

City of Belton, Texas

# Annual Comprehensive Financial Report

Love  
My  
Belton!

For the Fiscal Year Ended  
September 30, 2023





**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
CITY OF BELTON, TEXAS**

For the Fiscal Year Ended  
September 30, 2023

CITY MANAGER  
Sam A. Listi

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Please visit us at our website: [www.beltontexas.gov](http://www.beltontexas.gov)

# City of Belton Texas

Year Ended September 30, 2023

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# City of Belton

★ *Founded 1850* ★

February 14, 2024

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

The City Charter and State statutes require that the City of Belton (City) publish, at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of the City of Belton, Texas, for the fiscal year ended September 30, 2023.

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 it has 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 of any material misstatements.

Jaynes, Reitmeier, Boyd & Therrell, P.C., Certified Public Accountants, has issued an unmodified (“clean”) opinion on the City of Belton’s financial statements for the year ended September 30, 2023. 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. The MD&A complements this letter of transmittal, and should be read in conjunction with it.

## **Profile of the City**

The City of Belton was founded in 1850 and chartered in 1852. On July 13, 1877, Belton was incorporated by the Texas Legislature. Located in Central Texas on Interstate Highways 35 and 14, Belton is approximately 65 miles north of Austin and 40 miles south of Waco. The city occupies a land area of 21 square miles and serves a population of approximately 25,000.

Belton is the county seat of Bell County. Two large lakes adjacent to the city, Belton Lake and Stillhouse Hollow Lake, offer excellent fishing, camping, and water sports with 168 miles of shoreline.

The City of Belton is a home rule city and operates under the council-manager form of government. Comprised of the Mayor and six councilmembers, the City Council is responsible for enacting ordinances, resolutions, and regulations governing the City. City Council also appoints the City Manager, City Attorney, Municipal Judge, City Clerk, and members of various boards. As the chief administrative officer, the City Manager is responsible for enforcing the laws and ordinances of the city. The City Manager appoints and supervises Department Heads. The City of Belton is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body in accordance with State law.

The City of Belton provides a full range of services, including police and fire protection, construction and maintenance of streets, roads and other infrastructure, solid waste collection, planning and zoning, parks programming and maintenance, library services, 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 of Belton is also financially accountable for a legally separate economic development corporation, which is reported separately within the City of Belton's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. It defines the type, quality, and quantity of city goods and services that will be provided to citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of city government.

The City Charter establishes the fiscal year as the twelve-month period beginning October 1 and ending September 30. Department Heads submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year by March 1. The City Manager then submits a proposed budget of estimated expenditures and revenues to the City Council no later than July 15. Afterwards, the City Council sets the time and place of a public hearing on the budget. A notice of the hearing is published at least five days before the day of the hearing. The budget shall be finally adopted by ordinance no later than the twenty-seventh day of September. If City Council takes no final action on or prior to such day, the budget submitted by the City Manager shall be deemed to have been finally adopted by the Council until such time as the City Council adopts a budget pursuant to the provisions of the Charter.

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, 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 by ordinance.

Budget-to-actual comparisons are provided in this report for governmental funds for which an annual budget has been adopted. For the General Fund, this comparison is presented as part of the required supplementary information.

## **Local Economy**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Belton operates. Belton is a proactive, business-friendly community, located deep in the heart of Central Texas and in the core of the Temple-Killeen-Ft Hood MSA. Belton is located at the crossroads of IH-35 and the newly-designated IH-14 (U.S. Highway 190), within 180 miles of every major market in Texas. This location provides easy access to the estimated 450,000 people in the region. Military, government, medical/healthcare, agricultural/agribusiness, and retail trades are thriving industry sectors in the MSA that continue to be a major economic influence contributing to the growth and prosperity of Belton.

Belton is proud to be the home of the University of Mary Hardin-Baylor (UMHB), a private four-year college with an enrollment of over 3,800 students representing 30 foreign countries. UMHB was chartered by the Republic of Texas in 1845, making it the oldest continuously operated college in the State of Texas. Belton Independent School District (BISD) is the largest employer in the City. BISD serves over 13,000 students on 19 campuses, 9 of which are in the city limits of Belton.

