

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021



CITY OF BELLMEAD, TEXAS



***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

of the

City of Bellmead, Texas

**For the Year Ended
September 30, 2021**

Prepared by

Yousry Zakhary
City Manager

Karen Evans, CPA
Assistant City Manager/
Chief Financial Officer



City of Bellmead, Texas

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City of Bellmead, Texas

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INTRODUCTORY SECTION





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March 8, 2022

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, 2021.

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 unqualified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2021. 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 10,543.

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 19,200 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 has completed construction on a new, 7,800 square foot state-of-the-art bank in Bellmead on the site of the previous Round Bank. The new design pays homage to the round Bank’s famous architecture, while also providing a state-of-the-art facility to serve the community.

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 December of 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 employs 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 was completed in FY 2021. The final stage is demolition of the decommissioned water tower which will take place in early 2022.

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 was completed in 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 and was awarded the 2020 Fire, Ambulance, and Service Truck (FAST) Texas Community Development Block Grant for the fire department to keep both the citizens and firefighters safe. The grant was funded for \$336,086 with a city match of \$5,022 and includes a brush truck, thirteen sets of structural bunker gear, twenty sets of wildland bunker gear, two thermal imaging cameras, and a combination rescue tool.
- The city applied for and was awarded the 2020 Community Development Block Grant Downtown Revitalization/Main Street Program which is implemented through the Texas Department of Agriculture. The grant is to install ADA compliant sidewalks and lighting improvements in the downtown area along Bellmead Drive from 26th Street to Kane Avenue. The grant was funded for \$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.
- The city also applied for the 2021-2022 Community Development Block Grant which if awarded will provide needed water/sewer improvements the City of Bellmead. If funded, the City could receive up to a maximum of \$350,000 with a city match of \$70,000 and plans to utilize these funds to replace sewer lines in northeast 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 prepared 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 examined 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 was 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 analyzed current water consumption, recommended 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 were 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 late FY 2021 the city kicked off the AMI project and began putting new meters in the ground. The project will be completed in the spring of 2022 and will include a customer portal as well as a billing portal to enhance transparency and billing accuracy.

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,



Yousry Zakhary
City Manager



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**

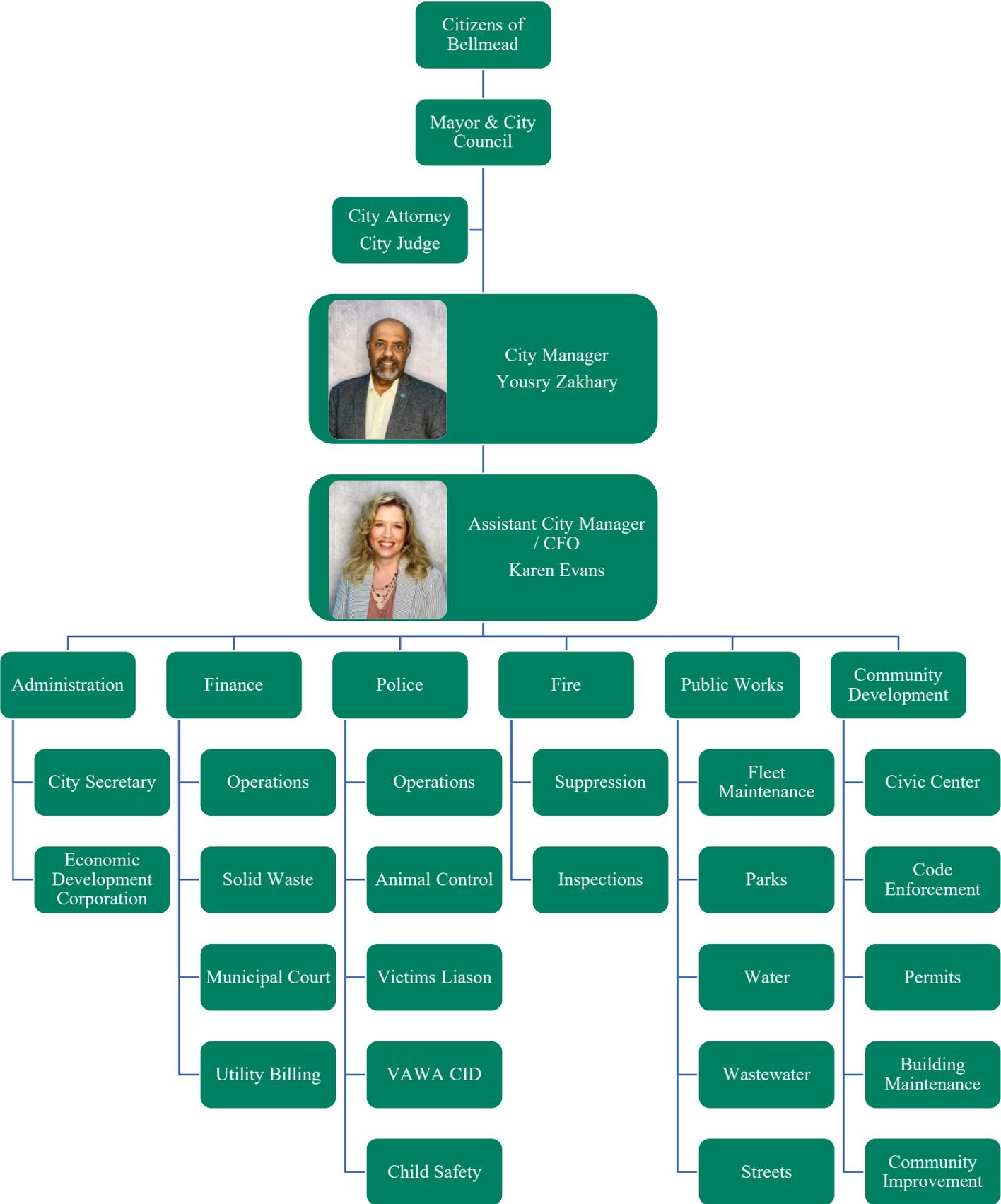
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

BELLMEAD ORGANIZATIONAL CHART



ELECTED OFFICIALS

CITY COUNCIL

Two-Year Terms

<u>NAME</u>	<u>PRECINCT</u>	<u>TERM EXPIRES</u>
Gary Moore, Mayor	At Large	May 2022
Travis Gibson, Mayor Pro Tem	II	May 2023
Karen Coleman	I	May 2023
James Cleveland	III	May 2022
Jasmine Neal	IV	May 2022
Bryan Winget	V	May 2023

APPOINTED OFFICIALS

CITY STAFF

<u>NAME</u>	<u>POSITION</u>	<u>HIRE DATE</u>
Yousry Zakhary	City Manager	January 23, 2019
Karen Evans	Assistant City Manager/CFO	December 31, 2018
Billy Hlavenka	Fire Chief	September 14, 1992
Herbert Blomquist	Public Works Director	November 12, 2019
Melinda Adams	Director of Comm. Develop.	February 8, 2021
Holly Owens	City Secretary	April 27, 2020
Ray J. Black	City Judge	---
Charlie Buenger	City Attorney	---

APPOINTED OFFICIALS

Bellmead Zoning Board of Adjustment

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Phil Bancale	Property Owner	July 01, 2022
Dennis Garrett	Property Owner	July 01, 2022
Harry Myers	Property Owner	July 01, 2022
Bradley Vaughn	Property Owner	July 01, 2022
Linda Robinson	Property Owner	July 01, 2023
Charlie Morgan (Alternate)		July 01, 2022
Richard Brown (Alternate)		July 01, 2022

Bellmead Economic Development Corporation

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Cathie Bainbridge (Chair)	Resident	July 01, 2022
Charlie J. Morgan (Vice Chair)	Resident	July 01, 2022
Harry Myers	Resident	July 01, 2022
Warren Bainbridge	Resident	July 01, 2022
Travis Gibson	Council Member	May 01, 2023
Bryan Winget	Council Member	May 01, 2023
Karen Coleman	Council Member	May 01, 2023
Yousry Zakhary	City Manager	Ex Officio
Karen Evans	Chief Financial Officer	Ex Officio

Bellmead Planning and Zoning Commission

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Charlie Morgan (Chair)	Precinct III	July 01, 2022
Vacant	Precinct I	July 01, 2023
Vacant	Precinct II	July 01, 2023
Bradley Vaughn	Precinct IV	July 01, 2022
Vacant	Precinct V	July 01, 2023
Harry Myers	At-large	July 01, 2022

Bellmead Parks and Recreation Board

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Grace Barbara Lucas (Chair)	Bellmead Chamber of Commerce	July 01, 2022
Collin Kubacak (Vice Chair)	Precinct III	July 01, 2022
Vacant Seat	Precinct I	July 01, 2023
Iris Miles	Precinct II	July 01, 2023
Bradley Vaughn	Precinct IV	July 01, 2022
May Frances Carline	Precinct V	July 01, 2023
Cathie Bainbridge	At Large	July 01, 2022
Vacant Seat	La Vega ISD	July 01, 2023

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, 2021, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2021, 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.

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 3, 2022



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



City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2021

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, 2021.

Financial Highlights

- The City's total combined net position is \$27,214,052 at September 30, 2021. Of this, \$11,338,700 (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 \$11,340,029, an increase of \$1,002,519.
- As of the end of the year, the unassigned fund balance of the general fund was \$2,734,386 or 51% of total general fund expenditures.
- The City had an overall increase in net position of \$2,612,931, which is primarily due to primary government revenues exceeding expenses.

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 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).

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2021

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 eighteen 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, and the governmental CIP fund, which are major funds. Data from the other governmental 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.

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2021

The City of Bellmead adopts an annual appropriated budget for all funds, except for the grants fund, donation fund, PEG fund, seizure fund, and police donation 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, 2021

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 and deferred outflows exceeded liabilities and deferred inflows by \$27,214,052 as of September 30, 2021, in the primary government.

The largest portion of the City's net position, \$9,145,524, 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, \$6,729,828, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,338,700 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, 2021 and September 30, 2020 were \$21,702,357 and \$19,817,836, respectively. The increase of \$1,884,521 was attributable to greater cash on hand resulting primarily from the receipt of grant funding.

Total capital assets as of September 30, 2021 and September 30, 2020 were \$18,522,731 and \$17,299,402, respectively. The increase of \$1,223,329 was primarily attributable to new street improvements and machinery/equipment purchases in the current year.

Total other liabilities as of September 30, 2021 and September 30, 2020 were \$3,589,578 and \$1,941,111, respectively. The increase of \$1,648,467 was primarily a result of nonrecurring deferred revenue recognized for unspent grant funds received through the American Rescue Plan.

Total long-term liabilities as of September 30, 2021 and September 30, 2020 were \$10,283,451 and \$10,835,947, respectively. The decrease of \$552,496 was primarily a result of principal payments made during the year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 11,952,085	\$ 9,750,272	\$ 21,702,357	\$ 11,748,901	\$ 8,068,935	\$ 19,817,836
Capital assets, net	10,105,511	8,417,220	18,522,731	10,348,049	6,951,353	17,299,402
Net pension asset	1,348,625	259,091	1,607,716	1,007,937	176,563	1,184,500
Total Assets	23,406,221	18,426,583	41,832,804	23,104,887	15,196,851	38,301,738
Deferred Outflows of Resources	234,119	44,977	279,096	241,180	42,247	283,427
Other liabilities	709,218	2,880,360	3,589,578	810,492	1,130,619	1,941,111
Long-term liabilities	4,983,256	5,300,195	10,283,451	5,206,295	5,629,652	10,835,947
Total Liabilities	5,692,474	8,180,555	13,873,029	6,016,787	6,760,271	12,777,058
Deferred Inflows of Resources	859,665	165,154	1,024,819	1,027,073	179,913	1,206,986
Net Position:						
Net investment in capital assets	6,928,180	2,217,344	9,145,524	6,977,108	791,249	7,768,357
Restricted	6,597,951	131,877	6,729,828	5,804,326	36,277	5,840,603
Unrestricted	3,562,070	7,776,630	11,338,700	3,520,773	7,471,388	10,992,161
Total Net Position	\$ 17,088,201	\$ 10,125,851	\$ 27,214,052	\$ 16,302,207	\$ 8,298,914	\$ 24,601,121

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

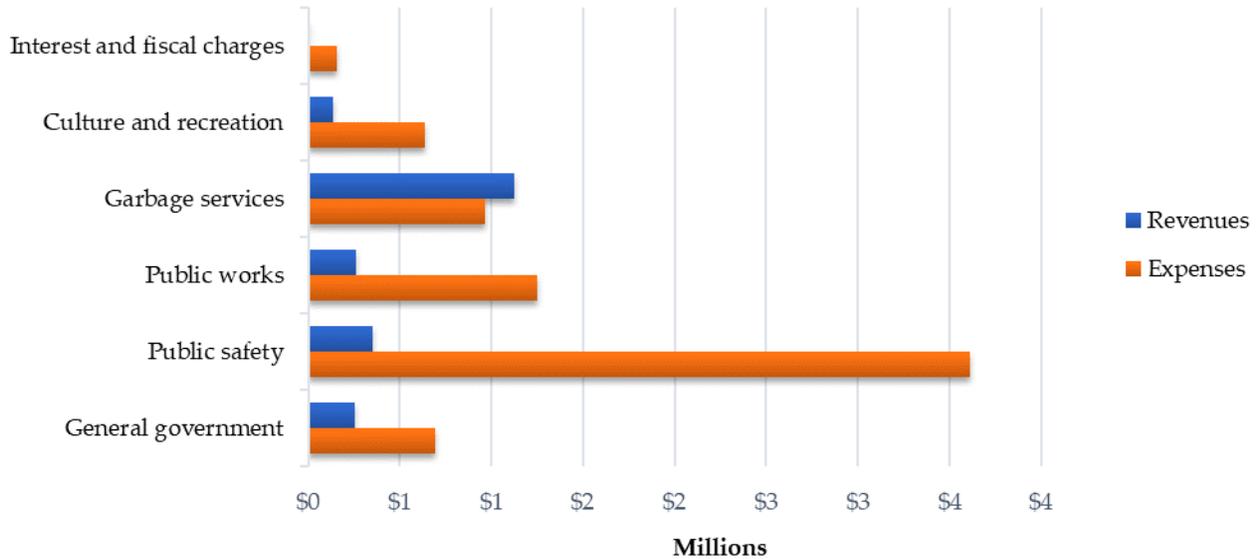
Statement of Activities:

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

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 1,578,385	\$ 3,404,569	\$ 4,982,954	\$ 1,032,170	\$ 2,715,245	\$ 3,747,415
Grant contributions	553,982	1,002,436	1,556,418	1,629,662	1,500,000	3,129,662
General revenues:						
Property taxes	1,913,832	-	1,913,832	1,728,779	-	1,728,779
Sales taxes	3,670,290	-	3,670,290	3,314,580	-	3,314,580
Franchise taxes	519,804	-	519,804	485,010	-	485,010
Hotel and motel taxes	555,301	-	555,301	381,504	-	381,504
Investment income	6,251	4,836	11,087	91,768	82,425	174,193
Other revenues	56,757	-	56,757	107,017	40,396	147,413
Total Revenues	8,854,602	4,411,841	13,266,443	8,770,490	4,338,066	13,108,556
Expenses						
General government	614,040	-	614,040	574,374	-	574,374
Public safety	3,614,619	-	3,614,619	3,713,738	-	3,713,738
Public works	1,323,122	-	1,323,122	950,326	-	950,326
Garbage services	961,701	-	961,701	718,785	-	718,785
Culture and recreation	639,520	-	639,520	630,541	-	630,541
Interest and fiscal charges	153,178	161,259	314,437	160,109	165,992	326,101
Water & sewer	-	3,147,242	3,147,242	-	2,575,274	2,575,274
Other losses	-	38,831	38,831	-	4,173,618	4,173,618
Total Expenses	7,306,180	3,347,332	10,653,512	6,747,873	6,914,884	13,662,757
Change in Net Position						
Before Transfers and Other	1,548,422	1,064,509	2,612,931	2,022,617	(2,576,818)	(554,201)
Transfers	(762,428)	762,428	-	249,042	(249,042)	-
Total	(762,428)	762,428	-	249,042	(249,042)	-
Change in Net Position						
	785,994	1,826,937	2,612,931	2,271,659	(2,825,860)	(554,201)
Beginning Net Position	16,302,207	8,298,914	24,601,121	14,030,548	11,124,774	25,155,322
Ending Net Position	\$ 17,088,201	\$ 10,125,851	\$ 27,214,052	\$ 16,302,207	\$ 8,298,914	\$ 24,601,121

