

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2020

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2020



CITY OF BELLMEAD, TEXAS
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***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

City of Bellmead, Texas

**For the Year Ended
September 30, 2020**

Prepared by

Yousry Zakhary
City Manager

Karen Evans, CPA
Assistant City Manager/
Chief Financial Officer



City of Bellmead, Texas

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INTRODUCTORY SECTION





March 9, 2021

To the Honorable Mayor, City Council, and Citizens of the City of Bellmead, Texas

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

BrooksWatson & Co., a firm of licensed independent certified public accountants, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2020. The independent auditor’s report is located at the front of the financial section of this report.

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

Profile of the City

Bellmead was founded in the mid-1920’s when the site was chosen for the locomotive shops of the Missouri, Kansas, and Texas railroad. The first school was named Bellmead in honor of Belle Meade Farms, a prominent horse farm in Tennessee.

Waco Army Airfield (later called James Connally Air Force Base) opened in 1942, just northeast of town. The town boasted a population of 25 in the early 1940s, which increased rapidly after World War II, rising to 800 by 1949. The community was incorporated in 1954 with a mayor-alderman government. By 1960, Bellmead had 5,127 residents and 85 businesses. When the air force base was closed in 1965, Texas A&M University established the James Connally Technical Institute at the facility. The City has since grown to an estimated population of 10,773.

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

The City provides a full range of services, including police and fire protection, construction and maintenance of streets, roads, and other infrastructure, solid waste collection, parks operation and maintenance, and administrative services necessary to serve the citizens of our community. Water and sewer services are operated under an enterprise fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. In addition, the City is also financially accountable for a legally separate economic development corporation, which is reported separately with the City's financial statements. Additional information on this legally separate entity can be found in the Notes to the Financial Statements.

The Council is required to adopt an initial budget for the fiscal year no later than September 27 preceding the beginning of the fiscal year on October 1. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police).

After adoption of the budget, the City Manager may transfer any unencumbered appropriation or portion thereof between general classifications of expenditures within a division or department. At the request of the City Manager and within the last three months of the fiscal year, the Council may by resolution, transfer any unencumbered appropriation or portion thereof from one division or department to another. After adoption, the City Council may amend the budget at any time.

Local Economy

The City of Bellmead is situated within the geographic center of Texas and is often referred to as the "Heart of Texas." At the confluence of the Bosque River and the 890-mile Brazos River, Bellmead lies between the three largest cities in the state: 90 miles south of Dallas, 190 miles northwest of Houston, and 180 miles northeast of San Antonio. It is less than 100 miles from the state capital of Austin. The City sits on the rich southern agricultural Blackland Prairie on the east and cattle country of the rolling Grand Prairie on the west. Bellmead sits just to the east of Waco and the major north/south route of Interstate Highway 35 which stretches from Laredo at the Mexican border to Duluth, Minnesota in the north.

Bellmead enjoys vigorous sales tax and hotel tax revenues due to its proximity to Waco and Waco attractions. Secondary education is also available in the Bellmead area to include Baylor University, McLennan Community College, and Texas State Technical College.

Baylor University, a private Christian university and a nationally ranked research institution, provides a vibrant campus community for more than 15,000 students by blending interdisciplinary research with an international reputation for educational excellence and a faculty commitment to teaching and scholarship. Baylor is located only three miles south of Bellmead on Interstate 35.

Chartered in 1845 by the Republic of Texas through the efforts of Baptist pioneers, Baylor is the oldest continually operating university in Texas. Located in Waco, Baylor welcomes students from all 50 states and more than 80 countries to study a broad range of degrees among its 11 nationally recognized academic divisions. Baylor University enjoys high standing among many national rating services that evaluate quality of education, research activity, affordability, baccalaureate value, sustainability and athletic excellence.

McLennan Community College is located on a scenic 215-acre campus adjacent to Cameron Park and the Bosque River. Nestled among rolling hills and large trees, MCC has been recognized statewide for its natural beauty and outstanding architecture. The college also owns Highlander Ranch, a 200-acre horse farm located about five miles from campus and has an Emergency Services Education Center off campus near the Waco Regional Airport.

For more than 45 years, Texas State Technical College Waco has been providing top-quality technical education. The college is nationally recognized for the number and quality of its technology graduates. With more than 40,000 TSTC graduates employed throughout the state and nation, the tradition of excellence is strong.

TSTC Waco is committed to providing highly specialized and advanced technical education that can lead to great career opportunities. TSTC offers technical associate degrees, certificate programs and workforce mastery skills that give students a competitive edge in the job market. Students gain extensive hands-on experience in laboratories learning by doing, spending nearly 60 percent of their time working with the tools, technology, and equipment they will use in their future careers.

TSTC offers career training for the future by providing solid basics and advanced technology applications and processes. Faculty members are experts in their fields, bringing real-world industry experience into the classroom and labs.

The City is situated directly adjacent to Interstate 35 which is currently undergoing a \$341 million construction upgrade by the Texas Department of Transportation (“TxDOT”). The project is designed to improve safety and mobility, add capacity, incorporate technology, and enhance the aesthetics of the interstate highway. The improvements will include widening the mainlanes to four lanes in each direction, improving frontage roads and ramps, reconstructing bridges and improve interchanges, adding u-turns, and improving bicycle and pedestrian access. Construction began in May 2019 and is expected to be completed in 2024. The expansion of I-35 provides an opportunity for commercial development throughout Bellmead.

American Bank, the iconic “Round Bank”, has begun construction on a new, 7,800 square foot state-of-the-art bank in Bellmead on the site of the current Round Bank. The new design will pay homage to the round Bank’s famous architecture while providing a state-of-the-art facility to serve the community. New Interactive teller Machines were installed in February 2020 and construction of the new building is underway with completion scheduled for spring 2021.

Diversified Product Development, which makes specialized equipment for the utility industry, purchased 6.89 acres in the Bellmead Industrial Park and relocated its operations from downtown Waco to Bellmead in FY 2020. The building is 60,000 square feet with a potential expansion of another 30,000 square feet for lease space.

Tortilleria Michael, a tortilla factory currently in Bellmead, purchased the former Bellmead Feed Store site to build a new 4,000 square foot restaurant with paved parking and expand the business. Construction of the restaurant building is scheduled to be substantially complete by February 2022.

The Fresenius Kidney Care Facility in Bellmead relocated to a new 10,988 square foot facility in May 2020. The \$1,465,000 facility has an approximate capacity of 80 and is part of a nationwide system which allows kidney patients to receive dialysis treatment.

Whataburger demolished and rebuilt the chain’s new prototype in Bellmead. The \$750,000 restaurant seats 84 and will employ about 130 people, including five managers and six team leaders. The new energy efficient design accommodates drive-thru traffic and call-in texts for curbside delivery which may be the new normal due to the COVID pandemic.

Major initiatives

On February 24, 2004, the City entered an interlocal cooperative agreement with the City of Waco and five other cities to acquire from Brazos River Authority the assets that comprise the Waco Metropolitan Area Regional Sewer System (WMARSS). The acquisition was funded by the issuance of bonds by the City of Waco and cash contributions by the member cities. The City's proportionate share is 5.707%. The City funded its share of the acquisition cost with a cash contribution from the Bellmead Development Corporation.

The City issued \$2,400,000 in certificates of obligation in fiscal year 2016 to fund the Transfer/LaSalle Lift Station and Force Main Project for the Waco Metropolitan Area Regional Sewer System. The funding has been transferred to the City of Waco that manages WMARSS. There are three parts to this project which is

currently in the construction phase 1) Gravity Line, Odor Control Facility, Inverted Siphon, 2) Transfer Lift Station, and 3) Force Main to WMARSS Central Plant.

Effective October 1, 2019, the City is no longer be a partner along with all other Cities in the MSA of the Waco Metropolitan Area Regional Sewer System. The City entered into a new agreement with the City of Waco to transfer all WMARSS assets to the City of Waco. The City retained its capacity share of the sewer system; however, the City is a customer going forward and no longer reports WMARSS activity within the City's financial statements.

In fiscal year 2014, the City issued 8,500,000 in certificates of obligation. \$4,500,000 was designated for the sewer interceptor project and ground and elevated storage tank coatings systems project.

\$4,000,000 was designated for constructing the new Municipal Court building, renovating the Police and Fire Department buildings, purchasing public safety vehicles, upgrading the police parking lot, and making needed street improvements. This important capital improvement project was substantially completed in fiscal year 2018; however, cost savings on all project components have been recommitted by the City Council for water/sewer infrastructure projects to include a 500,000-gallon elevated storage tank. Construction began on the storage tank in FY 2019 and is scheduled to be completed in early FY 2021.

The sewer interceptor project is currently under design and construction is expected to begin in FY 2022. This project will provide capacity for a large area of the City which is not currently served as well as an underserved area in which the infrastructure is insufficient. The project will be a great boost to the local economy and open a large area of the City which is ideal for future commercial development. This is a projected \$28 million joint project with the following projected cost shares City of Waco \$19,250,000; City of Lacy Lakeview \$1,475,000; Texas State Technical College \$1,500,000; and the City of Bellmead \$4,330,000.

In fiscal year 2017, the City was awarded a \$1,900,000 Economic Development Administration grant for the reconstruction of 4,850 linear feet of a 40-foot-wide roadway known as Tirey Road to enable increased traffic capacity to support expansion and location of tenants in the industrial park. Tirey Road was completed in FY 2018, and the City utilized funding from the 2014 certificates of obligation as the City's matching portion. Cost savings on the Tirey Road project have been utilized to resurface Williams Road which is also adjacent to the industrial park. Construction began in FY 2020 and is expected to be completed in early FY 2021.

In fiscal year 2018, the City issued \$2,000,000 in certificates of obligation to acquire and equip two fire trucks. The engine was put into use in FY 2019. The ladder truck was built and put into use in March 2020.

In fiscal year 2019, the City kicked off a Bellmead beautification initiative. Code Enforcement has increased which has resulted in the demolition of multiple blighted properties. This is an ongoing process in which the City is working closely with the community and the Bellmead Economic Development Corporation to revitalize the areas and increase the appearance, property values, economic opportunity, and safety of Bellmead. The City began tackling the egret nesting problem in FY 2020 and worked with property owners to clear trees and nesting sites before the egrets returned to nest.

The City is aggressively seeking grants to leverage outside funding to make infrastructure, public safety, and planning improvements within the City. These improvements are part of a comprehensive plan to increase public safety, beautify the City, and drive economic development.

- The City applied for the 2020 Fire, Ambulance, and Service Truck (FAST) Texas Community Development Block Grant which if awarded would provide required personal protective equipment, extrication tools, SCBA's, etc. for the fire department to keep both the citizens and firefighters safe. The grant is up to a maximum of \$500,000 with a City match of \$5,000.

- The City also applied for the 2020 Community Development Block Grant Downtown Revitalization/Main Street Program which is implemented through the Texas Department of Agriculture. The City plans to utilize this grant if funded to install ADA compliant sidewalks and lighting improvements in the downtown area. If funded, the City could receive up to a maximum of \$500,000 with a City match of \$75,000.
- The City applied for and was awarded the 2020 Texas CDBG Planning & Capacity Building Fund Grant to provide planning services to the City. The City will utilize this \$46,352 grant to begin planning for the future growth and needs of Bellmead.

In October 2020, NewGen Strategies & Solutions was engaged to perform a water and wastewater rate design study. A rate study was last performed in 2014 which included a 5-year rate implementation schedule. The City's water and wastewater system has undergone many changes since 2014 to include moving from a partnership in WMARSS to a customer of the City of Waco. The system has also aged with little maintenance and additional capacity is needed for growth within the City.

As part of the study, NewGen will prepare a five-year forecast of water and wastewater revenue requirements and accompanying rate scenarios which will meet the City's revenue recovery objectives. Additionally, NewGen will examine the City's capital requirements for planned development and replacement needs in suggesting rates sufficient to provide continuous and adequate service to the City's utility customers. An electronic rate model will be developed and provided to the City for use in forecasting. In November 2020, the City engaged a firm to perform an investment grade audit of the water metering infrastructure. This is the first step in implementing automatic metering infrastructure ("AMI") throughout the City. The audit will analyze current water consumption, recommend water efficient equipment upgrades, water conservation measures, meter revenue enhancements, and a detailed analysis of implementation costs, anticipated project benefits resulting from such improvements and assumption upon which the projected benefits are based. The focus of the AMI project is to achieve operational efficiencies and infrastructure improvements associated with the water infrastructure while providing many tangible and intangible benefits to our citizens.

In December 2020, City Council approved a 5-year solid waste contract with Frontier Waste Solutions. This was a move away from the City's waste provider of 35 years Waste Management. Frontier Waste will provide the citizens of Bellmead at no additional cost twice a week pickup, as well as weekly brush and bulky item pickup. A city-wide cleanup day, dumpsters at City buildings, and roll off containers at the City shop will also be provided at no charge. This new contract further exemplifies the beautification vision of the new Bellmead as additional services have been added to assist citizens with trash removal.

Financial Procedures and Budgetary Controls

The City's accounting records for general government are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis. The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff, and expenditure estimates by each City department. Budgets are reviewed by the City Manager who submits a recommended budget to the City Council. The City Council approves all budget amendments. The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Acknowledgements

The preparation of this report would not have been possible without the proficient and dedicated work of the entire staff of the Finance Department. We wish to thank all city departments for their assistance in providing the data necessary to prepare this report. We also wish to express our sincere appreciation to the

Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Y. Zakhary", enclosed within a light blue oval.

Yousry Zakhary
City Manager

A handwritten signature in black ink, appearing to read "Karen Evans".

Karen Evans, CPA
Assistant City Manager/CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bellmead
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

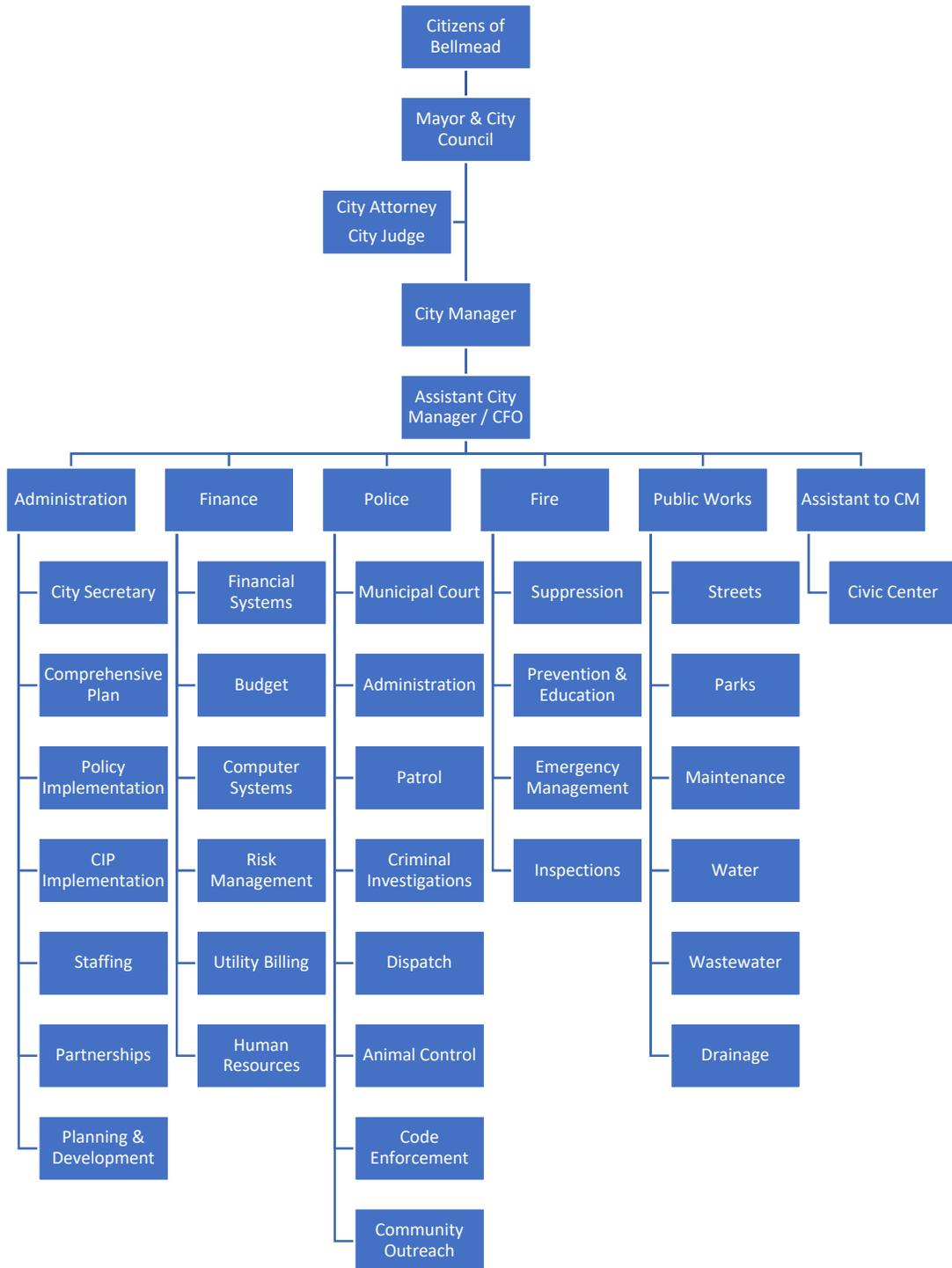
September 30, 2019

Christopher P. Morill

Executive Director/CEO

BELLMEAD ORGANIZATIONAL CHART

September 30, 2020



City of Bellmead, Texas
ELECTED AND APPOINTED OFFICIALS
September 30, 2020

City Council

James Cleveland	Mayor - Precinct 3
Gary Moore	Mayor Pro Tem - At Large
Dr. Alfreda Love	Council Member - Precinct 1
Travis Gibson	Council Member - Precinct 2
William Ridings	Council Member - Precinct 4
Doss Youngblood	Council Member - Precinct 5

Appointed Officials

Yousry Zakhary	City Manager
Charles Buenger	City Attorney
Ray Black	Municipal Judge
Karen Evans, CPA	Assistant City Manager/Chief Financial Officer
Daniel Porter	Police Chief
William Hlavenka	Fire Chief
Herbert Blomquist	Public Works Director
Holly Owens	City Secretary



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Bellmead, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bellmead, Texas (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of changes in net pension liabilities and related ratios, the schedule of employer contributions to pension plan, and schedule of changes in the other postemployment benefits liability and related ratios, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The budgetary comparison information and combining schedules for nonmajor funds noted above are 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 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2021 on our consideration of City of Bellmead, Texas'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 City of Bellmead, Texas'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 City of Bellmead, Texas's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
March 9, 2021



***MANAGEMENT'S DISCUSSION
AND ANALYSIS***



City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2020

As management of the City of Bellmead, 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, 2020.

