



ANNUAL FINANCIAL REPORT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

PB&H

PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

CITY OF BELLMEAD, TEXAS

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bellmead, Texas (the "City"), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bellmead, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bellmead, Texas, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparisons for the General Fund and Bellmead Economic Development Corporation (a Special Revenue Fund) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 2 through 9 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Pattillo, Brown + Hill, L.L.P.

September 13, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Bellmead, Texas (the "City") offers the following overview and analysis of the City's financial statements and financial activities for the fiscal year ended September 30, 2010. It should be read in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of the most recent fiscal year by \$23,848,848 (net assets). Of this amount, \$5,826,001 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with fund designation and fiscal policies. In the prior year, the City's assets exceeded its liabilities as of September 30, 2009, by \$22,306,227. Of this amount, \$3,522,552 (unrestricted net assets) could have been used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's investment in capital assets, net of debt, decreased \$1,416,980 from prior year.
- As of September 30, 2010, the City of Bellmead's governmental funds reported ending fund balances of \$7,660,467. Of this amount, \$1,991,949 is unreserved undesignated fund balance in the General Fund available for use within the City's fund designation and fiscal policies. In the prior year, the City's governmental funds reported ending fund balances of \$7,160,727. Of this amount, \$1,012,140 was unreserved undesignated fund balance in the General Fund available for use within the City's fiscal policies.
- As of September 30, 2010, the restricted net assets of the governmental activities are \$5,498,662 of which \$4,444,445 were restricted for economic development and \$714,512 were restricted for culture and recreation. In the prior year, restricted net assets of the governmental activities were \$5,413,253 of which \$4,074,067 was restricted for economic development and \$1,014,195 was restricted for culture and recreation.
- As of September 30, 2010, the City of Bellmead's Enterprise Fund reported ending fund net assets of \$6,454,747. Of this amount, \$3,514,711 is unrestricted fund net assets available for use within the City's fund designation and fiscal policies. In the prior year, the City's Enterprise Funds reported ending fund net assets of \$6,537,000. Of this amount, \$1,880,459 was unrestricted fund net assets available for use within the City's fiscal policies.
- The total cost of the City's programs represents the inclusion of the City Council's funding priorities including: employee compensation and insurance, maintenance of the water system, and equipment for maintenance and operations.

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 include 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 similar to a private-sector business.

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by citations, sales tax, street tax, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, economic development, culture and recreation, and highways and streets. The business-type activities of the City include a water distribution operation and sewer services.

The government-wide financial statements can be found on pages 10 and 11 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Proprietary funds. The City maintains one type of proprietary fund. 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 distribution operations and sewer services.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages ___ through ___ of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 – 21 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets. The City’s combined net assets were \$23,848,848 at September 30, 2010, which is a 6.91% increase from September 30, 2009. (See Table A-1) The largest portion of the City’s net assets, \$11,784,714, reflects its investment in capital assets (e.g., land, buildings and improvements, equipment, and water and sewer facilities), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**Table A-1
City of Bellmead, Texas’ Net Assets**

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 9,955,373	\$ 9,652,507	\$ 4,680,982	\$ 4,200,275	\$ 14,636,355	\$ 13,852,782
Capital assets	<u>10,753,059</u>	<u>9,898,881</u>	<u>3,319,868</u>	<u>4,487,813</u>	<u>14,072,927</u>	<u>14,386,694</u>
Total assets	<u>\$ 20,708,432</u>	<u>\$ 19,551,388</u>	<u>\$ 8,000,850</u>	<u>\$ 8,688,088</u>	<u>\$ 28,709,282</u>	<u>\$ 28,239,476</u>
Long-term liabilities	\$ 2,398,598	\$ 2,808,721	\$ 549,649	\$ 1,324,122	\$ 2,948,247	\$ 4,132,843
Other liabilities	<u>915,733</u>	<u>973,440</u>	<u>996,454</u>	<u>826,966</u>	<u>1,912,187</u>	<u>1,800,406</u>
Total liabilities	<u>3,314,331</u>	<u>3,782,161</u>	<u>1,546,103</u>	<u>2,151,088</u>	<u>4,860,434</u>	<u>5,933,249</u>
Net assets:						
Invested in capital assets, net related debt	9,584,149	8,713,881	2,200,565	4,487,813	11,784,714	13,201,694
Restricted	5,498,662	5,413,253	739,471	168,728	6,238,133	5,581,981
Unrestricted	<u>2,311,290</u>	<u>1,642,093</u>	<u>3,514,711</u>	<u>1,880,459</u>	<u>5,826,001</u>	<u>3,522,552</u>
Total net assets	<u>\$ 17,394,101</u>	<u>\$ 15,769,227</u>	<u>\$ 6,454,747</u>	<u>\$ 6,537,000</u>	<u>\$ 23,848,848</u>	<u>\$ 22,306,227</u>

**Table A-2
City of Bellmead, Texas' Statement of Activities**

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 543,662	\$ 417,479	\$ 2,417,557	\$ 2,611,296	\$ 2,961,219	\$ 3,028,775
Operating grants	77,870	413,775	-	-	77,870	413,775
Capital grants	196,045	-	-	-	196,045	-
General revenues:						
Property taxes	816,489	799,989	-	-	816,489	799,989
Sales taxes	3,074,535	3,043,446	-	-	3,074,535	3,043,446
Franchise taxes	550,229	589,469	-	-	550,229	589,469
Hotel occupancy	359,638	334,917	-	-	359,638	334,917
Investment earnings	160,816	84,062	19,140	49,643	179,956	133,705
Miscellaneous	206,031	210,604	-	60,154	206,031	270,758
Gain on sale of land	771,107	-	-	-	771,107	-
Total revenues	6,756,422	5,893,741	2,436,697	2,721,093	9,193,119	8,614,834
Expenditures						
General government	1,182,758	1,291,072	-	-	1,182,758	1,291,072
Public safety	2,348,823	1,977,434	-	-	2,348,823	1,977,434
Highways and streets	1,298,345	806,540	-	-	1,298,345	806,540
Economic development	260,980	607,469	-	-	260,980	607,469
Culture and recreation	355,568	-	-	-	355,568	-
Interest on long-term debt	56,490	66,000	-	-	56,490	66,000
Water and sewer	-	-	2,343,317	2,899,367	2,343,317	2,899,367
Total expenditures	5,502,964	4,748,515	2,343,317	2,899,367	7,846,281	7,647,882
Increase (decrease) in net assets before transfers	1,253,458	1,145,226	93,380	(178,274)	1,346,838	966,952
Transfers	110,000	170,000	(110,000)	(170,000)	-	-
Changes in net assets	1,363,458	1,315,226	(16,620)	(348,274)	1,346,838	966,952
Net assets, beginning	15,769,227	14,454,001	6,537,000	6,885,274	22,306,227	21,339,275
Prior period adjustment	261,416	-	(65,633)	-	195,783	-
Net assets, ending	\$ 17,394,101	\$ 15,769,227	\$ 6,454,747	\$ 6,537,000	\$ 23,848,848	\$ 22,306,227

