participation provisions for the City of McKinney, and confirmed that any applicable FY 2023 compost rebate received from the Texas Commission on Environmental Quality (TCEQ) would be allocated to the contractor. This was accepted because while the member cities expected the contractor to operate the program as a break-even enterprise, the program operated at a loss in most years. Granting the entire TCEQ compost rebate to the contractor was intended to help the program operate closer to break even. The First Modification to the MOU did not include any provision for a year-end "financial reconciliation" of program revenues and expenditures to ensure a break-even status was achieved annually.

This agenda item proposes that the City Council approve the Second Modification to the MOU, which, upon signature by all five member cities, will be retroactively effective on October 1, 2025. It's three changes:

- Extends the composting agreement through September 30, 2030. This extension term aligns the contract's ending date to the end of a Fiscal Year.
- Addresses the contractor's break-even situation by establishing a process to determine and allocate any annual surplus or deficit in the contractor's operating budget among all five member cities on a prorated basis based on tons of materials delivered for composting.
- Requires that NTMWD and the member cities begin discussing program modifications by September 30, 2028, two years before the new ILA term expires.

There is the potential for an end-of-year settlement cost under the 2nd MOU modification. However, Allen is only 13.7% of the total compost tonnage processed. Had the 2nd Modification to the MOU been in effect in FY25, Allen's share of the contractor's revenue shortfall would have been \$24,000. Our FY25 composting budget was \$205,000. In FY25, the solid waste fund expended \$184,000 for composting. If we had to cover our share of the revenue shortfall, expenses would have increased to \$208,000. This is just \$3,000 more than budgeted. We will continue to include a budget buffer to cover the potential for a revenue shortfall in future years.

All five solid waste member cities are supporting the 2nd Modification to the composting MOU.

Conclusions

- Composting under the 2nd Amendment to the 5-City MOU is less costly than land filling the materials in the NTMWD RDF through the end of the ILA's extension to September 30, 2030. This is because in the same time period, NTMWD's waste disposal fee is expected to increase about 8.8 percent per year.
- Composting under the 5-city MOU preserves the ability of the city's waste services contractor and our citizens to drop-off of yard waste at the CRTS. This nearby access provides Allen significant cost and convenience advantage because our distance to the compost drop-off site is minimal.
- Composting is environmentally focused and extends the service life to the NTMWD RDF.

BUDGETARY IMPACT:

The costs associated with the city's compost program will be budgeted in the Solid Waste Enterprise Fund.

STAFF RECOMMENDATION:

Staff recommends approval.

MOTION:

I make a motion to authorize the City Manager to execute the Second Modification of the Memorandum of Understanding with the North Texas Municipal Water District, and the Cities of Allen, Frisco, McKinney, Plano, and Richardson, regarding the Amended and Restated Regional Composting Interlocal Agreement.

CITY COUNCIL REGULAR MEETING AGENDA COMMUNICATION

AGENDA DATE:	Tuesday, March 10, 2026, 7:00 PM
AGENDA CAPTION:	Authorize the City Manager to negotiate and execute a four year Dell Tax Exempt Lease Purchase Schedule, subject to the Master Lease Agreement between Dell Financial Services and the State of Texas for computer equipment and services for \$126,420 annually.
STAFF RESOURCE:	Eric Matthews, Chief Information Officer
BOARD/COMMISSION ACTION:	None
PREVIOUS COUNCIL ACTION:	
STRATEGIC PLANNING GOAL:	High-performing City team providing resident-focused services.

BACKGROUND:

In 2006, the City developed a Five-Year Strategic Plan for Technology. As part of that plan, it was determined that staff needed to establish a lease program for computer replacements. This lease is a continuation of the city's annual hardware replacement program, where a portion of the city's end users' computers are replaced each year. This has benefited the city by providing a mechanism to budget more consistently for computers and has rotated our desktop and laptop computers, keeping the city more productive, secure, and current with industry standards. The proposed lease schedule with Dell Financial Services utilizes state contract pricing through the State of Texas Department of Information Resources (Texas DIR). The total cost of \$505,682.92 over the four-year lease term includes \$459,080 for the cost of the equipment plus \$11,152 for service costs such as delivery, set-up, and removal of and wiping of machines being replaced, with the remaining balance being the interest and property taxes on the lease. Dell has been the laptop and desktop hardware partner of choice for the last nine years.

This lease will include the replacement of approximately 167 computers for the following departments/divisions:

- Community Services - Service Center
- Parks - Service Center and Joe Farmer Rec Center
- CUTX Event Center
- Municipal Court
- Golf
- GIS
- Community Development
- PAMRO

PROCUREMENT / SELECTION PROCESS:

The proposed lease schedule with Dell Financial Services utilizes state contract pricing through the State of Texas Department of Information Resources (Texas DIR).

BUDGETARY IMPACT:

The average annual lease payment of \$126,420 is consistent, though in some cases higher due to increased RAM pricing, on a per-unit basis with previous computer hardware lease agreements. The lease of computer equipment is included in the annual Information Technology Department operating budget.

STAFF RECOMMENDATION:

Staff recommends approval.

MOTION:

I make a motion to authorize the City Manager to negotiate and execute a computer lease schedule with Dell Financial Services.

CITY COUNCIL REGULAR MEETING AGENDA COMMUNICATION

AGENDA DATE:	Tuesday, March 10, 2026, 7:00 PM
AGENDA CAPTION:	Motion to accept the Fiscal Year 2024-2025 Annual Comprehensive Financial Report.
STAFF RESOURCE:	Pete Phillis, Chief Financial Officer
BOARD/COMMISSION ACTION:	March 9, 2026 - Council / Finance Audit Committee received a draft summary of the audit report by Sara Dempsey, Partner from Weaver and Tidwell, LLP.
PREVIOUS COUNCIL ACTION:	None
STRATEGIC PLANNING GOAL:	Financially sound and transparent City government.

BACKGROUND:

An annual independent audit of the City's funds and account groups is required by Section 2.20 of the City of Allen Charter. The Annual Comprehensive Financial Report covering the 2024-2025 fiscal year ending September 30, 2025, was prepared upon completion of the audit. Also, when federal or state funds received by the City are greater than \$750,000, a separate audit is required to determine the City's compliance with requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In Fiscal Year 2024-2025, the City exceeded the \$750,000 threshold for federal awards. Therefore, a report on federal and financial assistance will be prepared. The City will receive an unmodified opinion or "clean audit" from Weaver and Tidwell, LLP (Weaver) that the financial statements present fairly, in all material respects, the City's financial position. In addition to the audit report, the audit firm will also prepare a Report on Internal Control over Financial Reporting to bring attention, if necessary, to any matters involving accounting control structure or other operational matters found during the audit. None were found during the recent audit.

The Annual Comprehensive Financial Report will be submitted to the City Council for formal acceptance on March 10, 2026. A representative of Weaver will be available at the Council meeting to make a presentation concerning the audit and report to the City Council. The City will again, for the 28th consecutive year, submit the Annual Comprehensive Financial Report to the Government Finance Officers Association to determine eligibility for a Certificate of Achievement for Excellence in Financial Reporting. The Annual Comprehensive Financial Report will be posted on the City website. Also, it will be available for review in the Allen Public Library and the City Secretary's Office of City Hall.

STAFF RECOMMENDATION:

Staff recommends approval.

MOTION:

I make a motion to accept the Fiscal Year 2024-2025 Annual Comprehensive Financial Report.

Attachments

[Draft - City of Allen Single Audit Report](#)

[FY25 Annual Comprehensive Financial Report](#)

City of Allen, Texas

Single Audit Report

Year Ended September 30, 2025

C O N T E N T S

Page

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 the 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, and have issued our report thereon dated February 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Name of Firm)

Dallas, Texas

February 19, 2026

**Independent Auditor's Report on Compliance for Each Major
Federal Program; Report on Internal Control over Compliance; and Report
on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Allen, Texas (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 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. We issued our report thereon dated February 19, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Name of Firm)

Dallas, Texas
February 19, 2026

City of Allen, Texas

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Awards				
Community Development Block Grant FY23	14.218	N/A	\$ 10,813	\$ -
Community Development Block Grant FY24	14.218	N/A	355,504	71,268
Total Assistance Listing Number 14.218			366,317	71,268
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			366,317	71,268
U.S. DEPARTMENT OF JUSTICE				
Direct Awards				
Patrick Leahy Bulletproof Vest Partnership Program FY23	16.607	N/A	2,270	-
Passed Through Office of the Governor - Criminal Justice Division				
Crime Victim's Advocate	16.575	4461303	85,404	-
Digital Forensics Examiner	16.738	4781002	85,202	-
Mental Health Peace Officer	16.738	5190001	113,272	-
Virtual Reality Simulator	16.738	5093201	68,035	-
Total Assistance Listing Number 16.738			266,509	-
TOTAL U.S. DEPARTMENT OF JUSTICE			354,183	-
DEPARTMENT OF TREASURY				
Direct Awards				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	350,377	-
TOTAL DEPARTMENT OF TREASURY			350,377	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through Texas State Library and Archives Commission				
Interlibrary Loan Program	45.310	903975	2,865	-
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			2,865	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Texas Department of Health and Human Services				
Food Safety Videos/EHS Training Record	93.103	G-BDEV2-202308-04255	4,931	-
Self Assessment and Develop CSIP	93.103	G-OAME-202309-04588	6,895	-
Standardize Senior Environmental Health Specialist Texas DSHS Standardization	93.103	G-2024-10-05829	2,883	-
Total Assistance Listing Number 93.103			14,709	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			14,709	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Awards				
2024 UASI Allen - SWAT Ballistic Vest and Gas Mask	97.067	5246801	102,374	-
Hardend Firewall Configuratsn	97.137	5161101	23,460	-
Cyber Incident Forensic Response Training	97.137	5156901	10,964	-
.gov Migration	97.137	5133701	69,595	-
Penetration Test Assessment	97.137	5066101	30,000	-
Total Assistance Listing Number 97.137			134,019	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			236,393	-
U.S. DEPARTMENT OF ENERGY				
Direct Awards				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	151,800	-
TOTAL U.S. DEPARTMENT OF ENERGY			151,800	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,476,644	\$ 71,268

City of Allen, Texas

Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2025

Note 1. General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of the federal award programs of the City of Allen, Texas (the City). The City's reporting entity is defined in Note 1 to its basic financial statements. The SEFA includes all federal awards received directly from federal agencies and federal awards passed-through other governmental agencies.

Note 2. Basis of Presentation

The accompanying schedule is presented using the modified accrual basis of accounting for program expenditures accounted for in the governmental funds and the accrual basis of accounting for program expenditures accounted for in the proprietary funds as described in Note 1 to the City's basic financial statements.

For reimbursable grants, the City recognizes revenues commencing on the date of grant approval (provided all eligibility requirements are met) since this is when the City is eligible to claim expenditures for reimbursements. Pass-through entity identifying numbers are presented where available.