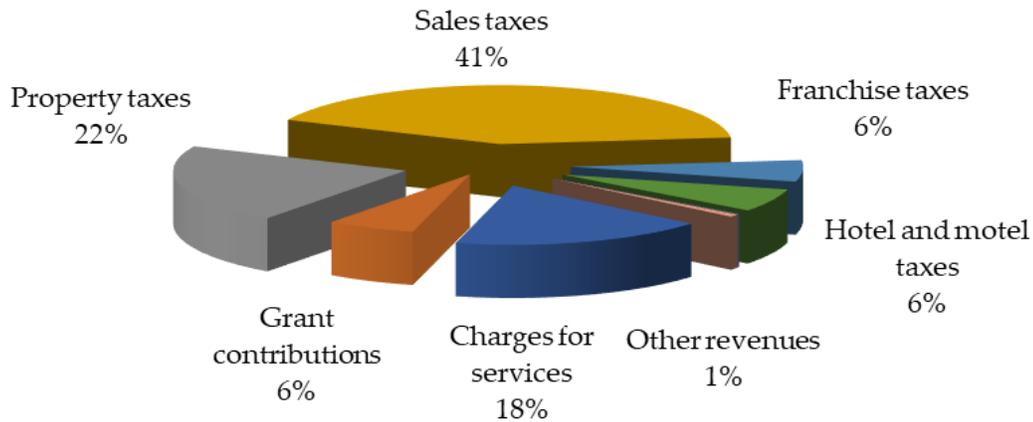
City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

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



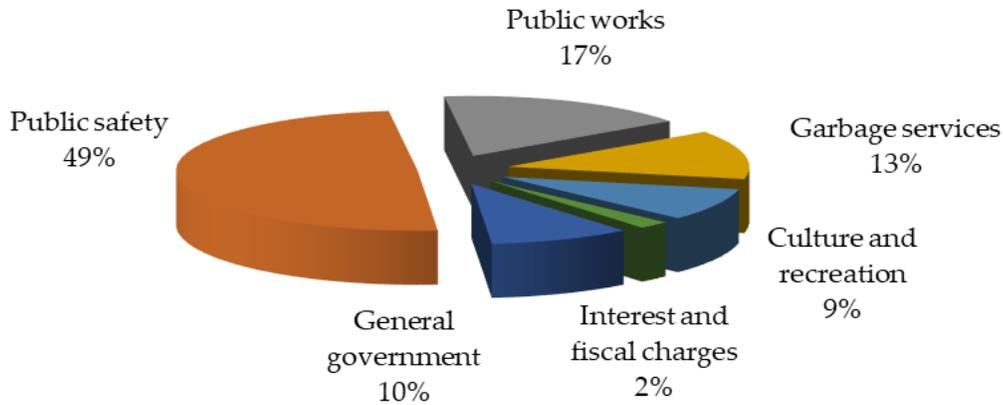
For the year ended September 30, 2021, revenues from governmental activities totaled \$8,854,602. Property tax, sales tax and grant contributions are the City's largest revenue sources. Grant contributions decreased \$1,075,680 or 66% primarily due to nonrecurring street improvement grant and CARES Act funding received in the prior year. Property tax revenue increased by \$185,053 or 11% due to increases in the tax rate and appraised property tax values. Sales tax increased \$355,710 or 11% resulting from economic growth fueled by local purchases. Investment income decreased by \$85,517 or 93% due to lower interest rates caused by changing market conditions. Hotel and motel taxes increased by \$173,797 or 46% primarily due to the impact of COVID-19 limiting tourism to the City in the prior year. Other revenues decreased by \$50,260 or 47% primarily as a result of a nonrecurring gain on the

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

sale of 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

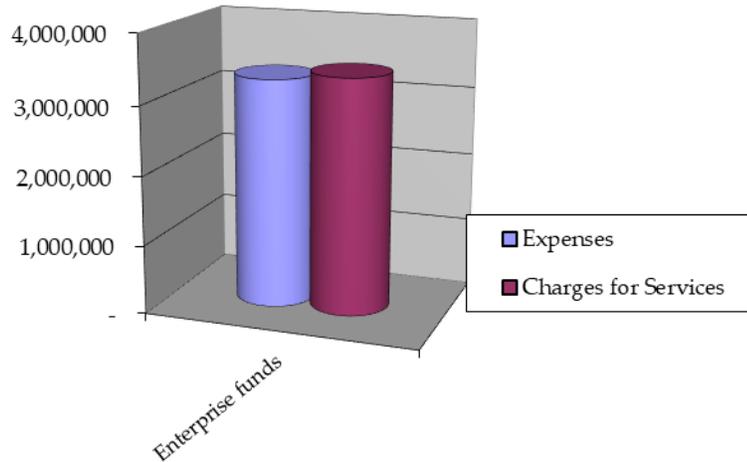


For the year ended September 30, 2021, expenses for governmental activities totaled \$7,306,180. This represents an increase of \$558,307 or 8% from the prior year. The City's largest functional expense is public safety of \$3,614,619, which primarily includes operational and administrative costs for the City's police and fire suppression activities. Public safety expenses remained relatively consistent over the course of the year. General government expenses increased by \$39,666 or 7% primarily due to greater personnel costs, legal expenses, and electric service charges for street lights during the year. Public works increased by \$372,796 or 39% primarily due to greater depreciation expenses and nonrecurring street maintenance projects in the current year. Garbage service expenses increased by \$242,916 or 34% due to greater trash collection service costs resulting from a change in vendor during the current year and the onboarding of commercial trash services. All other expenditures remained relatively consistent with the previous year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2021

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, 2021, charges for services by business-type activities totaled \$3,404,569. This represents an increase of \$689,324 or 25% from the previous year. The increase is primarily a result of greater water and sewer consumption and a 26% greater sewer base rate charged over the course of the year.

Total expenses decreased by \$3,567,552 from the prior year, which is primarily due to the prior year nonrecurring loss on asset disposals of the City's previous undivided interest in Waco Metropolitan Area Regional Sewerage System, amounting to \$4,173,618. Water and sewer expenses increased by \$571,968 or 22% primarily due to greater sewer treatment expenses and water purchases resulting from increased customer demand in addition to inflow and infiltration costs.

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 \$2,738,315, \$2,734,386 of which is unassigned. The general fund increased by \$739,732 primarily due to sales taxes exceeding expectations, in addition to expenditures being less than the already conservatively budgeted amount for the year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2021

The hotel/motel tax fund reflected an ending balance of \$2,095,048, an increase of \$237,164. This increase is due to the recovery of tourism in the current year resulting in an increase in hotel occupancy taxes received, in addition to expenditures being less than expected for the year.

The street maintenance fund reflected an ending balance of \$3,330,064, an increase of \$43,383. The increase is primarily due to greater than anticipated sales tax revenues and less than anticipated expenditures.

The governmental CIP fund reflected an ending fund balance of \$1,584,409, an increase of \$519,812. The increase is primarily due to greater than anticipated transfers in from other funds.

There was an overall increase in the governmental fund balance of \$1,002,519 over the prior year. The increase was primarily due to greater charges for services and grant funds collected over the course of the year.

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 \$575,232 in the general fund. This is a combination of a positive revenue variance of \$380,711, a positive expenditure variance of \$185,841, and a positive variance of \$8,680 in other financing sources and uses. The positive revenue variance was primarily a result of actual sales tax revenues being greater than budgeted revenues. The positive expenditure variance was primarily due to the general government and public safety department being under budget.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$10,105,511 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 \$8,417,220 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 \$478,178.
- Purchase of two 2021 Chevy Tahoes totaling \$106,806.
- Purchase of a 2021 Chevy Silverado for \$51,874.
- Purchased a new Motorola XTL 1500 digital radio for \$43,890.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2021

- Invested in downtown rehabilitation for \$44,035.
- Invested in improvements to the Parrish Well for \$105,055.
- Purchased a 2021 Freightliner Dump Truck for 104,743.
- Purchased a 2021 New Holland Backhoe for \$87,866.
- Purchased a 2021 Ford F-250 for \$29,390.

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 \$10,085,000. During the year, the City had principal payments on bonds and notes payable of \$600,000. 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 budgeting for growth 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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 10,302,392	\$ 7,583,462	\$ 17,885,854
Restricted cash	-	1,331,106	1,331,106
Investments	500,189	500,189	1,000,378
Receivables, net	1,119,932	335,515	1,455,447
Intergovernmental receivable	25,643	-	25,643
Prepays	3,929	-	3,929
Total Current Assets	11,952,085	9,750,272	21,702,357
Noncurrent assets:			
Capital assets:			
Non-depreciable	1,383,479	2,305,145	3,688,624
Net depreciable capital assets	8,722,032	6,112,075	14,834,107
Net pension asset	1,348,625	259,091	1,607,716
Total Noncurrent Assets	11,454,136	8,676,311	20,130,447
Total Assets	23,406,221	18,426,583	41,832,804
Deferred Outflows of Resources			
Pension contributions	175,205	33,659	208,864
Pension changes in assumption	12,228	2,349	14,577
OPEB contributions	2,431	467	2,898
OPEB changes in assumption	44,255	8,502	52,757
Total Deferred Outflows of Resources	234,119	44,977	279,096

See Notes to Financial Statements.

Component Unit
Bellmead Economic
Development Corporation

\$		3,417,064
		-
		176,111
		122,980
		-
		-
		<hr/> 3,716,155 <hr/>

		811,975
		-
		-
		<hr/> 811,975 <hr/>
		<hr/> 4,528,130 <hr/>

		-
		-
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City of Bellmead, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 412,797	\$ 760,397	\$ 1,173,194
Intergovernmental payable	31,537	-	31,537
Grants received in advance	-	1,331,106	1,331,106
Accrued interest payable	13,020	12,944	25,964
Deposits payable	11,600	400,359	411,959
Compensated absences, current	240,264	40,554	280,818
Long-term debt due within one year	290,000	335,000	625,000
Total Current Liabilities	999,218	2,880,360	3,879,578
Noncurrent liabilities:			
Long-term debt due in more than one year	4,446,705	5,253,452	9,700,157
Compensated absences, noncurrent	26,696	4,506	31,202
OPEB liability	219,855	42,237	262,092
Total Noncurrent Liabilities	4,693,256	5,300,195	9,993,451
Total Liabilities	5,692,474	8,180,555	13,873,029
<u>Deferred Inflows of Resources</u>			
Pension investment returns	358,306	68,836	427,142
Pension difference in experience	491,302	94,386	585,688
OPEB difference in experience	10,057	1,932	11,989
Deferred Inflows of Resources	859,665	165,154	1,024,819
<u>Net Position</u>			
Net investment in capital assets	6,928,180	2,217,344	9,145,524
Restricted for:			
Debt service	303,292	-	303,292
Capital projects	138,909	-	138,909
Municipal court	44,188	-	44,188
Tourism	2,095,048	-	2,095,048
Streets	3,330,064	-	3,330,064
Pension	686,450	131,877	818,327
Economic development	-	-	-
Unrestricted	3,562,070	7,776,630	11,338,700
Total Net Position	\$ 17,088,201	\$ 10,125,851	\$ 27,214,052

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 614,040	\$ 196,822	\$ 54,063	\$ -
Public safety	3,614,619	254,722	9,078	-
Public works	1,323,122	-	11,709	258,456
Garbage services	961,701	1,126,841	-	-
Culture and recreation	639,520	-	220,676	-
Interest and fiscal charges	153,178	-	-	-
Total Governmental Activities	7,306,180	1,578,385	295,526	258,456
Business-Type Activities				
Water and sewer	3,308,501	3,404,569	1,002,436	-
Total Business-Type Activities	3,308,501	3,404,569	1,002,436	-
Total Primary Government	\$ 10,614,681	\$ 4,982,954	\$ 1,297,962	\$ 258,456
Component Unit				
Economic Development Corporation	1,235,199	-	-	-
	\$ 1,235,199	\$ -	\$ -	\$ -

General Revenues:

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

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
\$ (363,155)	\$ -	\$ (363,155)	\$ -
(3,350,819)	-	(3,350,819)	-
(1,052,957)	-	(1,052,957)	-
165,140	-	165,140	-
(418,844)	-	(418,844)	-
(153,178)	-	(153,178)	-
<u>(5,173,813)</u>	<u>-</u>	<u>(5,173,813)</u>	<u>-</u>
-	1,098,504	1,098,504	-
-	1,098,504	1,098,504	-
<u>(5,173,813)</u>	<u>1,098,504</u>	<u>(4,075,309)</u>	<u>-</u>
			(1,235,199)
			<u>(1,235,199)</u>
1,913,832	-	1,913,832	-
3,670,290	-	3,670,290	716,518
519,804	-	519,804	-
555,301	-	555,301	-
6,251	4,836	11,087	12,709
18,921	-	18,921	-
13,680	-	13,680	(326,676)
24,156	(38,831)	(14,675)	-
<u>(762,428)</u>	<u>762,428</u>	<u>-</u>	<u>-</u>
<u>5,959,807</u>	<u>728,433</u>	<u>6,688,240</u>	<u>402,551</u>
785,994	1,826,937	2,612,931	(832,648)
16,302,207	8,298,914	24,601,121	5,356,289
<u>\$ 17,088,201</u>	<u>\$ 10,125,851</u>	<u>\$ 27,214,052</u>	<u>\$ 4,523,641</u>

City of Bellmead, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2021

	General	Hotel/Motel Tax	Street Maintenance
<u>Assets</u>			
Cash and cash equivalents	\$ 2,299,012	\$ 1,903,216	\$ 3,022,044
Investments	100,037	100,038	200,076
Receivables, net	770,743	128,526	122,980
Intergovernmental receivable	25,643	-	-
Prepays	3,929	-	-
Total Assets	\$ 3,199,364	\$ 2,131,780	\$ 3,345,100
 <u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 312,373	\$ 25,132	\$ 15,036
Intergovernmental payable	31,537	-	-
Deposits payable	-	11,600	-
Total Liabilities	343,910	36,732	15,036
 <u>Deferred Inflows of Resources</u>			
Unavailable revenue			
Property taxes	117,139	-	-
Total Deferred Inflows of Resources	117,139	-	-
 <u>Fund Balances</u>			
Nonspendable:			
Prepaid items	3,929	-	-
Restricted for:			
Tourism	-	2,095,048	-
Economic development	-	-	-
Special donations	-	-	-
Public safety	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Streets	-	-	3,330,064
Unassigned reported in:			
General fund	2,734,386	-	-
Total Fund Balances	2,738,315	2,095,048	3,330,064
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 3,199,364	\$ 2,131,780	\$ 3,345,100

See Notes to Financial Statements.

