



CITY OF BELLMEAD

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022

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***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

of the

City of Bellmead, Texas

**For the Year Ended
September 30, 2022**

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





March 13, 2023

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, 2022.

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

BrooksWatson & Co., a firm of licensed independent certified public accountants, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2022. 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 10,596.

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 just underwent a \$341 million construction upgrade by the Texas Department of Transportation (“TxDOT”). The project improved safety and mobility, added capacity, incorporated technology, and enhanced the aesthetics of the interstate highway. The improvements included widening the mainlanes to four lanes in each direction, improving frontage roads and ramps, reconstructing bridges and improving interchanges, adding U-turns, and improving bicycle and pedestrian access. Construction began in May 2019 and completed in 2023. 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 2023.

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.

Papa Bear’s purchased 2.83 acres located at 2211 New Dallas Highway to build a restaurant. Construction of the restaurant is scheduled to be substantially complete by March 21, 2024.

In May 2022, Quik Trip opened its first remote travel center location in Bellmead. The Bellmead facility features a larger designed lot and more spacious store than a traditional QT. The Travel Center has room to service 20 cars for gas and six diesel bays for trucks.

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 sewer interceptor project is currently under design and construction is expected to begin in FY 2023. 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 applied for and was awarded the 2021-2022 Community Development Block Grant to replace approximately 1,660 linear feet of 8” and 12” PVC sewer line, 6 manholes, service reconstructions and all associated appurtenances along Utah Street and San Jacinto Street. This project will replace structurally deficient wastewater lines that result in inflow and infiltration during rain events. The total beneficiaries in this area are 661 with a 61.27 low to moderate income level ratio of 61.27% or 405 beneficiaries. The grant was funded for \$350,000 with a city match of \$70,000.
- The city received an allocation of \$2,664.843 of American Rescue Plan funding for water/sewer improvements within the city. The city is utilizing the funding to rehabilitate a 400,000-gallon water tank, rehabilitate the Barlow water well, and make city wide lift station improvements.
- The city received a grant from Voices Against Substance Abuse which included funding to replace benches and tables in Brame Park. A second grant was also received which provided for a mural on the Brame Park bathroom which depicts the heart of Bellmead, our children.



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 was completed in 2022 and includes 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 provides 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 are also provided at no charge. This contract further exemplifies the beautification vision of the new Bellmead as additional services have been added to assist citizens with trash removal.

In October 2021, the city hosted its very first Bellmead Burgers and Brews Festival at the Bellmead Civic Center complex. The festival had live music, food trucks, craft vendors, carnival rides, a beer garden, and loads of fun for the family. The festival will be held annually going forward to bring a sense of community to Bellmead.

In December 2021, the city engaged NewGen Strategies and Solutions to perform a stormwater fee study. NewGen developed an inventory of the lots and tracts within the city, developed a drainage ordinance, and assisted the city in implementing a new drainage utility. The City of Bellmead has experienced large growth, both in population and business as I-35 has made Bellmead prime real estate. The current drainage throughout the city is struggling and in need of repairs and upgrades. There are several areas of the city that experience flooding which result in property and road damage. The new drainage utility was implemented in January 2023. It will take several years of funding before the impacts of the new drainage utility will be felt throughout the city.

In March 2022, City Council awarded a benefit consulting contract to HUB International Limited. The city is focused on ensuring that city employees receive an attractive and competitive benefits package for themselves and their families.

The feasibility of utilizing Dugger Field as a municipal complex to include baseball/softball fields, Public Works center, and animal control holding facility is currently under review. Townhall meetings have been held with area residents. The city will be seeking environmental clearance from TCEQ, developing a site plan, funding plans, and submitting to the voters for decision.

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**

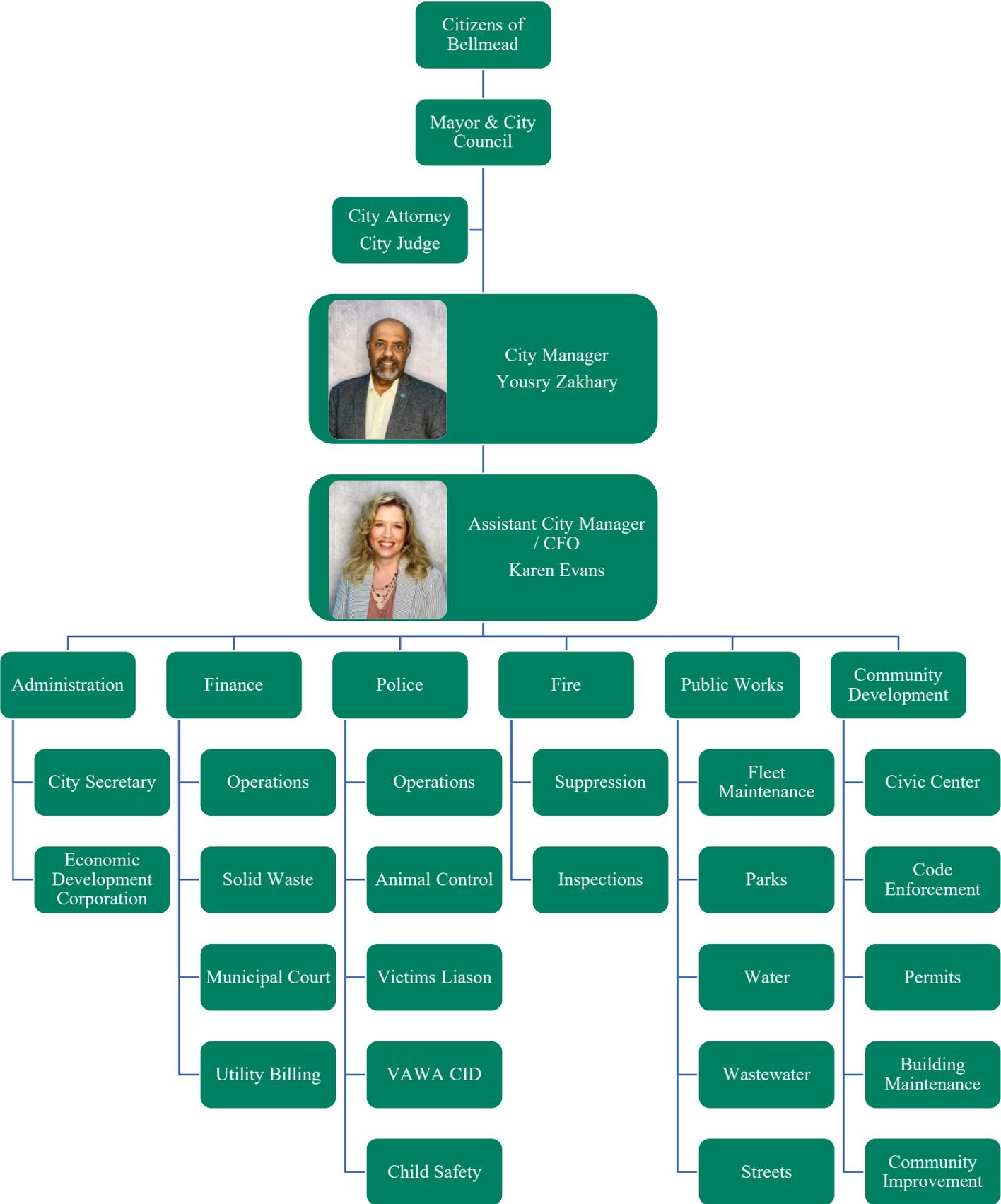
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

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>
Travis Gibson, Mayor	II	May 2023
James Cleveland, Mayor Pro Tem	III	May 2024
Karen Coleman	I	May 2023
Jasmine Neal	IV	May 2024
Bryan Winget	V	May 2023
Gary Moore	At Large	May 2024



MAYOR



Travis Gibson

MAYOR PRO-TEM



James Cleveland

PRECINCT 1



Karen Coleman

PRECINCT 4



Jasmine Neal

PRECINCT 5



Bryan Winget

AT LARGE



Gary Moore

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
Shawn Myatt	Police Chief	July 5, 2022
Herbert Blomquist	Public Works Director	November 12, 2019
Vacant	Director of Comm. Develop.	
Holly Owens	City Secretary	April 27, 2020
Ray J. Black	City Judge	---
Charlie Buenger	City Attorney	---

BOARDS AND COMMISSIONS

Board of Adjustment

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Vacant	Property Owner	July 01, 2024
Vacant	Property Owner	July 01, 2024
Vacant	Property Owner	July 01, 2024
Michel Simer	Property Owner	July 01, 2023
Cameron Gomez	Property Owner	July 01, 2023

Economic Development Corporation

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Charlie J. Morgan, Chair	Resident	July 01, 2024
Cathie Bainbridge	Resident	July 01, 2024
Jaelyn Maladdie	Resident	July 01, 2024
Warren Bainbridge	Resident	July 01, 2024
Bryan Winget, Vice Chair	Council Member	May 01, 2023
Travis Gibson	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



Planning and Zoning Commission

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Jaelyn Maladdie	Precinct I	July 01, 2023
Dennis Garrett	Precinct II	July 01, 2023
Charlie Morgan, Chair	Precinct III	July 01, 2024
Bradley Vaughn	Precinct IV	July 01, 2024
Jack Walker	Precinct V	July 01, 2023
Alyssa Avalos	At-large	July 01, 2024

Parks and Recreation Board

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Samuel Romero	Precinct I	July 01, 2023
Iris Miles	Precinct II	July 01, 2023
Katrinna Forest	Precinct III	July 01, 2024
Bradley Vaughn, Chair	Precinct IV	July 01, 2024
May Frances Carline	Precinct V	July 01, 2023
Cathie Bainbridge, Vice Chair	At Large	July 01, 2024
Julie Story	La Vega ISD	July 01, 2023
Wendy Johnson	Bellmead COC	July 01, 2024



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bellmead, Texas, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Bellmead, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information 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 combining and individual nonmajor fund financial statements and other budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical, and continuing disclosure sections 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.



BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
March 13, 2023



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



City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2022

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, 2022.

Financial Highlights

- The City's total combined net position is \$31,173,129 at September 30, 2022. Of this, \$11,995,153 (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 \$12,637,139, an increase of \$1,297,110.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,267,254 or 51% of total general fund expenditures.
- The City had an overall increase in net position of \$3,473,335, 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, 2022

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 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, 2022

The City of Bellmead adopts an annual appropriated budget for all funds, except for the grants fund, festival donation 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, 2022

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 \$31,173,129 as of September 30, 2022, in the primary government.

The largest portion of the City's net position, \$11,229,842, 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, \$7,948,134, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,995,153 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, 2022 and September 30, 2021 were \$24,535,365 and \$22,062,305, respectively. The increase of \$2,473,060 was attributable to greater cash on hand resulting primarily from the receipt of grant funding.

Total capital assets as of September 30, 2022 and September 30, 2021 were \$19,488,322 and \$18,522,731, respectively. The increase of \$965,591 was primarily attributable to new street improvements and machinery/equipment purchases in the current year.

Total other liabilities as of September 30, 2022 and September 30, 2021 were \$4,747,706 and \$3,589,578, respectively. The increase of \$1,158,128 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, 2022 and September 30, 2021 were \$9,659,799 and \$10,157,657, respectively. The decrease of \$497,858 was primarily a result of principal payments made during the year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 13,461,611	\$ 11,073,754	\$ 24,535,365	\$ 11,952,085	\$ 10,110,220	\$ 22,062,305
Capital assets, net	9,682,323	9,805,999	19,488,322	10,105,511	8,417,220	18,522,731
Net pension asset	2,138,229	365,973	2,504,202	1,348,625	259,091	1,607,716
Total Assets	25,282,163	21,245,726	46,527,889	23,406,221	18,786,531	42,192,752
Deferred Outflows of Resources	270,772	46,344	317,116	234,119	44,977	279,096
Other liabilities	855,666	3,892,040	4,747,706	709,218	2,880,360	3,589,578
Long-term liabilities	4,712,715	4,947,084	9,659,799	4,872,300	5,285,357	10,157,657
Total Liabilities	5,568,381	8,839,124	14,407,505	5,581,518	8,165,717	13,747,235
Deferred Inflows of Resources	1,079,591	184,780	1,264,371	859,665	165,154	1,024,819
Net Position:						
Net investment in capital assets	6,992,096	4,237,746	11,229,842	6,928,180	2,217,344	9,145,524
Restricted	7,727,253	220,881	7,948,134	6,597,951	131,877	6,729,828
Unrestricted	4,185,614	7,809,539	11,995,153	3,673,026	8,151,416	11,824,442
Total Net Position	\$ 18,904,963	\$ 12,268,166	\$ 31,173,129	\$ 17,199,157	\$ 10,500,637	\$ 27,699,794

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

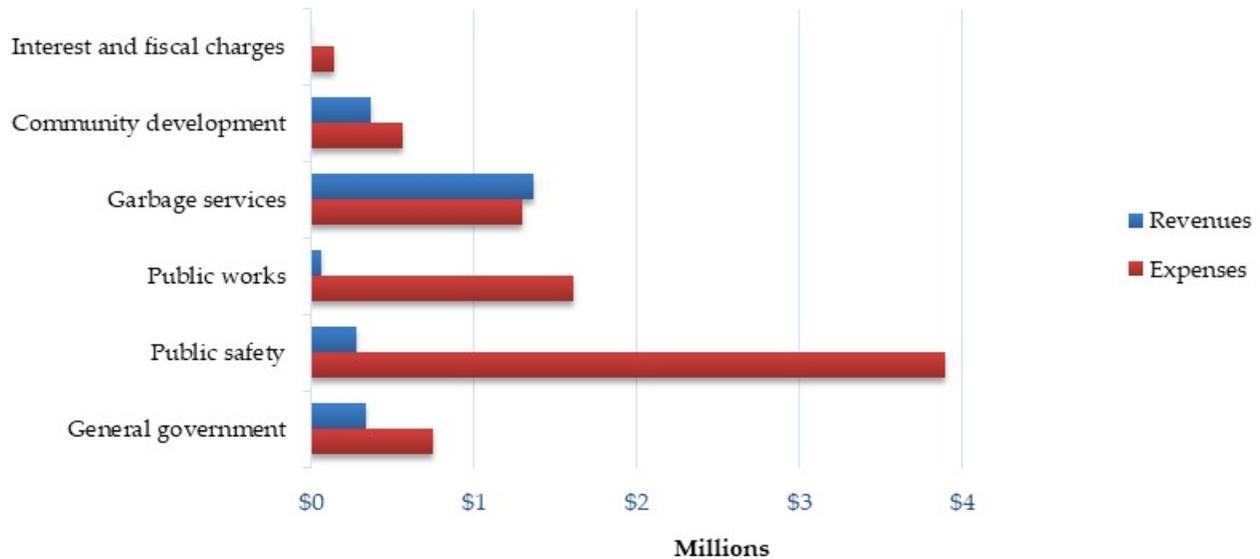
Statement of Activities:

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

	<u>For the Year Ended September 30, 2022</u>			<u>For the Year Ended September 30, 2021</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,914,843	\$ 4,151,139	\$ 6,065,982	\$ 1,578,385	\$ 3,404,569	\$ 4,982,954
Grant contributions	526,943	845,988	1,372,931	553,982	1,002,436	1,556,418
General revenues:						
Property taxes	2,038,934	-	2,038,934	1,913,832	-	1,913,832
Sales taxes	3,951,376	-	3,951,376	3,670,290	-	3,670,290
Franchise taxes	584,370	-	584,370	519,804	-	519,804
Hotel and motel taxes	619,202	-	619,202	555,301	-	555,301
Investment income	66,345	45,267	111,612	6,251	4,836	11,087
Other revenues	79,319	27,721	107,040	56,757	-	56,757
Total Revenues	9,781,332	5,070,115	14,851,447	8,854,602	4,411,841	13,266,443
Expenses						
General government	753,078	-	753,078	601,019	-	601,019
Public safety	3,912,761	-	3,912,761	3,528,340	-	3,528,340
Public works	1,614,537	-	1,614,537	1,460,038	-	1,460,038
Garbage services	1,301,226	-	1,301,226	961,701	-	961,701
Community development	567,242	-	567,242	490,948	-	490,948
Interest and fiscal charges	143,586	153,316	296,902	153,178	161,259	314,437
Water & sewer	-	2,932,366	2,932,366	-	2,772,456	2,772,456
Other losses	-	-	-	-	38,831	38,831
Total Expenses	8,292,430	3,085,682	11,378,112	7,195,224	2,972,546	10,167,770
Change in Net Position Before Transfers and Other	1,488,902	1,984,433	3,473,335	1,659,378	1,439,295	3,098,673
Transfers	216,904	(216,904)	-	(762,428)	762,428	-
Total	216,904	(216,904)	-	(762,428)	762,428	-
Change in Net Position	1,705,806	1,767,529	3,473,335	896,950	2,201,723	3,098,673
Beginning Net Position	17,199,157	10,500,637	27,699,794	16,302,207	8,298,914	24,601,121
Ending Net Position	\$ 18,904,963	\$ 12,268,166	\$ 31,173,129	\$ 17,199,157	\$ 10,500,637	\$ 27,699,794