The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Contingencies

The City participates in several grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectability of any related receivable at September 30, 2025 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

City of Allen, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2025

Section I – Summary of Auditors' Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes None reported

An unmodified opinion was issued on compliance for major federal programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

Assistance Listing Number

21.027

Program Title

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs? \$1,000,000

Auditee qualified as low-risk auditee? Yes No

City of Allen, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2025

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Prior Audit Findings

None



ALLEN
CITY
HALL



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



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

CITY MANAGER
DEPUTY CITY MANAGER
ASSISTANT CITY MANAGER
ASSISTANT CITY MANAGER
CHIEF FINANCIAL OFFICER
CONTROLLER

ERIC ELLWANGER
ERIC STRONG
TIM DENTLER
REBECCA VICE
PETE PHILLIS
ALLYSON BAKER

City of Allen, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025
Table of Contents

Introductory Section	Page
Letter of Transmittal	3
Certificate of Achievement	10
Organizational Chart	11
Principal Officials	12
Financial Section	
Independent Auditor’s Report	15
Management’s Discussion and Analysis	19
Basic Financial Statements	
Government-Wide Statements	
Statement of Net Position	33
Statement of Activities	34
Fund Financial Statements	
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	40
Reconciliation of Statements of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	43
Statement of Net Position – Proprietary Funds	44
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	45
Statement of Cash Flows – Proprietary Funds	47
Notes to the Financial Statements	51
Required Supplementary Information	
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual	89
Schedule of Changes in Net Pension Liability and Related Ratios –Retirement Plan (TMRS)	90
Schedule of Contributions – Retirement Plan (TMRS)	92
Schedule of Changes in Total OPEB Liability and Related Ratios – Supplemental Death Benefits Fund	94
Schedule of OPEB Contributions – Supplemental Death Benefits Fund	96
Notes to the Required Supplementary Information	99
Combining and Budgetary Comparison Schedules	
Major Governmental Funds	
Debt Service Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	103
Nonmajor Governmental Funds	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	108
Hotel Occupancy Tax Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	110

City of Allen, Texas
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended September 30, 2025
 Table of Contents

Asset Forfeiture Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	111
Special Revenue Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	112
Grants Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	113
Tax Increment Financing Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	114
Nonmajor Enterprise Funds	
Combining Statement of Net Position	116
Combining Statement of Revenues, Expenses and Changes in Net Position	117
Combining Statement of Cash Flows	118
Internal Service Funds	
Combining Statement of Net Position	120
Combining Statement of Revenues, Expenses and Changes in Net Position	121
Combining Statement of Cash Flows	122
Discretely Presented Component Units	
Balance Sheet	124
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	125
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	126
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	127
Statistical Section	
Net Position by Component	132
Changes in Net Position	134
Fund Balances of Governmental Funds	138
Changes in Fund Balances- Governmental Funds	140
Assessed Value and Estimated Actual Value of Taxable Property	142
Direct and Overlapping Property Tax Rates	143
Principal Property Taxpayers	144
Ad Valorem Tax Levies and Collections	145
Ratio of Outstanding Debt by Type	146
Ratio of General Bonded Debt Outstanding	147
Direct and Overlapping Governmental Activities Debt	148
Pledged Revenue Coverage	149
Demographic and Economic Statistics	150
Principal Employers	151
Full-Time Equivalent City Government Employees by Function & Program	152
Operating Indicators by Function & Program	154
Capital Assets Statistics by Function & Program	156

Introductory Section





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





Government Finance Officers Association

Certificate of
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For the Fiscal Year Ended

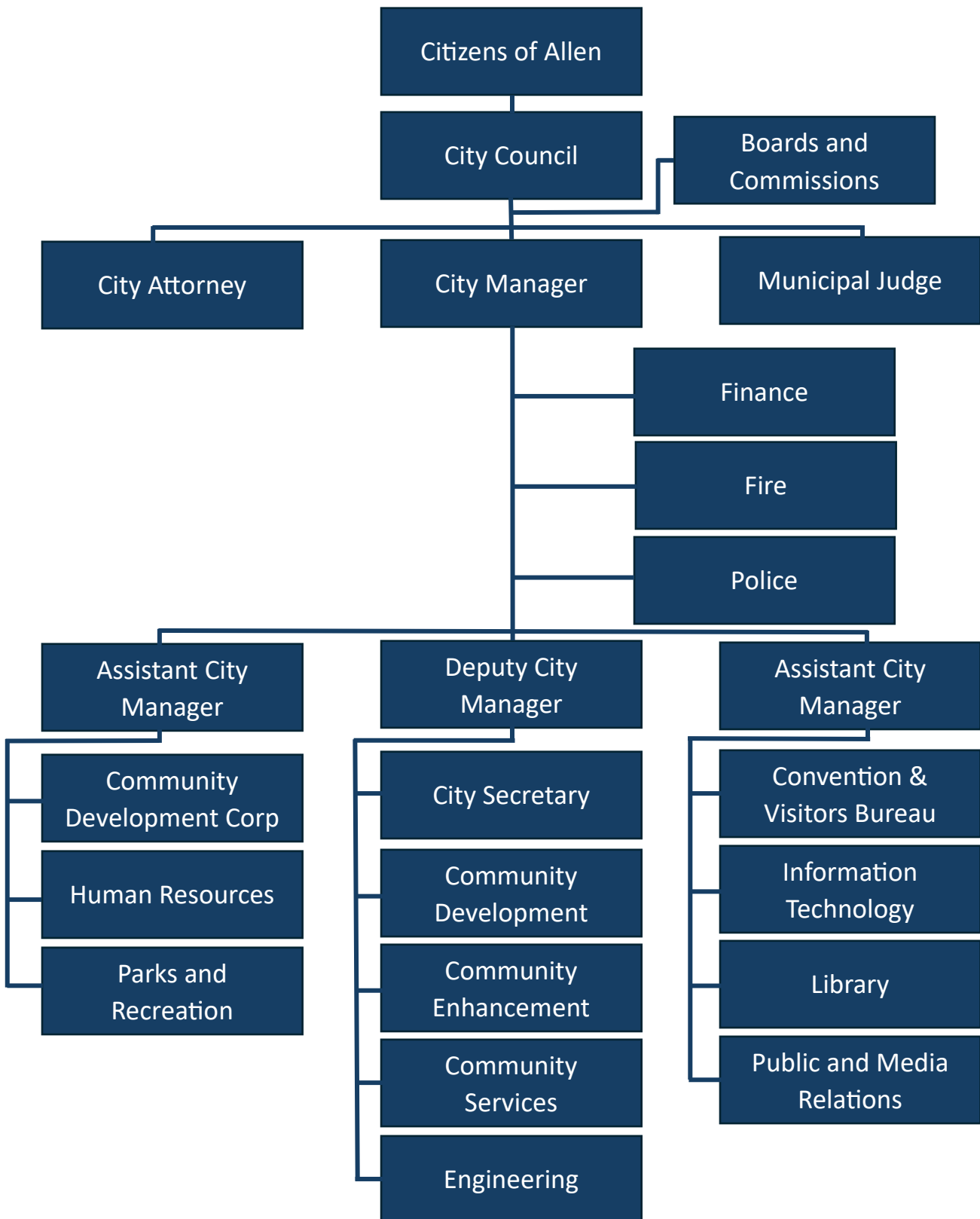
September 30, 2024

Christopher P. Morill

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 April
Director of the Convention & Visitors Bureau	Brandy O'Keefe
Director of the Library	Jeff Timbs

Financial Section



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Allen, Texas (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



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

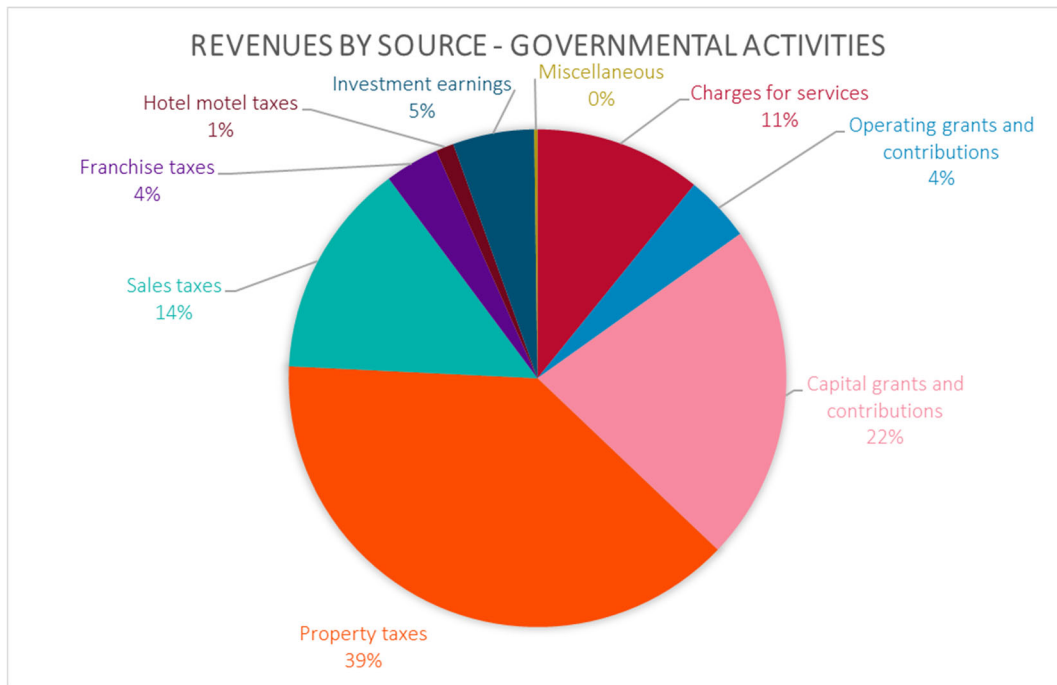
As of September 30, 2025, the City had an overall increase in net position of \$71,402,809 for the primary government, which represents an increase of \$65,975,047 for governmental activities and an increase of \$5,427,762 for business-type activities. Beginning net position was restated by (\$2,936,431) 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:

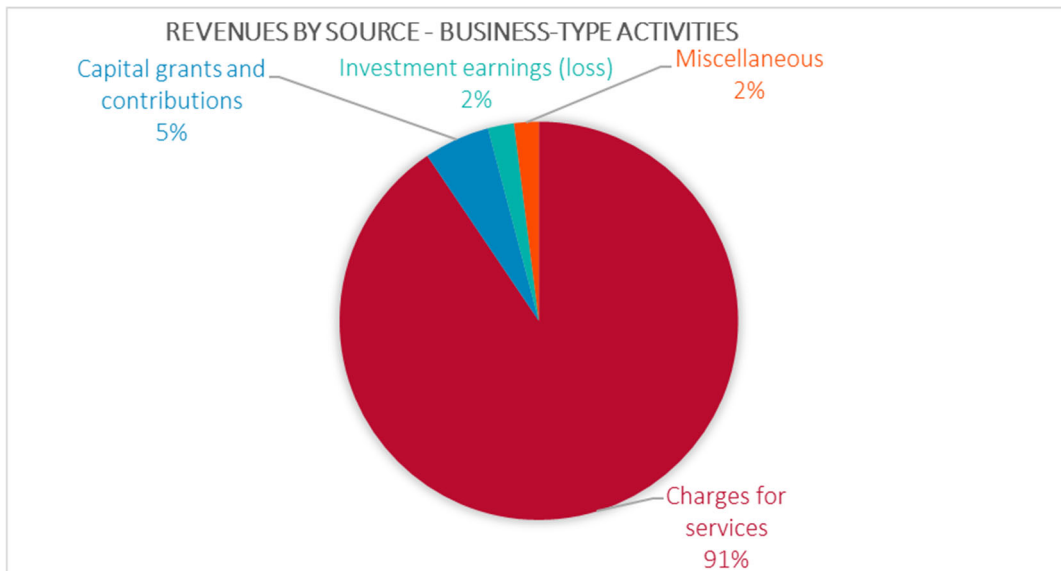
- Expenses for General Government decreased by \$1,313,283 (4%), due primarily to the City’s strategic goal of contributing more reserve funding to its Facility Maintenance internal service fund in the prior year.
- Expenses for Public Safety increased by \$6,750,510 (10%), due primarily to the scheduled 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