Governmental CIP	<u>Nonmajor</u> Other Governmental	Total Governmental Funds
\$ 1,484,371	\$ 1,593,749	\$ 10,302,392
100,038	-	500,189
-	97,683	1,119,932
-	-	25,643
-	-	3,929
<u>\$ 1,584,409</u>	<u>\$ 1,691,432</u>	<u>\$ 11,952,085</u>
\$ -	\$ 60,256	\$ 412,797
-	-	31,537
-	-	11,600
<u>-</u>	<u>60,256</u>	<u>455,934</u>
-	38,983	156,122
<u>-</u>	<u>38,983</u>	<u>156,122</u>
-	-	3,929
-	-	2,095,048
-	1,030,048	1,030,048
-	2,993	2,993
-	116,951	116,951
-	303,292	303,292
1,584,409	138,909	1,723,318
-	-	3,330,064
-	-	2,734,386
<u>1,584,409</u>	<u>1,592,193</u>	<u>11,340,029</u>
<u>\$ 1,584,409</u>	<u>\$ 1,691,432</u>	<u>\$ 11,952,085</u>



City of Bellmead, Texas

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

September 30, 2021

Fund Balances - Total Governmental Funds	\$ 11,340,029
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	1,383,479
Capital assets - net depreciable	8,722,032
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	156,122
Net pension asset	1,348,625
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	175,205
OPEB contributions	2,431
Pension difference in experience	(491,302)
OPEB difference in experience	(10,057)
Pension investment returns	(358,306)
Pension changes in assumption	12,228
OPEB changes in assumption	44,255
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(13,020)
Compensated absences	(266,960)
Bond premium	(126,705)
OPEB liability	(219,855)
Non-current liabilities due in one year	(290,000)
Non-current liabilities due in more than one year	(4,320,000)
Net Position of Governmental Activities	\$ 17,088,201

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, 2021

	General	Hotel/Motel Tax	Street Maintenance
<u>Revenues</u>			
Property tax	\$ 1,447,123	\$ -	\$ -
Sales taxes	2,953,772	-	716,518
Franchise taxes	506,171	-	-
Hotel and motel taxes	-	555,301	-
License and permits	92,799	-	-
Charges for services	1,171,054	59,810	-
Grants and contributions	5,000	-	-
Intergovernmental revenue	74,850	-	-
Fines and forfeitures	204,556	-	-
Investment income	1,329	1,113	1,971
Other revenue	5,021	9,500	-
Total Revenues	6,461,675	625,724	718,489
<u>Expenditures</u>			
Current:			
General government -			
General government	35,757	-	-
Administration	264,667	-	-
City council	36,403	-	-
Finance	208,075	-	-
Public safety -			
Police	2,173,640	-	-
Court	115,820	-	-
Fire	1,202,302	-	-
Culture and recreation -			
Parks and recreation	140,946	-	-
Economic development	-	-	-
Tourism	-	388,560	-
Public works	140,937	-	675,106
Building maintenance	49,010	-	-
Refuse	961,701	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	9,571	-	-
Total Expenditures	5,338,829	388,560	675,106
Excess of Revenues Over (Under) Expenditures	1,122,846	237,164	43,383

<u>Governmental CIP</u>	<u>Nonmajor Other Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 456,357	\$ 1,903,480
-	-	3,670,290
-	13,633	519,804
-	-	555,301
-	-	92,799
-	-	1,230,864
-	849,110	854,110
-	220,676	295,526
-	50,166	254,722
518	1,320	6,251
-	4,400	18,921
518	1,595,662	9,402,068
-	-	35,757
-	2,532	267,199
-	-	36,403
-	-	208,075
-	64,148	2,237,788
-	15,170	130,990
-	-	1,202,302
-	-	140,946
-	23,019	23,019
-	-	388,560
-	-	816,043
-	-	49,010
-	-	961,701
-	270,000	270,000
-	161,709	161,709
106,806	629,078	745,455
106,806	1,165,656	7,674,957
(106,288)	430,006	1,727,111

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, 2021

	General	Hotel/Motel Tax	Street Maintenance
<u>Other Financing Sources (Uses)</u>			
Transfers in	205,150	-	-
Transfers (out)	(626,100)	-	-
Proceeds from sale of capital assets	13,680	-	-
Insurance recoveries	24,156	-	-
Total Other Financing Sources (Uses)	(383,114)	-	-
Net Change in Fund Balances	739,732	237,164	43,383
Beginning fund balances	1,998,583	1,857,884	3,286,681
Ending Fund Balances	\$ 2,738,315	\$ 2,095,048	\$ 3,330,064

See Notes to Financial Statements.

Governmental CIP	<u>Nonmajor</u> Other Governmental	Total Governmental Funds
626,100	34,352	865,602
-	(1,001,930)	(1,628,030)
-	-	13,680
-	-	24,156
<u>626,100</u>	<u>(967,578)</u>	<u>(724,592)</u>
519,812	(537,572)	1,002,519
1,064,597	2,129,765	10,337,510
<u>\$ 1,584,409</u>	<u>\$ 1,592,193</u>	<u>\$ 11,340,029</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, 2021

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

Net changes in fund balances - total governmental funds	\$ 1,002,519
---------------------------------------------------------	--------------

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	738,359
Depreciation expense	(980,897)

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

Property tax receivable	10,352
Deferred grant revenue	(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	(125,569)
Accrued interest	253
Pension (expense) income	479,362
OPEB expense	(21,009)

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	270,000
Change in Net Position of Governmental Activities	\$ 785,994

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2021

	<u>Water & Sewer</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 7,583,462
Restricted cash	1,331,106
Investments	500,189
Receivables, net	335,515
Total Current Assets	9,750,272
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	2,305,145
Net depreciable capital assets	6,112,075
Net pension asset	259,091
Total Noncurrent Assets	8,676,311
Total Assets	18,426,583
<u>Deferred Outflows of Resources</u>	
Pension contributions	33,659
Pension changes in assumption	2,349
OPEB contributions	467
OPEB changes in assumption	8,502
Total Deferred Outflows of Resources	44,977
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	760,397
Accrued interest	12,944
Customer deposits	400,359
Grants received in advance	1,331,106
Compensated absences - current	40,554
Bonds and notes payable - current	335,000
Total Current Liabilities	2,880,360
<u>Noncurrent Liabilities</u>	
Compensated absences - noncurrent	4,506
OPEB liability	42,237
Bonds and notes payable - noncurrent	5,253,452
Total Noncurrent Liabilities	5,300,195
Total Liabilities	8,180,555
<u>Deferred Inflows of Resources</u>	
Pension investment returns	68,836
Pension difference in experience	94,386
OPEB difference in experience	1,932
Total Deferred Inflows of Resources	165,154
<u>Net Position</u>	
Net investment in capital assets	2,217,344
Restricted for pension	131,877
Unrestricted	7,776,630
Total Net Position	\$ 10,125,851

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, 2021

	Water & Sewer
<u>Operating Revenues</u>	
Water sales	\$ 1,998,798
Sewer charges	1,256,255
Other charges for services	149,516
Grant revenue	2,436
Intergovernmental revenue	1,000,000
Total Operating Revenues	4,407,005
 <u>Operating Expenses</u>	
Salaries and benefits	711,084
Materials and supplies	221,122
Contractual supplies	1,761,172
Depreciation	478,181
Total Operating Expenses	3,171,559
Operating Income (Loss)	1,235,446
 <u>Nonoperating Revenues (Expenses)</u>	
Interest income	4,836
Gain on disposal of assets	24,317
Insurance recoveries (losses)	(38,831)
Interest expense	(161,259)
Total Nonoperating Revenues (Expenses)	(170,937)
Income (Loss) Before Transfers	1,064,509
Transfers in	967,578
Transfers (out)	(205,150)
Total Transfers	762,428
Change in Net Position	1,826,937
Beginning net position	8,298,914
Ending Net Position	\$ 10,125,851

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, 2021

	<u>Water & Sewer</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 4,370,244
Payments to suppliers	(1,594,499)
Payments to employees	(775,594)
Net Cash Provided by Operating Activities	<u>2,000,151</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating transfers (out)	(205,150)
Operating transfers in	967,578
Net Cash Provided (Used) by Noncapital Financing Activities	<u>762,428</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(1,944,048)
Proceeds from sale of capital assets	24,317
Insurance losses	(38,831)
Grants received	1,331,106
Principal paid on debt	(330,000)
Interest paid on debt	(169,247)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,126,703)</u>
<u>Cash Flows from Investing Activities</u>	
Purchase of investments, net	(500,189)
Interest on investments	4,836
Net Cash Provided (Used) by Investing Activities	<u>(495,353)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,140,523
Beginning cash and cash equivalents	<u>7,774,045</u>
Ending Cash and Cash Equivalents	<u><u>\$ 8,914,568</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, 2021

	<u>Water & Sewer</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 1,235,446
Adjustments to reconcile operating income to net cash provided:	
Depreciation	478,181
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(40,625)
Deferred outflows of resources - pension	1,799
Deferred outflows of resources - OPEB	(4,529)
Deferred inflows of resources - pension	(14,871)
Deferred inflows of resources - OPEB	112
Increase (Decrease) in:	
Accounts payable and accrued liabilities	387,795
Compensated absences	24,306
Customer deposits	3,864
OPEB liability	11,201
Net pension liability (asset)	(82,528)
Net Cash Provided by Operating Activities	<u><u>\$ 2,000,151</u></u>

See Notes to Financial Statements.



City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

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, 2021

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, 2021

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 June 30, 2022.

Governmental CIP Fund

The governmental CIP fund is used to account for the acquisition and construction of the government's major capital investments, other than those financed by proprietary funds.

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 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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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. Subsequent to November 30, 1989, 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, sewage treatment, 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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 plan. For purposes

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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, the court jury fund, and police donation fund.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2021, the primary government had the following investments:

Investment Type	Carrying Value	Average Maturity (Years)
Certificates of deposit	\$ 1,000,378	0.59
External investment pools	8,218,358	0.14
Total value	\$ 9,218,736	
Portfolio weighted average maturity		0.19

As of September 30, 2021, the discretely presented component unit had the following investments:

Investment Type	Carrying Value	Average Maturity (Years)
Certificates of deposit	\$ 176,111	1.50
External investment pools	1,389,168	0.14
Total value	\$ 1,565,279	
Portfolio weighted average maturity		0.29

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 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.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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, 2021, 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, 2020, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

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NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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, 2021

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>Nonmajor Govt</u>	<u>Water & Sewer</u>	<u>Total</u>
Property taxes	\$ 130,072	\$ -	\$ -	\$ 43,423	\$ -	\$ 173,495
Sales tax	532,659	-	122,980	-	-	655,639
Grants	25,643	-	-	55,285	2,416	83,344
Hotel/motel taxes	-	128,526	-	-	-	128,526
Accounts	122,097	-	-	-	338,397	460,494
Other	-	-	-	3,415	-	3,415
Allowance	(14,085)	-	-	(4,440)	(5,298)	(23,823)
	<u>\$ 796,386</u>	<u>\$ 128,526</u>	<u>\$ 122,980</u>	<u>\$ 97,683</u>	<u>\$ 335,515</u>	<u>\$ 1,481,090</u>

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

	<u>EDC</u>	<u>Total</u>
Sales tax	\$ 122,980	\$ 122,980
	<u>\$ 122,980</u>	<u>\$ 122,980</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 total balance was paid off in full January 15, 2021.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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	844,209	522,213	(1,322,387)	44,035
Total capital assets not being depreciated	<u>2,183,653</u>	<u>522,213</u>	<u>(1,322,387)</u>	<u>1,383,479</u>
Capital assets, being depreciated:				
Infrastructure	4,611,376	-	1,191,461	5,802,837
Buildings and improvements	5,102,191	-	(35,900)	5,066,291
Equipment	5,249,635	216,146	(75,864)	5,389,917
Total capital assets being depreciated	<u>14,963,202</u>	<u>216,146</u>	<u>1,079,697</u>	<u>16,259,045</u>
Less accumulated depreciation				
Infrastructure	1,463,092	453,814	(130,926)	1,785,980
Buildings and improvements	2,781,670	168,767	(35,900)	2,914,537
Equipment	2,554,044	358,316	(75,864)	2,836,496
Total accumulated depreciation	<u>6,798,806</u>	<u>980,897</u>	<u>(242,690)</u>	<u>7,537,013</u>
Net capital assets being depreciated	<u>8,164,396</u>	<u>(764,751)</u>	<u>1,322,387</u>	<u>8,722,032</u>
Total Capital Assets	<u>\$ 10,348,049</u>	<u>\$ (242,538)</u>	<u>\$ -</u>	<u>\$ 10,105,511</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 59,859
Public safety	319,834
Public works	483,547
Culture and recreation	117,657
Total Governmental Activities Depreciation Expense	<u>\$ 980,897</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

	Beginning Balances	Increases	Disposals / Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 351,513	\$ -	\$ -	\$ 351,513
Construction in progress	2,216,836	1,616,994	(1,880,198)	1,953,632
Total capital assets not being depreciated	<u>2,568,349</u>	<u>1,616,994</u>	<u>(1,880,198)</u>	<u>2,305,145</u>
Capital assets, being depreciated:				
Buildings and improvements	865,234	-	-	865,234
Water and sewer facilities	6,653,242	327,054	1,026,158	8,006,454
Equipment	1,151,534	-	(161,428)	990,106
Total capital assets being depreciated	<u>8,670,010</u>	<u>327,054</u>	<u>864,730</u>	<u>9,861,794</u>
Less accumulated depreciation				
Buildings and improvements	324,463	43,262	-	367,725
Water and sewer facilities	2,979,306	385,592	(854,040)	2,510,858
Equipment	983,237	49,327	(161,428)	871,136
Total accumulated depreciation	<u>4,287,006</u>	<u>478,181</u>	<u>(1,015,468)</u>	<u>3,749,719</u>
Net capital assets being depreciated	<u>4,383,004</u>	<u>(151,127)</u>	<u>1,880,198</u>	<u>6,112,075</u>
Total Capital Assets	<u>\$ 6,951,353</u>	<u>\$ 1,465,867</u>	<u>\$ -</u>	<u>\$ 8,417,220</u>

As of September 30, 2021, the City's discretely presented component unit held land assets totaling \$811,975. During the year, a \$519,177 lot of land was sold for \$192,501. Therefore, the component unit recognized a net loss from the sale of \$326,676.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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	\$ 4,880,000	\$ -	\$ (270,000)	\$ 4,610,000	\$ 290,000
Less deferred amounts:					
For issuance premiums	134,983	-	(8,278)	126,705	-
Total Governmental Activities	<u>\$ 5,014,983</u>	<u>\$ -</u>	<u>\$ (278,278)</u>	<u>\$ 4,736,705</u>	<u>\$ 290,000</u>
Long-term liabilities due in more than one year				<u>\$ 4,446,705</u>	
Business-Type Activities:					
Certificates of Obligation	\$ 5,805,000	\$ -	\$ (330,000)	\$ 5,475,000	\$ 335,000
Less deferred amounts:					
For issuance premiums	121,541	-	(8,089)	113,452	-
Total Business-Type Activities	<u>\$ 5,926,541</u>	<u>\$ -</u>	<u>\$ (338,089)</u>	<u>\$ 5,588,452</u>	<u>\$ 335,000</u>
Long-term liabilities due in more than one year				<u>\$ 5,253,452</u>	

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

	Governmental Activities	Business - Type Activities	Total
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.	\$ 2,835,000	\$ -	\$ 2,835,000
\$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.	1,775,000	-	1,775,000
\$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.	-	3,570,000	3,570,000
\$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.	-	1,905,000	1,905,000
Total Certificates of Obligation	\$ 4,610,000	\$ 5,475,000	\$ 10,085,000
Less deferred amounts:			
Issuance premium	\$ 126,705	\$ 113,452	\$ 240,157
Total Deferred Amounts	\$ 126,705	\$ 113,452	\$ 240,157
Total Long-term Debt	\$ 4,736,705	\$ 5,588,452	\$ 10,325,157

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, 2021

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
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>\$ 4,610,000</u>	<u>\$ 1,236,174</u>	<u>\$ 5,846,174</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Year ending September 30,	Business-Type Activities		
	Principal	Interest	Total
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	<u>\$ 5,475,000</u>	<u>\$ 1,281,050</u>	<u>\$ 6,756,050</u>

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, 2021

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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 141,391	\$ 161,657	\$ (36,088)	\$ 266,960	\$ 240,264
Total Governmental Activities	<u>\$ 141,391</u>	<u>\$ 161,657</u>	<u>\$ (36,088)</u>	<u>\$ 266,960</u>	<u>\$ 240,264</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 26,696</u>	
Business-Type Activities:					
Compensated Absences	\$ 20,754	\$ 26,124	\$ (1,818)	\$ 45,060	\$ 40,554
Total Business-Type Activities	<u>\$ 20,754</u>	<u>\$ 26,124</u>	<u>\$ (1,818)</u>	<u>\$ 45,060</u>	<u>\$ 40,554</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 4,506</u>	

F. 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.

	<u>Transfer In</u>				
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Government CIP</u>	<u>Water & Sewer</u>	
Transfer out:					
General Fund	\$ -	\$ -	\$ 626,100	\$ -	\$ 626,100
Nonmajor govt	-	34,352	-	967,578	1,001,930
Water Sewer	205,150	-	-	-	205,150
	<u>\$ 205,150</u>	<u>\$ 34,352</u>	<u>\$ 626,100</u>	<u>\$ 967,578</u>	<u>\$ 1,833,180</u>

Transfers between the funds were primarily to support debt service requirements, utilize capital funds for capital projects, and operations of funds.