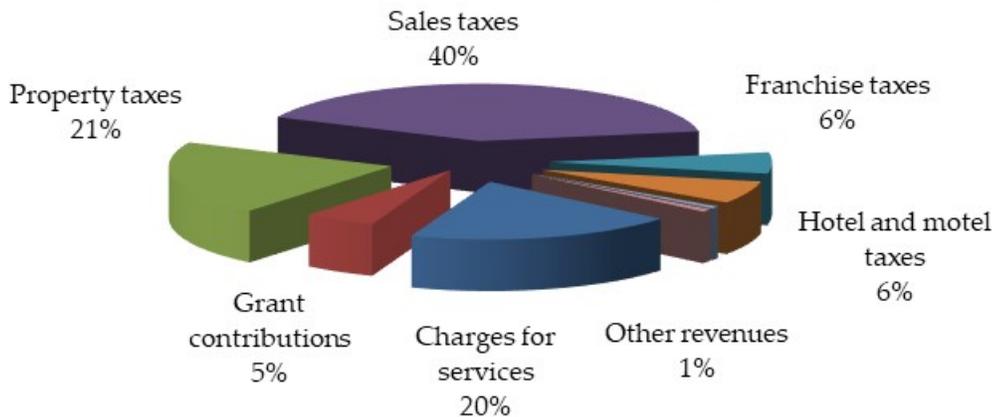
City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

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

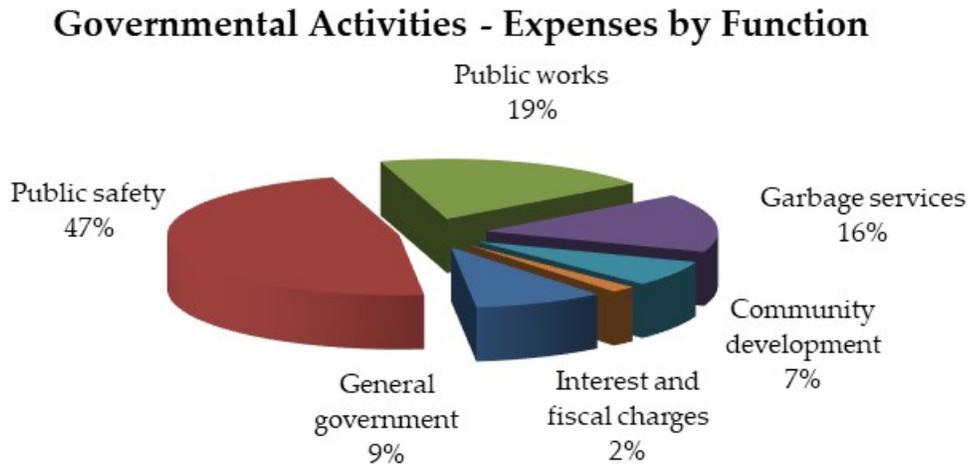


For the year ended September 30, 2022, revenues from governmental activities totaled \$9,781,332. Property taxes and sales taxes are the City's largest revenue sources. Charges for services increased \$336,458 or 21% due to more permits being issued and the rise in solid waste rates. Grant contributions decreased \$27,039 or 5% primarily due to nonrecurring street improvement grants received in the prior year. Property tax revenue increased by \$125,102 or 7% due to increases in the appraised property tax values. Sales taxes and franchise taxes increased \$281,086 or 8% and \$64,566 or 12%, respectively, caused by the steady economic growth in and around the City. Investment income increased by \$60,094 due to an increased utilization of interest bearing accounts, in addition to higher interest rates caused by changing market conditions. Hotel and motel taxes increased by \$63,901 or 12% due to increased economic development resulting in a higher volume of visitors to the region. Other revenues increased

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

by \$22,562 or 40% primarily as a result of a gain on the sale of capital assets received in the current year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:

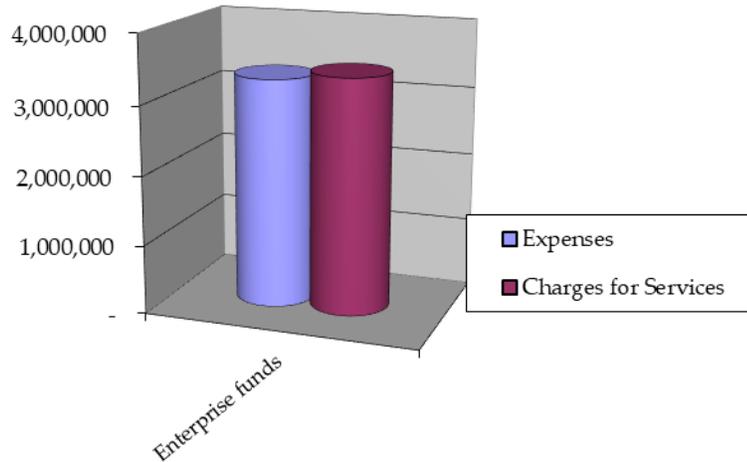


For the year ended September 30, 2022, expenses for governmental activities totaled \$8,292,430. This represents an increase of \$1,097,206 or 15% from the prior year. The City's largest functional expense is public safety of \$3,912,761, which primarily includes operational and administrative costs for the City's police and fire suppression activities. Public safety expenses increased \$384,421 or 11% caused primarily by a rise in personnel costs due to new hire and wage adjustments. General government expenses increased by \$152,059 or 25% primarily due to greater personnel costs and legal expenses during the year. Public works increased by \$154,499 or 11% primarily due to added street maintenance projects in the current year. Garbage service expenses increased by \$339,525 or 35% due to greater trash collection service costs resulting from the first full year with the new vendor and addition of commercial trash services, which occurred toward the end of the previous year. Community development increased \$76,294 or 16% primarily due to additional marketing costs for tourism and cost of demolition and cleanup as part of community improvement efforts. All other expenditures remained relatively consistent with the previous year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

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, 2022, charges for services by business-type activities totaled \$4,151,139. This represents an increase of \$746,570 or 22% from the previous year. The increase is primarily a result of greater water and sewer base rates charged over the course of the year.

Total expenses increased by \$113,136 from the prior year. Water and sewer expenses increased by \$159,910 or 6% 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 \$3,269,488, \$3,098,321 of which is unassigned. The general fund increased by \$531,173 primarily due to sales taxes exceeding expectations, in addition to expenditures being less than the already conservatively budgeted amount for the year.

The hotel/motel tax fund reflected an ending balance of \$2,396,438, an increase of \$301,390. 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.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2022

The street maintenance fund reflected an ending balance of \$3,348,374, an increase of \$18,310. 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 \$1,788,734, an increase of \$204,325. The increase is primarily due to greater than anticipated transfers in from other funds offset by less than anticipated expenditures.

There was an overall increase in the governmental fund balance of \$1,297,110 over the prior year. The increase was primarily due to economic improvements and a conservatively managed budget.

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 \$521,204 in the general fund. This is a combination of a positive revenue variance of \$234,254 and a positive expenditure variance of \$286,950. 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, public safety, and public works departments being under budget.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$9,682,323 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 \$9,805,999 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Downtown rehabilitation improvements totaling \$53,435.
- Purchase of public safety vehicles and equipment totaling \$493,811.
- Installation of a City Hall complex totaling \$46,086.
- Water infrastructure totaling \$1,895,665.

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

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$9,460,000. During the year, the City had principal payments on bonds of \$625,000. 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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 9,567,395	\$ 5,164,908	\$ 14,732,303
Restricted cash	-	2,627,710	2,627,710
Investments	2,504,584	2,504,584	5,009,168
Receivables, net	1,169,227	776,552	1,945,779
Intergovernmental receivable	19,824	-	19,824
Prepays	200,581	-	200,581
Total Current Assets	13,461,611	11,073,754	24,535,365
Noncurrent assets:			
Capital assets:			
Non-depreciable	1,436,914	785,401	2,222,315
Net depreciable capital assets	8,245,409	9,020,598	17,266,007
Net pension asset	2,138,229	365,973	2,504,202
Total Noncurrent Assets	11,820,552	10,171,972	21,992,524
Total Assets	25,282,163	21,245,726	46,527,889
<u>Deferred Outflows of Resources</u>			
Pension outflows	227,148	38,878	266,026
OPEB outflows	43,624	7,466	51,090
Total Deferred Outflows of Resources	270,772	46,344	317,116

See Notes to Financial Statements.

Component Unit
Bellmead
EDC

\$ 3,122,309
-
176,905
133,811
-
-

3,433,025

732,128
-
-

732,128

4,165,153

-
-

-

City of Bellmead, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 450,994	\$ 449,525	\$ 900,519
Grants received in advance	-	2,627,710	2,627,710
Accrued interest payable	12,238	12,337	24,575
Deposits payable	12,800	428,466	441,266
Compensated absences, current	181,287	29,002	210,289
Long-term debt due within one year	260,000	345,000	605,000
Unearned revenues	198,347	-	198,347
Total Current Liabilities	1,115,666	3,892,040	5,007,706
Noncurrent liabilities:			
Long-term debt due in more than one year	4,178,427	4,900,363	9,078,790
Compensated absences, noncurrent	20,143	3,222	23,365
OPEB liability	254,145	43,499	297,644
Total Noncurrent Liabilities	4,452,715	4,947,084	9,399,799
Total Liabilities	5,568,381	8,839,124	14,407,505
<u>Deferred Inflows of Resources</u>			
Pension inflows	1,074,860	183,970	1,258,830
OPEB inflows	4,731	810	5,541
Deferred Inflows of Resources	1,079,591	184,780	1,264,371
<u>Net Position</u>			
Net investment in capital assets	6,992,096	4,237,746	11,229,842
Restricted for:			
Debt service	292,303	-	292,303
Capital projects	357,754	-	357,754
Municipal court	41,867	-	41,867
Tourism	2,396,438	-	2,396,438
Streets	3,348,374	-	3,348,374
Pension	1,290,517	220,881	1,511,398
Economic development	-	-	-
Unrestricted	4,185,614	7,809,539	11,995,153
Total Net Position	\$ 18,904,963	\$ 12,268,166	\$ 31,173,129

See Notes to Financial Statements.

Component Unit
Bellmead
EDC

\$	4,237
	-
	-
	-
	-
	-
	-
	<u>4,237</u>
	-
	-
	-
	<u>4,237</u>
	-
	-
	-
	-
	-
	732,128
	-
	-
	-
	-
	-
	-
	3,428,788
	-
\$	<u><u>4,160,916</u></u>

City of Bellmead, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 753,078	\$ 270,362	\$ 72,928	\$ -
Public safety	3,912,761	280,871	-	-
Public works	1,614,537	-	2,348	78,620
Garbage services	1,301,226	1,363,610	-	-
Community development	567,242	-	373,047	-
Interest and fiscal charges	143,586	-	-	-
Total Governmental Activities	8,292,430	1,914,843	448,323	78,620
Business-Type Activities				
Water and sewer	3,085,682	4,151,139	845,988	-
Total Business-Type Activities	3,085,682	4,151,139	845,988	-
Total Primary Government	\$ 11,378,112	\$ 6,065,982	\$ 1,294,311	\$ 78,620
Component Unit				
Economic Development Corporation	1,098,338	-	-	-
	\$ 1,098,338	\$ -	\$ -	\$ -

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Bellmead EDC
\$ (409,788)	\$ -	\$ (409,788)	\$ -
(3,631,890)	-	(3,631,890)	-
(1,533,569)	-	(1,533,569)	-
62,384	-	62,384	-
(194,195)	-	(194,195)	-
(143,586)	-	(143,586)	-
<u>(5,850,644)</u>	<u>-</u>	<u>(5,850,644)</u>	<u>-</u>
-	1,911,445	1,911,445	-
-	1,911,445	1,911,445	-
<u>(5,850,644)</u>	<u>1,911,445</u>	<u>(3,939,199)</u>	<u>-</u>
			(1,098,338)
			<u>(1,098,338)</u>
2,038,934	-	2,038,934	-
3,951,376	-	3,951,376	774,095
584,370	-	584,370	-
619,202	-	619,202	-
66,345	45,267	111,612	22,867
14,583	-	14,583	-
45,049	-	45,049	(61,347)
19,687	27,721	47,408	-
216,904	(216,904)	-	-
<u>7,556,450</u>	<u>(143,916)</u>	<u>7,412,534</u>	<u>735,615</u>
1,705,806	1,767,529	3,473,335	(362,723)
17,199,157	10,500,637	27,699,794	4,523,639
<u>\$ 18,904,963</u>	<u>\$ 12,268,166</u>	<u>\$ 31,173,129</u>	<u>\$ 4,160,916</u>

City of Bellmead, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2022

	General	Hotel/Motel Tax	Street Maintenance
<u>Assets</u>			
Cash and cash equivalents	\$ 1,890,926	\$ 1,822,147	\$ 2,732,442
Investments	1,001,833	500,917	500,917
Receivables, net	822,649	124,376	133,811
Intergovernmental receivable	19,824	-	-
Prepays	2,234	-	-
Total Assets	\$ 3,737,466	\$ 2,447,440	\$ 3,367,170
 <u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 344,318	\$ 38,202	\$ 18,796
Deposits payable	-	12,800	-
Unearned revenues - grants	-	-	-
Total Liabilities	344,318	51,002	18,796
 <u>Deferred Inflows of Resources</u>			
Unavailable revenue			
Property taxes	123,660	-	-
Total Deferred Inflows of Resources	123,660	-	-
 <u>Fund Balances</u>			
Nonspendable:			
Prepaid items	2,234	-	-
Restricted for:			
Tourism	-	2,396,438	-
Economic development	-	-	-
Special donations	-	-	-
Public safety	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Streets	-	-	3,348,374
Unassigned (deficits)	3,267,254	-	-
Total Fund Balances	3,269,488	2,396,438	3,348,374
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 3,737,466	\$ 2,447,440	\$ 3,367,170

See Notes to Financial Statements.