Financial Highlights

- The City's total combined net position is \$24,601,121 at September 30, 2020. Of this, \$10,992,161 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$10,337,510, an increase of \$1,385,550.
- As of the end of the year, the unassigned fund balance of the general fund was \$1,994,444 or 43% of total general fund expenditures.
- The City had an overall decrease in net position of \$554,201, which is primarily due to the City's business-type activities recognizing a \$4,194,903 loss on relinquishment of assets in the current year. Most of this loss was due to the termination of the WMARSS undivided interest agreement. Additional information about the WMARSS agreement can be found within the notes to the financial statements at IV.F.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

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

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2020

are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes 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, public works, and culture and recreation. The business-type activities of the City include water and sewer operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Bellmead Economic Development Corporation (the "EDC") for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City of Bellmead. They are usually segregated for specific activities or objectives. The City of Bellmead uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City'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 City of Bellmead maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, hotel/motel tax, street maintenance, EDA grant, and grants fund, which are major funds. Data from the other governmental

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2020

funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City of Bellmead adopts an annual appropriated budget for all funds, except for the grants fund, governmental CIP fund, the truancy prevention/diversion fund, and the court jury fund. Budgetary comparison schedules have been provided to demonstrate compliance with all governmental fund budgets that were appropriated.

Proprietary Funds

The City maintains one type of proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for its water and sewer utility services. All activities associated with providing such services are accounted for in this fund, including salaries and benefits, materials and supplies, and other operating expenses. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Component Unit

The City maintains the accounting and financial statements for one component unit. The Bellmead EDC is a discretely presented component unit displayed on the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires is a budgetary comparison schedule for the general fund, schedules for the City's Defined Pension Plan, and schedule for changes in postemployment benefits other than pension. RSI can be found after the basic financial statements.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Bellmead, assets exceeded liabilities by \$24,601,121 as of September 30, 2020, in the primary government.

The largest portion of the City's net position, \$7,768,357, reflects its investments in capital assets (e.g., land, buildings and improvements, machinery and equipment roads, bridges, sidewalks, and similar items), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$5,840,603, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,992,161 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Total current assets as of September 30, 2020 and September 30, 2019 were \$19,817,836 and \$18,584,444, respectively. The increase of \$1,233,392 was attributable to intergovernmental receivables for the EDA grant project for the rehabilitation of Williams Road as well as the CARES Act funding for responding to the COVID pandemic.

Total capital assets as of September 30, 2020 and September 30, 2019 were \$17,299,402 and \$19,442,214, respectively. The decrease of \$2,142,812 was primarily attributable to the termination of the WMARRS undivided interest agreement, as the City relinquished the respective capital assets to the City of Waco.

Total other liabilities as of September 30, 2020 and September 30, 2019 were \$1,941,111 and \$1,395,972, respectively. The increase of \$545,139 was primarily a result of greater payable balances owed at the end of the current year and timing of payments on construction in progress subsequent to year-end.

Total long-term liabilities as of September 30, 2020 and September 30, 2019 were \$10,835,947 and \$12,058,253, respectively. The decrease of \$1,222,306 was a direct result of principal payments made during the year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 11,748,901	\$ 8,068,935	\$ 19,817,836	\$ 9,333,058	\$ 9,251,386	\$ 18,584,444
Capital assets, net	10,348,049	6,951,353	17,299,402	10,635,191	8,807,023	19,442,214
Net pension asset	1,007,937	176,563	1,184,500	-	-	-
Total Assets	23,104,887	15,196,851	38,301,738	19,968,249	18,058,409	38,026,658
Deferred Outflows of Resources	241,180	42,247	283,427	852,990	99,090	952,080
Other liabilities	810,492	1,130,619	1,941,111	423,177	972,795	1,395,972
Long-term liabilities	5,206,295	5,629,652	10,835,947	6,036,748	6,021,505	12,058,253
Total Liabilities	6,016,787	6,760,271	12,777,058	6,459,925	6,994,300	13,454,225
Deferred Inflows of Resources	1,027,073	179,913	1,206,986	330,766	38,425	369,191
Net Position:						
Net investment in capital assets	6,977,108	791,249	7,768,357	5,355,050	3,328,461	8,683,511
Restricted	5,804,326	36,277	5,840,603	6,507,943	-	6,507,943
Unrestricted	3,520,773	7,471,388	10,992,161	2,167,555	7,796,313	9,963,868
Total Net Position	\$ 16,302,207	\$ 8,298,914	\$ 24,601,121	\$ 14,030,548	\$ 11,124,774	\$ 25,155,322

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

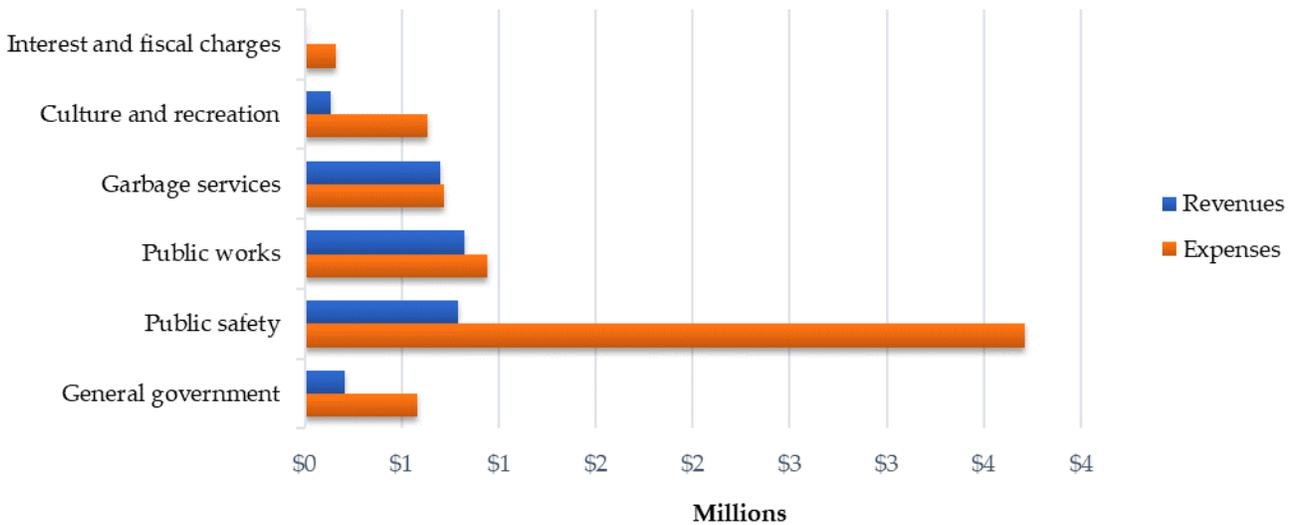
Statement of Activities:

The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2020			For the Year Ended September 30, 2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 1,032,170	\$ 2,715,245	\$ 3,747,415	\$ 976,872	\$ 2,655,901	\$ 3,632,773
Grant contributions	1,629,662	1,500,000	3,129,662	531,158	1,200,000	1,731,158
General revenues:						
Property taxes	1,728,779	-	1,728,779	1,400,884	-	1,400,884
Sales taxes	3,314,580	-	3,314,580	3,310,684	-	3,310,684
Franchise taxes	485,010	-	485,010	529,060	-	529,060
Hotel and motel taxes	381,504	-	381,504	554,457	-	554,457
Investment income	91,768	82,425	174,193	183,121	177,700	360,821
Other revenues	107,017	40,396	147,413	157,550	69,398	226,948
Total Revenues	8,770,490	4,338,066	13,108,556	7,643,786	4,102,999	11,746,785
Expenses						
General government	574,374	-	574,374	1,065,045	-	1,065,045
Public safety	3,713,738	-	3,713,738	3,958,572	-	3,958,572
Public works	950,326	-	950,326	906,923	-	906,923
Garbage services	718,785	-	718,785	706,630	-	706,630
Culture and recreation	630,541	-	630,541	681,657	-	681,657
Interest and fiscal charges	160,109	165,992	326,101	168,736	179,504	348,240
Water & sewer	-	2,575,274	2,575,274	-	2,480,280	2,480,280
Loss on disposal	-	4,173,618	4,173,618	-	-	-
Total Expenses	6,747,873	6,914,884	13,662,757	7,487,563	2,659,784	10,147,347
Change in Net Position						
Before Transfers and Other	2,022,617	(2,576,818)	(554,201)	156,223	1,443,215	1,599,438
Transfers	249,042	(249,042)	-	365,430	(365,430)	-
Total	249,042	(249,042)	-	365,430	(365,430)	-
Change in Net Position	2,271,659	(2,825,860)	(554,201)	521,653	1,077,785	1,599,438
Beginning Net Position	14,030,548	11,124,774	25,155,322	13,508,895	10,046,989	23,555,884
Ending Net Position	\$ 16,302,207	\$ 8,298,914	\$ 24,601,121	\$ 14,030,548	\$ 11,124,774	\$ 25,155,322

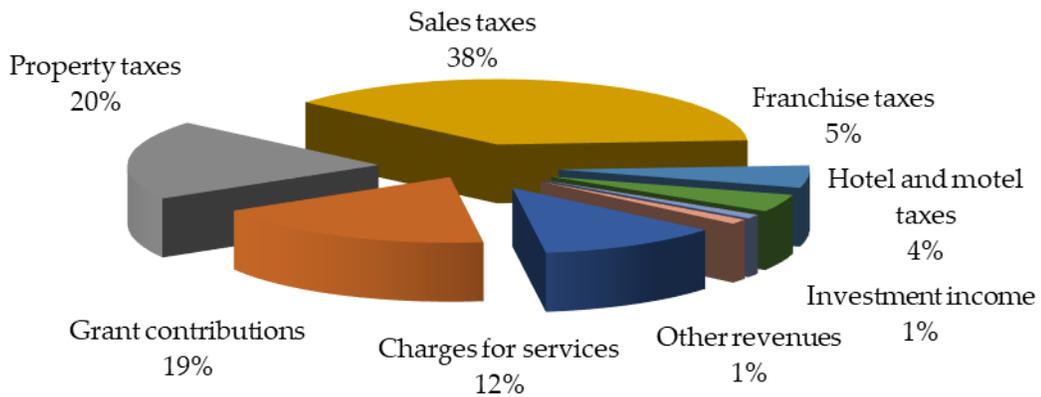
City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

Program Revenues and Expenses - Governmental Activities



Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues by Source



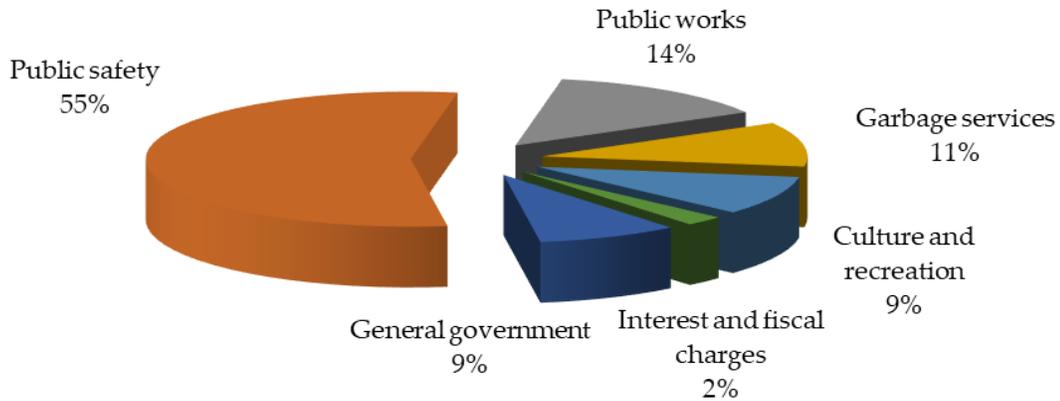
For the year ended September 30, 2020, revenues from governmental activities totaled \$8,770,490. Property tax, sales tax and grant contributions are the City's largest revenue sources. Grant contributions increased \$1,098,504 or 207% primarily due to nonrecurring street improvement grant and CARES Act funding received in the current year. Property tax revenue increased by \$327,895 or 23% due to increases in the tax rate and appraised property tax values. Investment income decreased by \$91,353 or 50% due to lower interest rates caused by changing market conditions. Hotel and motel taxes decreased by \$172,953 or 31% primarily due to the impact of COVID-19 limiting tourism to the City. Other revenues decreased by \$50,533 or 32% primarily as a result of greater gains from sale of

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

capital assets received in the prior year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses by Function

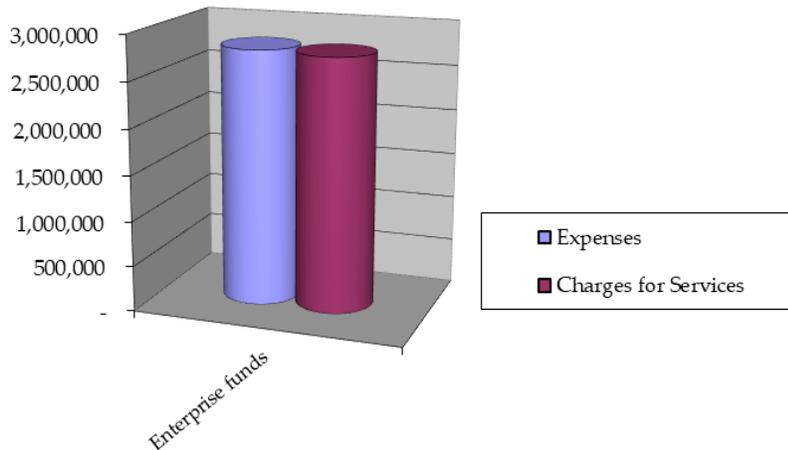


For the year ended September 30, 2020, expenses for governmental activities totaled \$6,747,873. This represents a decrease of \$739,690 or 10% from the prior year. The City's largest functional expense is public safety of \$3,713,738, which primarily includes operational and administrative costs for the City's police and fire suppression activities. Public safety expenses decreased by \$244,834 or 6% primarily due to a reduction in personnel costs in the police and fire departments. General government expenses decreased by \$490,671 or 46% primarily due to the reduction in personnel expenses for administration and finance, as a result of the reallocation of expenses to more appropriately reflect the departments being supported, in addition to the actuarial valuation changes to the City's net pension obligations. In the prior year, the City recognized a net pension liability. In the current year, the City recognized a net pension asset. All other expenditures remained relatively consistent with the previous year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2020, charges for services by business-type activities totaled \$2,715,245. This represents an increase of \$59,344 or 2% from the previous year. The increase is primarily a result of greater sewer consumption and increased service rates charged in the current year.

Total expenses increased by \$4,255,100 from the prior year, which is primarily due to the loss on asset disposals of \$4,173,618. The remaining increase was due to greater personnel costs, equipment maintenance, and sewer treatment related expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a total fund balance of \$1,998,583, \$1,994,444 of which is unassigned. The general fund increased by \$114,725 primarily due to staffing shortages within the police department which resulted in personnel savings.

The hotel/motel tax fund reflected an ending balance of \$1,857,884, an increase of \$120,308. This increase is primarily due to current year revenues exceeding tourism expenditures.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2020

The street maintenance fund reflected an ending balance of \$3,286,681, an increase of \$230,237. The increase is primarily due current year property tax revenues significantly exceeding street maintenance expenses.

The EDA grant fund reflected an ending fund deficit of \$71,582, a decrease of \$267,077. The decrease is primarily due to the deferral of grant revenue that was received more than 60 days after year end.

There was an overall increase in the governmental fund balance of \$1,385,550 over the prior year. The increase was primarily due to decreased personnel costs related to staffing shortages within the police department and funding provided by the CARES Act for the public safety responses to the COVID pandemic.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$114,723 in the general fund. This is a combination of a negative revenue variance of \$124,571, a positive expenditure variance of \$181,848, and a positive variance of \$57,446 in other financing sources and uses. The city council department was over budget at the legal of control. There were two budget amendments approved during the fiscal year to repair/replace water wells that suffered mechanical failures.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$10,348,049 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$6,951,353 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- Williams Road improvements totaling \$497,584.
- Purchase of two 2020 Dodge Ram for \$60,029.
- Purchase of Falcon asphalt trailer for \$24,550.
- Investment in new elevated storage tank for \$1,627,745.
- Meyers and Concord well improvements totaling \$216,199.

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2020

- The City's shared centralized regional service facilities with the City of Waco, otherwise known as Waco Metropolitan Area Regional Sewerage System ("WMARSS"), was terminated during the year.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$10,685,000. During the year, the City had principal payments on bonds and notes payable of \$570,000. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Bellmead and improving services provided to their public citizens. The City is considering the impacts of COVID-19 when preparing the budget for the upcoming year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



FINANCIAL STATEMENTS

City of Bellmead, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 9,734,152	\$ 7,774,045	\$ 17,508,197
Investments	-	-	-
Receivables, net	928,498	294,890	1,223,388
Intergovernmental receivable	1,082,112	-	1,082,112
Long-term receivables due within one year	-	-	-
Prepays	4,139	-	4,139
Total Current Assets	11,748,901	8,068,935	19,817,836
Capital assets:			
Non-depreciable	2,183,653	2,568,349	4,752,002
Net depreciable capital assets	8,164,396	4,383,004	12,547,400
Long-term receivables due in more than one year	-	-	-
Net pension asset	1,007,937	176,563	1,184,500
	11,355,986	7,127,916	18,483,902
Total Assets	23,104,887	15,196,851	38,301,738
Deferred Outflows of Resources			
Pension contributions	197,098	34,525	231,623
Pension changes in assumption	18,733	3,282	22,015
OPEB contributions	915	160	1,075
OPEB changes in assumption	24,434	4,280	28,714
Total Deferred Outflows of Resources	241,180	42,247	283,427

See Notes to Financial Statements.