G. 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.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

	Restricted
Tourism	\$ 2,095,048 *
Economic development	1,030,048
Special donations	2,993
Public safety	116,951 *
Debt service	303,292
Capital projects	1,723,318
Streets	3,330,064 *
	\$ 8,601,714

* Represents restriction by enabling legislation.

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.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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.

D. Defined Benefit Pension Plans

1. Plan Description

The City of Bellmead, Texas participates as one of 895 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 annual comprehensive financial report that can be obtained at www.tmrs.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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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.

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 2020</u>	<u>Plan Year 2019</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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	78
Active employees	74
Total	189

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 8.63% and 7.93% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$299,920, and were equal to the required contributions.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2020, 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, 2020 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.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 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, 2021

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/19	\$ 13,848,287	\$ 15,032,787	\$ (1,184,500)
Changes for the year:			
Service Cost	550,754	-	550,754
Interest (on the Total Pension Liab.)	928,440	-	928,440
Difference between expected and actual experience	(223,277)	-	(223,277)
Changes of assumptions	-	-	-
Contributions – employer	-	322,628	(322,628)
Contributions – employee	-	224,340	(224,340)
Net investment income	-	1,139,836	(1,139,836)
Benefit payments, including refunds of emp. contributions	(737,793)	(737,793)	-
Administrative expense	-	(7,384)	7,384
Other changes	-	(287)	287
Net changes	518,124	941,340	(423,216)
Balance at 12/31/20	\$ 14,366,411	\$ 15,974,127	\$ (1,607,716)

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%
\$ 533,712	\$ (1,607,716)	\$ (3,339,543)

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, 2021, the City recognized pension income of \$275,085

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and actual earnings on pension plan investments	\$ -	\$ (427,142)
Changes in assumptions	14,577	-
Differences between expected and actual economic experience	-	(585,688)
Contributions subsequent to the measurement date	208,864	-
Total	\$ 223,441	\$ (1,012,830)

The City reported \$208,864 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, 2022. 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:

2021	\$ (449,142)
2022	(239,467)
2023	(284,621)
2024	(25,023)
2025	-
Thereafter	-
	<u>\$ (998,253)</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.

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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	16
Active employees	74
Total	122

The City’s retiree contribution rates to the TMRS SDBF for the years ended 2021, 2020 and 2019 are as follows:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2021	0.11%	0.11%	100.0%
2020	0.04%	0.04%	100.0%
2019	0.03%	0.03%	100.0%

The City’s contributions to the TMRS SDBF for the years ended 2021, 2020, and 2019 were \$3,319, \$1,321, and \$1,044, respectively, which equaled the required contributions each year.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	2.00%
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 2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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 2.00%, 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 (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

1% Decrease (1.00%)	Current Single Rate Assumption 2.00%	1% Increase (3.00%)
\$ 325,902	\$ 262,092	\$ 214,243

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/19	\$ 208,207
Changes for the year:	
Service Cost	14,956
Interest	5,911
Difference between expected and actual experience	(2,737)
Changes of assumptions	37,251
Benefit payments	(1,496)
Net changes	53,885
Balance at 12/31/20	\$ 262,092

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$31,111.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between expected and actual experience	\$ -	(11,989)
Change in assumptions	52,757	-
Contributions subsequent to measurement date	2,898	-
Total	<u>\$ 55,655</u>	<u>\$ (11,989)</u>

The City reported \$2,898 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, 2022. 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:	
2021	\$ 10,244
2022	10,244
2023	8,689
2024	8,860
2025	2,731
Thereafter	-
	<u>\$ 40,768</u>

E. Subsequent Events

There were no other material subsequent events through March 3, 2022, 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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>				
Property tax	\$ 1,417,000	\$ 1,417,000	\$ 1,447,123	\$ 30,123
Sales taxes	2,639,800	2,639,800	2,953,772	313,972
Franchise taxes	504,100	538,600	506,171	(32,429)
License and permits	91,300	91,300	92,799	1,499
Charges for services	740,400	1,135,400	1,171,054	35,654
Contributions and donations	-	5,000	5,000	-
Intergovernmental revenues	88,964	88,964	74,850	(14,114)
Fines and forfeitures	135,900	135,900	204,556	68,656
Investment income	24,600	24,600	1,329	(23,271)
Other revenue	4,400	4,400	5,021	621
Total Revenues	5,646,464	6,080,964	6,461,675	380,711
<u>Expenditures</u>				
Current:				
General government -				
General government	249,950	100,947	35,757	65,190
Administration	322,605	275,537	264,667	10,870
City council	24,228	49,228	36,403	12,825
Finance	217,071	215,040	208,075	6,965
Total General Government	813,854	640,752	544,902	95,850
Public safety -				
Police	2,592,130	2,191,792	2,173,640	18,152
Court	164,700	138,861	115,820	23,041
Fire	1,188,170	1,227,706	1,202,302	25,404
Total Public Safety	3,945,000	3,558,359	3,491,762	66,597
Culture and recreation -				
Parks and recreation	169,340	150,422	140,946	9,476
Total Culture and recreation	169,340	150,422	140,946	9,476
Public works				
Building maintenance	32,657	52,827	49,010	3,817
Refuse	744,900	965,583	961,701	3,882
Capital outlay	10,000	10,000	9,571	429
Total Expenditures	5,856,614	5,524,670	5,338,829	185,841
Revenues Over (Under) Expenditures	\$ (210,150)	\$ 556,294	\$ 1,122,846	\$ 566,552

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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 205,150	\$ 205,150	\$ 205,150	\$ -
Transfers (out)	-	(626,100)	(626,100)	-
Proceeds from sale of capital assets	5,000	5,000	13,680	8,680
Insurance recoveries	-	24,156	24,156	-
Total Other Financing Sources (Uses)	210,150	(391,794)	(383,114)	8,680
Net Change in Fund Balance	\$ -	\$ 164,500	739,732	\$ 575,232
Beginning fund balance			1,998,583	
Ending Fund Balance			\$ 2,738,315	

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
HOTEL/MOTEL TAX FUND
For the Year Ended September 30, 2021

	<u>Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Hotel and motel taxes	\$ 360,170	\$ 555,301	\$ 195,131
Charges for services	33,270	59,810	26,540
Other income	-	9,500	9,500
Investment income	25,736	1,113	(24,623)
Total Revenues	<u>419,176</u>	<u>625,724</u>	<u>206,548</u>
<u>Expenditures</u>			
Tourism	597,810	388,560	209,250
Total Expenditures	<u>597,810</u>	<u>388,560</u>	<u>209,250</u>
Excess of Revenues Over (Under) Expenditures	<u>(178,634)</u>	<u>237,164</u>	<u>415,798</u>
Net Change in Fund Balance	<u><u>\$ (178,634)</u></u>	<u>237,164</u>	<u><u>\$ 415,798</u></u>
Beginning fund balance		1,857,884	
Ending Fund Balance		<u><u>\$ 2,095,048</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
STREET MAINTENANCE FUND
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales taxes	\$ 638,275	\$ 638,275	\$ 716,518	\$ 78,243
Investment income	25,414	25,414	1,971	(23,443)
Total Revenues	663,689	663,689	718,489	54,800
Expenditures				
Public works	631,689	763,689	675,106	88,583
Capital outlay	32,000	-	-	-
Total Expenditures	663,689	763,689	675,106	88,583
Excess of Revenues Over (Under) Expenditures	-	(100,000)	43,383	143,383
Net Change in Fund Balance	\$ -	\$ (100,000)	43,383	\$ 143,383
Beginning fund balance			3,286,681	
Ending Fund Balance			\$ 3,330,064	

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,

	2020	2019	2018
Total pension liability			
Service cost	\$ 550,754	\$ 505,171	\$ 539,356
Interest (on the Total Pension Liability)	928,440	927,535	879,593
Differences between expected and actual experience	(223,277)	(771,881)	(86,043)
Changes of assumptions	-	29,453	-
Benefit payments, including refunds of participant contributions	(737,793)	(661,518)	(549,518)
Net change in total pension liability	518,124	28,760	783,388
Total pension liability - beginning	13,848,287	13,819,527	13,036,139
Total pension liability - ending (a)	\$ 14,366,411	\$ 13,848,287	\$ 13,819,527
Plan fiduciary net position			
Contributions - employer	\$ 322,628	\$ 304,832	\$ 331,939
Contributions - members	224,340	207,605	219,102
Net investment income	1,139,836	2,032,377	(406,269)
Benefit payments, including refunds of participant contributions	(737,793)	(661,518)	(549,618)
Administrative expenses	(7,384)	(11,497)	(7,859)
Other	(287)	(346)	(310)
Net change in plan fiduciary net position	941,340	1,871,453	(413,015)
Plan fiduciary net position - beginning	15,032,787	13,161,334	13,574,349
Plan fiduciary net position - ending (b)	\$ 15,974,127	\$ 15,032,787	\$ 13,161,334
Fund's net pension (asset) liability - ending (a) - (b)	\$ (1,607,716)	\$ (1,184,500)	\$ 658,193
Plan fiduciary net position as a percentage of the total pension liability	111.19%	108.55%	95.24%
Covered payroll	\$ 3,738,998	\$ 3,460,076	\$ 3,651,699
Fund's net pension liability as a percentage of covered payroll	-43.00%	-34.23%	18.02%

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	\$ 521,330	\$ 487,147	\$ 458,188	\$ 389,742
	842,174	809,001	818,762	767,022
	(273,905)	(233,707)	(519,945)	51,209
	-	-	93,818	-
	(538,906)	(637,232)	(516,186)	(489,931)
	<u>550,693</u>	<u>425,209</u>	<u>334,637</u>	<u>718,042</u>
	<u>12,485,446</u>	<u>12,060,237</u>	<u>11,725,600</u>	<u>11,007,558</u>
	<u>\$ 13,036,139</u>	<u>\$ 12,485,446</u>	<u>\$ 12,060,237</u>	<u>\$ 11,725,600</u>
	\$ 321,892	\$ 310,177	\$ 309,670	\$ 262,945
	214,834	206,710	204,853	195,254
	1,653,688	763,497	16,664	613,170
	(538,906)	(637,232)	(516,186)	(489,931)
	(8,570)	(8,623)	(10,150)	(6,402)
	(435)	(465)	(502)	(526)
	<u>1,642,503</u>	<u>634,064</u>	<u>4,349</u>	<u>574,510</u>
	<u>11,931,846</u>	<u>11,297,782</u>	<u>11,293,433</u>	<u>10,718,923</u>
	<u>\$ 13,574,349</u>	<u>\$ 11,931,846</u>	<u>\$ 11,297,782</u>	<u>\$ 11,293,433</u>
	<u>\$ (538,210)</u>	<u>\$ 553,600</u>	<u>\$ 762,455</u>	<u>\$ 432,167</u>
	104.13%	95.57%	93.68%	96.31%
	\$ 3,580,562	\$ 3,445,170	\$ 3,414,216	\$ 3,254,228
	-15.03%	16.07%	22.33%	13.28%

City of Bellmead, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Actuarially determined employer contributions	\$ 299,920	\$ 304,403	\$ 309,089	\$ 335,268
Contributions in relation to the actuarially determined contribution	\$ 299,920	\$ 304,403	\$ 309,089	\$ 335,268
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 3,688,961	\$ 3,510,035	\$ 3,481,455	\$ 3,698,157
Employer contributions as a percentage of covered payroll	8.13%	8.67%	8.88%	9.07%

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>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	¹
\$ 316,551	\$ 320,484	\$ 297,841	\$ 260,868	
<u>\$ 316,551</u>	<u>\$ 320,484</u>	<u>\$ 297,841</u>	<u>\$ 260,868</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 3,520,210	\$ 3,552,338	\$ 3,383,497	\$ 3,192,687	
8.99%	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,

	2020	2019	2018	2017 ¹
Total OPEB liability				
Service cost	\$ 14,956	\$ 8,996	\$ 11,685	\$ 10,026
Interest	5,911	6,589	5,733	5,464
Differences between expected and actual experience	(2,737)	(16,809)	2,540	-
Changes of assumptions	37,251	36,847	(13,137)	13,586
Benefit payments, including refunds of participant contributions	(1,498)	(1,034)	(1,098)	(1,432)
Net changes	53,883	34,589	5,723	27,644
Total OPEB liability - beginning	208,209	173,620	167,897	140,253
Total OPEB liability - ending	\$ 262,092	\$ 208,209	\$ 173,620	\$ 167,897 ²
Covered-employee payroll	\$ 3,738,998	\$ 3,460,076	\$ 3,651,699	\$ 3,580,562
Total OPEB Liability as a percentage of covered employee payroll	7.01%	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, 2021

	<u>Debt Service</u>	<u>2014 COs</u>	<u>Grants Capital Projects</u>	<u>Grants</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 303,292	\$ -	\$ 239,199	\$ 34,347
Receivables, net	38,983	-	29,035	26,250
Total Assets	\$ 342,275	\$ -	\$ 268,234	\$ 60,597
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ 25,034	\$ 26,250
Total Liabilities	-	-	25,034	26,250
<u>Deferred Inflows of Resources</u>				
Unavailable revenue				
Property taxes	38,983	-	-	-
<u>Fund Balances</u>				
Restricted for:				
Public safety	-	-	-	-
Debt service	303,292	-	-	-
Special donations	-	-	-	-
Economic development	-	-	243,200	34,347
Capital projects	-	-	-	-
Total Fund Balances	303,292	-	243,200	34,347
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 342,275	\$ -	\$ 268,234	\$ 60,597

See Notes to Financial Statements.