The unemployment rate for the Temple-Killeen-Ft Hood MSA increased to 4.5% from 4.2% one year ago. Notwithstanding the recent slowing, labor shortages and hiring difficulties persist. Property values and sales taxes have risen as the development of residential and commercial property continues throughout the area.

## **Long-Term Financial Planning**

The City of Belton Strategic Plan is the City's primary planning document. It outlines the City's vision and goals for the long term. There are seven goal categories: governance, public safety, quality of life, economic development, connectivity, parks/natural beauty, and service delivery. The Strategic Plan focuses on the City of Belton's vision of being the "*Community of Choice in Central Texas, providing an Exceptional Quality of Life.*" Each year, the Plan is reviewed, revised and updated as needs and conditions dictate. The revised plan forms the framework upon which the budget is built. Performance of Strategic Plan initiatives is measured regularly during the year. Additionally, each department measures success and progress by tying both accomplishments for the prior year and goals for the upcoming year to the various Strategic Plan goals and tasks.

The Strategic Plan leads to the development of a Capital Improvements Program (CIP). The CIP lists major projects that are expected within the next five years. It includes cost estimates and funding methods. The City of Belton has identified \$76 million in capital projects for the 2024-2028 timeframe. The timing of these projects may be advanced or postponed depending upon development and funding availability.

## **Major Initiatives**

A strong, thriving community requires continual investment in its people, facilities, and infrastructure to deliver an exceptional quality of life. A goal in the Strategic Plan, the City of Belton implemented a street maintenance plan. The plan should elevate the quality of streets and create long-term savings through the systematic use of preventive maintenance. The cost of maintenance and other corrective actions each year are analyzed and typically included in the annual budget. Street maintenance funding in FY 2024 will reach \$1,000,000, potentially increasing beyond that in the years to come.

Belton implemented a capital equipment replacement plan and a capital improvements plan. By identifying potential projects and critical machinery today, funds can be accumulated over time to meet future demand. The plans include an analysis of the timing of expenditures and the various sources of funding that may be available. The impact upon future operating budgets should also be considered.

To become a “quality of life” city, a municipality must provide ample opportunities for residents and visitors to retreat from the rigors of daily life by enjoying the outdoors. The City of Belton addressed this by creating a Parks and Recreation Strategic Master Plan. This visionary document guides the development of parks and recreation amenities within the city. Priorities over a ten-year period are recognized. Feasibility studies are prepared that envision usage of these quality of life facilities. The result of this master plan will be a parks system that is harmonious with its surroundings and enjoyed by all. Recent acquisition of land for the expansion of Heritage Park, and its development, will be a principal focus in years to come.

## **Relevant Financial Policies**

The City’s adopted fund balance policy requires a reserve balance of no less than least three months of operating expenditures plus any fund-supported debt service. Balances in excess of this reserve requirement can be directed by City Council towards capital improvements. As of September 30, 2023, all operating funds were compliant with this policy.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belton, Texas, for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the thirty-seventh consecutive year that the City of Belton has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the GFOA presented a Distinguished Budget Presentation Award to the City of Belton, Texas, for its annual budget document for the fiscal year beginning October 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. This was the thirty-first consecutive year that the City of Belton has received the budget award.

### **Acknowledgements**

The preparation of this report was made possible with the proficient and dedicated work of the entire staff of the Finance Department. We would also like to thank the Mayor and the City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