Component Unit
Bellmead Economic
Development Corporation

\$		3,219,325			
		173,078			
		109,292			
		-			
		112,545			
		-			
		<u>3,614,240</u>			
		1,331,152			
		-			
		458,741			
		-			
		<u>1,789,893</u>			
		<u>5,404,133</u>			
		-			
		-			
		-			
		-			
		<u>-</u>			
		<u>-</u>			

City of Bellmead, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 654,218	\$ 372,602	\$ 1,026,820
Intergovernmental payable	15,749	-	15,749
Accrued interest payable	13,273	12,843	26,116
Customer deposits	-	396,495	396,495
Compensated absences, current	127,252	18,679	145,931
Long-term debt due within one year	270,000	330,000	600,000
Total Current Liabilities	1,080,492	1,130,619	2,211,111
Noncurrent liabilities:			
Long-term debt due in more than one year	4,744,983	5,596,541	10,341,524
Compensated absences, noncurrent	14,139	2,075	16,214
OPEB liability	177,173	31,036	208,209
	4,936,295	5,629,652	10,565,947
Total Liabilities	6,016,787	6,760,271	12,777,058
Deferred Inflows of Resources			
Pension investment returns	392,408	68,742	461,150
Pension difference in experience	624,272	109,351	733,623
OPEB difference in experience	10,393	1,820	12,213
Deferred Inflows of Resources	1,027,073	179,913	1,206,986
Net Position			
Net investment in capital assets	6,977,108	791,249	7,768,357
Restricted for:			
Debt service	278,429	-	278,429
Capital projects	125,201	-	125,201
Municipal court	49,043	-	49,043
Tourism	1,857,884	-	1,857,884
Streets	3,286,681	-	3,286,681
Pension	207,088	36,277	243,365
Economic development	-	-	-
Unrestricted	3,520,773	7,471,388	10,992,161
Total Net Position	\$ 16,302,207	\$ 8,298,914	\$ 24,601,121

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 574,374	\$ 144,888	\$ 77,486	\$ -
Public safety	3,713,738	186,534	592,405	-
Public works	950,326	-	-	824,071
Garbage services	718,785	700,748	-	-
Culture and recreation	630,541	-	135,700	-
Interest and fiscal charges	160,109	-	-	-
Total Governmental Activities	6,747,873	1,032,170	805,591	824,071
Business-Type Activities				
Water and sewer	6,914,884	2,715,245	-	1,500,000
Total Business-Type Activities	6,914,884	2,715,245	-	1,500,000
Total Primary Government	\$ 13,662,757	\$ 3,747,415	\$ 805,591	\$ 2,324,071
Component Unit				
Economic Development Corporation	1,712,851	-	-	-
	\$ 1,712,851	\$ -	\$ -	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise taxes
 - Hotel and motel taxes
- Investment income
- Other revenues
- Gain (loss) on sale of assets
- Insurance recoveries

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Bellmead Economic Development Corporation
\$ (352,000)	\$ -	\$ (352,000)	\$ -
(2,934,799)	-	(2,934,799)	-
(126,255)	-	(126,255)	-
(18,037)	-	(18,037)	-
(494,841)	-	(494,841)	-
(160,109)	-	(160,109)	-
<u>(4,086,041)</u>	<u>-</u>	<u>(4,086,041)</u>	<u>-</u>
-	(2,699,639)	(2,699,639)	-
-	(2,699,639)	(2,699,639)	-
<u>(4,086,041)</u>	<u>(2,699,639)</u>	<u>(6,785,680)</u>	<u>-</u>
			(1,712,851)
			<u>(1,712,851)</u>
1,728,779	-	1,728,779	-
3,314,580	-	3,314,580	647,975
485,010	-	485,010	-
381,504	-	381,504	-
91,768	82,425	174,193	73,325
17,844	-	17,844	-
63,643	-	63,643	237,352
25,530	40,396	65,926	-
249,042	(249,042)	-	-
<u>6,357,700</u>	<u>(126,221)</u>	<u>6,231,479</u>	<u>958,652</u>
2,271,659	(2,825,860)	(554,201)	(754,199)
14,030,548	11,124,774	25,155,322	6,110,488
<u>\$ 16,302,207</u>	<u>\$ 8,298,914</u>	<u>\$ 24,601,121</u>	<u>\$ 5,356,289</u>

City of Bellmead, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2020

	General	Hotel/Motel Tax	Street Maintenance
<u>Assets</u>			
Cash and cash equivalents	\$ 1,125,625	\$ 1,752,267	\$ 3,192,153
Receivables, net	660,488	118,458	109,292
Intergovernmental receivable	6,763	-	-
Due from other funds	478,479	-	-
Prepays	4,139	-	-
Total Assets	\$ 2,275,494	\$ 1,870,725	\$ 3,301,445
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 152,239	\$ 12,841	\$ 14,764
Intergovernmental payable	15,749	-	-
Due to other funds	-	-	-
Total Liabilities	167,988	12,841	14,764
<u>Deferred Inflows of Resources</u>			
Unavailable revenue			
Property taxes	108,923	-	-
Grants	-	-	-
Total Deferred Inflows of Resources	108,923	-	-
<u>Fund Balances</u>			
Nonspendable:			
Prepaid items	4,139	-	-
Restricted for:			
Tourism	-	1,857,884	-
Economic development	-	-	-
Public safety	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Streets	-	-	3,286,681
Unassigned reported in:			
General fund	1,994,444	-	-
EDA grant fund	-	-	-
Total Fund Balances (Deficit)	1,998,583	1,857,884	3,286,681
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 2,275,494	\$ 1,870,725	\$ 3,301,445

See Notes to Financial Statements.

EDA Grant	Grants	<u>Nonmajor</u> Other Governmental	Total Governmental Funds
\$ 401,553	\$ -	\$ 3,262,554	\$ 9,734,152
-	-	40,260	928,498
595,654	479,695	-	1,082,112
-	-	-	478,479
-	-	-	4,139
<u>\$ 997,207</u>	<u>\$ 479,695</u>	<u>\$ 3,302,814</u>	<u>\$ 12,227,380</u>
\$ 473,135	\$ 1,160	\$ 79	\$ 654,218
-	-	-	15,749
-	478,479	-	478,479
<u>473,135</u>	<u>479,639</u>	<u>79</u>	<u>1,148,446</u>
-	-	36,847	145,770
595,654	-	-	595,654
<u>595,654</u>	<u>-</u>	<u>36,847</u>	<u>741,424</u>
-	-	-	4,139
-	-	-	1,857,884
-	56	632,231	632,287
-	-	112,093	112,093
-	-	278,429	278,429
-	-	2,243,135	2,243,135
-	-	-	3,286,681
-	-	-	1,994,444
(71,582)	-	-	(71,582)
<u>(71,582)</u>	<u>56</u>	<u>3,265,888</u>	<u>10,337,510</u>
<u>997,207</u>	<u>479,695</u>	<u>\$ 3,302,814</u>	<u>\$ 12,227,380</u>



City of Bellmead, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2020

Fund Balances - Total Governmental Funds	\$ 10,337,510
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	2,183,653
Capital assets - net depreciable	8,164,396
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	145,770
Grants receivable	595,654
Net pension asset	1,007,937
Deferred outflows (inflows) of resources, represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflow) of resources (expense/ expenditure)/(revenues) until then.	
Pension contributions	197,098
OPEB contributions	915
Pension difference in experience	(624,272)
OPEB difference in experience	(10,393)
Pension investment returns	(392,408)
Pension changes in assumption	18,733
OPEB changes in assumption	24,434
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(13,273)
Compensated absences	(141,391)
Bond premium	(134,983)
OPEB liability	(177,173)
Non-current liabilities due in one year	(270,000)
Non-current liabilities due in more than one year	(4,610,000)
Net Position of Governmental Activities	<u><u>\$ 16,302,207</u></u>

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS (Page 1 of 2) For the Year Ended September 30, 2020

	General	Hotel/Motel Tax	Street Maintenance
<u>Revenues</u>			
Property tax	\$ 1,314,227	\$ -	\$ -
Sales taxes	2,666,605	-	647,975
Franchise taxes	471,018	-	-
Hotel and motel taxes	-	381,504	-
License and permits	92,864	-	-
Charges for services	719,337	33,435	-
Grants and contributions	-	-	-
Intergovernmental revenue	77,486	-	-
Fines and forfeitures	135,422	-	-
Investment income	18,358	17,893	31,467
Other revenue	8,051	-	3,629
Total Revenues	5,503,368	432,832	683,071
<u>Expenditures</u>			
Current:			
General government -			
General government	72,160	-	-
Administration	249,711	-	-
City council	18,447	-	-
Finance	199,217	-	-
Public safety -			
Police	2,060,993	-	-
Court	147,093	-	-
Fire	770,123	-	-
Culture and recreation -			
Parks and recreation	159,132	-	-
Economic development	-	-	-
Tourism	-	312,524	-
Public works	158,011	-	397,355
Building maintenance	31,497	-	-
Refuse	718,785	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	50,365	-	55,479
Total Expenditures	4,635,534	312,524	452,834
Excess of Revenues Over (Under) Expenditures	867,834	120,308	230,237

<u>EDA Grant</u>	<u>Grants</u>	<u>Nonmajor Other Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 404,786	\$ 1,719,013
-	-	-	3,314,580
-	-	13,992	485,010
-	-	-	381,504
-	-	-	92,864
-	-	-	752,772
228,417	-	-	228,417
-	592,405	135,700	805,591
-	-	51,112	186,534
2,931	56	21,063	91,768
-	-	6,164	17,844
231,348	592,461	632,817	8,075,897
-	-	-	72,160
-	-	-	249,711
-	-	-	18,447
-	-	-	199,217
-	244,578	12,718	2,318,289
-	-	17,586	164,679
-	347,827	-	1,117,950
-	-	-	159,132
-	-	71,008	71,008
-	-	-	312,524
-	-	-	555,366
-	-	-	31,497
-	-	-	718,785
-	-	250,000	250,000
-	-	168,971	168,971
498,425	-	16,557	620,826
498,425	592,405	536,840	7,028,562
(267,077)	56	95,977	1,047,335

City of Bellmead, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2020

	General	Hotel/Motel Tax	Street Maintenance
<u>Other Financing Sources (Uses)</u>			
Transfers in	249,042	-	-
Transfers (out)	(1,064,597)	-	-
Proceeds from sale of capital assets	36,916	-	-
Insurance recoveries	25,530	-	-
Total Other Financing Sources (Uses)	(753,109)	-	-
Net Change in Fund Balances	114,725	120,308	230,237
Beginning fund balances	1,883,858	1,737,576	3,056,444
Ending Fund Balances (Deficit)	\$ 1,998,583	\$ 1,857,884	\$ 3,286,681

See Notes to Financial Statements.

EDA Grant	Grants	Other Governmental	Governmental Funds
-	-	1,064,597	1,313,639
-	-	-	(1,064,597)
-	-	26,727	63,643
-	-	-	25,530
-	-	1,091,324	338,215
(267,077)	56	1,187,301	1,385,550
195,495	-	2,078,587	8,951,960
<u>\$ (71,582)</u>	<u>\$ 56</u>	<u>\$ 3,265,888</u>	<u>\$ 10,337,510</u>



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, 2020

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

Net changes in fund balances - total governmental funds	\$	1,385,550
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		619,990
Depreciation expense		(907,132)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property tax receivable		9,766
Grant receivable		595,654

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.

Compensated absences		41,082
Accrued interest		584
Pension (expense) income		275,578
OPEB expense		(7,691)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of bond premium		8,278
Principal payments		250,000
Change in Net Position of Governmental Activities	\$	2,271,659

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2020

	<u>Water & Sewer</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 7,774,045
Receivables, net	294,890
Total Current Assets	<u>8,068,935</u>
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	2,568,349
Net depreciable capital assets	4,383,004
Net pension asset	176,563
Total Noncurrent Assets	<u>7,127,916</u>
Total Assets	<u>15,196,851</u>
<u>Deferred Outflows of Resources</u>	
Pension contributions	34,525
Pension changes in assumption	3,282
OPEB contributions	160
OPEB changes in assumption	4,280
Total Deferred Outflows of Resources	<u>42,247</u>
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	372,602
Accrued interest	12,843
Customer deposits	396,495
Compensated absences - current	18,679
Bonds and notes payable - current	330,000
Total Current Liabilities	<u>1,130,619</u>
<u>Noncurrent Liabilities</u>	
Compensated absences - noncurrent	2,075
OPEB liability	31,036
Bonds and notes payable - noncurrent	5,596,541
Total Liabilities	<u>6,760,271</u>
<u>Deferred Inflows of Resources</u>	
Pension investment returns	68,742
Pension difference in experience	109,351
OPEB difference in experience	1,820
Total Deferred Inflows of Resources	<u>179,913</u>
<u>Net Position</u>	
Net investment in capital assets	791,249
Restricted for pension	36,277
Unrestricted	7,471,388
Total Net Position	<u>\$ 8,298,914</u>

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2020

	<u>Water & Sewer</u>
<u>Operating Revenues</u>	
Water sales	\$ 1,582,200
Sewer charges	1,021,681
Other charges for services	111,364
Total Operating Revenues	<u>2,715,245</u>
 <u>Operating Expenses</u>	
Salaries and benefits	698,174
Materials and supplies	1,093,539
Contractual supplies	353,077
Depreciation	416,301
Other	14,183
Total Operating Expenses	<u>2,575,274</u>
Operating Income (Loss)	<u>139,971</u>
 <u>Nonoperating Revenues (Expenses)</u>	
Interest income	82,425
Loss on disposal of assets	(4,173,618)
Insurance recoveries	40,396
Interest expense	(165,992)
Total Nonoperating Revenues (Expenses)	<u>(4,216,789)</u>
Income (Loss) Before Transfers	(4,076,818)
Capital contributions	1,500,000
Transfers (out)	(249,042)
Total Capital Contributions and Transfers	<u>1,250,958</u>
Change in Net Position	(2,825,860)
Beginning net position	<u>11,124,774</u>
Ending Net Position	<u><u>\$ 8,298,914</u></u>

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended September 30, 2020

	<u>Water & Sewer</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 2,756,927
Payments to suppliers	(1,332,331)
Payments to employees	(714,208)
Net Cash Provided by Operating Activities	<u>710,388</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating transfers (out)	(249,042)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(249,042)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(1,859,751)
Capital contributions	1,500,000
Loss on disposal of capital assets	(874,498)
Insurance recoveries	40,396
Principal paid on debt	(320,000)
Interest paid on debt	(175,310)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,689,163)</u>
<u>Cash Flows from Investing Activities</u>	
Receipts from investments, net	971,280
Interest on investments	82,425
Net Cash Provided by Investing Activities	<u>1,053,705</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(174,112)
Beginning cash and cash equivalents	<u>7,948,157</u>
Ending Cash and Cash Equivalents	<u><u>\$ 7,774,045</u></u>

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2020

	<u>Water & Sewer</u>
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 139,971
Adjustments to reconcile operating income to net cash provided:	
Depreciation	416,301
Bad debt expense	-
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	37,059
Deferred outflows of resources - pension	(12,237)
Deferred outflows of resources - OPEB	(4,544)
Deferred inflows of resources - pension	213,070
Deferred inflows of resources - OPEB	2,042
Increase (Decrease) in:	
Accounts payable and accrued liabilities	128,468
Compensated absences	17,735
Customer deposits	4,623
OPEB liability	12,966
Net pension liability (asset)	(245,066)
Net Cash Provided by Operating Activities	\$ 710,388
 <u>Schedule of Non-Cash Capital and Related Financing Activities</u>	
Relinquishment of assets	\$ 3,277,269

See Notes to Financial Statements.



City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. 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.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity.

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Discretely Presented Component Unit

Bellmead Economic Development Corporation (the “EDC”)

The EDC is a legally separate entity responsible for certain economic developments benefiting all citizens of the government and is financed by a portion of sales tax revenue. The EDC is governed by a board comprised by City Council members and citizens of the community. The EDC does not provide services entirely, or almost entirely to the City, nor does it maintain debt of any type that are repaid using City resources. Discrete presentation is appropriate because the EDC’s Board is not substantially the same as the City. Separate financial statements have not been prepared.

C. Basis of Presentation Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used, where the amounts are reasonably equivalent in value to the services provided and other charges between the government’s water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues (i.e. charges for services, licenses and permits, garbage services, fines and forfeitures, grants and contributions, etc.) reported for the various functions concerned.

The fund financial statements provide information about the government’s funds. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

The government reports the following major governmental funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The City reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, hotel occupancy taxes, licenses and permits, and fines and forfeitures. Expenditures include general government, public safety, public works, economic development, and culture and recreation.

Hotel/Motel Tax Fund

The hotel/motel tax fund accounts for the receipts and allocation of the City's occupancy tax imposed on the rental of hotel-motel rooms. State law requires these funds are to be used to promote tourism and related activities within the City.

Street Maintenance Fund

The street maintenance fund is used to account for the .25% street maintenance sales tax that was approved by voters and became effective July 1, 2010. The street maintenance sales tax may only be used for the repairs and maintenance of existing streets at the date the tax was adopted and must be reauthorized every four years to remain in effect. The current street maintenance tax expires on July 1, 2022.

EDA Grant Fund

The EDA grant fund is used to account for the grant funding utilized to construct street projects.

Grants Fund

The grants fund is used to account for the grant funding pertaining to COVID-19.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise 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.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexStar, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as “due to/from component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories of supplies are reported at cost using the first-in/first-out method, whereas inventories held for resale are reported at lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

6. Capital Assets

Capital assets, which include property, plant, 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. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Equipment	3 - 20 years
Infrastructure	40 years
Water and sewer facilities	5 - 30 years
Buildings and improvements	5 - 30 years

7. Deferred Outflows/Inflows of Resources

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

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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

committed. The governing body (council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred in accordance with GASB statement no. 65.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

13. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

14. 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.

15. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits plan, with retiree coverage. The TMRS Supplemental Death Benefits Fund (SDBF) covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. 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 on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. 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.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of the grants fund, governmental CIP fund, the truancy prevention/diversion fund, and the court jury fund.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

The appropriated budget is prepared by fund, function, and department. The legal level of control is the department level for the general fund and at the fund level for the other budgeted funds. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Several budget amendments were made during the year.

A. Expenditures Over Appropriations

Expenditures exceeded appropriations in the general fund's city council department by \$4,288.