Special Revenue Funds

Court Technology	Court Security	Donation Fund	Cable PEG Fees	Child Safety Fund	Seizure Fund	Community Improvement
\$ 17,415	\$ 26,881	\$ 1,868	\$ 135,494	\$ 28,266	\$ 46,416	\$ 752,963
-	-	-	3,415	-	-	-
<u>\$ 17,415</u>	<u>\$ 26,881</u>	<u>\$ 1,868</u>	<u>\$ 138,909</u>	<u>\$ 28,266</u>	<u>\$ 46,416</u>	<u>\$ 752,963</u>
\$ -	\$ 108	\$ -	\$ -	\$ -	\$ 8,402	\$ 462
-	108	-	-	-	8,402	462
<u>-</u>	<u>108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,402</u>	<u>462</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
17,415	26,773	-	-	28,266	38,014	-
-	-	-	-	-	-	-
-	-	1,868	-	-	-	-
-	-	-	-	-	-	752,501
-	-	-	138,909	-	-	-
<u>17,415</u>	<u>26,773</u>	<u>1,868</u>	<u>138,909</u>	<u>28,266</u>	<u>38,014</u>	<u>752,501</u>
\$ 17,415	\$ 26,881	\$ 1,868	\$ 138,909	\$ 28,266	\$ 46,416	\$ 752,963
<u>\$ 17,415</u>	<u>\$ 26,881</u>	<u>\$ 1,868</u>	<u>\$ 138,909</u>	<u>\$ 28,266</u>	<u>\$ 46,416</u>	<u>\$ 752,963</u>



City of Bellmead, Texas
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Truancy</u>	<u>Court Jury</u>	<u>Police</u>	
	<u>Prevention/ Diversion</u>		<u>Donation Fund</u>	
<u>Assets</u>				
Cash and cash equivalents	\$ 6,356	\$ 127	\$ 1,125	\$ 1,593,749
Receivables, net	-	-	-	97,683
Total Assets	\$ 6,356	\$ 127	\$ 1,125	\$ 1,691,432
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 60,256
Total Liabilities	-	-	-	60,256
<u>Deferred Inflows of Resources</u>				
Unavailable revenue				
Property taxes	-	-	-	38,983
<u>Fund Balances</u>				
Restricted for:				
Public safety	6,356	127	-	116,951
Debt service	-	-	-	303,292
Special donations	-	-	1,125	2,993
Economic development	-	-	-	1,030,048
Capital projects	-	-	-	138,909
Total Fund Balances	6,356	127	1,125	1,592,193
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 6,356	\$ 127	\$ 1,125	\$ 1,691,432

See Notes to Financial Statements.

City of Bellmead, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	<u>Debt Service</u>	<u>2014 COs</u>	<u>Grants Capital Projects</u>	<u>Grants</u>
<u>Revenues</u>				
Taxes	\$ 456,357	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental revenue	-	-	-	84,976
Grants and contributions	-	-	847,985	-
Other revenue	-	-	-	-
Investment income	215	467	111	9
Total Revenues	<u>456,572</u>	<u>467</u>	<u>848,096</u>	<u>84,985</u>
<u>Expenditures</u>				
Public safety	-	-	-	41,156
Administration	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	270,000	-	-	-
Interest	161,709	-	-	-
Capital outlay	-	51,874	533,314	43,890
Total Expenditures	<u>431,709</u>	<u>51,874</u>	<u>533,314</u>	<u>85,046</u>
Revenues Over (Under) Expenditures	<u>24,863</u>	<u>(51,407)</u>	<u>314,782</u>	<u>(61)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	34,352
Transfers (out)	-	(1,001,930)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,001,930)</u>	<u>-</u>	<u>34,352</u>
Net Change in Fund Balances	24,863	(1,053,337)	314,782	34,291
Beginning fund balances	278,429	1,053,337	(71,582)	56
Ending Fund Balances	<u>\$ 303,292</u>	<u>\$ -</u>	<u>\$ 243,200</u>	<u>\$ 34,347</u>

See Notes to Financial Statements.

Special Revenue Funds

<u>Court Technology</u>	<u>Court Security</u>	<u>Donation Fund</u>	<u>Cable PEG Fees</u>	<u>Child Safety Fund</u>	<u>Seizure Fund</u>	<u>Community Improvement</u>
\$ -	\$ -	\$ -	\$ 13,633	\$ -	\$ -	\$ -
4,931	5,358	-	-	12,830	14,985	7,214
-	-	-	-	-	-	135,700
-	-	-	-	-	-	-
-	-	4,400	-	-	-	-
11	15	-	75	15	25	375
<u>4,942</u>	<u>5,373</u>	<u>4,400</u>	<u>13,708</u>	<u>12,845</u>	<u>15,010</u>	<u>143,289</u>
11,613	3,557	-	-	4,557	18,435	-
-	-	2,532	-	-	-	-
-	-	-	-	-	-	23,019
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,613</u>	<u>3,557</u>	<u>2,532</u>	<u>-</u>	<u>4,557</u>	<u>18,435</u>	<u>23,019</u>
<u>(6,671)</u>	<u>1,816</u>	<u>1,868</u>	<u>13,708</u>	<u>8,288</u>	<u>(3,425)</u>	<u>120,270</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(6,671)</u>	<u>1,816</u>	<u>1,868</u>	<u>13,708</u>	<u>8,288</u>	<u>(3,425)</u>	<u>120,270</u>
<u>24,086</u>	<u>24,957</u>		<u>125,201</u>	<u>19,978</u>	<u>41,439</u>	<u>632,231</u>
<u>\$ 17,415</u>	<u>\$ 26,773</u>	<u>\$ 1,868</u>	<u>\$ 138,909</u>	<u>\$ 28,266</u>	<u>\$ 38,014</u>	<u>\$ 752,501</u>



City of Bellmead, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued) NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	Special Revenue Funds			Total
	Truancy Prevention/ Diversion	Court Jury Fund	Police Donation Fund	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 469,990
Fines and forfeitures	4,753	95	-	50,166
Intergovernmental revenue	-	-	-	220,676
Grants and contributions	-	-	1,125	849,110
Other revenue	-	-	-	4,400
Investment income	2	-	-	1,320
Total Revenues	4,755	95	1,125	1,595,662
Expenditures				
Public safety	-	-	-	79,318
Administration	-	-	-	2,532
Economic development	-	-	-	23,019
Debt service				
Principal	-	-	-	270,000
Interest	-	-	-	161,709
Capital outlay	-	-	-	629,078
Total Expenditures	-	-	-	1,165,656
Revenues Over (Under) Expenditures	4,755	95	1,125	430,006
Other Financing Sources (Uses)				
Transfers in	-	-	-	34,352
Transfers (out)	-	-	-	(1,001,930)
Total Other Financing Sources (Uses)	-	-	-	(967,578)
Net Change in Fund Balances	4,755	95	1,125	(537,572)
Beginning fund balances	1,601	32		2,129,765
Ending Fund Balances	\$ 6,356	\$ 127	\$ 1,125	\$ 1,592,193

See Notes to Financial Statements.

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL CIP
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ -	\$ 518	\$ 518
Total Revenues	-	518	518
<u>Expenditures</u>			
Capital outlay	298,833	106,806	192,027
Total Expenditures	298,833	106,806	192,027
Excess of Revenues Over (Under) Expenditures	(298,833)	(106,288)	192,545
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	626,100	626,100
Total Other Financing Sources (Uses)	-	626,100	626,100
Net Change in Fund Balance	\$ (298,833)	519,812	\$ 818,645
Beginning fund balance		1,064,597	
Ending Fund Balance (Deficit)		\$ 1,584,409	

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
DEBT SERVICE FUND
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 446,494	\$ 456,357	\$ 9,863
Investment income	3,200	215	(2,985)
Total Revenues	<u>449,694</u>	<u>456,572</u>	<u>6,878</u>
<u>Expenditures</u>			
Debt service:			
Principal	270,000	270,000	-
Interest	163,994	161,709	2,285
Total Expenditures	<u>433,994</u>	<u>431,709</u>	<u>2,285</u>
Excess of Revenues Over (Under) Expenditures	<u>15,700</u>	<u>24,863</u>	<u>9,163</u>
Net Change in Fund Balance	<u>\$ 15,700</u>	<u>24,863</u>	<u>\$ 9,163</u>
Beginning fund balance		<u>278,429</u>	
Ending Fund Balance		<u>\$ 303,292</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

2014 COs FUND

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	\$ -	\$ 467	\$ 467
Total Revenues	-	467	467
Expenditures			
Capital outlay	298,833	51,874	246,959
Total Expenditures	298,833	51,874	246,959
Excess of Revenues Over (Under) Expenditures	(298,833)	(51,407)	247,426
Other Financing Sources (Uses)			
Transfers (out)	(1,009,784)	(1,001,930)	7,854
Total Other Financing Sources (Uses)	(1,009,784)	(1,001,930)	7,854
Net Change in Fund Balance	\$ (1,308,617)	(1,053,337)	\$ 255,280
Beginning fund balance		1,053,337	
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
GRANTS CAPITAL PROJECTS
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Grants and contributions	\$ -	\$ 546,352	\$ 847,985	\$ 301,633
Investment income	-	-	111	111
Total Revenues	<u>-</u>	<u>546,352</u>	<u>848,096</u>	<u>301,744</u>
<u>Expenditures</u>				
Capital outlay	180,680	727,032	533,314	193,718
			-	-
			-	-
Total Expenditures	<u>180,680</u>	<u>727,032</u>	<u>533,314</u>	<u>193,718</u>
Excess of Revenues Over (Under) Expenditures	<u>(180,680)</u>	<u>(180,680)</u>	<u>314,782</u>	<u>495,462</u>
Net Change in Fund Balance	<u>\$ (180,680)</u>	<u>\$ (180,680)</u>	<u>314,782</u>	<u>\$ 495,462</u>
Beginning fund balance			(71,582)	
Ending Fund Balance			<u>\$ 243,200</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, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 3,500	\$ 4,931	\$ 1,431
Investment income	300	11	(289)
Total Revenues	<u>3,800</u>	<u>4,942</u>	<u>1,142</u>
<u>Expenditures</u>			
Public safety	12,271	11,613	658
Total Expenditures	<u>12,271</u>	<u>11,613</u>	<u>658</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,471)</u>	<u>(6,671)</u>	<u>1,800</u>
Net Change in Fund Balance	<u>\$ (8,471)</u>	<u>(6,671)</u>	<u>\$ 1,800</u>
Beginning fund balance		<u>24,086</u>	
Ending Fund Balance		<u>\$ 17,415</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 SECURITY
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 3,000	\$ 5,358	\$ 2,358
Investment income	300	15	(285)
Total Revenues	<u>3,300</u>	<u>5,373</u>	<u>2,073</u>
<u>Expenditures</u>			
Public safety	10,401	3,557	6,844
Total Expenditures	<u>10,401</u>	<u>3,557</u>	<u>6,844</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,101)</u>	<u>1,816</u>	<u>8,917</u>
Net Change in Fund Balance	<u>\$ (7,101)</u>	<u>1,816</u>	<u>\$ 8,917</u>
Beginning fund balance		<u>24,957</u>	
Ending Fund Balance		<u>\$ 26,773</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, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 13,050	\$ 12,830	\$ (220)
Investment income	150	15	(135)
Total Revenues	<u>13,200</u>	<u>12,845</u>	<u>(355)</u>
<u>Expenditures</u>			
Public safety	9,059	4,557	4,502
Total Expenditures	<u>9,059</u>	<u>4,557</u>	<u>4,502</u>
Excess of Revenues Over (Under) Expenditures	<u>4,141</u>	<u>8,288</u>	<u>4,147</u>
Net Change in Fund Balance	<u>\$ 4,141</u>	<u>8,288</u>	<u>\$ 4,147</u>
Beginning fund balance		<u>19,978</u>	
Ending Fund Balance		<u>\$ 28,266</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, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ -	\$ 7,214	\$ 7,214
Intergovernmental		135,700	135,700
Investment income	5,000	375	(4,625)
Total Revenues	5,000	143,289	138,289
<u>Expenditures</u>			
Economic development	740,108	23,019	717,089
Total Expenditures	740,108	23,019	717,089
Excess of Revenues Over (Under) Expenditures	(735,108)	120,270	855,378
Net Change in Fund Balance	\$ (735,108)	120,270	\$ 855,378
Beginning fund balance		632,231	
Ending Fund Balance		\$ 752,501	

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
TRUANCY PREVENTION/DIVERSION FUND
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 1,500	\$ 4,753	\$ 3,253
Investment income	5	2	(3)
Total Revenues	1,505	4,755	3,250
<u>Expenditures</u>			
Public safety	2,910	-	2,910
Total Expenditures	2,910	-	2,910
Excess of Revenues Over (Under) Expenditures	(1,405)	4,755	6,160
Net Change in Fund Balance	\$ (1,405)	4,755	\$ 6,160
Beginning fund balance		1,601	
Ending Fund Balance		\$ 6,356	

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 JURY FUND
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 35	\$ 95	\$ 60
Investment income	2	-	(2)
Total Revenues	37	95	58
<u>Expenditures</u>			
Public safety	67	-	67
Total Expenditures	67	-	67
Excess of Revenues Over (Under) Expenditures	(30)	95	125
Net Change in Fund Balance	\$ (30)	95	\$ 125
Beginning fund balance		32	
Ending Fund Balance		\$ 127	

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, 2021

	Bellmead Economic Development Corporation
<u>Assets</u>	
Cash and cash equivalents	\$ 3,417,064
Investments	176,111
Receivables, net	122,980
Total Assets	\$ 3,716,155
 <u>Liabilities</u>	
Accounts payable and accrued liabilities	\$ 4,489
Total Liabilities	4,489
 <u>Fund Balances</u>	
Restricted for:	
Economic development	3,711,666
Total Fund Balance	3,711,666
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 3,716,155

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, 2021

Fund Balance	\$ 3,711,666
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	811,975
Net Position of the Discretely Presented Component Unit	<u><u>\$ 4,523,641</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, 2021

		Bellmead Economic Development Corporation
<u>Revenues</u>		
Sales tax	\$	716,518
Investment income		12,709
	Total Revenues	<u>729,227</u>
<u>Expenditures</u>		
Current:		
Economic development		1,235,199
	Total Expenditures	<u>1,235,199</u>
	Revenues Over (Under) Expenditures	(505,972)
<u>Other Financing Sources (Uses)</u>		
Payments received for building sale		571,286
Proceeds from sale of assets		192,501
	Total Other Financing Sources (Uses)	<u>763,787</u>
	Net Change in Fund Balance	257,815
Beginning fund balance		3,453,851
	Ending Fund Balance	<u><u>\$ 3,711,666</u></u>

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, 2021

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

Net changes in fund balance	\$	257,815
Adjustment for sale of land		(519,177)
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.		(571,286)
Change in Net Position of the Discretely Presented Component Unit	\$	<u>(832,648)</u>

See Notes to Financial Statements.



City of Bellmead, Texas

STATISTICAL SECTION

(UNAUDITED)

This part of the City of Bellmead's annual comprehensive 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 annual comprehensive financial reports for the relevant year.