Analysis of the City's Operations. Table A-2 provides a summary of the City's operations for the year ended September 30, 2010. The governmental activities increased the City's net assets by \$1,363,458. The business-type activities decreased net assets by \$16,620.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS AND BUDGETARY HIGHLIGHTS

Governmental Funds

In the current year actual expenditures, as compared to prior year actual expenditures, increased by \$754,449. The significant changes in actual expenditures reflected an increase in highways and streets of \$491,805 and public safety of \$371,389. On the other hand, actual resources available were \$862,681 or 14.64% more than the actual resources available in the prior year. Notable changes in actual resources were as follows: gain on sale of land increased by \$771,107; investment earnings increased by \$76,754; operating grants decreased by \$335,905; and charges for services increased by \$126,183.

Proprietary Fund

For the current year actual expenses, as compared to prior year actual expenses, decreased by \$556,050, or 19.18%. On the other hand, actual revenues in the current year were \$284,396 or 10.45% less than the actual revenues in the prior year. The notable decrease in actual revenues was a decrease in water sales and service in the amount of \$193,739.

General Fund Budgetary Highlights

The original budget for the General Fund was amended during the year. For fiscal year 2009-2010, revenues exceeded budgetary estimates including expenditures and transfers, which were less than budgetary estimates.

Actual expenditures, as compared to budget expenditures, increased \$545,073. The most significant variance resulted from actual expenditures being more than budgeted in general government of \$85,859, and public safety of \$476,121, while actual expenditures were less than budgeted in culture and recreation of \$15,515 and highway and streets of \$1,392. On the other hand, actual revenues available were \$331,338 more than budgeted revenues. Also, the sale of property resulted in \$810,509 of other resources not budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During the year ended September 30, 2010, the City spent \$1,535,231 for governmental capital asset additions. Of the additions, \$492,854 represented expenditures for the renovation of the City's Civic Center and \$321,975 in construction costs for the new well on Research Blvd. Additionally, the City spent \$720,402 for enterprise capital asset additions during the year ended September 30, 2010.

- Total gross governmental capital assets as of September 30, 2010, are \$15,298,176. For the prior year, gross governmental capital assets were \$13,897,945.
- Total gross enterprise capital assets as of September 30, 2010, are \$9,617,337. For the prior year, gross enterprise capital assets were \$9,316,944.

Additional information on the City's capital assets can be found in Note 9 to the financial statements on pages 31 – 32 of this report.

Long-term Debt

At September 30, 2010, the City had \$2,089,303 in bonds and notes outstanding. As of September 30, 2009, the City had \$2,437,871 in bonds and notes outstanding.

Additional information on the City's long-term debt can be found in Note 10 to the financial statements on pages 32 – 34 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The City's adopted tax rate in effect for fiscal year 2011 is \$0.26556, which is \$0.018598 more than the current year's rate, a 7.5% increase.
- Net appraised value in effect for the fiscal year 2011 is \$ 327,859,087, a 0% increase from the net appraised value during the current year of \$327,803,074.
- The City is planning on purchasing bullet proof vests and bunker gear through the use of FEMA and JAG grants if approved.
- With the rising costs, the City had to decrease many line item budgets to stay within the proposed revenues.
- The Economic Development sales tax for streets will fund major street reconstruction of Gram, San Pedro, and San Jose at a cost of approximately \$126,900.
- The Economic Development changed from a 4A to a 4B Corporation. All agreements with the 4A Corporation will remain within the entity until complete. New projects will fall under the 4B Corporation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, City of Bellmead, Texas, 3015 Bellmead Drive, Bellmead, Texas 76705.

BASIC FINANCIAL STATEMENTS

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CITY OF BELLMEAD, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,555,815	\$ 2,410,168	\$ 9,965,983
Accounts receivable, net	651,882	295,010	946,892
Inventories	728	19,713	20,441
Internal balances	26,425	(26,425)	-
Restricted cash and cash equivalents	-	739,471	739,471
Equity in joint venture	-	1,243,045	1,243,045
Lease receivable:			
Due within one year	178,924	-	178,924
Due in more than one year	1,541,599	-	1,541,599
Capital assets not being depreciated:			
Land	2,071,568	38,799	2,110,367
Construction in progress	321,975	273,607	595,582
Capital assets, net of accumulated depreciation:			
Building and improvements	5,332,975	2,136	5,335,111
Infrastructure	1,121,141	-	1,121,141
Water and sewer facilities	-	2,758,960	2,758,960
Equipment	1,905,400	246,366	2,151,766
Total assets	<u>20,708,432</u>	<u>8,000,850</u>	<u>28,709,282</u>
LIABILITIES			
Accounts payable	316,383	105,024	421,407
Accrued liabilities	58,093	24,595	82,688
Customer deposits payable	-	274,874	274,874
Loans payable	100,000	-	100,000
Noncurrent liabilities:			
Deferred revenue:			
Due within one year	178,924	-	178,924
Due in more than one year	1,541,599	-	1,541,599
Long-term debt:			
Due within one year	262,333	145,156	407,489
Due in more than one year	856,999	996,454	1,853,453
Total liabilities	<u>3,314,331</u>	<u>1,546,103</u>	<u>- 4,860,434</u>
NET ASSETS			
Invested in capital assets, net of related debt	9,584,149	2,200,565	11,784,714
Restricted for:			
Court security and technology	89,730	-	89,730
Debt service	248,959	179,759	428,718
Capital projects	986	559,712	560,698
Economic development	4,444,445	-	4,444,445
Culture and recreation	714,542	-	714,542
Unrestricted	2,311,290	3,514,711	5,826,001
Total net assets	<u>\$ 17,394,101</u>	<u>\$ 6,454,747</u>	<u>\$ 23,848,848</u>

See accompanying notes to financial statements.