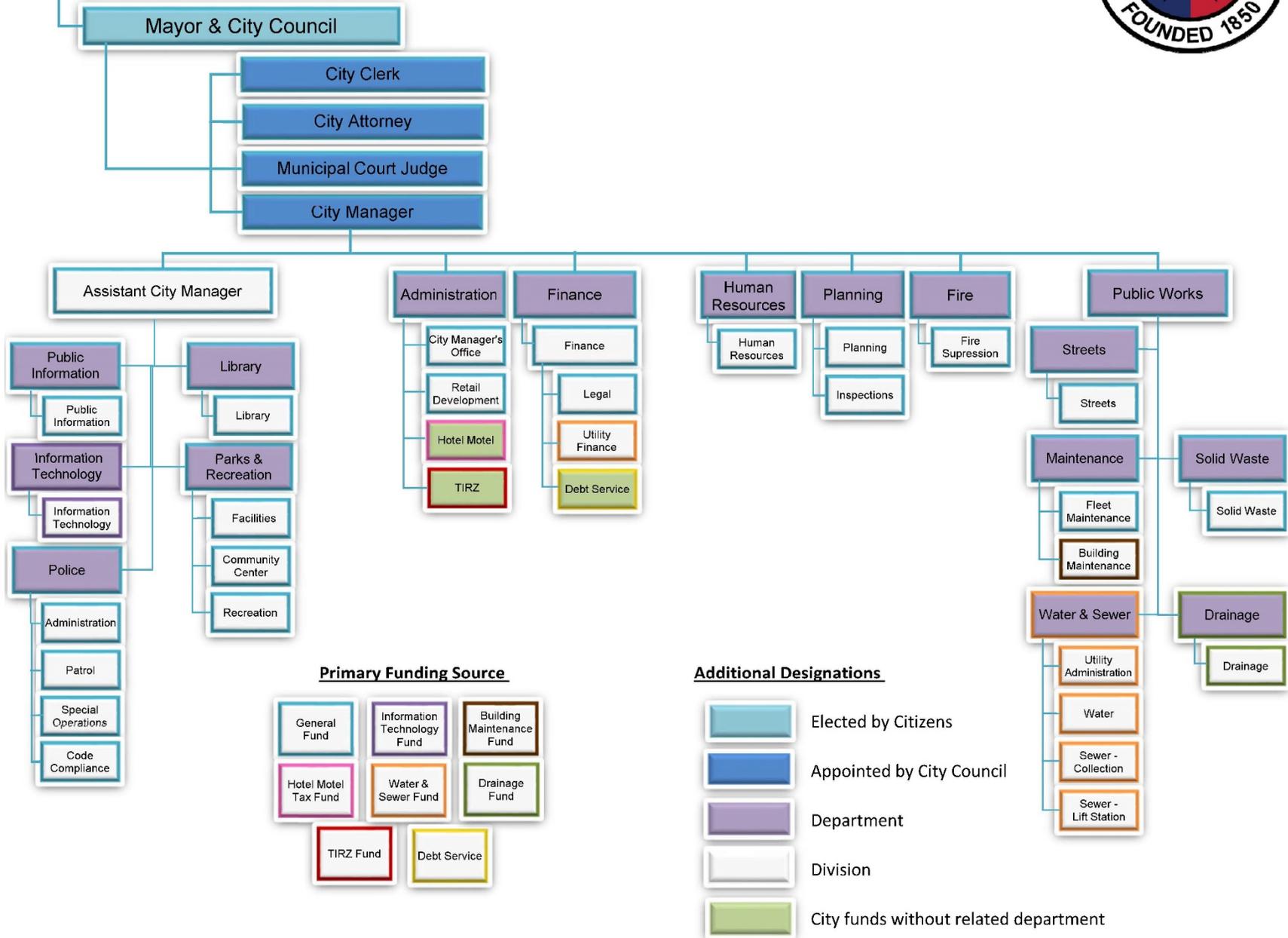
Respectfully submitted,



Sam A. Listi  
City Manager



William Michael Rodgers, CPA  
Director of Finance



# ***CITY OF BELTON***

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## **ELECTED OFFICIALS**

### **CITY COUNCIL**

Three-Year Terms

<u>NAME</u>	<u>TERM EXPIRES</u>
David K. Leigh, Mayor	May 2024
John Holmes, Sr., Mayor Pro Tem	May 2026
Dave Covington	May 2026
Stephanie O'Banion	May 2025
Craig Pearson	May 2024
Daniel Bucher	May 2025
Wayne Carpenter	May 2025