B. Deficit Fund Equity

As of September 30, 2020, the EDA Grant fund had a deficit fund balance of \$71,582. This deficit will be eliminated in the future upon recognition of deferred grant revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2020, the primary government had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Average Maturity (Years)</u>
External investment pools	\$ 8,942,561	0.14
Total value	<u>\$ 8,942,561</u>	
Portfolio weighted average maturity		0.14

As of September 30, 2020, the discretely presented component unit had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Average Maturity (Years)</u>
Certificates of deposit	\$ 173,078	0.50
External investment pools	1,644,494	0.14
Total value	<u>\$ 1,817,572</u>	
Portfolio weighted average maturity		0.18

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk – The City’s investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than “A” or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAM, or equivalent, by at least one nationally recognized rating service.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. As of September 30, 2020, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City’s safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. 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. Finally, Standard & Poor’s rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review. As of September 30,

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

2020, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Finally, Standard & Poor's rate Texas CLASS AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

B. Receivables

The following comprise receivable balances of the primary government at year end:

	<u>General</u>	<u>Hotel/ Motel Tax</u>	<u>Street Maintenance</u>	<u>EDA Grant</u>	<u>Nonmajor Governmental</u>	<u>Water & Sewer</u>	<u>Total</u>
Property taxes	\$ 123,193	\$ -	\$ -	\$ -	\$ 41,791	\$ -	\$ 164,984
Sales tax	477,542	-	109,292	-	-	-	586,834
Grants	480,687	-	-	595,654	-	-	1,076,341
Hotel/motel taxes	-	118,458	-	-	-	-	118,458
Accounts	74,158	-	-	-	-	283,514	357,672
Other	6,763	-	-	-	3,413	-	10,176
Allowance	(15,398)	-	-	-	(4,944)	(9,909)	(30,251)
	<u>\$ 1,146,945</u>	<u>\$ 118,458</u>	<u>\$ 109,292</u>	<u>\$ 595,654</u>	<u>\$ 40,260</u>	<u>\$ 273,605</u>	<u>\$ 2,284,214</u>

The following comprise receivable balances of the discretely presented component unit at year end:

	<u>EDC</u>	<u>Total</u>
Sales tax	\$ 109,292	\$ 109,292
Note receivable	571,286	571,286
	<u>\$ 680,578</u>	<u>\$ 680,578</u>

The EDC constructed a building, which is being utilized as a plant and office space by Texas Machine & Tool International, LLC (“TMI”). The EDC entered into a 10-year promissory note with TMI to purchase the property in the amount of \$1,093,146 with an interest rate of 4.5%. The following summarizes the remaining balance as of September 30, 2020. The total balance was paid off in full January 15, 2021.

<u>Year ending September 30,</u>	<u>Component Unit</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 112,545	\$ 23,405	\$ 135,950
2022	117,715	18,235	135,950
2023	123,123	12,827	135,950
2024	128,779	7,171	135,950
2025	89,124	1,511	90,635
Total	<u>\$ 571,286</u>	<u>\$ 63,149</u>	<u>\$ 634,435</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Disposals / Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 1,339,444	\$ -	\$ -	\$ 1,339,444
Construction in progress	346,620	497,589	-	844,209
Total capital assets not being depreciated	<u>1,686,064</u>	<u>497,589</u>	<u>-</u>	<u>2,183,653</u>
Capital assets, being depreciated:				
Infrastructure	4,611,376	-	-	4,611,376
Buildings and improvements	5,102,191	-	-	5,102,191
Equipment	5,429,465	122,401	(302,231)	5,249,635
Total capital assets being depreciated	<u>15,143,032</u>	<u>122,401</u>	<u>(302,231)</u>	<u>14,963,202</u>
Less accumulated depreciation				
Infrastructure	1,097,437	365,655	-	1,463,092
Buildings and improvements	2,612,903	168,767	-	2,781,670
Equipment	2,483,565	372,710	(302,231)	2,554,044
Total accumulated depreciation	<u>6,193,905</u>	<u>907,132</u>	<u>(302,231)</u>	<u>6,798,806</u>
Net capital assets being depreciated	<u>8,949,127</u>	<u>(784,731)</u>	<u>-</u>	<u>8,164,396</u>
Total Capital Assets	<u>\$ 10,635,191</u>	<u>\$ (287,142)</u>	<u>\$ -</u>	<u>\$ 10,348,049</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 59,116
Public safety	341,595
Public works	389,660
Culture and recreation	116,761
Total Governmental Activities Depreciation Expense	<u>\$ 907,132</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

A summary of changes in business-type activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Disposals / Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 351,513	\$ -	\$ -	\$ 351,513
Construction in progress	2,688,157	1,631,986	(2,103,307)	2,216,836
Total capital assets not being depreciated	<u>3,039,670</u>	<u>1,631,986</u>	<u>(2,103,307)</u>	<u>2,568,349</u>
Capital assets, being depreciated:				
Buildings and improvements	865,234	-	-	865,234
Water and sewer facilities	6,578,133	216,199	(141,090)	6,653,242
WMARSS facilities	2,184,457	-	(2,184,457)	-
Equipment	1,286,723	11,566	(146,755)	1,151,534
Total capital assets being depreciated	<u>10,914,547</u>	<u>227,765</u>	<u>(2,472,302)</u>	<u>8,670,010</u>
Less accumulated depreciation				
Buildings and improvements	281,201	43,262	-	324,463
Water and sewer facilities	2,783,698	314,845	(119,237)	2,979,306
WMARSS facilities	1,010,497	-	(1,010,497)	-
Equipment	1,071,798	58,194	(146,755)	983,237
Total accumulated depreciation	<u>5,147,194</u>	<u>416,301</u>	<u>(1,276,489)</u>	<u>4,287,006</u>
Net capital assets being depreciated	5,767,353	(188,536)	(1,195,813)	4,383,004
Total Capital Assets	<u>\$ 8,807,023</u>	<u>\$ 1,443,450</u>	<u>\$ (3,299,120)</u>	<u>\$ 6,951,353</u>

Effective October 1, 2019, the WMARSS undivided interest agreement was terminated, and all cities involved relinquished their allocation of the assets to the City of Waco, who will maintain the operations going forward. During fiscal year ending September 30, 2020, the City of Bellmead relinquished capital assets with a net carrying value of \$3,277,270.

As of September 30, 2020, the City's discretely presented component unit held land assets totaling \$1,331,152. During the year, a \$100,601 lot of land was sold for \$337,953. Therefore, the component unit recognized a net gain from the sale of \$237,352.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

D. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. The City uses the debt service fund to liquidate governmental activities debts.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Amortization/ Payments</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Certificates of Obligation	\$ 5,130,000	\$ -	\$ (250,000)	\$ 4,880,000	\$ 270,000
Less deferred amounts:					
For issuance premiums	<u>143,261</u>	<u>-</u>	<u>(8,278)</u>	<u>134,983</u>	<u>-</u>
Total Governmental Activities	<u>\$ 5,273,261</u>	<u>\$ -</u>	<u>\$ (258,278)</u>	<u>\$ 5,014,983</u>	<u>\$ 270,000</u>
Long-term liabilities due in more than one year				<u>\$ 4,744,983</u>	
Business-Type Activities:					
Certificates of Obligation	\$ 6,125,000	\$ -	\$ (320,000)	\$ 5,805,000	\$ 330,000
Less deferred amounts:					
For issuance premiums	<u>129,630</u>	<u>-</u>	<u>(8,089)</u>	<u>121,541</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 6,254,630</u>	<u>\$ -</u>	<u>\$ (328,089)</u>	<u>\$ 5,926,541</u>	<u>\$ 330,000</u>
Long-term liabilities due in more than one year				<u>\$ 5,596,541</u>	

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Long-term debt at year end was comprised of the following debt issues:

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Certificates of Obligation:			
\$4,000,000 Series 2014 Combination Tax and Limited Pledge Revenue Certificates of Obligation, due in annual installments of \$140,000 to \$265,000 with an interest rate of 2.00% to 3.75%, maturing in 2034.	\$ 3,015,000	\$ -	\$ 3,015,000
\$1,995,000 Series 2018 Combination Tax and Limited Pledge Revenue Certificates of Obligation, due in annual installments of \$55,000 to \$135,000 with an interest rate of 3.00% to 4.00%, maturing in 2038.	1,865,000	-	1,865,000
\$4,500,000 Series 2014 Combination Tax and Limited Pledge Revenue Certificates of Obligation, due in annual installments of \$30,000 to \$33,000 with an interest rate of 2.00% to 3.75%, maturing in 2034.	-	3,795,000	3,795,000
\$2,400,00 Series 2016 Combination Tax and Limited Pledge Revenue Certificates of Obligation, due in annual installments of \$95,000 to \$150,000 with an interest rate of 2.00% to 3.00%, maturing in 2036.	-	2,010,000	2,010,000
Total Certificates of Obligation	<u>\$ 4,880,000</u>	<u>\$ 5,805,000</u>	<u>\$ 10,685,000</u>
Less deferred amounts:			
Issuance premium	\$ 134,983	\$ 121,541	\$ 256,524
Total Deferred Amounts	<u>\$ 134,983</u>	<u>\$ 121,541</u>	<u>\$ 256,524</u>
Total Long-term Debt	<u>\$ 5,014,983</u>	<u>\$ 5,926,541</u>	<u>\$ 10,941,524</u>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

The annual requirements to amortize governmental and business-type activities debt issues outstanding at year ending were as follows:

Certificates of Obligation

Year ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 270,000	\$ 160,495	\$ 430,495
2022	290,000	151,514	441,514
2023	260,000	142,735	402,735
2024	270,000	134,289	404,289
2025	280,000	125,107	405,107
2026	290,000	115,357	405,357
2027	300,000	105,013	405,013
2028	310,000	94,013	404,013
2029	320,000	83,476	403,476
2030	335,000	73,226	408,226
2031	340,000	62,226	402,226
2032	355,000	50,532	405,532
2033	370,000	37,875	407,875
2034	380,000	24,388	404,388
2035	120,000	15,600	135,600
2036	125,000	11,463	136,463
2037	130,000	7,000	137,000
2038	135,000	2,363	137,363
Total	<u>\$ 4,880,000</u>	<u>\$ 1,396,669</u>	<u>\$ 6,276,669</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Year ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2021	\$ 330,000	\$ 167,906	\$ 497,906
2022	335,000	160,688	495,688
2023	345,000	153,150	498,150
2024	355,000	145,088	500,088
2025	355,000	135,906	490,906
2026	370,000	125,656	495,656
2027	380,000	114,725	494,725
2028	395,000	103,100	498,100
2029	405,000	90,925	495,925
2030	420,000	78,013	498,013
2031	430,000	64,163	494,163
2032	450,000	49,450	499,450
2033	460,000	33,825	493,825
2034	475,000	17,363	492,363
2035	150,000	6,750	156,750
2036	150,000	2,250	152,250
Total	\$ 5,805,000	\$ 1,448,956	\$ 7,253,956

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

E. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and water and sewer fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 182,473	\$ 118,792	\$ (159,874)	\$ 141,391	\$ 127,252
Total Governmental Activities	\$ 182,473	\$ 118,792	\$ (159,874)	\$ 141,391	\$ 127,252
Other Long-term Liabilities Due in More than One Year				\$ 14,139	
Business-Type Activities:					
Compensated Absences	\$ 3,019	\$ 18,692	\$ (957)	\$ 20,754	\$ 18,679
Total Business-Type Activities	\$ 3,019	\$ 18,692	\$ (957)	\$ 20,754	\$ 18,679
Other Long-term Liabilities Due in More than One Year				\$ 2,075	

F. Undivided Interest - Waco Metropolitan Area Regional Sewer System ("WMARSS")

During 2004, the City entered into an agreement with four other participating cities to acquire the facilities and operations of the Waco Metropolitan Area Regional Sewer System (the "System") from Brazos River Authority (the "Authority"). Prior to the acquisition, the cities were "tenants in common" of the System owned by the Authority, and funded the System through payments to the Authority based on the amount of wastewater treated.

The City's initial purchase included a 5.73% undivided interest in the System; however, the City subsequently sold portions of its undivided interest to other cities leaving it with a 5.707% undivided interest in the System. The City's undivided interest in the System as of September 30, 2019 was 4.9641% as a result of certain capacity expansion improvements completed during 2012. During the current year, the WMARRS agreement was terminated and all cities involved relinquished their allocation of the assets to the City of Waco, who will maintain the operations going forward. The City of Bellmead will now only pay operating costs to Waco.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

G. Interfund Transactions

Amounts transferred between funds include a 5% franchise fee from the water sewer fund to the General Fund, and transfers to the governmental capital projects fund for capital expenditures.

Transfer out:	Transfer In		
	General	Nonmajor Governmental	Total
General Fund	\$ -	\$ 1,064,597	\$ 1,064,597
Water Sewer	249,042	-	249,042
	\$ 249,042	\$ 1,064,597	\$ 1,313,639

Interfund balances resulted from the timing difference 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. All balances are expected to be paid in the subsequent year. A summary of interfund receivable and payable balances at September 30, 2020 is as follows:

Due To (Receivable Fund)	Due From (Payable Fund)	Interfund Balance
General	Grants	\$ 478,479
		\$ 478,479

H. Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	Restricted
Tourism	\$ 1,857,884 *
Economic development	632,287
Public safety	112,093 *
Debt service	278,429
Capital projects	2,243,135
Streets	3,286,681 *
	\$ 8,410,509

* Represents restriction by enabling legislation.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

V. OTHER INFORMATION

A. 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; and natural disasters for which the City participates along with 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting 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 amounts 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.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City also engages an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

D. Defined Benefit Pension Plans

1. Plan Description

The City of Bellmead, Texas participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency 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 municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

2. 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 benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

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

	<u>Plan Year 2019</u>	<u>Plan Year 2018</u>
Employee deposit rate	6.0%	6.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	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

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	73
Active employees	74
Total	181

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, 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 actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Bellmead were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Bellmead were 8.81% and 8.63% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$304,403, and were equal to the required contributions.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019 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%, net of pension plan investment expense, including inflation

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

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 employee 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 employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/18	\$ 13,819,527	\$ 13,161,334	\$ 658,193
Changes for the year:			
Service Cost	505,171	-	505,171
Interest (on the Total Pension Liab.)	927,535	-	927,535
Difference between expected and actual experience	(771,881)	-	(771,881)
Changes of assumptions	29,453	-	29,453
Contributions – employer	-	304,832	(304,832)
Contributions – employee	-	207,605	(207,605)
Net investment income	-	2,032,377	(2,032,377)
Benefit payments, including refunds of emp. contributions	(661,518)	(661,518)	-
Administrative expense	-	(11,497)	11,497
Other changes	-	(346)	346
Net changes	28,760	1,871,453	(1,842,693)
Balance at 12/31/19	\$ 13,848,287	\$ 15,032,787	\$ (1,184,500)

Sensitivity of the Net Pension Liability (Asset) 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 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 888,232	\$ (1,184,500)	\$ (2,862,222)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

5. Pension Expense/Income and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension income of \$15,412.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between projected and actual earnings on pension plan investments	\$ -	\$ (461,150)
Changes in assumptions	22,015	-
Differences between expected and actual economic experience	-	(733,623)
Contributions subsequent to the measurement date	231,623	-
Total	<u>\$ 253,638</u>	<u>\$ (1,194,773)</u>

The City reported \$231,623 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability (asset) for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2020	\$ (433,719)
2021	(359,956)
2022	(150,281)
2023	(228,802)
2024	-
Thereafter	-
	<u>\$ (1,172,758)</u>

Other Postemployment Benefits

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) 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. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn’t meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer’s yearly contributions for retirees.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers.

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	13
Active employees	74
Total	116

The City’s retiree contribution rates to the TMRS SDBF for the years ended 2020, 2019 and 2018 are as follows:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2020	0.04%	0.04%	100.0%
2019	0.03%	0.03%	100.0%
2018	0.03%	0.03%	100.0%

The City’s contributions to the TMRS SDBF for the years ended 2020, 2019, and 2018 were \$1,321, \$1,044, and \$1,199, respectively, which equaled the required contributions each year.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2019, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.75%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

1% Decrease (1.75%)	Current Single Rate Assumption 2.75%	1% Increase (3.75%)
\$ 255,021	\$ 208,209	\$ 172,232

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/18	\$ 173,620
Changes for the year:	
Service Cost	8,996
Interest	6,589
Difference between expected and actual experience	(16,809)
Changes of assumptions	36,847
Benefit payments	(1,034)
Net changes	34,589
Balance at 12/31/19	\$ 208,209

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$19,473.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ -	(12,213)
Change in assumptions	28,714	-
Contributions subsequent to measurement date	1,075	-
Total	\$ 29,789	\$ (12,213)

The City reported \$1,075 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	\$ 3,888
2021	3,888
2022	3,888
2023	2,333
2024	2,504
Thereafter	-
	\$ 16,501

E. Subsequent Events

On January 15, 2021, the note receivable balance of \$571,286 was paid in full to the Bellmead Economic Development Corporation.

On February 1, 2021, the City entered into a new five-year waste collection service contract with Frontier Waste Services.

There were no other material subsequent events through March 9, 2021, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL- GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>				
Property tax	\$ 1,331,865	\$ 1,331,865	\$ 1,314,227	\$ (17,638)
Sales taxes	2,686,900	2,686,900	2,666,605	(20,295)
Franchise taxes	521,080	521,080	471,018	(50,062)
License and permits	53,500	58,350	92,864	34,514
Charges for services	737,900	737,962	719,337	(18,625)
Intergovernmental revenues	91,094	85,865	77,486	(8,379)
Fines and forfeitures	173,000	173,000	135,422	(37,578)
Investment income	32,000	32,000	18,358	(13,642)
Other revenue	600	917	8,051	7,134
Total Revenues	5,627,939	5,627,939	5,503,368	(124,571)
<u>Expenditures</u>				
Current:				
General government -				
General government	178,094	91,094	72,160	18,934
Administration	333,345	278,681	249,711	28,970
City council	14,159	14,159	18,447	(4,288) *
Finance	223,356	211,242	199,217	12,025
Total General Government	748,954	595,176	539,535	55,641
Public safety -				
Police	2,548,525	2,103,967	2,060,993	42,974
Court	216,167	150,691	147,093	3,598
Fire	1,116,537	798,873	770,123	28,750
Total Public Safety	3,881,229	3,053,531	2,978,209	75,322
Culture and recreation -				
Parks and recreation	154,862	174,441	159,132	15,309
Total Culture and recreation	154,862	174,441	159,132	15,309
Public works	220,036	185,156	158,011	27,145
Building maintenance	37,450	38,934	31,497	7,437
Refuse	778,950	719,779	718,785	994
Capital outlay	60,500	50,367	50,365	2
Total Expenditures	5,881,981	4,817,384	4,635,534	181,848
Revenues Over (Under) Expenditures	\$ (254,042)	\$ 810,555	\$ 867,834	\$ 57,277

City of Bellmead, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL- GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 249,042	\$ 249,042	\$ 249,042	\$ -
Transfers (out)	-	(1,064,597)	(1,064,597)	-
Proceeds from sale of capital assets	5,000	5,000	36,916	31,916
Insurance recoveries	-	-	25,530	25,530
Total Other Financing Sources (Uses)	254,042	(810,555)	(753,109)	57,446
Net Change in Fund Balance	\$ -	\$ -	114,725	\$ 114,723
Beginning fund balance			1,883,858	
Ending Fund Balance			\$ 1,998,583	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- * Expenditures exceeded appropriations at the legal level of control.