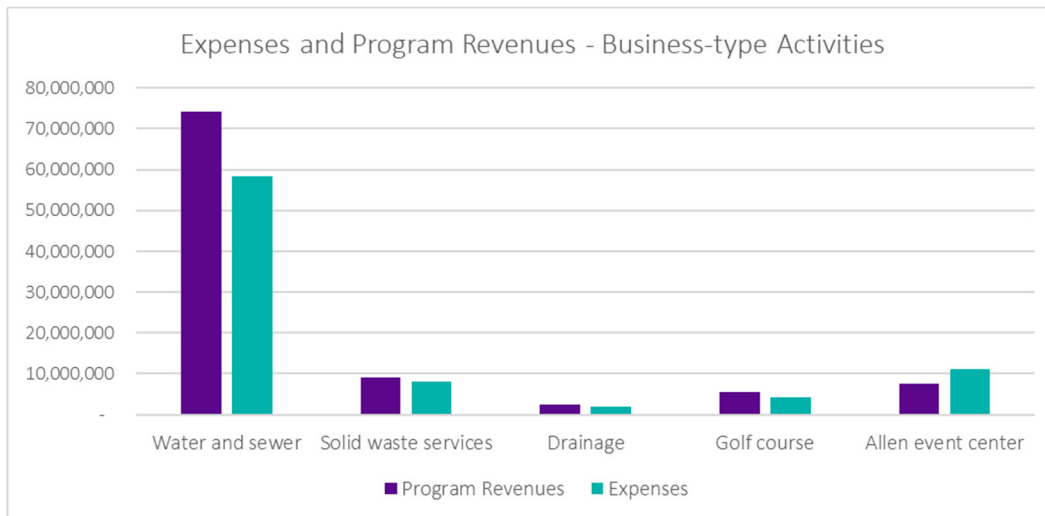
Revenues from business-type activities totaled \$109,449,210, a decrease of \$4,404,478, or 4%. Major components of the net decrease are as follows:

- 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.



Basic Financial Statements



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

	Primary Government			Allen Economic Development Corporation	Allen Community Development Corporation
	Governmental Activities	Business-Type Activities	Total		
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)	<u>300,192,227</u>	<u>126,257,250</u>	<u>426,449,477</u>	<u>677,761</u>	<u>43,081,649</u>
TOTAL ASSETS	<u>831,141,757</u>	<u>260,866,423</u>	<u>1,092,008,180</u>	<u>58,552,807</u>	<u>67,865,165</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources - pension	16,280,135	2,501,744	18,781,879	-	-
Deferred outflows of resources - OPEB	<u>230,103</u>	<u>35,358</u>	<u>265,461</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>16,510,238</u>	<u>2,537,102</u>	<u>19,047,340</u>	<u>-</u>	<u>-</u>
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	<u>34,880</u>	<u>5,358</u>	<u>40,238</u>	<u>-</u>	<u>-</u>
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	<u>1,618,055</u>	<u>248,646</u>	<u>1,866,701</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>278,169,117</u>	<u>41,329,286</u>	<u>319,498,403</u>	<u>6,222,985</u>	<u>15,901,081</u>
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	<u>748,888</u>	<u>-</u>	<u>748,888</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,939,313</u>	<u>644,935</u>	<u>5,584,248</u>	<u>-</u>	<u>-</u>
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	<u>82,617,620</u>	<u>90,521,111</u>	<u>173,138,731</u>	<u>49,389,599</u>	<u>10,748,938</u>
TOTAL NET POSITION	<u>\$ 564,543,565</u>	<u>\$ 221,429,304</u>	<u>\$ 785,972,869</u>	<u>\$ 52,329,822</u>	<u>\$ 51,964,084</u>

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

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
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	<u>184,804,820</u>	<u>24,994,617</u>	<u>9,956,238</u>	<u>50,629,518</u>
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	<u>83,890,676</u>	<u>98,447,160</u>	<u>717,436</u>	<u>5,809,167</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 268,695,496</u>	<u>\$ 123,441,777</u>	<u>\$ 10,673,674</u>	<u>\$ 56,438,685</u>
COMPONENT UNITS				
Allen Economic Development Corporation	\$ 52,038,838	\$ -	\$ -	\$ 23,799,265
Allen Community Development Corporation	12,069,035	-	-	-
TOTAL COMPONENT UNITS	<u>\$ 64,107,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,799,265</u>

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

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)	-	-
<u>(99,224,447)</u>	<u>-</u>	<u>(99,224,447)</u>	<u>-</u>	<u>-</u>
-	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)	-	-
<u>-</u>	<u>21,083,087</u>	<u>21,083,087</u>	<u>-</u>	<u>-</u>
<u>\$ (99,224,447)</u>	<u>\$ 21,083,087</u>	<u>\$ (78,141,360)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (28,239,573)	\$ -
-	-	-	-	(12,069,035)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,239,573)</u>	<u>\$ (12,069,035)</u>
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	(19,337,927)	-
<u>20,130,772</u>	<u>(20,130,772)</u>	<u>-</u>	<u>20,000,000</u>	<u>(20,000,000)</u>
<u>165,199,494</u>	<u>(15,655,325)</u>	<u>149,544,169</u>	<u>25,588,142</u>	<u>(3,293,245)</u>
65,975,047	5,427,762	71,402,809	(2,651,431)	(15,362,280)
<u>501,504,949</u>	<u>215,779,858</u>	<u>717,284,807</u>	<u>54,981,253</u>	<u>67,326,364</u>
(2,936,431)	221,684	(2,714,747)	-	-
<u>498,568,518</u>	<u>216,001,542</u>	<u>714,570,060</u>	<u>54,981,253</u>	<u>67,326,364</u>
<u>\$ 564,543,565</u>	<u>\$ 221,429,304</u>	<u>\$ 785,972,869</u>	<u>\$ 52,329,822</u>	<u>\$ 51,964,084</u>

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	<u>\$ 48,314,086</u>	<u>\$ 3,929,976</u>	<u>\$ 33,730,417</u>
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	<u>8,524,221</u>	<u>-</u>	<u>1,483,461</u>
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	<u>1,454,709</u>	<u>46,023</u>	<u>-</u>
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	<u>38,335,156</u>	<u>3,883,953</u>	<u>32,246,956</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 48,314,086</u>	<u>\$ 3,929,976</u>	<u>\$ 33,730,417</u>

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
<u>\$ 107,040,322</u>	<u>\$ 23,249,495</u>	<u>\$ 216,264,296</u>
3,157,926	212,629	7,280,344
-	138,139	5,699,809
1,395,843	-	1,422,582
-	-	50
-	209,461	718,895
<u>4,553,769</u>	<u>560,229</u>	<u>15,121,680</u>
-	-	198,154
-	-	386,852
-	-	26,716
-	-	889,010
<u>-</u>	<u>-</u>	<u>1,500,732</u>
-	-	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
<u>102,486,553</u>	<u>22,689,266</u>	<u>199,641,884</u>
<u>\$ 107,040,322</u>	<u>\$ 23,249,495</u>	<u>\$ 216,264,296</u>

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



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
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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	\$	<u><u>564,543,565</u></u>
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City of Allen, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>
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	<u>135,768,381</u>	<u>20,571,248</u>	<u>6,425,127</u>
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	<u>139,420,726</u>	<u>21,107,881</u>	<u>8,013,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,652,345)</u>	<u>(536,633)</u>	<u>(1,587,923)</u>
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)	<u>7,618,822</u>	<u>31,791</u>	<u>5,414,520</u>
NET CHANGE IN FUND BALANCES	3,966,477	(504,842)	3,826,597
FUND BALANCES - 9/30/2024	<u>34,368,679</u>	<u>4,388,795</u>	<u>28,420,359</u>
FUND BALANCES - 9/30/2025	<u>\$ 38,335,156</u>	<u>\$ 3,883,953</u>	<u>\$ 32,246,956</u>

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
<u>4,744,094</u>	<u>9,431,886</u>	<u>176,940,736</u>
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
<u>29,760,514</u>	<u>8,521,225</u>	<u>206,823,396</u>
<u>(25,016,420)</u>	<u>910,661</u>	<u>(29,882,660)</u>
-	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
<u>14,872,099</u>	<u>(359,448)</u>	<u>27,577,784</u>
(10,144,321)	551,213	(2,304,876)
<u>112,630,874</u>	<u>22,138,053</u>	<u>201,946,760</u>
<u>\$ 102,486,553</u>	<u>\$ 22,689,266</u>	<u>\$ 199,641,884</u>

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



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)
<p>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.</p>	
	11,065,641
<p>The net effect of various miscellaneous transactions involving capitals assets (i.e. sales, trade-ins, and donations) increases (decreases) net position.</p>	
Contributed capital assets	50,629,518
Gain (loss) on sale of assets	(255,937)
<p>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.</p>	
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)
<p>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.</p>	
	11,471,928
<p>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.</p>	
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)
	(4,935,653)
Change in net position of governmental activities	\$ 65,975,047

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	<u>74,637,005</u>	<u>9,703,499</u>	<u>16,902,785</u>	<u>101,243,289</u>	<u>23,883,831</u>
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	<u>57,603,365</u>	<u>11,241,568</u>	<u>14,281,341</u>	<u>83,126,274</u>	<u>23,091,622</u>
OPERATING INCOME (LOSS)	<u>17,033,640</u>	<u>(1,538,069)</u>	<u>2,621,444</u>	<u>18,117,015</u>	<u>792,209</u>
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)	<u>1,437,293</u>	<u>22,754</u>	<u>172,305</u>	<u>1,632,352</u>	<u>1,499,093</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>18,470,933</u>	<u>(1,515,315)</u>	<u>2,793,749</u>	<u>19,749,367</u>	<u>2,291,302</u>
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	<u>(3,824,346)</u>	<u>750,000</u>	<u>(2,066,633)</u>	<u>(5,140,979)</u>	<u>-</u>
CHANGE IN NET POSITION	14,646,587	(765,315)	727,116	14,608,388	2,291,302
NET POSITION - 9/30/2024	<u>197,791,974</u>	<u>-</u>	<u>8,807,258</u>	<u>-</u>	<u>52,394,420</u>
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	<u>197,986,253</u>	<u>(503,302)</u>	<u>9,337,965</u>	<u>-</u>	<u>52,394,420</u>
NET POSITION - 9/30/2025	<u>\$ 212,632,840</u>	<u>\$ (1,268,617)</u>	<u>\$ 10,065,081</u>	<u>-</u>	<u>\$ 54,685,722</u>
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				<u>\$ 5,427,762</u>	



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	<u>28,073,203</u>	<u>(832,003)</u>	<u>2,765,489</u>	<u>30,006,689</u>	<u>4,323,613</u>
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	<u>(9,633,513)</u>	<u>750,000</u>	<u>(2,066,633)</u>	<u>(10,950,146)</u>	<u>-</u>
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	<u>(8,304,262)</u>	<u>8,174</u>	<u>(835,406)</u>	<u>(9,131,494)</u>	<u>(6,702,726)</u>
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	<u>(6,269,282)</u>	<u>2,561</u>	<u>835,106</u>	<u>(5,431,615)</u>	<u>2,929,394</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,866,146	(71,268)	698,556	4,493,434	550,281
CASH AND CASH EQUIVALENTS - BEGINNING	<u>43,623,934</u>	<u>1,746,243</u>	<u>6,868,350</u>	<u>52,238,527</u>	<u>31,783,197</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 47,490,080</u>	<u>\$ 1,674,975</u>	<u>\$ 7,566,906</u>	<u>\$ 56,731,961</u>	<u>\$ 32,333,478</u>
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	<u>11,039,563</u>	<u>706,066</u>	<u>144,045</u>	<u>11,889,674</u>	<u>3,531,404</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 28,073,203</u>	<u>\$ (832,003)</u>	<u>\$ 2,765,489</u>	<u>\$ 30,006,689</u>	<u>\$ 4,323,613</u>
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	<u>\$ 47,490,080</u>	<u>\$ 1,674,975</u>	<u>\$ 7,566,906</u>	<u>\$ 56,731,961</u>	<u>\$ 32,333,478</u>

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



Notes to the Financial Statements



City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas

Notes to the Financial Statements

Additionally, the City reports the following Internal Service Funds:

Internal Service Funds

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

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

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

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.