Governmental CIP	<u>Nonmajor</u> Other Governmental	Total Governmental Funds
\$ 1,289,205	\$ 1,832,675	\$ 9,567,395
500,917	-	2,504,584
-	88,391	1,169,227
-	-	19,824
-	198,347	200,581
<u>\$ 1,790,122</u>	<u>\$ 2,119,413</u>	<u>\$ 13,461,611</u>
\$ 1,388	\$ 48,290	\$ 450,994
-	-	12,800
-	198,347	198,347
<u>1,388</u>	<u>246,637</u>	<u>662,141</u>
-	38,671	162,331
-	38,671	162,331
-	198,347	200,581
-	-	2,396,438
-	1,187,318	1,187,318
-	22,987	22,987
-	148,654	148,654
-	292,303	292,303
1,788,734	153,429	1,942,163
-	-	3,348,374
-	(168,933)	3,098,321
<u>1,788,734</u>	<u>1,834,105</u>	<u>12,637,139</u>
<u>\$ 1,790,122</u>	<u>\$ 2,119,413</u>	<u>\$ 13,461,611</u>



City of Bellmead, Texas

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

September 30, 2022

Fund Balances - Total Governmental Funds	\$ 12,637,139
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	1,436,914
Capital assets - net depreciable	8,245,409
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	162,331
Net pension asset	2,138,229
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 outflows	227,148
Pension inflows	(1,074,860)
OPEB outflows	43,624
OPEB inflows	(4,731)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(12,238)
Compensated absences	(201,430)
Bond premium	(118,427)
OPEB liability	(254,145)
Non-current liabilities due in one year	(260,000)
Non-current liabilities due in more than one year	(4,060,000)
Net Position of Governmental Activities	\$ 18,904,963

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, 2022

	General	Hotel/Motel Tax	Street Maintenance
Revenues			
Property tax	\$ 1,602,993	\$ -	\$ -
Sales taxes	3,177,281	-	774,095
Franchise taxes	570,674	-	-
Hotel and motel taxes	-	619,202	-
License and permits	124,125	-	-
Charges for services	1,414,724	95,123	-
Grants and contributions	5,010	-	-
Intergovernmental revenue	75,276	-	-
Fines and forfeitures	194,259	-	-
Investment income	18,041	12,609	18,587
Other revenue	8,885	-	-
Total Revenues	7,191,268	726,934	792,682
Expenditures			
Current:			
General government			
City council	46,846	-	-
Administration	328,258	-	-
Finance - Operations	215,280	-	-
Finance - Solid waste	1,301,226	-	-
Community Development -			
Code Enforcement	57,558	-	-
Permits	27,058	-	-
Building maintenance	54,573	-	-
Economic development	-	-	-
Tourism	-	425,644	-
Other - unclassified	42,474	-	-
Public safety			
Court	106,872	-	-
Police	2,743,081	-	-
Fire	1,211,126	-	-
Public works			
Fleet	163,139	-	774,372
Parks	162,050	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	-
Total Expenditures	6,459,541	425,644	774,372
Excess of Revenues Over (Under) Expenditures	731,727	301,290	18,310

Governmental CIP	<u>Nonmajor Other</u> Governmental	Total Governmental Funds
\$ -	\$ 429,732	\$ 2,032,725
-	-	3,951,376
-	13,696	584,370
-	-	619,202
-	-	124,125
-	-	1,509,847
-	73,610	78,620
-	373,047	448,323
-	86,612	280,871
7,801	9,307	66,345
-	5,698	14,583
7,801	991,702	9,710,387
-	-	46,846
-	1,931	330,189
-	-	215,280
-	-	1,301,226
-	-	57,558
-	-	27,058
-	-	54,573
-	60,980	60,980
-	-	425,644
-	-	42,474
-	12,347	119,219
-	118,333	2,861,414
-	-	1,211,126
-	-	937,511
-	-	162,050
-	290,000	290,000
-	152,647	152,647
283,440	115,682	399,122
283,440	751,920	8,694,917
(275,639)	239,782	1,015,470

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, 2022

	General	Hotel/Motel Tax	Street Maintenance
<u>Other Financing Sources (Uses)</u>			
Transfers in	216,904	-	-
Transfers (out)	(479,964)	-	-
Sale of capital assets	42,919	-	-
Insurance recoveries	19,587	100	-
Total Other Financing Sources (Uses)	(200,554)	100	-
Net Change in Fund Balances	531,173	301,390	18,310
Beginning fund balances	2,738,315	2,095,048	3,330,064
Ending Fund Balances	\$ 3,269,488	\$ 2,396,438	\$ 3,348,374

See Notes to Financial Statements.

Governmental CIP	<u>Nonmajor</u> Other Governmental	Total Governmental Funds
479,964	-	696,868
-	-	(479,964)
-	2,130	45,049
-	-	19,687
<u>479,964</u>	<u>2,130</u>	<u>281,640</u>
204,325	241,912	1,297,110
1,584,409	1,592,193	11,340,029
<u>\$ 1,788,734</u>	<u>\$ 1,834,105</u>	<u>\$ 12,637,139</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, 2022

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

Net changes in fund balances - total governmental funds	\$ 1,297,110
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	670,891
Depreciation expense	(1,094,080)

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

Property tax receivable	6,209
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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	(45,426)
Accrued interest	783
Pension (expense) income	604,067
OPEB expense	(32,026)

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	290,000
Change in Net Position of Governmental Activities	\$ 1,705,806

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2022

	Water & Sewer
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 5,164,908
Restricted cash	2,627,710
Investments	2,504,584
Receivables, net	776,552
Total Current Assets	11,073,754
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	785,401
Net depreciable capital assets	9,020,598
Net pension asset	365,973
Total Noncurrent Assets	10,171,972
	Total Assets
	21,245,726
<u>Deferred Outflows of Resources</u>	
Pension outflows	38,878
OPEB outflows	7,466
Total Deferred Outflows of Resources	46,344
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	449,525
Accrued interest	12,337
Customer deposits	428,466
Grants received in advance	2,627,710
Compensated absences - current	29,002
Bonds and notes payable - current	345,000
Total Current Liabilities	3,892,040
<u>Noncurrent Liabilities</u>	
Compensated absences - noncurrent	3,222
OPEB liability	43,499
Bonds and notes payable - noncurrent	4,900,363
Total Noncurrent Liabilities	4,947,084
	Total Liabilities
	8,839,124
<u>Deferred Inflows of Resources</u>	
Pension inflows	183,970
OPEB inflows	810
Total Deferred Inflows of Resources	184,780
<u>Net Position</u>	
Net investment in capital assets	4,237,746
Restricted for pension	220,881
Unrestricted	7,809,539
Total Net Position	\$ 12,268,166

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, 2022

	<u>Water & Sewer</u>
<u>Operating Revenues</u>	
Water sales	\$ 2,192,028
Sewer charges	1,727,029
Other charges for services	232,082
Grant revenue	75,988
Intergovernmental revenue	770,000
Total Operating Revenues	<u>4,997,127</u>
 <u>Operating Expenses</u>	
Salaries and benefits	668,375
Materials and supplies	519,983
Contractual supplies	1,255,175
Depreciation	506,883
Total Operating Expenses	<u>2,950,416</u>
Operating Income (Loss)	<u>2,046,711</u>
 <u>Nonoperating Revenues (Expenses)</u>	
Interest income	45,267
Gain on disposal of assets	18,050
Insurance recoveries (losses)	27,721
Interest expense	(153,316)
Total Nonoperating Revenues (Expenses)	<u>(62,278)</u>
Income (Loss) Before Transfers	1,984,433
Transfers (out)	(216,904)
Total Transfers	<u>(216,904)</u>
Change in Net Position	1,767,529
Beginning net position	<u>10,500,637</u>
Ending Net Position	<u><u>\$ 12,268,166</u></u>

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended September 30, 2022

	<u>Water & Sewer</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 4,944,146
Payments to suppliers	(2,086,030)
Payments to employees	(753,734)
Net Cash Provided by Operating Activities	<u>2,104,382</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers (out)	(216,904)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(216,904)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Capital purchases	(1,895,663)
Proceeds from sale of capital assets	18,050
Insurance losses	27,721
Grants received	1,296,604
Principal paid on debt	(335,000)
Interest paid on debt	(162,012)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,050,300)</u>
<u>Cash Flows from Investing Activities</u>	
Purchase of investments, net	(2,004,395)
Interest on investments	45,267
Net Cash Provided (Used) by Investing Activities	<u>(1,959,128)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,121,950)
Beginning cash and cash equivalents	<u>8,914,568</u>
Ending Cash and Cash Equivalents	<u>\$ 7,792,618</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, 2022

	<u>Water & Sewer</u>
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income	\$ 2,046,711
Adjustments to reconcile operating income to net cash provided:	
Depreciation	506,883
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(81,088)
Deferred outflows of resources - pension	(2,870)
Deferred outflows of resources - OPEB	1,503
Deferred inflows of resources - pension	20,748
Deferred inflows of resources - OPEB	(1,122)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	(310,872)
Compensated absences	2,002
Customer deposits	28,107
OPEB liability	1,262
Net pension liability (asset)	(106,882)
Net Cash Provided by Operating Activities	\$ 2,104,382

See Notes to Financial Statements.



City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

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, 2022

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. As the City can impose its will on the EDC, and the EDC is fiscally dependent on the City, the EDC is considered a component unit of the City. 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. Additionally, the EDC’s Board is not substantially the same as the City. Accordingly, a discrete presentation is appropriate. 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, 2022

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 street maintenance tax was reapproved May 16, 2022 and expires on May 15, 2026.

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, 2022

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, 2022

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 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, 2022

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, 2022

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, 2022

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 assets 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 assets 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, 2022

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, 2022

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, 2022

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 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, 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 of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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, festival donations fund, donation fund, the cable PEG fees fund, the seizure fund, and police donation fund.

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

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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, 2022, the primary government had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Average Maturity (Years)</u>
Certificates of deposit	\$ 5,009,168	0.56
External investment pools	14,916,076	0.08
Total value	<u>\$ 19,925,244</u>	
Portfolio weighted average maturity		0.20

As of September 30, 2022, the discretely presented component unit had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Average Maturity (Years)</u>
Certificates of deposit	\$ 176,905	0.50
External investment pools	2,082,176	0.08
Total value	<u>\$ 2,259,081</u>	
Portfolio weighted average maturity		0.12

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. agency and investment pools with an investment quality not less than AAA or AAAM, or equivalent, by at least one nationally recognized rating service.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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, 2022, 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, 2022, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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, 2022

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	\$ 136,197	\$ -	\$ -	\$ 38,671	\$ -	\$ 174,868
Sales tax	535,244	-	133,811	-	-	669,055
Franchise & local taxes	38,015	-	-	3,282	-	41,297
Hotel/motel taxes	-	124,376	-	-	-	124,376
Grants	19,824	-	-	46,438	24,578	90,840
Accounts	127,196	-	-	-	760,932	888,128
Allowance	(14,003)	-	-	-	(8,958)	(22,961)
	<u>\$ 842,473</u>	<u>\$ 124,376</u>	<u>\$ 133,811</u>	<u>\$ 88,391</u>	<u>\$ 776,552</u>	<u>\$ 1,965,603</u>

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

	<u>EDC</u>
Sales tax	<u>\$ 133,811</u>
	<u>\$ 133,811</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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	44,035	53,435	-	97,470
Total capital assets not being depreciated	<u>1,383,479</u>	<u>53,435</u>	<u>-</u>	<u>1,436,914</u>
Capital assets, being depreciated:				
Infrastructure	5,066,291	79,286	-	5,145,577
Buildings and improvements	5,802,837	-	-	5,802,837
Equipment	5,389,917	538,170	(226,840)	5,701,247
Total capital assets being depreciated	<u>16,259,045</u>	<u>617,456</u>	<u>(226,840)</u>	<u>16,649,661</u>
Less accumulated depreciation				
Infrastructure	2,914,537	170,856	-	3,085,393
Buildings and improvements	1,785,979	484,801	-	2,270,780
Equipment	2,836,496	438,423	(226,840)	3,048,079
Total accumulated depreciation	<u>7,537,012</u>	<u>1,094,080</u>	<u>(226,840)</u>	<u>8,404,252</u>
Net capital assets being depreciated	<u>8,722,033</u>	<u>(476,624)</u>	<u>-</u>	<u>8,245,409</u>
Total Capital Assets	<u><u>\$ 10,105,512</u></u>	<u><u>\$ (423,189)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,682,323</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 81,500
Public safety	422,291
Public works	488,021
Culture and recreation	102,268
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,094,080</u></u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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	1,953,632	1,332,563	(2,852,307)	433,888
Total capital assets not being depreciated	<u>2,305,145</u>	<u>1,332,563</u>	<u>(2,852,307)</u>	<u>785,401</u>
Capital assets, being depreciated:				
Buildings and improvements	865,234	-	-	865,234
Water and sewer facilities	8,006,454	563,100	1,987,823	10,557,377
Equipment	990,106	-	(68,600)	921,506
Total capital assets being depreciated	<u>9,861,794</u>	<u>563,100</u>	<u>1,919,223</u>	<u>12,344,117</u>
Less accumulated depreciation				
Buildings and improvements	367,725	43,262	-	410,987
Water and sewer facilities	2,510,859	393,924	(864,484)	2,040,299
Equipment	871,136	69,697	(68,600)	872,233
Total accumulated depreciation	<u>3,749,720</u>	<u>506,883</u>	<u>(933,084)</u>	<u>3,323,519</u>
Net capital assets being depreciated	6,112,074	56,217	2,852,307	9,020,598
Total Capital Assets	<u>\$ 8,417,219</u>	<u>\$ 1,388,780</u>	<u>\$ -</u>	<u>\$ 9,805,999</u>

A summary of changes in the discretely presented component unit's activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Disposals / Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 811,975	\$ -	\$ (79,847)	\$ 732,128
Total capital assets not being depreciated	<u>811,975</u>	<u>-</u>	<u>(79,847)</u>	<u>732,128</u>
Total Capital Assets	<u>\$ 811,975</u>	<u>\$ -</u>	<u>\$ (79,847)</u>	<u>\$ 732,128</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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	\$ 4,610,000	\$ -	\$ (290,000)	\$ 4,320,000	\$ 260,000
Less deferred amounts:					
For issuance premiums	<u>126,705</u>	<u>-</u>	<u>(8,278)</u>	<u>118,427</u>	<u>-</u>
Total Governmental Activities	<u>\$ 4,736,705</u>	<u>\$ -</u>	<u>\$ (298,278)</u>	<u>\$ 4,438,427</u>	<u>\$ 260,000</u>
Long-term liabilities due in more than one year				<u>\$ 4,178,427</u>	
Business-Type Activities:					
Certificates of Obligation	\$ 5,475,000	\$ -	\$ (335,000)	\$ 5,140,000	\$ 345,000
Less deferred amounts:					
For issuance premiums	<u>113,453</u>	<u>-</u>	<u>(8,090)</u>	<u>105,363</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 5,588,453</u>	<u>\$ -</u>	<u>\$ (343,090)</u>	<u>\$ 5,245,363</u>	<u>\$ 345,000</u>
Long-term liabilities due in more than one year				<u>\$ 4,900,363</u>	

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

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.	\$ 2,650,000	\$ -	\$ 2,650,000
\$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.	1,670,000	-	1,670,000
\$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.	-	3,340,000	3,340,000
\$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.	-	1,800,000	1,800,000
Total Certificates of Obligation	\$ 4,320,000	\$ 5,140,000	\$ 9,460,000
Less deferred amounts:			
Issuance premium	\$ 118,427	\$ 105,363	\$ 223,790
Total Deferred Amounts	\$ 118,427	\$ 105,363	\$ 223,790
Total Long-term Debt	\$ 4,438,427	\$ 5,245,363	\$ 9,683,790

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, 2022

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
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	\$ 4,320,000	\$ 1,084,663	\$ 5,404,663

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

Year ending September 30,	Business-Type Activities		
	Principal	Interest	Total
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>\$ 5,140,000</u>	<u>\$ 1,120,362</u>	<u>\$ 6,260,362</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, 2022

E. Other Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 156,004	\$ 144,452	\$ (99,026)	\$ 201,430	\$ 181,287
Total Governmental Activities	\$ 156,004	\$ 144,452	\$ (99,026)	\$ 201,430	\$ 181,287
Other Long-term Liabilities Due in More than One Year				\$ 20,143	
Business-Type Activities:					
Compensated Absences	\$ 30,222	\$ 20,714	\$ (18,712)	\$ 32,224	\$ 29,002
Total Business-Type Activities	\$ 30,222	\$ 20,714	\$ (18,712)	\$ 32,224	\$ 29,002
Other Long-term Liabilities Due in More than One Year				\$ 3,222	

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.

