

Annual Comprehensive Financial Report

For Fiscal Year Ended
September 30, 2024



LIVE

WORK

PLAY

3015 Bellmead Dr. Bellmead, TX 76705

 1-254-799-2436

 www.bellmeadtx.gov



***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

of the

City of Bellmead, Texas

**For the Year Ended
September 30, 2024**

Prepared by

Yousry Zakhary
City Manager

Karen Evans, CPA
Assistant City Manager/
Chief Financial Officer



City of Bellmead, Texas

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City of Bellmead, Texas

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INTRODUCTORY SECTION





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March 6, 2025

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, 2024.

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, 2024. 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 10,656.

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, sewer, and drainage 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 Overview

The City of Bellmead, often referred to as the "Heart of Texas," is strategically positioned at the convergence of the Bosque and Brazos Rivers and centrally located between major Texas cities. Situated in the southern agricultural Blackland Prairie and adjacent to the cattle country of the rolling Grand Prairie, Bellmead benefits from its proximity to key economic hubs and transportation routes.

Strategic Location:

Positioned within 90 miles south of the Dallas-Fort Worth Metroplex, 190 miles northwest of Houston, and 180 miles northeast of San Antonio, Bellmead's central location makes it a pivotal point in Texas. It is also less than 100 miles from the state capital, Austin. Bellmead enjoys vigorous sales tax and hotel tax revenues due to its proximity to Waco and Waco attractions.

Educational Opportunities:

Bellmead offers access to prominent educational institutions such as Baylor University, McLennan Community College, and Texas State Technical College, enriching the local talent pool.

Baylor University, a private Christian university, and a nationally ranked research institution, provides a vibrant campus community for more than 20,600 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 89 countries to study a broad range of degrees among its 9 nationally recognized academic divisions. Baylor University enjoys a 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.

Commercial Development:

The recent \$341 million upgrade to Interstate Highway 35, completed in 2023, presents significant opportunities for commercial development within Bellmead, enhancing accessibility and connectivity.

Business Expansion:

Notable businesses like American Bank, Diversified Product Development, and Tortilleria Michael have chosen Bellmead for expansion, contributing to economic growth and job creation in the area.

- 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.
- The Bellmead Economic Development Corporation (BEDC) has facilitated a significant land sale of 13 acres to MTEC/UTEC for \$586,000. This transaction will support the construction of a new 40,000 sq. ft. manufacturing plant, expected to begin in mid-2025. The facility will create 50-60 skilled-trades jobs, contributing an estimated \$10-\$12 million in investment over a 10-year expansion plan.
- Murphy Oil, a retail gas station, made approximately \$1.5 million in facility improvements and reopened in October 2023.
- Caliber Collision, an auto repair facility, constructed a 16,345 SF facility on Pecan Lane with improvements valued at \$1.75 million. This facility opened for business in December 2023.
- Whitewater car wash constructed a 4,405 SF facility for a total cost of \$1.75 million which opened in May 2024.

Healthcare Facilities:

The relocation of facilities like Fresenius Kidney Care Facility signifies the city's commitment to healthcare infrastructure, ensuring quality services for residents.

- 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.
- Immunotek Plasma Center opened its doors on March 27, 2023 on Loop 340. This 9,025 square foot plasma donation center employs 5 and has a total occupancy of 97. The total facility improvements value is approximately \$1 million.

Retail and Dining:

Renowned chains like Whataburger, Papa Bear’s, Chick-fil-A, and QuickTrip have established or expanded their presence in Bellmead, catering to consumer needs and driving local commerce.

- 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.
- Walmart has invested \$1.5 million to remodel its 110,000 sq. ft. Bellmead location, which includes new lighting, plumbing, and interior upgrades. Similarly, HEB has undergone an \$8.8 million renovation and redesign, incorporating complete interior upgrades, enhanced plumbing and electrical systems, and new freezers and coolers. In addition, HEB has completed a \$1.9 million demolition and reconstruction of its fuel station, featuring new underground storage tanks, 28 pumps, updated signage, and a prefabricated cashier building.
- On May 26, 2022, QuickTrip opened a 4,993 square foot facility on Loop 340 in Bellmead that will service 20 cars for gasoline. The facility improvements value is approximately \$1.1 million, and each store generates on average \$1.3 million in state and local sales taxes. The potential sales tax impact to the city is approximately \$315,000.
- On March 2, 2023, Bush’s Chicken opened a 3,000 square foot facility on Bellmead Drive that replaced an older dilapidated facility on the same site. The restaurant has two stacking lanes and inside dining with a total occupancy of 96. The facility improvements value is approximately \$850,000.



- The much-anticipated Chick-fil-A opened in Bellmead on June 20, 2023 creating 120 full-time and part-time jobs. The restaurant has two stacking lanes capable of handling 64 cars and inside dining with a total occupancy of 150. The improvements value is approximately 1.2 million for the 4,995 square foot facility.

Major initiatives

Infrastructure Development:

Ongoing projects, such as the sewer interceptor project and roadway reconstruction, aim to enhance capacity, accessibility, and infrastructure resilience, fostering economic development and community well-being.

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.

This sewer interceptor 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 \$34 million joint project with the following partners: City of Waco, City of Lacy Lakeview, Texas State Technical College, and the City of Bellmead.

The sewer interceptor project is currently underway and has been broken up into several phases.

- Phase 1A is for the emergency repair of the gravity bore under US 77 that collapsed. The construction contract was awarded to Lupe Rubio Construction Company in June 2024 in the amount of \$2,506,318 of which the City of Bellmead is responsible for \$680,465. Construction is anticipated to be complete in February 2025.
- Phase 1B is for the replacement of approximately 7,680 LF of a 30-inch sewer line that collects sewage from southeast Bellmead and North Waco then conveys it to the Central Sewer Plant (gravity wastewater from US 77 to Alma Rohn/Katy Lane) for treatment. The construction project is scheduled for approval for contract award in November 2024 in the amount of \$9,287,616. The cities are responsible for the following amounts: Bellmead 27.15% or \$2,521,588, Lacy Lakeview 5.44% or \$505,246 and the City of Waco 67.41% or \$6,260,782. Construction is anticipated to be complete in FY 2026
- Phase 1C is for gravity wastewater from Alma Rohn/Katy Lane to US 84 and is pending the completion of engineering plans and specifications. It is expected to be out for bid in March 2025 with completion in FY 2026.
- Phases 2-7 have not yet been scheduled.

In conjunction with the sewer interceptor Phase 1B project, the city is replacing 6,400 linear feet of water line along Katy Lane. This project is scheduled to be awarded concurrently with the Phase 1B award in the amount of \$1,534,353. Construction is expected to begin in early 2025.

The city was awarded \$2.6 million American Rescue funds which are being utilized to make major water/sewer infrastructure upgrades. In the summer of 2022, the city had three of its five wells down due to electrical and pump issues. The city is working with KPA Engineers and GrantWorks on multiple projects to include lift station improvements which are expected to be complete in 2025 and SCADA relocation. The research water well rehabilitation and the rehabilitation of the 400,000-gallon storage tank at the Research well site was completed in FY 2023.

Economic Development Grants:

Through initiatives like the Economic Development Administration grant and Community Development Block Grants, Bellmead is investing in infrastructure, public safety, and planning to stimulate economic growth and improve quality of life.

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.

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 utilized this \$46,352 grant to develop a comprehensive plan to begin planning 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.
- The city applied for and was awarded a Texas Parks and Wildlife Department grant to revitalize Brame Park. The grant was funded for \$150,000 with a city match of \$150,000 which can be met with cash or in-kind contributions. The grant will provide for park lighting, native landscaping, ADA play equipment, shade structures, a mural, and more.
- The city has been awarded a HOME rehabilitation grant to assist low-income homeowners rehabilitate or rebuild their dilapidated homes.



- The City has partnered with the Metropolitan Transportation Organization to seek funding for transportation initiatives. An application was submitted to the U.S. Department of Transportation for the Safe Streets for All grant which was awarded in the amount of \$7,750,112 for a Corridor Safety Improvements Project at Bellmead Drive (SH-31) and Concord Road. The goal of this grant is to develop Bellmead Drive into a downtown boulevard, creating a more walkable city, slowing down traffic, creating a median, adding sidewalks, beautifying the city, and most importantly decreasing the number of deaths due to traffic collisions.

Utility and Environmental Upgrades:

Investments in water and wastewater systems, implementation of automatic metering infrastructure, and stormwater management initiatives demonstrate the city's commitment to sustainability and efficient service delivery.

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 2025, a three-year audit will be conducted to ensure that the meters are performing at or above the minimum project requirements.

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 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 results in property and road damage. The new drainage utility was implemented in January 2023. It will take several years of funding before the impact of the new drainage utility will be felt throughout the city; however, city crews are actively working to remove debris from drainage ditches.

Community Engagement:

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 has been held annually going forward to bring a sense of community to Bellmead.

To increase transparency and citizen engagement, the city revised the city's website in the summer of 2023. This included a complete overhaul of the site with new features to include news alerts, citizen notifications, easier navigation, webforms, and the ability to directly feed information to the city's social media platforms. The city also merged three additional websites under the Bellmeadtx.gov umbrella to decrease confusion and increase functionality.

Enhanced Livability:

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 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 is currently seeking environmental clearance from TCEQ, developing a site plan, funding plans, and submitting to the voters for decision.

The city is currently reviewing the use of McGlasson Park. This is a 72.7-acre tract of land that was donated to the city for use as a city park.

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.

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 an 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 legal level of control is the department level for the General Fund and the fund level for the other budgeted funds. 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**

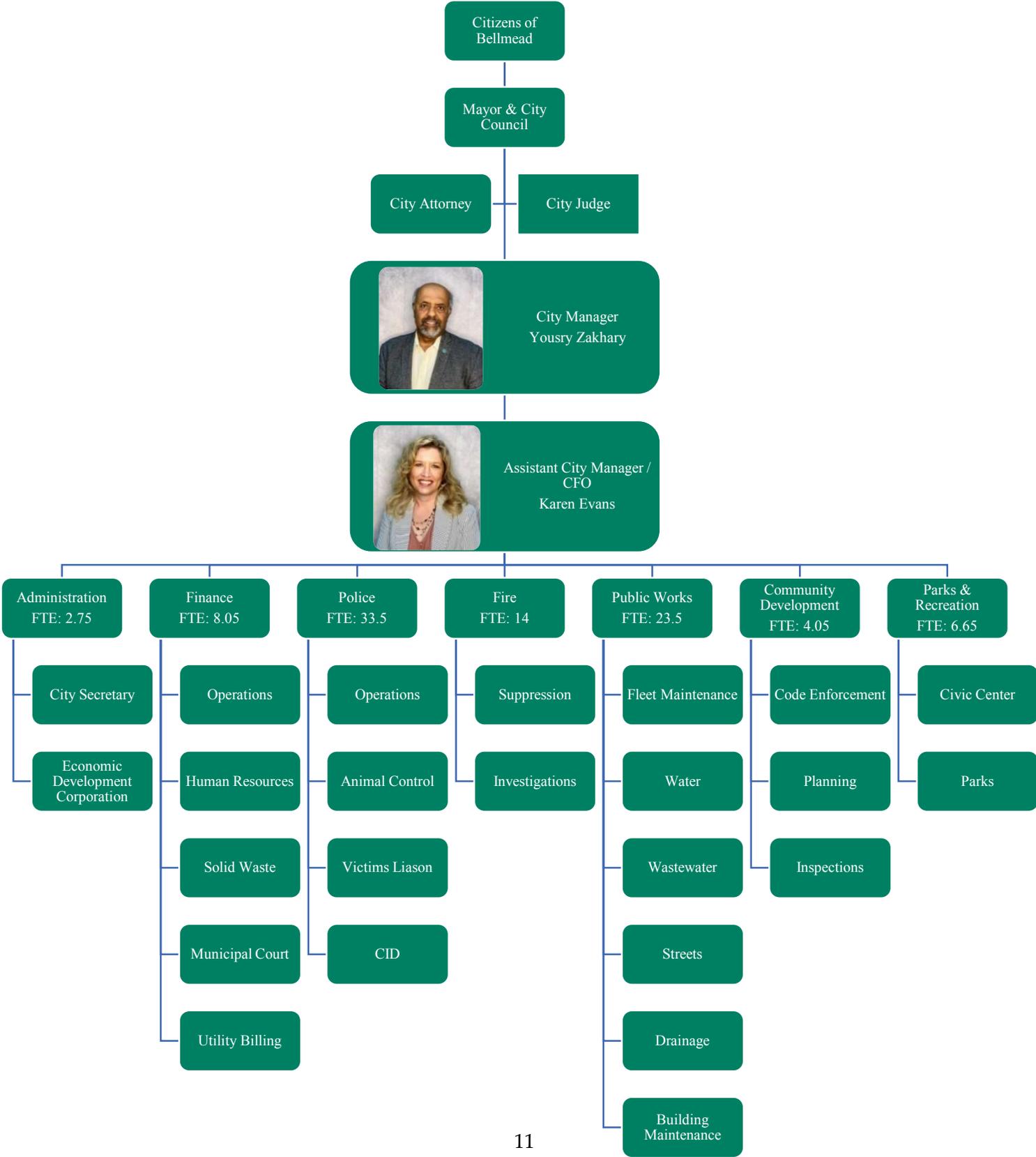
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

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>
Jasmine Neal, Mayor	IV	May 2024
Bryan Winget, Mayor Pro Tem	V	May 2025
Travis Gibson	II	May 2025
James Cleveland	III	May 2024
Karen Coleman	I	May 2025
Gary Moore	At Large	May 2024



CITY COUNCIL MEMBERS



MAYOR
JASMINE NEAL



MAYOR PRO-TEM
BRYAN WINGET



KAREN COLEMAN
PRECINCT 1



JAMES CLEVELAND
PRECINCT 3



TRAVIS GIBSON
PRECINCT 2



GARY MOORE
AT LARGE

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
Vacant	Public Works Director	
Fred Morris	Director of Comm. Development	October 30, 2023
Holly Owens	City Secretary	April 27, 2020
Ray J. Black	City Judge	March 2014
Charlie Buenger	City Attorney	March 2014

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, 2025
Michel Simer	Property Owner	July 01, 2024
Cameron Gomez	Property Owner	July 01, 2025

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, 2025
Travis Gibson	Council Member	May 01, 2025
Karen Coleman	Council Member	May 01, 2025
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>
Vacant	Precinct I	July 01, 2025
Vacant	Precinct II	July 01, 2025
Charlie Morgan, Chair	Precinct III	July 01, 2024
Bradley Vaughn	Precinct IV	July 01, 2024
Vacant	Precinct V	July 01, 2025
Alyssa Avalos	At-large	July 01, 2024

Parks and Recreation Board

Two-Year Terms

<u>Name</u>	<u>Representative</u>	<u>Term Expires</u>
Vacant	Precinct I	July 01, 2025
Iris Miles	Precinct II	July 01, 2025
Katrinna Forest	Precinct III	July 01, 2024
Bradley Vaughn, Chair	Precinct IV	July 01, 2024
May Frances Carline	Precinct V	July 01, 2025
Cathie Bainbridge, Vice Chair	At Large	July 01, 2024
Julia Story	La Vega ISD	July 01, 2025
Vacant	Bellmead COC	July 01, 2024

FINANCIAL SECTION





BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2024, 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 unit, each major fund, and the aggregate remaining fund information of the City of Bellmead, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 5, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
March 6, 2025



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



City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2024

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, 2024.

Financial Highlights

- The City's total combined net position is \$39,780,633 at September 30, 2024. Of this, \$18,323,383 (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 \$16,420,861, an increase of \$2,063,012.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,789,021 or 51% of total general fund expenditures.
- The City had an overall increase in net position of \$5,046,811. Governmental activities experienced an increase of \$1,520,722, primarily due to expenses being below budget, higher interest income from interest bearing accounts, and the utilization of hotel occupancy tax revenues received exceeding that used during the year. The business-type net position increased by \$3,526,089, which was due to net operating income of \$1,050,113, the recognition of grants received totaling \$1,143,515, and intergovernmental revenues received from the Bellmead EDC totaling \$1,250,000 to go toward capital projects.

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

City of Bellmead, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

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).

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, sewer, and drainage 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 twenty 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

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

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.

The City of Bellmead adopts an annual appropriated budget for all funds, except for the grants fund, HOME fund, donation fund, the cable PEG fees fund, the seizure fund, truancy prevention/diversion fund, court jury fund, police donation fund, opioid abatement fund, and the festival donations 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 and drainage services. All activities associated with providing such services are accounted for in these funds, 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, 2024

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 \$39,780,633 as of September 30, 2024, in the primary government.

A large portion of the City's net position, \$12,149,381, 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, \$9,307,869, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$18,323,383 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, 2024 and September 30, 2023 were \$31,934,342 and \$27,744,107, respectively. The increase of \$4,190,235 was primarily attributable to operating surpluses, greater interest bearing accounts, and a realization of higher interest rates on interest bearing accounts in the current year.