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CITY OF BELLMEAD, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2010

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,182,758	\$ 96,056	\$ -	\$ -	\$(1,086,702)	\$ -	\$(1,086,702)
Public safety	2,348,823	364,337	77,870	196,045	(1,710,571)	-	(1,710,571)
Highways and streets	1,298,345	-	-	-	(1,298,345)	-	(1,298,345)
Economic development	260,980	36,769	-	-	(224,211)	-	(224,211)
Culture and recreation	355,568	46,500	-	-	(309,068)	-	(309,068)
Interest on long-term debt	56,490	-	-	-	(56,490)	-	(56,490)
Total governmental activities	5,502,964	543,662	77,870	196,045	(4,685,387)	-	(4,685,387)
Business-type activities:							
Water and sewer	2,343,317	2,417,557	-	-	-	74,240	74,240
Total business-type activities	2,343,317	2,417,557	-	-	-	74,240	74,240
Total primary government	7,846,281	2,961,219	77,870	196,045	(4,685,387)	74,240	(4,611,147)
General revenues:							
Property taxes, levied for general purposes					602,116	-	602,116
Property taxes, levied for debt service					214,373	-	214,373
Sales taxes					3,074,535	-	3,074,535
Franchise taxes					550,229	-	550,229
Hotel occupancy taxes					359,638	-	359,638
Investment earnings					160,816	19,140	179,956
Miscellaneous					206,031	-	206,031
Transfers					110,000	(110,000)	-
Gain on sale of land					771,107	-	771,107
Total general revenues and transfers					6,048,845	(90,860)	5,957,985
Change in net assets					1,363,458	(16,620)	1,346,838
Net assets, beginning					15,769,227	6,537,000	22,306,227
Prior period adjustment					261,416	(65,633)	195,783
Net assets, ending					\$ 17,394,101	\$ 6,454,747	\$ 23,848,848

See accompanying notes to financial statements.

CITY OF BELLMEAD, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	General	Bellmead Economic Development Corporation
ASSETS		
Cash and cash equivalents	\$ 1,988,965	\$ 4,458,452
Receivables (net of allowance for uncollectibles)	424,775	113,707
Restricted cash	-	-
Lease receivable	-	1,720,523
Due from other funds	144,617	9,111
Inventories	728	-
Total assets	\$ 2,559,085	\$ 6,301,793
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 124,892	\$ 136,825
Accrued liabilities	49,239	-
Due to other funds	128,909	-
Loans payable - current	100,000	-
Deferred revenue - sale of building	-	1,720,523
Deferred revenue - delinquent property taxes	73,638	-
Total liabilities	476,678	1,857,348
Fund balances:		
Reserved for:		
Inventories	728	-
Public safety	58,422	-
Court technology	31,308	-
Economic development	-	4,444,445
Capital acquisition	-	-
Unreserved, designated for:		
Street improvements	-	-
Unreserved, undesignated reported in:		
General fund	1,991,949	-
Special revenue fund	-	-
Debt service fund	-	-
Total fund balances	2,082,407	4,444,445
Total liabilities and fund balances	\$ 2,559,085	\$ 6,301,793

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Includes compensated absences of \$149,332 and long-term debt of \$970,000.

Net assets of governmental activities

See accompanying notes to financial statements.

Hotel/Motel Tax	Other Governmental	Total Governmental Funds
\$ 760,516	\$ 347,882	\$ 7,555,815
-	113,400	651,882
-	-	-
-	-	1,720,523
8,125	135,221	297,074
-	-	728
<u>\$ 768,641</u>	<u>\$ 596,503</u>	<u>\$ 10,226,022</u>
\$ 50,983	\$ 3,683	\$ 316,383
3,116	5,738	58,093
-	141,740	270,649
-	-	100,000
-	-	1,720,523
-	26,269	99,907
<u>54,099</u>	<u>177,430</u>	<u>2,565,555</u>
-	-	728
-	-	58,422
-	-	31,308
-	-	4,444,445
-	986	986
-	194,491	194,491
-	-	1,991,949
714,542	906	715,448
-	222,690	222,690
<u>714,542</u>	<u>419,073</u>	<u>7,660,467</u>
<u>\$ 768,641</u>	<u>\$ 596,503</u>	
		10,753,059
		99,907
		(1,119,332)
		<u>\$ 17,394,101</u>

CITY OF BELLMEAD, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>General</u>	<u>Bellmead Economic Development Corporation</u>
REVENUES		
Taxes:		
Property	\$ 597,596	\$ -
Sales	2,049,690	512,423
Franchise	550,229	-
Hotel occupancy	-	-
Other	42,027	-
Licenses and permits	96,056	-
Intergovernmental	273,915	-
Rent	46,500	36,769
Fines and fees	364,337	-
Investment earnings	20,107	132,607
Miscellaneous	134,881	29,123
Total revenues	<u>4,175,338</u>	<u>710,922</u>
EXPENDITURES		
General government	1,140,559	-
Public safety	2,732,621	-
Highways and streets	605,608	-
Economic and physical development	-	465,611
Culture and recreation	120,985	-
Debt service:		
Principal	-	-
Interest and other charges	-	-
Capital outlay	-	15,500
Total expenditures	<u>4,599,773</u>	<u>481,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(424,435)</u>	<u>229,811</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	40,000	-
Transfers out	(15,000)	-
Sale of property	810,509	100,598
Total other financing sources (uses)	<u>835,509</u>	<u>100,598</u>
NET CHANGE IN FUND BALANCE	411,074	330,409
FUND BALANCE, BEGINNING	1,497,055	4,070,467
PRIOR PERIOD ADJUSTMENT	<u>174,278</u>	<u>43,569</u>
FUND BALANCE, ENDING	<u>\$ 2,082,407</u>	<u>\$ 4,444,445</u>

See accompanying notes to financial statements.

Hotel/Motel Tax	Other Governmental	Total Governmental Funds
\$ -	\$ 212,515	\$ 810,111
-	512,422	3,074,535
-	-	550,229
359,638	-	359,638
-	-	96,056
-	-	273,915
-	-	83,269
-	-	364,337
4,050	4,052	160,816
-	-	164,004
<u>363,688</u>	<u>728,989</u>	<u>5,978,937</u>
-	-	1,140,559
-	-	2,732,621
-	623,967	1,229,575
-	17,683	483,294
180,863	-	301,848
-	215,000	215,000
-	56,490	56,490
<u>492,854</u>	<u>93,979</u>	<u>602,333</u>
<u>673,717</u>	<u>1,007,119</u>	<u>6,761,720</u>
<u>(310,029)</u>	<u>(278,130)</u>	<u>(782,783)</u>
-	85,000	125,000
-	-	(15,000)
-	-	911,107
-	<u>85,000</u>	<u>1,021,107</u>
(310,029)	(193,130)	238,324
1,024,571	568,634	7,160,727
-	<u>43,569</u>	<u>261,416</u>
<u>\$ 714,542</u>	<u>\$ 419,073</u>	<u>\$ 7,660,467</u>

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CITY OF BELLMEAD, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Net change in fund balances - total governmental funds \$ 238,324

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

Governmental funds reported capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions (\$1,535,231) exceeds depreciation expense (\$541,053) in the current period. 994,178

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets. (140,000)

Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 6,378

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 215,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 49,578

Changes in net assets of governmental activities \$ 1,363,458

See accompanying notes to financial statements.