## **APPOINTED OFFICIALS**

### **CITY ADMINISTRATION**

<u>POSITION</u>	<u>NAME</u>	<u>DATE APPOINTED</u>
City Manager	Sam Listi	March 12, 2001
City Attorney	John Messer	September 1, 1978
City Clerk	Amy Casey	June 29, 2015
Assistant City Manager/Police Chief	Gene Ellis	April 20, 2009
Executive Director of Economic Development	Cynthia Hernandez	September 27, 2011
Fire Chief	Jonathon Fontenot	June 15, 2020
Director of Finance	William Michael Rodgers	December 9, 2019
Director of Parks & Recreation/ Public Works	Matt Bates	October 1, 2014
Director of Library	Kim Kroll	October 2, 2000
Director of Planning	Robert Van Til	June 26, 2017
Director of Human Resources	Charlotte Walker	October 1, 2010
Director of Information Technology	Chris Brown	April 18, 2016
Director of Communications	Paul Romer	October 31, 2012
Grants & Special Projects Coordinator	Jo-Ell Guzman	April 29, 2021
Retail Development Coordinator	Judy Garrett	January 3, 2017





Government Finance Officers Association

Certificate of  
Achievement  
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in Financial  
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Presented to

**City of Belton  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO





JAYNES REITMEIER BOYD & THERRELL, P.C.  
Certified Public Accountants  
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710  
P.O. Box 7616 | Waco, TX 76714  
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor  
and Members of the City Council  
City of Belton, Texas:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Belton, Texas (the "City") as of and for the year ended September 30, 2023, 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 as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

Management of the City is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

### ***Change in Accounting Principle***

As discussed in Note I to the financial statements, the City adopted Governmental Accounting Standards Board (“GASB”) Statement No. 96, *Subscription-based Information Technology Arrangements* effective October 1, 2022. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 5 through 16, the schedule of budgetary comparisons for the General Fund on pages 70 to 71, the schedules of changes in the City’s net pension liability and related ratios and contributions on pages 72 to 76, and the schedule of changes in the City’s total OPEB liability and related ratios and contributions on pages 78 to 80 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information Included in the Annual Comprehensive Financial Report***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections of the annual comprehensive financial report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2024 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 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.

February 14, 2024

## Management's Discussion and Analysis

As management of the City of Belton, Texas, we offer readers of the financial statements this narrative discussion and analysis of the financial activities of the City of Belton for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$107,913,629 (*net position*). Of this amount, \$27,637,487 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$10,061,485 primarily due to grants and contributions from third parties, earnings from investments and greater general revenues such as property and sales taxes. Additionally, the change was also attributable to increased charges for services due to a growing customer base and higher water and sewer rates.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$19,354,390, an increase of \$517,422 in comparison with the prior year. Of this total amount, \$8,695,912 (44.9 percent) is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (total of the *committed, assigned, and unassigned* components of *fund balance*) for the General Fund was \$9,567,912, or 44.4 percent of budgeted General Fund expenditures.

### Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, 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.

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

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

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, highways and streets, planning, culture and recreation, solid waste collection, economic development, and maintenance. The business-type activities of the City include a water and sewer utility and a drainage utility.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 19 - 21 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the 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 fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 approximately thirty 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 Fund, Debt Service Fund, TIRZ Capital Projects Fund, and American Rescue Plan Grant Fund, which are considered to be 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 the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 22 - 24 of this report.

**Proprietary funds.** The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility and for its drainage utility.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its information technology and building maintenance services. These internal service functions have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and for the Drainage Fund, both of which are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 25 - 27 of this report.

**Notes to the financial statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 – 68 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget. The TIRZ Capital Projects Fund and the American Rescue Plan Grant Fund are not budgeted. Required supplementary information can be found on pages 70 - 80 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 86 through 97 of this report.

### **Government-Wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$107,913,629 at the close of the most recent fiscal year.