	Transfer In		
Transfer out:	Government CIP	General	Total
General	\$ 479,964	\$ -	\$ 479,964
Water & Sewer	-	216,904	216,904
	\$ 479,964	\$ 216,904	\$ 696,868

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, 2022

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

	Restricted
Tourism	\$ 2,396,438 *
Economic development	1,216,732
Special donations	22,987
Public safety	148,654 *
Debt service	292,303
Capital projects	1,942,163
Streets	3,348,374 *
	\$ 9,367,651

* 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, 2022

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 920 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, 2022

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 2021</u>	<u>Plan Year 2020</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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	38
Inactive employees entitled to but not yet receiving benefits	93
Active employees	77
Total	208

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 7.93% and 8.47% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$350,672, and were equal to the required contributions.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date. The City uses the general fund and the water and sewer fund to liquidate governmental activities and the business-type pension liabilities, respectively.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2021 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, 2022

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	35.0%	7.550%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.684
Real Return	12.0%	7.22%
Real Estate	12.0%	6.85%
Absolute Return	5.0%	5.35%
Private Equity	10.0%	10.00%
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, 2022

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/2020	\$ 14,366,311	\$ 15,974,027	\$ (1,607,716)
Changes for the year:			
Service Cost	589,937	-	589,937
Interest (on the Total Pension Liab.)	968,341	-	968,341
Difference between expected and actual experience	144,182	-	144,182
Changes of assumptions	-	-	-
Contributions – employer	-	300,655	(300,655)
Contributions – employee	-	227,482	(227,482)
Net investment income	-	2,080,379	(2,080,379)
Benefit payments, including refunds of emp. contributions	(630,987)	(630,987)	-
Administrative expense	-	(9,635)	9,635
Other changes	-	65	(65)
Net changes	1,071,473	1,967,959	(896,486)
Balance at 12/31/2021	\$ 15,437,784	\$ 17,941,986	\$ (2,504,202)

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%
\$ (198,942)	\$ (2,504,202)	\$ (4,367,091)

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, 2022, the City recognized pension income of \$342,394.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

At September 30, 2022, 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	\$ -	\$ (1,069,873)
Changes in assumptions	7,139	-
Differences between expected and actual economic experience	-	(188,957)
Contributions subsequent to the measurement date	258,887	-
Total	\$ 266,026	\$ (1,258,830)

The City reported \$258,887 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, 2023. 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:

2022	\$ (394,837)
2023	(439,991)
2024	(216,442)
2025	(200,421)
2026	-
Thereafter	-
	\$ (1,251,691)

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, 2022

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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	21
Active employees	77
Total	131

The City’s retiree contribution rates to the TMRS SDBF for the years ended 2022, 2021 and 2020 are as follows:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2022	0.11%	0.11%	100.0%
2021	0.11%	0.11%	100.0%
2020	0.04%	0.04%	100.0%

The City’s contributions to the TMRS SDBF for the years ended 2022, 2021, and 2020 were \$4,635, \$3,319, and \$1,321, respectively, which equaled the required contributions each year.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2021, and the Total OPEB Liability was determined by an actuarial valuation as of that date. The City uses the general fund and the water and sewer fund to liquidate governmental activities and the business-type OPEB liabilities, respectively.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2021 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	1.84%
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, 2021.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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 1.84%, 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 (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

1% Decrease 0.84%	Current Single Rate Assumption 1.84%	1% Increase 2.84%
\$ 374,549	\$ 297,644	\$ 241,056

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/19	\$ 262,092
Changes for the year:	
Service Cost	19,715
Interest	5,397
Difference between expected and actual experience	4,366
Changes of assumptions	10,245
Benefit payments	(4,171)
Net changes	35,552
Balance at 12/31/20	\$ 297,644

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$38,303.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ -	(5,540)
Change in assumptions	47,726	-
Contributions subsequent to measurement date	3,362	-
Total	\$ 51,088	\$ (5,540)

The City reported \$3,362 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, 2023. 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:	
2022	\$ 13,193
2023	11,634
2024	11,798
2025	5,561
2026	-
Thereafter	-
	\$ 42,186

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2022

E. Restatement

Due to corrections to compensated absences and receivables in the prior year, the City restated its beginning net position/fund balance within governmental activities, business-type activities, and the water and sewer fund. In addition. The restatement of beginning fund balance/net position is as follows:

	Governmental Activities		Business-type Activities	Water & Sewer
Prior year ending net position/fund balance, as reported	\$ 17,088,201		\$ 10,125,851	\$ 10,125,851
Correction to compensated absences	110,956		359,948	359,948
Restated beginning net position/fund balance	\$ 17,199,157		\$ 10,500,637	\$ 10,500,637
Prior year ending net position as reported			\$ 10,125,851	\$ 10,125,851
Correction to accrued receivables			359,948	359,948
Correction to compensated absences			14,838	14,838
Restated beginning net position			\$ 10,500,637	\$ 10,500,637

F. Subsequent Events

There were no material subsequent events through March 13, 2023, 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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Revenues</u>				
Property tax	\$ 1,643,410	\$ 1,602,993	\$ 1,602,993	\$ -
Sales taxes	2,983,800	2,988,202	3,177,281	189,079
Franchise taxes	542,600	567,626	570,674	3,048
License and permits	121,095	124,127	124,125	(2)
Charges for services	1,405,200	1,413,143	1,414,724	1,581
Contributions and donations	5,000	5,000	5,010	10
Intergovernmental revenues	92,009	73,521	75,276	1,755
Fines and forfeitures	158,000	178,323	194,259	15,936
Investment income	1,500	1,500	18,041	16,541
Other revenue	4,400	2,579	8,885	6,306
Total Revenues	6,957,014	6,957,014	7,191,268	234,254
<u>Expenditures</u>				
Current:				
General government -				
City council	35,617	54,567	46,846	7,721
Administration	357,111	337,116	328,258	8,858
Finance - Operations	248,626	231,653	215,280	16,373
Finance - Solid waste	1,284,330	1,301,849	1,301,226	623
Community Development -				
Code Enforcement	78,575	67,514	57,558	9,956
Permits	60,441	45,502	27,058	18,444
Building maintenance	53,615	53,972	54,573	(601)
Other - unclassified	186,656	87,673	42,474	45,199
Total General Government	2,304,971	2,179,846	2,073,273	106,573
Public safety:				
Court	141,844	125,755	106,872	18,883
Police	3,107,533	2,834,379	2,743,081	91,298
Fire	1,248,898	1,247,964	1,211,126	36,838
Total Public Safety	4,498,275	4,208,098	4,061,079	147,019
Public works:				
Fleet	170,807	173,419	163,139	10,280
Parks	189,865	185,128	162,050	23,078
Total Public Works	360,672	358,547	325,189	33,358
Capital outlay	10,000	-	-	-
Total Expenditures	7,173,918	6,746,491	6,459,541	286,950
Revenues Over (Under) Expenditures	\$ (216,904)	\$ 210,523	\$ 731,727	\$ 521,204

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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 216,904	\$ 216,904	\$ 216,904	\$ -
Transfers (out)	-	(479,964)	(479,964)	-
Sale of capital assets	-	42,919	42,919	-
Insurance recoveries	-	19,587	19,587	-
Total Other Financing Sources (Uses)	<u>216,904</u>	<u>(200,554)</u>	<u>(200,554)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 9,969</u>	531,173	<u>\$ 521,204</u>
Beginning fund balance			<u>2,738,315</u>	
Ending Fund Balance			<u>\$ 3,269,488</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
HOTEL/MOTEL TAX FUND
For the Year Ended September 30, 2022

	Original & Final	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Hotel and motel taxes	\$ 400,200	\$ 619,202	\$ 219,002
Charges for services	52,000	95,123	43,123
Investment income	1,300	12,609	11,309
Total Revenues	453,500	726,934	273,434
<u>Expenditures</u>			
Tourism	583,257	425,644	157,613
Total Expenditures	583,257	425,644	157,613
Excess of Revenues Over (Under) Expenditures	(129,757)	301,290	431,047
Net Change in Fund Balance	\$ (129,757)	301,390	\$ 431,147
Beginning fund balance		2,095,048	
Ending Fund Balance		\$ 2,396,438	

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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Sales taxes	\$ 726,825	\$ 726,825	\$ 774,095	\$ 47,270
Investment income	2,160	2,160	18,587	16,427
Total Revenues	<u>728,985</u>	<u>728,985</u>	<u>792,682</u>	<u>63,697</u>
Expenditures				
Public works	828,959	828,959	774,372	54,587
Total Expenditures	<u>828,959</u>	<u>828,959</u>	<u>774,372</u>	<u>54,587</u>
Excess of Revenues Over (Under) Expenditures	<u>(99,974)</u>	<u>(99,974)</u>	<u>18,310</u>	<u>118,284</u>
Net Change in Fund Balance	<u>\$ (99,974)</u>	<u>\$ (99,974)</u>	<u>18,310</u>	<u>\$ 118,284</u>
Beginning fund balance			<u>3,330,064</u>	
Ending Fund Balance			<u>\$ 3,348,374</u>	

Notes to Required Supplementary Information

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

City of Bellmead, Texas

SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

Years ended December 31,

	2021	2020	2019
Total pension liability			
Service cost	\$ 589,937	\$ 550,754	\$ 505,171
Interest (on the Total Pension Liability)	968,341	928,440	927,535
Differences between expected and actual experience	144,182	(223,277)	(771,881)
Changes of assumptions	-	(100)	29,453
Benefit payments, including refunds of participant contributions	(630,987)	(737,793)	(661,518)
Net change in total pension liability	1,071,473	518,024	28,760
Total pension liability - beginning	14,366,311	13,848,287	13,819,527
Total pension liability - ending (a)	\$ 15,437,784	\$ 14,366,311	\$ 13,848,287
Plan fiduciary net position			
Contributions - employer	\$ 300,655	\$ 322,628	\$ 304,832
Contributions - members	227,482	224,340	207,605
Net investment income	2,080,379	1,139,836	2,032,377
Benefit payments, including refunds of participant contributions	(630,987)	(737,793)	(661,518)
Administrative expenses	(9,635)	(7,384)	(11,497)
Other	65	(387)	(346)
Net change in plan fiduciary net position	1,967,959	941,240	1,871,453
Plan fiduciary net position - beginning	15,974,027	15,032,787	13,161,334
Plan fiduciary net position - ending (b)	\$ 17,941,986	\$ 15,974,027	\$ 15,032,787
Fund's net pension (asset) liability - ending (a) - (b)	\$ (2,504,202)	\$ (3,450,409)	\$ (1,184,500)
Plan fiduciary net position as a percentage of the total pension liability	116.22%	123.97%	108.55%
Covered payroll	\$ 3,791,370	\$ 3,738,998	\$ 3,460,076
Fund's net pension liability as a percentage of covered payroll	-66.05%	-92.28%	-34.23%

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.

	2018	2017	2016	2015	2014	1
\$	539,356	\$ 521,330	\$ 487,147	\$ 458,188	\$ 389,742	
	879,593	842,174	809,001	818,762	767,022	
	(86,043)	(273,905)	(233,707)	(519,945)	51,209	
	-	-	-	93,818	-	
	(549,518)	(538,906)	(637,232)	(516,186)	(489,931)	
	783,388	550,693	425,209	334,637	718,042	
	13,036,139	12,485,446	12,060,237	11,725,600	11,007,558	
\$	13,819,527	\$ 13,036,139	\$ 12,485,446	\$ 12,060,237	\$ 11,725,600	
\$	331,939	\$ 321,892	\$ 310,177	\$ 309,670	\$ 262,945	
	219,102	214,834	206,710	204,853	195,254	
	(406,269)	1,653,688	763,497	16,664	613,170	
	(549,618)	(538,906)	(637,232)	(516,186)	(489,931)	
	(7,859)	(8,570)	(8,623)	(10,150)	(6,402)	
	(310)	(435)	(465)	(502)	(526)	
	(413,015)	1,642,503	634,064	4,349	574,510	
	13,574,349	11,931,846	11,297,782	11,293,433	10,718,923	
\$	13,161,334	\$ 13,574,349	\$ 11,931,846	\$ 11,297,782	\$ 11,293,433	
\$	658,193	\$ (538,210)	\$ 553,600	\$ 762,455	\$ 432,167	
	95.24%	104.13%	95.57%	93.68%	96.31%	
\$	3,651,699	\$ 3,580,562	\$ 3,445,170	\$ 3,414,216	\$ 3,254,228	
	18.02%	-15.03%	16.07%	22.33%	13.28%	

City of Bellmead, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Actuarially determined employer contributions	\$ 350,672	\$ 299,920	\$ 304,403	\$ 309,089
Contributions in relation to the actuarially determined contribution	\$ 350,672	\$ 299,920	\$ 304,403	\$ 309,089
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 4,213,962	\$ 3,688,961	\$ 3,510,035	\$ 3,481,455
Employer contributions as a percentage of covered payroll	8.32%	8.13%	8.67%	8.88%

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>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	¹
\$ 335,268	\$ 316,551	\$ 320,484	\$ 297,841	\$ 260,868	
<u>\$ 335,268</u>	<u>\$ 316,551</u>	<u>\$ 320,484</u>	<u>\$ 297,841</u>	<u>\$ 260,868</u>	
<u>\$ -</u>					
\$ 3,698,157	\$ 3,520,210	\$ 3,552,338	\$ 3,383,497	\$ 3,192,687	
9.07%	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,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 19,715	\$ 14,956	\$ 8,996	\$ 11,685
Interest	5,397	5,911	6,589	5,733
Differences between expected and actual experience	4,366	(2,737)	(16,809)	2,540
Changes of assumptions	10,245	37,251	36,847	(13,137)
Benefit payments, including refunds of participant contributions	(4,171)	(1,498)	(1,034)	(1,098)
Net changes	<u>35,552</u>	<u>53,883</u>	<u>34,589</u>	<u>5,723</u>
Total OPEB liability - beginning	<u>262,092</u>	<u>208,209</u>	<u>173,620</u>	<u>167,897</u>
Total OPEB liability - ending	<u><u>\$ 297,644</u></u>	<u><u>\$ 262,092</u></u>	<u><u>\$ 208,209</u></u>	<u><u>\$ 173,620</u></u>
Covered-employee payroll	\$ 3,791,370	\$ 3,738,998	\$ 3,460,076	\$ 3,651,699
Total OPEB Liability as a percentage of covered employee payroll	7.85%	7.01%	6.02%	4.75%

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.

	<u>2017</u> ¹
\$	10,026
	5,464
	-
	13,586
	<u>(1,432)</u>
	<u>27,644</u>
	<u>140,253</u>
\$	<u><u>167,897</u></u> ²
\$	3,580,562
	4.69%



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

City of Bellmead, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	<u>Special Revenue</u>			
	<u>Debt Service</u>	<u>Grants Capital Projects</u>	<u>Grants</u>	<u>Festival Donation</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 292,303	\$ 244,577	\$ 29,414	\$ 14,040
Receivables, net	38,671	40,535	5,903	-
Prepays	-	-	198,347	-
Total Assets	\$ 330,974	\$ 285,112	\$ 233,664	\$ 14,040
<u>Liabilities</u>				
Accounts payable and accrued	\$ -	\$ 40,534	\$ 5,903	\$ -
Unearned revenues - grants	-	-	198,347	-
Total Liabilities	-	40,534	204,250	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue				
Property taxes	38,671	-	-	-
<u>Fund Balances</u>				
Nonspendable:				
Prepaid items	-	-	198,347	-
Restricted for:				
Public safety	-	-	-	-
Debt service	292,303	-	-	-
Special donations	-	-	-	14,040
Economic development	-	244,578	-	-
Capital projects	-	-	-	-
Unassigned (deficits)	-	-	(168,933)	-
Total Fund Balances	292,303	244,578	29,414	14,040
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 330,974	\$ 285,112	\$ 233,664	\$ 14,040

See Notes to Financial Statements.