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND
For the Year Ended September 30, 2020

	Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Hotel and motel taxes	\$ 530,000	\$ 381,504	\$ (148,496)
Charges for services	65,000	33,435	(31,565)
Investment income	25,000	17,893	(7,107)
Total Revenues	620,000	432,832	(187,168)
Expenditures			
Tourism	509,629	312,524	197,105
Total Expenditures	509,629	312,524	197,105
Excess of Revenues Over (Under) Expenditures	110,371	120,308	9,937
Net Change in Fund Balance	\$ 110,371	120,308	\$ 9,937
Beginning fund balance		1,737,576	
Ending Fund Balance		\$ 1,857,884	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STREET MAINTENANCE FUND
For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Sales taxes	\$ 657,175	\$ 647,975	\$ (9,200)
Other revenue	-	3,629	3,629
Investment income	14,292	31,467	17,175
Total Revenues	671,467	683,071	11,604
Expenditures			
Public works	1,482,752	397,355	1,085,397
Capital outlay	56,900	55,479	1,421
Total Expenditures	1,539,652	452,834	1,086,818
Excess of Revenues Over (Under) Expenditures	(868,185)	230,237	1,098,422
Net Change in Fund Balance	\$ (868,185)	230,237	\$ 1,098,422
Beginning fund balance		3,056,444	
Ending Fund Balance		\$ 3,286,681	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).



City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
EDA GRANT FUND
For the Year Ended September 30, 2020

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Grants and contributions	\$ 803,950	\$ 228,417	\$ (575,533)
Investment income	-	2,931	2,931
Total Revenues	<u>803,950</u>	<u>231,348</u>	<u>(572,602)</u>
<u>Expenditures</u>			
Capital outlay	1,084,718	498,425	586,293
Total Expenditures	<u>1,084,718</u>	<u>498,425</u>	<u>586,293</u>
Excess of Revenues Over (Under) Expenditures	<u>(280,768)</u>	<u>(267,077)</u>	<u>13,691</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	344,550	-	(344,550)
Total Other Financing Sources (Uses)	<u>344,550</u>	<u>-</u>	<u>(344,550)</u>
Net Change in Fund Balance	<u>\$ 63,782</u>	<u>(267,077)</u>	<u>\$ (330,859)</u>
Beginning fund balance		195,495	
Ending Fund Balance (Deficit)		<u>\$ (71,582)</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS Years ended December 31,

	2019	2018	2017	2016
Total pension liability				
Service cost	\$ 505,171	\$ 539,356	\$ 521,330	\$ 487,147
Interest (on the Total Pension Liability)	927,535	879,593	842,174	809,001
Differences between expected and actual experience	(771,881)	(86,043)	(273,905)	(233,707)
Changes of assumptions	29,453	-	-	-
Benefit payments, including refunds of participant contributions	(661,518)	(549,518)	(538,906)	(637,232)
Net change in total pension liability	<u>28,760</u>	<u>783,388</u>	<u>550,693</u>	<u>425,209</u>
Total pension liability - beginning	<u>13,819,527</u>	<u>13,036,139</u>	<u>12,485,446</u>	<u>12,060,237</u>
Total pension liability - ending (a)	<u>\$ 13,848,287</u>	<u>\$ 13,819,527</u>	<u>\$ 13,036,139</u>	<u>\$ 12,485,446</u>
Plan fiduciary net position				
Contributions - employer	\$ 304,832	\$ 331,939	\$ 321,892	\$ 310,177
Contributions - members	207,605	219,102	214,834	206,710
Net investment income	2,032,377	(406,269)	1,653,688	763,497
Benefit payments, including refunds of participant contributions	(661,518)	(549,618)	(538,906)	(637,232)
Administrative expenses	(11,497)	(7,859)	(8,570)	(8,623)
Other	(346)	(310)	(435)	(465)
Net change in plan fiduciary net position	<u>1,871,453</u>	<u>(413,015)</u>	<u>1,642,503</u>	<u>634,064</u>
Plan fiduciary net position - beginning	<u>13,161,334</u>	<u>13,574,349</u>	<u>11,931,846</u>	<u>11,297,782</u>
Plan fiduciary net position - ending (b)	<u>\$ 15,032,787</u>	<u>\$ 13,161,334</u>	<u>\$ 13,574,349</u>	<u>\$ 11,931,846</u>
Fund's net pension (asset) liability - ending (a) - (b)	<u>\$ (1,184,500)</u>	<u>\$ 658,193</u>	<u>\$ (538,210)</u>	<u>\$ 553,600</u>
Plan fiduciary net position as a percentage of the total pension liability	108.55%	95.24%	104.13%	95.57%
Covered payroll	\$ 3,460,076	\$ 3,651,699	\$ 3,580,562	\$ 3,445,170
Fund's net pension liability as a percentage of covered payroll	-34.23%	18.02%	-15.03%	16.07%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<u>2015</u>	<u>2014</u>	1
\$ 458,188	\$ 389,742	
818,762	767,022	
(519,945)	51,209	
93,818	-	
(516,186)	(489,931)	
<u>334,637</u>	<u>718,042</u>	
<u>11,725,600</u>	<u>11,007,558</u>	
<u>\$ 12,060,237</u>	<u>\$ 11,725,600</u>	
\$ 309,670	\$ 262,945	
204,853	195,254	
16,664	613,170	
(516,186)	(489,931)	
(10,150)	(6,402)	
(502)	(526)	
<u>4,349</u>	<u>574,510</u>	
<u>11,293,433</u>	<u>10,718,923</u>	
<u>\$ 11,297,782</u>	<u>\$ 11,293,433</u>	
<u>\$ 762,455</u>	<u>\$ 432,167</u>	
93.68%	96.31%	
\$ 3,414,216	\$ 3,254,228	
22.33%	13.28%	

City of Bellmead, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Actuarially determined employer contributions	\$ 304,403	\$ 309,089	\$ 335,268	\$ 316,551
Contributions in relation to the actuarially determined contribution	\$ 304,403	\$ 309,089	\$ 335,268	\$ 316,551
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 3,510,035	\$ 3,481,455	\$ 3,698,157	\$ 3,520,210
Employer contributions as a percentage of covered payroll	8.67%	8.88%	9.07%	8.99%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	N/A
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.0% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u> ¹
\$ 320,484	\$ 297,841	\$ 260,868
<u>\$ 320,484</u>	<u>\$ 297,841</u>	<u>\$ 260,868</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,552,338	\$ 3,383,497	\$ 3,192,687
9.02%	8.80%	8.17%

City of Bellmead, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Year ended December 31,

	2019	2018	2017 ¹
Total OPEB liability			
Service cost	\$ 8,996	\$ 11,685	\$ 10,026
Interest	6,589	5,733	5,464
Differences between expected and actual experience	(16,809)	2,540	-
Changes of assumptions	36,847	(13,137)	13,586
Benefit payments, including refunds of participant contributions	(1,034)	(1,098)	(1,432)
Net changes	34,589	5,723	27,644
Total OPEB liability - beginning	173,620	167,897	140,253
Total OPEB liability - ending	\$ 208,209	\$ 173,620	\$ 167,897 ²
Covered payroll	\$ 3,460,076	\$ 3,651,699	\$ 3,580,562
Total OPEB Liability as a percentage of covered	6.02%	4.75%	4.69%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

***OTHER SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

City of Bellmead, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	<u>Special Revenue Funds</u>				
	<u>Debt Service</u>	<u>2014 COs</u>	<u>Governmental CIP</u>	<u>Court Technology</u>	<u>Court Security</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 278,429	\$ 1,053,337	\$ 1,064,597	\$ 24,086	\$ 25,036
Receivables, net	36,847	-	-	-	-
Total Assets	\$ 315,276	\$ 1,053,337	\$ 1,064,597	\$ 24,086	\$ 25,036
<u>Liabilities</u>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 79
Total Liabilities	-	-	-	-	79
<u>Deferred Inflows of Resources</u>					
Unavailable revenue					
Property taxes	36,847	-	-	-	-
<u>Fund Balances</u>					
Restricted for:					
Public safety	-	-	-	24,086	24,957
Debt service	278,429	-	-	-	-
Economic development	-	-	-	-	-
Capital projects	-	1,053,337	1,064,597	-	-
Total Fund Balances	278,429	1,053,337	1,064,597	24,086	24,957
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 315,276	\$ 1,053,337	\$ 1,064,597	\$ 24,086	\$ 25,036

See Notes to Financial Statements.

Special Revenue Funds

Donation Fund	Cable PEG Fees	Child Safety Fund	Seizure Fund	Community Improvement	Truancy		Total
					Prevention/ Diversion	Court Jury Fund	
\$ -	\$ 121,788	\$ 19,978	\$ 41,439	\$ 632,231	\$ 1,601	\$ 32	\$ 3,262,554
-	3,413	-	-	-	-	-	40,260
<u>\$ -</u>	<u>\$ 125,201</u>	<u>\$ 19,978</u>	<u>\$ 41,439</u>	<u>\$ 632,231</u>	<u>\$ 1,601</u>	<u>\$ 32</u>	<u>\$ 3,302,814</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79
-	-	-	-	-	-	-	79
-	-	-	-	-	-	-	36,847
-	-	19,978	41,439	-	1,601	32	112,093
-	-	-	-	-	-	-	278,429
-	-	-	-	632,231	-	-	632,231
-	125,201	-	-	-	-	-	2,243,135
<u>-</u>	<u>125,201</u>	<u>19,978</u>	<u>41,439</u>	<u>632,231</u>	<u>1,601</u>	<u>32</u>	<u>3,265,888</u>
<u>\$ -</u>	<u>\$ 125,201</u>	<u>\$ 19,978</u>	<u>\$ 41,439</u>	<u>\$ 632,231</u>	<u>\$ 1,601</u>	<u>\$ 32</u>	<u>\$ 3,302,814</u>

City of Bellmead, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	<u>Special Revenue Funds</u>				
	<u>Debt Service</u>	<u>2014 COs</u>	<u>Governmental CIP</u>	<u>Court Technology</u>	<u>Court Security</u>
<u>Revenues</u>					
Taxes	\$ 404,786	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	3,319	2,993
Intergovernmental revenue	-	-	-	-	-
Other revenue	-	-	-	-	-
Investment income	3,724	10,179	-	288	265
Total Revenues	408,510	10,179	-	3,607	3,258
<u>Expenditures</u>					
Public safety	-	-	-	13,462	4,124
Economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	250,000	-	-	-	-
Interest	168,971	-	-	-	-
Capital outlay	-	16,557	-	-	-
Total Expenditures	418,971	16,557	-	13,462	4,124
Revenues Over (Under) Expenditures	(10,461)	(6,378)	-	(9,855)	(866)
<u>Other Financing Sources (Uses)</u>					
Transfers in	-	-	1,064,597	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	1,064,597	-	-
Net Change in Fund Balances	(10,461)	(6,378)	1,064,597	(9,855)	(866)
Beginning fund balances	288,890	1,059,715	-	33,941	25,823
Ending Fund Balances	\$ 278,429	\$ 1,053,337	\$ 1,064,597	\$ 24,086	\$ 24,957

See Notes to Financial Statements.

Special Revenue Funds

Donation Fund	Cable PEG Fees	Child Safety Fund	Seizure Fund	Community Improvement	Truancy Prevention/ Diversion	Court Jury Fund	Total
\$ -	\$ 13,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,778
-	-	13,177	7,026	22,966	1,599	32	51,112
-	-	-	-	135,700	-	-	135,700
-	-	-	6,164	-	-	-	6,164
14	1,150	150	165	5,126	2	-	21,063
<u>14</u>	<u>15,142</u>	<u>13,327</u>	<u>13,355</u>	<u>163,792</u>	<u>1,601</u>	<u>32</u>	<u>632,817</u>
-	-	2,505	10,213	-	-	-	30,304
1,739	-	-	-	69,269	-	-	71,008
-	-	-	-	-	-	-	250,000
-	-	-	-	-	-	-	168,971
-	-	-	-	-	-	-	16,557
<u>1,739</u>	<u>-</u>	<u>2,505</u>	<u>10,213</u>	<u>69,269</u>	<u>-</u>	<u>-</u>	<u>536,840</u>
<u>(1,725)</u>	<u>15,142</u>	<u>10,822</u>	<u>3,142</u>	<u>94,523</u>	<u>1,601</u>	<u>32</u>	<u>95,977</u>
-	-	-	-	-	-	-	1,064,597
-	-	-	26,727	-	-	-	26,727
-	-	-	26,727	-	-	-	1,091,324
(1,725)	15,142	10,822	29,869	94,523	1,601	32	1,187,301
1,725	110,059	9,156	11,570	537,708	-	-	2,078,587
<u>\$ -</u>	<u>\$ 125,201</u>	<u>\$ 19,978</u>	<u>\$ 41,439</u>	<u>\$ 632,231</u>	<u>\$ 1,601</u>	<u>\$ 32</u>	<u>\$ 3,265,888</u>

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
2014 COs FUND
For the Year Ended September 30, 2020

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ -	\$ 10,179	\$ 10,179
Total Revenues	<u>-</u>	<u>10,179</u>	<u>10,179</u>
<u>Expenditures</u>			
Capital outlay	\$ 97,587	\$ 16,557	\$ 81,030
Total Expenditures	<u>97,587</u>	<u>16,557</u>	<u>81,030</u>
Excess of Revenues Over (Under) Expenditures	<u>(97,587)</u>	<u>(6,378)</u>	<u>91,209</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(1,319,982)	-	1,319,982
Total Other Financing Sources (Uses)	<u>(1,319,982)</u>	<u>-</u>	<u>1,319,982</u>
Net Change in Fund Balance	<u><u>\$ (1,417,569)</u></u>	<u>(6,378)</u>	<u><u>\$ 1,411,191</u></u>
Beginning fund balance		<u>1,059,715</u>	
Ending Fund Balance		<u><u>\$ 1,053,337</u></u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CABLE PEG FEES FUND
For the Year Ended September 30, 2020

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Franchise taxes	\$ 14,000	\$ 13,992	\$ (8)
Investment income	1,000	1,150	150
Total Revenues	<u>15,000</u>	<u>15,142</u>	<u>142</u>
<u>Expenditures</u>			
Capital outlay	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess of Revenues Over (Under) Expenditures	<u>5,000</u>	<u>15,142</u>	<u>10,142</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	<u>15,142</u>	<u>\$ 10,142</u>
Beginning fund balance		<u>110,059</u>	
Ending Fund Balance		<u>\$ 125,201</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY
For the Year Ended September 30, 2020

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 3,250	\$ 3,319	\$ 69
Investment income	350	288	(62)
Total Revenues	3,600	3,607	7
<u>Expenditures</u>			
Public safety	14,570	13,462	1,108
Total Expenditures	14,570	13,462	1,108
Excess of Revenues Over (Under) Expenditures	(10,970)	(9,855)	1,115
Net Change in Fund Balance	\$ (10,970)	(9,855)	\$ 1,115
Beginning fund balance		33,941	
Ending Fund Balance		\$ 24,086	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY
For the Year Ended September 30, 2020

	<u>Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 2,300	\$ 2,993	\$ 693
Investment income	100	265	165
Total Revenues	<u>2,400</u>	<u>3,258</u>	<u>858</u>
<u>Expenditures</u>			
Public safety	10,557	4,124	6,433
Total Expenditures	<u>10,557</u>	<u>4,124</u>	<u>6,433</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,157)</u>	<u>(866)</u>	<u>7,291</u>
Net Change in Fund Balance	<u>\$ (8,157)</u>	<u>(866)</u>	<u>\$ 7,291</u>
Beginning fund balance		<u>25,823</u>	
Ending Fund Balance		<u>\$ 24,957</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2020

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Property taxes	\$ 403,920	\$ 404,786	\$ 866
Investment income	3,500	3,724	224
Total Revenues	<u>407,420</u>	<u>408,510</u>	<u>1,090</u>
<u>Expenditures</u>			
Debt service:			
Principal	250,000	250,000	-
Interest	172,894	168,971	3,923
Total Expenditures	<u>422,894</u>	<u>418,971</u>	<u>3,923</u>
Excess of Revenues Over (Under) Expenditures	<u>(15,474)</u>	<u>(10,461)</u>	<u>5,013</u>
Net Change in Fund Balance	<u>\$ (15,474)</u>	<u>(10,461)</u>	<u>\$ 5,013</u>
Beginning fund balance		<u>288,890</u>	
Ending Fund Balance		<u>\$ 278,429</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY IMPROVEMENT
For the Year Ended September 30, 2020

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ -	\$ 22,966	\$ 22,966
Intergovernmental	135,700	135,700	-
Investment income	6,000	5,126	(874)
Total Revenues	<u>141,700</u>	<u>163,792</u>	<u>22,092</u>
<u>Expenditures</u>			
Economic development	320,000	69,269	250,731
Total Expenditures	<u>320,000</u>	<u>69,269</u>	<u>250,731</u>
Excess of Revenues Over (Under) Expenditures	<u>(178,300)</u>	<u>94,523</u>	<u>272,823</u>
Net Change in Fund Balance	<u>\$ (178,300)</u>	<u>94,523</u>	<u>\$ 272,823</u>
Beginning fund balance		<u>537,708</u>	
Ending Fund Balance		<u>\$ 632,231</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CHILD SAFETY FUND
For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 13,300	\$ 13,177	\$ (123)
Investment income	100	150	50
Total Revenues	13,400	13,327	(73)
<u>Expenditures</u>			
Public safety	8,829	2,505	6,324
Total Expenditures	8,829	2,505	6,324
Excess of Revenues Over (Under) Expenditures	4,571	10,822	6,251
Net Change in Fund Balance	\$ 4,571	10,822	\$ 6,251
Beginning fund balance		9,156	
Ending Fund Balance		\$ 19,978	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DONATION FUND
For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ -	\$ 14	\$ 14
Total Revenues	-	14	14
<u>Expenditures</u>			
Economic development	1,720	1,739	(19)
Total Expenditures	1,720	1,739	(19)
Excess of Revenues Over (Under) Expenditures	(1,720)	(1,725)	(5)
Net Change in Fund Balance	\$ (1,720)	(1,725)	\$ (5)
Beginning fund balance		1,725	
Ending Fund Balance		\$ -	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SEIZURE FUND
For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ -	\$ 7,026	\$ 7,026
Other revenue	-	6,164	6,164
Investment income	200	165	(35)
Total Revenues	200	13,355	13,155
<u>Expenditures</u>			
Public safety	13,700	10,213	3,487
Total Expenditures	13,700	10,213	3,487
Excess of Revenues Over (Under) Expenditures	(13,500)	3,142	16,642
<u>Other Financing Sources (Uses)</u>			
Proceeds from sale of capital assets	-	26,727	26,727
Total Other Financing Sources (Uses)	-	26,727	26,727
Net Change in Fund Balance	\$ (13,500)	29,869	\$ 43,369
Beginning fund balance		11,570	
Ending Fund Balance		\$ 41,439	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
September 30, 2020

	Bellmead Economic Development Corporation
<u>Assets</u>	
Cash and cash equivalents	\$ 3,219,325
Investments	173,078
Receivables, net	109,292
Note receivable	571,285
Total Assets	\$ 4,072,980
 <u>Liabilities</u>	
Accounts payable and accrued liabilities	\$ 47,844
Total Liabilities	47,844
 <u>Deferred Inflows of Resources</u>	
Unavailable revenue - note receivable	571,285
Total Deferred Inflows of Resources	571,285
 <u>Fund Balances</u>	
Restricted for:	
Economic development	3,453,851
Total Fund Balance	3,453,851
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 4,072,980

See Notes to Financial Statements.