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CITY OF BELLMEAD, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 621,000	\$ 621,000	\$ 597,596	\$(23,404)
Sales	2,005,000	2,005,000	2,049,690	44,690
Franchise	585,000	585,000	550,229	(34,771)
Other	41,000	41,000	42,027	1,027
Licenses and permits	39,500	39,500	96,056	56,556
Intergovernmental	60,000	60,000	273,915	213,915
Rent	35,000	35,000	46,500	11,500
Fines and fees	360,000	360,000	364,337	4,337
Investment earnings	40,000	40,000	20,107	(19,893)
Miscellaneous	57,500	57,500	134,881	77,381
Total revenue	<u>3,844,000</u>	<u>3,844,000</u>	<u>4,175,338</u>	<u>331,338</u>
EXPENDITURES				
General government	1,014,500	1,054,700	1,140,559	(85,859)
Public safety	2,184,500	2,256,500	2,732,621	(476,121)
Highways and streets	607,000	607,000	605,608	1,392
Culture and recreation	188,000	136,500	120,985	15,515
Total expenditures	<u>3,994,000</u>	<u>4,054,700</u>	<u>4,599,773</u>	<u>(545,073)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(150,000)</u>	<u>(210,700)</u>	<u>(424,435)</u>	<u>(213,735)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	40,000	(110,000)
Transfers out	-	-	(15,000)	(15,000)
Sale of property	-	-	810,509	810,509
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>835,509</u>	<u>685,509</u>
NET CHANGE IN FUND BALANCE	-	(60,700)	411,074	471,774
FUND BALANCE, BEGINNING	1,497,055	1,497,055	1,497,055	-
PRIOR PERIOD ADJUSTMENT	-	-	174,278	174,278
FUND BALANCE, ENDING	<u>\$ 1,497,055</u>	<u>\$ 1,436,355</u>	<u>\$ 2,082,407</u>	<u>\$ 646,052</u>

See accompanying notes to financial statements.

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CITY OF BELLMEAD, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

BELLMEAD ECONOMIC DEVELOPMENT CORPORATION

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales taxes	\$ 475,000	\$ 475,000	\$ 512,423	\$ 37,423
Rent	40,000	40,000	36,769	(3,231)
Investment earnings	100,000	100,000	132,607	32,607
Miscellaneous	-	-	29,123	29,123
Total revenue	<u>615,000</u>	<u>615,000</u>	<u>710,922</u>	<u>95,922</u>
EXPENDITURES				
Economic development	581,000	581,000	465,611	115,389
Capital outlay	34,000	34,000	15,500	18,500
Total expenditures	<u>615,000</u>	<u>615,000</u>	<u>481,111</u>	<u>133,889</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>229,811</u>	<u>229,811</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	100,598	100,598
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>100,598</u>	<u>100,598</u>
NET CHANGE IN FUND BALANCE	-	-	330,409	330,409
FUND BALANCE, BEGINNING	4,070,467	4,070,467	4,070,467	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>43,569</u>	<u>43,569</u>
FUND BALANCE, ENDING	<u>\$ 4,070,467</u>	<u>\$ 4,070,467</u>	<u>\$ 4,444,445</u>	<u>\$ 373,978</u>

See accompanying notes to financial statements.

CITY OF BELLMEAD, TEXAS
STATEMENT OF NET ASSETS
PROPREITARY FUND
SEPTEMBER 30, 2010

	Business-type Activities <u>Enterprise Fund</u> <u>Water and Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents	2,410,168
Accounts receivable, net of allowance for uncollectibles of \$31,786):	
Accounts	289,342
Other	5,668
Due from other funds	391
Inventories	19,713
Total current assets	<u>2,725,282</u>
Noncurrent assets:	
Restricted cash	739,471
Equity in joint venture	1,243,045
Capital assets:	
Land	38,799
Buildings and improvements	12,461
Water and sewer facilities	8,070,902
Equipment	1,221,568
Construction in progress	273,607
Less: accumulated depreciation	<u>(6,297,469)</u>
Total capital assets (net of accumulated depreciation)	3,319,868
Total noncurrent assets	<u>5,302,384</u>
Total assets	<u>8,027,666</u>
LIABILITIES	
Current liabilities:	
Accounts payable	105,024
Accrued liabilities	24,595
Customer deposits payable	274,874
Compensated absences, current portion	5,577
Due to other funds	26,816
Revenue bond and note payable, current portion	<u>139,579</u>
Total current liabilities	<u>576,465</u>
Noncurrent liabilities:	
Compensated absences	16,730
Revenue bond and note payable	<u>979,724</u>
Total noncurrent liabilities	<u>996,454</u>
Total liabilities	1,572,919
NET ASSETS	
Invested in capital assets, net of related debt	2,200,565
Restricted for:	
Debt service	179,759
Capital projects	559,712
Unrestricted	<u>3,514,711</u>
Total net assets	<u>6,454,747</u>

See accompanying notes to financial statements.

CITY OF BELLMEAD, TEXAS
STATEMENT OF NET ASSETS
PROPREITARY FUND
SEPTEMBER 30, 2010

	Business-type Activities <u>Enterprise Fund</u> <u>Water and Sewer</u>
REVENUE	
Operating revenues:	
Water sales	1,578,713
Sewer charges	736,527
Turn-on fees	33,255
Water and sewer tap fees	6,842
Chipper fees	35,920
Other	<u>26,300</u>
Total operating revenue	<u>2,417,557</u>
EXPENSES	
Operating expenses:	
Salaries and benefits	886,348
System repair and maintenance	116,066
Auto and equipment maintenance	49,640
Office expense	33,025
Professional fees	22,313
Utilities	376,857
Depreciation	407,034
Insurance	30,889
Miscellaneous	<u>51,395</u>
Total operating expenses	<u>1,973,567</u>
OPERATING INCOME	<u>443,990</u>
NONOPERATING REVENUES (EXPENSES)	
Interest and other income	19,140
Gain (loss) on joint venture	(313,371)
Interest charges	<u>(56,379)</u>
Total nonoperating revenue (expenses)	<u>(350,610)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>93,380</u>
TRANSFERS	
Transfers out	<u>(110,000)</u>
Total transfers	<u>(110,000)</u>
CHANGE IN NET ASSETS	(16,620)
NET ASSETS, BEGINNING	6,537,000
PRIOR PERIOD ADJUSTMENT	<u>(65,633)</u>
NET ASSETS, ENDING	<u>\$ 6,454,747</u>

See accompanying notes to financial statements.