## City of Belton Statement of Net Position

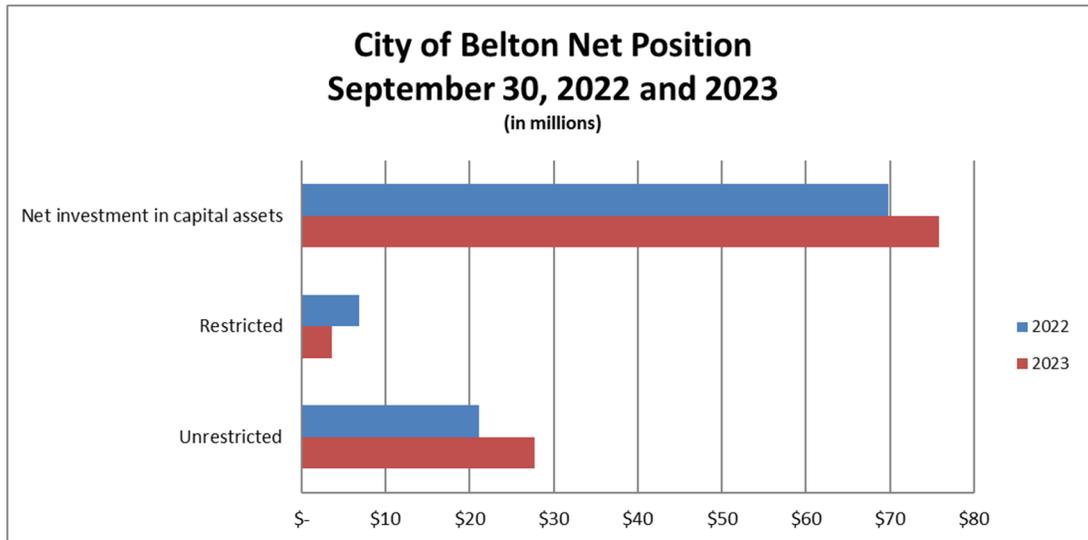
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 25,592,452	\$ 25,878,746	\$ 19,536,767	\$ 18,647,514	\$ 45,129,219	\$ 44,526,260
Capital and right-of-use assets	47,750,622	42,250,260	57,064,634	56,291,872	104,815,256	98,542,132
Total assets	<u>73,343,074</u>	<u>68,129,006</u>	<u>76,601,401</u>	<u>74,939,386</u>	<u>149,944,475</u>	<u>143,068,392</u>
Total deferred outflows of resources	<u>2,933,331</u>	<u>932,809</u>	<u>454,944</u>	<u>179,587</u>	<u>3,388,275</u>	<u>1,112,396</u>
Long-term liabilities outstanding	14,853,441	11,557,673	20,716,374	21,652,969	35,569,815	33,210,642
Other liabilities	6,872,478	8,039,293	2,639,554	3,133,580	9,512,032	11,172,873
Total liabilities	<u>21,725,919</u>	<u>19,596,966</u>	<u>23,355,928</u>	<u>24,786,549</u>	<u>45,081,847</u>	<u>44,383,515</u>
Total deferred inflows of resources	<u>286,211</u>	<u>1,621,051</u>	<u>51,063</u>	<u>324,078</u>	<u>337,274</u>	<u>1,945,129</u>
Net position:						
Net investment in capital assets	38,253,910	32,230,617	37,629,389	37,626,249	75,883,299	69,856,866
Restricted	4,392,843	6,859,323	-	-	4,392,843	6,859,323
Unrestricted	<u>11,617,522</u>	<u>8,753,858</u>	<u>16,019,965</u>	<u>12,382,097</u>	<u>27,637,487</u>	<u>21,135,955</u>
Total net position	<u>\$ 54,264,275</u>	<u>\$ 47,843,798</u>	<u>\$ 53,649,354</u>	<u>\$ 50,008,346</u>	<u>\$ 107,913,629</u>	<u>\$ 97,852,144</u>

By far the largest portion of the City's net position (\$75,883,299 or 70.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, leases, subscriptions, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, 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 used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$4,392,843 or 4.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$27,637,487 or 25.6 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