Special Revenue Funds

Court Technology	Court Security	Donation Fund	Cable PEG Fees	Child Safety Fund	Seizure Fund	Community Improvement
\$ 10,522	\$ 31,345	\$ 4,160	\$ 150,147	\$ 41,588	\$ 54,835	\$ 943,598
-	-	-	3,282	-	-	-
-	-	-	-	-	-	-
<u>\$ 10,522</u>	<u>\$ 31,345</u>	<u>\$ 4,160</u>	<u>\$ 153,429</u>	<u>\$ 41,588</u>	<u>\$ 54,835</u>	<u>\$ 943,598</u>
\$ -	\$ -	\$ -	\$ -	\$ 995	\$ -	\$ 858
-	-	-	-	-	-	-
-	-	-	-	995	-	858
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,522	31,345	-	-	40,593	54,835	-
-	-	-	-	-	-	-
-	-	4,160	-	-	-	-
-	-	-	-	-	-	942,740
-	-	-	153,429	-	-	-
-	-	-	-	-	-	-
<u>10,522</u>	<u>31,345</u>	<u>4,160</u>	<u>153,429</u>	<u>40,593</u>	<u>54,835</u>	<u>942,740</u>
<u>\$ 10,522</u>	<u>\$ 31,345</u>	<u>\$ 4,160</u>	<u>\$ 153,429</u>	<u>\$ 41,588</u>	<u>\$ 54,835</u>	<u>\$ 943,598</u>



City of Bellmead, Texas
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Truancy Prevention/ Diversion</u>	<u>Court Jury Fund</u>	<u>Police Donation Fund</u>	
<u>Assets</u>				
Cash and cash equivalents	\$ 11,136	\$ 223	\$ 4,787	\$ 1,832,675
Receivables, net	-	-	-	88,391
Prepays	-	-	-	198,347
Total Assets	\$ 11,136	\$ 223	\$ 4,787	\$ 2,119,413
<u>Liabilities</u>				
Accounts payable and accrued	\$ -	\$ -	\$ -	\$ 48,290
Unearned revenues - grants	-	-	-	198,347
Total Liabilities	-	-	-	246,637
<u>Deferred Inflows of Resources</u>				
Unavailable revenue				
Property taxes	-	-	-	38,671
<u>Fund Balances</u>				
Nonspendable:				
Prepaid items	-	-	-	198,347
Restricted for:				
Public safety	11,136	223	-	148,654
Debt service	-	-	-	292,303
Special donations	-	-	4,787	22,987
Economic development	-	-	-	1,187,318
Capital projects	-	-	-	153,429
Unassigned (deficits)	-	-	-	(168,933)
Total Fund Balances	11,136	223	4,787	1,834,105
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 11,136	\$ 223	\$ 4,787	\$ 2,119,413

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, 2022

			Special Revenue	
	Debt Service	Grants Capital Projects	Grants	Festival Donation
Revenues				
Taxes	\$ 429,732	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental revenue	-	-	168,047	-
Grants and contributions	-	56,935	-	14,000
Other revenue	-	-	-	-
Investment income	1,926	1,378	89	40
Total Revenues	431,658	58,313	168,136	14,040
Expenditures				
Public safety	-	-	114,322	-
Administration	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	290,000	-	-	-
Interest	152,647	-	-	-
Capital outlay	-	56,935	58,747	-
Total Expenditures	442,647	56,935	173,069	-
Revenues Over (Under)				
Expenditures	(10,989)	1,378	(4,933)	14,040
Other Financing Sources (Uses)				
Loss on sale of capital assets	-	-	-	-
Total Other Financing Sources				
(Uses)	-	-	-	-
Net Change in Fund Balances	(10,989)	1,378	(4,933)	14,040
Beginning fund balances	303,292	243,200	34,347	-
Ending Fund Balances	\$ 292,303	\$ 244,578	\$ 29,414	\$ 14,040

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>
\$ -	\$ -	\$ -	\$ 13,696	\$ -	\$ -	\$ -
4,677	5,127	-	-	13,671	16,324	41,992
-	-	-	-	-	-	205,000
-	-	-	-	-	-	-
-	-	4,200	-	-	-	-
53	169	23	824	231	272	4,227
<u>4,730</u>	<u>5,296</u>	<u>4,223</u>	<u>14,520</u>	<u>13,902</u>	<u>16,596</u>	<u>251,219</u>
11,623	724	-	-	1,575	1,905	-
-	-	1,931	-	-	-	-
-	-	-	-	-	-	60,980
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,623</u>	<u>724</u>	<u>1,931</u>	<u>-</u>	<u>1,575</u>	<u>1,905</u>	<u>60,980</u>
<u>(6,893)</u>	<u>4,572</u>	<u>2,292</u>	<u>14,520</u>	<u>12,327</u>	<u>14,691</u>	<u>190,239</u>
-	-	-	-	-	2,130	-
-	-	-	-	-	2,130	-
(6,893)	4,572	2,292	14,520	12,327	16,821	190,239
17,415	26,773	1,868	138,909	28,266	38,014	752,501
<u>\$ 10,522</u>	<u>\$ 31,345</u>	<u>\$ 4,160</u>	<u>\$ 153,429</u>	<u>\$ 40,593</u>	<u>\$ 54,835</u>	<u>\$ 942,740</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, 2022

	Special Revenue Funds			Total
	Truancy Prevention/ Diversion	Court Jury Fund	Police Donation Fund	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 443,428
Fines and forfeitures	4,725	96	-	86,612
Intergovernmental revenue	-	-	-	373,047
Grants and contributions	-	-	2,675	73,610
Other revenue	-	-	1,498	5,698
Investment income	55	-	20	9,307
Total Revenues	4,780	96	4,193	991,702
Expenditures				
Public safety	-	-	531	130,680
Administration	-	-	-	1,931
Economic development	-	-	-	60,980
Debt service				
Principal	-	-	-	290,000
Interest	-	-	-	152,647
Capital outlay	-	-	-	115,682
Total Expenditures	-	-	531	751,920
Revenues Over (Under) Expenditures	4,780	96	3,662	239,782
Other Financing Sources (Uses)				
Loss on sale of capital assets	-	-	-	2,130
Total Other Financing Sources (Uses)	-	-	-	2,130
Net Change in Fund Balances	4,780	96	3,662	241,912
Beginning fund balances	6,356	127	1,125	1,592,193
Ending Fund Balances	\$ 11,136	\$ 223	\$ 4,787	\$ 1,834,105

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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ -	\$ 7,801	\$ 7,801
Total Revenues	-	7,801	7,801
<u>Expenditures</u>			
Capital outlay	694,165	283,440	410,725
Total Expenditures	694,165	283,440	410,725
Excess of Revenues Over (Under) Expenditures	(694,165)	(275,639)	418,526
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	479,964	479,964
Total Other Financing Sources (Uses)	-	479,964	479,964
Net Change in Fund Balance	\$ (694,165)	204,325	\$ 898,490
Beginning fund balance		1,584,409	
Ending Fund Balance (Deficit)		\$ 1,788,734	

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, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 435,369	\$ 429,732	\$ (5,637)
Investment income	120	1,926	1,806
Total Revenues	<u>435,489</u>	<u>431,658</u>	<u>(3,831)</u>
<u>Expenditures</u>			
Debt service:			
Principal	290,000	290,000	-
Interest	154,238	152,647	1,591
Total Expenditures	<u>444,238</u>	<u>442,647</u>	<u>1,591</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,749)</u>	<u>(10,989)</u>	<u>(2,240)</u>
Net Change in Fund Balance	<u>\$ (8,749)</u>	<u>(10,989)</u>	<u>\$ (2,240)</u>
Beginning fund balance		<u>303,292</u>	
Ending Fund Balance		<u>\$ 292,303</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
GRANTS CAPITAL PROJECTS
For the Year Ended September 30, 2022

	<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	\$ 56,935	\$ (489,417)
Investment income	-	-	1,378	1,378
Total Revenues	<u>-</u>	<u>546,352</u>	<u>58,313</u>	<u>(488,039)</u>
<u>Expenditures</u>				
Capital outlay	774,602	774,602	56,935	717,667
			-	-
			-	-
Total Expenditures	<u>774,602</u>	<u>774,602</u>	<u>56,935</u>	<u>717,667</u>
Excess of Revenues Over (Under) Expenditures	<u>(774,602)</u>	<u>(228,250)</u>	<u>1,378</u>	<u>229,628</u>
Net Change in Fund Balance	<u>\$ (774,602)</u>	<u>\$ (228,250)</u>	<u>1,378</u>	<u>\$ 229,628</u>
Beginning fund balance			243,200	
Ending Fund Balance			<u>\$ 244,578</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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 4,500	\$ 4,677	\$ 177
Investment income	15	53	38
Total Revenues	4,515	4,730	215
<u>Expenditures</u>			
Public safety	12,455	11,623	832
Total Expenditures	12,455	11,623	832
Excess of Revenues Over (Under) Expenditures	(7,940)	(6,893)	1,047
Net Change in Fund Balance	\$ (7,940)	(6,893)	\$ 1,047
Beginning fund balance		17,415	
Ending Fund Balance		\$ 10,522	

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, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 5,000	\$ 5,127	\$ 127
Investment income	20	169	149
Total Revenues	<u>5,020</u>	<u>5,296</u>	<u>276</u>
<u>Expenditures</u>			
Public safety	10,685	724	9,961
Total Expenditures	<u>10,685</u>	<u>724</u>	<u>9,961</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,665)</u>	<u>4,572</u>	<u>10,237</u>
Net Change in Fund Balance	<u>\$ (5,665)</u>	<u>4,572</u>	<u>\$ 10,237</u>
Beginning fund balance		<u>26,773</u>	
Ending Fund Balance		<u>\$ 31,345</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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 12,650	\$ 13,671	\$ 1,021
Investment income	15	231	216
Total Revenues	12,665	13,902	1,237
<u>Expenditures</u>			
Public safety	17,878	1,575	16,303
Total Expenditures	17,878	1,575	16,303
Excess of Revenues Over (Under) Expenditures	(5,213)	12,327	17,540
Net Change in Fund Balance	\$ (5,213)	12,327	\$ 17,540
Beginning fund balance		28,266	
Ending Fund Balance		\$ 40,593	

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, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ -	\$ 41,992	\$ 41,992
Intergovernmental	-	205,000	205,000
Investment income	450	4,227	3,777
Total Revenues	<u>450</u>	<u>251,219</u>	<u>250,769</u>
<u>Expenditures</u>			
Economic development	669,111	60,980	608,131
Total Expenditures	<u>669,111</u>	<u>60,980</u>	<u>608,131</u>
Excess of Revenues Over (Under) Expenditures	<u>(668,661)</u>	<u>190,239</u>	<u>858,900</u>
Net Change in Fund Balance	<u>\$ (668,661)</u>	<u>190,239</u>	<u>\$ 858,900</u>
Beginning fund balance		<u>752,501</u>	
Ending Fund Balance		<u>\$ 942,740</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 TRUANCY PREVENTION/DIVERSION FUND

For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 4,400	\$ 4,725	\$ 325
Investment income	5	55	50
Total Revenues	<u>4,405</u>	<u>4,780</u>	<u>375</u>
<u>Expenditures</u>			
Public safety	10,411	-	10,411
Total Expenditures	<u>10,411</u>	<u>-</u>	<u>10,411</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,006)</u>	<u>4,780</u>	<u>10,786</u>
Net Change in Fund Balance	<u>\$ (6,006)</u>	<u>4,780</u>	<u>\$ 10,786</u>
Beginning fund balance		<u>6,356</u>	
Ending Fund Balance		<u>\$ 11,136</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 JURY FUND
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 90	\$ 96	\$ 6
Investment income	2	-	(2)
Total Revenues	92	96	4
<u>Expenditures</u>			
Public safety	214	-	214
Total Expenditures	214	-	214
Excess of Revenues Over (Under) Expenditures	(122)	96	218
Net Change in Fund Balance	\$ (122)	96	\$ 218
Beginning fund balance		127	
Ending Fund Balance		\$ 223	

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, 2022

	Bellmead Economic Development Corporation
<u>Assets</u>	
Cash and cash equivalents	\$ 3,122,309
Investments	176,905
Receivables, net	133,811
Total Assets	\$ 3,433,025
<u>Liabilities</u>	
Accounts payable and accrued liabilities	\$ 4,237
Total Liabilities	4,237
<u>Fund Balances</u>	
Restricted for:	
Economic development	3,428,788
Total Fund Balance	3,428,788
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 3,433,025

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, 2022

Fund Balance	\$ 3,428,788
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	732,128
Net Position of the Discretely Presented Component Unit	<u><u>\$ 4,160,916</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, 2022

	Bellmead Economic Development Corporation
<u>Revenues</u>	
Sales tax	\$ 774,095
Investment income	22,867
	<hr/>
Total Revenues	796,962
	<hr/>
<u>Expenditures</u>	
Current:	
Economic development	1,098,338
	<hr/>
Total Expenditures	1,098,338
	<hr/>
Revenues Over (Under) Expenditures	(301,376)
<u>Other Financing Sources (Uses)</u>	
Sale of capital assets	18,500
	<hr/>
Total Other Financing Sources (Uses)	18,500
	<hr/>
Net Change in Fund Balance	(282,876)
Beginning fund balance	3,711,664
	<hr/>
Ending Fund Balance	\$ 3,428,788
	<hr/> <hr/>

See Notes to Financial Statements.

City of Bellmead, Texas
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED
COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

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

Net changes in fund balance	\$ (282,876)
Adjustment for sale of land	(79,847)
Change in Net Position of the Discretely Presented Component Unit	<u><u>\$ (362,723)</u></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>	129
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	134
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>	138
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>	142
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>	145
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>	149

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

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 11,452,985	\$ 11,315,424	\$ 10,824,531	\$ 10,463,797	\$ 9,008,424	\$ 5,429,861	\$ 5,355,050	\$ 6,977,108	\$ 6,928,180	\$ 6,992,096
Restricted for:										
Debt service	189,364	189,852	261,422	321,762	310,153	275,816	288,890	278,429	303,292	292,303
Capital projects	-	-	-	-	-	1,950,212	1,365,269	125,201	138,909	357,754
Tourism	-	-	-	-	1,680,934	1,758,926	1,737,576	1,857,884	2,095,048	2,396,438
Streets	-	-	-	2,597,208	2,345,942	2,470,973	3,056,444	3,286,681	3,330,064	3,348,374
Pension	-	-	-	-	-	-	-	207,088	686,450	1,290,517
Economic development	3,166,471	4,695,853	5,206,660	5,509,434	-	-	-	-	-	-
Culture and recreation	995,230	1,106,713	1,285,977	1,421,289	-	-	-	-	-	-
Municipal court	31,225	31,225	33,632	45,730	53,286	61,822	59,764	49,043	44,188	41,867
Public safety	81,259	76,554	74,643	74,643	10,553	-	-	-	-	-
Unrestricted	3,114,026	3,588,381	3,855,628	1,582,003	1,378,278	1,561,285	2,167,555	3,520,773	3,673,026	4,185,614
Total governmental activities net position	\$ 19,030,560	\$ 21,004,002	\$ 21,542,493	\$ 22,015,866	\$ 14,787,570	\$ 13,508,895	\$ 14,030,548	\$ 16,302,207	\$ 17,199,157	\$ 18,904,963
Business-type activities										
Net investment in capital assets	\$ 2,658,303	\$ 3,106,686	\$ 3,145,571	\$ 3,104,361	\$ 4,200,804	\$ 2,428,272	\$ 3,328,461	\$ 791,249	\$ 2,217,344	\$ 4,237,746
Restricted for:										
Capital projects	20,419	20,426	20,437	20,495	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	36,277	131,877	220,881
Unrestricted	5,213,955	5,208,403	5,472,338	5,655,690	4,544,602	7,618,717	7,796,313	7,471,388	8,151,416	7,809,539
Total business-type activities net position	\$ 7,892,677	\$ 8,335,515	\$ 8,638,346	\$ 8,780,546	\$ 8,745,406	\$ 10,046,989	\$ 11,124,774	\$ 8,298,914	\$ 10,500,637	\$ 12,268,166
Primary government										
Net investment in capital assets	\$ 14,111,288	\$ 14,422,110	\$ 13,970,102	\$ 13,568,158	\$ 13,209,228	\$ 7,858,133	\$ 8,683,511	\$ 7,768,357	\$ 9,145,526	\$ 11,229,842
Restricted for:										
Debt service	189,364	189,852	261,422	321,762	310,153	275,816	288,890	278,429	303,292	292,303
Capital projects	20,419	20,426	20,437	20,495	-	1,950,212	1,365,269	125,201	138,909	357,754
Tourism	-	-	-	-	1,680,934	1,758,926	1,737,576	1,857,884	2,095,048	2,396,438
Streets	-	-	-	2,597,208	2,345,942	2,470,973	3,056,444	3,286,681	3,330,064	3,348,374
Pension	-	-	-	-	-	-	-	243,365	818,327	1,511,398
Economic development	3,166,471	4,695,853	5,206,660	5,509,434	-	-	-	-	-	-
Culture and recreation	995,230	1,106,713	1,285,977	1,421,289	-	-	-	-	-	-
Municipal court	31,225	31,225	33,632	45,730	53,286	61,822	59,764	49,043	44,188	41,867
Public safety	81,259	76,554	74,643	74,643	10,553	-	-	-	-	-
Unrestricted	8,327,981	8,796,784	9,327,966	7,237,693	5,922,880	9,180,002	9,963,868	10,992,161	11,824,442	11,995,153
Total primary governmental activities net position	\$ 26,923,237	\$ 29,339,517	\$ 30,180,839	\$ 30,796,412	\$ 23,532,976	\$ 23,555,884	\$ 25,155,322	\$ 24,601,121	\$ 27,699,796	\$ 31,173,129