City of Allen, Texas

Notes to the Financial Statements

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

City of Allen, Texas

Notes to the Financial Statements

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).

City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas

Notes to the Financial Statements

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

City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas

Notes to the Financial Statements

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

City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas
Notes to the Financial Statements

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

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

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

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

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	<u>67,319,437</u>	<u>4,240,266</u>	<u>2,398,545</u>	<u>73,958,248</u>	<u>73,958,248</u>	21.26%	95.76	AA+
Total	<u>\$ 327,941,531</u>	<u>\$ 10,442,292</u>	<u>\$ 9,516,655</u>	<u>\$ 347,900,478</u>	<u>\$ 73,958,248</u>			

City of Allen, Texas

Notes to the Financial Statements

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

City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas
Notes to the Financial Statements

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.

City of Allen, Texas
Notes to the Financial Statements

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	<u>79,372,216</u>	<u>35,289,020</u>	<u>(63,267,105)</u>	<u>51,394,131</u>
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	<u>1,449,553</u>	<u>922,770</u>	<u>(233,952)</u>	<u>2,138,371</u>
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	<u>(677,369)</u>	<u>(563,015)</u>	<u>233,952</u>	<u>(1,006,432)</u>
Total accumulated depreciation/amortization	<u>(457,052,083)</u>	<u>(26,202,138)</u>	<u>(1,671,926)</u>	<u>(484,926,147)</u>
Total governmental funds capital assets, being depreciated/amortized, net	<u>250,628,608</u>	<u>(16,231,234)</u>	<u>65,794,853</u>	<u>300,192,227</u>
Total governmental funds capital assets, net	<u>\$ 506,322,303</u>	<u>\$ 22,195,411</u>	<u>\$ 45,545,328</u>	<u>\$ 574,063,042</u>

City of Allen, Texas
Notes to the Financial Statements

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	<u>18,605,322</u>	<u>8,313,724</u>	<u>-</u>	<u>26,919,046</u>
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	<u>880,644</u>	<u>190,293</u>	<u>-</u>	<u>1,070,937</u>
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	<u>(304,418)</u>	<u>(192,262)</u>	<u>63,000</u>	<u>(433,680)</u>
Total accumulated depreciation/amortization	<u>(126,530,832)</u>	<u>(7,005,341)</u>	<u>125,680</u>	<u>(133,410,493)</u>
Total enterprise funds capital assets, being depreciated/amortized, net	<u>128,869,515</u>	<u>(2,676,033)</u>	<u>63,768</u>	<u>126,257,250</u>
Total enterprise funds capital assets, net	<u>\$ 151,566,463</u>	<u>\$ 5,637,691</u>	<u>\$ 63,768</u>	<u>\$ 157,267,922</u>

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	<u>727,966</u>	<u>(50,205)</u>	<u>-</u>	<u>677,761</u>
Total AEDC capital assets, net	<u>\$ 727,966</u>	<u>\$ (50,205)</u>	<u>\$ -</u>	<u>\$ 677,761</u>

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.

City of Allen, Texas
Notes to the Financial Statements

	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	<u>13,632,313</u>	<u>2,619,742</u>	<u>(7,143,463)</u>	<u>9,108,592</u>
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	<u>4,645,975</u>	<u>291,947</u>	<u>(31,819)</u>	<u>4,906,103</u>
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	<u>(3,291,493)</u>	<u>(375,857)</u>	<u>31,819</u>	<u>(3,635,531)</u>
Total accumulated depreciation	<u>(42,894,364)</u>	<u>(2,789,589)</u>	<u>31,819</u>	<u>(45,652,134)</u>
Total ACDC capital assets, being depreciated, net	<u>38,305,997</u>	<u>(2,367,811)</u>	<u>7,143,463</u>	<u>43,081,649</u>
Total ACDC capital assets, net	<u>\$ 54,177,511</u>	<u>\$ 251,931</u>	<u>\$ -</u>	<u>\$ 54,429,442</u>

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	<u>76,420</u>
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	<u>1,202</u>
Total business-type activities depreciation and amortization expense	7,005,341

Component unit activities

Allen Economic Development Corporation	50,205
Allen Community Development Corporation	<u>2,789,589</u>
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.

City of Allen, Texas
Notes to the Financial Statements

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				
<i>General Obligation Bonds</i>				
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	<u>17,295,000</u>	5.0%	8/15/2045	<u>17,295,000</u>
Governmental Bonds Total	258,495,000			172,240,000
<i>Certificates of Obligation Bonds</i>				
Combination Tax & Revenue Certificates of Obligation, Series 2021	22,945,000	4.0% - 5.0%	8/15/2036	18,300,000
<i>Tax Notes</i>				
Tax Notes, Series 2020	<u>3,175,000</u>	4.00%	8/15/2026	<u>580,000</u>
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	<u>10,675,000</u>	2.0% - 5.0%	6/1/2036	<u>9,025,000</u>
Business-type Activities Total	28,730,000			22,760,000

City of Allen, Texas
Notes to the Financial Statements

	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	<u>2,295,000</u>	0.65% - 2.45%	9/1/2036	<u>1,975,000</u>
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	<u>12,365,031</u>	<u>1,234,777</u>	<u>-</u>	<u>13,599,808</u>	<u>3,388,154</u>
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	<u>1,054,926</u>	<u>129,530</u>	<u>-</u>	<u>1,184,456</u>	<u>347,847</u>
Total Business Type Activities	\$ 28,820,397	\$ 319,822	\$ (1,804,568)	\$ 27,335,651	\$ 1,745,976
Component Units					
<i>Allen Economic Development Corporation</i>					
Sales tax revenue bonds	\$ 7,250,000	\$ -	\$ (1,580,000)	\$ 5,670,000	\$ 1,645,000
Premiums (discounts)	<u>218,687</u>	<u>-</u>	<u>(72,895)</u>	<u>145,792</u>	<u>-</u>
Total Allen Economic Development Corporation	\$ 7,468,687	\$ -	\$ (1,652,895)	\$ 5,815,792	\$ 1,645,000
<i>Allen Community Development Corporation</i>					
Sales tax revenue bonds	<u>\$ 16,975,000</u>	<u>\$ -</u>	<u>\$ (1,935,000)</u>	<u>\$ 15,040,000</u>	<u>\$ 1,980,000</u>
Total Allen Community Development Corporation	\$ 16,975,000	\$ -	\$ (1,935,000)	\$ 15,040,000	\$ 1,980,000

City of Allen, Texas

Notes to the Financial Statements

Annual Requirements to Retire Debt Obligations. The City intends to retire all its general long-term liabilities, plus accrued interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt, plus accrued interest, will be repaid from operating revenues of the Water and Sewer Fund. The annual aggregate maturities for each bond type for the years subsequent to September 30, 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
	<u>\$ 172,240,000</u>	<u>\$ 75,409,374</u>	<u>\$ 247,649,374</u>

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
	<u>\$ 18,300,000</u>	<u>\$ 4,935,350</u>	<u>\$ 23,235,350</u>

Tax Notes			
Fiscal Year Ending September 30,	Principal	Interest	Total
2026	\$ 580,000	\$ 23,200	\$ 603,200
	<u>\$ 580,000</u>	<u>\$ 23,200</u>	<u>\$ 603,200</u>

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
	<u>\$ 22,760,000</u>	<u>\$ 7,623,200</u>	<u>\$ 30,383,200</u>

City of Allen, Texas
Notes to the Financial Statements

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
	<u>\$ 5,670,000</u>	<u>\$ 526,920</u>	<u>\$ 6,196,920</u>

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
	<u>\$ 15,040,000</u>	<u>\$ 1,840,694</u>	<u>\$ 16,880,694</u>

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	-	-
		<u>\$ 169,500,000</u>	<u>\$ 101,500,000</u>	<u>\$ 15,000,000</u>	<u>\$ 53,000,000</u>

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

City of Allen, Texas

Notes to the Financial Statements

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	<u>2,093,204</u>
	<u>\$ 3,997,043</u>
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	<u>(1,200,000)</u>
Reserved for water and sewer revenue bonds principal and interest	<u>\$ 2,501,833</u>

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 September 30,	Business-type Activities		
	Principal	Interest	Total
2026	<u>\$ 15,663</u>	<u>\$ 383</u>	<u>\$ 16,046</u>
Total	<u>\$ 15,663</u>	<u>\$ 383</u>	<u>\$ 16,046</u>

City of Allen, Texas

Notes to the Financial Statements

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 September 30,	Governmental Activities			Business-type Activities		
	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	<u>\$ 1,098,558</u>	<u>\$ 116,347</u>	<u>\$ 1,214,905</u>	<u>\$ 680,525</u>	<u>\$ 62,695</u>	<u>\$ 743,220</u>

City of Allen, Texas
Notes to the Financial Statements

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 Out:	Transfers In:						Total
	General Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Event Center	Nonmajor Enterprise Funds	
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.

City of Allen, Texas

Notes to the Financial Statements

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	<u>830</u>
	<u>1,834</u>

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

City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas

Notes to the Financial Statements

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	<u>30,906,367</u>	<u>35,781,163</u>	<u>(4,874,796)</u>
Balance at 12/31/2024	<u>\$ 358,817,335</u>	<u>\$ 320,421,578</u>	<u>\$ 38,395,757</u>

City of Allen, Texas

Notes to the Financial Statements

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	<u>9,705,440</u>	<u>-</u>
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	<u>(1,973,732)</u>
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

City of Allen, Texas

Notes to the Financial Statements

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.

City of Allen, Texas

Notes to the Financial Statements

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	<u>830</u>
	<u>1,264</u>

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 experience	(24,150)
Change in assumptions or other inputs	(111,564)
Benefit payments, including	<u>(37,656)</u>
Net changes	<u>12,441</u>
Total OPEB Liability - end of year	<u>\$ 1,906,939</u>

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	<u>(60,270)</u>
Total OPEB Expense	<u>95,403</u>

City of Allen, Texas

Notes to the Financial Statements

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	<u>30,179</u>	<u>-</u>
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	<u>(18,667)</u>
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.

City of Allen, Texas

Notes to the Financial Statements

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

City of Allen, Texas

Notes to the Financial Statements

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.