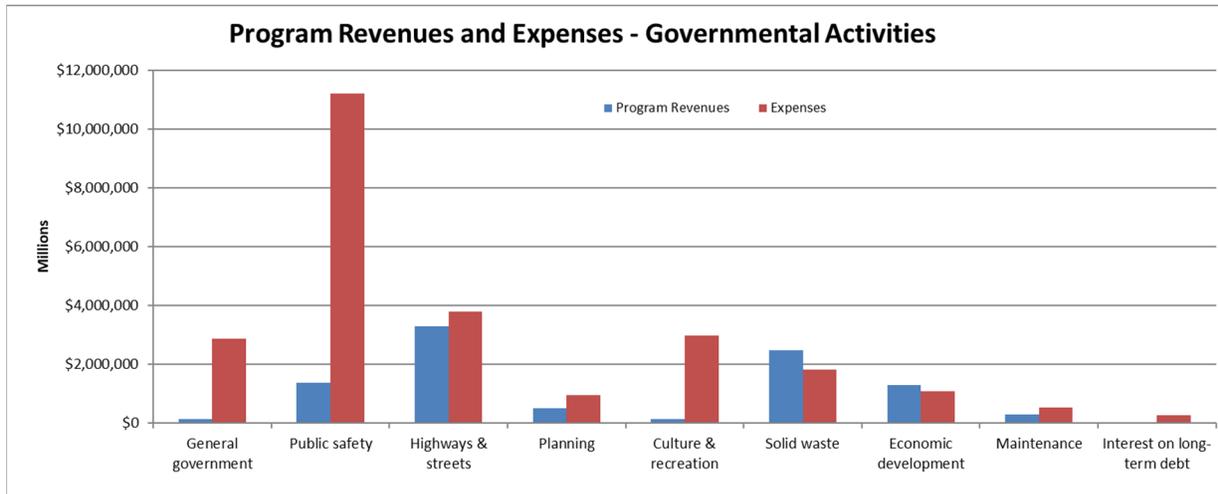
The City's total net position increased \$10,061,485 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.



### City of Belton's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,884,627	\$ 3,568,509	\$ 13,017,684	\$ 11,076,317	\$ 16,902,311	\$ 14,644,826
Operating grants and contributions	1,973,113	2,205,343	-	-	1,973,113	2,205,343
Capital grants and contributions	4,368,371	1,045,229	2,082,358	1,441,835	6,450,729	2,487,064
General revenues:						
Property taxes	10,796,469	9,776,118	-	-	10,796,469	9,776,118
Sales taxes	6,128,828	5,721,518	-	-	6,128,828	5,721,518
Franchise taxes	1,350,128	1,320,018	-	-	1,350,128	1,320,018
Other taxes	422,607	362,357	-	-	422,607	362,357
Investment earnings	1,263,192	173,436	796,196	140,551	2,059,388	313,987
Gain on sale of assets	11,250	36,941	5,700	-	16,950	36,941
Other income	687,360	264,505	-	-	687,360	264,505
<b>Total revenues</b>	<b>30,885,945</b>	<b>24,473,974</b>	<b>15,901,938</b>	<b>12,658,703</b>	<b>46,787,883</b>	<b>37,132,677</b>
<b>Expenses:</b>						
General government	2,869,141	2,538,856	-	-	2,869,141	2,538,856
Public safety	11,205,902	9,478,735	-	-	11,205,902	9,478,735
Highways and streets	3,796,008	2,857,347	-	-	3,796,008	2,857,347
Planning	938,176	552,775	-	-	938,176	552,775
Culture and recreation	2,988,778	2,683,622	-	-	2,988,778	2,683,622
Solid waste	1,825,819	1,694,189	-	-	1,825,819	1,694,189
Economic development	1,087,562	408,870	-	-	1,087,562	408,870
Maintenance	522,999	547,620	-	-	522,999	547,620
Interest and other fiscal charges	267,813	322,675	-	-	267,813	322,675
Water and sewer	-	-	10,612,384	11,986,427	10,612,384	11,986,427
Drainage	-	-	611,816	648,130	611,816	648,130
<b>Total expenses</b>	<b>25,502,198</b>	<b>21,084,689</b>	<b>11,224,200</b>	<b>12,634,557</b>	<b>36,726,398</b>	<b>33,719,246</b>
Changes in net position before transfers	5,383,747	3,389,285	4,677,738	24,146	10,061,485	3,413,431
Transfers	1,036,730	1,053,200	(1,036,730)	(1,053,200)	-	-
<b>Changes in net position</b>	<b>6,420,477</b>	<b>4,442,485</b>	<b>3,641,008</b>	<b>(1,029,054)</b>	<b>10,061,485</b>	<b>3,413,431</b>
Net position, beginning of year	47,843,798	43,401,313	50,008,346	51,037,400	97,852,144	94,438,713
<b>Net position, end of year</b>	<b>\$ 54,264,275</b>	<b>\$ 47,843,798</b>	<b>\$ 53,649,354</b>	<b>\$ 50,008,346</b>	<b>\$ 107,913,629</b>	<b>\$ 97,852,144</b>