City of Bellmead, Texas

Table 1

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 11,545,764	\$ 11,452,985	\$ 11,315,424	\$ 10,824,531
Restricted for:				
Debt service	184,211	189,364	189,852	261,422
Capital projects	-	-	-	-
Tourism	-	-	-	-
Streets	-	-	-	-
Pension	-	-	-	-
Economic development	2,677,724	3,166,471	4,695,853	5,206,660
Culture and recreation	948,458	995,230	1,106,713	1,285,977
Municipal court	31,225	31,225	31,225	33,632
Public safety	64,729	81,259	76,554	74,643
Unrestricted	2,566,015	3,114,026	3,588,381	3,855,628
Total governmental activities net position	<u>\$ 18,018,126</u>	<u>\$ 19,030,560</u>	<u>\$ 21,004,002</u>	<u>\$ 21,542,493</u>
Business-type activities				
Net investment in capital assets	\$ 2,717,567	\$ 2,658,303	\$ 3,106,686	\$ 3,145,571
Restricted for:				
Debt service	-	-	-	-
Capital projects	80,333	20,419	20,426	20,437
Pension	-	-	-	-
Unrestricted	4,653,092	5,213,955	5,208,403	5,472,338
Total business-type activities net position	<u>\$ 7,450,992</u>	<u>\$ 7,892,677</u>	<u>\$ 8,335,515</u>	<u>\$ 8,638,346</u>
Primary government				
Net investment in capital assets	\$ 14,263,331	\$ 14,111,288	\$ 14,422,110	\$ 13,970,102
Restricted for:				
Debt service	184,211	189,364	189,852	261,422
Capital projects	80,333	20,419	20,426	20,437
Tourism	-	-	-	-
Streets	-	-	-	-
Pension	-	-	-	-
Economic development	2,677,724	3,166,471	4,695,853	5,206,660
Culture and recreation	948,458	995,230	1,106,713	1,285,977
Municipal court	31,225	31,225	31,225	33,632
Public safety	64,729	81,259	76,554	74,643
Unrestricted	7,219,107	8,327,981	8,796,784	9,327,966
Total primary governmental activities net position	<u>\$ 25,469,118</u>	<u>\$ 26,923,237</u>	<u>\$ 29,339,517</u>	<u>\$ 30,180,839</u>

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

Table 1

	2016	2017	2018	2019	2020	2021
\$	10,463,797	\$ 9,008,424	\$ 5,429,861	\$ 5,355,050	\$ 6,977,108	\$ 6,928,180
	321,762	310,153	275,816	288,890	278,429	303,292
	-	-	1,950,212	1,365,269	125,201	138,909
	-	1,680,934	1,758,926	1,737,576	1,857,884	2,095,048
	2,597,208	2,345,942	2,470,973	3,056,444	3,286,681	3,330,064
	-	-	-	-	207,088	686,450
	5,509,434	-	-	-	-	-
	1,421,289	-	-	-	-	-
	45,730	53,286	61,822	59,764	49,043	44,188
	74,643	10,553	-	-	-	-
	1,582,003	1,378,278	1,561,285	2,167,555	3,520,773	3,562,070
	<u>\$ 22,015,866</u>	<u>\$ 14,787,570</u>	<u>\$ 13,508,895</u>	<u>\$ 14,030,548</u>	<u>\$ 16,302,207</u>	<u>\$ 17,088,201</u>
\$	3,104,361	\$ 4,200,804	\$ 2,428,272	\$ 3,328,461	\$ 791,249	\$ 2,217,344
	-	-	-	-	-	-
	20,495	-	-	-	-	-
	-	-	-	-	36,277	131,877
	5,655,690	4,544,602	7,618,717	7,796,313	7,471,388	7,776,629
	<u>\$ 8,780,546</u>	<u>\$ 8,745,406</u>	<u>\$ 10,046,989</u>	<u>\$ 11,124,774</u>	<u>\$ 8,298,914</u>	<u>\$ 10,125,850</u>
\$	13,568,158	\$ 13,209,228	\$ 7,858,133	\$ 8,683,511	\$ 7,768,357	\$ 9,145,526
	321,762	310,153	275,816	288,890	278,429	303,292
	20,495	-	1,950,212	1,365,269	125,201	138,909
	-	1,680,934	1,758,926	1,737,576	1,857,884	2,095,048
	2,597,208	2,345,942	2,470,973	3,056,444	3,286,681	3,330,064
	-	-	-	-	243,365	818,327
	5,509,434	-	-	-	-	-
	1,421,289	-	-	-	-	-
	45,730	53,286	61,822	59,764	49,043	44,188
	74,643	10,553	-	-	-	-
	7,237,693	5,922,880	9,180,002	9,963,868	10,992,161	11,338,699
	<u>\$ 30,796,412</u>	<u>\$ 23,532,976</u>	<u>\$ 23,555,884</u>	<u>\$ 25,155,322</u>	<u>\$ 24,601,121</u>	<u>\$ 27,214,053</u>

City of Bellmead, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 1,453,451	\$ 988,499	\$ 1,092,276	\$ 1,108,455
Public safety	2,463,513	2,905,298	3,298,118	3,378,464
Public works	618,766	728,820	631,073	884,412
Garbage services	-	-	-	-
Economic development	959,452	359,382	675,330	487,357
Culture and recreation	381,033	516,036	511,342	498,863
Interest on long-term debt	32,159	20,432	84,027	106,443
Total governmental activities expenses	<u>5,908,374</u>	<u>5,518,467</u>	<u>6,292,166</u>	<u>6,463,994</u>
Business-type activities				
Water and sewer	2,000,505	2,239,420	2,313,591	2,481,577
Total business-type activities expenses	<u>2,000,505</u>	<u>2,239,420</u>	<u>2,313,591</u>	<u>2,481,577</u>
Total primary government expenses	<u>\$ 7,908,879</u>	<u>\$ 7,757,887</u>	<u>\$ 8,605,757</u>	<u>\$ 8,945,571</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$ 34,668	\$ 55,093	\$ 46,832	\$ 42,170
Public safety	277,689	371,414	357,416	332,056
Garbage services	-	-	-	-
Economic development	45,163	25,276	65,049	11,014
Culture and recreation	46,210	36,865	38,898	46,140
Operating grants and contributions	93,191	89,713	92,029	79,192
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>\$ 496,921</u>	<u>\$ 578,361</u>	<u>\$ 600,224</u>	<u>\$ 510,572</u>
Business-type activities:				
Charges for services:				
Water and sewer	2,678,041	2,672,771	2,747,642	2,643,494
Operating grants and contributions	-	-	11,904	193,684
Total business-type activities program revenues	<u>2,678,041</u>	<u>2,672,771</u>	<u>2,759,546</u>	<u>2,837,178</u>
Total primary government program revenues	<u>\$ 3,174,962</u>	<u>\$ 3,251,132</u>	<u>\$ 3,359,770</u>	<u>\$ 3,347,750</u>
Net (expense)/revenue:				
Governmental activities	\$ (5,411,453)	\$ (4,940,106)	\$ (5,691,942)	\$ (5,953,422)
Business-type activities	677,536	433,351	445,955	355,601
Total primary government net expense	<u>\$ (4,733,917)</u>	<u>\$ (4,506,755)</u>	<u>\$ (5,245,987)</u>	<u>\$ (5,597,821)</u>

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

	2016	2017	2018	2019	2020	2021
\$	1,244,747	\$ 1,251,195	\$ 1,069,756	\$ 1,065,045	\$ 574,374	\$ 614,040
	3,635,664	3,850,818	3,963,259	3,958,572	3,713,738	3,614,619
	696,991	635,272	809,098	906,923	950,326	1,323,122
	-	-	715,735	706,630	718,785	961,701
	483,256	133,498	-	-	-	-
	619,491	527,180	546,113	681,657	630,541	639,520
	100,519	92,725	202,496	168,736	160,109	153,178
	<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>	<u>7,306,180</u>
	2,628,931	2,627,061	2,546,351	2,659,784	2,798,230	3,308,501
	<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>3,308,501</u>
\$	<u><u>9,409,599</u></u>	<u><u>9,117,749</u></u>	<u><u>9,852,808</u></u>	<u><u>10,147,347</u></u>	<u><u>9,546,103</u></u>	<u><u>10,614,681</u></u>
\$	33,761	\$ 35,182	\$ 27,198	\$ 124,124	\$ 144,888	\$ 196,822
	320,431	291,635	238,999	187,367	186,534	254,722
	-	-	673,955	665,381	700,748	1,126,841
	-	-	-	-	-	-
	52,835	-	-	-	-	-
	76,929	34,732	1,299,018	531,158	805,591	295,526
	-	-	-	-	824,071	253,456
\$	<u>483,956</u>	<u>361,549</u>	<u>2,239,170</u>	<u>1,508,030</u>	<u>2,661,832</u>	<u>2,127,367</u>
	2,758,010	2,771,776	2,630,303	2,655,901	2,772,209	3,404,569
	34,244	-	-	1,200,000	1,500,000	1,002,436
	<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>4,407,005</u>
\$	<u><u>3,276,210</u></u>	<u><u>3,133,325</u></u>	<u><u>4,869,473</u></u>	<u><u>5,363,931</u></u>	<u><u>6,934,041</u></u>	<u><u>6,534,372</u></u>
\$	(6,296,712)	\$ (6,129,139)	\$ (5,067,287)	\$ (5,979,533)	\$ (4,086,041)	\$ (5,178,813)
	163,323	144,715	83,952	1,196,117	1,473,979	1,098,504
\$	<u><u>(6,133,389)</u></u>	<u><u>(5,984,424)</u></u>	<u><u>(4,983,335)</u></u>	<u><u>(4,783,416)</u></u>	<u><u>(2,612,062)</u></u>	<u><u>(4,080,309)</u></u>

City of Bellmead, Texas
CHANGES IN NET POSITION (CONTINUED)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General revenues and other changes in net position				
Governmental activities:				
Ad valorem taxes	\$ 910,859	\$ 1,020,937	\$ 1,072,159	\$ 1,131,364
Sales taxes	3,161,021	3,278,348	3,282,299	3,433,253
Franchise taxes	522,844	492,154	523,085	531,867
Hotel occupancy taxes	350,580	381,192	430,662	488,517
Investment earnings	108,908	98,338	95,090	114,130
Miscellaneous	252,912	531,407	860,424	735,105
Gain on sale of capital assets	153,953	150,164	175,000	93,289
Insurance proceeds	-	-	-	-
Transfers	60,000	-	-	53,064
Total governmental activities	<u>5,521,077</u>	<u>5,952,540</u>	<u>6,438,719</u>	<u>6,580,589</u>
Business-type activities:				
Investment earnings	5,042	8,334	12,818	10,382
Insurance proceeds (losses)	-	-	-	-
(Loss) on sale of capital assets	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	(60,000)	-	-	(53,064)
Total business-type activities	<u>(54,958)</u>	<u>8,334</u>	<u>12,818</u>	<u>(42,682)</u>
Total primary government	<u>\$ 5,466,119</u>	<u>\$ 5,960,874</u>	<u>\$ 6,451,537</u>	<u>\$ 6,537,907</u>
Changes in net position:				
Governmental activities	\$ 109,624	\$ 1,012,434	\$ 746,777	\$ 627,167
Business-type activities	622,578	441,685	458,773	312,919
Total primary government	<u>\$ 732,202</u>	<u>\$ 1,454,119</u>	<u>\$ 1,205,550</u>	<u>\$ 940,086</u>

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

2016	2017	2018	2019	2020	2021
\$ 1,183,252	\$ 1,234,664	\$ 1,282,797	\$ 1,400,884	\$ 1,728,779	\$ 1,913,832
3,529,550	2,993,211	3,175,854	3,310,684	3,314,580	3,670,290
518,565	664,696	513,562	529,060	485,010	519,804
539,344	544,196	599,513	554,457	381,504	555,301
97,768	77,950	166,038	183,121	91,768	6,251
869,629	60,958	244,170	5,310	17,844	23,921
110	-	-	115,387	63,643	13,680
-	-	-	36,853	25,530	24,156
31,867	(202,048)	(1,123,891)	365,430	249,042	(762,428)
<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>	<u>5,964,807</u>
10,744	22,547	39,134	177,700	82,425	4,836
-	-	-	-	40,396	(38,831)
-	-	-	-	(4,173,618)	-
-	-	54,606	69,398	-	-
(31,867)	(202,402)	1,123,891	(365,430)	(249,042)	762,428
<u>(21,123)</u>	<u>(179,855)</u>	<u>1,217,631</u>	<u>(118,332)</u>	<u>(4,299,839)</u>	<u>728,433</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>	<u>\$ 6,693,240</u>
\$ 473,373	\$ (755,512)	\$ (209,244)	\$ 521,653	\$ 2,271,659	\$ 785,994
142,200	(35,140)	1,301,583	1,077,785	(2,825,860)	1,826,937
<u>\$ 615,573</u>	<u>\$ (790,652)</u>	<u>\$ 1,092,339</u>	<u>\$ 1,599,438</u>	<u>\$ (554,201)</u>	<u>\$ 2,612,931</u>

City of Bellmead, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund				
Reserved				
Inventories	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Court technology	-	-	-	-
Unreserved				
Undesignated	-	-	-	-
Nonspendable:				
Inventories	728	728	728	728
Prepaid assets	440	440	440	440
Restricted for:				
Public safety	64,729	81,259	76,554	74,643
Committed to:				
Street improvements	918,685	1,331,796	1,830,145	2,097,654
Unassigned	1,705,700	1,869,707	1,909,873	1,912,301
Total general fund	<u>\$ 2,690,282</u>	<u>\$ 3,283,930</u>	<u>\$ 3,817,740</u>	<u>\$ 4,085,766</u>
All other governmental funds:				
Reserved for:				
Debt service	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-
Capital projects	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated - special revenue	-	-	-	-
Restricted for:				
Tourism	-	-	-	-
Economic development	2,677,724	3,166,471	3,588,046	4,142,596
Public safety	31,225	31,225	31,225	33,632
Debt service	158,423	155,626	156,183	221,763
Capital projects	-	-	4,001,777	3,444,948
Streets	-	-	-	-
Special donations	-	-	-	-
Culture and recreation	948,458	995,230	1,106,713	1,285,977
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 3,815,830</u>	<u>\$ 4,348,552</u>	<u>\$ 8,883,944</u>	<u>\$ 9,128,916</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.

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
728	728	-	-	-	-
440	440	-	9,374	4,139	3,929
74,643	10,553	-	-	-	-
2,597,209	2,454,179	-	-	-	-
1,854,773	1,734,648	1,740,409	1,874,484	1,994,444	2,734,386
<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>	<u>\$ 2,738,315</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,545,094	1,758,926	1,737,576	1,857,884	2,095,048
4,535,277	4,771,218	426,915	537,708	632,287	1,030,048
45,730	53,286	61,822	80,490	112,093	116,951
259,622	265,929	275,816	288,890	278,429	303,292
2,669,529	2,238,198	3,454,993	1,365,269	2,243,135	1,723,318
-	-	2,477,858	3,056,444	3,286,681	3,330,064
-	-	-	-	-	2,993
1,421,289	-	-	-	-	-
-	-	-	1,725	(71,582)	-
<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>	<u>\$ 8,601,714</u>

City of Bellmead, Texas
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
Revenues:				
Taxes	\$ 4,994,402	\$ 5,222,061	\$ 5,363,878	\$ 5,608,134
Licenses and permits	34,668	55,093	46,792	42,170
Grants and intergovernmental	93,191	89,713	92,029	79,912
Charges for services	-	-	-	-
Fines	269,182	371,414	357,416	332,056
Rents	91,373	62,141	103,987	57,154
Investment earnings	108,908	98,338	95,090	114,130
Miscellaneous	218,183	479,102	624,726	677,112
Total revenues	<u>5,809,907</u>	<u>6,377,862</u>	<u>6,683,918</u>	<u>6,910,668</u>
Expenditures:				
General government	1,379,384	909,033	982,935	1,013,370
Public safety	2,537,717	2,818,756	3,040,225	3,196,488
Public works	510,897	616,325	584,008	817,744
Building maintenance	-	-	-	-
Refuse services	-	-	-	-
Economic development	1,238,262	265,272	567,988	425,867
Culture and recreation	310,174	344,922	434,807	422,559
Capital outlay	100,601	147,000	187,029	592,441
Debt service:				
Principal	235,000	290,000	295,000	185,000
Interest and fiscal charges	53,977	10,048	4,982	111,875
Costs of issuance	-	-	68,508	-
Total expenditures	<u>6,366,012</u>	<u>5,401,356</u>	<u>6,165,482</u>	<u>6,765,344</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(556,105)</u>	<u>976,506</u>	<u>518,436</u>	<u>145,324</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	153,953	150,164	304,675	314,610
Transfers in	191,495	43,375	166,416	115,470
Transfers out	(131,495)	(43,375)	(166,416)	(62,406)
Total other financing sources	<u>426,510</u>	<u>150,164</u>	<u>4,550,766</u>	<u>367,674</u>
Net change in fund balances	<u>\$ (129,595)</u>	<u>\$ 1,126,670</u>	<u>\$ 5,069,202</u>	<u>\$ 512,998</u>
Debt service as a percentage of noncapital expenditures	4.6%	5.7%	5.0%	4.8%