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CITY OF BELLMEAD, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2010

	<u>Business-type Activities Enterprise Fund Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,426,828
Payments to suppliers	(798,762)
Payments to employees	(907,178)
Net cash provided by operating activities	<u>720,888</u>
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES	
Transfer out	(110,000)
Net cash provided by noncapital and related financing activities	<u>(110,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(300,393)
Principal paid on bonds and note payable	(133,568)
Interest paid on bonds and note payable	(56,379)
Net cash provided by capital and related financing activities	<u>(490,340)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in joint venture	(518,634)
Interest received	19,140
Net cash provided by investing activities	<u>(499,494)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(378,946)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>3,528,585</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 3,149,639</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	443,990
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	407,034
Change in assets and liabilities:	
Accounts receivable, net	9,270
Inventories	10,166
Due from other funds	(391)
Accounts payable	(162,055)
Due to other funds	2,737
Accrued liabilities	(20,830)
Customer deposits	<u>30,967</u>
Net cash provided by operating activities	<u>\$ 720,888</u>

See accompanying notes to financial statements.

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CITY OF BELLMEAD, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Bellmead, Texas (the "City") is a home-rule municipal corporation organized and existing under the provisions of the Constitution of the State of Texas. The City operates under a Council-Manager form of government and provides the following services: general government, public safety (police and fire), highways and streets, economic development, and culture and recreation.

Generally accepted accounting principles require financial statements to present the government and its component units, entities for which the government is considered financially accountable. Based on these criteria, the Bellmead Economic Development Corporation (the Corporation) has been included as a blended component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and, therefore, data from these units are combined with data of the primary government. The Corporation is responsible for certain economic development expenditures benefiting all citizens of the government and is financed by a portion of sales tax revenue and is governed by a board comprised of members of the government's council and citizens of the community. The Corporation has a September 30 year-end and is reported as a Special Revenue Fund. Complete financial statements of the Corporation may be obtained from the City of Bellmead.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Government 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.

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

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, City sales and use taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fines and miscellaneous revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – The General Fund is the City’s primary operating fund. It is used to account for all financial resources of the general government except those required to be accounted for in another fund.

Bellmead Economic Development Corporation – The Bellmead Economic Development Corporation is a blended component unit which is reported as a Special Revenue Fund that accounts for sales tax revenue that is to be used for certain economic development expenditures benefiting all citizens of the City.

Hotel/Motel Tax Fund – The Hotel/Motel Tax Fund is used to account for occupancy tax collected by hotels and motels located in the City. These funds are legally restricted for 14 cultural activities.

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation** (Continued)

The City reports the following major proprietary fund:

Water and Sewer Fund – The Water and Sewer Fund accounts for the activities of the water distribution system, the sewage treatment plant, sewage pumping stations and collection systems.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer Enterprise Funds are charges to customers for sales and services. The water and sewer funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. **Deposits and Investments**

For purposes of the statement of cash flows, the City considers all highly liquid investments (investments with original maturities less than 90 days, including restricted assets) to be cash equivalents.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Deposits and Investments (Continued)

State statutes authorize the City to invest in obligations of the United States or its agencies and instrumentalities and state or local governments, commercial paper, guaranteed investment contracts, repurchase agreements, and certain governmental investment pools. The City's local investment policy limits the City to invest in obligations of the United States or its agencies and instrumentalities, certificates of deposit, money market mutual funds, and local government investment pools.

Investments are reported at fair value. The governmental investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

E. Receivables and Payables

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

All accounts receivable are shown net of an allowance for uncollectibles.

F. Inventories

All inventories are valued at the lower of cost (first-in, first-out) or market. Inventories are recorded as expenditures when consumed rather than when purchased.

G. Restricted Assets

Restricted cash accounts in the Water and Sewer Fund of \$18,892 are used to report resources set aside for operations of the Waco Metropolitan Area Regional Sewer System (WMARSS), as more fully discussed in Note 3. In addition, \$720,579 represents proceeds from the 2008 tax and revenue certificates of obligation that have not been spent but have been restricted to purchase water and sewer improvements in the future.

H. Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City has elected to report general infrastructure assets prospectively from October 1, 2003, as permitted by GASB Statement No. 34. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5 to 30
Water and sewer facilities	5 to 30
Equipment	3 to 20
Infrastructure	40

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets.

The governmental statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities.

3. UNDIVIDED INTEREST IN WACO METROPOLITAN AREA REGIONAL SEWER SYSTEM

During 2004, the City entered into an agreement with the City of Waco, Texas to acquire a 5.73% undivided interest in the facilities and operations of the Waco Metropolitan Area Regional Sewer System (WMARSS). The City believes that its purchase and operation of the system will increase the efficiency and effectiveness of providing sewer treatments services to its citizens.

During 2009, the undivided interest of 5.73% in the WMARSS facilities and operations was adjusted to 5.707% to adjust another City's allocation to the agreement.

(continued)

3. UNDIVIDED INTEREST IN WACO METROPOLITAN AREA REGIONAL SEWER SYSTEM
(Continued)

Under an interlocal agreement, a WMARSS board consists of the City managers from each of the seven participating cities. The operation and administration of the system is subject to joint control by the cities through the WMARSS board; however, a separate legal entity was not created. The agreement allows the cities to pool resources and share the costs, risk, and rewards of providing services. Further, each City retains an ongoing financial interest and ongoing financial interest and ongoing financial responsibility in the operations of the system.

The City has reported its share of assets, liabilities, equity, revenues and expenses that are associated with this joint activity in its Enterprise Fund as equity in joint venture of \$1,243,045. The following is a summary of financial information of the joint venture at September 30, 2010.