City of Bellmead, Texas

RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNIT BALANCE SHEET TO THE STATEMENT OF NET POSITION For the Year Ended September 30, 2020

Fund Balance	\$ 3,453,851
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	1,331,152
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Note receivable	571,286
Net Position of the Discretely Presented Component Unit	<u><u>\$ 5,356,289</u></u>

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended September 30, 2020

	Bellmead Economic Development Corporation
<u>Revenues</u>	
Sales tax	\$ 647,975
Investment income	73,325
	<hr/>
Total Revenues	721,300
	<hr/>
<u>Expenditures</u>	
Current:	
Economic development	1,712,851
	<hr/>
Total Expenditures	1,712,851
	<hr/>
Revenues Over (Under) Expenditures	(991,551)
<u>Other Financing Sources (Uses)</u>	
Payments received for building sale	107,597
Proceeds from sale of assets	337,953
	<hr/>
Total Other Financing Sources (Uses)	445,550
	<hr/>
Net Change in Fund Balance	(546,001)
Beginning fund balance	3,999,852
	<hr/>
Ending Fund Balance	\$ 3,453,851
	<hr/> <hr/>

See Notes to Financial Statements.



City of Bellmead, Texas
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED
COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

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

Net changes in fund balance	\$	(546,001)
Adjustment for sale of land		(100,601)
Governmental funds report payments received for note receivables as other financing sources. These are not recorded in the statement of activities, as they reduce the long term receivable balance in the statement of net position.		(107,597)
Change in Net Position of the Discretely Presented Component Unit	\$	<u>(754,199)</u>

See Notes to Financial Statements.

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT
For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Sales tax	\$ 657,175	\$ 647,975	\$ (9,200)
Investment income	95,000	73,325	(21,675)
Total Revenues	752,175	721,300	(30,875)
<u>Expenditures</u>			
Economic development	2,106,776	1,712,851	393,925
Total Expenditures	2,106,776	1,712,851	393,925
Excess of Revenues Over (Under) Expenditures	(1,354,601)	(991,551)	363,050
<u>Other Financing Sources (Uses)</u>			
Payments received for building sale	-	107,597	107,597
Proceeds from sale of assets	-	337,953	337,953
Total Other Financing Sources (Uses)	-	445,550	445,550
Net Change in Fund Balance	\$ (1,354,601)	(546,001)	\$ 808,600
Beginning fund balance		3,999,852	
Ending Fund Balance		\$ 3,453,851	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of Bellmead, Texas

STATISTICAL SECTION

(UNAUDITED)

This part of the City of Bellmead's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	122
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	132
Debt Capacity <i>These schedules 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.</i>	140
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	148
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	152
Continuing Financial Disclosures <i>These tables present various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information is provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.</i>	161

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

City of Bellmead, Texas

Net Position By Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 11,283,115	\$ 11,545,764	\$ 11,452,985	\$ 11,315,424
Restricted for:				
Debt service	212,116	184,211	189,364	189,852
Capital projects	990	-	-	-
Tourism	-	-	-	-
Streets	-	-	-	-
Pension	-	-	-	-
Economic development	3,049,064	2,677,724	3,166,471	4,695,853
Culture and recreation	809,567	948,458	995,230	1,106,713
Municipal court	24,007	31,225	31,225	31,225
Public safety	57,713	64,729	81,259	76,554
Unrestricted	2,395,489	2,566,015	3,114,026	3,588,381
Total governmental activities net position	\$ 17,832,061	\$ 18,018,126	\$ 19,030,560	\$ 21,004,002
Business-type activities				
Net investment in capital assets	\$ 2,897,161	\$ 2,717,567	\$ 2,658,303	\$ 3,106,686
Restricted for:				
Debt service	42,668	-	-	-
Capital projects	564,912	80,333	20,419	20,426
Pension	-	-	-	-
Unrestricted	3,323,673	4,653,092	5,213,955	5,208,403
Total business-type activities net position	\$ 6,828,414	\$ 7,450,992	\$ 7,892,677	\$ 8,335,515
Primary government				
Net investment in capital assets	\$ 14,180,276	\$ 14,263,331	\$ 14,111,288	\$ 14,422,110
Restricted for:				
Debt service	254,784	184,211	189,364	189,852
Capital projects	565,902	80,333	20,419	20,426
Tourism	-	-	-	-
Streets	-	-	-	-
Pension	-	-	-	-
Economic development	3,049,064	2,677,724	3,166,471	4,695,853
Culture and recreation	809,567	948,458	995,230	1,106,713
Municipal court	24,007	31,225	31,225	31,225
Public safety	57,713	64,729	81,259	76,554
Unrestricted	5,719,162	7,219,107	8,327,981	8,796,784
Total primary governmental activities net position	\$ 24,660,475	\$ 25,469,118	\$ 26,923,237	\$ 29,339,517

Table 1

2015	2016	2017	2018	2019	2020
\$ 10,824,531	\$ 10,463,797	\$ 9,008,424	\$ 5,429,861	\$ 5,355,050	\$ 6,977,108
261,422	321,762	310,153	275,816	288,890	278,429
-	-	-	1,950,212	1,365,269	125,201
-	-	1,680,934	1,758,926	1,737,576	1,857,884
-	2,597,208	2,345,942	2,470,973	3,056,444	3,286,681
-	-	-	-	-	207,088
5,206,660	5,509,434	-	-	-	-
1,285,977	1,421,289	-	-	-	-
33,632	45,730	53,286	61,822	59,764	49,043
74,643	74,643	10,553	-	-	-
3,855,628	1,582,003	1,378,278	1,561,285	2,167,555	3,520,015
\$ 21,542,493	\$ 22,015,866	\$ 14,787,570	\$ 13,508,895	\$ 14,030,548	\$ 16,301,449
\$ 3,145,571	\$ 3,104,361	\$ 4,200,804	\$ 2,428,272	\$ 3,328,461	\$ 791,249
-	-	-	-	-	-
20,437	20,495	-	-	-	-
-	-	-	-	-	36,277
5,472,338	5,655,690	4,544,602	7,618,717	7,796,313	7,450,104
\$ 8,638,346	\$ 8,780,546	\$ 8,745,406	\$ 10,046,989	\$ 11,124,774	\$ 8,277,630
\$ 13,970,102	\$ 13,568,158	\$ 13,209,228	\$ 7,858,133	\$ 8,683,511	\$ 7,768,357
261,422	321,762	310,153	275,816	288,890	278,429
20,437	20,495	-	1,950,212	1,365,269	125,201
-	-	1,680,934	1,758,926	1,737,576	1,857,884
-	2,597,208	2,345,942	2,470,973	3,056,444	3,286,681
-	-	-	-	-	243,365
5,206,660	5,509,434	-	-	-	-
1,285,977	1,421,289	-	-	-	-
33,632	45,730	53,286	61,822	59,764	49,043
74,643	74,643	10,553	-	-	-
9,327,966	7,237,693	5,922,880	9,180,002	9,963,868	10,970,119
\$ 30,180,839	\$ 30,796,412	\$ 23,532,976	\$ 23,555,884	\$ 25,155,322	\$ 24,579,079

City of Bellmead, Texas

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 1,355,564	\$ 1,453,451	\$ 988,499	\$ 1,092,276
Public safety	2,379,436	2,463,513	2,905,298	3,298,118
Public works	605,576	618,766	728,820	631,073
Garbage services	-	-	-	-
Economic development	688,838	959,452	359,382	675,330
Culture and recreation	409,589	381,033	516,036	511,342
Interest on long-term debt	44,519	32,159	20,432	84,027
Total governmental activities expenses	<u>5,483,522</u>	<u>5,908,374</u>	<u>5,518,467</u>	<u>6,292,166</u>
Business-type activities				
Water and sewer	2,229,026	2,000,505	2,239,420	2,313,591
Total business-type activities expenses	<u>2,229,026</u>	<u>2,000,505</u>	<u>2,239,420</u>	<u>2,313,591</u>
Total primary government expenses	<u>\$ 7,712,548</u>	<u>\$ 7,908,879</u>	<u>\$ 7,757,887</u>	<u>\$ 8,605,757</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$ 112,098	\$ 34,668	\$ 55,093	\$ 46,832
Public safety	324,274	277,689	371,414	357,416
Garbage services	-	-	-	-
Economic development	38,198	45,163	25,276	65,049
Culture and recreation	46,140	46,210	36,865	38,898
Operating grants and contributions	-	93,191	89,713	92,029
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>\$ 520,710</u>	<u>\$ 496,921</u>	<u>\$ 578,361</u>	<u>\$ 600,224</u>
Business-type activities:				
Charges for services:				
Water and sewer	2,591,099	2,678,041	2,672,771	2,747,642
Operating grants and contributions	-	-	-	11,904
Total business-type activities program revenues	<u>2,591,099</u>	<u>2,678,041</u>	<u>2,672,771</u>	<u>2,759,546</u>
Total primary government program revenues	<u>\$ 3,111,809</u>	<u>\$ 3,174,962</u>	<u>\$ 3,251,132</u>	<u>\$ 3,359,770</u>
Net (expense)/revenue:				
Governmental activities	\$ (4,962,812)	\$ (5,411,453)	\$ (4,940,106)	\$ (5,691,942)
Business-type activities	362,073	677,536	433,351	445,955
Total primary government net expense	<u>\$ (4,600,739)</u>	<u>\$ (4,733,917)</u>	<u>\$ (4,506,755)</u>	<u>\$ (5,245,987)</u>

Source: The data in this schedule is extracted from the City's audited financial statements.

2015	2016	2017	2018	2019	2020
\$ 1,108,455	\$ 1,244,747	\$ 1,251,195	\$ 1,069,756	\$ 1,065,045	\$ 574,374
3,378,464	3,635,664	3,850,818	3,963,259	3,958,572	3,713,738
884,412	696,991	635,272	809,098	906,923	950,326
-	-	-	715,735	706,630	718,785
487,357	483,256	133,498	-	-	-
498,863	619,491	527,180	546,113	681,657	630,541
106,443	100,519	92,725	202,496	168,736	160,109
<u>6,463,994</u>	<u>6,780,668</u>	<u>6,490,688</u>	<u>7,306,457</u>	<u>7,487,563</u>	<u>6,747,873</u>
2,481,577	2,628,931	2,627,061	2,546,351	2,659,784	2,798,230
<u>2,481,577</u>	<u>2,628,931</u>	<u>2,627,061</u>	<u>2,546,351</u>	<u>2,659,784</u>	<u>2,798,230</u>
<u>\$ 8,945,571</u>	<u>\$ 9,409,599</u>	<u>\$ 9,117,749</u>	<u>\$ 9,852,808</u>	<u>\$ 10,147,347</u>	<u>\$ 9,546,103</u>
\$ 42,170	\$ 33,761	\$ 35,182	\$ 27,198	\$ 124,124	\$ 144,888
332,056	320,431	291,635	238,999	187,367	186,534
-	-	-	673,955	665,381	700,748
11,014	-	-	-	-	-
46,140	52,835	-	-	-	-
79,192	76,929	34,732	1,299,018	531,158	805,591
-	-	-	-	-	824,071
<u>\$ 510,572</u>	<u>\$ 483,956</u>	<u>\$ 361,549</u>	<u>\$ 2,239,170</u>	<u>\$ 1,508,030</u>	<u>\$ 2,661,832</u>
2,643,494	2,758,010	2,771,776	2,630,303	2,655,901	2,772,209
193,684	34,244	-	-	1,200,000	1,500,000
<u>2,837,178</u>	<u>2,792,254</u>	<u>2,771,776</u>	<u>2,630,303</u>	<u>3,855,901</u>	<u>4,272,209</u>
<u>\$ 3,347,750</u>	<u>\$ 3,276,210</u>	<u>\$ 3,133,325</u>	<u>\$ 4,869,473</u>	<u>\$ 5,363,931</u>	<u>\$ 6,934,041</u>
\$ (5,953,422)	\$ (6,296,712)	\$ (6,129,139)	\$ (5,067,287)	\$ (5,979,533)	\$ (4,086,041)
355,601	163,323	144,715	83,952	1,196,117	1,473,979
<u>\$ (5,597,821)</u>	<u>\$ (6,133,389)</u>	<u>\$ (5,984,424)</u>	<u>\$ (4,983,335)</u>	<u>\$ (4,783,416)</u>	<u>\$ (2,612,062)</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General revenues and other changes in net position				
Governmental activities:				
Ad valorem taxes	\$ 879,328	\$ 910,859	\$ 1,020,937	\$ 1,072,159
Sales taxes	3,132,994	3,161,021	3,278,348	3,282,299
Franchise taxes	569,355	522,844	492,154	523,085
Hotel occupancy taxes	364,090	350,580	381,192	430,662
Investment earnings	131,284	108,908	98,338	95,090
Miscellaneous	144,797	252,912	531,407	860,424
Gain on sale of capital assets	178,924	153,953	150,164	175,000
Insurance proceeds	-	-	-	-
Transfers	-	60,000	-	-
Total governmental activities	<u>5,400,772</u>	<u>5,521,077</u>	<u>5,952,540</u>	<u>6,438,719</u>
Business-type activities:				
Investment earnings	11,594	5,042	8,334	12,818
Insurance proceeds	-	-	-	-
(Loss) on sale of capital assets	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	-	(60,000)	-	-
Total business-type activities	<u>11,594</u>	<u>(54,958)</u>	<u>8,334</u>	<u>12,818</u>
Total primary government	<u>\$ 5,412,366</u>	<u>\$ 5,466,119</u>	<u>\$ 5,960,874</u>	<u>\$ 6,451,537</u>
Changes in net position:				
Governmental activities	\$ 437,960	\$ 109,624	\$ 1,012,434	\$ 746,777
Business-type activities	<u>373,667</u>	<u>622,578</u>	<u>441,685</u>	<u>458,773</u>
Total primary government	<u>\$ 811,627</u>	<u>\$ 732,202</u>	<u>\$ 1,454,119</u>	<u>\$ 1,205,550</u>

Source: The data in this schedule is extracted from the City's audited financial statements.

2015	2016	2017	2018	2019	2020
\$ 1,131,364	\$ 1,183,252	\$ 1,234,664	\$ 1,282,797	\$ 1,400,884	\$ 1,728,779
3,433,253	3,529,550	2,993,211	3,175,854	3,310,684	3,314,580
531,867	518,565	664,696	513,562	529,060	485,010
488,517	539,344	544,196	599,513	554,457	381,504
114,130	97,768	77,950	166,038	183,121	91,768
735,105	869,629	60,958	244,170	5,310	17,844
93,289	110	-	-	115,387	63,643
-	-	-	-	36,853	25,530
53,064	31,867	(202,048)	(1,123,891)	365,430	249,042
<u>6,580,589</u>	<u>6,770,085</u>	<u>5,373,627</u>	<u>4,858,043</u>	<u>6,501,186</u>	<u>6,357,700</u>
10,382	10,744	22,547	39,134	177,700	82,425
-	-	-	-	-	40,396
-	-	-	-	-	(4,173,618)
-	-	-	54,606	69,398	-
<u>(53,064)</u>	<u>(31,867)</u>	<u>(202,402)</u>	<u>1,123,891</u>	<u>(365,430)</u>	<u>(249,042)</u>
<u>(42,682)</u>	<u>(21,123)</u>	<u>(179,855)</u>	<u>1,217,631</u>	<u>(118,332)</u>	<u>(4,299,839)</u>
<u>\$ 6,537,907</u>	<u>\$ 6,748,962</u>	<u>\$ 5,193,772</u>	<u>\$ 6,075,674</u>	<u>\$ 6,382,854</u>	<u>\$ 2,057,861</u>
\$ 627,167	\$ 473,373	\$ (755,512)	\$ (209,244)	\$ 521,653	\$ 2,271,659
312,919	142,200	(35,140)	1,301,583	1,077,785	(2,825,860)
<u>\$ 940,086</u>	<u>\$ 615,573</u>	<u>\$ (790,652)</u>	<u>\$ 1,092,339</u>	<u>\$ 1,599,438</u>	<u>\$ (554,201)</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund				
Reserved				
Inventories	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Court technology	-	-	-	-
Unreserved				
Undesignated	-	-	-	-
Nonspendable:				
Inventories	728	728	728	728
Prepaid assets	-	440	440	440
Restricted for:				
Public safety	57,713	64,729	81,259	76,554
Committed to:				
Street improvements	508,337	918,685	1,331,796	1,830,145
Unassigned	1,927,206	1,705,700	1,869,707	1,909,873
Total general fund	<u>\$ 2,493,984</u>	<u>\$ 2,690,282</u>	<u>\$ 3,283,930</u>	<u>\$ 3,817,740</u>
All other governmental funds:				
Reserved for:				
Debt service	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated - special revenue	-	-	-	-
Restricted for:				
Tourism	-	-	-	-
Economic development	3,049,064	2,677,724	3,166,471	3,588,046
Public safety	24,007	31,225	31,225	31,225
Debt service	181,654	158,423	155,626	156,183
Capital projects	990	-	-	4,001,777
Streets	-	-	-	-
Culture and recreation	809,567	948,458	995,230	1,106,713
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 4,065,282</u>	<u>\$ 3,815,830</u>	<u>\$ 4,348,552</u>	<u>\$ 8,883,944</u>

Source: The data in this schedule is extracted from the City's audited financial statements.