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

Table 4

	2016	2017	2018	2019	2020	2021
\$	5,805,952	\$ 6,092,249	\$ 5,566,748	\$ 5,837,955	\$ 5,900,107	\$ 6,648,875
	33,761	35,182	35,772	57,517	92,864	92,799
	76,929	61,630	1,299,018	531,158	1,034,008	1,144,636
	-	-	742,953	731,988	752,772	1,230,864
	320,431	241,873	238,999	187,367	186,534	254,722
	52,835	46,840	-	-	-	-
	97,768	138,233	166,038	183,121	91,768	6,251
	811,907	76,307	148,979	5,310	17,844	23,921
	<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>	<u>9,402,068</u>
	1,121,916	1,111,229	1,216,335	1,000,938	539,535	626,957
	3,329,224	3,454,302	3,743,545	3,854,580	3,600,918	3,567,393
	605,892	1,335,898	583,095	699,239	555,366	740,207
	-	-	-	19,609	31,497	49,010
	-	-	715,735	706,630	718,785	961,701
	370,416	248,266	-	-	-	23,019
	536,394	445,698	445,467	588,389	542,664	529,506
	813,662	312,334	2,271,459	2,047,051	620,826	745,455
	195,000	200,000	200,000	225,000	250,000	270,000
	109,001	105,110	101,156	177,547	168,971	161,709
	-	-	90,454	-	-	-
	<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>7,674,957</u>
	<u>118,078</u>	<u>(520,523)</u>	<u>(1,168,739)</u>	<u>(1,784,567)</u>	<u>1,047,335</u>	<u>1,727,111</u>
	-	-	1,995,000	-	-	-
	4,596	-	95,454	-	-	-
	-	-	-	-	-	-
	-	-	-	36,853	25,530	24,156
	90,017	94,038	-	137,505	63,643	13,680
	168,044	864,336	952,805	1,518,981	1,313,639	865,602
	(136,177)	(661,934)	(568,634)	(1,153,551)	(1,064,597)	(1,628,030)
	<u>126,480</u>	<u>296,440</u>	<u>2,474,625</u>	<u>539,788</u>	<u>338,215</u>	<u>(724,592)</u>
\$	<u>244,558</u>	<u>\$ (224,083)</u>	<u>\$ 1,305,886</u>	<u>\$ (1,244,779)</u>	<u>\$ 1,385,550</u>	<u>\$ 1,002,519</u>
	4.9%	4.4%	4.2%	5.9%	6.5%	6.1%

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			
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
2021	\$ 521,062,986	\$ 68,156,750	\$ 100,109,436	\$ 489,110,300	\$ 0.377854

Source: McLennan County Tax Appraisal District

Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 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%
\$ 589,219,736	83.01%

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	
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
2021	2020	\$ 0.287381	\$ 0.090473	\$	0.377854

Source: McLennan County Tax Appraisal District

Overlapping Rates

McLennan County	LaVega ISD	McLennan Community College	Total Direct and Overlapping Rates
\$ 0.442710	\$ 1.365000	\$ 0.152823	\$ 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	\$ 1.84649
\$ 0.468719	\$ 1.299955	\$ 0.149782	\$ 2.29631



City of Bellmead, Texas
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Name of Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Butt H E Grocery Co	\$ 13,985,110	1	2.86%	\$ 10,769,038	2	3.28%
Wal-Mart Real Estate Business Trust	10,827,710	2	2.21%	11,607,033	1	3.54%
Prem SAI Inc.	9,256,670	3	1.89%	6,226,197	6	1.90%
Sams Club East Inc.	7,740,050	4	1.58%	8,295,748	3	2.53%
Wal-Mart Stores East LP	7,569,330	5	1.55%	7,653,247	4	2.33%
Bellmead McLennan NH LTD	6,918,770	6	1.41%	-	n/a	n/a
American Bank NA	6,063,560	7	1.24%	3,324,456	10	1.01%
TBA Associates LP	5,828,450	8	1.19%	-	n/a	n/a
Union Pacific Railroad Co	5,615,990	9	1.15%	-	n/a	n/a
Realty Income Properties 25 LLC	5,600,000	10	1.14%	-	n/a	n/a
Home Depot USA Inc.	-	n/a	n/a	7,317,932	5	2.23%
Mogavero James E Trustee Etal	-	n/a	n/a	6,141,836	7	1.87%
Home Depot	-	n/a	n/a	4,968,352	8	1.51%
Vineyard Waco LLC	-	n/a	n/a	3,360,758	9	1.02%
Subtotal	79,405,640		16.22%	69,664,597		21.22%
All other taxpayers	409,704,660		83.78%	258,619,425		78.78%
	<u>\$ 489,110,300</u>		<u>100.00%</u>	<u>\$ 328,284,022</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
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%
2021	2020	\$ 0.37785	\$ 0.28738	\$ 0.09047	\$ 1,885,111	\$ 1,834,149	97.30%

Source: McLennan County Tax Assessor & Collector

Collection in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 31,015	\$ 863,017	99.43%
\$ 25,873	\$ 898,917	99.51%
\$ 20,945	\$ 1,000,308	99.37%
\$ 49,147	\$ 1,053,223	99.29%
\$ 25,712	\$ 1,078,742	99.27%
\$ 30,306	\$ 1,149,755	99.18%
\$ 23,655	\$ 1,250,766	99.09%
\$ 27,985	\$ 1,430,666	98.79%
\$ 37,990	\$ 1,691,836	98.27%
\$ -	\$ 1,834,149	97.30%

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
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
2021	\$ -	\$ 4,610,000	\$ -	\$ 126,705	\$ 4,736,705	\$ -	\$5,475,000

(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
\$ 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	10,744	\$ 1,073
\$ -	\$ 121,541	\$ 5,926,541	\$ 10,941,524	N/A	10,494	\$ 1,043
\$ -	\$ 113,452	\$ 5,588,452	\$ 10,325,157	N/A	10,543	\$ 979

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 Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
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%	\$ (27)
2020	\$ -	\$ 278,429	\$ (278,429)	-0.05%	\$ (27)
2021	\$ -	\$ 303,292	\$ (303,292)	-0.05%	\$ (29)

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, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Amount Applicable to Primary Government</u>
Connally ISD	\$ 11,150,000	0.80%	\$ 89,200
LaVega ISD	\$ 34,468,623	45.37%	\$ 15,638,414
McLennan County	\$ 62,965,000	2.32%	\$ 1,460,788
McLennan Community College	\$ 48,245,000	2.32%	\$ 1,119,284
Subtotal, overlapping debt			18,307,686
City of Bellmead, net debt payable from ad valorem taxes			<u>4,736,705</u> ⁽¹⁾
Total direct and overlapping net funded debt			<u><u>\$ 23,044,391</u></u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			4.82% ⁽¹⁾
Per Capita Direct and Overlapping Net Funded Debt			\$ 2,196 ⁽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, 2021

Fiscal Year	Assessed Value, Tax Roll	Legal Debt Limit Percentage	Legal Debt Limit	Actual Amount Expended for General Obligation Debt Service During the Year
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
2021	\$ 489,110,300	1.50%	\$ 7,336,655	\$ 431,709

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
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
2021	\$ 4,407,005	\$ 2,693,379	\$ 1,713,626	\$ 330,000	\$ 161,259

Source: Finance Department, City of Bellmead

* Total operating expenses less depreciation

Debt Service Requirements		
	Total	Coverage
\$	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
\$	491,259	3.49

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
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	273,920	N/A	N/A	3.1%
2020	10,494	277,005	N/A	N/A	6.9%
2021	10,543	N/A	N/A	N/A	5.6%

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	2021		
		Employees	Rank	% of Total
La Vega ISD	Education	497	1	28.45%
HEB Grocery	Grocery Store	400	2	22.90%
Wal-Mart Supercenter	Retail Store	330	3	18.89%
Sam's Club	Retail Store	148	4	8.47%
Home Depot	Retail Store	110	5	6.30%
The Atrium	Nursing Care	105	6	6.01%
City of Bellmead	Government	86	7	4.92%
Scott & White Clinic	Health Care	28	8	1.60%
Holiday Inn	Hotel/Motel	25	9	1.43%
American Bank	Financial/Banking	18	10	1.03%
Total		<u>1,747</u>		<u>100.00%</u>

Source: Bellmead Finance Department

Note: 2012 info was not collected

City of Bellmead, Texas
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund					
Administration	2.0	2.0	3.0	3.0	3.0
Finance	6.0	6.0	6.0	6.0	6.0
Police	28.0	28.0	28.0	32.0	33.0
Municipal Court	3.0	3.0	3.0	3.0	3.0
Fire	11.0	13.0	14.0	14.0	14.0
Streets	6.0	6.0	5.0	5.0	5.0
City Garage	1.0	1.0	1.0	1.0	1.0
Parks and Recreation	2.0	1.0	1.0	1.0	1.0
Building maintenance	-	-	-	-	-
Planning and Inspections	1.0	-	-	-	-
Total General Fund	<u>60.0</u>	<u>60.0</u>	<u>61.0</u>	<u>65.0</u>	<u>66.0</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	2.0
Child Safety Fund	-	-	-	-	-
Hotel/Motel Fund	3.0	3.0	4.0	4.0	4.0
Court Security Fund	-	-	-	-	-
Total Special Revenue Fund	<u>3.0</u>	<u>3.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
Total Personnel	<u>70.0</u>	<u>70.0</u>	<u>74.0</u>	<u>78.0</u>	<u>79.0</u>

2017	2018	2019	2020	2021
3.0	3.0	3.0	2.3	2.3
6.0	6.0	5.5	2.5	2.57
33.0	33.0	31.95	3.0	1.5
3.0	3.0	3.0	35.0	34.95
14.0	14.0	14.0	14.0	15.0
5.0	5.0	5.0	-	-
1.0	1.0	1.0	1.2	1.3
1.0	1.0	1.0	2.2	2.3
-	-	-	0.3	0.3
-	-	-	-	-
66.0	66.0	64.45	60.30	60.17
7.0	7.0	10.0	13.55	14.18
7.0	7.0	10.0	13.55	14.18
1.0	1.0	1.0	6.4	5.85
-	-	-	0.55	0.55
2.0	2.0	2.0	-	0.5
-	-	0.5	0.5	-
4.0	4.0	4.0	4.7	0.1
-	-	0.05	0.05	4.70
6.0	6.0	6.55	5.25	5.25
79.0	79.0	82.00	86.00	86.00

City of Bellmead, Texas
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2012	2013	2014	2015
Governmental				
Refuse Accounts	2,988	3,007	3,046	3,082
Commercial Refuse Accounts	NC	NC	NC	NC
Residential Refuse Hauled (Tons)	NC	NC	NC	NC
Commercial Refuse Hauled (Tons)	NC	NC	NC	NC
Bulk Refuse Hauled (Tons)	NC	NC	NC	NC
Roll-off Refuse Hauled (Tons)	NC	NC	NC	NC
Municipal Court				
Citations Processed	3,926	2,852	2,929	3,495
Citations Issued	564	619	561	709
Oustanding Warrants	NC	10,981	12,999	14,772
Warrants Issued	306	183	821	382
Public Safety				
Police				
Calls for Service	17,615	16,236	17,749	17,963
911 Calls	9,276	9,869	10,831	10,617
Citations	3,345	2,222	2,331	2,735
Traffic Accidents	533	589	483	326
Arrests	1,570	2,180	1,809	1,673
Reports	4,167	3,930	4,473	4,158
Police-Code Enforcement				
Calls for Service	NC	NC	NC	467
Citations	2	1	3	-
Reports	NC	NC	NC	347
Police-Animal Control				
Calls for Service	NC	NC	1,507	1,389
Citations	15	10	34	51
Taken to Shelter	NC	NC	370	301
TNR	NC	NC	225	240
Reports	NC	NC	NC	484
Fire				
Fire Emergency Responses	1,554	1,902	1,821	1,612
Fire Inspections	58	54	36	55
Fire Investigations	15	16	9	16
Plans Reviewed	NC	NC	1	3
Fire-Building Inspections				
Buliding Permits Issued	890	837	855	791
Building Inspections	620	230	926	762

Table 17

2016	2017	2018	2019	2020	2021
3,256	3,341	3,405	3,195	3,277	3,250
NC	NC	NC	NC	NC	204
NC	NC	NC	NC	4,195	4,675
NC	NC	NC	NC	4,831	3,946
NC	NC	NC	NC	NC	271
NC	NC	NC	NC	377	1,306
2,400	1,557	1,554	1,252	1,688	1,942
564	368	345	289	438	414
14,742	15,788	15,680	15,694	15,963	16,313
560	333	181	1,501	932	1,692
16,172	15,558	16,121	29,486	17,693	18,216
9,525	8,270	10,515	9,375	9,906	7,438
1,635	1,184	986	955	1,179	1,470
360	296	298	482	826	779
756	1,063	917	896	731	598
3,490	4,985	5,913	5,390	2,106	1,017
530	441	507	669	634	490
-	-	-	-	4	9
300	213	116	167	166	10
1,188	1,090	1,201	1,242	1,164	1,505
21	5	-	1	52	47
202	209	260	216	159	96
174	-	-	-	-	-
300	241	264	250	155	21
1,317	1,567	1,637	1,706	1,245	1,597
98	174	217	292	322	360
9	17	14	11	35	17
9	23	34	53	38	23
805	779	759	797	772	840
765	799	901	809	1,072	1,224

City of Bellmead, Texas
OPERATING INDICATORS BY FUNCTION (CONTINUED)
Last Ten Fiscal Years

	2012	2013	2014	2015
Civic Center				
Room Rentals	NC	114	136	211
Public Works				
Service Orders Completed	42	52	42	51
Streets				
Service Orders Completed	111	138	163	262
Water				
Metered Accounts	3,421	3,416	3,501	3,490
Avg. Daily Demand (MGD)	1.328	1.164	1.003	1.174
Avg. Monthly Demand/Cust (gal)	33,835,000	33,332,000	30,836,000	35,205,000
Peak Demand (MGD)	1.390	1.426	1.291	1.583
Service Orders Completed	3,438	3,372	3,105	3,398
Sewer				
Service Connections	3,277	3,275	3,343	3,340
Service Orders Completed	30	124	125	153

NC: Not Collected

2016	2017	2018	2019	2020	2021
226	216	209	235	88	134
105	126	202	326	237	-
213	182	206	285	178	648
3,566	3,573	3,577	3,505	3,552	3,934
1,215	1,163	1,186	1,127	1,132	1,107
37,073,000	35,073,000	36,115,000	34,269,333	34,531,000	33,659,750
1,699	1,400	1,515	1,442	1,456	1,391,000
3,380	2,843	2,957	2,892	2,864	3,793
3,407	3,402	3,419	3,423	3,472	3,476
130	150	155	174	148	64

City of Bellmead, Texas
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
General Government					
Area of City (square miles)	6.21	6.21	6.21	0.21	6.21
Public Safety					
Police					
Police Stations	1	1	1	1	1
Firing Ranges	1	1	1	1	1
Patrol Vehicles	12	12	12	15	15
Other Police Vehicles	6	6	6	6	8
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	63.10	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

2017	2018	2019	2020	2021
6.21	6.21	6.21	6.21	6.21
1	1	1	1	1
1	1	1	1	1
15	15	15	15	16
9	9	9	9	10
1	1	1	1	1
1	1	1	1	1
7	7	5	5	5
2	2	2	1	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	22	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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</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	326	326
Sewer					
Sanitary Sewers (miles)	43.80	43.80	43.80	43.80	43.80
Manholes	568	568	568	573	573

NC: Not Collected

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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	330	330
43.80	43.80	43.80	43.80	43.80
573	573	573	573	573



CONTINUING FINANCIAL DISCLOSURES



City of Bellmead, Texas
CONTINUING DISCLOSURE TABLES - BASE CUSIP 079635
September 30, 2021

FINANCIAL INFORMATION OF THE ISSUER

ASSESSED VALUATION

2020 Actual Market Value of Taxable Property (100% of Actual)		\$ 650,302,078
Less Exemptions:		
Local, Optional Over-65 and/or Disabled Homestead Exemptions	\$ 4,545,660	
Disabled and Deceased Veterans'	9,837,968	
Productivity Value Loss	2,645,220	
10% Cap Loss	17,255,361	
Pollution Control	6,050	
Charitable / Other	46,540	
Disaster	7,682	
Solar	30,893	
Totally Exempt Property	76,120,197	
Total Exemptions		110,495,571
2020 Net Taxable Assessed Valuation ^(a)		\$ 539,806,507

^(a) See "AD VALOREM TAX PROCEDURES" and "CITY APPLICATION OF THE PROPERTY TAX CODE " in the Official Statement for a description of the Issuer's taxation procedures.