Total capital assets for governmental activities as of September 30, 2024 and September 30, 2023 were \$8,770,491 and \$9,691,280, respectively. The decrease of \$920,789 was primarily attributable to current year depreciation outweighing new capital improvements during the year.

Total capital assets for business-type activities September 30, 2024 and September 30, 2023 were \$10,458,098 and \$9,895,145, respectively. The increase of \$562,953 was due to water/sewer infrastructure improvements outweighing current year depreciation.

Total other liabilities for business-type activities as of September 30, 2024 and September 30, 2023 were \$2,938,685 and \$3,406,667, respectively. The decrease of \$467,982 was primarily due to the decline in unearned grant funds, resulting from American Rescue Plan grant funds being spent in the current year. A portion of these funds remained unspent as of yearend.

Total long-term liabilities as of September 30, 2024 and September 30, 2023 were \$8,449,254 and \$9,920,345, respectively. The decrease of \$1,471,091 was primarily due to a decline in the City's net pension liability and principal payments made on outstanding debt in the current year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 17,131,724	\$ 14,802,618	\$ 31,934,342	\$ 15,045,586	\$ 12,698,521	\$ 27,744,107
Capital assets, net	8,770,491	10,458,098	19,228,589	9,691,280	9,895,145	19,586,425
Total Assets	25,902,215	25,260,716	51,162,931	24,736,866	22,593,666	47,330,532
Deferred Outflows of Resources	761,814	143,334	905,148	1,314,591	218,610	1,533,201
Other liabilities	778,479	2,938,685	3,717,164	734,656	3,406,667	4,141,323
Long-term liabilities	4,223,037	4,226,217	8,449,254	5,219,342	4,701,003	9,920,345
Total Liabilities	5,001,516	7,164,902	12,166,418	5,953,998	8,107,670	14,061,668
Deferred Inflows of Resources	101,862	19,166	121,028	57,530	10,713	68,243
Net Position:						
Net investment						
in capital assets	6,520,267	5,629,114	12,149,381	7,124,387	4,993,503	12,117,890
Restricted	9,307,869	-	9,307,869	7,230,820	-	7,230,820
Unrestricted	5,732,515	12,590,868	18,323,383	5,684,722	9,700,390	15,385,112
Total Net Position	\$ 21,560,651	\$ 18,219,982	\$ 39,780,633	\$ 20,039,929	\$ 14,693,893	\$ 34,733,822

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

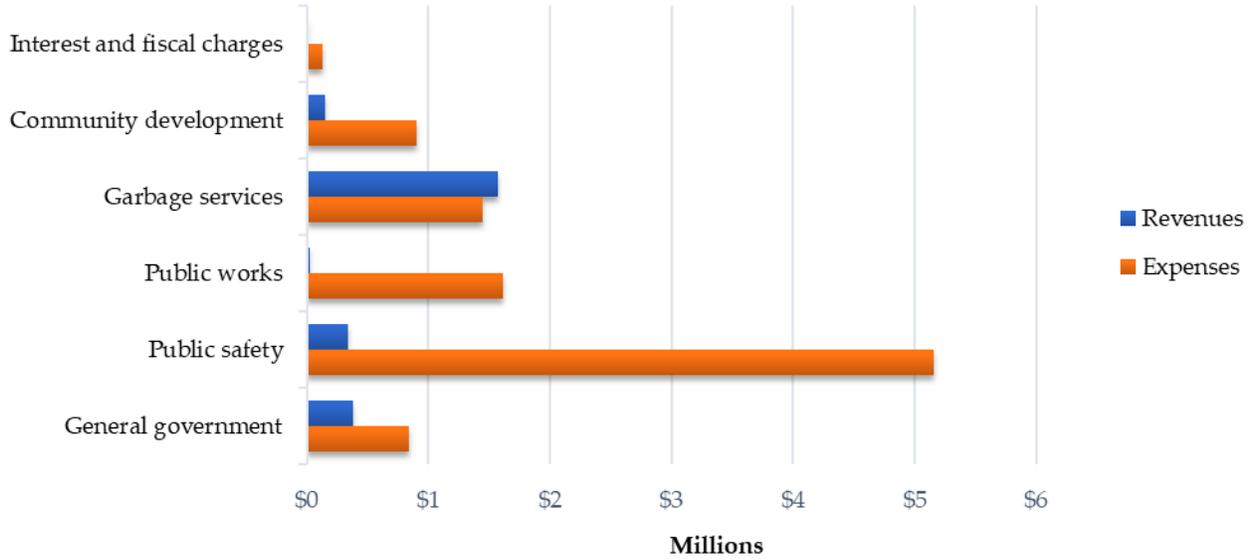
Statement of Activities:

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

	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 2,276,374	\$ 5,063,447	\$ 7,339,821	\$ 2,021,269	\$ 4,733,362	\$ 6,754,631
Grant contributions	176,238	2,393,515	2,569,753	886,071	1,480,493	2,366,564
General revenues:						
Property taxes	2,298,172	-	2,298,172	2,054,330	-	2,054,330
Sales taxes	4,444,901	-	4,444,901	4,333,291	-	4,333,291
Franchise taxes	583,499	-	583,499	612,665	-	612,665
Hotel and motel taxes	647,819	-	647,819	644,165	-	644,165
Investment income	790,365	671,758	1,462,123	461,697	377,091	838,788
Other revenues	57,251	8,924	66,175	168,607	153,678	322,285
Total Revenues	11,274,619	8,137,644	19,412,263	11,182,095	6,744,624	17,926,719
Expenses						
General government	836,068	-	836,068	862,910	-	862,910
Public safety	5,141,571	-	5,141,571	5,580,867	-	5,580,867
Public works	1,613,377	-	1,613,377	1,756,738	-	1,756,738
Garbage services	1,446,135	-	1,446,135	1,386,045	-	1,386,045
Community development	895,762	-	895,762	595,716	-	595,716
Interest and fiscal charges	126,274	137,583	263,857	135,040	145,737	280,777
Water & sewer	-	4,168,682	4,168,682	-	3,902,973	3,902,973
Total Expenses	10,059,187	4,306,265	14,365,452	10,317,316	4,048,710	14,366,026
Change in Net Position						
Before Transfers	1,215,432	3,831,379	5,046,811	864,779	2,695,914	3,560,693
Transfers	305,290	(305,290)	-	270,187	(270,187)	-
Total	305,290	(305,290)	-	270,187	(270,187)	-
Change in Net Position	1,520,722	3,526,089	5,046,811	1,134,966	2,425,727	3,560,693
Beginning Net Position	20,039,929	14,693,893	34,733,822	18,904,963	12,268,166	31,173,129
Ending Net Position	\$ 21,560,651	\$ 18,219,982	\$ 39,780,633	\$ 20,039,929	\$ 14,693,893	\$ 34,733,822

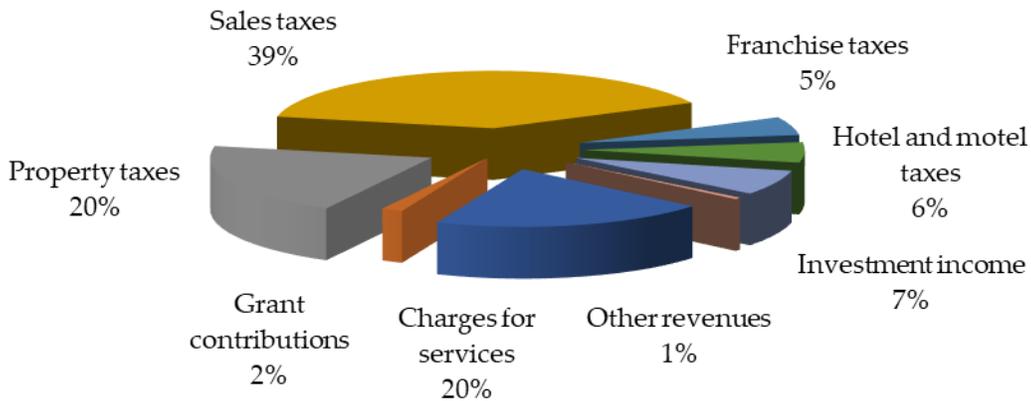
City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

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

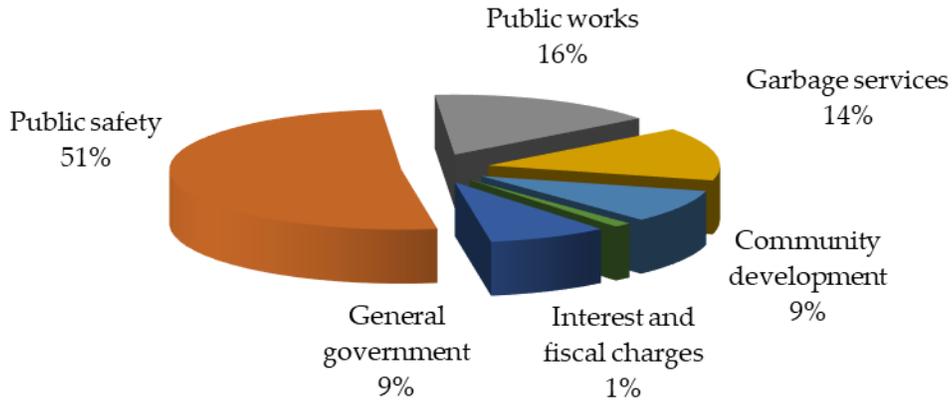


For the year ended September 30, 2024, revenues from governmental activities totaled \$11,274,619. Property taxes and sales taxes are the City's largest revenue sources. Charges for services increased \$255,105 or 13% primarily due to greater court fines/fees collected, greater building permit fees, and the rise in solid waste rates. Grant contributions decreased \$709,833 or 80% primarily due to nonrecurring construction and engineering grants received in the prior year. Property taxes increased by \$243,842 or 12% primarily due to greater appraised values in the current year. Investment income increased by \$328,668 or 71%, due to greater utilization of interest bearing accounts, in addition to higher interest rates caused by changing market conditions. Other revenues decreased by \$111,356 or 66% primarily from greater insurance proceeds from storm damage received in the prior year. All other revenues remained relatively stable when compared to the previous year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses by Function

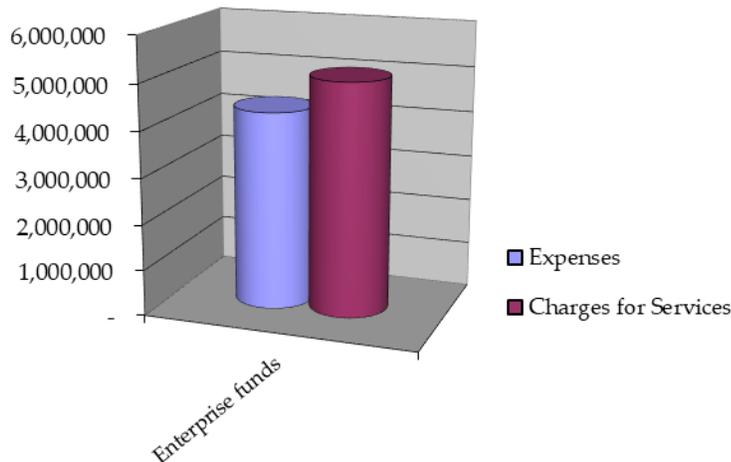


For the year ended September 30, 2024, expenses for governmental activities totaled \$10,059,187. This represents a decrease of \$258,129 or 3% from the prior year. The City's largest functional expense is public safety of \$5,141,571, which primarily includes operational and administrative costs for the City's police and fire suppression activities. Public safety expenses decreased \$439,296 or 8% caused primarily by the adjustment for pension balances. The City's net pension liability declined when compared to the prior year. Public works decreased by \$143,361 or 8% primarily due to nonrecurring street maintenance/repairs in the prior year. Community development increased by \$300,046 or 50% due to greater personnel costs, resulting from new hires and nonrecurring building maintenance and ballpark remediation service costs in the current year. All other expenditures remained relatively consistent with the previous year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

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, 2024, charges for services by business-type activities totaled \$5,063,447. This represents an increase of \$330,085 or 7% from the previous year. The increase is primarily a result of greater utility service rates charged over the course of the year.

Total expenses increased by \$257,555 from the prior year. Water and sewer expenses increased by \$265,709 or 7% primarily due to greater sewer treatment costs, utility expenses, water/sewer line maintenance, and depreciation expenses in the current year.

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 \$3,790,775, \$3,789,021 of which is unassigned. The general fund decreased by \$176,938 primarily due to transfers out to other funds, which is consistent with the City's adopted budget for the current fiscal year.

The hotel/motel tax fund reflected an ending balance of \$3,285,374, an increase of \$423,744. This increase is primarily due to greater investment income, in addition to actual expenditures being less than appropriations for the year.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2024

The street maintenance fund reflected an ending balance of \$3,967,513, an increase of \$392,713. The increase is primarily due to greater than anticipated investment income and less than anticipated expenditures during the year.

The governmental CIP fund reflected an ending fund balance of \$3,265,341, an increase of \$1,271,733. The increase is primarily due to greater than anticipated investment income and transfers in from other funds, offset by less than anticipated expenditures during the year.

There was an overall increase in the governmental fund balance of \$2,063,012 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 \$323,062 in the general fund. This is a combination of a positive revenue variance of \$4,241, a positive expenditure variance of \$331,512, and a negative variance for other financing uses of \$12,691. The positive revenue variance was primarily a result of actual intergovernmental 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 \$8,770,491 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 \$10,458,098 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Purchased three new police vehicles totaling \$166,357.
- Purchased PowerEdge file server for \$17,043.
- Purchased John Deere rotary cutter for \$23,688.
- Purchased street sweeper for \$70,772.
- Purchased livestreaming service computer equipment for \$42,297.
- Investments in San Jacinto and Utah sewer line for \$373,614.

City of Bellmead, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2024

- Research well rehab improvements totaling \$115,830.
- Lift station engineering investment costs totaling \$559,444.
- Concord manhole rebuild improvements for \$62,075.
- Research ground water storage tank rehab improvements for \$238,743.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$8,230,000. 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, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 7,626,665	\$ 4,522,048	\$ 12,148,713
Restricted cash	-	1,489,458	1,489,458
Investments	8,276,147	8,276,147	16,552,294
Receivables, net	1,226,618	514,965	1,741,583
Intergovernmental receivable	540	-	540
Prepays	1,754	-	1,754
Total Current Assets	17,131,724	14,802,618	31,934,342
Noncurrent assets:			
Capital assets:			
Non-depreciable	1,381,741	1,901,441	3,283,182
Net depreciable capital assets	7,388,750	8,556,657	15,945,407
Total Noncurrent Assets	8,770,491	10,458,098	19,228,589
Total Assets	25,902,215	25,260,716	51,162,931
<u>Deferred Outflows of Resources</u>			
Pension outflows	758,101	142,635	900,736
OPEB outflows	3,713	699	4,412
Total Deferred Outflows of Resources	761,814	143,334	905,148

See Notes to Financial Statements.

Component Unit
Bellmead
EDC

\$ 2,502,059
-
182,450
150,000
-
-

2,834,509

547,632
-

547,632

3,382,141

-
-

-

City of Bellmead, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 501,280	\$ 555,425	\$ 1,056,705
Grants received in advance	-	1,489,458	1,489,458
Accrued interest payable	10,818	10,948	21,766
Deposits payable	10,900	500,996	511,896
Compensated absences, current	255,481	26,858	282,339
Long-term debt due within one year	289,861	355,000	644,861
Total Current Liabilities	1,068,340	2,938,685	4,007,025
Noncurrent liabilities:			
Long-term debt due in more than one year	3,644,093	4,174,184	7,818,277
Compensated absences, noncurrent	28,387	2,984	31,371
Net pension liability	73,981	13,919	87,900
OPEB liability	186,715	35,130	221,845
Total Noncurrent Liabilities	3,933,176	4,226,217	8,159,393
Total Liabilities	5,001,516	7,164,902	12,166,418
<u>Deferred Inflows of Resources</u>			
Pension inflows	63,066	11,866	74,932
OPEB inflows	38,796	7,300	46,096
Deferred Inflows of Resources	101,862	19,166	121,028
<u>Net Position</u>			
Net investment in capital assets	6,520,267	5,629,114	12,149,381
Restricted for:			
Debt service	298,795	-	298,795
Capital projects	1,731,765	-	1,731,765
Municipal court	24,422	-	24,422
Tourism	3,285,374	-	3,285,374
Streets	3,967,513	-	3,967,513
Economic development	-	-	-
Unrestricted	5,732,515	12,590,868	18,323,383
Total Net Position	\$ 21,560,651	\$ 18,219,982	\$ 39,780,633

See Notes to Financial Statements.