Required Supplementary Information



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	<u>(8,629,558)</u>	<u>(8,966,492)</u>	<u>(3,652,345)</u>	<u>5,314,147</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,637,517	11,154,886	12,061,851	(906,965)
Transfers out	(2,893,320)	975,208	(5,820,718)	6,795,926
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	12,190,734	7,618,822	4,571,912
NET CHANGE IN FUND BALANCES	146,239	3,224,242	3,966,477	9,886,059
FUND BALANCES - BEGINNING	34,368,679	34,368,679	34,368,679	34,368,679
FUND BALANCES - ENDING	\$ 34,514,918	\$ 37,592,921	\$ 38,335,156	\$ 44,254,738

See Notes to Required Supplementary Information

City of Allen, Texas

Schedule of Change in 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	<u>(11,005,036)</u>	<u>(8,815,211)</u>	<u>(8,574,676)</u>	<u>(8,465,892)</u>
Net change in total pension liability	30,906,367	27,480,977	25,921,015	23,044,080
Total pension liability - beginning of year	<u>327,910,968</u>	<u>300,429,991</u>	<u>274,508,976</u>	<u>251,464,896</u>
Total pension liability - end of year (a)	<u>\$ 358,817,335</u>	<u>\$ 327,910,968</u>	<u>\$ 300,429,991</u>	<u>\$ 274,508,976</u>
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	<u>(4,437)</u>	<u>(1,284)</u>	<u>198,855</u>	<u>949</u>
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	<u>284,640,415</u>	<u>249,752,924</u>	<u>263,816,091</u>	<u>229,443,013</u>
Plan fiduciary net position - end of year (b)	<u>\$ 320,421,578</u>	<u>\$ 284,640,415</u>	<u>\$ 249,752,924</u>	<u>\$ 263,816,091</u>
Plan pension liability - ending (a) - (b)	<u>\$ 38,395,757</u>	<u>\$ 43,270,553</u>	<u>\$ 50,677,067</u>	<u>\$ 10,692,885</u>
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)
<u>(5,974,169)</u>	<u>(6,195,996)</u>	<u>(5,222,230)</u>	<u>(4,423,768)</u>	<u>(3,902,489)</u>	<u>(3,247,435)</u>
18,834,773	19,388,613	16,660,477	17,193,500	15,898,007	14,657,132
<u>232,630,123</u>	<u>213,241,510</u>	<u>196,581,033</u>	<u>179,387,533</u>	<u>163,489,526</u>	<u>148,832,394</u>
<u>\$ 251,464,896</u>	<u>\$ 232,630,123</u>	<u>\$ 213,241,510</u>	<u>\$ 196,581,033</u>	<u>\$ 179,387,533</u>	<u>\$ 163,489,526</u>
\$ 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)
<u>(3,976)</u>	<u>(4,592)</u>	<u>(5,284)</u>	<u>(5,400)</u>	<u>(5,497)</u>	<u>(5,671)</u>
21,967,225	32,456,836	278,519	26,438,784	14,631,976	5,905,440
<u>207,475,788</u>	<u>175,018,952</u>	<u>174,740,433</u>	<u>148,301,649</u>	<u>133,669,673</u>	<u>127,764,233</u>
<u>\$ 229,443,013</u>	<u>\$ 207,475,788</u>	<u>\$ 175,018,952</u>	<u>\$ 174,740,433</u>	<u>\$ 148,301,649</u>	<u>\$ 133,669,673</u>
<u>\$ 22,021,883</u>	<u>\$ 25,154,335</u>	<u>\$ 38,222,558</u>	<u>\$ 21,840,600</u>	<u>\$ 31,085,884</u>	<u>\$ 29,819,853</u>
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	<u>(12,525,281)</u>	<u>(11,266,720)</u>	<u>(9,866,638)</u>	<u>(8,810,782)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (628,581)</u>	<u>\$ (310,440)</u>	<u>\$ -</u>
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). 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.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 8,333,070 <u>(8,739,669)</u>	\$ 7,555,689 <u>(7,890,278)</u>	\$ 7,228,643 <u>(7,736,900)</u>	\$ 6,678,295 <u>(6,927,485)</u>	\$ 6,217,858 <u>(6,545,488)</u>	\$ 6,028,939 <u>(6,181,797)</u>
<u>\$ (406,599)</u>	<u>\$ (334,589)</u>	<u>\$ (508,257)</u>	<u>\$ (249,190)</u>	<u>\$ (327,630)</u>	<u>\$ (152,858)</u>
\$ 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	<u>(37,656)</u>	<u>(34,082)</u>	<u>(24,403)</u>
Net change in total OPEB liability	12,441	229,951	(760,649)
Total OPEB liability - beginning of year	<u>1,894,498</u>	<u>1,664,547</u>	<u>2,425,196</u>
Total OPEB liability - end of year	<u>\$ 1,906,939</u>	<u>\$ 1,894,498</u>	<u>\$ 1,664,547</u>
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
<u>(23,494)</u>	<u>(5,495)</u>	<u>(5,231)</u>	<u>(4,881)</u>	<u>(4,648)</u>
267,485	407,867	279,864	128,868	243,273
<u>2,157,711</u>	<u>1,749,844</u>	<u>1,469,980</u>	<u>1,341,112</u>	<u>1,097,839</u>
<u>\$ 2,425,196</u>	<u>\$ 2,157,711</u>	<u>\$ 1,749,844</u>	<u>\$ 1,469,980</u>	<u>\$ 1,341,112</u>
\$ 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	<u>(39,461)</u>	<u>(35,423)</u>	<u>(31,627)</u>	<u>(24,889)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018¹</u>
\$ 18,595 <u>(18,595)</u>	\$ 5,394 <u>(5,394)</u>	\$ 5,156 <u>(5,156)</u>	\$ 4,778 <u>(4,778)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 58,367,657	\$ 53,937,361	\$ 51,562,996	\$ 47,782,955
0.03%	0.01%	0.01%	0.01%



City of Allen, Texas

Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2025

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.



Combining and Budgetary Comparison Schedules



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		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
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	<u>20,654,960</u>	<u>20,654,960</u>	<u>20,571,248</u>	<u>(83,712)</u>
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	<u>21,012,828</u>	<u>21,012,828</u>	<u>21,107,881</u>	<u>(95,053)</u>
Excess of revenues over expenditures	<u>(357,868)</u>	<u>(357,868)</u>	<u>(536,633)</u>	<u>11,341</u>
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)	<u>-</u>	<u>-</u>	<u>31,791</u>	<u>31,791</u>
NET CHANGE IN FUND BALANCES	(357,868)	(357,868)	(504,842)	(146,974)
FUND BALANCES - BEGINNING	<u>4,388,795</u>	<u>4,388,795</u>	<u>4,388,795</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,030,927</u>	<u>\$ 4,030,927</u>	<u>\$ 3,883,953</u>	<u>\$ (146,974)</u>



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	<u>\$ 3,000,872</u>	<u>\$ 365,094</u>	<u>\$ 3,022,593</u>
LIABILITIES			
Accounts payable	121,695	5,285	-
Accrued liabilities	18,735	119,404	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	<u>140,430</u>	<u>124,689</u>	<u>-</u>
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	<u>2,860,442</u>	<u>240,405</u>	<u>3,022,593</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,000,872</u>	<u>\$ 365,094</u>	<u>\$ 3,022,593</u>

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
<u>235,211</u>	-	-	-	<u>235,211</u>
<u>\$ 512,885</u>	<u>\$ 2,233,095</u>	<u>\$ 238,241</u>	<u>\$ 13,876,715</u>	<u>\$ 23,249,495</u>
64,910	1,044	19,695	-	212,629
-	-	-	-	138,139
<u>209,461</u>	-	-	-	<u>209,461</u>
<u>274,371</u>	<u>1,044</u>	<u>19,695</u>	<u>-</u>	<u>560,229</u>
-	-	-	-	2,860,442
238,514	-	-	-	238,514
-	2,232,051	-	-	2,232,051
-	-	-	13,876,715	13,876,715
-	-	218,546	-	3,481,544
<u>238,514</u>	<u>2,232,051</u>	<u>218,546</u>	<u>13,876,715</u>	<u>22,689,266</u>
<u>\$ 512,885</u>	<u>\$ 2,233,095</u>	<u>\$ 238,241</u>	<u>\$ 13,876,715</u>	<u>\$ 23,249,495</u>

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	<u>2,808,085</u>	<u>249,317</u>	<u>953,939</u>
EXPENDITURES			
Current			
General government	-	-	128,847
Public safety	-	148,875	-
Culture and recreation	2,203,404	-	-
Community development	-	-	-
Capital outlay	-	-	22,315
TOTAL EXPENDITURES	<u>2,203,404</u>	<u>148,875</u>	<u>151,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>604,681</u>	<u>100,442</u>	<u>802,777</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(350,000)	-	-
Proceeds from sale of capital assets	-	9,223	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(350,000)</u>	<u>9,223</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>254,681</u>	<u>109,665</u>	<u>802,777</u>
FUND BALANCES - 9/30/2024	<u>2,605,761</u>	<u>130,740</u>	<u>2,219,816</u>
FUND BALANCES - 9/30/2025	<u>\$ 2,860,442</u>	<u>\$ 240,405</u>	<u>\$ 3,022,593</u>

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
<u>1,147,789</u>	<u>308,736</u>	<u>158,755</u>	<u>3,805,265</u>	<u>9,431,886</u>
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
<u>1,163,118</u>	<u>5,040</u>	<u>202,738</u>	<u>4,646,888</u>	<u>8,521,225</u>
<u>(15,329)</u>	<u>303,696</u>	<u>(43,983)</u>	<u>(841,623)</u>	<u>910,661</u>
15,329	-	-	-	15,329
-	-	-	(34,000)	(384,000)
-	-	-	-	9,223
<u>15,329</u>	<u>-</u>	<u>-</u>	<u>(34,000)</u>	<u>(359,448)</u>
<u>-</u>	<u>303,696</u>	<u>(43,983)</u>	<u>(875,623)</u>	<u>551,213</u>
<u>238,514</u>	<u>1,928,355</u>	<u>262,529</u>	<u>14,752,338</u>	<u>22,138,053</u>
<u>\$ 238,514</u>	<u>\$ 2,232,051</u>	<u>\$ 218,546</u>	<u>\$ 13,876,715</u>	<u>\$ 22,689,266</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
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	<u>64,750</u>	<u>64,750</u>	<u>86,579</u>	<u>21,829</u>
TOTAL REVENUES	2,482,906	2,631,750	2,808,085	176,335
EXPENDITURES				
Current				
Culture and recreation	<u>2,510,709</u>	<u>2,461,981</u>	<u>2,203,404</u>	<u>258,577</u>
TOTAL EXPENDITURES	2,510,709	2,461,981	2,203,404	258,577
Excess (deficiency) of revenues over (under) expenditures	<u>(27,803)</u>	<u>169,769</u>	<u>604,681</u>	<u>(82,242)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>350,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>350,000</u>
NET CHANGE IN FUND BALANCES	<u>(27,803)</u>	<u>169,769</u>	<u>254,681</u>	<u>267,758</u>
FUND BALANCES - BEGINNING	<u>2,605,761</u>	<u>2,605,761</u>	<u>2,605,761</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,577,958</u>	<u>\$ 2,775,530</u>	<u>\$ 2,860,442</u>	<u>\$ 84,912</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
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	<u>251,127</u>	<u>351,426</u>	<u>953,939</u>	<u>602,513</u>
EXPENDITURES				
Current				
General government	35,000	212,256	128,847	83,409
Capital outlay	-	23,169	22,315	854
TOTAL EXPENDITURES	<u>35,000</u>	<u>235,425</u>	<u>151,162</u>	<u>84,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>216,127</u>	<u>116,001</u>	<u>802,777</u>	<u>686,776</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(77,201)</u>	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(77,201)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>138,926</u>	<u>116,001</u>	<u>802,777</u>	<u>686,776</u>
FUND BALANCES - BEGINNING	<u>2,219,816</u>	<u>2,219,816</u>	<u>2,219,816</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,358,742</u>	<u>\$ 2,335,817</u>	<u>\$ 3,022,593</u>	<u>\$ 686,776</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
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	<u>\$ 238,514</u>	<u>\$ 238,514</u>	<u>\$ 238,514</u>	<u>\$ -</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
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	<u>173,702</u>	<u>231,059</u>	<u>406,873</u>	<u>175,814</u>
TOTAL REVENUES	3,596,237	3,597,733	3,805,265	207,532
EXPENDITURES				
Current				
General government	<u>755,760</u>	<u>4,646,889</u>	<u>4,646,888</u>	<u>1</u>
TOTAL EXPENDITURES	755,760	4,646,889	4,646,888	1
Excess (deficiency) of revenues over (under) expenditures	<u>2,840,477</u>	<u>(1,049,156)</u>	<u>(841,623)</u>	<u>207,531</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(34,000)</u>	<u>(34,000)</u>	<u>(34,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(34,000)</u>	<u>(34,000)</u>	<u>(34,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,806,477	(1,083,156)	(875,623)	207,533
FUND BALANCES - BEGINNING	<u>14,752,338</u>	<u>14,752,338</u>	<u>14,752,338</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 17,558,815</u>	<u>\$ 13,669,182</u>	<u>\$ 13,876,715</u>	<u>\$ 207,533</u>