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011, and opted not to restate the previous years' activity.

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
728	728	728	-	-	-
440	440	440	-	9,374	4,139
74,643	74,643	10,553	-	-	-
2,097,654	2,597,209	2,454,179	-	-	-
1,912,301	1,854,773	1,734,648	1,740,409	1,874,484	1,994,444
<u>\$ 4,085,766</u>	<u>\$ 4,527,793</u>	<u>\$ 4,200,548</u>	<u>\$ 1,740,409</u>	<u>\$ 1,883,858</u>	<u>\$ 1,998,583</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,545,094	1,758,926	1,737,576	1,857,884
4,142,596	4,535,277	4,771,218	426,915	537,708	632,287
33,632	45,730	53,286	61,822	80,490	112,093
221,763	259,622	265,929	275,816	288,890	278,429
3,444,948	2,669,529	2,238,198	3,454,993	1,365,269	2,243,135
-	-	-	2,477,858	3,056,444	3,286,681
1,285,977	1,421,289	-	-	-	-
-	-	-	-	1,725	(71,582)
<u>\$ 9,128,916</u>	<u>\$ 8,931,447</u>	<u>\$ 8,873,725</u>	<u>\$ 8,456,330</u>	<u>\$ 7,068,102</u>	<u>\$ 8,338,927</u>

City of Bellmead, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
Revenues:				
Taxes	\$ 4,971,986	\$ 4,994,402	\$ 5,222,061	\$ 5,363,878
Licenses and permits	112,098	34,668	55,093	46,792
Grants and intergovernmental	-	93,191	89,713	92,029
Charges for services	-	-	-	-
Fines	307,005	269,182	371,414	357,416
Rents	84,338	91,373	62,141	103,987
Investment earnings	131,284	108,908	98,338	95,090
Miscellaneous	117,869	218,183	479,102	624,726
Total revenues	<u>5,724,580</u>	<u>5,809,907</u>	<u>6,377,862</u>	<u>6,683,918</u>
Expenditures:				
General government	1,284,233	1,379,384	909,033	982,935
Public safety	2,166,967	2,537,717	2,818,756	3,040,225
Public works	634,401	510,897	616,325	584,008
Building maintenance	-	-	-	-
Refuse services	-	-	-	-
Economic development	1,688,797	1,238,262	265,272	567,988
Culture and recreation	295,140	310,174	344,922	434,807
Capital outlay	669,357	100,601	147,000	187,029
Debt service:				
Principal	225,000	235,000	290,000	295,000
Interest and fiscal charges	40,810	53,977	10,048	4,982
Costs of issuance	-	-	-	68,508
Total expenditures	<u>7,004,705</u>	<u>6,366,012</u>	<u>5,401,356</u>	<u>6,165,482</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(1,280,125)</u>	<u>(556,105)</u>	<u>976,506</u>	<u>518,436</u>
Other financing sources (uses):				
Capital-related bonds issued	-	725,000	-	4,000,000
Premium/discount on issuance of debt	-	-	-	70,106
Payment to escrow agent	-	(512,443)	-	-
Insurance proceeds	-	-	-	175,985
Proceeds from sale of capital assets	178,924	153,953	150,164	304,675
Transfers in	1,350,898	191,495	43,375	166,416
Transfers out	(1,350,898)	(131,495)	(43,375)	(166,416)
Total other financing sources	<u>178,924</u>	<u>426,510</u>	<u>150,164</u>	<u>4,550,766</u>
Net change in fund balances	<u>\$ (1,101,201)</u>	<u>\$ (129,595)</u>	<u>\$ 1,126,670</u>	<u>\$ 5,069,202</u>
Debt service as a percentage of noncapital expenditures	4.2%	4.6%	5.7%	5.0%

Source: The data in this schedule is extracted from the City's audited financial statements.

	2015	2016	2017	2018	2019	2020
\$	5,608,134	\$ 5,805,952	\$ 6,092,249	\$ 5,566,748	\$ 5,837,955	\$ 5,900,107
	42,170	33,761	35,182	35,772	57,517	92,864
	79,912	76,929	61,630	1,299,018	531,158	1,034,008
	-	-	-	742,953	731,988	752,772
	332,056	320,431	241,873	238,999	187,367	186,534
	57,154	52,835	46,840	-	-	-
	114,130	97,768	138,233	166,038	183,121	91,768
	677,112	811,907	76,307	148,979	5,310	17,844
	<u>6,910,668</u>	<u>7,199,583</u>	<u>6,692,314</u>	<u>8,198,507</u>	<u>7,534,416</u>	<u>8,075,897</u>
	1,013,370	1,121,916	1,111,229	1,216,335	1,000,938	539,535
	3,196,488	3,329,224	3,454,302	3,743,545	3,854,580	3,600,918
	817,744	605,892	1,335,898	583,095	699,239	555,366
	-	-	-	-	19,609	31,497
	-	-	-	715,735	706,630	718,785
	425,867	370,416	248,266	-	-	-
	422,559	536,394	445,698	445,467	588,389	542,664
	592,441	813,662	312,334	2,271,459	2,047,051	620,826
	185,000	195,000	200,000	200,000	225,000	250,000
	111,875	109,001	105,110	101,156	177,547	168,971
	-	-	-	90,454	-	-
	<u>6,765,344</u>	<u>7,081,505</u>	<u>7,212,837</u>	<u>9,367,246</u>	<u>9,318,983</u>	<u>7,028,562</u>
	<u>145,324</u>	<u>118,078</u>	<u>(520,523)</u>	<u>(1,168,739)</u>	<u>(1,784,567)</u>	<u>1,047,335</u>
	-	-	-	1,995,000	-	-
	-	4,596	-	95,454	-	-
	-	-	-	-	-	-
	-	-	-	-	36,853	25,530
	314,610	90,017	94,038	-	137,505	63,643
	115,470	168,044	864,336	952,805	1,518,981	1,313,639
	(62,406)	(136,177)	(661,934)	(568,634)	(1,153,551)	(1,064,597)
	<u>367,674</u>	<u>126,480</u>	<u>296,440</u>	<u>2,474,625</u>	<u>539,788</u>	<u>338,215</u>
\$	<u>512,998</u>	<u>244,558</u>	<u>(224,083)</u>	<u>1,305,886</u>	<u>(1,244,779)</u>	<u>1,385,550</u>
	4.8%	4.9%	4.4%	4.2%	5.9%	6.5%

City of Bellmead, Texas
Assessed Value and Estimated Actual Value of Property
Last Ten Years

Fiscal Year Ended	Taxable Assessed Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2011	\$ 320,432,402	\$ 60,926,697	\$ 57,922,224	\$ 323,436,875	\$ 0.265560
2012	\$ 325,029,526	\$ 59,820,151	\$ 56,565,655	\$ 328,284,022	\$ 0.274498
2013	\$ 335,877,049	\$ 59,606,119	\$ 58,063,452	\$ 337,419,716	\$ 0.298608
2014	\$ 372,456,086	\$ 59,525,430	\$ 75,842,635	\$ 356,138,881	\$ 0.298608
2015	\$ 380,073,630	\$ 60,256,320	\$ 74,973,888	\$ 365,356,062	\$ 0.298608
2016	\$ 393,801,171	\$ 64,177,230	\$ 76,365,286	\$ 381,613,115	\$ 0.318608
2017	\$ 424,861,912	\$ 63,346,990	\$ 80,525,900	\$ 407,683,002	\$ 0.303761
2018	\$ 408,622,136	\$ 64,176,790	\$ 86,104,425	\$ 386,694,501	\$ 0.299990
2019	\$ 482,561,504	\$ 67,000,998	\$ 98,317,495	\$ 451,245,007	\$ 0.319999
2020	\$ 507,714,023	\$ 67,581,070	\$ 97,033,143	\$ 478,261,950	\$ 0.359999

Source: McLennan County Tax Appraisal District

Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 381,359,099	84.81%
\$ 384,849,677	85.30%
\$ 395,483,168	85.32%
\$ 431,981,516	82.44%
\$ 440,329,950	82.97%
\$ 457,978,401	83.33%
\$ 488,208,902	83.51%
\$ 472,798,926	81.79%
\$ 549,562,502	82.11%
\$ 575,295,093	83.13%

City of Bellmead, Texas

Property Tax Rates

Direct and Overlapping Governments

City of Bellmead

Fiscal Year	Tax Year	Operating Rate	Debt Service Rate	Total Direct Rate
2011	2010	\$ 0.196933	\$ 0.068627	\$ 0.265560
2012	2011	\$ 0.211140	\$ 0.063358	\$ 0.274498
2013	2012	\$ 0.211100	\$ 0.087508	\$ 0.298608
2014	2013	\$ 0.214186	\$ 0.084422	\$ 0.298608
2015	2014	\$ 0.214408	\$ 0.084200	\$ 0.298608
2016	2015	\$ 0.238997	\$ 0.079611	\$ 0.318608
2017	2016	\$ 0.227990	\$ 0.075771	\$ 0.303761
2018	2017	\$ 0.227641	\$ 0.072349	\$ 0.299990
2019	2018	\$ 0.228781	\$ 0.091218	\$ 0.319999
2020	2019	\$ 0.275518	\$ 0.084481	\$ 0.359999

Source: McLennan County Tax Appraisal District

Overlapping Rates

McLennan County	LaVega ISD	McLennan Community College	Total Direct and Overlapping Rates
\$ 0.442710	\$ 1.365000	\$ 0.156306	\$ 2.22958
\$ 0.442710	\$ 1.365000	\$ 0.152823	\$ 2.23503
\$ 0.460573	\$ 1.420000	\$ 0.151530	\$ 2.33071
\$ 0.536293	\$ 1.420000	\$ 0.151530	\$ 2.40643
\$ 0.535293	\$ 1.465000	\$ 0.149530	\$ 2.44843
\$ 0.535293	\$ 1.459000	\$ 0.149724	\$ 2.46263
\$ 0.525293	\$ 1.422100	\$ 0.148898	\$ 2.40005
\$ 0.505293	\$ 1.413532	\$ 0.150346	\$ 2.36916
\$ 0.485293	\$ 1.394040	\$ 0.147696	\$ 2.34703
\$ 0.048529	\$ 1.290269	\$ 0.147696	\$ 2.28326



City of Bellmead, Texas

Principal Property Taxpayers Current Year and Nine Years Ago

Name of Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Butt H E Grocery Co	\$ 14,317,498	1	2.99%	\$ 10,150,702	2	3.14%
Prem SAI Inc.	12,211,450	2	2.55%	6,547,829	6	2.02%
Wal-Mart Real Estate Business Trust	10,827,710	3	2.26%	11,607,033	1	3.59%
Sams Club East Inc.	7,896,580	4	1.65%	7,955,937	3	2.46%
Bellmead McLennan NH LTD	7,619,000	5	1.59%	-	-	0.00%
Wal-Mart Stores East LP	7,328,970	6	1.53%	7,514,552	4	2.32%
Home Depot USA Inc.	5,959,038	7	1.25%	7,317,932	5	2.26%
TBA Associates LP	5,756,257	8	1.20%	-	-	n/a
Realty Income Properties 25 LLC	5,600,000	9	1.17%	-	-	n/a
Union Pacific Railroad Co Mogavero James E Trustee	5,349,910	10	1.12%	-	-	n/a
Etal	-	n/a	n/a	4,800,000	8	1.48%
Home Depot	-	n/a	n/a	5,392,422	7	1.67%
Southwestern Bell Telephone Co.	-	n/a	n/a	-	-	0.00%
American Bank NA	-	n/a	n/a	3,313,483	9	1.02%
Campbell Girls Partnership LTD				3,233,344	10	1.00%
Subtotal	<u>82,866,413</u>		<u>17.31%</u>	<u>67,833,234</u>		<u>20.96%</u>
All other taxpayers	<u>395,395,537</u>		<u>82.69%</u>	<u>255,603,641</u>		<u>79.04%</u>
	<u>\$ 478,261,950</u>		<u>100.00%</u>	<u>\$ 323,436,875</u>		<u>100.00%</u>

Source: McLennan County Tax Appraisal District

City of Bellmead, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy for Year	Ad Valorem Rate			Tax Levy	Collected within the Fiscal Year of the Levy	
		Tax Rate	General Fund	Interest & Sinking Fund		Amount	Percentage of Levy
2011	2010	\$ 0.26556	\$ 0.19693	\$ 0.06863	\$ 806,616	\$ 774,513	96.02%
2012	2011	\$ 0.27450	\$ 0.21114	\$ 0.06336	\$ 867,934	\$ 832,002	95.86%
2013	2012	\$ 0.29861	\$ 0.21110	\$ 0.08751	\$ 903,305	\$ 873,044	96.65%
2014	2013	\$ 0.29861	\$ 0.21419	\$ 0.08442	\$ 1,006,643	\$ 979,363	97.29%
2015	2014	\$ 0.29861	\$ 0.21441	\$ 0.08420	\$ 1,060,718	\$ 1,004,076	94.66%
2016	2015	\$ 0.31861	\$ 0.23900	\$ 0.07961	\$ 1,086,718	\$ 1,053,030	96.90%
2017	2016	\$ 0.30376	\$ 0.22799	\$ 0.07577	\$ 1,159,210	\$ 1,119,449	96.57%
2018	2017	\$ 0.29999	\$ 0.22764	\$ 0.07235	\$ 1,262,193	\$ 1,227,111	97.22%
2019	2018	\$ 0.31999	\$ 0.22878	\$ 0.09122	\$ 1,448,133	\$ 1,402,681	96.86%
2020	2019	\$ 0.35999	\$ 0.27552	\$ 0.08448	\$ 1,721,695	\$ 1,653,846	96.06%

Source: McLennan County Tax Assessor & Collector

Collection in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 26,747	\$ 801,260	99.34%
\$ 29,944	\$ 861,946	99.31%
\$ 24,678	\$ 897,722	99.38%
\$ 19,039	\$ 998,402	99.18%
\$ 46,644	\$ 1,050,720	99.06%
\$ 22,862	\$ 1,075,892	99.00%
\$ 24,403	\$ 1,143,852	98.68%
\$ 14,634	\$ 1,241,745	98.38%
\$ 48,187	\$ 1,450,868	100.19%
\$ -	\$ 1,653,846	96.06%

City of Bellmead, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities	
	General Obligation Bonds	Certificates of Obligation	Tax Anticipation Notes	Unamortized bond premiums/ discounts	Total Governmental Activities (1)	General Obligation Bonds	Certificates of Obligation
2011	\$ -	\$ 745,000	\$ -	\$ -	\$ 745,000	\$ -	\$ 979,724
2012	\$ 495,000	\$ -	\$ 230,000	\$ -	\$ 725,000	\$ 870,000	\$ -
2013	\$ 250,000	\$ -	\$ 185,000	\$ -	\$ 435,000	\$ 690,000	\$ -
2014	\$ -	\$ 4,000,000	\$ 140,000	\$ 70,106	\$ 4,210,106	\$ 510,000	\$4,500,000
2015	\$ -	\$ 3,860,000	\$ 95,000	\$ 66,601	\$ 4,021,601	\$ 345,000	\$4,500,000
2016	\$ -	\$ 3,710,000	\$ 50,000	\$ 63,095	\$ 3,823,095	\$ 175,000	\$6,870,000
2017	\$ -	\$ 3,560,000	\$ -	\$ 59,589	\$ 3,619,589	\$ -	\$6,745,000
2018	\$ -	\$ 5,355,000	\$ -	\$ 151,539	\$ 5,506,539	\$ -	\$6,440,000
2019	\$ -	\$ 5,130,000	\$ -	\$ 143,261	\$ 5,273,261	\$ -	\$6,125,000
2020	\$ -	\$ 4,880,000	\$ -	\$ 134,983	\$ 5,014,983	\$ -	\$5,805,000

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Table 14

(3) Source: U. S. Census Bureau, Greater Bellmead Chamber of Commerce

Business-Type Activities						
Notes Payable	Unamortized bond premiums/ discounts	Total Business-Type Activities (1)	Total Primary Government (1)	Percentage of Personal Income (2)	Population (3)	Per Capita
\$ 171,736	\$ -	\$ 1,151,460	\$ 1,896,460	0.02%	9,982	\$ 190
\$ 152,134	\$ -	\$ 1,022,134	\$ 1,747,134	0.02%	10,056	\$ 174
\$ 141,758	\$ -	\$ 831,758	\$ 1,266,758	0.01%	10,137	\$ 125
\$ 131,054	\$ 78,869	\$ 5,219,923	\$ 9,430,029	0.10%	10,247	\$ 920
\$ 120,107	\$ 74,926	\$ 5,040,033	\$ 9,061,634	0.09%	10,317	\$ 878
\$ 108,765	\$ 153,899	\$ 7,307,664	\$ 11,130,759	0.11%	10,400	\$ 1,070
\$ 96,720	\$ 145,808	\$ 6,987,528	\$ 10,607,117	0.10%	10,509	\$ 1,009
\$ 84,304	\$ 137,719	\$ 6,662,023	\$ 12,168,562	N/A	10,715	\$ 1,136
\$ -	\$ 129,630	\$ 6,254,630	\$ 11,527,891	N/A	10,925	\$ 1,055
\$ -	\$ 121,541	\$ 5,926,541	\$ 10,941,524	N/A	10,773	\$ 1,016

City of Bellmead, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended September 30	General Obligation Bonds (1)	Less: Amounts Available in Debt		Percentage of Estimated Actual Taxable	
		Service Fund (2)	Total	Value of Property (3)	Per Capita (4)
2011	\$ -	\$ 212,116	\$ (212,116)	-0.06%	\$ (2)
2012	\$ 1,365,000	\$ 158,423	\$ 1,206,577	0.31%	\$ 9
2013	\$ 940,000	\$ 155,626	\$ 784,374	0.20%	\$ 6
2014	\$ 510,000	\$ 156,183	\$ 353,817	0.08%	\$ 3
2015	\$ 345,000	\$ 221,763	\$ 123,237	0.03%	\$ 12
2016	\$ 175,000	\$ 259,622	\$ (84,622)	-0.02%	\$ (8)
2017	\$ -	\$ 265,929	\$ (265,929)	-0.05%	\$ (25)
2018	\$ -	\$ 276,916	\$ (276,916)	-0.06%	\$ (26)
2019	\$ -	\$ 288,890	\$ (288,890)	-0.05%	\$ (26)
2020	\$ -	\$ 278,429	\$ (278,429)	-0.05%	\$ (26)

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

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.
- (2) This is the amount restricted for debt service principal payments.
- (3) See the Schedule of Assessed and Estimated Actual Value of Property for property value data.
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Bellmead, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (2)	Amount Applicable to Primary Government
Connally ISD	\$ 12,485,000	0.80%	\$ 99,880
LaVega ISD	\$ 36,646,980	45.37%	\$ 16,626,735
McLennan County	\$ 52,410,000	2.32%	\$ 1,215,912
McLennan Community College	\$ 52,080,000	2.32%	\$ 1,208,256
Subtotal, overlapping debt			19,150,783
City of Bellmead, net debt payable from ad valorem taxes			<u>5,014,983</u> (1)
Total direct and overlapping net funded debt			<u><u>\$ 24,165,766</u></u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			5.05% (1)
Per Capita Direct and Overlapping Net Funded Debt			\$ 2,243 (1)

Sources: Outstanding debt provided by each governmental unit.