Component Unit
Bellmead
EDC

\$ 7,061
 -
 -
 -
 -
 -
7,061

-
 -
 -
 -
-
7,061

-
 -
-

547,632
 -
 -
 -
 -
 -
 2,827,448
 -
\$ 3,375,080

City of Bellmead, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 836,068	\$ 368,933	\$ 4,877	\$ -
Public safety	5,141,571	340,040	-	-
Public works	1,613,377	-	-	20,476
Garbage services	1,446,135	1,567,401	-	-
Community development	895,762	-	150,885	-
Interest and fiscal charges	126,274	-	-	-
Total Governmental Activities	10,059,187	2,276,374	155,762	20,476
Business-Type Activities				
Water and sewer	4,161,477	4,664,652	-	2,393,515
Drainage	144,788	398,795	-	-
Total Business-Type Activities	4,306,265	5,063,447	-	2,393,515
Total Primary Government	\$ 14,365,452	\$ 7,339,821	\$ 155,762	\$ 2,413,991
Component Unit				
Economic Development Corporation	1,548,940	-	-	-
	\$ 1,548,940	\$ -	\$ -	\$ -

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
\$ (462,258)	\$ -	\$ (462,258)	\$ -
(4,801,531)	-	(4,801,531)	-
(1,592,901)	-	(1,592,901)	-
121,266	-	121,266	-
(744,877)	-	(744,877)	-
(126,274)	-	(126,274)	-
<u>(7,606,575)</u>	<u>-</u>	<u>(7,606,575)</u>	<u>-</u>
-	2,896,690	2,896,690	-
-	254,007	254,007	-
<u>-</u>	<u>3,150,697</u>	<u>3,150,697</u>	<u>-</u>
<u>(7,606,575)</u>	<u>3,150,697</u>	<u>(4,455,878)</u>	<u>-</u>
			<u>(1,548,940)</u>
			<u>(1,548,940)</u>
2,298,172	-	2,298,172	-
4,444,901	-	4,444,901	872,649
583,499	-	583,499	-
647,819	-	647,819	-
790,365	671,758	1,462,123	165,174
18,652	-	18,652	-
17,764	-	17,764	180,278
20,835	8,924	29,759	-
305,290	(305,290)	-	-
<u>9,127,297</u>	<u>375,392</u>	<u>9,502,689</u>	<u>1,218,101</u>
1,520,722	3,526,089	5,046,811	(330,839)
20,039,929	14,693,893	34,733,822	3,705,919
<u>\$ 21,560,651</u>	<u>\$ 18,219,982</u>	<u>\$ 39,780,633</u>	<u>\$ 3,375,080</u>

City of Bellmead, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2024

	General	Hotel/Motel Tax	Street Maintenance
<u>Assets</u>			
Cash and cash equivalents	\$ 109,440	\$ 1,569,579	\$ 2,177,170
Investments	3,310,460	1,655,229	1,655,229
Receivables, net	946,121	86,126	150,000
Intergovernmental receivable	540	-	-
Prepays	1,754	-	-
Total Assets	\$ 4,368,315	\$ 3,310,934	\$ 3,982,399
 <u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 420,382	\$ 14,960	\$ 14,886
Deposits payable	300	10,600	-
Total Liabilities	420,682	25,560	14,886
 <u>Deferred Inflows of Resources</u>			
Unavailable revenue			
Property taxes	156,858	-	-
Total Deferred Inflows of Resources	156,858	-	-
 <u>Fund Balances</u>			
Nonspendable:			
Prepaid items	1,754	-	-
Restricted for:			
Tourism	-	3,285,374	-
Economic development	-	-	-
Special donations	-	-	-
Public safety	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Streets	-	-	3,967,513
Unassigned	3,789,021	-	-
Total Fund Balances	3,790,775	3,285,374	3,967,513
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 4,368,315	\$ 3,310,934	\$ 3,982,399

See Notes to Financial Statements.

<u>Governmental CIP</u>	<u>Nonmajor Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,610,112	\$ 2,160,364	\$ 7,626,665
1,655,229	-	8,276,147
-	44,371	1,226,618
-	-	540
-	-	1,754
<u>\$ 3,265,341</u>	<u>\$ 2,204,735</u>	<u>\$ 17,131,724</u>
\$ -	\$ 51,052	\$ 501,280
-	-	10,900
<u>-</u>	<u>51,052</u>	<u>512,180</u>
-	41,825	198,683
<u>-</u>	<u>41,825</u>	<u>198,683</u>
-	-	1,754
-	-	3,285,374
-	1,365,050	1,365,050
-	94,736	94,736
-	203,017	203,017
-	298,795	298,795
3,265,341	150,260	3,415,601
-	-	3,967,513
-	-	3,789,021
<u>3,265,341</u>	<u>2,111,858</u>	<u>16,420,861</u>
<u>\$ 3,265,341</u>	<u>\$ 2,204,735</u>	<u>\$ 17,131,724</u>



City of Bellmead, Texas

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

September 30, 2024

Fund Balances - Total Governmental Funds	\$ 16,420,861
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	1,381,741
Capital assets - net depreciable	7,388,750
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	198,683
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	758,101
Pension inflows	(63,066)
OPEB outflows	3,713
OPEB inflows	(38,796)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(10,818)
Compensated absences	(283,868)
Bond premium	(101,871)
Net pension liability	(73,981)
OPEB liability	(186,715)
Non-current liabilities due in one year	(289,861)
Non-current liabilities due in more than one year	(3,542,222)
Net Position of Governmental Activities	\$ 21,560,651

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, 2024

	General	Hotel/Motel Tax	Street Maintenance
Revenues			
Property tax	\$ 1,865,966	\$ -	\$ -
Sales taxes	3,572,252	-	872,649
Franchise taxes	572,405	-	-
Hotel and motel taxes	-	647,819	-
License and permits	200,080	-	-
Charges for services	1,641,244	95,010	-
Grants and contributions	5,000	-	-
Intergovernmental revenue	4,877	-	-
Fines and forfeitures	294,048	-	-
Investment income	230,599	158,596	195,799
Other revenue	4,893	-	6,859
Total Revenues	8,391,364	901,425	1,075,307
Expenditures			
Current:			
General government			
City council	26,192	-	-
Administration	306,038	-	-
Finance - Operations	347,455	-	-
Finance - Solid waste	1,446,135	-	-
Community Development -			
Inspections	103,912	-	-
Planning	146,517	-	-
Building maintenance	63,628	-	-
Economic development	-	-	-
Tourism	-	479,667	-
Other - unclassified	42,819	-	-
Public safety			
Court	125,688	-	-
Police	3,008,222	-	-
Fire	1,556,652	-	-
Public works			
Fleet	146,310	-	682,594
Parks	167,271	-	-
Debt service:			
Principal	11,866	-	-
Interest	-	-	-
Capital outlay	-	-	-
Total Expenditures	7,498,705	479,667	682,594
Excess of Revenues Over (Under) Expenditures	892,659	421,758	392,713

Governmental CIP	<u>Nonmajor Other Governmental</u>	Total Governmental Funds
\$ -	\$ 400,915	\$ 2,266,881
-	-	4,444,901
-	11,094	583,499
-	-	647,819
-	-	200,080
-	-	1,736,254
-	15,476	20,476
-	150,885	155,762
-	45,992	340,040
96,340	109,031	790,365
-	6,900	18,652
96,340	740,293	11,204,729
-	-	26,192
-	-	306,038
-	-	347,455
-	-	1,446,135
-	-	103,912
-	-	146,517
-	-	63,628
-	110,037	110,037
-	-	479,667
-	-	42,819
-	20,089	145,777
-	13,688	3,021,910
-	-	1,556,652
-	-	828,904
-	-	167,271
-	270,000	281,866
-	135,422	135,422
227,607	47,797	275,404
227,607	597,033	9,485,606
(131,267)	143,260	1,719,123

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, 2024

	General	Hotel/Motel Tax	Street Maintenance
<u>Other Financing Sources (Uses)</u>			
Transfers in	\$ 305,290	\$ -	\$ -
Transfers (out)	(1,403,000)	-	-
Sale of capital assets	9,264	-	-
Insurance recoveries	18,849	1,986	-
Total Other Financing Sources (Uses)	(1,069,597)	1,986	-
Net Change in Fund Balances	(176,938)	423,744	392,713
Beginning fund balances	3,967,713	2,861,630	3,574,800
Ending Fund Balances	\$ 3,790,775	\$ 3,285,374	\$ 3,967,513

See Notes to Financial Statements.

Governmental CIP	<u>Nonmajor</u> Other Governmental	Total Governmental Funds
\$ 1,403,000	\$ 115,000	\$ 1,823,290
-	(115,000)	(1,518,000)
-	8,500	17,764
-	-	20,835
<u>1,403,000</u>	<u>8,500</u>	<u>343,889</u>
1,271,733	151,760	2,063,012
1,993,608	1,960,098	14,357,849
<u>\$ 3,265,341</u>	<u>\$ 2,111,858</u>	<u>\$ 16,420,861</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, 2024

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

Net changes in fund balances - total governmental funds	\$ 2,063,012
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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	276,489
Depreciation expense	(1,197,278)

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

Property tax receivable	31,291
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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	(58,733)
Accrued interest	870
Pension (expense) income	112,675
OPEB expense	2,252

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	281,866
Change in Net Position of Governmental Activities	\$ 1,520,722

See Notes to Financial Statements.

City of Bellmead, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2024

	Water & Sewer	Nonmajor Drainage	Total Enterprise Funds
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 4,037,517	\$ 484,531	\$ 4,522,048
Restricted cash	1,489,458	-	1,489,458
Investments	8,276,147	-	8,276,147
Receivables, net	479,757	35,208	514,965
Total Current Assets	14,282,879	519,739	14,802,618
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	1,901,441	-	1,901,441
Net depreciable capital assets	8,556,657	-	8,556,657
Total Noncurrent Assets	10,458,098	-	10,458,098
Total Assets	24,740,977	519,739	25,260,716
<u>Deferred Outflows of Resources</u>			
Pension outflows	127,179	15,456	142,635
OPEB outflows	623	76	699
Total Deferred Outflows of Resources	127,802	15,532	143,334
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	550,800	4,625	555,425
Accrued interest	10,948	-	10,948
Customer deposits	500,996	-	500,996
Grants received in advance	1,489,458	-	1,489,458
Compensated absences - current	26,448	410	26,858
Bonds and notes payable - current	355,000	-	355,000
Total Current Liabilities	2,933,650	5,035	2,938,685
<u>Noncurrent Liabilities</u>			
Compensated absences - noncurrent	2,939	45	2,984
Net pension liability	12,411	1,508	13,919
OPEB liability	31,323	3,807	35,130
Bonds and notes payable - noncurrent	4,174,184	-	4,174,184
Total Noncurrent Liabilities	4,220,857	5,360	4,226,217
Total Liabilities	7,154,507	10,395	7,164,902
<u>Deferred Inflows of Resources</u>			
Pension inflows	10,580	1,286	11,866
OPEB inflows	6,509	791	7,300
Total Deferred Inflows of Resources	17,089	2,077	19,166
<u>Net Position</u>			
Net investment in capital assets	5,629,114	-	5,629,114
Unrestricted	12,068,069	522,799	12,590,868
Total Net Position	\$ 17,697,183	\$ 522,799	\$ 18,219,982

See Notes to Financial Statements.

City of Bellmead, Texas

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

For the Year Ended September 30, 2024

	Water & Sewer	Nonmajor Drainage	Total Enterprise Funds
<u>Operating Revenues</u>			
Water sales	\$ 2,512,170	\$ -	\$ 2,512,170
Sewer charges	1,917,835	-	1,917,835
Drainage revenue	-	398,789	398,789
Other charges for services	234,647	6	234,653
Total Operating Revenues	4,664,652	398,795	5,063,447
<u>Operating Expenses</u>			
Salaries and benefits	972,949	103,901	1,076,850
Materials and supplies	124,353	4,550	128,903
Contractual supplies	2,108,096	36,337	2,144,433
Depreciation	663,148	-	663,148
Total Operating Expenses	3,868,546	144,788	4,013,334
Operating Income (Loss)	796,106	254,007	1,050,113
<u>Nonoperating Revenues (Expenses)</u>			
Interest income	653,880	17,878	671,758
Intergovernmental revenue	1,250,000	-	1,250,000
(Loss) on disposal of assets	(155,348)	-	(155,348)
Insurance recoveries (losses)	(2,876)	11,800	8,924
Interest expense	(137,583)	-	(137,583)
Total Nonoperating Revenues (Expenses)	1,608,073	29,678	1,637,751
Income (Loss) Before Transfers and Capital Contributions	2,404,179	283,685	2,687,864
<u>Transfers and Capital Contributions</u>			
Capital grant contributions	1,143,515	-	1,143,515
Transfers (out)	(305,290)	-	(305,290)
Total Transfers and Capital Contributions	838,225	-	838,225
Change in Net Position	3,242,404	283,685	3,526,089
Beginning net position	14,454,779	239,114	14,693,893
Ending Net Position	\$ 17,697,183	\$ 522,799	\$ 18,219,982

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, 2024

	Water & Sewer	Nonmajor Drainage	Total Enterprise Funds
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 4,715,060	\$ 393,493	\$ 5,108,553
Payments to suppliers	(2,175,927)	(37,895)	(2,213,822)
Payments to employees	(982,951)	(111,586)	(1,094,537)
Net Cash Provided by Operating Activities	1,556,182	244,012	1,800,194
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers (out)	(305,290)	-	(305,290)
Net Cash Provided (Used) by Noncapital Financing Activities	(305,290)	-	(305,290)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	(1,184,521)	-	(1,184,521)
Capital contributions	1,250,000	-	1,250,000
Proceeds from sale of capital assets	70,772	-	70,772
Insurance recoveries (losses)	(2,876)	11,800	8,924
Grants received, net	301,835	-	301,835
Principal paid on debt	(355,000)	-	(355,000)
Interest paid on debt	(146,412)	-	(146,412)
Net Cash Provided (Used) by Capital and Related Financing Activities	(66,202)	11,800	(54,402)
<u>Cash Flows from Investing Activities</u>			
Purchase of investments, net	(2,221,814)	-	(2,221,814)
Interest on investments	653,880	17,878	671,758
Net Cash Provided (Used) by Investing Activities	(1,567,934)	17,878	(1,550,056)
Net Increase (Decrease) in Cash and Cash Equivalents	(383,244)	273,690	(109,554)
Beginning cash and cash equivalents	5,910,219	210,841	6,121,060
Ending Cash and Cash Equivalents	\$ 5,526,975	\$ 484,531	\$ 6,011,506

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, 2024

	Water & Sewer	Nonmajor Drainage	Total Enterprise Funds
<u>Reconciliation of Operating Income</u>			
<u>to Net Cash Provided by Operating Activities</u>			
Operating Income	\$ 796,106	\$ 254,007	\$ 1,050,113
Adjustments to reconcile operating income to net cash provided:			
Depreciation	663,148	-	663,148
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	13,465	(5,302)	8,163
Deferred outflows of resources - pension	90,925	(15,456)	75,469
Deferred outflows of resources - OPEB	(117)	(76)	(193)
Deferred inflows of resources - pension	10,580	1,286	11,866
Deferred inflows of resources - OPEB	(3,058)	791	(2,267)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	56,522	2,992	59,514
Compensated absences	9,695	455	10,150
Customer deposits	36,943	-	36,943
OPEB liability	3,125	3,807	6,932
Net pension liability (asset)	(121,152)	1,508	(119,644)
Net Cash Provided by Operating Activities	\$ 1,556,182	\$ 244,012	\$ 1,800,194
 <u>Schedule of Non-Cash Capital and Related</u>			
<u>Financing Activities</u>			
Change in capital related accounts payable	\$ (267,700)	\$ -	\$ (267,700)

See Notes to Financial Statements.



City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

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, 2024

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 seven member board of directors comprised of City Council members and citizens of the community, appointed by the Bellmead City Council. 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 is repaid using City resources. The scope of public service of the EDC benefits citizens and is operated primarily within geographic boundaries of the City. Separate financial statements have not been prepared.

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

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

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

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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

The government reports the following major governmental funds:

Governmental Funds

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

General Fund

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

Hotel/Motel Tax Fund

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

Street Maintenance Fund

The street maintenance fund is used to account for the .25% street maintenance sales tax that was approved by voters and became effective July 1, 2010. The street maintenance sales tax may only be used for the repairs and maintenance of existing streets at the date the tax was adopted and must be reauthorized every four years to remain in effect. The current street maintenance tax expires on June 30, 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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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.

Asset Description	Estimated Useful Life
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, 2024

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, 2024

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, 2024

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, 2024

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.

16. Subscription Based Information Technology Arrangements

The City implemented the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA"). Upon implementation, the City recorded right to use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets are included within capital assets, and amortized straight-line over the term of the arrangement. The liabilities accrue interest at the implied rate estimated by the City and are relieved with payments over the term of the arrangements.