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

City of Bellmead, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 988,499	\$ 1,092,276	\$ 1,108,455	\$ 1,244,747	\$ 1,251,195	\$ 1,069,756	\$ 1,065,045	\$ 574,374	\$ 601,019	\$ 753,078
Public safety	2,905,298	3,298,118	3,378,464	3,635,664	3,850,818	3,963,259	3,958,572	3,713,738	3,528,340	3,912,761
Public works	728,820	631,073	884,412	696,991	635,272	809,098	906,923	950,326	1,460,038	1,614,537
Garbage services	-	-	-	-	-	715,735	706,630	718,785	961,701	1,301,226
Economic development	359,382	675,330	487,357	483,256	133,498	-	-	-	-	-
Community development	516,036	511,342	498,863	619,491	527,180	546,113	681,657	630,541	490,948	567,242
Interest on long-term debt	20,432	84,027	106,443	100,519	92,725	202,496	168,736	160,109	153,178	143,586
Total governmental activities expenses	5,518,467	6,292,166	6,463,994	6,780,668	6,490,688	7,306,457	7,487,563	6,747,873	7,195,224	8,292,430
Business-type activities										
Water and sewer	2,239,420	2,313,591	2,481,577	2,628,931	2,627,061	2,546,351	2,659,784	2,798,230	2,972,546	3,085,682
Total business-type activities expenses	2,239,420	2,313,591	2,481,577	2,628,931	2,627,061	2,546,351	2,659,784	2,798,230	2,972,546	3,085,682
Total primary government expenses	\$ 7,757,887	\$ 8,605,757	\$ 8,945,571	\$ 9,409,599	\$ 9,117,749	\$ 9,852,808	\$ 10,147,347	\$ 9,546,103	\$ 10,167,770	\$ 11,378,112
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 55,093	\$ 46,832	\$ 42,170	\$ 33,761	\$ 35,182	\$ 27,198	\$ 124,124	\$ 144,888	\$ 196,822	\$ 270,362
Public safety	371,414	357,416	332,056	320,431	291,635	238,999	187,367	186,534	254,722	280,871
Garbage services	-	-	-	-	-	673,955	665,381	700,748	1,126,841	1,363,610
Economic development	25,276	65,049	11,014	-	-	-	-	-	-	-
Culture and recreation	36,865	38,898	46,140	52,835	-	-	-	-	-	-
Operating grants and contributions	89,713	92,029	79,192	76,929	34,732	1,299,018	531,158	805,591	295,526	448,323
Capital grants and contributions	-	-	-	-	-	-	-	824,071	258,456	78,620
Total governmental activities program revenues	\$ 578,361	\$ 600,224	\$ 510,572	\$ 483,956	\$ 361,549	\$ 2,239,170	\$ 1,508,030	\$ 2,661,832	\$ 2,132,367	\$ 2,441,786
Business-type activities:										
Charges for services:										
Water and sewer	2,672,771	2,747,642	2,643,494	2,758,010	2,771,776	2,630,303	2,655,901	2,772,209	3,404,569	4,151,139
Operating grants and contributions	-	11,904	193,684	34,244	-	-	1,200,000	1,500,000	1,002,436	845,988
Total business-type activities program revenues	2,672,771	2,759,546	2,837,178	2,792,254	2,771,776	2,630,303	3,855,901	4,272,209	4,407,005	4,997,127
Total primary government program revenues	\$ 3,251,132	\$ 3,359,770	\$ 3,347,750	\$ 3,276,210	\$ 3,133,325	\$ 4,869,473	\$ 5,363,931	\$ 6,934,041	\$ 6,539,372	\$ 7,438,913
Net (expense)/revenue:										
Governmental activities	\$ (4,940,106)	\$ (5,691,942)	\$ (5,953,422)	\$ (6,296,712)	\$ (6,129,139)	\$ (5,067,287)	\$ (5,979,533)	\$ (4,086,041)	\$ (5,062,857)	\$ (5,850,644)
Business-type activities	433,351	445,955	355,601	163,323	144,715	83,952	1,196,117	1,473,979	1,434,459	1,911,445
Total primary government net expense	\$ (4,506,755)	\$ (5,245,987)	\$ (5,597,821)	\$ (6,133,389)	\$ (5,984,424)	\$ (4,983,335)	\$ (4,783,416)	\$ (2,612,062)	\$ (3,628,398)	\$ (3,939,199)

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position										
Governmental activities:										
Ad valorem taxes	\$ 1,020,937	\$ 1,072,159	\$ 1,131,364	\$ 1,183,252	\$ 1,234,664	\$ 1,282,797	\$ 1,400,884	\$ 1,728,779	\$ 1,913,832	\$ 2,038,934
Sales taxes	3,278,348	3,282,299	3,433,253	3,529,550	2,993,211	3,175,854	3,310,684	3,314,580	3,670,290	3,951,376
Franchise taxes	492,154	523,085	531,867	518,565	664,696	513,562	529,060	485,010	519,804	584,370
Hotel occupancy taxes	381,192	430,662	488,517	539,344	544,196	599,513	554,457	381,504	555,301	619,202
Investment earnings	98,338	95,090	114,130	97,768	77,950	166,038	183,121	91,768	6,251	66,345
Miscellaneous	531,407	860,424	735,105	869,629	60,958	244,170	5,310	17,844	23,921	14,583
Gain on sale of capital assets	150,164	175,000	93,289	110	-	-	115,387	63,643	13,680	45,049
Insurance proceeds	-	-	-	-	-	-	36,853	25,530	24,156	19,687
Transfers	-	-	53,064	31,867	(202,048)	(1,123,891)	365,430	249,042	(762,428)	216,904
Total governmental activities	5,952,540	6,438,719	6,580,589	6,770,085	5,373,627	4,858,043	6,501,186	6,357,700	5,964,807	7,556,450
Business-type activities:										
Investment earnings	8,334	12,818	10,382	10,744	22,547	39,134	177,700	82,425	4,836	45,267
Insurance proceeds (losses)	-	-	-	-	-	-	-	40,396	(38,831)	27,721
(Loss) on sale of capital assets	-	-	-	-	-	-	-	(4,173,618)	-	-
Miscellaneous	-	-	-	-	-	54,606	69,398	-	-	-
Transfers	-	-	(53,064)	(31,867)	(202,402)	1,123,891	(365,430)	(249,042)	762,428	(216,904)
Total business-type activities	8,334	12,818	(42,682)	(21,123)	(179,855)	1,217,631	(118,332)	(4,299,839)	728,433	(143,916)
Total primary government	\$ 5,960,874	\$ 6,451,537	\$ 6,537,907	\$ 6,748,962	\$ 5,193,772	\$ 6,075,674	\$ 6,382,854	\$ 2,057,861	\$ 6,693,240	\$ 7,412,534
Changes in net position:										
Governmental activities	\$ 1,012,434	\$ 746,777	\$ 627,167	\$ 473,373	\$ (755,512)	\$ (209,244)	\$ 521,653	\$ 2,271,659	\$ 901,950	\$ 1,705,806
Business-type activities	441,685	458,773	312,919	142,200	(35,140)	1,301,583	1,077,785	(2,825,860)	2,162,892	1,767,529
Total primary government	\$ 1,454,119	\$ 1,205,550	\$ 940,086	\$ 615,573	\$ (790,652)	\$ 1,092,339	\$ 1,599,438	\$ (554,201)	\$ 3,064,842	\$ 3,473,335

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

City of Bellmead, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Reserved										
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-	-	-	-
Court technology	-	-	-	-	-	-	-	-	-	-
Unreserved										
Undesignated	-	-	-	-	-	-	-	-	-	-
Nonspendable:										
Inventories	728	728	728	728	728	-	-	-	-	-
Prepaid assets	440	440	440	440	440	-	9,374	4,139	3,929	2,234
Restricted for:										
Public safety	81,259	76,554	74,643	74,643	10,553	-	-	-	-	-
Committed to:										
Street improvements	1,331,796	1,830,145	2,097,654	2,597,209	2,454,179	-	-	-	-	-
Unassigned	1,869,707	1,909,873	1,912,301	1,854,773	1,734,648	1,740,409	1,874,484	1,994,444	2,734,386	3,267,254
Total general fund	<u>\$ 3,283,930</u>	<u>\$ 3,817,740</u>	<u>\$ 4,085,766</u>	<u>\$ 4,527,793</u>	<u>\$ 4,200,548</u>	<u>\$ 1,740,409</u>	<u>\$ 1,883,858</u>	<u>\$ 1,998,583</u>	<u>\$ 2,738,315</u>	<u>\$ 3,269,488</u>
All other governmental funds:										
Reserved for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Designated	-	-	-	-	-	-	-	-	-	-
Undesignated - special revenue	-	-	-	-	-	-	-	-	-	-
Nonspendable:										
Prepaid assets	-	-	-	-	-	-	-	-	-	198,347
Restricted for:										
Tourism	-	-	-	-	1,545,094	1,758,926	1,737,576	1,857,884	2,095,048	2,396,438
Economic development	3,166,471	3,588,046	4,142,596	4,535,277	4,771,218	426,915	537,708	632,287	1,030,048	1,187,318
Public safety	31,225	31,225	33,632	45,730	53,286	61,822	80,490	112,093	116,951	148,654
Debt service	155,626	156,183	221,763	259,622	265,929	275,816	288,890	278,429	303,292	292,303
Capital projects	-	4,001,777	3,444,948	2,669,529	2,238,198	3,454,993	1,365,269	2,243,135	1,723,318	1,942,163
Streets	-	-	-	-	-	2,477,858	3,056,444	3,286,681	3,330,064	3,348,374
Special donations	-	-	-	-	-	-	-	-	2,993	22,987
Culture and recreation	995,230	1,106,713	1,285,977	1,421,289	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	1,725	(71,582)	-	(168,933)
Total all other governmental funds	<u>\$ 4,348,552</u>	<u>\$ 8,883,944</u>	<u>\$ 9,128,916</u>	<u>\$ 8,931,447</u>	<u>\$ 8,873,725</u>	<u>\$ 8,456,330</u>	<u>\$ 7,068,102</u>	<u>\$ 8,338,927</u>	<u>\$ 8,601,714</u>	<u>\$ 9,367,651</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.

City of Bellmead, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 5,222,061	\$ 5,363,878	\$ 5,608,134	\$ 5,805,952	\$ 6,092,249	\$ 5,566,748	\$ 5,837,955	\$ 5,900,107	\$ 6,648,875	\$ 7,187,673
Licenses and permits	55,093	46,792	42,170	33,761	35,182	35,772	57,517	92,864	92,799	124,125
Grants and intergovernmental	89,713	92,029	79,912	76,929	61,630	1,299,018	531,158	1,034,008	1,144,636	526,943
Charges for services	-	-	-	-	-	742,953	731,988	752,772	1,230,864	1,509,847
Fines	371,414	357,416	332,056	320,431	241,873	238,999	187,367	186,534	254,722	280,871
Rents	62,141	103,987	57,154	52,835	46,840	-	-	-	-	-
Investment earnings	98,338	95,090	114,130	97,768	138,233	166,038	183,121	91,768	6,251	66,345
Miscellaneous	479,102	624,726	677,112	811,907	76,307	148,979	5,310	17,844	23,921	14,583
Total revenues	6,377,862	6,683,918	6,910,668	7,199,583	6,692,314	8,198,507	7,534,416	8,075,897	9,402,068	9,710,387
Expenditures:										
General government	909,033	982,935	1,013,370	1,121,916	1,111,229	1,216,335	1,000,938	539,535	626,957	634,789
Public safety	2,818,756	3,040,225	3,196,488	3,329,224	3,454,302	3,743,545	3,854,580	3,600,918	3,567,393	4,191,759
Public works	616,325	584,008	817,744	605,892	1,335,898	583,095	699,239	555,366	740,207	1,099,561
Refuse services	-	-	-	-	-	715,735	706,630	718,785	961,701	1,301,226
Economic development	265,272	567,988	425,867	370,416	248,266	-	-	-	23,019	60,980
Community development	344,922	434,807	422,559	536,394	445,698	445,467	607,998	574,161	189,956	139,189
Tourism	-	-	-	-	-	-	-	-	388,560	425,644
Capital outlay	147,000	187,029	592,441	813,662	312,334	2,271,459	2,047,051	620,826	745,455	399,122
Debt service:										
Principal	290,000	295,000	185,000	195,000	200,000	200,000	225,000	250,000	270,000	290,000
Interest and fiscal charges	10,048	4,982	111,875	109,001	105,110	101,156	177,547	168,971	161,709	152,647
Costs of issuance	-	68,508	-	-	-	90,454	-	-	-	-
Total expenditures	5,401,356	6,165,482	6,765,344	7,081,505	7,212,837	9,367,246	9,318,983	7,028,562	7,674,957	8,694,917
Excess (Deficiency) of revenues over (under) expenditures	976,506	518,436	145,324	118,078	(520,523)	(1,168,739)	(1,784,567)	1,047,335	1,727,111	1,015,470
Other financing sources (uses):										
Capital-related bonds issued	-	4,000,000	-	-	-	1,995,000	-	-	-	-
Premium/discount on issuance of debt	-	70,106	-	4,596	-	95,454	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	175,985	-	-	-	-	36,853	25,530	24,156	19,687
Proceeds from sale of capital assets	150,164	304,675	314,610	90,017	94,038	-	137,505	63,643	13,680	45,049
Transfers in	43,375	166,416	115,470	168,044	864,336	952,805	1,518,981	1,313,639	865,602	696,868
Transfers out	(43,375)	(166,416)	(62,406)	(136,177)	(661,934)	(568,634)	(1,153,551)	(1,064,597)	(1,628,030)	(479,964)
Total other financing sources	150,164	4,550,766	367,674	126,480	296,440	2,474,625	539,788	338,215	(724,592)	281,640
Net change in fund balances	\$ 1,126,670	\$ 5,069,202	\$ 512,998	\$ 244,558	\$ (224,083)	\$ 1,305,886	\$ (1,244,779)	\$ 1,385,550	\$ 1,002,519	\$ 1,297,110
Debt service as a percentage of noncapital expenditures	5.7%	5.0%	4.8%	4.9%	4.4%	4.2%	5.9%	6.5%	6.1%	5.5%

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

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	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property					
2013	\$ 335,877,049	\$ 59,606,119	\$ 58,063,452	\$ 337,419,716	\$ 0.298608	\$ 395,483,168	85.32%
2014	\$ 372,456,086	\$ 59,525,430	\$ 75,842,635	\$ 356,138,881	\$ 0.298608	\$ 431,981,516	82.44%
2015	\$ 380,073,630	\$ 60,256,320	\$ 74,973,888	\$ 365,356,062	\$ 0.298608	\$ 440,329,950	82.97%
2016	\$ 393,801,171	\$ 64,177,230	\$ 76,365,286	\$ 381,613,115	\$ 0.318608	\$ 457,978,401	83.33%
2017	\$ 424,861,912	\$ 63,346,990	\$ 80,525,900	\$ 407,683,002	\$ 0.303761	\$ 488,208,902	83.51%
2018	\$ 408,622,136	\$ 64,176,790	\$ 86,104,425	\$ 386,694,501	\$ 0.299990	\$ 472,798,926	81.79%
2019	\$ 482,561,504	\$ 67,000,998	\$ 98,317,495	\$ 451,245,007	\$ 0.319999	\$ 549,562,502	82.11%
2020	\$ 507,714,023	\$ 67,581,070	\$ 97,033,143	\$ 478,261,950	\$ 0.359999	\$ 575,295,093	83.13%
2021	\$ 521,062,986	\$ 68,156,750	\$ 100,109,436	\$ 489,110,300	\$ 0.377854	\$ 589,219,736	83.01%
2022	\$ 580,487,918	\$ 69,814,160	\$ 110,495,571	\$ 539,806,507	\$ 0.375187	\$ 650,302,078	83.01%