(1) Excludes self-supporting debt.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.

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



City of Bellmead, Texas

Legal Debt Margin Information

September 30, 2020

Fiscal Year	Assessed Value, Tax Roll	Legal Debt Limit Percentage	Legal Debt Limit	Actual Amount Expended for General Obligation Debt Service During the Year
2011	\$ 323,436,875	1.50%	\$ 4,851,553	\$ 265,810
2012	\$ 328,284,022	1.50%	\$ 4,924,260	\$ 278,977
2013	\$ 337,419,716	1.50%	\$ 5,061,296	\$ 300,048
2014	\$ 356,138,881	1.50%	\$ 5,342,083	\$ 299,982
2015	\$ 365,356,062	1.50%	\$ 5,480,341	\$ 296,875
2016	\$ 381,613,115	1.50%	\$ 5,724,197	\$ 304,001
2017	\$ 407,683,002	1.50%	\$ 6,115,245	\$ 305,110
2018	\$ 386,694,501	1.50%	\$ 5,800,418	\$ 300,656
2019	\$ 451,245,007	1.50%	\$ 6,768,675	\$ 402,547
2020	\$ 478,261,950	1.50%	\$ 7,173,929	\$ 418,971

All taxable property within the City is subject to the assessment, levy, and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution limits the maximum ad valorem tax rate for home-rule cities such as the City to \$2.50 per \$100 taxable assessed valuation for all purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum rate for all general obligation debt service calculated at the time of issuance based on 90% tax collections.

Source: McLennan County Appraisal District and Finance Department, City of Bellmead

City of Bellmead, Texas
Revenue Bond Coverage - Water and Sewer Fund
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Operating Expenses *	Net Revenue Available for Debt Service	Debt Service Requirements	
				Principal	Interest
2011	\$ 2,591,099	\$ 1,479,491	\$ 1,111,608	\$ 139,579	\$ 47,295
2012	\$ 2,678,041	\$ 1,339,988	\$ 1,338,053	\$ 979,724	\$ 1,298
2013	\$ 2,672,771	\$ 1,528,841	\$ 1,143,930	\$ 180,000	\$ 13,693
2014	\$ 2,747,642	\$ 1,523,105	\$ 1,224,537	\$ 180,000	\$ 10,593
2015	\$ 2,643,494	\$ 1,667,878	\$ 975,616	\$ 165,000	\$ 137,401
2016	\$ 2,758,010	\$ 1,615,584	\$ 1,142,426	\$ 208,089	\$ 242,514
2017	\$ 3,446,800	\$ 3,113,204	\$ 333,596	\$ 300,000	\$ 188,881
2018	\$ 2,724,043	\$ 1,972,636	\$ 751,407	\$ 317,416	\$ 188,881
2019	\$ 3,925,299	\$ 1,904,495	\$ 2,020,804	\$ 399,304	\$ 179,504
2020	\$ 4,272,209	\$ 2,158,972	\$ 2,113,237	\$ 320,000	\$ 165,992

Source: Finance Department, City of Bellmead

* Total operating expenses less depreciation

Debt Service Requirements		
	<u>Total</u>	<u>Coverage</u>
\$	186,874	5.95
\$	981,022	1.36
\$	193,693	5.91
\$	190,593	6.42
\$	302,401	3.23
\$	450,603	2.54
\$	488,881	0.68
\$	506,297	1.48
\$	578,808	3.49
\$	485,992	4.35

City of Bellmead, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Waco Metropolitan Statistical Area (MSA) Population	Waco MSA Per Capita Income	Waco MSA Personal Income (thousands of dollars)	Unemployment Rate
2011	9,982	255,615	\$ 32,239	\$ 8,240,751	7.4%
2012	10,056	256,939	\$ 33,483	\$ 8,603,174	6.5%
2013	10,137	258,633	\$ 33,940	\$ 8,778,110	6.1%
2014	10,247	260,155	\$ 35,472	\$ 9,228,315	5.1%
2015	10,317	262,361	\$ 37,023	\$ 9,713,471	4.1%
2016	10,400	265,207	\$ 37,755	\$ 10,012,971	4.0%
2017	10,509	268,696	\$ 39,263	\$ 10,549,900	3.3%
2018	10,715	271,942	\$ 40,831	\$ 11,103,664	3.2%
2019	10,744	N/A	N/A	N/A	3.1%
2020	10,773	N/A	N/A	N/A	6.9%

N/A Not available

Sources: Estimated population and personal income information provided by the Bureau of Economic Analysis' Interactive Data application. Personal income information not available at the City level. Unemployment rates provided by the Bureau of Labor Statistics. 2018 rate is as of October.

City of Bellmead, Texas

Principal Employers

Current Year

Name of Employer	Type	2020		
		Employees	Rank	% of Total
La Vega ISD	Education	424	1	26.16%
HEB Grocery	Grocery Store	345	2	21.28%
Wal-Mart Supercenter	Retail Store	330	3	20.36%
Sam's Club	Retail Store	140	4	8.64%
Home Depot	Retail Store	120	5	7.40%
The Atrium	Nursing Care	105	6	6.48%
City of Bellmead	Government	86	7	5.31%
Scott & White Clinic	Health Care	28	8	1.73%
Holiday Inn	Hotel/Motel	25	9	1.54%
American Bank	Financial/Banking	18	10	1.11%
Total		1,621		100.00%

Source: Bellmead Finance Department

Note: 2011 info was not collected

City of Bellmead, Texas
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Administration	2.0	2.0	2.0	3.0	3.0
Finance	6.0	6.0	6.0	6.0	6.0
Police	28.0	28.0	28.0	28.0	32.0
Municipal Court	3.0	3.0	3.0	3.0	3.0
Fire	11.0	11.0	13.0	14.0	14.0
Streets	6.0	6.0	6.0	5.0	5.0
City Garage	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	2.0	2.0	1.0	1.0	1.0
Building maintenance	-	-	-	-	-
Planning and Inspections	1.0	1.0	-	-	-
Total General Fund	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>	<u>61.0</u>	<u>65.0</u>
Water/Sewer Fund					
Public Works	7.0	7.0	7.0	7.0	7.0
Total Water/Sewer Fund	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Street Maintenance Fund	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Economic Development Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Revenue Funds					
Law Enforcement Grants Fund	-	-	-	2.0	2.0
Child Safety Fund	-	-	-	-	-
Hotel/Motel Fund	3.0	3.0	3.0	4.0	4.0
Court Security Fund	-	-	-	-	-
Total Special Revenue Fund	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>6.0</u>	<u>6.0</u>
Total Personnel	<u>70.0</u>	<u>70.0</u>	<u>70.0</u>	<u>74.0</u>	<u>78.0</u>

2016	2017	2018	2019	2020
3.0	3.0	3.0	3.0	2.3
6.0	6.0	6.0	5.5	2.5
33.0	33.0	33.0	31.95	3.0
3.0	3.0	3.0	3.0	35.0
14.0	14.0	14.0	14.0	14.0
5.0	5.0	5.0	5.0	-
1.0	1.0	1.0	1.0	1.2
1.0	1.0	1.0	1.0	2.2
-	-	-	-	0.3
-	-	-	-	-
66.0	66.0	66.0	64.45	60.30
7.0	7.0	7.0	10.0	13.55
7.0	7.0	7.0	10.0	13.55
1.0	1.0	1.0	1.0	6.4
-	-	-	-	0.55
2.0	2.0	2.0	2.0	-
-	-	-	0.5	0.5
4.0	4.0	4.0	4.0	4.7
-	-	-	0.05	0.05
6.0	6.0	6.0	6.55	5.25
79.0	79.0	79.0	82.00	86.00

City of Bellmead, Texas

Operating Indicators by Function

Last Ten Fiscal Years

	2011	2012	2013	2014
Governmental				
Refuse Accounts	2,991	2,988	3,007	3,046
Municipal Court				
Outstanding Warrants	NC	NC	10,981	12,999
Warrants Issued	19	306	183	821
Public Safety				
Police				
Calls for Service	13,010	17,615	16,236	17,749
911 Calls	8,391	9,276	9,869	10,831
Citations	3,408	3,362	2,233	2,368
Traffic Accidents	510	533	589	483
Arrests	1,728	1,570	2,180	1,809
Reports	3,641	4,167	3,930	4,473
Police-Code Enforcement				
Calls for Service	NC	NC	NC	NC
Reports	NC	NC	NC	NC
Police-Animal Control				
Calls for Service	NC	NC	NC	1,507
Citations	NC	NC	NC	34
Taken to Shelter	NC	NC	NC	370
TNR	NC	NC	NC	225
Reports	NC	NC	NC	NC
Fire				
Fire Emergency Responses	1,319	1,554	1,902	1,821
Fire Inspections	97	58	54	36
Fire Investigations	9	15	16	9
Plans Reviewed	NC	NC	NC	1
Fire-Building Inspections				
Building Permits Issued	823	890	837	855
Building Inspections	143	620	230	926

2015	2016	2017	2018	2019	2020
3,082	3,256	3,341	3,405	3,195	3,277
14,772	14,742	15,788	15,680	15,694	15,963
382	560	333	181	1,501	932
17,963	16,172	15,558	16,121	29,486	17,693
10,617	9,525	8,270	10,515	9,375	9,906
2,786	1,066	1,184	1,351	1,589	2,140
326	360	296	298	482	826
1,673	756	1,063	917	896	731
4,158	3,490	4,985	5,913	5,390	2,106
467	530	441	507	669	634
347	300	213	116	167	166
1,389	1,188	1,090	1,201	1,242	1,164
51	174	59	51	11	41
301	202	209	260	216	159
240	174	-	-	-	-
484	300	241	264	250	155
1,612	1,317	1,567	1,637	1,706	1,245
55	98	174	217	292	322
16	9	17	14	11	35
3	9	23	34	53	38
791	805	779	759	797	772
762	765	799	901	809	1,072

City of Bellmead, Texas
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Civic Center				
Room Rentals	NC	NC	114	136
Public Works				
Service Orders Completed	344	42	52	42
Streets				
Service Orders Completed	65	111	138	163
Water				
Metered Accounts	3,419	3,421	3,416	3,501
Avg. Daily Demand (MGD)	1.204	1.328	1.164	1.003
Avg. Monthly Demand/Cust (gal)	35,924,000	33,835,000	33,332,000	30,836,000
Peak Demand (MGD)	1.479	1.390	1.426	1.291
Service Orders Completed	2,929	3,438	3,372	3,105
Sewer				
Service Connections	3,274	3,277	3,275	3,343
Service Orders Completed	10	30	124	125

NC: Not Collected

Table 17
(continued)

2015	2016	2017	2018	2019	2020
211	226	216	209	235	88
51	105	126	202	326	237
262	213	182	206	285	178
3,490	3,566	3,573	3,577	3,505	3,552
1.174	1.215	1.163	1.186	1,127	1,132
35,205,000	37,073,000	35,073,000	36,115,000	34,269,333	34,531,000
1.583	1.699	1.400	1.515	1.442	1.456
3,398	3,380	2,843	2,957	2,892	2,864
3,340	3,407	3,402	3,419	3,423	3,472
153	130	150	155	174	148

City of Bellmead, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government					
Area of City (square miles)	6.21	6.21	6.21	6.21	0.21
Public Safety					
Police					
Police Stations	1	1	1	1	1
Firing Ranges	1	1	1	1	1
Patrol Vehicles	12	12	12	12	15
Other Police Vehicles	NC	6	6	6	6
Animal Control Vehicles	1	1	1	1	1
Fire					
Fire Stations	1	1	1	1	1
Fire Apparatus	7	7	7	7	7
Other Vehicles	2	2	2	2	2
Public Works					
Buildings	2	2	2	2	2
Paved Streets (miles)	62.63	62.63	62.63	62.63	63.10
Unpaved Streets (miles)	1	1	1	1	1
Curb and Gutter (miles)	30	30	30	30	30
Vehicles	20	20	20	20	20
Parks and Recreation					
Civic Center	1	1	1	1	1
Parks	4	4	4	4	4
Pavilions	6	6	6	6	6
Playgrounds	3	3	3	3	3
Jogging/Walking Trails	1	1	1	1	1
Senior Centers	1	1	1	1	1
Splash Pad	1	1	1	1	1

2016	2017	2018	2019	2020
6.21	6.21	6.21	6.21	6.21
1	1	1	1	1
1	1	1	1	1
15	15	15	15	11
8	9	9	9	9
1	1	1	1	1
1	1	1	1	1
7	7	7	5	5
2	2	2	2	1
2	2	2	2	2
63.10	63.10	63.10	63.10	63.10
1	1	1	1	1
30	30	30	30	30
20	20	20	20	22
1	1	1	1	1
4	4	4	4	4
6	6	6	6	6
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1

City of Bellmead, Texas
Capital Asset Statistics by Function (Continued)
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Water					
Rated Daily Capacity (gpd)	3,067,200	3,067,200	3,067,200	3,067,200	3,067,200
Storage Capacity (gallons)	4,856,000	4,856,000	4,856,000	4,856,000	4,856,000
Water Mains (miles)	60	60	60	60	60
Water Wells	5	5	5	5	5
Fire Hydrants	322	322	322	322	326
Sewer					
Sanitary Sewers (miles)	43.80	43.80	43.80	43.80	43.80
Manholes	568	568	568	568	573

NC: Not Collected

2016	2017	2018	2019	2020
3,067,200	3,067,200	3,067,200	3,067,200	3,067,200
4,856,000	4,856,000	4,856,000	4,856,000	4,856,000
60	60	60	60	60
5	5	5	5	5
326	326	326	326	330
43.80	43.80	43.80	43.80	43.80
573	573	573	573	573



City of Bellmead, Texas
Waterworks and Sewer System Revenue Bond Tables
Monthly Water and Wastewater Rates (Effective 10/1/2020)

Water Rates

<u>Water Consumption (gals)</u>	<u>Residential</u>	<u>Sprinkler</u>	<u>Commercial</u>	<u>Outside City Limits</u>
0 - 2,000	\$ 18.50	\$ 20.00	\$ 30.00	150%
>2,000	\$ 3.50/1,000	\$ 5.50/1,000	\$ 4.00/1,000	150%
5,001-15,000	\$ 4.00/1,000	\$ 5.50/1,000	\$ 4.00/1,000	150%
15,001-25,000	\$ 4.75/1,000	\$ 5.50/1,000	\$ 4.75/1,000	150%
>25,000	\$ 5.50/1,000	\$ 5.50/1,000	\$ 5.50/1,000	150%

Wastewater Rates

<u>Water Consumption (gals)</u>	<u>Residential</u>	<u>Commercial</u>	<u>Outside City Limits</u>
0-1,000	\$ 12.00	\$ 12.50	150%
>1,000	\$ 2.50/1,000	\$ 3.00/1,000	150%
>10,000	-	\$ 3.00/1,000	150%

All multiple units will be charged a minimum bill for Water and Wastewater for each unit, as well as a residential rate on water and wastewater, regardless of the number of water and wastewater taps they have.

City of Bellmead, Texas

Waterworks and Sewer System Revenue Bond Tables

Waterworks and Sewer System Condensed Statement of Operations

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues: (1)	\$ 2,681,105	\$ 2,760,460	\$ 2,653,876	\$ 2,758,010
Expenditures: (2)	\$ 1,528,841	\$ 1,523,105	\$ 1,667,878 ⁽³⁾	\$ 2,079,183
Net Available for Debt Service	<u>\$ 1,152,264</u>	<u>\$ 1,237,355</u>	<u>\$ 985,998</u>	<u>\$ 678,827</u>
Customer Count:				
Water	3,389	3,454	3,455	3,506
Sewer	3,276	3,356	3,357	3,408

(1) Revenues do not include developer contributions for donated water and sewer lines.

(2) Expenditures do not include depreciation.

(3) During Fiscal Year 2015, two of the City's water wells failed and were replaced at a one-time cost of \$350,000.

2017	2018	2019	2020
<u>\$ 2,771,776</u>	<u>\$ 3,472,778</u>	<u>\$ 3,999,175</u>	<u>\$ 4,395,030</u>
<u>\$ 2,425,847</u>	<u>\$ 2,539,107</u>	<u>\$ 1,848,138</u>	<u>\$ 2,381,928</u>
<u><u>\$ 345,929</u></u>	<u><u>\$ 933,671</u></u>	<u><u>\$ 2,151,037</u></u>	<u><u>\$ 2,013,102</u></u>

3,517	3,577	3,569	3,578
3,419	3,419	3,411	3,464