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

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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, the HOME fund, donation fund, the cable PEG fees fund, the seizure fund, truancy prevention/diversion fund, court jury fund, police donation fund, opioid abatement fund, and festival donations 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 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, 2024, the primary government had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Average Maturity (Years)</u>
Certificates of deposit	\$ 16,552,294	0.82
External investment pools	14,528,536	0.09
Total value	<u>\$ 31,080,830</u>	
Portfolio weighted average maturity		0.48

As of September 30, 2024, 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	\$ 182,450	0.50
External investment pools	1,204,160	0.09
Total value	<u>\$ 1,386,610</u>	
Portfolio weighted average maturity		0.15

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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

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, 2024, the bank balances at Third Coast bank exceeded the market values of pledged securities and FDIC.

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, 2024,

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

TexSTAR

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

Texas CLASS

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

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

B. Receivables

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

Governmental Funds

	<u>General</u>	<u>Hotel/ Motel Tax</u>	<u>Street Maintenance</u>	<u>Nonmajor Govt</u>	<u>Total</u>
Property taxes	\$ 173,457	\$ -	\$ -	\$ 46,488	\$ 219,945
Sales tax	629,196	-	150,000	-	779,196
Franchise & local taxes	15,502	-	-	2,546	18,048
Hotel/motel taxes	-	86,126	-	-	86,126
Grants	540	-	-	-	540
Accounts	144,010	-	-	-	144,010
Allowance	(16,584)	-	-	(4,663)	(21,247)
	<u>\$ 946,121</u>	<u>\$ 86,126</u>	<u>\$ 150,000</u>	<u>\$ 44,371</u>	<u>\$ 1,226,618</u>

Enterprise Funds

	<u>Water & Sewer</u>	<u>Drainage</u>	<u>Total</u>
Grants	\$ 5,489	\$ -	\$ 5,489
Accounts	479,731	35,360	515,091
Allowance	(5,463)	(152)	(5,615)
	<u>\$ 479,757</u>	<u>\$ 35,208</u>	<u>\$ 514,965</u>

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

	<u>EDC</u>
Sales tax	\$ 150,000
	<u>\$ 150,000</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	-	42,297	-	42,297
Total capital assets not being depreciated	<u>1,339,444</u>	<u>42,297</u>	<u>-</u>	<u>1,381,741</u>
Capital assets, being depreciated:				
Infrastructure	5,145,577	-	-	5,145,577
Buildings and improvements	6,229,535	-	-	6,229,535
Equipment	5,856,443	234,192	(205,123)	5,885,512
Right of Use - SBITA	53,949	-	-	53,949
Total capital assets being depreciated	<u>17,285,504</u>	<u>234,192</u>	<u>(205,123)</u>	<u>17,314,573</u>
Less accumulated depreciation				
Infrastructure	3,261,280	527,470	-	3,788,750
Buildings and improvements	2,630,416	175,888	-	2,806,304
Equipment	3,041,972	483,130	(205,123)	3,319,979
Right of Use - SBITA	-	10,790	-	10,790
Total accumulated depreciation	<u>8,933,668</u>	<u>1,197,278</u>	<u>(205,123)</u>	<u>9,925,823</u>
Net capital assets being depreciated	<u>8,351,836</u>	<u>(963,086)</u>	<u>-</u>	<u>7,388,750</u>
Total Capital Assets	<u>\$ 9,691,280</u>	<u>\$ (920,789)</u>	<u>\$ -</u>	<u>\$ 8,770,491</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 96,349
Public safety	467,356
Public works	530,497
Culture and recreation	103,076
Total Governmental Activities Depreciation Expense	<u>\$ 1,197,278</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	790,081	1,214,148	(454,301)	1,549,928
Total capital assets not being depreciated	<u>1,141,594</u>	<u>1,214,148</u>	<u>(454,301)</u>	<u>1,901,441</u>
Capital assets, being depreciated:				
Buildings and improvements	865,234	-	-	865,234
Water and sewer facilities	9,904,452	115,830	210,897	10,231,179
Water and sewer equipment	1,277,729	51,471	(84,997)	1,244,203
Drainage equipment	169,750	70,772	(22,410)	218,112
Total capital assets being depreciated	<u>12,217,165</u>	<u>238,073</u>	<u>103,490</u>	<u>12,558,728</u>
Less accumulated depreciation				
Buildings and improvements	454,249	43,262	-	497,511
Water and sewer facilities	1,874,440	518,518	(88,056)	2,304,902
Water and sewer equipment	965,175	101,368	(84,997)	981,546
Drainage equipment	169,750	-	48,362	218,112
Total accumulated depreciation	<u>3,463,614</u>	<u>663,148</u>	<u>(124,691)</u>	<u>4,002,071</u>
Net capital assets being depreciated	8,753,551	(425,075)	228,181	8,556,657
Total Capital Assets	<u>\$ 9,895,145</u>	<u>\$ 789,073</u>	<u>\$ (226,120)</u>	<u>\$ 10,458,098</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	\$ 932,350	\$ 20,561	\$ (405,279)	\$ 547,632
Total capital assets not being depreciated	<u>932,350</u>	<u>20,561</u>	<u>(405,279)</u>	<u>547,632</u>
Total Capital Assets	<u>\$ 932,350</u>	<u>\$ 20,561</u>	<u>\$ (405,279)</u>	<u>\$ 547,632</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	\$ 4,060,000	\$ -	\$ (270,000)	\$ 3,790,000	\$ 280,000
Less deferred amounts:					
Issuance Premium	110,149	-	(8,278)	101,871	-
Total bonds payable	<u>4,170,149</u>	<u>-</u>	<u>(278,278)</u>	<u>3,891,871</u>	<u>280,000</u>
Subscription Liability (SBITA)	53,949	-	(11,866)	42,083	9,861
Total Governmental Activities	<u>\$ 4,224,098</u>	<u>\$ -</u>	<u>\$ (290,144)</u>	<u>\$ 3,933,954</u>	<u>\$ 289,861</u>
Long-term liabilities due in more than one year				<u>\$ 3,644,093</u>	
Business-Type Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	\$ 4,795,000	\$ -	\$ (355,000)	\$ 4,440,000	\$ 355,000
Less deferred amounts:					
Issuance Premium	97,273	-	(8,089)	89,184	-
Total bonds payable	<u>4,892,273</u>	<u>-</u>	<u>(363,089)</u>	<u>4,529,184</u>	<u>355,000</u>
Total Governmental Activities	<u>\$ 4,892,273</u>	<u>\$ -</u>	<u>\$ (363,089)</u>	<u>\$ 4,529,184</u>	<u>\$ 355,000</u>
Long-term liabilities due in more than one year				<u>\$ 4,174,184</u>	

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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.	\$ 2,275,000	\$ -	\$ 2,275,000
\$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.	1,515,000	-	1,515,000
\$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.	-	2,855,000	2,855,000
\$2,400,000 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.	-	1,585,000	1,585,000
Total Certificates of Obligation	\$ 3,790,000	\$ 4,440,000	\$ 8,230,000
Subscription Liability			
\$53,949 Axon subscription based IT arrangement, due in annual installments of \$11,760, including an interest rate 4.5%, through 2028.	\$ 42,083	\$ -	\$ 42,083
Total Deferred Amounts	\$ 42,083	\$ -	\$ 42,083
Less deferred amounts:			
Issuance premium	\$ 101,871	\$ 89,184	\$ 191,055
Total Deferred Amounts	\$ 101,871	\$ 89,184	\$ 191,055
Total Long-term Debt	\$ 3,933,954	\$ 4,529,184	\$ 8,463,138

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, 2024

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
2025	\$ 280,000	\$ 125,107	\$ 405,107
2026	290,000	115,357	405,357
2027	300,000	105,013	405,013
2028	310,000	94,013	404,013
2029	320,000	83,476	403,476
2030	335,000	73,226	408,226
2031	340,000	62,226	402,226
2032	355,000	50,532	405,532
2033	370,000	37,875	407,875
2034	380,000	24,388	404,388
2035	120,000	15,600	135,600
2036	125,000	11,463	136,463
2037	130,000	7,000	137,000
2038	135,000	2,363	137,363
Total	<u>\$ 3,790,000</u>	<u>\$ 807,639</u>	<u>\$ 4,597,639</u>

Subscription Liability

Year ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 9,861	\$ 1,899	\$ 11,760
2026	10,305	1,455	11,760
2027	10,769	991	11,760
2028	11,148	506	11,654
	<u>\$ 42,083</u>	<u>\$ 4,851</u>	<u>\$ 46,934</u>

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Year ending September 30,	Business-Type Activities		
	Principal	Interest	Total
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	\$ 4,440,000	\$ 822,125	\$ 5,262,125

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, 2024

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	\$ 225,135	\$ 186,639	\$ (127,906)	\$ 283,868	\$ 255,481
Total Governmental Activities	\$ 225,135	\$ 186,639	\$ (127,906)	\$ 283,868	\$ 255,481
Other Long-term Liabilities Due in More than One Year				\$ 28,387	
Business-Type Activities:					
Compensated Absences	\$ 19,692	\$ 22,535	\$ (12,385)	\$ 29,842	\$ 26,858
Total Business-Type Activities	\$ 19,692	\$ 22,535	\$ (12,385)	\$ 29,842	\$ 26,858
Other Long-term Liabilities Due in More than One Year				\$ 2,984	

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.

Transfers out:	Transfers In:			Total
	General	Governmental CIP	Nonmajor Govt.	
General	\$ -	\$ 1,403,000	\$ -	\$ 1,403,000
Nonmajor govt.	-	-	115,000	115,000
Water & Sewer	305,290	-	-	305,290
	\$ 305,290	\$ 1,403,000	\$ 115,000	\$ 1,823,290

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, 2024

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

	Restricted
Tourism	\$ 3,285,374 *
Economic development	1,365,050
Special donations	94,736
Public safety	203,017 *
Debt service	298,795
Capital projects	3,415,601
Streets	3,967,513 *
	\$ 12,630,086

* 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.

The City of Bellmead, Texas is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Arbitrage

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

D. Defined Benefit Pension Plans

1. Plan Description

The City of Bellmead, Texas participates as one of 934 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.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

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

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 2022</u>	<u>Plan Year 2023</u>
Employee deposit rate	6.0%	7.0%
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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	116
Active employees	73
Total	226

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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Bellmead were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Bellmead were 8.47%, 10.98%, and 12.08% in calendar years 2022, 2023, and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$594,976, and were equal to the required contributions.

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation
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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real 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 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
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,

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/2022	\$ 17,595,791	\$ 16,659,059	\$ 936,732
Changes for the year:			
Service Cost	896,730	-	896,730
Interest (on the Total Pension Liab.)	1,195,086	-	1,195,086
Change in benefit terms	-	-	-
Difference between expected and actual experience	(76,424)	-	(76,424)
Changes of assumptions	(113,358)	-	(113,358)
Contributions – employer	-	509,923	(509,923)
Contributions – employee	-	327,720	(327,720)
Net investment income	-	1,925,575	(1,925,575)
Benefit payments, including refunds of emp. contributions	(678,344)	(678,344)	-
Administrative expense	-	(12,266)	12,266
Other changes	-	(86)	86
Net changes	1,223,690	2,072,522	(848,832)
Balance at 12/31/2023	\$ 18,819,481	\$ 18,731,581	\$ 87,900

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%
\$ 2,904,953	\$ 87,900	\$ (2,196,918)

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.tmr.com.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

For the year ended September 30, 2024, the City recognized pension expense of \$543,116.

At September 30, 2024, 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	\$ 444,883	\$ -
Changes in assumptions	-	(74,932)
Differences between expected and actual economic experience	11,867	-
Contributions subsequent to the measurement date	443,986	-
Total	\$ 900,736	\$ (74,932)

The City reported \$443,986 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, 2025. 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:

2024	\$	114,703
2025		83,675
2026		343,658
2027		(160,218)
2028		-
Thereafter		-
	\$	381,818

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

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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 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, 2023 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	23
Active employees	73
Total	129

The City’s retiree contribution rates to the TMRS SDBF for the years ended 2024, 2023 and 2022 are as follows:

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2024	0.12%	0.12%	100.0%
2023	0.11%	0.11%	100.0%
2022	0.11%	0.11%	100.0%

The City’s contributions to the TMRS SDBF for the years ended 2024, 2023, and 2022 were \$6,067, \$4,764, and \$4,635, respectively, which equaled the required contributions each year.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.6% to 11.85%, including inflation per year
Discount rate	3.77%
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 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

City of Bellmead, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease 2.77%	Current Single Rate Assumption 3.77%	1% Increase 4.77%
\$ 267,143	\$ 221,845	\$ 186,966

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/22	\$ 197,761
Changes for the year:	
Service Cost	11,830
Interest	8,143
Difference between expected and actual experience	(27)
Changes of assumptions	9,343
Benefit payments	(5,205)
Net changes	24,084
Balance at 12/31/23	\$ 221,845

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$8,287.

City of Bellmead, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

At September 30, 2024, 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	\$ -	(8,506)
Change in assumptions	-	(37,590)
Contributions subsequent to measurement date	4,412	-
Total	\$ 4,412	\$ (46,096)

The City reported \$4,412 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, 2025. 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:	
2024	\$ (11,515)
2025	(17,765)
2026	(18,527)
2027	1,711
2028	-
Thereafter	-
	\$ (46,096)

E. Subsequent Events

There were no material subsequent events through March 6, 2025, 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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property tax	\$ 1,926,634	\$ 1,865,966	\$ 1,865,966	\$ -
Sales taxes	3,691,200	3,572,252	3,572,252	-
Franchise taxes	617,100	572,405	572,405	-
License and permits	140,600	200,081	200,080	(1)
Charges for services	1,548,700	1,641,245	1,641,244	(1)
Contributions and donations	5,075	5,000	5,000	-
Intergovernmental revenues	59,969	968	4,877	3,909
Fines and forfeitures	214,300	294,048	294,048	-
Investment income	114,200	230,283	230,599	316
Other revenue	8,300	4,875	4,893	18
Total Revenues	8,326,078	8,387,123	8,391,364	4,241
Expenditures				
Current:				
General government -				
City council	47,147	47,147	26,192	20,955
Administration	355,637	325,528	306,038	19,490
Finance - Operations	349,121	353,454	347,455	5,999
Finance - Solid waste	1,415,402	1,460,850	1,446,135	14,715
Community Development -				
Inspections	307,009	119,735	103,912	15,823
Planning	153,872	152,251	146,517	5,734
Building maintenance	177,435	70,435	63,628	6,807
Other - unclassified	258,356	129,586	42,819	86,767
Total General Government	3,063,979	2,658,986	2,482,696	176,290
Public safety:				
Court	150,397	129,694	125,688	4,006
Police	3,346,657	3,108,284	3,008,222	100,062
Fire	1,627,085	1,568,428	1,556,652	11,776
Total Public Safety	5,124,139	4,806,406	4,690,562	115,844
Public works:				
Fleet	200,219	165,400	146,310	19,090
Parks	197,495	187,559	167,271	20,288
Total Public Works	397,714	352,959	313,581	39,378
Debt service:				
Principal	11,866	11,866	11,866	-
Total Expenditures	8,597,698	7,830,217	7,498,705	331,512
Revenues Over (Under) Expenditures	\$ (271,620)	\$ 556,906	\$ 892,659	\$ 335,753

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 305,290	\$ 305,290	\$ 305,290	\$ -
Transfers (out)	(500,000)	(1,403,000)	(1,403,000)	-
Sale of capital assets	31,000	21,955	9,264	(12,691)
Insurance recoveries	-	18,849	18,849	-
Total Other Financing Sources (Uses)	(163,710)	(1,056,906)	(1,069,597)	(12,691)
Net Change in Fund Balance	\$ (435,330)	\$ (500,000)	(176,938)	\$ 323,062
Beginning fund balance			3,967,713	
Ending Fund Balance			\$ 3,790,775	

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Hotel and motel taxes	\$ 681,000	\$ 647,819	\$ 647,819	\$ -
Charges for services	109,600	95,010	95,010	-
Investment income	78,209	126,966	158,596	31,630
Total Revenues	<u>868,809</u>	<u>869,795</u>	<u>901,425</u>	<u>31,630</u>
<u>Expenditures</u>				
Tourism	586,936	587,936	479,667	108,269
Total Expenditures	<u>586,936</u>	<u>587,936</u>	<u>479,667</u>	<u>108,269</u>
Excess of Revenues Over (Under) Expenditures	<u>281,873</u>	<u>281,859</u>	<u>421,758</u>	<u>139,899</u>
<u>Other Financing Sources (Uses)</u>				
Insurance recoveries	-	14	1,986	1,972
Total Other Financing Sources (Uses)	<u>-</u>	<u>14</u>	<u>1,986</u>	<u>1,972</u>
Net Change in Fund Balance	<u><u>\$ 281,873</u></u>	<u><u>\$ 281,873</u></u>	<u>423,744</u>	<u><u>\$ 141,871</u></u>
Beginning fund balance			<u>2,861,630</u>	
Ending Fund Balance			<u><u>\$ 3,285,374</u></u>	