Current assets	\$ 249,879
Capital assets	1,276,269
Current liabilities	<u>(283,103)</u>
Net assets	<u>\$ 1,243,045</u>
Operating expenses	<u>\$ (339,704)</u>
Nonoperating revenues	<u>26,333</u>
Change in net assets	<u>\$ (313,371)</u>
Capital contributions - current year	<u>\$ 518,635</u>

4. BUDGETARY INFORMATION

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

- Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget in accordance with generally accepted accounting principles for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing those expenditures.
- Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
- The budget is legally enacted by the City Council. Budgetary control is maintained at the fund level.
- Budget revisions are made during the year.
- Formal budgetary integration is employed for the General Fund, Debt Service Fund, and Special Revenue Funds.

(continued)

4. BUDGETARY INFORMATION (Continued)

- Actual expenditures and operating transfers out may not legally exceed budget appropriations at the individual fund level.
- Appropriations lapse at the close of the fiscal year to the extent that they have not been expended or encumbered.

5. DEPOSITS AND INVESTMENTS

A summary of the City's cash and cash equivalents follows:

Cash and certificates of deposit in bank	\$ 4,502,817
Government investment pools:	
TexPool	3,575,215
TexStar	<u>2,625,493</u>
Total cash and cash equivalents	<u>\$ 10,703,525</u>

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair value by: (a) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, (b) investing operating funds primarily in shorter-term certificates of deposit, securities, money market mutual funds, or government investment pools, and (c) diversifying maturities and staggering purchase dates to minimize the impact of market movements over time. It is the City's policy not to invest in securities maturing more than three years from the date of purchase. At September 30, 2010, the City's only investment is in external investment pools. The weighted average maturity of Texas Local Government Investment Pool (TexPool) and Texas Short-term Asset Reserve Fund (TexStar) as of September 30, 2010, is less than 60 days.

Credit Risk. The City's investment policy limits investments in governmental investment pools and money market mutual funds to those that are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2010, the City's investment in TexPool and TexStar was rated AAA by Standard & Poor's.

TexPool is a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas. The City has delegated the authority to hold legal title to the pool as custodians and to make investment purchases with the City's funds. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the state comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure.

(continued)

5. DEPOSITS AND INVESTMENTS (Continued)

TexStar is a Texas public funds investment pool that is co-administered by J. P. Morgan Chase and First Southwest Asset Management, Inc. TexStar is run by a five-member board comprised of three representatives of eligible governmental entities and one member designated by each of the co-administrators. TexStar currently offers a “Cash Reserve Fund” which will invest only in authorized investments under the Public Funds Investment Act with weighted average maturities which cannot exceed 60 days.

TexPool and TexStar operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940. TexPool and TexStar use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool and TexStar is the same as the value of TexPool shares and TexStar shares.

6. RECEIVABLES

Receivables as of September 30, 2010, for the City’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Bellmead Economic Development Corporation</u>	<u>Other Nonmajor</u>	<u>Water and Sewer</u>	<u>Total</u>
Receivables:					
Property taxes	\$ 77,067	\$ -	\$ 27,465	\$ -	\$ 104,532
Sales taxes	343,738	85,935	85,935	-	515,608
Accounts	-	-	-	321,128	321,128
Other	<u>3,970</u>	<u>27,772</u>	<u>-</u>	<u>5,668</u>	<u>37,410</u>
Gross receivables	424,775	113,707	113,400	326,796	978,678
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,786)</u>	<u>(31,786)</u>
Net total receivables	<u>\$ 424,775</u>	<u>\$ 113,707</u>	<u>\$ 113,400</u>	<u>\$ 295,010</u>	<u>\$ 946,892</u>

The appraisal of property within the City is the responsibility of the McLennan County Appraisal District (the “District”). The District is required under the Property Tax Code to assess all property within the District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the District must be reviewed every four years.

The City’s property tax is levied each October 1 on assessed value listed as of the prior January 1 for all real and business personal property located in the City. The new assessed value upon which the fiscal 2010 levy was based was \$326,518,758.

Taxes are due by January 31 following the October 1 levy date. Current tax collections for the year ended September 30, 2010, were 96% of the tax levy.

(continued)

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payable balances at September 30, 2010, are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 144,617	\$ 128,909
Bellmead Economic Development Corporation	9,111	-
Hotel/Motel Tax	8,125	-
Nonmajor	135,221	141,740
Water and sewer	<u>391</u>	<u>26,816</u>
Totals	<u>\$ 297,465</u>	<u>\$ 297,465</u>

All balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers at September 30, 2010, are as follows:

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Transfers out:			
General	\$ -	\$ 15,000	\$ 15,000
Enterprise	<u>40,000</u>	<u>70,000</u>	<u>110,000</u>
Total transfers	<u>\$ 40,000</u>	<u>\$ 85,000</u>	<u>\$ 125,000</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts, and 3) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or match funds for various grant programs.

8. LEASE RECEIVABLES

The Bellmead Economic Development Corporation (BEDC) has completed construction on a building which will be utilized as a plant and office space by Texas Machine & Tool International, LLC (TMI). BEDC has entered into a 10-year lease agreement with TMI to lease the property in accordance with the following schedule based on the construction cost of the building, not to exceed \$1,832,000. At any time after the fifth year of the lease, TMI can purchase the building at amounts specified in the lease agreement. If the lease lasts to its maturity, TMI can purchase the building for \$0. After the 2010 payment, the current lease receivable is \$1,720,523.

(continued)

8. LEASE RECEIVABLES (Continued)

The lease began October 1, 2009. The payments, including interest at 6.5% are:

Year Ended September 30,	Principal	Interest
2011	\$ 178,924	\$ 133,106
2012	153,953	95,671
2013	164,263	85,361
2014	175,264	74,360
2015	187,002	62,622
Thereafter	<u>861,117</u>	<u>116,577</u>
	<u>\$ 1,720,523</u>	<u>\$ 567,697</u>

9. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010, was as follows:

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 2,202,568	\$ 9,000	\$(140,000)	\$ 2,071,568
Construction in progress	<u>-</u>	<u>321,975</u>	<u>-</u>	<u>321,975</u>
Total capital assets not being depreciated	<u>2,202,568</u>	<u>330,975</u>	<u>(140,000)</u>	<u>2,393,543</u>
Capital assets being depreciated:				
Buildings and improvements	6,129,900	492,854	(135,000)	6,487,754
Infrastructure	1,273,108	-	-	1,273,108
Equipment	<u>4,292,365</u>	<u>711,402</u>	<u>-</u>	<u>5,003,767</u>
Total capital assets being depreciated	<u>11,695,373</u>	<u>1,204,256</u>	<u>(135,000)</u>	<u>12,764,629</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,082,102)	(207,677)	135,000	(1,154,779)
Infrastructure	(120,139)	(31,828)	-	(151,967)
Equipment	<u>(2,796,819)</u>	<u>(301,548)</u>	<u>-</u>	<u>(3,098,367)</u>
Total accumulated depreciation	<u>(3,999,060)</u>	<u>(541,053)</u>	<u>135,000</u>	<u>(4,405,113)</u>
Total capital assets being depreciated, net	<u>7,696,313</u>	<u>663,203</u>	<u>-</u>	<u>8,359,516</u>
Governmental activities capital assets, net	<u>\$ 9,898,881</u>	<u>\$ 994,178</u>	<u>\$(140,000)</u>	<u>\$ 10,753,059</u>