Source: McLennan County Tax Appraisal District

City of Bellmead, Texas

PROPERTY TAX RATES

Direct and Overlapping Governments

Fiscal Year	Tax Year	City of Bellmead			Overlapping Rates			Total Direct and Overlapping Rates
		Operating Rate	Debt Service Rate	Total Direct Rate	McLennan County	LaVega ISD	McLennan Community College	
2013	2012	\$ 0.211100	\$ 0.087508	\$ 0.298608	\$ 0.460573	\$ 1.420000	\$ 0.151530	\$ 2.33071
2014	2013	\$ 0.214186	\$ 0.084422	\$ 0.298608	\$ 0.536293	\$ 1.420000	\$ 0.151530	\$ 2.40643
2015	2014	\$ 0.214408	\$ 0.084200	\$ 0.298608	\$ 0.535293	\$ 1.465000	\$ 0.149530	\$ 2.44843
2016	2015	\$ 0.238997	\$ 0.079611	\$ 0.318608	\$ 0.535293	\$ 1.459000	\$ 0.149724	\$ 2.46263
2017	2016	\$ 0.227990	\$ 0.075771	\$ 0.303761	\$ 0.525293	\$ 1.422100	\$ 0.148898	\$ 2.40005
2018	2017	\$ 0.227641	\$ 0.072349	\$ 0.299990	\$ 0.505293	\$ 1.413532	\$ 0.150346	\$ 2.36916
2019	2018	\$ 0.228781	\$ 0.091218	\$ 0.319999	\$ 0.485293	\$ 1.394040	\$ 0.147696	\$ 2.34703
2020	2019	\$ 0.275518	\$ 0.084481	\$ 0.359999	\$ 0.048529	\$ 1.290269	\$ 0.147696	\$ 1.84649
2021	2020	\$ 0.287381	\$ 0.090473	\$ 0.377854	\$ 0.468719	\$ 1.299955	\$ 0.149782	\$ 2.29631
2022	2021	\$ 0.296291	\$ 0.078896	\$ 0.375187	\$ 0.425000	\$ 1.261350	\$ 0.149782	\$ 2.21132

Source: McLennan County Tax Appraisal District

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

Name of Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Butt H E Grocery Co	\$ 14,526,030	1	2.69%	\$ 14,549,059	1	4.31%
Wal-Mart Real Estate Business Trust	11,100,000	2	2.06%	11,153,285	2	3.31%
Prem SAI Inc.	7,632,280	3	1.41%	6,712,703	7	1.99%
Bellmead McLennan NH LTD	7,619,000	4	1.41%	6,900,913	6	2.05%
Sams Club East Inc.	7,322,310	5	1.36%	8,132,550	4	2.41%
Wal-Mart Stores East LP	7,117,580	6	1.32%	8,541,754	3	2.53%
TBA Associates LP	6,413,000	7	1.19%	-	n/a	n/a
Home Depot USA Inc.	6,115,858	8	1.13%	7,317,932	5	2.17%
Union Pacific Railroad Co	6,050,170	9	1.12%	-	n/a	n/a
American Bank NA	5,872,080	10	1.09%	3,901,049	10	1.16%
Mogavero James E Trustee Etal	-	n/a	n/a	4,800,000	8	1.42%
Home Depot	-	n/a	n/a	4,695,338	9	1.39%
Subtotal	79,768,308		14.78%	76,704,583		22.74%
All other taxpayers	460,038,199		85.22%	260,715,133		77.26%
	<u>\$ 539,806,507</u>		<u>100.00%</u>	<u>\$ 337,419,716</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		Collection in Subsequent Years	Total Collections to Date	
		Tax Rate	General Fund	Interest & Sinking Fund		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2012	\$ 0.29861	\$ 0.21110	\$ 0.08751	\$ 903,305	\$ 873,044	96.65%	\$ 26,583	\$ 899,627	99.59%
2014	2013	\$ 0.29861	\$ 0.21419	\$ 0.08442	\$ 1,006,643	\$ 979,363	97.29%	\$ 21,696	\$ 1,001,059	99.45%
2015	2014	\$ 0.29861	\$ 0.21441	\$ 0.08420	\$ 1,060,718	\$ 1,004,076	94.66%	\$ 49,879	\$ 1,053,955	99.36%
2016	2015	\$ 0.31861	\$ 0.23900	\$ 0.07961	\$ 1,086,718	\$ 1,053,030	96.90%	\$ 26,593	\$ 1,079,623	99.35%
2017	2016	\$ 0.30376	\$ 0.22799	\$ 0.07577	\$ 1,159,210	\$ 1,119,449	96.57%	\$ 31,519	\$ 1,150,968	99.29%
2018	2017	\$ 0.29999	\$ 0.22764	\$ 0.07235	\$ 1,262,193	\$ 1,227,111	97.22%	\$ 25,874	\$ 1,252,985	99.27%
2019	2018	\$ 0.31999	\$ 0.22878	\$ 0.09122	\$ 1,448,133	\$ 1,402,681	96.86%	\$ 31,904	\$ 1,434,585	99.06%
2020	2019	\$ 0.35999	\$ 0.27552	\$ 0.08448	\$ 1,721,695	\$ 1,653,846	96.06%	\$ 49,474	\$ 1,703,320	98.93%
2021	2020	\$ 0.37785	\$ 0.28738	\$ 0.09047	\$ 1,885,111	\$ 1,834,149	97.30%	\$ 25,213	\$ 1,859,362	98.63%
2022	2021	\$ 0.37519	\$ 0.29629	\$ 0.07890	\$ 2,009,122	\$ 1,954,962	97.30%	\$ -	\$ 1,954,962	97.30%

Source: McLennan County Tax Assessor & Collector

City of Bellmead, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government (1)	Percentage of Personal Income (2)	Population (3)	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Anticipation Notes	Unamortized bond premiums/ discounts	Total Governmental Activities (1)	General Obligation Bonds	Certificates of Obligation	Notes Payable	Unamortized bond premiums/ discounts	Total Business-Type Activities (1)				
2013	\$ 250,000	\$ -	\$ 185,000	\$ -	\$ 435,000	\$ 690,000	\$ -	\$ 141,758	\$ -	\$ 831,758	\$ 1,266,758	0.01%	10,137	\$ 125
2014	\$ -	\$ 4,000,000	\$ 140,000	\$ 70,106	\$ 4,210,106	\$ 510,000	\$ 4,500,000	\$ 131,054	\$ 78,869	\$ 5,219,923	\$ 9,430,029	0.10%	10,247	\$ 920
2015	\$ -	\$ 3,860,000	\$ 95,000	\$ 66,601	\$ 4,021,601	\$ 345,000	\$ 4,500,000	\$ 120,107	\$ 74,926	\$ 5,040,033	\$ 9,061,634	0.09%	10,317	\$ 878
2016	\$ -	\$ 3,710,000	\$ 50,000	\$ 63,095	\$ 3,823,095	\$ 175,000	\$ 6,870,000	\$ 108,765	\$ 153,899	\$ 7,307,664	\$ 11,130,759	0.11%	10,400	\$ 1,070
2017	\$ -	\$ 3,560,000	\$ -	\$ 59,589	\$ 3,619,589	\$ -	\$ 6,745,000	\$ 96,720	\$ 145,808	\$ 6,987,528	\$ 10,607,117	0.10%	10,509	\$ 1,009
2018	\$ -	\$ 5,355,000	\$ -	\$ 151,539	\$ 5,506,539	\$ -	\$ 6,440,000	\$ 84,304	\$ 137,719	\$ 6,662,023	\$ 12,168,562	N/A	10,715	\$ 1,136
2019	\$ -	\$ 5,130,000	\$ -	\$ 143,261	\$ 5,273,261	\$ -	\$ 6,125,000	\$ -	\$ 129,630	\$ 6,254,630	\$ 11,527,891	N/A	10,744	\$ 1,073
2020	\$ -	\$ 4,880,000	\$ -	\$ 134,983	\$ 5,014,983	\$ -	\$ 5,805,000	\$ -	\$ 121,541	\$ 5,926,541	\$ 10,941,524	N/A	10,494	\$ 1,043
2021	\$ -	\$ 4,610,000	\$ -	\$ 126,705	\$ 4,736,705	\$ -	\$ 5,475,000	\$ -	\$ 113,452	\$ 5,588,452	\$ 10,325,157	N/A	10,543	\$ 979
2022	\$ -	\$ 4,320,000	\$ -	\$ 118,427	\$ 4,438,427	\$ -	\$ 5,140,000	\$ -	\$ 105,362	\$ 5,245,362	\$ 9,683,789	N/A	10,596	\$ 914

(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

City of Bellmead, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (2)	Amount Applicable to Primary Government
Connally ISD	\$ 9,350,000	0.80%	\$ 74,800
LaVega ISD	\$ 33,212,238	45.37%	\$ 15,068,392
McLennan County	\$ 74,300,000	2.32%	\$ 1,723,760
McLennan Community College	\$ 44,450,000	2.32%	\$ 1,031,240
Subtotal, overlapping debt			17,898,192
City of Bellmead, net debt payable from ad valorem taxes			<u>4,438,427</u> ⁽¹⁾
Total direct and overlapping net funded debt			<u><u>\$ 22,336,619</u></u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			4.57% ⁽¹⁾
Per Capita Direct and Overlapping Net Funded Debt			\$ 2,108 ⁽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, 2022

Fiscal Year	Assessed Value, Tax Roll	Legal Debt Limit Percentage	Legal Debt Limit	Actual Amount Expended for General Obligation Debt Service During the Year
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
2022	\$ 539,806,507	1.50%	\$ 8,097,098	\$ 442,648

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		Debt Service Requirements	
				Principal	Interest	Total	Coverage
2012	\$ 2,678,041	\$ 1,339,988	\$ 1,338,053	\$ 979,724	\$ 1,298	\$ 981,022	1.36
2013	\$ 2,672,771	\$ 1,528,841	\$ 1,143,930	\$ 180,000	\$ 13,693	\$ 193,693	5.91
2014	\$ 2,747,642	\$ 1,523,105	\$ 1,224,537	\$ 180,000	\$ 10,593	\$ 190,593	6.42
2015	\$ 2,643,494	\$ 1,667,878	\$ 975,616	\$ 165,000	\$ 137,401	\$ 302,401	3.23
2016	\$ 2,758,010	\$ 1,615,584	\$ 1,142,426	\$ 208,089	\$ 242,514	\$ 450,603	2.54
2017	\$ 3,446,800	\$ 3,113,204	\$ 333,596	\$ 300,000	\$ 188,881	\$ 488,881	0.68
2018	\$ 2,724,043	\$ 1,972,636	\$ 751,407	\$ 317,416	\$ 188,881	\$ 506,297	1.48
2019	\$ 3,925,299	\$ 1,904,495	\$ 2,020,804	\$ 399,304	\$ 179,504	\$ 578,808	3.49
2020	\$ 4,272,209	\$ 2,158,972	\$ 2,113,237	\$ 320,000	\$ 165,992	\$ 485,992	4.35
2021	\$ 4,407,005	\$ 2,693,379	\$ 1,713,626	\$ 330,000	\$ 161,259	\$ 491,259	3.49
2022	\$ 4,997,127	\$ 2,443,533	\$ 2,553,594	\$ 335,000	\$ 153,316	\$ 488,316	5.23

Source: Finance Department, City of Bellmead

* Total operating expenses less depreciation

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%
2022	10,596	NA	NA	NA	4.0%

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	2022		
		Employees	Rank	% of Total
La Vega ISD	Education	577	1	32.53%
HEB Grocery	Grocery Store	350	2	19.73%
Wal-Mart Supercenter	Retail Store	330	3	18.60%
Sam's Club	Retail Store	150	4	8.46%
Home Depot	Retail Store	110	5	6.20%
The Atrium	Nursing Care	105	6	5.92%
City of Bellmead	Government	87	7	4.90%
Scott & White Clinic	Health Care	28	8	1.58%
Holiday Inn	Hotel/Motel	25	9	1.41%
American Bank	Financial/Banking	12	10	0.68%
Total		<u>1,774</u>		<u>100.00%</u>

Source: Bellmead Finance Department

Note: 2013 info was not collected



City of Bellmead, Texas

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Administration	2.0	3.0	3.0	3.0	3.0	3.0	3.0	2.3	2.3	2.3
Finance	6.0	6.0	6.0	6.0	6.0	6.0	5.5	2.5	2.57	2.57
Police	28.0	28.0	32.0	33.0	33.0	33.0	31.95	3.0	1.5	1.5
Municipal Court	3.0	3.0	3.0	3.0	3.0	3.0	3.0	35.0	34.95	34.00
Fire	13.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	15.0	14.0
Streets	6.0	5.0	5.0	5.0	5.0	5.0	5.0	-	-	-
City Garage	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.2	1.3	1.3
Parks and Recreation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.2	2.3	2.3
Building maintenance	-	-	-	-	-	-	-	0.3	0.3	2.5
Planning and Inspections	-	-	-	-	-	-	-	-	-	60.5
Total General Fund	60.0	61.0	65.0	66.0	66.0	66.0	64.45	60.30	60.17	120.94
Water/Sewer Fund										
Public Works	7.0	7.0	7.0	7.0	7.0	7.0	10.0	13.55	14.18	14.18
Total Water/Sewer Fund	7.0	7.0	7.0	7.0	7.0	7.0	10.0	13.55	14.18	14.18
Street Maintenance Fund	1.0	6.4	5.85	5.85						
Economic Development Fund	-	0.55	0.55	0.55						
Special Revenue Funds										
Law Enforcement Grants Fund	-	2.0	2.0	2.0	2.0	2.0	2.0	-	-	-
Child Safety Fund	-	-	-	-	-	-	0.5	0.5	0.5	0.5
Community Improvement Fund	-	-	-	-	-	-	-	-	-	1.0
Hotel/Motel Fund	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.7	0.1	-
Court Security Fund	-	-	-	-	-	-	0.05	0.05	4.70	4.45
Total Special Revenue Fund	3.0	6.0	6.0	6.0	6.0	6.0	6.55	5.25	5.25	5.95
Total Personnel	70.0	74.0	78.0	79.0	79.0	79.0	82.00	86.00	86.00	87.00

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental										
Refuse Accounts	3,007	3,046	3,082	3,256	3,341	3,405	3,195	3,277	3,250	3,251
Commercial Refuse Accounts	NC	204	212							
Residential Refuse Hauled (Tons)	NC	4,195	4,675	4,632						
Commercial Refuse Hauled (Tons)	NC	4,831	3,946	4,228						
Bulk Refuse Hauled (Tons)	NC	271	284							
Roll-off Refuse Hauled (Tons)	NC	377	1,306	1,630						
Municipal Court										
Citations Processed	2,852	2,929	3,495	2,400	1,557	1,554	1,252	1,688	1,942	1,898
Citations Issued	619	561	709	564	368	345	289	438	414	430
Oustanding Warrants	10,981	12,999	14,772	14,742	15,788	15,680	15,694	15,963	16,313	15,800
Warrants Issued	183	821	382	560	333	181	1,501	932	1,692	282
Public Safety										
Police										
Calls for Service	16,236	17,749	17,963	16,172	15,558	16,121	29,486	17,693	18,216	15,835
911 Calls	9,869	10,831	10,617	9,525	8,270	10,515	9,375	9,906	7,438	2,360
Citations	2,222	2,331	2,735	1,635	1,184	986	955	1,179	1,470	3,177
Traffic Accidents	589	483	326	360	296	298	482	826	779	712
Arrests	2,180	1,809	1,673	756	1,063	917	896	731	598	833
Reports	3,930	4,473	4,158	3,490	4,985	5,913	5,390	2,106	1,017	1,140
Police-Code Enforcement										
Calls for Service	NC	NC	467	530	441	507	669	634	490	577
Citations	1	3	-	-	-	-	-	4	9	3
Reports	NC	NC	347	300	213	116	167	166	10	447
Police-Animal Control										
Calls for Service	NC	1,507	1,389	1,188	1,090	1,201	1,242	1,164	1,505	733
Citations	10	34	51	21	5	-	1	52	47	51
Taken to Shelter	NC	370	301	202	209	260	216	159	96	169
TNR	NC	225	240	174	-	-	-	-	-	-
Reports	NC	NC	484	300	241	264	250	155	21	37
Fire										
Fire Emergency Responses	1,902	1,821	1,612	1,317	1,567	1,637	1,706	1,245	1,597	1,801
Fire Inspections	54	36	55	98	174	217	292	322	360	82
Fire Investigations	16	9	16	9	17	14	11	35	17	8
Plans Reviewed	NC	1	3	9	23	34	53	38	23	15
Fire-Building Inspections										
Buliding Permits Issued	837	855	791	805	779	759	797	772	840	899
Building Inspections	230	926	762	765	799	901	809	1,072	1,224	727