Notes to Required Supplementary Information

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

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STREET MAINTENANCE FUND
For the Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Sales taxes	\$ 902,650	\$ 872,649	\$ 872,649	\$ -
Other revenue	-	5,083	6,859	1,776
Investment income	105,156	135,157	195,799	60,642
Total Revenues	<u>1,007,806</u>	<u>1,012,889</u>	<u>1,075,307</u>	<u>62,418</u>
<u>Expenditures</u>				
Public works	1,007,806	1,012,889	682,594	330,295
Total Expenditures	<u>1,007,806</u>	<u>1,012,889</u>	<u>682,594</u>	<u>330,295</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>392,713</u>	<u>392,713</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>392,713</u>	<u>\$ 392,713</u>
Beginning fund balance			<u>3,574,800</u>	
Ending Fund Balance			<u>\$ 3,967,513</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,

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 896,730	\$ 762,040	\$ 589,937	\$ 550,754
Interest (on the Total Pension Liability)	1,195,086	1,097,684	968,341	928,440
actual experience	(76,424)	745,083	144,182	(223,277)
Changes of assumptions	(113,358)	157,014	-	(100)
Benefit payments, including refunds of participant contributions	(678,344)	(603,814)	(630,987)	(737,793)
Net change in total pension liability	1,223,690	2,158,007	1,071,473	518,024
Total pension liability - beginning	17,595,791	15,437,784	14,366,311	13,848,287
Total pension liability - ending (a)	\$ 18,819,481	\$ 17,595,791	\$ 15,437,784	\$ 14,366,311
Plan fiduciary net position				
Contributions - employer	\$ 509,923	\$ 366,962	\$ 300,655	\$ 322,628
Contributions - members	327,720	260,033	227,482	224,340
Net investment income	1,925,575	(1,308,300)	2,080,379	1,139,836
Benefit payments, including refunds of participant contributions	(678,344)	(603,814)	(630,987)	(737,793)
Administrative expenses	(12,266)	(11,333)	(9,635)	(7,384)
Other	(86)	13,525	65	(387)
Net change in plan fiduciary net position	2,072,522	(1,282,927)	1,967,959	941,240
Plan fiduciary net position - beginning	16,659,059	17,941,986	15,974,027	15,032,787
Plan fiduciary net position - ending (b)	\$ 18,731,581	\$ 16,659,059	\$ 17,941,986	\$ 15,974,027
Fund's net pension (asset) liability - ending (a) - (b)	\$ 87,900	\$ 936,732	\$ (2,504,202)	\$ (3,450,409)
Plan fiduciary net position as a percentage of the total pension liability	99.53%	94.68%	116.22%	123.97%
Covered payroll	\$ 4,732,082	\$ 4,161,878	\$ 3,791,370	\$ 3,738,998
Fund's net pension liability as a percentage of covered payroll	1.86%	22.51%	-66.05%	-92.28%

Notes to schedule:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	505,171	\$ 539,356	\$ 521,330	\$ 487,147	\$ 458,188	\$ 389,742
	927,535	879,593	842,174	809,001	818,762	767,022
	(771,881)	(86,043)	(273,905)	(233,707)	(519,945)	51,209
	29,453	-	-	-	93,818	-
	<u>(661,518)</u>	<u>(549,518)</u>	<u>(538,906)</u>	<u>(637,232)</u>	<u>(516,186)</u>	<u>(489,931)</u>
	<u>28,760</u>	<u>783,388</u>	<u>550,693</u>	<u>425,209</u>	<u>334,637</u>	<u>718,042</u>
	<u>13,819,527</u>	<u>13,036,139</u>	<u>12,485,446</u>	<u>12,060,237</u>	<u>11,725,600</u>	<u>11,007,558</u>
\$	<u>13,848,287</u>	<u>\$ 13,819,527</u>	<u>\$ 13,036,139</u>	<u>\$ 12,485,446</u>	<u>\$ 12,060,237</u>	<u>\$ 11,725,600</u>
\$	304,832	\$ 331,939	\$ 321,892	\$ 310,177	\$ 309,670	\$ 262,945
	207,605	219,102	214,834	206,710	204,853	195,254
	2,032,377	(406,269)	1,653,688	763,497	16,664	613,170
	<u>(661,518)</u>	<u>(549,618)</u>	<u>(538,906)</u>	<u>(637,232)</u>	<u>(516,186)</u>	<u>(489,931)</u>
	<u>(11,497)</u>	<u>(7,859)</u>	<u>(8,570)</u>	<u>(8,623)</u>	<u>(10,150)</u>	<u>(6,402)</u>
	<u>(346)</u>	<u>(310)</u>	<u>(435)</u>	<u>(465)</u>	<u>(502)</u>	<u>(526)</u>
	<u>1,871,453</u>	<u>(413,015)</u>	<u>1,642,503</u>	<u>634,064</u>	<u>4,349</u>	<u>574,510</u>
	<u>13,161,334</u>	<u>13,574,349</u>	<u>11,931,846</u>	<u>11,297,782</u>	<u>11,293,433</u>	<u>10,718,923</u>
\$	<u>15,032,787</u>	<u>\$ 13,161,334</u>	<u>\$ 13,574,349</u>	<u>\$ 11,931,846</u>	<u>\$ 11,297,782</u>	<u>\$ 11,293,433</u>
\$	<u>(1,184,500)</u>	<u>\$ 658,193</u>	<u>\$ (538,210)</u>	<u>\$ 553,600</u>	<u>\$ 762,455</u>	<u>\$ 432,167</u>
	108.55%	95.24%	104.13%	95.57%	93.68%	96.31%
\$	3,460,076	\$ 3,651,699	\$ 3,580,562	\$ 3,445,170	\$ 3,414,216	\$ 3,254,228
	-34.23%	18.02%	-15.03%	16.07%	22.33%	13.28%

City of Bellmead, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Fiscal Years Ended:

	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Actuarially determined employer contributions	\$ 594,976	\$ 452,729	\$ 350,672	\$ 299,920
Contributions in relation to the actuarially determined contribution	\$ 594,976	\$ 452,729	\$ 350,672	\$ 299,920
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 5,050,515	\$ 4,503,202	\$ 4,213,962	\$ 3,688,961
Employer contributions as a percentage of covered payroll	11.78%	10.05%	8.32%	8.13%

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	20 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary Increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
 Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 304,403	\$ 309,089	\$ 335,268	\$ 316,551	\$ 320,484	\$ 297,841
<u>\$ 304,403</u>	<u>\$ 309,089</u>	<u>\$ 335,268</u>	<u>\$ 316,551</u>	<u>\$ 320,484</u>	<u>\$ 297,841</u>
<u>\$ -</u>					
\$ 3,510,035	\$ 3,481,455	\$ 3,698,157	\$ 3,520,210	\$ 3,552,338	\$ 3,383,497
8.67%	8.88%	9.07%	8.99%	9.02%	8.80%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability				
Service cost	\$ 11,830	\$ 20,393	\$ 19,715	\$ 14,956
Interest	8,143	5,622	5,397	5,911
Differences between expected and actual experience	(27)	(12,177)	4,366	(2,737)
Changes of assumptions	9,343	(109,143)	10,245	37,251
Benefit payments, including refunds of participant contributions	(5,205)	(4,578)	(4,171)	(1,498)
Net changes	<u>24,084</u>	<u>(99,883)</u>	<u>35,552</u>	<u>53,883</u>
Total OPEB liability - beginning	<u>197,761</u>	<u>297,644</u>	<u>262,092</u>	<u>208,209</u>
Total OPEB liability - ending	<u><u>\$ 221,845</u></u>	<u><u>\$ 197,761</u></u>	<u><u>\$ 297,644</u></u>	<u><u>\$ 262,092</u></u>
Covered-employee payroll	\$ 4,732,082	\$ 4,161,878	\$ 3,791,370	\$ 3,738,998
Total OPEB Liability as a percentage of covered employee payroll	4.69%	4.75%	7.85%	7.01%

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>2019</u>	<u>2018</u>	<u>2017</u>	¹
\$ 8,996	\$ 11,685	\$ 10,026	
6,589	5,733	5,464	
(16,809)	2,540	-	
36,847	(13,137)	13,586	
<u>(1,034)</u>	<u>(1,098)</u>	<u>(1,432)</u>	
<u>34,589</u>	<u>5,723</u>	<u>27,644</u>	
<u>173,620</u>	<u>167,897</u>	<u>140,253</u>	
<u>\$ 208,209</u>	<u>\$ 173,620</u>	<u>\$ 167,897</u>	²
\$ 3,460,076	\$ 3,651,699	\$ 3,580,562	
6.02%	4.75%	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, 2024

	<u>Grant Funds</u>			
	<u>Debt Service</u>	<u>Grants Capital Projects</u>	<u>Grants</u>	<u>HOME Fund</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 298,795	\$ 236,854	\$ 31,864	\$ 40,004
Receivables, net	41,825	-	-	-
Total Assets	\$ 340,620	\$ 236,854	\$ 31,864	\$ 40,004
<u>Liabilities</u>				
Accounts payable and accrued	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue				
Property taxes	41,825	-	-	-
<u>Fund Balances</u>				
Restricted for:				
Public safety	-	-	-	-
Debt service	298,795	-	-	-
Special donations	-	-	-	40,004
Economic development	-	236,854	31,864	-
Capital projects	-	-	-	-
Total Fund Balances	298,795	236,854	31,864	40,004
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 340,620	\$ 236,854	\$ 31,864	\$ 40,004

Special Revenue Funds

Court Technology	Court Security	Donation Fund	Cable PEG Fees	Child Safety Fund	Seizure Fund	Community Improvement
\$ 1,627	\$ 22,919	\$ 8,244	\$ 147,737	\$ 53,654	\$ 92,376	\$ 1,146,360
-	-	-	2,546	-	-	-
<u>\$ 1,627</u>	<u>\$ 22,919</u>	<u>\$ 8,244</u>	<u>\$ 150,283</u>	<u>\$ 53,654</u>	<u>\$ 92,376</u>	<u>\$ 1,146,360</u>
\$ -	\$ 124	\$ -	\$ 23	\$ 877	\$ -	\$ 50,028
-	124	-	23	877	-	50,028
-	-	-	-	-	-	-
1,627	22,795	-	-	52,777	92,376	-
-	-	-	-	-	-	-
-	-	8,244	-	-	-	-
-	-	-	-	-	-	1,096,332
-	-	-	150,260	-	-	-
<u>1,627</u>	<u>22,795</u>	<u>8,244</u>	<u>150,260</u>	<u>52,777</u>	<u>92,376</u>	<u>1,096,332</u>
<u>\$ 1,627</u>	<u>\$ 22,919</u>	<u>\$ 8,244</u>	<u>\$ 150,283</u>	<u>\$ 53,654</u>	<u>\$ 92,376</u>	<u>\$ 1,146,360</u>

City of Bellmead, Texas
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

	Special Revenue Funds			
	Truancy Prevention/ Diversion	Court Jury Fund	Police Donation Fund	Opioid Abatement Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 27,102	\$ 542	\$ 7,812	\$ 5,798
Receivables, net	-	-	-	-
Total Assets	\$ 27,102	\$ 542	\$ 7,812	\$ 5,798
<u>Liabilities</u>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue				
Property taxes	-	-	-	-
<u>Fund Balances</u>				
Restricted for:				
Public safety	27,102	542	-	5,798
Debt service	-	-	-	-
Special donations	-	-	7,812	-
Economic development	-	-	-	-
Capital projects	-	-	-	-
Total Fund Balances	27,102	542	7,812	5,798
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 27,102	\$ 542	\$ 7,812	\$ 5,798

<u>Special Revenue</u>	
<u>Festival Donation</u>	<u>Total</u>
\$ 38,676	\$ 2,160,364
-	44,371
<u>\$ 38,676</u>	<u>\$ 2,204,735</u>
<u>\$ -</u>	<u>\$ 51,052</u>
<u>-</u>	<u>51,052</u>
<u>-</u>	<u>41,825</u>
-	203,017
-	298,795
38,676	94,736
-	1,365,050
-	150,260
<u>38,676</u>	<u>2,111,858</u>
<u>\$ 38,676</u>	<u>\$ 2,204,735</u>

City of Bellmead, Texas

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

For the Year Ended September 30, 2024

	Grant Funds			
	Debt Service	Grants Capital Projects	Grants	HOME Fund
<u>Revenues</u>				
Taxes	\$ 400,915	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Intergovernmental revenue	-	-	-	-
Grants and contributions	-	56	-	-
Other revenue	-	-	-	-
Investment income	18,799	7,661	1,508	4
Total Revenues	419,714	7,717	1,508	4
<u>Expenditures</u>				
Public safety	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	270,000	-	-	-
Interest	135,422	-	-	-
Capital outlay	-	5,500	-	-
Total Expenditures	405,422	5,500	-	-
Revenues Over (Under) Expenditures	14,292	2,217	1,508	4
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	75,000	-	40,000
Transfers (out)	-	-	-	-
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	75,000	-	40,000
Net Change in Fund Balances	14,292	77,217	1,508	40,004
Beginning fund balances	284,503	159,637	30,356	-
Ending Fund Balances	\$ 298,795	\$ 236,854	\$ 31,864	\$ 40,004

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>
\$ -	\$ -	\$ -	\$ 11,094	\$ -	\$ -	\$ -
6,892	7,992	-	-	14,492	8,689	-
-	-	-	-	-	-	150,000
-	-	-	-	-	-	-
-	-	6,900	-	-	-	-
175	1,353	299	9,447	2,826	4,183	59,019
<u>7,067</u>	<u>9,345</u>	<u>7,199</u>	<u>20,541</u>	<u>17,318</u>	<u>12,872</u>	<u>209,019</u>
10,887	9,202	-	-	13,103	585	-
-	-	2,103	-	-	-	107,934
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	42,297	-	-	-
<u>10,887</u>	<u>9,202</u>	<u>2,103</u>	<u>42,297</u>	<u>13,103</u>	<u>585</u>	<u>107,934</u>
(3,820)	143	5,096	(21,756)	4,215	12,287	101,085
-	-	-	-	-	-	-
-	-	-	-	-	-	(115,000)
-	-	-	-	-	8,500	-
-	-	-	-	-	8,500	(115,000)
(3,820)	143	5,096	(21,756)	4,215	20,787	(13,915)
5,447	22,652	3,148	172,016	48,562	71,589	1,110,247
<u>\$ 1,627</u>	<u>\$ 22,795</u>	<u>\$ 8,244</u>	<u>\$ 150,260</u>	<u>\$ 52,777</u>	<u>\$ 92,376</u>	<u>\$ 1,096,332</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, 2024

	Special Revenue Funds			
	Truancy Prevention/ Diversion	Court Jury Fund	Police Donation Fund	Opioid Abatement Fund
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	7,772	155	-	-
Intergovernmental revenue	-	-	-	885
Grants and contributions	-	-	420	-
Other revenue	-	-	-	-
Investment income	1,175	23	389	269
Total Revenues	8,947	178	809	1,154
<u>Expenditures</u>				
Public safety	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	8,947	178	809	1,154
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	8,947	178	809	1,154
Beginning fund balances	18,155	364	7,003	4,644
Ending Fund Balances	\$ 27,102	\$ 542	\$ 7,812	\$ 5,798

Special Revenue	
Festival Donation	Total
\$ -	\$ 412,009
-	45,992
-	150,885
15,000	15,476
-	6,900
1,901	109,031
<u>16,901</u>	<u>740,293</u>
-	33,777
-	110,037
-	270,000
-	135,422
-	47,797
<u>-</u>	<u>597,033</u>
<u>16,901</u>	<u>143,260</u>
-	115,000
-	(115,000)
<u>-</u>	<u>8,500</u>
<u>-</u>	<u>8,500</u>
16,901	151,760
21,775	1,960,098
<u>\$ 38,676</u>	<u>\$ 2,111,858</u>



City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL CIP
For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other revenue	\$ 15,000	\$ -	\$ (15,000)
Investment income	48,316	96,340	\$ 48,024
Total Revenues	63,316	96,340	33,024
<u>Expenditures</u>			
Capital outlay	1,967,912	227,607	1,740,305
Total Expenditures	1,967,912	227,607	1,740,305
Excess of Revenues Over (Under) Expenditures	(1,904,596)	(131,267)	1,773,329
<u>Other Financing Sources (Uses)</u>			
Transfers in	500,000	1,403,000	903,000
Total Other Financing Sources (Uses)	500,000	1,403,000	903,000
Net Change in Fund Balance	\$ (1,404,596)	1,271,733	\$ 2,676,329
Beginning fund balance		1,993,608	
Ending Fund Balance (Deficit)		\$ 3,265,341	

Notes to Other Supplementary Information

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

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 416,162	\$ 400,915	\$ (15,247)
Investment income	10,000	18,799	8,799
Total Revenues	426,162	419,714	(6,448)
<u>Expenditures</u>			
Debt service:			
Principal	270,000	270,000	-
Interest	136,288	135,422	866
Total Expenditures	406,288	405,422	866
Excess of Revenues Over (Under) Expenditures	19,874	14,292	(5,582)
Net Change in Fund Balance	\$ 19,874	14,292	\$ (5,582)
Beginning fund balance		284,503	
Ending Fund Balance		\$ 298,795	