(continued)

9. CAPITAL ASSETS (Continued)

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 38,799	\$ -	\$ -	\$ 38,799
Construction in progress	<u>196,080</u>	<u>77,527</u>	<u>-</u>	<u>273,607</u>
Total capital assets not being depreciated	<u>234,879</u>	<u>77,527</u>	<u>-</u>	<u>312,406</u>
Capital assets being depreciated:				
Buildings and improvements	12,461	-	-	12,461
Water and sewer facilities	7,941,875	129,027	-	8,070,902
Equipment	<u>1,127,729</u>	<u>93,839</u>	<u>-</u>	<u>1,221,568</u>
Total capital assets being depreciated	<u>9,082,065</u>	<u>222,866</u>	<u>-</u>	<u>9,304,931</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,017)	(308)	-	(10,325)
Water and sewer facilities	(4,968,650)	(343,292)	-	(5,311,942)
Equipment	<u>(911,768)</u>	<u>(63,434)</u>	<u>-</u>	<u>(975,202)</u>
Total accumulated depreciation	<u>(5,890,435)</u>	<u>(407,034)</u>	<u>-</u>	<u>(6,297,469)</u>
Total capital assets being depreciated, net	<u>3,191,630</u>	<u>(184,168)</u>	<u>-</u>	<u>3,007,462</u>
Business-type activities capital assets, net	<u>\$ 3,426,509</u>	<u>\$ (106,641)</u>	<u>\$ -</u>	<u>\$ 3,319,868</u>

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

Governmental activities	
General government	\$ 78,135
Public safety	217,172
Highways and streets	93,210
Economic development	93,161
Culture and recreation	<u>59,375</u>
Total depreciation - governmental activities	<u>\$ 541,053</u>
Business-type activities	
Water and sewer	<u>\$ 407,034</u>
Total depreciation - business-type activities	<u>\$ 407,034</u>

10. LONG-TERM DEBT

Long-term debt consists of bonded indebtedness, note payable, and compensated absences. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and pledges income derived from the acquired or constructed assets to pay debt service. General obligation bonds have been issued for the business-type activities. For the governmental activities, compensated absences are generally liquidated by the General Fund.

(continued)

10. LONG-TERM DEBT (Continued)

The following is a summary of changes in long-term debt of the year ended September 30, 2010:

	Balance October 1, 2009	Additions	Retirements	Balance September 30, 2010	Due Within One Year
Governmental activities					
Tax and revenue certificates of obligation	\$ 1,185,000	\$ -	\$(215,000)	\$ 970,000	\$ 225,000
Compensated absences	<u>198,910</u>	<u>29,846</u>	<u>(79,424)</u>	<u>149,332</u>	<u>37,333</u>
	<u>\$ 1,383,910</u>	<u>\$ 29,846</u>	<u>\$(294,424)</u>	<u>\$ 1,119,332</u>	<u>\$ 262,333</u>
Business-type activities					
Tax and revenue certificates of obligation	\$ 1,252,871	\$ -	\$(133,568)	\$ 1,119,303	\$ 139,579
Compensated absences	<u>47,548</u>	<u>19,113</u>	<u>(44,354)</u>	<u>22,307</u>	<u>5,577</u>
	<u>\$ 1,300,419</u>	<u>\$ 19,113</u>	<u>\$(177,922)</u>	<u>\$ 1,141,610</u>	<u>\$ 145,156</u>

Long-term debt for governmental activities at September 30, 2010, is comprised of the following:

\$2,020,000 Series 1999 Tax and Revenue Certificates of Obligation, due in annual installments of \$80,000 to \$260,000 with interest rates from 4.75% to 5.25%, maturing in 2014.	<u>\$ 970,000</u>
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Annual debt services requirements to maturity for governmental activities are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 225,000	\$ 44,434
2012	235,000	32,701
2013	250,000	20,150
2014	<u>260,000</u>	<u>6,825</u>
	<u>\$ 970,000</u>	<u>\$ 104,110</u>

Long-term debt for business-type activities at September 30, 2010, is comprised of the following:

\$1,503,000 Series 2007 Tax and Revenue Certificates of Obligation, due in annual installments of \$122,312 to \$181,768 with interest at 4.5%, maturing in 2017.	<u>\$ 1,119,303</u>
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(continued)

10. LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for business-type activities are as follows:

Year Ended September 30,	Certificates of Obligation	
	Principal	Interest
2011	\$ 139,579	\$ 50,369
2012	145,860	44,088
2013	152,423	37,524
2014	159,283	30,665
2015-2019	<u>522,158</u>	<u>47,684</u>
	<u>\$ 1,119,303</u>	<u>\$ 210,330</u>

Tax and revenue certificates of obligation constitute direct obligations of the City payable from ad valorem taxes levied, within the limits prescribed by law, against all taxable property within the City and are additionally payable from and secured by a limited pledge of surplus net revenues of the City’s waterworks systems, not to exceed \$1,000 each as provided in the ordinances authorizing the bonds.

11. EMPLOYEE BENEFIT PLAN

Plan Description

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

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P. O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS’ website at www.TMRS.com.