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			Total Nonmajor Enterprise Funds
	Solid Waste	Drainage	Golf Course	
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				Total Nonmajor Enterprise Funds
	Solid Waste	Drainage	Golf Course	Previously reported as nonmajor: Allen Event Center	
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	<u>9,016,964</u>	<u>2,387,512</u>	<u>5,498,309</u>	<u>-</u>	<u>16,902,785</u>
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	<u>8,003,251</u>	<u>1,964,894</u>	<u>4,313,196</u>	<u>-</u>	<u>14,281,341</u>
OPERATING INCOME	<u>1,013,713</u>	<u>422,618</u>	<u>1,185,113</u>	<u>-</u>	<u>2,621,444</u>
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)	<u>53,895</u>	<u>42,437</u>	<u>75,973</u>	<u>-</u>	<u>172,305</u>
INCOME BEFORE TRANSFERS	<u>1,067,608</u>	<u>465,055</u>	<u>1,261,086</u>	<u>-</u>	<u>2,793,749</u>
TRANSFERS					
Transfers in	-	-	1,400	-	1,400
Transfers out	(1,566,400)	(501,633)	-	-	(2,068,033)
TOTAL TRANSFERS	<u>(1,566,400)</u>	<u>(501,633)</u>	<u>1,400</u>	<u>-</u>	<u>(2,066,633)</u>
CHANGE IN NET POSITION	(498,792)	(36,578)	1,262,486	-	727,116
NET POSITION - 9/30/2024	<u>3,083,873</u>	<u>2,769,454</u>	<u>3,353,233</u>	<u>(399,302)</u>	<u>8,807,258</u>
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	<u>3,150,536</u>	<u>2,762,145</u>	<u>3,425,284</u>	<u>-</u>	<u>9,337,965</u>
NET POSITION - 9/30/2025	<u>\$ 2,651,744</u>	<u>\$ 2,725,567</u>	<u>\$ 4,687,770</u>	<u>\$ -</u>	<u>\$ 10,065,081</u>

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

	Enterprise Funds			Total Nonmajor Enterprise Funds
	Solid Waste	Drainage	Golf Course	
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	<u>726,710</u>	<u>617,696</u>	<u>1,421,083</u>	<u>2,765,489</u>
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	<u>(1,566,400)</u>	<u>(501,633)</u>	<u>1,400</u>	<u>(2,066,633)</u>
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	<u>(49,102)</u>	<u>(164,641)</u>	<u>(621,663)</u>	<u>(835,406)</u>
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	<u>53,895</u>	<u>42,437</u>	<u>738,774</u>	<u>835,106</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(834,897)	(6,141)	1,539,594	698,556
CASH AND CASH EQUIVALENTS - BEGINNING	<u>2,468,170</u>	<u>1,475,127</u>	<u>2,925,053</u>	<u>6,868,350</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 1,633,273</u>	<u>\$ 1,468,986</u>	<u>\$ 4,464,647</u>	<u>\$ 7,566,906</u>
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	<u>(287,003)</u>	<u>195,078</u>	<u>235,970</u>	<u>144,045</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 726,710</u>	<u>\$ 617,696</u>	<u>\$ 1,421,083</u>	<u>\$ 2,765,489</u>
NON-CASH INVESTING ACTIVITIES				
Initiation of capital asset lease	-	-	190,292	190,292
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,633,273</u>	<u>\$ 1,468,986</u>	<u>\$ 4,464,647</u>	<u>\$ 7,566,906</u>

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	<u>2,642,748</u>	<u>19,433,783</u>	<u>1,807,300</u>	<u>23,883,831</u>
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	<u>3,690,722</u>	<u>18,802,625</u>	<u>598,275</u>	<u>23,091,622</u>
OPERATING INCOME (LOSS)	<u>(1,047,974)</u>	<u>631,158</u>	<u>1,209,025</u>	<u>792,209</u>
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)	<u>1,005,937</u>	<u>445,153</u>	<u>48,003</u>	<u>1,499,093</u>
CHANGE IN NET POSITION	<u>(42,037)</u>	<u>1,076,311</u>	<u>1,257,028</u>	<u>2,291,302</u>
NET POSITION - 9/30/2024	<u>33,790,599</u>	<u>12,010,721</u>	<u>6,593,100</u>	<u>52,394,420</u>
NET POSITION - 9/30/2025	<u>\$ 33,748,562</u>	<u>\$ 13,087,032</u>	<u>\$ 7,850,128</u>	<u>\$ 54,685,722</u>

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	<u>2,247,441</u>	<u>708,905</u>	<u>1,367,267</u>	<u>4,323,613</u>
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	<u>(5,744,379)</u>	<u>-</u>	<u>(958,347)</u>	<u>(6,702,726)</u>
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	<u>2,901,284</u>	<u>(251,591)</u>	<u>279,701</u>	<u>2,929,394</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(595,654)	457,314	688,621	550,281
CASH AND CASH EQUIVALENTS - BEGINNING	<u>17,590,225</u>	<u>7,999,223</u>	<u>6,193,749</u>	<u>31,783,197</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 16,994,571</u>	<u>\$ 8,456,537</u>	<u>\$ 6,882,370</u>	<u>\$ 32,333,478</u>
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	<u>3,295,415</u>	<u>77,747</u>	<u>158,242</u>	<u>3,531,404</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,247,441</u>	<u>\$ 708,905</u>	<u>\$ 1,367,267</u>	<u>\$ 4,323,613</u>

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	<u>\$ 17,714,607</u>	<u>\$ 13,435,723</u>	<u>\$ 31,150,330</u>
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	<u>392,051</u>	<u>826,538</u>	<u>1,218,589</u>
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	<u>17,322,556</u>	<u>12,609,185</u>	<u>29,931,741</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,714,607</u>	<u>\$ 13,435,723</u>	<u>\$ 31,150,330</u>

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
Investment earnings	704,702	770,272	1,474,974
Miscellaneous	<u>4,461,338</u>	-	<u>4,461,338</u>
TOTAL REVENUES	<u>21,102,523</u>	<u>16,706,755</u>	<u>37,809,278</u>
EXPENDITURES			
Current			
Economic development	8,791,742	-	8,791,742
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	<u>257,400</u>	<u>478,499</u>	<u>735,899</u>
TOTAL EXPENDITURES	<u>61,302,743</u>	<u>14,259,613</u>	<u>75,562,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,200,220)</u>	<u>2,447,142</u>	<u>(37,753,078)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	17,599,486	-	17,599,486
Transfers in (out)	<u>20,000,000</u>	<u>(20,000,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>37,599,486</u>	<u>(20,000,000)</u>	<u>17,599,486</u>
NET CHANGE IN FUND BALANCES	(2,600,734)	(17,552,858)	(20,153,592)
FUND BALANCES - 9/30/2024	<u>19,923,290</u>	<u>30,162,043</u>	<u>50,085,333</u>
FUND BALANCES - 9/30/2025	<u>\$ 17,322,556</u>	<u>\$ 12,609,185</u>	<u>\$ 29,931,741</u>

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
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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)
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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
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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)	-
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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
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Amortization of bond premiums

	72,895	-
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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
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Change in net position of governmental activities

	\$ (2,651,431)	\$ (15,362,280)
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**Statistical Section
(Unaudited)**



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

1, 2, 3 & 4

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

Revenue Capacity

5, 6, 7 & 8

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

Debt Capacity

9, 10, 11 & 12

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

Economic and Demographic Information

13 & 14

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

Operating Information

15, 16 & 17

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

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

City of Allen, Texas
Net Position by Component (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	<u>82,863,013</u>	<u>70,719,947</u>	<u>76,104,550</u>	<u>76,814,254</u>
Total governmental net position	<u>\$ 564,543,565</u>	<u>\$ 501,504,949</u>	<u>\$ 488,169,464</u>	<u>\$ 485,864,962</u>
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	<u>90,693,798</u>	<u>87,631,740</u>	<u>65,836,910</u>	<u>70,596,998</u>
Total business-type net position	<u>\$ 221,601,991</u>	<u>\$ 215,779,858</u>	<u>\$ 191,004,986</u>	<u>\$ 180,201,880</u>
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	<u>173,556,811</u>	<u>158,351,687</u>	<u>141,941,460</u>	<u>147,411,252</u>
Total primary government net position	<u>\$ 786,145,556</u>	<u>\$ 717,284,807</u>	<u>\$ 679,174,450</u>	<u>\$ 666,066,842</u>

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
<u>72,520,903</u>	<u>57,821,649</u>	<u>20,238,419</u>	<u>15,312,432</u>	<u>15,902,576</u>	<u>14,435,604</u>
<u>\$ 476,123,784</u>	<u>\$ 464,081,487</u>	<u>\$ 456,372,244</u>	<u>\$ 434,054,599</u>	<u>\$ 420,528,020</u>	<u>\$ 411,588,028</u>
\$ 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
<u>56,890,299</u>	<u>50,803,699</u>	<u>40,240,619</u>	<u>43,785,615</u>	<u>31,920,455</u>	<u>33,592,809</u>
<u>\$ 171,051,618</u>	<u>\$ 164,672,610</u>	<u>\$ 154,271,297</u>	<u>\$ 147,594,206</u>	<u>\$ 140,042,751</u>	<u>\$ 139,983,664</u>
\$ 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
<u>129,411,202</u>	<u>108,625,348</u>	<u>60,479,038</u>	<u>59,098,047</u>	<u>47,823,031</u>	<u>48,028,413</u>
<u>\$ 647,175,402</u>	<u>\$ 628,754,097</u>	<u>\$ 610,643,541</u>	<u>\$ 581,648,805</u>	<u>\$ 560,570,771</u>	<u>\$ 551,571,692</u>