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Grants and contributions	\$ -	\$ -	\$ 56	\$ 56
Investment income	-	5,500	7,661	2,161
Total Revenues	-	5,500	7,717	2,217
<u>Expenditures</u>				
Capital outlay	-	5,500	5,500	-
Total Expenditures	-	5,500	5,500	-
Excess of Revenues Over (Under) Expenditures	-	-	2,217	2,217
<u>Other Financing Sources (Uses)</u>				
Transfers in	75,000	75,000	75,000	-
Total Other Financing Sources (Uses)	75,000	75,000	75,000	-
Net Change in Fund Balance	\$ 75,000	\$ 75,000	77,217	\$ 2,217
Beginning fund balance			159,637	
Ending Fund Balance			\$ 236,854	

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, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ -	\$ 6,892	\$ 6,892
Investment income	-	175	175
Total Revenues	<u>-</u>	<u>7,067</u>	<u>7,067</u>
<u>Expenditures</u>			
Public safety	13,213	10,887	2,326
Total Expenditures	<u>13,213</u>	<u>10,887</u>	<u>2,326</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,213)</u>	<u>(3,820)</u>	<u>9,393</u>
Net Change in Fund Balance	<u>\$ (13,213)</u>	<u>(3,820)</u>	<u>\$ 9,393</u>
Beginning fund balance		<u>5,447</u>	
Ending Fund Balance		<u>\$ 1,627</u>	

Notes to Other Supplementary Information

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

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY
For the Year Ended September 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 6,000	\$ 7,992	\$ 1,992
Investment income	1,000	1,353	353
Total Revenues	<u>7,000</u>	<u>9,345</u>	<u>2,345</u>
<u>Expenditures</u>			
Public safety	33,250	9,202	24,048
Total Expenditures	<u>33,250</u>	<u>9,202</u>	<u>24,048</u>
Excess of Revenues Over (Under) Expenditures	<u>(26,250)</u>	<u>143</u>	<u>26,393</u>
Net Change in Fund Balance	<u>\$ (26,250)</u>	<u>143</u>	<u>\$ 26,393</u>
Beginning fund balance		<u>22,652</u>	
Ending Fund Balance		<u>\$ 22,795</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, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 14,300	\$ 14,492	\$ 192
Investment income	1,500	2,826	1,326
Total Revenues	<u>15,800</u>	<u>17,318</u>	<u>1,518</u>
<u>Expenditures</u>			
Public safety	21,825	13,103	8,722
Total Expenditures	<u>21,825</u>	<u>13,103</u>	<u>8,722</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,025)</u>	<u>4,215</u>	<u>10,240</u>
Net Change in Fund Balance	<u>\$ (6,025)</u>	<u>4,215</u>	<u>\$ 10,240</u>
Beginning fund balance		<u>48,562</u>	
Ending Fund Balance		<u>\$ 52,777</u>	

Notes to Other Supplementary Information

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

City of Bellmead, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY IMPROVEMENT
For the Year Ended September 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Intergovernmental	\$ 150,000	\$ 150,000	\$ -
Investment income	30,000	59,019	29,019
Total Revenues	<u>180,000</u>	<u>209,019</u>	<u>29,019</u>
<u>Expenditures</u>			
Economic development	287,200	107,934	179,266
Total Expenditures	<u>287,200</u>	<u>107,934</u>	<u>179,266</u>
Excess of Revenues Over (Under) Expenditures	<u>(107,200)</u>	<u>101,085</u>	<u>208,285</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(115,000)	(115,000)	-
Total Other Financing Sources (Uses)	<u>(115,000)</u>	<u>(115,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (222,200)</u>	<u>(13,915)</u>	<u>\$ 208,285</u>
Beginning fund balance		1,110,247	
Ending Fund Balance		<u>\$ 1,096,332</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
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
September 30, 2024

	Bellmead Economic Development Corporation
<u>Assets</u>	
Cash and cash equivalents	\$ 2,502,059
Investments	182,450
Receivables, net	150,000
Total Assets	\$ 2,834,509
<u>Liabilities</u>	
Accounts payable and accrued liabilities	\$ 7,061
Total Liabilities	7,061
<u>Fund Balances</u>	
Restricted for:	
Economic development	2,827,448
Total Fund Balance	2,827,448
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 2,834,509

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, 2024

Fund Balance	\$ 2,827,448
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	547,632
Net Position of the Discretely Presented Component Unit	<u><u>\$ 3,375,080</u></u>

City of Bellmead, Texas

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

For the Year Ended September 30, 2024

	Bellmead Economic Development Corporation
<u>Revenues</u>	
Sales tax	\$ 872,649
Investment income	165,174
Total Revenues	<u>1,037,823</u>
<u>Expenditures</u>	
Current:	
Economic development	1,569,501
Total Expenditures	<u>1,569,501</u>
Revenues Over (Under) Expenditures	(531,678)
<u>Other Financing Sources (Uses)</u>	
Sale of capital assets	585,557
Total Other Financing Sources (Uses)	<u>585,557</u>
Net Change in Fund Balance	53,879
Beginning fund balance	2,773,569
Ending Fund Balance	<u>\$ 2,827,448</u>

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, 2024

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

Net changes in fund balance	\$	53,879
Capital outlay adjustments		20,561
Sale of land assets		<u>(405,279)</u>
Change in Net Position of the Discretely Presented Component Unit	\$	<u><u>(330,839)</u></u>



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>	127
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	132
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	137
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>	140
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>	142
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>	147

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 10,824,531	\$ 10,463,797	\$ 9,008,424	\$ 5,429,861	\$ 5,355,050	\$ 6,977,108	\$ 6,928,180	\$ 6,992,096	\$ 7,124,387	\$ 6,520,267
Restricted for:										
Debt service	261,422	321,762	310,153	275,816	288,890	278,429	303,292	292,303	284,503	298,795
Capital projects	-	-	-	1,950,212	1,365,269	125,201	138,909	357,754	481,788	1,731,765
Tourism	-	-	1,680,934	1,758,926	1,737,576	1,857,884	2,095,048	2,396,438	2,861,630	3,285,374
Streets	-	2,597,208	2,345,942	2,470,973	3,056,444	3,286,681	3,330,064	3,348,374	3,574,800	3,967,513
Pension	-	-	-	-	-	207,088	686,450	2,138,229	-	-
Economic development	5,206,660	5,509,434	-	-	-	-	-	-	-	-
Culture and recreation	1,285,977	1,421,289	-	-	-	-	-	-	-	-
Municipal court	33,632	45,730	53,286	61,822	59,764	49,043	44,188	41,867	28,099	24,422
Public safety	74,643	74,643	10,553	-	-	-	-	-	-	-
Unrestricted	3,855,628	1,582,003	1,378,278	1,561,285	2,167,555	3,520,773	3,673,026	3,337,902	5,684,722	5,732,515
Total governmental activities net position	\$ 21,542,493	\$ 22,015,866	\$ 14,787,570	\$ 13,508,895	\$ 14,030,548	\$ 16,302,207	\$ 17,199,157	\$ 18,904,963	\$ 20,039,929	\$ 21,560,651
Business-type activities										
Net investment in capital assets	\$ 3,145,571	\$ 3,104,361	\$ 4,200,804	\$ 2,428,272	\$ 3,328,461	\$ 791,249	\$ 2,217,344	\$ 4,237,746	\$ 4,993,503	\$ 5,629,114
Restricted for:										
Capital projects	20,437	20,495	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	36,277	131,877	365,973	-	-
Unrestricted	5,472,338	5,655,690	4,544,602	7,618,717	7,796,313	7,471,388	8,151,416	7,664,447	9,700,390	12,590,867
Total business-type activities net position	\$ 8,638,346	\$ 8,780,546	\$ 8,745,406	\$ 10,046,989	\$ 11,124,774	\$ 8,298,914	\$ 10,500,637	\$ 12,268,166	\$ 14,693,893	\$ 18,219,981
Primary government										
Net investment in capital assets	\$ 13,970,102	\$ 13,568,158	\$ 13,209,228	\$ 7,858,133	\$ 8,683,511	\$ 7,768,357	\$ 9,145,526	\$ 11,229,842	\$ 12,117,890	\$ 12,149,381
Restricted for:										
Debt service	261,422	321,762	310,153	275,816	288,890	278,429	303,292	292,303	284,503	298,795
Capital projects	20,437	20,495	-	1,950,212	1,365,269	125,201	138,909	357,754	481,788	1,731,765
Tourism	-	-	1,680,934	1,758,926	1,737,576	1,857,884	2,095,048	2,396,438	2,861,630	3,285,374
Streets	-	2,597,208	2,345,942	2,470,973	3,056,444	3,286,681	3,330,064	3,348,374	3,574,800	3,967,513
Pension	-	-	-	-	-	243,365	818,327	2,504,202	-	-
Economic development	5,206,660	5,509,434	-	-	-	-	-	-	-	-
Culture and recreation	1,285,977	1,421,289	-	-	-	-	-	-	-	-
Municipal court	33,632	45,730	53,286	61,822	59,764	49,043	44,188	41,867	28,099	24,422
Public safety	74,643	74,643	10,553	-	-	-	-	-	-	-
Unrestricted	9,327,966	7,237,693	5,922,880	9,180,002	9,963,868	10,992,161	11,824,442	11,002,349	15,385,112	18,323,382
Total primary governmental activities net position	\$ 30,180,839	\$ 30,796,412	\$ 23,532,976	\$ 23,555,884	\$ 25,155,322	\$ 24,601,121	\$ 27,699,796	\$ 31,173,129	\$ 34,733,822	\$ 39,780,632

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 1,108,455	\$ 1,244,747	\$ 1,251,195	\$ 1,069,756	\$ 1,065,045	\$ 574,374	\$ 601,019	\$ 753,078	\$ 862,910	\$ 839,411
Public safety	3,378,464	3,635,664	3,850,818	3,963,259	3,958,572	3,713,738	3,528,340	3,912,761	5,580,867	5,141,591
Public works	884,412	696,991	635,272	809,098	906,923	950,326	1,460,038	1,614,537	1,756,738	1,613,377
Garbage services	-	-	-	715,735	706,630	718,785	961,701	1,301,226	1,386,045	1,442,772
Economic development	487,357	483,256	133,498	-	-	-	-	-	-	-
Community development	498,863	619,491	527,180	546,113	681,657	630,541	490,948	567,242	595,716	895,762
Interest on long-term debt	106,443	100,519	92,725	202,496	168,736	160,109	153,178	143,586	135,040	126,274
Total governmental activities expenses	6,463,994	6,780,668	6,490,688	7,306,457	7,487,563	6,747,873	7,195,224	8,292,430	10,317,316	10,059,187
Business-type activities										
Water and sewer	2,481,577	2,628,931	2,627,061	2,546,351	2,659,784	2,798,230	2,972,546	3,085,682	4,010,912	4,161,477
Drainage	-	-	-	-	-	-	-	-	37,798	144,789
Total business-type activities expenses	2,481,577	2,628,931	2,627,061	2,546,351	2,659,784	2,798,230	2,972,546	3,085,682	4,048,710	4,306,266
Total primary government expenses	\$ 8,945,571	\$ 9,409,599	\$ 9,117,749	\$ 9,852,808	\$ 10,147,347	\$ 9,546,103	\$ 10,167,770	\$ 11,378,112	\$ 14,366,026	\$ 14,365,453
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 42,170	\$ 33,761	\$ 35,182	\$ 27,198	\$ 124,124	\$ 144,888	\$ 196,822	\$ 270,362	\$ 274,643	\$ 368,933
Public safety	332,056	320,431	291,635	238,999	187,367	186,534	254,722	280,871	280,521	340,040
Garbage services	-	-	-	673,955	665,381	700,748	1,126,841	1,363,610	1,466,105	1,567,401
Economic development	11,014	-	-	-	-	-	-	-	-	-
Culture and recreation	46,140	52,835	-	-	-	-	-	-	-	-
Operating grants and contributions	79,192	76,929	34,732	1,299,018	531,158	805,591	295,526	448,323	439,416	155,762
Capital grants and contributions	-	-	-	-	-	824,071	258,456	78,620	446,655	20,476
Total governmental activities program revenues	\$ 510,572	\$ 483,956	\$ 361,549	\$ 2,239,170	\$ 1,508,030	\$ 2,661,832	\$ 2,132,367	\$ 2,441,786	\$ 2,907,340	\$ 2,452,612
Business-type activities:										
Charges for services:										
Water and sewer	2,643,494	2,758,010	2,771,776	2,630,303	2,655,901	2,772,209	3,404,569	4,151,139	4,733,362	4,664,652
Drainage	-	-	-	-	-	-	-	-	-	398,795
Operating grants and contributions	193,684	34,244	-	-	1,200,000	1,500,000	1,002,436	845,988	1,175,000	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	305,493
Total business-type activities program revenues	2,837,178	2,792,254	2,771,776	2,630,303	3,855,901	4,272,209	4,407,005	4,997,127	6,213,855	7,456,962
Total primary government program revenues	\$ 3,347,750	\$ 3,276,210	\$ 3,133,325	\$ 4,869,473	\$ 5,363,931	\$ 6,934,041	\$ 6,539,372	\$ 7,438,913	\$ 9,121,195	\$ 9,909,574
Net (expense)/revenue:										
Governmental activities	\$ (5,953,422)	\$ (6,296,712)	\$ (6,129,139)	\$ (5,067,287)	\$ (5,979,533)	\$ (4,086,041)	\$ (5,062,857)	\$ (5,850,644)	\$ (7,409,976)	\$ (7,606,575)
Business-type activities	355,601	163,323	144,715	83,952	1,196,117	1,473,979	1,434,459	1,911,445	2,165,145	3,150,696
Total primary government net expense	\$ (5,597,821)	\$ (6,133,389)	\$ (5,984,424)	\$ (4,983,335)	\$ (4,783,416)	\$ (2,612,062)	\$ (3,628,398)	\$ (3,939,199)	\$ (5,244,831)	\$ (4,455,879)

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position										
Governmental activities:										
Ad valorem taxes	\$ 1,131,364	\$ 1,183,252	\$ 1,234,664	\$ 1,282,797	\$ 1,400,884	\$ 1,728,779	\$ 1,913,832	\$ 2,038,934	\$ 2,054,330	\$ 2,298,172
Sales taxes	3,433,253	3,529,550	2,993,211	3,175,854	3,310,684	3,314,580	3,670,290	3,951,376	4,333,291	4,444,901
Franchise taxes	531,867	518,565	664,696	513,562	529,060	485,010	519,804	584,370	612,665	583,499
Hotel occupancy taxes	488,517	539,344	544,196	599,513	554,457	381,504	555,301	619,202	644,165	647,819
Investment earnings	114,130	97,768	77,950	166,038	183,121	91,768	6,251	66,345	461,697	790,365
Miscellaneous	735,105	869,629	60,958	244,170	5,310	17,844	23,921	14,583	10,066	18,652
Gain on sale of capital assets	93,289	110	-	-	115,387	63,643	13,680	45,049	31,911	17,764
Insurance proceeds	-	-	-	-	36,853	25,530	24,156	19,687	126,630	20,835
Transfers	53,064	31,867	(202,048)	(1,123,891)	365,430	249,042	(762,428)	216,904	270,187	305,290
Total governmental activities	6,580,589	6,770,085	5,373,627	4,858,043	6,501,186	6,357,700	5,964,807	7,556,450	8,544,942	9,127,297
Business-type activities:										
Investment earnings	10,382	10,744	22,547	39,134	177,700	82,425	4,836	45,267	377,091	671,758
Insurance proceeds (losses)	-	-	-	-	-	40,396	(38,831)	27,721	153,678	8,924
(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)	(270,187)	(305,290)
Total business-type activities	(42,682)	(21,123)	(179,855)	1,217,631	(118,332)	(4,299,839)	728,433	(143,916)	260,582	375,392
Total primary government	\$ 6,537,907	\$ 6,748,962	\$ 5,193,772	\$ 6,075,674	\$ 6,382,854	\$ 2,057,861	\$ 6,693,240	\$ 7,412,534	\$ 8,805,524	\$ 9,502,689
Changes in net position:										
Governmental activities	\$ 627,167	\$ 473,373	\$ (755,512)	\$ (209,244)	\$ 521,653	\$ 2,271,659	\$ 901,950	\$ 1,705,806	\$ 1,134,966	\$ 1,520,722
Business-type activities	312,919	142,200	(35,140)	1,301,583	1,077,785	(2,825,860)	2,162,892	1,767,529	2,425,727	3,526,088
Total primary government	\$ 940,086	\$ 615,573	\$ (790,652)	\$ 1,092,339	\$ 1,599,438	\$ (554,201)	\$ 3,064,842	\$ 3,473,335	\$ 3,560,693	\$ 5,046,810