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

	Plan Year 2009	Plan Year 2010
Deposit rate	6%	6%
Matching ration (City to employee)	2 to 1	2 to 1
A member is vested after	5 years	5 years
Service retirement eligibility (expressed as age/years of service)	60/5, 0/25	60/5, 0/25
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

(continued)

11. EMPLOYEE BENEFIT PLAN (Continued)

Contributions

Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation/(asset) are as follows:

1. Annual Required Contribution (ARC)	\$ 348,668
2. Interest on Net Pension Obligation	-
3. Adjustment to the ARC	-
4. Annual Pension Cost (APC)	348,668
5. Contributions Made	(348,668)
6. Increase (decrease in Net Pension Obligation	-
7. Net Pension Obligation/(Asset), beginning of year	-
8. Net Pension Obligation/(Asset), end of year	\$ -

Three-year Trend Information for TMRS:

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
9/30/2008	233,009	233,009	100%	-
9/30/2009	279,246	279,246	100%	-
9/30/2010	348,668	348,668	100%	-

(continued)

11. EMPLOYEE BENEFIT PLAN (Continued)

Contributions (Continued)

The required contribution rates for fiscal year 2010 were determined as part of the December 31, 2007 and 2008 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

Valuation Date	12/31/2007	12/31/2008	12/31/2009
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	30 years; closed period	29 years; closed period	28 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	Amortized Cost	Amortized Cost	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.5%	7.5%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	2.1%	2.1%	2.1%

The funded status as of December 31, 2009, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2009	\$ 6,463,660	\$ 7,649,174	84.5%	\$ 1,185,514	\$ 2,538,236	46.7%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

(continued)

12. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

There are other claims and pending actions incident to normal operations of the City. In the opinion of the City management based on consultation with the City's attorney, the City's potential liability in these matters will not have a material impact on the financial statements.

13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts/theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other governments in the State of Texas to form the Texas Municipal League Intergovernmental Risk Pool (the "Pool"), a public entity risk pool currently operating as a common risk management and insurance program for liability, property and workers' compensation coverages.

The City pays a quarterly contribution to the Pool for its insurance coverage. The agreement for formation of the Pool provides that the Pool will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of specific limits.

The Texas Municipal League Intergovernmental Risk Pool has published its own financial report, which can be obtained by writing the Texas Municipal League Intergovernmental Risk Pool, 1821 Rutherford Lane, Austin, Texas 78754-5128.

14. PRIOR PERIOD ADJUSTMENTS

A prior period adjustment was required for the governmental activities and governmental fund financial statements to properly state the 60 day accrual of sales tax revenue at year-end. This adjustment resulted in a fund balance increase of \$174,278 in the General Fund and \$43,569 each in the EDC and Streets Special Funds.

Additionally, prior period adjustments were required in the proprietary fund financial statements to properly state capital assets. An adjustment of \$20,633 was needed to properly state construction in progress at the beginning of the year and an adjustment of \$45,000 was needed to properly state beginning accumulated depreciation.

REQUIRED SUPPLEMENTARY INFORMATION

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Required Supplementary Information

Texas Municipal Retirement System

Schedule of Funding Progress:

(unaudited)

Actuarial Valuation Date	12/31/2007	12/31/2008	12/31/2009
Actuarial Value of Assets	\$ 5,179,596	\$ 5,697,285	\$ 6,463,660
Actuarial Accrued Liability	\$ 6,304,221	\$ 6,958,067	\$ 7,649,174
Percentage Funded	82.2%	81.9%	84.5%
Unfunded (over-funded) Actuarial Accrued Liability (UAAL)	\$ 1,124,625	\$ 1,260,782	\$ 1,185,514
Annual Covered Payroll	\$ 2,238,802	\$ 2,413,033	\$ 2,538,236
UAAL as a Percentage of Covered Payroll	50.2%	52.2%	46.7%

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COMBINING STATEMENTS

CITY OF BELLMEAD, TEXAS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	Special Revenue	
	Grants	Street Fund
ASSETS		
Cash and cash equivalents	\$ 4,589	\$ 207,804
Receivables (net of allowance for uncollectibles)	-	85,935
Due from other funds	-	43,606
 Total assets	 \$ 4,589	 \$ 337,345
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 3,683	\$ -
Accrued liabilities	-	1,114
Due to other funds	-	141,740
Deferred revenue - delinquent property taxes	-	-
Total liabilities	3,683	142,854
 Fund balances:		
Reserved for:		
Capital acquisition	-	-
Unreserved, designated for:		
Street improvements	-	194,491
Unreserved, undesignated reported in:		
Special revenue fund	906	-
Debt service fund	-	-
Total fund balances	906	194,491
 Total liabilities and fund balances	 \$ 4,589	 \$ 337,345

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 986	\$ 134,503	\$ 347,882
-	27,465	113,400
<u>-</u>	<u>91,615</u>	<u>135,221</u>
<u>\$ 986</u>	<u>\$ 253,583</u>	<u>\$ 596,503</u>
\$ -	\$ -	\$ 3,683
-	4,624	5,738
-	-	141,740
<u>-</u>	<u>26,269</u>	<u>26,269</u>
<u>-</u>	<u>30,893</u>	<u>177,430</u>
986	-	986
-	-	194,491
-	-	906
<u>-</u>	<u>222,690</u>	<u>222,690</u>
<u>986</u>	<u>222,690</u>	<u>419,073</u>
<u>\$ 986</u>	<u>\$ 253,583</u>	<u>\$ 596,503</u>

CITY OF BELLMEAD, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue	
	Grants	Street Fund
REVENUES		
Taxes:		
Property	\$ -	\$ -
Sales	-	512,422
Investment earnings	<u>81</u>	<u>1,033</u>
Total revenues	<u>81</u>	<u>513,455</u>
EXPENDITURES		
Highways and streets	-	623,967
Economic and physical development	17,683	-
Debt service:		
Principal	-	-
Interest and other charges	-	-
Capital outlay	<u>-</u>	<u>93,979</u>
Total expenditures	<u>17,683</u>	<u>717,946</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,602)</u>	<u>(204,491)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>15,000</u>	<u>-</u>
Total other financing sources (uses)	<u>15,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,602)	(204,491)
FUND BALANCE, BEGINNING	3,508	355,413
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>43,569</u>
FUND BALANCE, ENDING	<u>\$ 906</u>	<u>\$ 194,491</u>

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	212,515	\$ 212,515
-	-	512,422
<u>846</u>	<u>2,092</u>	<u>4,052</u>
<u>846</u>	<u>214,607</u>	<u>728,989</u>
-	-	623,967
-	-	17,683
-	215,000	215,000
-	56,490	56,490
-	-	93,979
<u>-</u>	<u>271,490</u>	<u>1,007,119</u>
<u>846</u>	<u>(56,883)</u>	<u>(278,130)</u>
<u>-</u>	<u>70,000</u>	<u>85,000</u>
<u>-</u>	<u>70,000</u>	<u>85,000</u>
846	13,117	(193,130)
140	209,573	568,634
<u>-</u>	<u>-</u>	<u>43,569</u>
<u>\$ 986•</u>	<u>\$ 222,690•</u>	<u>\$ 419,073</u>

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