City of Bellmead, Texas

OPERATING INDICATORS BY FUNCTION (CONTINUED)

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Civic Center										
Room Rentals	114	136	211	226	216	209	235	88	134	221
Public Works										
Service Orders Completed	52	42	51	105	126	202	326	237	-	-
Streets										
Service Orders Completed	138	163	262	213	182	206	285	178	648	113
Water										
Metered Accounts	3,416	3,501	3,490	3,566	3,573	3,577	3,505	3,552	3,934	3,964
Avg. Daily Demand (MGD)	1.164	1.003	1.174	1.215	1.163	1.186	1,127	1,132	1,107	1,061
Avg. Monthly Demand/Cust (gal)	33,332,000	30,836,000	35,205,000	37,073,000	35,073,000	36,115,000	34,269,333	34,531,000	33,659,750	32,280,500
Peak Demand (MGD)	1.426	1.291	1.583	1.699	1.400	1.515	1.442	1.456	1,391.000	1,462.000
Service Orders Completed	3,372	3,105	3,398	3,380	2,843	2,957	2,892	2,864	3,793	3,162
Sewer										
Service Connections	3,275	3,343	3,340	3,407	3,402	3,419	3,423	3,472	3,476	3,456
Service Orders Completed	124	125	153	130	150	155	174	148	64	136

NC: Not Collected

City of Bellmead, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Area of City (square miles)	6.21	6.21	0.21	6.21	6.21	6.21	6.21	6.21	6.21	6.21
Public Safety										
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Firing Ranges	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	12	12	15	15	15	15	15	15	16	16
Other Police Vehicles	6	6	6	8	9	9	9	9	10	10
Animal Control Vehicles	1	1	1	1	1	1	1	1	1	1
Fire										
Fire Stations	1	1	1	1	1	1	1	1	1	1
Fire Apparatus	7	7	7	7	7	7	5	5	5	5
Other Vehicles	2	2	2	2	2	2	2	1	1	1
Public Works										
Buildings	2	2	2	2	2	2	2	2	2	2
Paved Streets (miles)	62.63	62.63	63.10	63.10	63.10	63.10	63.10	63.10	63.10	63.10
Unpaved Streets (miles)	1	1	1	1	1	1	1	1	1	1
Curb and Gutter (miles)	30	30	30	30	30	30	30	30	30	30
Vehicles	20	20	20	20	20	20	20	22	22	21
Parks and Recreation										
Civic Center	1	1	1	1	1	1	1	1	1	1
Parks	4	4	4	4	4	4	4	4	4	4
Pavilions	6	6	6	6	6	6	6	6	6	6
Playgrounds	3	3	3	3	3	3	3	3	3	3
Jogging/Walking Trails	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Splash Pad	1	1	1	1	1	1	1	1	1	1
Water										
Rated Daily Capacity (gpd)	3,067,200	3,067,200	3,067,200	3,067,200	3,067,200	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	4,856,000	4,856,000	4,856,000	4,856,000	4,856,000
Water Mains (miles)	60	60	60	60	60	60	60	60	60	60
Water Wells	5	5	5	5	5	5	5	5	5	5
Fire Hydrants	322	322	326	326	326	326	326	330	330	330
Sewer										
Sanitary Sewers (miles)	43.80	43.80	43.80	43.80	43.80	43.80	43.80	43.80	43.80	43.80
Manholes	568	568	573	573	573	573	573	573	573	573

NC: Not Collected

CONTINUING FINANCIAL DISCLOSURES



City of Bellmead, Texas

CONTINUING DISCLOSURE TABLES - BASE CUSIP 079635

September 30, 2022

FINANCIAL INFORMATION OF THE ISSUER

ASSESSED VALUATION

2021 Actual Market Value of Taxable Property (100% of Actual)		\$ 793,995,149
Less Exemptions:		
Local, Optional Over-65 and/or Disabled Homestead Exemptions	\$ 4,659,719	
Disabled and Deceased Veterans'	11,113,738	
Productivity Value Loss	2,916,920	
10% Cap Loss	51,472,523	
Pollution Control	6,050	
Charitable / Other	50,580	
Disaster	-	
Solar	-	
Freeport	1,096,454	
Totally Exempt Property	<u>85,000,632</u>	
Total Exemptions		<u>156,316,616</u>
2021 Net Taxable Assessed Valuation ^(a)		<u>\$ 637,678,533</u>

^(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>2022</u>	<u>% of Total</u>	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>% of Total</u>	<u>2019</u>	<u>% of Total</u>	<u>2018</u>	<u>% of Total</u>
Real, Residential, Single-Family	\$ 382,710,433	48.20%	\$ 290,130,660	44.61%	\$ 248,868,752	42.24%	\$ 232,359,279	40.31%	\$ 223,664,364	40.40%
Real, Residential, Multi-Family	29,449,714	3.71%	20,641,906	3.17%	17,098,385	2.90%	16,657,107	2.89%	15,676,804	2.83%
Real, Vacant Lots/Tracts	8,599,170	1.08%	7,779,686	1.20%	7,920,200	1.34%	7,723,078	1.34%	7,496,870	1.35%
Real, Acreage (Land Only)	3,204,424	0.40%	2,889,560	0.44%	2,847,650	0.48%	2,424,300	0.42%	2,450,159	0.44%
Farm & Ranch Improvements	9,629,906	1.21%	7,495,368	1.15%	6,563,612	1.11%	6,062,484	1.05%	6,247,155	1.13%
Real, Commercial	188,972,798	23.80%	167,690,761	25.79%	155,231,052	26.35%	161,813,999	28.07%	154,810,624	27.96%
Real, Industrial	148,180	0.02%	145,450	0.02%	135,940	0.02%	143,070	0.02%	141,230	0.03%
Real & Tangible, Personal Utilities	18,437,255	2.32%	17,706,360	2.72%	18,116,700	3.07%	17,532,580	3.04%	16,807,290	3.04%
Tangible Personal, Business / Commercial	56,840,240	7.16%	50,436,690	7.76%	48,649,700	8.26%	48,499,850	8.41%	49,935,570	9.02%
Tangible Personal, Industrial	1,484,740	0.19%	1,979,740	0.30%	1,628,690	0.28%	1,885,530	0.33%	635,060	0.11%
Tangible Personal, Mobile Homes	7,600,967	0.96%	5,504,050	0.85%	5,161,520	0.88%	4,777,990	0.83%	3,938,690	0.71%
Real Property, Inventory (Residential/Special)	1,280,540	0.16%	1,316,410	0.20%	1,426,570	0.24%	1,418,510	0.25%	671,480	0.12%
Totally Exempt Property	85,636,782	10.79%	76,585,437	11.78%	75,570,965	12.83%	75,195,706	13.04%	71,158,251	12.85%
Total Market Value	\$ 793,995,149	100.00%	\$ 650,302,078	100.00%	\$ 589,219,736	100.00%	\$ 576,493,483	100.00%	\$ 553,633,547	100.00%

Less Exemptions and Losses:

Local, Optional Over-65 and/or Disabled Homestead	\$ 4,659,719		\$ 4,545,660		\$ 4,685,140		\$ 4,581,393		\$ 4,596,997	
Disabled and Deceased Veterans'	11,113,738		9,837,968		8,940,362		8,068,228		7,456,278	
Productivity Value Loss	2,916,920		2,645,220		2,618,370		2,217,640		2,271,120	
10% Cap Loss	51,472,523		17,255,361		8,227,919		6,914,304		11,546,553	
Pollution Control	6,050		6,050		6,050		48,342		48,342	
Charitable / Other	50,580		46,540		106,850		54,280		45,630	
Disaster	-		7,682		-		-		-	
Solar	-		30,893		-		-		-	
Freeport	1,096,454		-		-		-		-	
Partially Exempt Property	-		-		-		-		-	
Totally Exempt Property	85,000,632		76,120,197		75,524,745		75,148,956		71,119,791	
Total Exemptions	\$ 156,316,616		\$ 110,495,571		\$ 100,109,436		\$ 97,033,143		\$ 97,084,711	
Net Taxable Assessed Valuation	\$ 637,678,533		\$ 539,806,507		\$ 489,110,300		\$ 479,460,340		\$ 456,548,836	

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.

City of Bellmead, Texas

PRINCIPAL TAXPAYERS

September 30, 2022

<u>Name</u>	<u>Type of Business</u>	<u>2022 Taxable Assessed Valuation</u>	<u>% of Total 2021 Net Taxable Assessed Valuation</u>
Butt H E Grocery Co	Retail Grocery Sales	\$ 14,526,030	2.69%
Wal-Mart Real Estate Business Trust	Real Estate	11,100,000	2.06%
Prem SAI Inc.	Hotel/Motel	7,632,280	1.41%
Bellmead McLennan NH LTD	Nursing Home	7,619,000	1.41%
Sams Club East Inc.	Retail Sales	7,322,310	1.36%
Wal-Mart Stores East LP	Retail Sales	7,117,580	1.32%
TBA Associates LP	Real Estate - Apartment	6,413,000	1.19%
Home Depot USA Inc.	Retail Sales	6,115,858	1.13%
Union Pacific Railroad Co	Railroad	6,050,170	1.12%
American Bank NA	Financial	5,872,080	1.09%
Total		\$ 79,768,308	14.78%

Based on a 2021 Adjusted Taxable Assessed Valuation of \$539,806,507

(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%	99.59%	9/30/2013
2013	337,473,605	0.292310	\$1,006,643	97.29%	99.45%	9/30/2014
2014	356,138,881	0.298608	\$1,060,718	94.66%	99.36%	9/30/2015
2015	365,397,502	0.318611	\$1,086,718	96.90%	99.35%	9/30/2016
2016	381,645,967	0.303761	\$1,159,210	96.57%	99.29%	9/30/2017
2017	407,722,048	0.299900	\$1,262,193	96.94%	99.27%	9/30/2018
2018	422,737,820	0.319999	\$1,448,133	97.22%	99.06%	9/30/2019
2019	456,548,836	0.359990	\$1,721,695	96.86%	98.93%	9/30/2020
2020	489,110,300	0.377854	\$1,885,111	96.06%	98.63%	9/30/2021
2021	539,806,507	0.375187	\$2,025,284	97.30%	97.30%	9/30/2022

^(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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund	0.296291	\$0.287381	\$0.275518	\$0.228781	\$0.227641
I & S Fund	<u>0.078896</u>	<u>0.090473</u>	<u>0.084481</u>	<u>0.091218</u>	<u>0.072349</u>
TOTAL	\$0.375187	\$0.377854	\$0.359999	\$0.319999	\$0.299990

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				
REVENUES:	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Property Taxes	\$ 1,602,993	\$ 1,447,123	\$ 1,314,227	\$ 1,033,855	\$ 969,035
Sales Taxes	3,177,281	2,953,772	2,666,605	2,660,638	3,126,317
Franchise Taxes	570,674	506,171	471,018	514,688	547,560
Other Taxes	-	-	-	-	-
Licenses and Permits	124,125	92,799	92,864	57,517	35,772
Charges for Services	1,414,724	1,171,054	719,337	-	-
Intergovernmental	80,286	74,850	77,486	1,063,826	1,299,018
Fines and Fees	194,259	204,556	135,422	167,882	230,438
Investment Earnings	18,041	1,329	18,358	34,460	28,838
Miscellaneous-Other Revenue	8,885	10,021	8,051	-	44,934
Total Revenues	\$ 7,191,268	\$ 6,461,675	\$ 5,503,368	\$ 5,532,866	\$ 6,281,912
EXPENDITURES:					
General Government	\$ 1,891,610	\$ 1,586,126	\$ 1,258,320	\$ 997,079	\$ 1,150,270
Public Safety	4,061,079	3,488,075	2,978,209	3,833,500	3,830,097
Highways and Streets	-	-	-	-	981,162
Public works	325,189	65,101	158,011	1,122,315	-
Community development	139,189	189,956	190,629	59,167	40,948
Building maintenance	-	-	-	-	-
Other - unclassified	42,474	-	-	-	-
Capital Outlay	-	9,571	50,365	-	1,726,499
Total Expenditures	\$ 6,459,541	\$ 5,338,829	\$ 4,635,534	\$ 6,012,061	\$ 7,728,976
Excess (Deficit) of Revenues					
Over Expenditures	\$ 731,727	\$ 1,122,846	\$ 867,834	\$ (479,195)	\$ (1,447,064)
OTHER FINANCING SOURCES (USES):					
Transfers In	\$ 216,904	\$ 205,150	\$ 249,042	\$ 575,930	\$ 952,238
Transfers (Out)	(479,964)	(626,100)	(1,064,597)	(15,355)	-
Proceeds from Debt Issuance	42,919	-	-	37,505	-
Sale of Property	-	13,680	36,916	-	74,754
Insurance Recoveries	19,587	24,156	25,530	24,564	-
Total Other Financing Sources (Uses)	\$ (200,554)	\$ (383,114)	\$ (753,109)	\$ 622,644	\$ 1,026,992
Net Change in Fund Balance	\$ 531,173	\$ 739,732	\$ 114,725	\$ 143,449	\$ (420,072)
Fund Balance - October 1 (Beginning)	\$ 2,738,315	\$ 1,998,583	\$ 1,883,858	\$ 3,723,048	\$ 4,200,548
Prior Year Adjustment	-	-	-	(1,982,639) ^(a)	(57,428)
Fund Balance - September 30 (Ending)	\$ 3,269,488	\$ 2,738,315	\$ 1,998,583	\$ 1,883,858	\$ 3,723,048

^(a) Restatement of the fund balance see Notes to Financial Statements.

Source: The Issuer's Audited Annual Financial Reports

City of Bellmead, Texas

CONDENSED WATERWORKS AND SEWER SYSTEM OPERATING STATEMENT

Last Five Fiscal Years

	Fiscal Year Ended September 30				
	2022	2021	2020	2019	2018
Revenues ^(a)	\$5,088,165	\$4,411,841	\$2,797,670	\$4,103,699	\$3,472,778
Expenses ^(b)	\$2,443,533	\$2,693,379	\$2,158,973	\$1,904,495	\$2,539,107
Net Revenue Available for Debt Service	\$ 2,644,632	\$ 1,718,462	\$ 638,697	\$ 2,199,204	\$ 933,671
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	\$497,012	\$491,259	\$494,688	\$496,038	\$492,238
Coverage of <u>All Debt</u> Paid From System Revenues	5.32	3.50	1.29	4.43	1.90
Customer Count:					
Water	3,595	3,610	3,578	3,569	3,577
Sewer	3,498	3,445	3,464	3,411	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 10/1/2021)

WATER RATES

(Based on Monthly Billing)

Effective October 1, 2021

Commercial Meter Size	Demand Charge			
3/4" or less	\$ 31.20			
1"	\$ 36.40			
1.5"	\$ 49.30			
2"	\$ 64.90			
3"	\$ 101.30			
4"	\$ 153.20			
6"	\$ 282.90			
8"	\$ 438.60			
10"	\$ 620.30			
12"	\$ 1,139.30			
<u>Water Consumption</u>	<u>Residential</u>	<u>Sprinkler</u>	<u>Commercial</u>	<u>Outside City Limits</u>
0 - 2,000	\$ 19.21	\$ 20.77	Based on meter size	150%
2,001 - 5,000	\$ 3.55/1,000	\$ 5.65/1,000	\$ 4.15/1,000	150%
5,001 - 15,000	\$ 4.15/1,000	\$ 6.60/1,000	\$ 4.15/1,000	150%
15,001 - 25,000	\$ 4.90/1,000	\$ 7.80/1,000	\$ 4.90/1,000	150%
>25,000	\$ 5.65/1,000	\$ 9.00/1,000	\$ 5.65/1,000	150%

WASTEWATER RATES

(Based on Monthly Billing)

Effective October 1, 2021

<u>Water Consumption</u>	<u>Residential</u>	<u>Commercial</u>	<u>Outside City Limits</u>
0-1,000	\$ 15.66	\$ 16.31	150%
1,001-7,500	\$ 3.26/1,000	\$ 3.92/1,000	150%
7,501-10,000	\$ 3.75/1,000	\$ 3.92/1,000	150%
>10,000	\$ 0.00/1,000	\$ 4.50/1,000	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 2022 Annual Financial Report, Note D, beginning on page 79.