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Inventories	\$ 728	\$ 728	\$ 728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid assets	440	440	440	-	9,374	4,139	3,929	2,234	1,917	1,754
Restricted for:										
Public safety	74,643	74,643	10,553	-	-	-	-	-	-	-
Committed to:										
Street improvements	2,097,654	2,597,209	2,454,179	-	-	-	-	-	-	-
Unassigned	1,912,301	1,854,773	1,734,648	1,740,409	1,874,484	1,994,444	2,734,386	3,267,254	3,965,796	3,789,021
Total general fund	<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>	<u>\$ 3,967,713</u>	<u>\$ 3,790,775</u>
All other governmental funds:										
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	2,861,630	3,285,374
Economic development	4,142,596	4,535,277	4,771,218	426,915	537,708	632,287	1,030,048	1,187,318	1,300,240	1,365,050
Special donations	-	-	-	-	-	-	2,993	22,987	31,926	94,736
Public safety	33,632	45,730	53,286	61,822	80,490	112,093	116,951	148,654	171,413	203,017
Debt service	221,763	259,622	265,929	275,816	288,890	278,429	303,292	292,303	284,503	298,795
Capital projects	3,444,948	2,669,529	2,238,198	3,454,993	1,365,269	2,243,135	1,723,318	1,942,163	2,165,624	3,415,601
Streets	-	-	-	2,477,858	3,056,444	3,286,681	3,330,064	3,348,374	3,574,800	3,967,513
Culture and recreation	1,285,977	1,421,289	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	1,725	(71,582)	-	(168,933)	-	-
Total all other governmental funds	<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>	<u>\$ 10,390,136</u>	<u>\$ 12,630,086</u>

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$ 5,608,134	\$ 5,805,952	\$ 6,092,249	\$ 5,566,748	\$ 5,837,955	\$ 5,900,107	\$ 6,648,875	\$ 7,187,673	\$ 7,639,390	\$ 7,943,100
Licenses and permits	42,170	33,761	35,182	35,772	57,517	92,864	92,799	124,125	127,617	200,080
Charges for services	-	-	-	742,953	731,988	752,772	1,230,864	1,509,847	1,613,131	1,736,254
Grants and intergovernmental	79,912	76,929	61,630	1,299,018	531,158	1,034,008	1,144,636	526,943	886,071	176,238
Fines	332,056	320,431	241,873	238,999	187,367	186,534	254,722	280,871	280,521	340,040
Rents	57,154	52,835	46,840	-	-	-	-	-	-	-
Investment earnings	114,130	97,768	138,233	166,038	183,121	91,768	6,251	66,345	461,697	790,365
Miscellaneous	677,112	811,907	76,307	148,979	5,310	17,844	23,921	14,583	10,066	18,652
Total revenues	6,910,668	7,199,583	6,692,314	8,198,507	7,534,416	8,075,897	9,402,068	9,710,387	11,018,493	11,204,729
Expenditures:										
General government	1,013,370	1,121,916	1,111,229	1,932,070	1,707,568	1,258,320	1,588,658	1,936,015	2,010,262	2,125,800
Community development	422,559	536,394	445,698	445,467	607,998	574,161	189,956	139,189	172,309	314,057
Economic development	425,867	370,416	248,266	-	-	-	23,019	60,980	16,378	110,037
Tourism	-	-	-	-	-	-	388,560	425,644	366,000	479,667
Other - unclassified	-	-	-	-	-	-	-	-	39,941	42,819
Public safety	3,196,488	3,329,224	3,454,302	3,743,545	3,854,580	3,600,918	3,567,393	4,191,759	4,695,355	4,724,359
Public works	817,744	605,892	1,335,898	583,095	699,239	555,366	740,207	1,099,561	1,084,473	996,175
Debt service:										
Principal	185,000	195,000	200,000	200,000	225,000	250,000	270,000	290,000	260,000	281,866
Interest and fiscal charges	111,875	109,001	105,110	101,156	177,547	168,971	161,709	152,647	143,868	135,422
Costs of issuance	-	-	-	90,454	-	-	-	-	-	-
Capital outlay	592,441	813,662	312,334	2,271,459	2,047,051	620,826	745,455	399,122	991,874	275,404
Total expenditures	6,765,344	7,081,505	7,212,837	9,367,246	9,318,983	7,028,562	7,674,957	8,694,917	9,780,460	9,485,606
Excess (Deficiency) of revenues over (under) expenditures	145,324	118,078	(520,523)	(1,168,739)	(1,784,567)	1,047,335	1,727,111	1,015,470	1,238,033	1,719,123
Other financing sources (uses):										
Capital-related bonds issued	-	-	-	1,995,000	-	-	-	-	-	-
Premium/discount on issuance of debt	-	4,596	-	95,454	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	36,853	25,530	24,156	19,687	126,630	20,835
Proceeds from sale of capital assets	314,610	90,017	94,038	-	137,505	63,643	13,680	45,049	31,911	17,764
Subscription based issuance	-	-	-	-	-	-	-	-	53,949	-
Transfers in	115,470	168,044	864,336	952,805	1,518,981	1,313,639	865,602	696,868	837,076	1,823,290
Transfers out	(62,406)	(136,177)	(661,934)	(568,634)	(1,153,551)	(1,064,597)	(1,628,030)	(479,964)	(566,889)	(1,518,000)
Total other financing sources	367,674	126,480	296,440	2,474,625	539,788	338,215	(724,592)	281,640	482,677	343,889
Net change in fund balances	\$ 512,998	\$ 244,558	\$ (224,083)	\$ 1,305,886	\$ (1,244,779)	\$ 1,385,550	\$ 1,002,519	\$ 1,297,110	\$ 1,720,710	\$ 2,063,012
Debt service as a percentage of noncapital expenditures	4.8%	4.9%	4.4%	4.2%	5.9%	6.5%	6.1%	5.5%	4.7%	4.5%

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:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Tax Exempt Property	Taxable Assessed Value				
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%	
2023	\$ 717,377,839	\$ 76,617,310	\$ 156,316,616	\$ 637,678,533	\$ 0.323169	\$ 793,995,149	80.31%	
2024	\$ 801,806,653	\$ 85,039,040	\$ 172,793,050	\$ 714,052,643	\$ 0.323169	\$ 886,845,693	80.52%	

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	Overlapping Rates		
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		
2023	2022	\$ 0.263142	\$ 0.060027	\$ 0.323169	\$ 0.376355	\$ 1.188151	\$ 0.139074	\$ 2.02675		
2024	2023	\$ 0.266233	\$ 0.056936	\$ 0.323169	\$ 0.329805	\$ 1.007507	\$ 0.128509	\$ 1.78899		

Source: McLennan County Tax Appraisal District

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

Name of Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Butt H E Grocery Co	\$ 15,780,005	1	2.21%	\$ 15,730,238	1	4.31%
Wal-Mart Real Estate Business Trust	12,527,700	2	1.75%	11,954,561	2	3.27%
Waco Hotel Partners LLC	11,527,740	3	1.61%	7,921,743	5	2.17%
Sams Club East Inc.	9,123,770	4	1.28%	8,150,620	4	2.23%
Bellmead KTFW LLC ET AL	8,244,300	5	1.15%	6,900,913	6	1.89%
TBA Associates LP	7,990,000	6	1.12%	4,017,660	9	1.10%
Wal-mart Stores East LP	7,305,620	7	1.02%	8,678,870	3	2.38%
Red Bird Highland LTD ETAL	7,242,240	8	1.01%	-	n/a	0.00%
Union Pacific Railroad CO	7,152,040	9	1.00%	-	n/a	0.00%
American Bank	7,112,090	10	1.00%	4,010,530	10	1.10%
Home Depot USA Inc	-	n/a	n/a	6,762,540	7	1.85%
Realty Income Properties 25 LLC	-	n/a	n/a	5,093,970	8	1.39%
Subtotal	94,005,505		13.15%	79,221,645		21.69%
All other taxpayers	620,047,138		86.85%	286,134,417		78.31%
	<u>\$ 714,052,643</u>		<u>100.00%</u>	<u>\$ 365,356,062</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			Interest & Sinking Fund	Tax Levy	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years		Total Collections to Date	
		Tax Rate	General Fund				Amount	Percentage of Levy	Years	Amount	Percentage of Levy	
2015	\$ 0.29861	\$ 0.21441	\$ 0.08420	\$ 1,060,718	\$ 1,004,076	94.66%	\$ 51,260	\$ 1,055,336	99.49%			
2016	\$ 0.31861	\$ 0.23900	\$ 0.07961	\$ 1,086,718	\$ 1,053,030	96.90%	\$ 28,316	\$ 1,081,346	99.51%			
2017	\$ 0.30376	\$ 0.22799	\$ 0.07577	\$ 1,159,210	\$ 1,119,449	96.57%	\$ 33,604	\$ 1,153,053	99.47%			
2018	\$ 0.29999	\$ 0.22764	\$ 0.07235	\$ 1,262,193	\$ 1,227,111	97.22%	\$ 28,404	\$ 1,255,515	99.47%			
2019	\$ 0.31999	\$ 0.22878	\$ 0.09122	\$ 1,448,133	\$ 1,402,681	96.86%	\$ 35,122	\$ 1,437,803	99.29%			
2020	\$ 0.35999	\$ 0.27552	\$ 0.08448	\$ 1,721,695	\$ 1,653,846	96.06%	\$ 55,350	\$ 1,709,196	99.27%			
2021	\$ 0.37785	\$ 0.28738	\$ 0.09047	\$ 1,885,111	\$ 1,834,149	97.30%	\$ 35,951	\$ 1,870,100	99.20%			
2022	\$ 0.37519	\$ 0.29629	\$ 0.07890	\$ 2,009,122	\$ 1,954,962	97.30%	\$ 32,164	\$ 1,987,126	98.91%			
2023	\$ 0.32310	\$ 0.26310	\$ 0.06000	\$ 2,054,133	\$ 1,963,307	95.58%	\$ 55,256	\$ 2,018,563	98.27%			
2024	\$ 0.32317	\$ 0.26623	\$ 0.05694	\$ 2,277,076	\$ 2,203,103	96.75%	\$ -	\$ 2,203,103	96.75%			

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
	Certificates of Obligation	Tax Anticipation Notes	Unamortized and premium discounts	Subscription Liability (SBITA)	Total Governmental Activities (1)	General Obligation Bonds	Certificates of Obligation	Notes Payable	Unamortized bond premiums/ discounts	Total Business-Type Activities (1)						
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		
2023	\$ 4,060,000	\$ -	\$ 110,149	\$ 53,949	\$ 4,224,098	\$ -	\$ 4,795,000	\$ -	\$ 97,273	\$ 4,892,273	\$ 9,116,371	N/A	10,596	\$ 860		
2024	\$ 3,790,000	\$ -	\$ 101,871	\$ 42,083	\$ 3,933,954	\$ -	\$ 4,440,000	\$ -	\$ 89,184	\$ 4,529,184	\$ 8,463,138	N/A	10,656	\$ 794		

(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, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (2)	Amount Applicable to Primary Government
Connally ISD	\$ 5,710,000	0.80%	\$ 45,680
LaVega ISD	\$ 122,236,337	45.37%	\$ 55,458,626
McLennan County	\$ 85,055,000	2.32%	\$ 1,973,276
McLennan Community College	\$ 38,150,000	2.32%	\$ 885,080
Subtotal, overlapping debt			58,362,662
City of Bellmead, net debt payable from ad valorem taxes			<u>3,933,954</u> ⁽¹⁾
Total direct and overlapping net funded debt			<u><u>\$ 62,296,616</u></u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			8.72% ⁽¹⁾
Per Capita Direct and Overlapping Net Funded Debt			\$ 5,846 ⁽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, 2024

Fiscal Year	Assessed Value, Tax Roll	Legal Debt Limit Percentage	Legal Debt Limit	Actual Amount Expended for General Obligation Debt Service During the Year
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
2023	\$ 637,678,533	1.50%	\$ 9,565,178	\$ 403,869
2024	\$ 714,052,643	1.50%	\$ 10,710,790	\$ 405,423

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 Total	Coverage
				Principal	Interest		
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
2023	\$ 6,213,856	\$ 2,998,965	\$ 3,214,891	\$ 345,000	\$ 145,737	\$ 490,737	6.55
2024	\$ 6,410,308	\$ 3,205,398	\$ 3,204,910	\$ 355,000	\$ 136,882	\$ 491,882	6.52

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
2015	10,317	262,686	37,209	9,774,283	4.0%
2016	10,400	264,852	37,895	10,036,567	4.1%
2017	10,509	268,980	39,242	10,555,313	3.9%
2018	10,715	271,429	40,764	11,064,532	3.5%
2019	10,744	274,362	41,741	11,452,144	3.3%
2020	10,494	296,405	45,169	13,388,317	6.1%
2021	10,543	299,333	49,248	14,741,552	4.4%
2022	10,596	301,825	50,431	15,221,337	3.6%
2023	10,603	304,865	53,528	16,318,814	3.5%
2024	10,656	N/A	N/A	N/A	3.7%

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 and Six Years Ago

Name of Employer	Type	2024		2018*			
		Employees	Rank	% of Total	Rank	% of Total	
La Vega ISD	Education	521	1	29.25%	533	1	27.12%
HEB Grocery	Grocery Store	358	2	20.10%	350	2	17.81%
Wal-Mart Supercenter	Retail Store	300	3	16.84%	350	3	17.81%
Waco Sam's Club No. 8286	Retail Store	160	4	8.98%	250	4	12.72%
Home Depot Bellmead Waco #6830	Retail Store	130	5	7.30%	140	5	7.12%
The Atrium of Bellmead	Nursing Care	112	6	6.29%	80	7	4.07%
City of Bellmead	Government	91	7	5.11%	101	6	5.14%
Scott & White Clinic-Bellmead	Health Care	35	8	1.97%	47	9	2.39%
Holiday Inn & Suites Waco Northwest	Hotel/Motel	32	9	1.80%	68	8	3.46%
Discount Tire	Retail	29	10	1.63%	-	n/a	0.00%
American Bank	Financial/Banking	13	n/a	0.73%	46	10	2.34%
	Total	<u>1,781</u>		<u>100.00%</u>	<u>1,965</u>		<u>100.00%</u>

Source: Bellmead Finance Department

*Note: 2015 info was not collected. The oldest comparable year is included until a comparison from nine years ago is available.

City of Bellmead, Texas

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Administration	3.00	3.00	3.00	3.00	3.00	2.30	2.30	2.30	2.05	2.20
Finance	6.00	6.00	6.00	6.00	5.50	2.50	2.57	2.57	3.45	3.25
Municipal Court	3.00	3.00	3.00	3.00	3.00	3.00	1.50	1.50	1.00	1.00
Police	32.00	33.00	33.00	33.00	31.95	34.95	34.95	34.00	34.00	32.00
Fire	14.00	14.00	14.00	14.00	14.00	14.00	15.00	14.00	15.00	14.00
Streets	5.00	5.00	5.00	5.00	5.00	-	-	-	-	-
City Garage	1.00	1.00	1.00	1.00	1.00	1.15	1.45	1.30	1.30	1.30
Parks and Recreation	1.00	1.00	1.00	1.00	1.00	2.15	2.15	2.30	2.30	2.15
Building Maintenance	-	-	-	-	-	0.25	0.25	0.50	0.50	1.50
Community Development	-	-	-	-	-	-	-	2.00	1.65	3.55
Total General Fund	65.0	66.0	66.0	66.0	64.45	60.30	60.17	60.47	61.25	60.95
Water/Sewer Fund										
Public Works	7.00	7.00	7.00	7.00	10.00	13.55	14.18	14.18	14.80	14.70
Total Water/Sewer Fund	7.00	7.00	7.00	7.00	10.00	13.55	14.18	14.18	14.80	14.70
Street Maintenance Fund	1.00	1.00	1.00	1.00	1.00	6.35	5.85	5.85	5.85	5.85
Economic Development Fund	-	-	-	-	-	0.55	0.55	0.55	0.55	0.55
Drainage Fund	-	3.00	3.45							
Special Revenue Funds										
Law Enforcement Grants Fund	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-
Child Safety Fund	-	-	-	-	0.50	0.50	0.50	0.50	0.50	1.00
Community Improvement Fund	-	-	-	-	-	-	-	1.00	1.00	-
Hotel/Motel Fund	4.00	4.00	4.00	4.00	4.00	4.70	0.05	4.45	4.05	4.50
Court Security Fund	-	-	-	-	0.05	0.05	4.70	-	-	-
Total Special Revenue Fund	6.00	6.00	6.00	6.00	6.55	5.25	5.25	5.95	5.55	5.50
Total Personnel	79.00	80.00	80.00	80.00	82.00	86.00	86.00	87.00	91.00	91.00