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	<u>184,804,820</u>	<u>175,408,762</u>	<u>156,445,093</u>	<u>143,463,073</u>
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	<u>83,890,676</u>	<u>81,401,502</u>	<u>77,383,490</u>	<u>59,156,669</u>
Total primary government expenses	<u>\$ 268,695,496</u>	<u>\$ 256,810,264</u>	<u>\$ 233,828,583</u>	<u>\$ 202,619,742</u>
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	<u>85,580,373</u>	<u>44,282,057</u>	<u>15,425,550</u>	<u>29,899,244</u>
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	<u>105,146,450</u>	<u>108,399,352</u>	<u>90,585,035</u>	<u>75,355,862</u>
Total primary government program revenues	<u>\$ 190,726,823</u>	<u>\$ 152,681,409</u>	<u>\$ 106,010,585</u>	<u>\$ 105,255,106</u>
Net (Expenses) Revenue				
Governmental activities	\$ (99,224,447)	\$ (131,126,705)	\$ (141,019,543)	\$ (113,563,829)
Business-type activities	<u>21,255,774</u>	<u>26,997,850</u>	<u>13,201,545</u>	<u>16,199,193</u>
Total primary government net expenses	<u>\$ (77,968,673)</u>	<u>\$ (104,128,855)</u>	<u>\$ (127,817,998)</u>	<u>\$ (97,364,636)</u>

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
<u>3,103,192</u>	<u>2,745,698</u>	<u>2,888,831</u>	<u>2,920,824</u>	<u>2,980,513</u>	<u>3,356,234</u>
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
-	-	-	-	-	-
<u>58,321,468</u>	<u>56,772,816</u>	<u>55,489,020</u>	<u>52,015,915</u>	<u>49,934,870</u>	<u>45,709,630</u>
\$ <u>189,249,303</u>	\$ <u>188,471,946</u>	\$ <u>188,097,195</u>	\$ <u>181,947,388</u>	\$ <u>172,977,087</u>	\$ <u>164,756,979</u>
\$ 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
<u>8,535,198</u>	<u>10,639,664</u>	<u>19,888,044</u>	<u>18,942,856</u>	<u>15,327,094</u>	<u>16,039,869</u>
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
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,695,888</u>	<u>8,332,962</u>	<u>10,175,397</u>	<u>9,734,528</u>	<u>5,622,911</u>	<u>6,172,301</u>
67,857,665	70,273,335	65,187,578	63,839,396	54,130,394	53,420,555
\$ <u>93,191,248</u>	\$ <u>94,089,050</u>	\$ <u>105,615,297</u>	\$ <u>103,064,810</u>	\$ <u>88,416,766</u>	\$ <u>87,004,405</u>
\$ (105,594,252)	\$ (107,883,415)	\$ (92,180,456)	\$ (90,706,059)	\$ (88,755,845)	\$ (85,463,499)
<u>9,536,197</u>	<u>13,500,519</u>	<u>9,698,558</u>	<u>11,823,481</u>	<u>4,195,524</u>	<u>7,710,925</u>
\$ <u>(96,058,055)</u>	\$ <u>(94,382,896)</u>	\$ <u>(82,481,898)</u>	\$ <u>(78,882,578)</u>	\$ <u>(84,560,321)</u>	\$ <u>(77,752,574)</u>

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	<u>165,199,494</u>	<u>144,462,190</u>	<u>143,324,045</u>	<u>123,305,007</u>
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	<u>(20,130,772)</u>	<u>(7,677,314)</u>	<u>(5,712,575)</u>	<u>(6,365,977)</u>
Total business-type activities	(15,655,325)	(2,222,978)	(2,398,439)	(7,048,931)
Total primary government	<u>\$ 149,544,169</u>	<u>\$ 142,239,212</u>	<u>\$ 140,925,606</u>	<u>\$ 116,256,076</u>
Change in Net Position				
Governmental activities	\$ 65,975,047	\$ 13,335,485	\$ 2,304,502	\$ 9,741,178
Business-type activities	<u>5,600,449</u>	<u>24,774,872</u>	<u>10,803,106</u>	<u>9,150,262</u>
Total primary government	<u>\$ 71,575,496</u>	<u>\$ 38,110,357</u>	<u>\$ 13,107,608</u>	<u>\$ 18,891,440</u>

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
<u>117,636,549</u>	<u>115,592,658</u>	<u>114,498,101</u>	<u>105,209,055</u>	<u>97,695,837</u>	<u>93,222,322</u>
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	-
<u>(4,007,336)</u>	<u>(4,603,154)</u>	<u>(4,702,914)</u>	<u>(4,398,244)</u>	<u>(4,610,889)</u>	<u>(4,790,072)</u>
(3,157,189)	(3,099,206)	(3,021,467)	(4,153,941)	(4,136,437)	(4,577,444)
<u>\$ 114,479,360</u>	<u>\$ 112,493,452</u>	<u>\$ 111,476,634</u>	<u>\$ 101,055,114</u>	<u>\$ 93,559,400</u>	<u>\$ 88,644,878</u>
\$ 12,042,297	\$ 7,709,243	\$ 22,317,645	\$ 14,502,996	\$ 8,939,992	\$ 7,758,823
<u>6,379,008</u>	<u>10,401,313</u>	<u>6,677,091</u>	<u>7,669,540</u>	<u>59,087</u>	<u>3,133,481</u>
<u>\$ 18,421,305</u>	<u>\$ 18,110,556</u>	<u>\$ 28,994,736</u>	<u>\$ 22,172,536</u>	<u>\$ 8,999,079</u>	<u>\$ 10,892,304</u>

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	<u>\$ 38,335,156</u>	<u>\$ 34,368,679</u>	<u>\$ 32,548,113</u>	<u>\$ 28,779,924</u>
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	<u>\$ 161,306,728</u>	<u>\$ 167,578,081</u>	<u>\$ 92,527,850</u>	<u>\$ 101,951,763</u>

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
<u>\$ 27,764,293</u>	<u>\$ 26,898,146</u>	<u>\$ 26,014,696</u>	<u>\$ 23,711,241</u>	<u>\$ 21,869,796</u>	<u>\$ 21,821,980</u>
\$ 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)	-	-
<u>\$ 115,811,623</u>	<u>\$ 81,115,409</u>	<u>\$ 63,469,601</u>	<u>\$ 56,266,807</u>	<u>\$ 57,540,668</u>	<u>\$ 46,610,702</u>

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	<u>(29,882,660)</u>	<u>(21,255,914)</u>	<u>(26,960,062)</u>	<u>(43,548,905)</u>
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	<u>\$ (2,304,876)</u>	<u>\$ 76,870,797</u>	<u>\$ (5,655,724)</u>	<u>\$ (12,844,229)</u>
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
	<u>135,733,507</u>	<u>125,276,288</u>	<u>130,413,993</u>	<u>122,153,411</u>	<u>112,105,281</u>	<u>107,746,217</u>
	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
	-	-	-	-	-	-
	<u>136,325,205</u>	<u>131,618,554</u>	<u>134,298,235</u>	<u>134,113,332</u>	<u>117,481,491</u>	<u>117,398,831</u>
	(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)
	-	-	-	-	-	-
	<u>38,015</u>	<u>37,476</u>	<u>38,631</u>	<u>85,327</u>	<u>43,897</u>	<u>24,148</u>
	36,154,059	24,871,524	13,380,491	12,537,505	16,353,992	6,577,292
\$	<u>35,562,361</u>	<u>18,529,258</u>	<u>9,496,249</u>	<u>577,584</u>	<u>10,977,782</u>	<u>(3,075,322)</u>
	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)

Fiscal Year Ended September 30,	City Direct Rates			Overlapping Rates					
	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
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Table 7

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: ^aTaxpayers are assessed on January 1, 2024 (2024 tax year) for the 2025 fiscal year.

^bTaxpayers 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)

Fiscal Year Ended September 30,	Collected within the Fiscal Year of			Total Collections to Date		
	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
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Table 9

Fiscal Year Ended September 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Leases and Financing Arrangements	Water and Sewer Revenue Bonds	Leases and Financing Arrangements	Total Primary Government		
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.

^aSee 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.

^aSee Table 5 for property value data.

^bSee 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
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Table 12

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: ^aAs 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.

^bIncludes operating expenses minus depreciation.

^cIncludes Principal and Interest.

City of Allen, Texas
 Demographic and Economic Statistics
 Last Ten Fiscal Years
 (Unaudited)

Table 13

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: ^aEstimated population provided by the City of Allen.

^bEstimated Per Capita Income provided by U.S. Census Bureau based on current income

^cAllen Independent School District.

^dTexas Workforce Commission.

^eThe reduction in population from prior years is due to inaccurate estimates used between the 2010 and 2020 decennial censuses.

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

Table 14

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)

<u>Function/Program</u>	<u>Fiscal Year Ended September 30,</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
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	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.50</u>	<u>7.50</u>
Total	<u><u>792.95</u></u>	<u><u>797.95</u></u>	<u><u>818.96</u></u>	<u><u>839.46</u></u>	<u><u>845.94</u></u>

Source: City of Allen's Annual Official Budgets

Table 15

Fiscal Year Ended September 30,				
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
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
<u>7.50</u>	<u>7.50</u>	<u>7.50</u>	<u>7.50</u>	<u>7.50</u>
<u><u>847.44</u></u>	<u><u>858.69</u></u>	<u><u>937.17</u></u>	<u><u>957.17</u></u>	<u><u>978.67</u></u>

City of Allen, Texas

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

<u>Function/Program</u>	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:^aIncludes residential, commercial, and miscellaneous permits (e.g. for pools, fences, and roof repairs)

^bIncludes 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)

<u>Function/Program</u>	Fiscal Year Ended September 30,				
	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: ^aThe 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

CITY COUNCIL REGULAR MEETING AGENDA COMMUNICATION

AGENDA DATE:

Tuesday, March 10, 2026, 7:00 PM

AGENDA CAPTION:

Authorize the City Manager to negotiate and execute various agreements with the Allen Economic Development Corporation, Allen Community Development Corporation, and/or Rough Creek Capital Services, LLC and/or its affiliates, including, but not limited to, a ground lease, parking license agreement, real estate purchase option agreement, right of first refusal agreement, a construction incentive agreement, a programming agreement, and any amendments and instruments related to such agreements relating to the development of the Downtown Catalyst Project.

STAFF RESOURCE:

Nicole Bywater, Economic Development Specialist

BOARD/COMMISSION ACTION:

February 16, 2026 - Approved by the Allen CDC Board.
February 18, 2026 - Approved by the Allen EDC Board.

PREVIOUS COUNCIL ACTION:

None

STRATEGIC PLANNING GOAL:

Vibrant community with lively destinations and successful commercial centers.

BACKGROUND:

The Allen Economic Development Corporation (AEDC) previously completed conceptual plans for the +/- 7.5-acre, 3-block area in Downtown Allen. Numerous developers were vetted to identify the best partner for the development and activation of Phase 1-A of the project, which includes the 2-acre site at the northwest corner of Allen Drive and McDermott Drive that includes the original Allen fire station building.