Source: McLennan County Appraisal District

OTHER OBLIGATIONS

The City has no other debt obligations outstanding.

City of Bellmead, Texas
CLASSIFICATION OF ASSESSED VALUATION
Last Five Tax Years

<u>Category</u>	<u>2021</u>	<u>% of</u> <u>Total</u>	<u>2020</u>	<u>% of</u> <u>Total</u>
Real, Residential, Single-Family	\$ 290,130,660	44.61%	\$ 248,868,752	42.24%
Real, Residential, Multi-Family	20,641,906	3.17%	17,098,385	2.90%
Real, Vacant Lots/Tracts	7,779,686	1.20%	7,920,200	1.34%
Real, Acreage (Land Only)	2,889,560	0.44%	2,847,650	0.48%
Farm & Ranch Improvements	7,495,368	1.15%	6,563,612	1.11%
Real, Commercial	167,690,761	25.79%	155,231,052	26.35%
Real, Industrial	145,450	0.02%	135,940	0.02%
Real & Tangible, Personal Utilities	17,706,360	2.72%	18,116,700	3.07%
Tangible Personal, Business / Commercial	50,436,690	7.76%	48,649,700	8.26%
Tangible Personal, Industrial	1,979,740	0.30%	1,628,690	0.28%
Tangible Personal, Mobile Homes	5,504,050	0.85%	5,161,520	0.88%
Real Property, Inventory (Residential/Special)	1,316,410	0.20%	1,426,570	0.24%
Totally Exempt Property	<u>76,585,437</u>	<u>11.78%</u>	<u>75,570,965</u>	<u>12.83%</u>
Total Market Value	<u>\$ 650,302,078</u>	<u>100.00%</u>	<u>\$ 589,219,736</u>	<u>100.00%</u>

Less Exemptions and Losses:

Local, Optional Over-65 and/or Disabled Homestead	\$ 4,545,660		\$ 4,685,140	
Disabled and Deceased Veterans'	9,837,968		8,940,362	
Productivity Value Loss	2,645,220		2,618,370	
10% Cap Loss	17,255,361		8,227,919	
Pollution Control	6,050		6,050	
Charitable / Other	46,540		106,850	
Disaster	7,682		-	
Solar	30,893		-	
Partially Exempt Property	-		-	
Totally Exempt Property	<u>76,120,197</u>		<u>75,524,745</u>	
Total Exemptions	<u>\$ 110,495,571</u>		<u>\$ 100,109,436</u>	
Net Taxable Assessed Valuation	<u>\$ 539,806,507</u>		<u>\$ 489,110,300</u>	

Source: McLennan County Appraisal District

Note: Assessed Valuations shown here are Certified Valuations and may change during the year due to various supplements and protests. Valuations on a later date or in other tables of this Official Statement may not match those shown on this table.

	<u>2019</u>	<u>% of Total</u>	<u>2018</u>	<u>% of Total</u>	<u>2017</u>	<u>% of Total</u>
\$	232,359,279	40.31%	\$ 223,664,364	40.40%	\$ 191,315,786	37.60%
	16,657,107	2.89%	15,676,804	2.83%	14,629,129	2.87%
	7,723,078	1.34%	7,496,870	1.35%	7,260,161	1.43%
	2,424,300	0.42%	2,450,159	0.44%	1,974,830	0.39%
	6,062,484	1.05%	6,247,155	1.13%	5,318,883	1.05%
	161,813,999	28.07%	154,810,624	27.96%	149,012,337	29.28%
	143,070	0.02%	141,230	0.03%	139,810	0.03%
	17,532,580	3.04%	16,807,290	3.04%	13,449,410	2.64%
	48,499,850	8.41%	49,935,570	9.02%	50,380,510	9.90%
	1,885,530	0.33%	635,060	0.11%	652,560	0.13%
	4,777,990	0.83%	3,938,690	0.71%	4,083,910	0.80%
	1,418,510	0.25%	671,480	0.12%	968,800	0.19%
	<u>75,195,706</u>	<u>13.04%</u>	<u>71,158,251</u>	<u>12.85%</u>	<u>69,656,119</u>	<u>13.69%</u>
\$	<u>576,493,483</u>	<u>100.00%</u>	<u>\$ 553,633,547</u>	<u>100.00%</u>	<u>\$ 508,842,245</u>	<u>100.00%</u>

\$	4,581,393	\$	4,596,997	\$	4,740,280
	8,068,228		7,456,278		6,564,867
	2,217,640		2,271,120		1,898,750
	6,914,304		11,546,553		3,188,537
	48,342		48,342		48,342
	54,280		45,630		393,540
	-		-		-
	-		-		-
	-		-		91,499
	<u>75,148,956</u>		<u>71,119,791</u>		<u>69,178,610</u>
\$	<u>97,033,143</u>	\$	<u>97,084,711</u>	\$	<u>86,104,425</u>
\$	<u>479,460,340</u>	\$	<u>456,548,836</u>	\$	<u>422,737,820</u>

City of Bellmead, Texas

PRINCIPAL TAXPAYERS

September 30, 2021

<u>Name</u>	<u>Type of Business</u>	<u>2021 Taxable Assessed Valuation</u>	<u>% of Total 2020 Net Taxable Assessed Valuation</u>
Butt H. E. Grocery Co.	Retail Grocery Sales	\$ 13,985,110	2.86%
Wal-Mart Real Estate Business Trust	Real Estate	10,827,710	2.21%
Prem Sai Inc.	Hotel/Motel	9,256,670	1.89%
Sams Club East Inc.	Retail Sales	7,740,050	1.58%
Wal-Mart Stores East LP	Retail Sales	7,569,330	1.55%
Bellmead McLennan NH Ltd.	Nursing Home	6,918,770	1.41%
American Bank NA	Financial	6,063,560	1.24%
TBA Associates LP	Real Estate - Apartment	5,828,450	1.19%
Union Pacific Railroad	Railroad	5,615,990	1.15%
Realty Income Properties 25 LLC	Real Estate Development	5,600,000	1.14%
Total		\$ 79,405,640	16.23%

Based on a 2020 Adjusted Taxable Assessed Valuation of \$489,110,300

(a) As shown in the table above, the top ten taxpayers in the City account for approximately 16% of the City's tax base. Adverse developments in economic conditions, especially in a particular industry in which any one of these large taxpayers participates, could adversely impact these businesses and, consequently, the tax values in the City, resulting in less local tax revenue. If any major taxpayer, or a combination of top taxpayers, were to default in the payment of taxes, the ability of the City to make timely payment of debt service on the Certificates may be dependent on its ability to enforce and liquidate its tax lien, which is a time consuming process that may only occur annually. See "THE CERTIFICATES – Default and Remedies" and "AD VALOREM TAX PROCEDURES – Issuer's Rights in the Event of Tax Delinquencies" in this Official Statement.

Source: Texas Comptroller of Public Accounts

City of Bellmead, Texas
PROPERTY TAX RATES AND COLLECTIONS ^(a)
Last Ten Years

<u>Tax Year</u>	<u>Taxable Assessed Valuation</u>	<u>Tax Rate</u>	<u>Adjusted Tax Levy</u>	<u>% Collections</u>		<u>Year Ended</u>
				<u>Current</u>	<u>Total</u>	
2011	328,311,013	0.274498	\$867,934	95.86%	97.69%	9/30/2012
2012	330,975,338	0.298600	\$903,305	96.65%	99.62%	9/30/2013
2013	337,473,605	0.292310	\$1,006,643	97.29%	99.42%	9/30/2014
2014	356,138,881	0.298608	\$1,060,718	94.66%	96.05%	9/30/2015
2015	365,397,502	0.318611	\$1,086,718	96.90%	99.14%	9/30/2016
2016	381,645,967	0.303761	\$1,159,210	96.57%	98.95%	9/30/2017
2017	407,722,048	0.299900	\$1,262,193	96.94%	98.92%	9/30/2018
2018	422,737,820	0.319999	\$1,448,133	97.22%	99.79%	9/30/2019
2019	456,548,836	0.359990	\$1,721,695	96.86%	100.19%	9/30/2020
2020	489,110,300	0.377854	\$1,885,111	96.06%	96.06%	9/30/2021

^(a) See "AD VALOREM TAX PROCEDURES - Levy and Collection of Taxes" in the body of the Official Statement for a complete discussion of the City's provisions.

Note: Assessed Valuations may change during the year due to various supplements and protests. Valuations in other tables of this Official Statement may not match those shown in this table.

Source: Texas Comptroller of Public Accounts, McLennan County Appraisal District, Texas Municipal Report published by the Municipal Advisory Council of Texas and the Issuer's Audited Financial Statements and Supplemental

TAX RATE DISTRIBUTION
Last Five Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund	\$0.287381	\$0.275518	\$0.228781	\$0.227641	\$0.227990
I & S Fund	<u>0.090473</u>	<u>0.084481</u>	<u>0.091218</u>	<u>0.072349</u>	<u>0.075771</u>
TOTAL	\$0.377854	\$0.359999	\$0.319999	\$0.299990	\$0.303761

Source: The Issuer

City of Bellmead, Texas

GENERAL FUND COMBINED STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES

Last Five Fiscal Years

	Fiscal Year Ended September 30		
	2021	2020	2019
REVENUES:			
Property Taxes	\$ 1,447,123	\$ 1,314,227	\$ 1,033,855
Sales Taxes	2,953,772	2,666,605	2,660,638
Franchise Taxes	506,171	471,018	514,688
Other Taxes	-	-	-
Licenses and Permits	92,799	92,864	57,517
Charges for Services	1,171,054	719,337	-
Intergovernmental	74,850	77,486	1,063,826
Fines and Fees	204,556	135,422	167,882
Investment Earnings	1,329	18,358	34,460
Miscellaneous-Other Revenue	10,021	8,051	-
Total Revenues	\$ 6,461,675	\$ 5,503,368	\$ 5,532,866
EXPENDITURES:			
General Government	\$ 624,425	\$ 539,535	\$ 997,079
Public Safety	3,488,075	2,978,209	3,833,500
Highways and Streets	-	-	-
Public works	65,101	158,011	1,122,315
Culture and Recreation	140,946	159,132	59,167
Building maintenance	49,010	31,497	
Refuse	961,701	718,785	
Capital Outlay	9,571	50,365	-
Total Expenditures	\$ 5,338,829	\$ 4,635,534	\$ 6,012,061
Excess (Deficit) of Revenues			
Over Expenditures	\$ 1,122,846	\$ 867,834	\$ (479,195)
OTHER FINANCING SOURCES (USES):			
Transfers In	\$ 205,150	\$ 249,042	\$ 575,930
Transfers (Out)	(626,100)	(1,064,597)	(15,355)
Proceeds from Debt Issuance	-	-	37,505
Sale of Property	13,680	36,916	-
Insurance Recoveries	24,156	25,530	24,564
Total Other Financing Sources (Uses)	\$ (383,114)	\$ (753,109)	\$ 622,644
Net Change in Fund Balance	\$ 739,732	\$ 114,725	\$ 143,449
Fund Balance - October 1 (Beginning)	\$ 1,998,583	\$ 1,883,858	\$ 3,723,048
Prior Year Adjustment	-	-	(1,982,639) ^(a)
Fund Balance - September 30 (Ending)	\$ 2,738,315	\$ 1,998,583	\$ 1,883,858

^(a) Restatement of the fund balance see Notes to Financial Statements.
Source: The Issuer's Audited Annual Financial Reports

<u>2018</u>	<u>2017</u>
\$ 969,035	\$ 927,814
3,126,317	2,993,211
547,560	503,812
-	54,713
35,772	35,182
-	-
1,299,018	61,630
230,438	234,317
28,838	22,900
44,934	76,307
\$ 6,281,912	\$ 4,909,886
\$ 1,150,270	\$ 1,111,229
3,830,097	3,454,302
981,162	1,335,898
-	-
40,948	63,809
1,726,499	-
\$ 7,728,976	\$ 5,965,238
\$ (1,447,064)	\$ (1,055,352)
\$ 952,238	\$ 728,107
-	-
-	-
74,754	-
-	-
\$ 1,026,992	\$ 728,107
\$ (420,072)	\$ (327,245)
\$ 4,200,548	\$ 4,527,793
(57,428) ^(a)	-
\$ 3,723,048	\$ 4,200,548

City of Bellmead, Texas

CONDENSED WATERWORKS AND SEWER SYSTEM OPERATING STATEMENT

Last Five Fiscal Years

	Fiscal Year Ended September 30				
	2021	2020	2019	2018	2017
Revenues ^(a)	\$4,411,841	\$2,797,670	\$4,103,699	\$3,472,778	\$2,771,776
Expenses ^(b)	\$2,693,379	\$2,158,973	\$1,904,495	\$2,539,107	\$2,425,847
Net Revenue Available for Debt Service	\$ 1,718,462	\$ 638,697	\$ 2,199,204	\$ 933,671	\$ 345,929
Annual Debt Service Requirements for Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage of Revenue Debt Service	N/A	N/A	N/A	N/A	N/A
Annual Debt Service Requirements for General Obligation Debt Service Paid from System Revenues	\$491,259	\$494,688	\$496,038	\$492,238	\$493,425
Coverage of <u>All Debt</u> Paid From System Revenues	3.50	1.29	4.43	1.90	0.70
Customer Count:					
Water	3,610	3,578	3,569	3,577	3,517
Sewer	3,445	3,464	3,411	3,419	3,419

^(a) Revenues include operating revenues, interest income and other revenues of the Waterworks and Sewer System.

^(b) Expenses include total expenses less depreciation and amortization of the Waterworks and Sewer System.

Sources: Information from the Issuer and the Issuer's Annual Audited Financial Reports

City of Bellmead, Texas

WATERWORKS AND SEWER SYSTEM REVENUE BOND TABLES

Monthly Water and Wastewater Rates (Effective 10/1/2020)

WATER RATES

(Based on Monthly Billing)

Effective October 1, 2020

<u>Water Consumption</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

(Based on Monthly Billing)

Effective October 1, 2020

<u>Water Consumption</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.

EMPLOYEE'S PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

Information regarding the City's Pension Plan can be found within the City's 2021 Annual Financial Report, Note D, beginning on page 77.