City of Bellmead, Texas

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental										
Residential Refuse Accounts	3,082	3,256	3,341	3,405	3,195	3,277	3,250	3,251	3,444	3,217
Commercial Refuse Accounts	NC	NC	NC	NC	NC	NC	67	75	78	85
Residential Refuse Hauled (Tons)	NC	NC	NC	NC	NC	4,195	4,675	4,632	4,656	5,254
Commercial Refuse Hauled (Tons)	NC	NC	NC	NC	NC	4,831	3,946	4,228	4,446	4,904
Bulk Refuse Hauled (Tons)	NC	NC	NC	NC	NC	NC	271	284	216	165
Roll-off Refuse Hauled (Tons)	NC	NC	NC	NC	NC	377	1,306	1,630	1,891	1,820
Municipal Court										
Citations Processed	3,495	2,400	1,557	1,554	1,252	1,688	1,942	1,898	2,734	3,308
Citations Issued	709	564	368	345	289	438	414	430	935	2,381
Outstanding Warrants	14,772	14,742	15,788	15,680	15,694	15,963	16,313	15,800	16,702	7,569
Warrants Issued	382	560	333	181	1,501	932	1,692	282	2,490	1,929
Public Safety										
Police										
Calls for Service	17,963	16,172	15,558	16,121	29,486	17,693	18,216	14,828	16,294	18,838
911 Calls	10,617	9,525	8,270	10,515	9,375	9,906	7,438	8,500	10,680	8,685
Citations	2,735	1,635	1,184	986	955	1,179	1,470	2,568	1,611	2,011
Traffic Accidents	326	360	296	298	482	826	779	768	613	671
Arrests	1,673	756	1,063	917	896	731	598	880	807	824
Reports	4,158	3,490	4,985	5,913	5,390	2,106	1,017	1,200	1,042	1,170
Police-Animal Control										
Calls for Service	1,389	1,188	1,090	1,201	1,242	1,164	1,505	955	690	621
Citations/Summons	51	21	5	-	1	52	47	69	58	55
Taken to Shelter	301	202	209	260	216	159	96	56	58	115
TNR	240	174	-	-	-	-	-	-	-	-
Reports	484	300	241	264	250	155	21	42	32	33
Fire										
Fire Emergency Responses	1,612	1,317	1,567	1,637	1,706	1,245	1,597	1,801	1,709	1,680
Fire Inspections	55	98	174	217	292	322	360	123	309	311
Fire Investigations	16	9	17	14	11	35	17	8	7	13
Inspections/Code Enforcement										
Calls for Service	467	530	441	507	669	634	490	577	508	NC
Citations	-	-	-	-	-	4	9	3	47	11
Reports	347	300	213	116	167	166	10	447	508	808
Permits Issued	791	805	779	759	797	772	840	899	891	1,058
Building Inspections	762	765	799	901	809	1,072	1,224	727	1,187	1,037
Plans Reviewed	3	9	23	34	53	38	23	15	35	1

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Civic Center										
Room Rentals	211	226	216	209	235	88	134	221	232	251
Public Works										
Service Orders Completed	51	105	126	202	326	237	-	-	-	-
Streets										
Service Orders Completed	262	213	182	206	285	178	231	113	196	305
Water										
Metered Accounts	3,490	3,566	3,573	3,577	3,505	3,552	3,934	3,964	3,981	4,001
Avg. Daily Demand (MGD)	1.174	1.215	1.163	1.186	1.127	1.132	1.107	1.061	1.037	937,000
Avg. Monthly Demand/Cust (gal)	35,205,000	37,073,000	35,073,000	36,115,000	34,269,333	34,531,000	33,659,750	32,280,500	31,537,580	28,580,750
Peak Demand (MGD)	1.583	1.699	1.400	1.515	1.442	1.456	1.391	1.462	1.398	1,185
Service Orders Completed	3,398	3,380	2,843	2,957	2,892	2,864	3,793	3,162	2,895	2,699
Sewer										
Service Connections	3,340	3,407	3,402	3,419	3,423	3,472	3,476	3,456	3,501	3,510
Service Orders Completed	153	130	150	155	174	148	134	136	192	230

NC: Not Collected

City of Bellmead, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Area of City (square miles)	0.21	6.21	6.21	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	15	15	15	15	15	15	16	16	16	14
Other Police Vehicles	6	8	9	9	9	9	10	10	10	8
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	5	5	5	5	6	6
Other Vehicles	2	2	2	2	2	1	1	1	1	1
Public Works										
Buildings	2	2	2	2	2	2	2	2	2	2
Paved Streets (miles)	63.10	63.10	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	22	22	21	20	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	326	326	326	326	326	330	330	330	331	317
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	573	573	573	573	573	573	573	573	573	673

NC: Not Collected

CONTINUING FINANCIAL DISCLOSURES



City of Bellmead, Texas
CONTINUING DISCLOSURE TABLES - BASE CUSIP 079635
September 30, 2024

FINANCIAL INFORMATION OF THE ISSUER

ASSESSED VALUATION

2024 Actual Market Value of Taxable Property (100% of Actual)		\$	907,776,231
Less Exemptions:			
Local, Optional Over-65 and/or Disabled Homestead Exemptions	\$		4,746,582
Disabled and Deceased Veterans'			14,792,310
Productivity Value Loss			3,352,754
10% Cap Loss			57,607,868
Pollution Control			35,523
Charitable / Other			11,700
Disaster			-
Solar			-
Freeport			-
Totally Exempt Property			<u>89,319,157</u>
Total Exemptions			<u>169,865,894</u>
2024 Net Taxable Assessed Valuation ^(a)		\$	<u>737,910,337</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

Category	2024	% of	2023	% of	2022	% of	2021	% of	2020	% of
	Total	Total								
Real, Residential, Single-Family	\$ 453,967,867	50.01%	\$ 433,032,883	48.83%	\$ 382,710,433	48.20%	\$ 290,130,660	44.61%	\$ 248,868,752	42.24%
Real, Residential, Multi-Family	25,190,532	2.77%	24,905,484	2.81%	29,449,714	3.71%	20,641,906	3.17%	17,098,385	2.90%
Real, Vacant Lots/Tracts	11,523,519	1.27%	10,693,376	1.21%	8,599,170	1.08%	7,779,686	1.20%	7,920,200	1.34%
Real, Acreage (Land Only)	3,691,111	0.41%	3,637,938	0.41%	3,204,424	0.40%	2,889,560	0.44%	2,847,650	0.48%
Farm & Ranch Improvements	11,760,553	1.30%	10,838,702	1.22%	9,629,906	1.21%	7,495,368	1.15%	6,563,612	1.11%
Real, Commercial	215,897,025	23.78%	215,794,887	24.33%	188,972,798	23.80%	167,690,761	25.79%	155,231,052	26.35%
Real, Industrial	205,320	0.02%	152,990	0.02%	148,180	0.02%	145,450	0.02%	135,940	0.02%
Real & Tangible, Personal Utilities	20,095,472	2.21%	18,798,006	2.12%	18,437,255	2.32%	17,706,360	2.72%	18,116,700	3.07%
Tangible Personal, Business / Commercial	65,326,666	7.20%	65,200,380	7.35%	56,840,240	7.16%	50,436,690	7.76%	48,649,700	8.26%
Tangible Personal, Industrial	1,533,690	0.17%	1,336,540	0.15%	1,484,740	0.19%	1,979,740	0.30%	1,628,690	0.28%
Tangible Personal, Mobile Homes	8,340,697	0.92%	8,275,697	0.93%	7,600,967	0.96%	5,504,050	0.85%	5,161,520	0.88%
Real Property, Inventory (Residential/Special)	422,456	0.05%	1,259,310	0.14%	1,280,540	0.16%	1,316,410	0.20%	1,426,570	0.24%
Totally Exempt Property	89,821,323	9.89%	92,919,500	10.48%	85,636,782	10.79%	76,585,437	11.78%	75,570,965	12.83%
Total Market Value	\$ 907,776,231	100.00%	\$ 886,845,693	100.00%	\$ 793,995,149	100.00%	\$ 650,302,078	100.00%	\$ 589,219,736	100.00%

Less Exemptions and Losses:

Local, Optional Over-65 and/or Disabled Homestead	\$ 4,746,582	\$ 4,693,144	\$ 4,659,719	\$ 4,545,660	\$ 4,685,140
Disabled and Deceased Veterans' Productivity Value Loss	14,792,310	12,277,669	11,113,738	9,837,968	8,940,362
10% Cap Loss	3,352,754	3,316,770	2,916,920	2,645,220	2,618,370
Pollution Control	57,607,868	60,155,222	51,472,523	17,255,361	8,227,919
Charitable / Other	35,523	37,525	6,050	6,050	6,050
Disaster	11,700	53,620	50,580	46,540	106,850
Solar	-	-	-	7,682	-
Freeport	-	-	1,096,454	30,893	-
Partially Exempt Property	-	-	-	-	-
Totally Exempt Property	89,319,157	92,259,100	85,000,632	76,120,197	75,524,745
Total Exemptions	\$ 169,865,894	\$ 172,793,050	\$ 156,316,616	\$ 110,495,571	\$ 100,109,436
Net Taxable Assessed Valuation	\$ 737,910,337	\$ 714,052,643	\$ 637,678,533	\$ 539,806,507	\$ 489,110,300

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, 2024

<u>Name</u>	<u>Type of Business</u>	<u>2024 Taxable Assessed Valuation</u>	<u>% of Total 2023 Net Taxable Assessed Valuation</u>
Butt H E Grocery Co	Retail Grocery Sales	\$ 15,780,005	2.21%
Wal-Mart Real Estate Business Trust	Real Estate	12,527,700	1.75%
Waco Hotel Partners LLC	Hotel/Motel	11,527,740	1.61%
Sams Club East Inc.	Retail Sales	9,123,770	1.28%
Bellmead KTFW LLC ET AL	Nursing Home	8,244,300	1.15%
TBA Associates LP	Real Estate	7,990,000	1.12%
Wal-Mart Stores East LP	Retail Grocery Sales	7,305,620	1.02%
Red Bird Highland LTD ETAL	Healthcare	7,242,240	1.01%
Union Pacific Railroad CO	Transport	7,152,040	1.00%
American Bank NA	Financial	7,112,090	1.00%
Total		<u>\$ 94,005,505</u>	<u>13.17%</u>

Based on a 2023 Adjusted Taxable Assessed Valuation of \$714,052,643

(a) As shown in the table above, the top ten taxpayers in the City account for approximately 15% 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

Tax Year	Taxable Assessed Valuation	Tax Rate	Adjusted Tax Levy	% Collections		Year Ended
				Current	Total	
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
2022	637,678,533	0.323169	\$2,021,352	97.13%	97.13%	9/30/2023

^(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 Information.

TAX RATE DISTRIBUTION

Last Five Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund	0.263142	0.296291	\$0.287381	\$0.275518	\$0.228781
I & S Fund	<u>0.060027</u>	<u>0.078896</u>	<u>0.090473</u>	<u>0.084481</u>	<u>0.091218</u>
TOTAL	\$0.323169	\$0.375187	\$0.377854	\$0.359999	\$0.319999

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				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES:					
Property Taxes	\$ 1,865,966	\$ 1,665,637	\$ 1,602,993	\$ 1,447,123	\$ 1,314,227
Sales Taxes	3,572,252	3,481,529	3,177,281	2,953,772	2,666,605
Franchise Taxes	572,405	599,758	570,674	506,171	471,018
Other Taxes	-	-	-	-	-
Licenses and Permits	200,080	127,617	124,125	92,799	92,864
Charges for Services	1,641,244	1,523,291	1,414,724	1,171,054	719,337
Intergovernmental	9,877	80,584	80,286	74,850	77,486
Fines and Fees	294,048	225,881	194,259	204,556	135,422
Investment Earnings	230,599	132,039	18,041	1,329	18,358
Miscellaneous-Other Revenue	4,893	2,334	8,885	10,021	8,051
Total Revenues	<u>\$ 8,391,364</u>	<u>\$ 7,838,670</u>	<u>\$ 7,191,268</u>	<u>\$ 6,461,675</u>	<u>\$ 5,503,368</u>
EXPENDITURES:					
General Government	\$ 2,125,800	\$ 2,006,630	\$ 1,891,610	\$ 1,586,126	\$ 1,258,320
Public Safety	4,690,582	4,433,805	4,061,079	3,488,075	2,978,209
Public works	313,581	334,520	325,189	65,101	158,011
Community development	314,057	172,309	139,189	189,956	190,629
Other - unclassified	54,685	39,941	42,474	-	-
Capital Outlay	-	53,949	-	9,571	50,365
Total Expenditures	<u>\$ 7,498,705</u>	<u>\$ 7,041,154</u>	<u>\$ 6,459,541</u>	<u>\$ 5,338,829</u>	<u>\$ 4,635,534</u>
Excess (Deficit) of Revenues Over Expenditures	\$ 892,659	\$ 797,516	\$ 731,727	\$ 1,122,846	\$ 867,834
OTHER FINANCING SOURCES (USES):					
Transfers In	\$ 305,290	\$ 270,187	\$ 216,904	\$ 205,150	\$ 249,042
Transfers (Out)	(1,403,000)	(566,889)	(479,964)	(626,100)	(1,064,597)
Proceeds from Debt Issuance	-	-	42,919	-	-
Subscription based issuance	-	53,949	-	-	-
Sale of Property	9,264	22,925	-	13,680	36,916
Insurance Recoveries	18,849	120,537	19,587	24,156	25,530
Total Other Financing Sources (Uses)	<u>\$ (1,069,597)</u>	<u>\$ (99,291)</u>	<u>\$ (200,554)</u>	<u>\$ (383,114)</u>	<u>\$ (753,109)</u>
Net Change in Fund Balance	\$ (176,938)	\$ 698,225	\$ 531,173	\$ 739,732	\$ 114,725
Fund Balance - October 1 (Beginning)	\$ 3,967,713	\$ 3,269,488	\$ 2,738,315	\$ 1,998,583	\$ 1,883,858
Prior Year Adjustment	-	-	-	-	-
Fund Balance - September 30 (Ending)	<u><u>\$ 3,790,775</u></u>	<u><u>\$ 3,967,713</u></u>	<u><u>\$ 3,269,488</u></u>	<u><u>\$ 2,738,315</u></u>	<u><u>\$ 1,998,583</u></u>

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

Source: The Issuer's Audited Annual Financial Reports

City of Bellmead, Texas

CONDENSED WATER AND SEWER SYSTEM OPERATING STATEMENT

Last Five Fiscal Years

Fiscal Year Ended September 30

	2024	2023	2022	2021	2020
Revenues ^(a)	\$6,410,308	\$6,744,625	\$5,088,165	\$4,411,841	\$2,797,670
Expenses ^(b)	<u>\$3,205,398</u>	<u>\$2,998,965</u>	<u>\$2,443,533</u>	<u>\$2,693,379</u>	<u>\$2,158,973</u>
Net Revenue Available for Debt Service	<u>\$ 3,204,910</u>	<u>\$ 3,745,660</u>	<u>\$ 2,644,632</u>	<u>\$ 1,718,462</u>	<u>\$ 638,697</u>
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	\$511,914	\$499,475	\$497,012	\$491,259	\$494,688
Coverage of <u>All Debt</u> Paid From System Revenues	6.26	7.50	5.32	3.50	1.29
Customer Count:					
Water	4,001	3,981	3,964	3,934	3,578
Sewer	3,510	3,501	3,456	3,476	3,464

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

^(b) Expenses include total expenses less depreciation and amortization of the Water 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 10/1/2023)

WATER RATES

(Based on Monthly Billing)

Effective October 1, 2023

Water Consumption	Residential	Sprinkler	Commercial	Outside City Limits
0 - 2,000	\$ 22.16	Based on meter size	Based on meter size	150%
2,001 - 5,000	\$ 3.85/1,000	\$ 6.16/1,000	\$ 4.49/1,000	150%
5,001 - 15,000	\$ 4.49/1,000	\$ 7.13/1,000	\$ 4.49/1,000	150%
15,001 - 25,000	\$ 5.31/1,000	\$ 8.43/1,000	\$ 5.31/1,000	150%
>25,000	\$ 6.12/1,000	\$ 9.72/1,000	\$ 6.12/1,000	150%
		Demand Charge	Demand Charge	
Meter Size				
3/4" or less		\$ 23.79	\$ 34.80	
1"		\$ 34.73	\$ 51.20	
1.5"		\$ 62.00	\$ 92.00	
2"		\$ 94.73	\$ 141.10	
3"		\$ 171.10	\$ 255.50	
4"		\$ 280.20	\$ 418.90	
6"		\$ 552.94	\$ 827.50	
8"		\$ 880.24	\$ 1,317.80	
10"		\$ 1,262.08	\$ 1,889.80	
12"		\$ 2,353.06	\$ 3,524.10	

WASTEWATER RATES

(Based on Monthly Billing)

Effective October 1, 2023

Water Consumption	Residential	Commercial	Outside City Limits
0-1,000	\$ 17.81	\$ 18.55	150%
1,001-7,500	\$ 3.71/1,000	\$ 4.45/1,000	150%
7,501-10,000	\$ 4.27/1,000	\$ 4.45/1,000	150%
>10,000	\$ 0.00/1,000	\$ 5.12/1,000	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 2024 Annual Financial Report, Note V.D, beginning on page 81.