Phase 1-A of this Downtown Allen Catalyst Project includes 20,000 SF of retail/commercial space, a public pocket park, stage and temporary parking. The AEDC has worked with developer Rough Creek Capital Services to obtain and refine five general contractor (GC) bids in order to arrive at a Phase 1-A project budget of approximately \$17 million.

AEDC and City staff previously negotiated the terms of a Letter of Intent (LOI) with Rough Creek Capital Services to move forward on the project.

Per the terms of the proposed incentive agreement, the developer is required to construct Phase 1-A of the Downtown Catalyst Project in accordance with the attached plans, including 20,000 SF of restaurant/retail buildings and a public gathering area that will give Allen citizens a pocket park with mature trees, a stage, turf, and hardscaped area.

The developer will be required to construct temporary parking on adjacent land owned by the AEDC and will have a parking license agreement for use of that parking. The developer will also have a 3-year option and 1-year Right of First Refusal (ROFR) for the future development of Phase 1-B of the project.

The developer will be required to maintain the property, including the public gathering area, and the City or a related entity will commit to funding a portion of the programming budget to support exciting, interactive activities for citizens to enjoy in Downtown Allen.

The Phase 1-A project (including the public gathering area) will remain under City of Allen ownership and will be leased to the developer under a ground lease with a 45-year initial term that includes three (3) 10-year renewal options.

The developer and their selected operator are required to execute initial restaurant/retail leases with unique concepts up-front and to ensure that the project is operated with a minimum level of programming and restaurants in order to maintain compliance with the terms of the incentive agreement and ground lease. When the ground lease terminates at some date in the future, the leasehold improvements on the City-owned land will revert to City ownership.

The agreements to be approved include the Phase 1-A Ground Lease, a Parking License Agreement for the Temporary Parking, the Real Estate Purchase Option Agreement, the Right of First Refusal Agreement, the Phase 1-A Construction Incentive Agreement and other related agreements.

BUDGETARY IMPACT:

Staff is completing negotiations on the definitive contracts with Rough Creek Capital Services, which include performance benchmarks for development of commercial buildings and the public gathering area with a budget of approximately \$17 million.

The AEDC, ACDC and Downtown TIF will fund 50% of the project in an amount not-to-exceed \$8.5 million.

The total incentive of \$8,500,000 would be split evenly between the AEDC, ACDC and TIF as follows:

- **AEDC Incentive:** \$2,833,333
- **ACDC Incentive:** \$2,833,333
- **Downtown TIF:** \$2,833,333

This ensures that a defined scope of the project is constructed (including detailed specifications for the exterior building materials, site plan, public gathering area, etc.), while ensuring the Developer is equally invested with City entities and the project meets the financial metrics needed to achieve financing.

This incentive structure ensures that the public entities (City, AEDC & ACDC) are not providing loans or making loan guarantees for the project. This puts additional financial responsibility on the developer to ensure the success of the project.

STAFF RECOMMENDATION:

Staff recommends approval of these agreements.

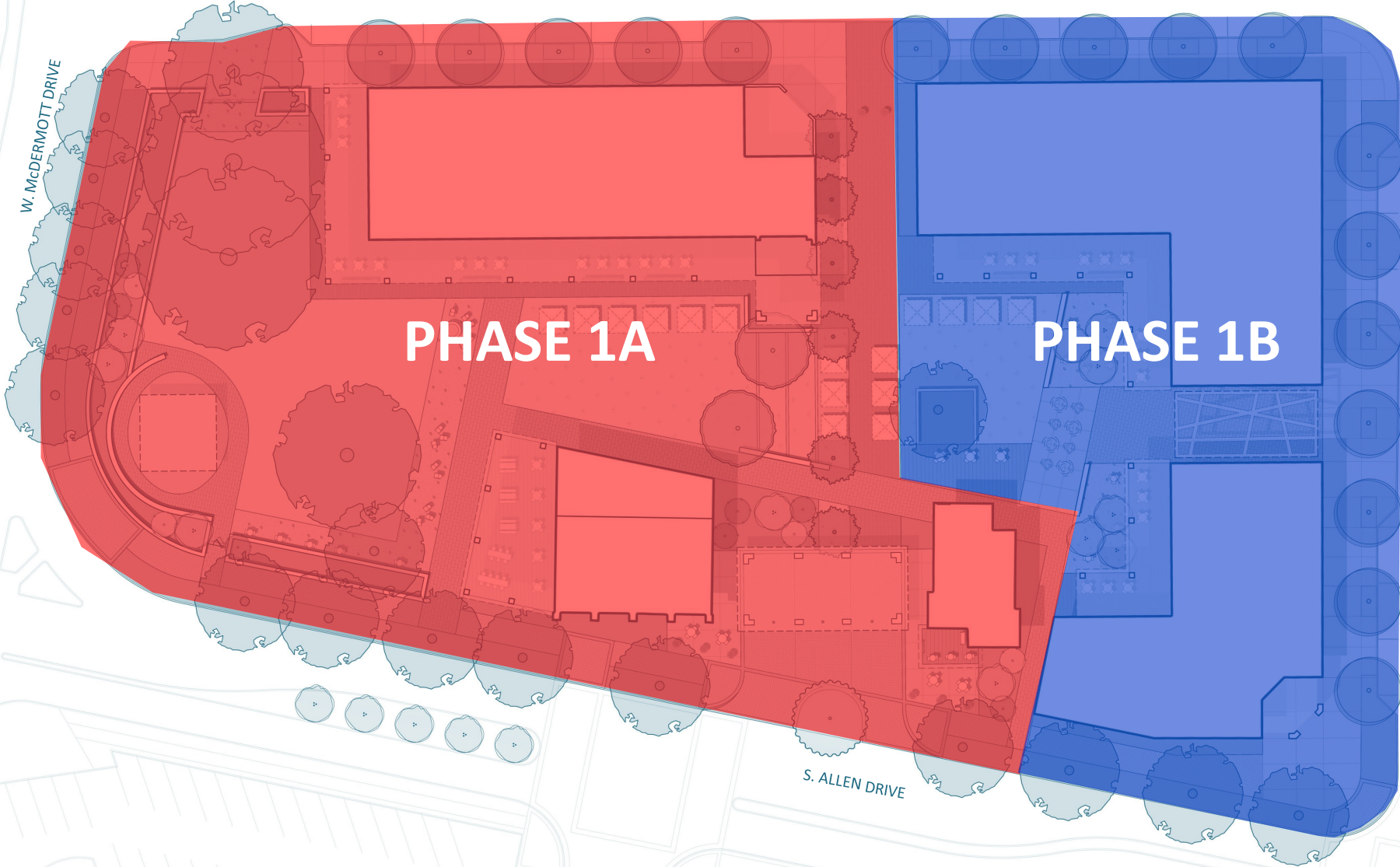
MOTION:

I make a motion to authorize the City Manager to negotiate and execute various agreements relating to the development of the Downtown Catalyst Project with the Allen Economic Development Corporation, Allen Community Development Corporation, and/or Rough Creek Capital Services, LLC and/or its affiliates, including, but not limited to, a ground lease, parking license agreement, real estate purchase option agreement, right of first refusal agreement, a construction incentive agreement, a programming agreement, and any amendments and instruments related to such agreements relating to the development of the Downtown Catalyst Project.

Attachments

[Downtown Catalyst Exhibits to City Council](#)

S. ANNA DRIVE



PHASE 1A

PHASE 1B

W. McDERMOTT DRIVE

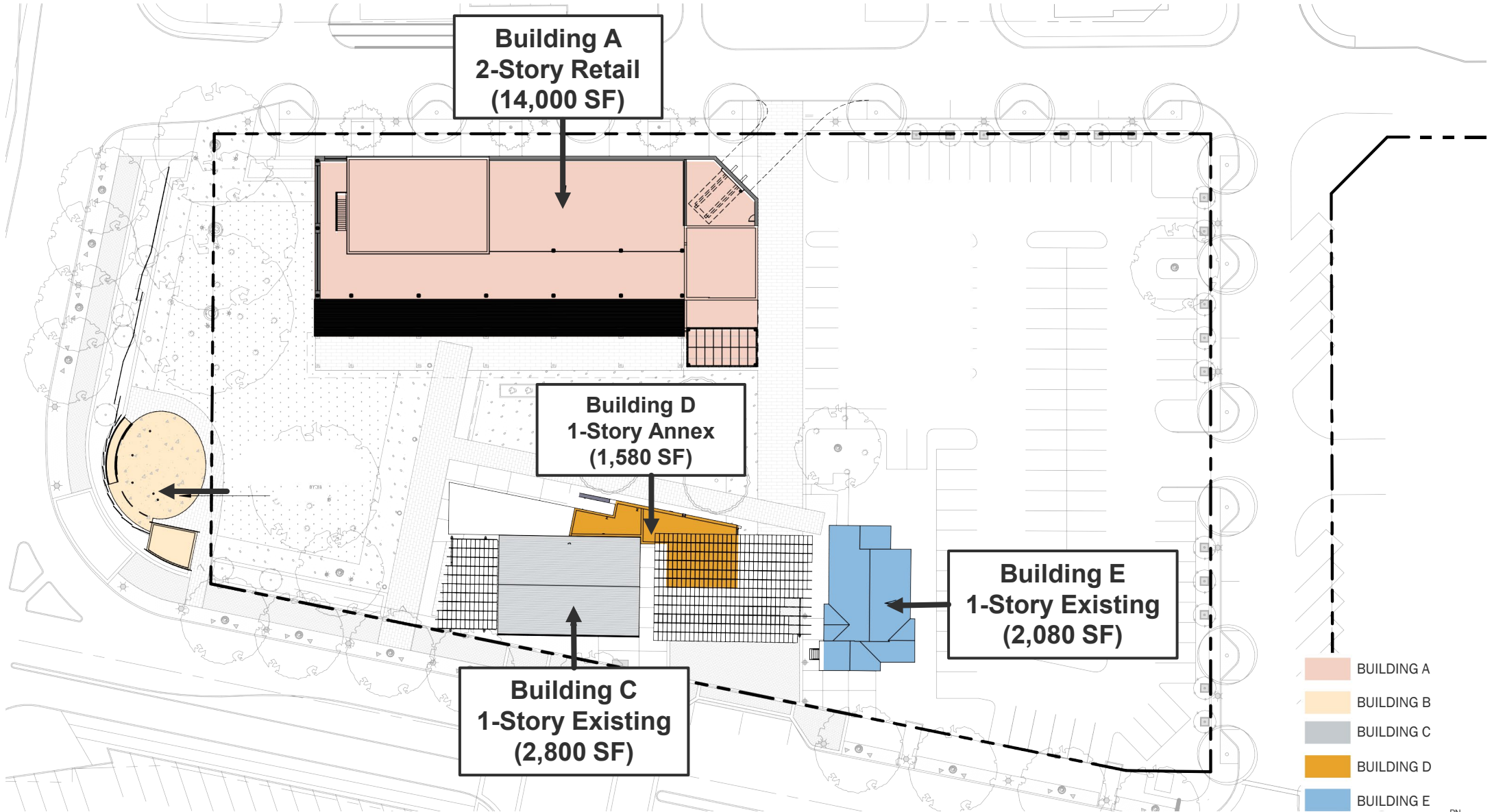
W. MAIN STREET

S. ALLEN DRIVE

SCALE: 1" = 40'



SITE AREA PLAN



- BUILDING A
- BUILDING B
- BUILDING C
- BUILDING D
- BUILDING E