**Governmental activities.** During the current fiscal year, net position for governmental activities increased \$6,420,477 from the prior fiscal year for an ending balance of \$54,264,275. This increase was partially driven by revenue of \$2,580,500 from the American Rescue Plan Grant and \$335,731 in contributions to the TDHCA Housing Grant Fund which in turn led to an increase in expenditures from these grant funds. Developer contributions of assets added another \$698,140. Property and sales tax revenue also increased by \$1,427,661 over the previous year as property values and retail spending continued to grow. Earnings from investments increased by \$1,089,756 as a result of higher yields on investments.



**Business-type activities.** For the City’s business-type activities, the overall net position increased by \$3,641,008 to an ending balance of \$53,649,354. Key changes year over year included:

- Charges for business-type activities totaled \$13,017,684, an increase of \$1,941,367 over the prior year. This reflects a growing customer base and higher water and sewer rates.
- Expenses for business-type activities totaled \$11,224,200, an 11.2 percent decrease from the prior year. Expenses declined due to a reduction in major maintenance projects compared to the prior year.
- Capital grants and contributions from developers totaled \$2,082,358, an increase of \$640,523 from the prior year.

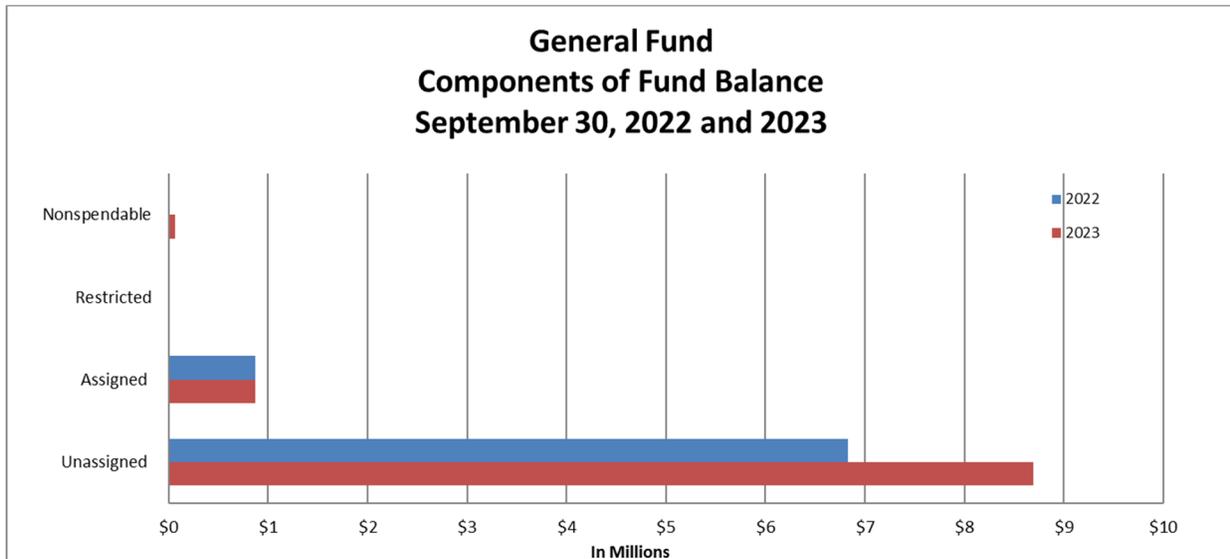
**Financial Analysis of the City’s Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

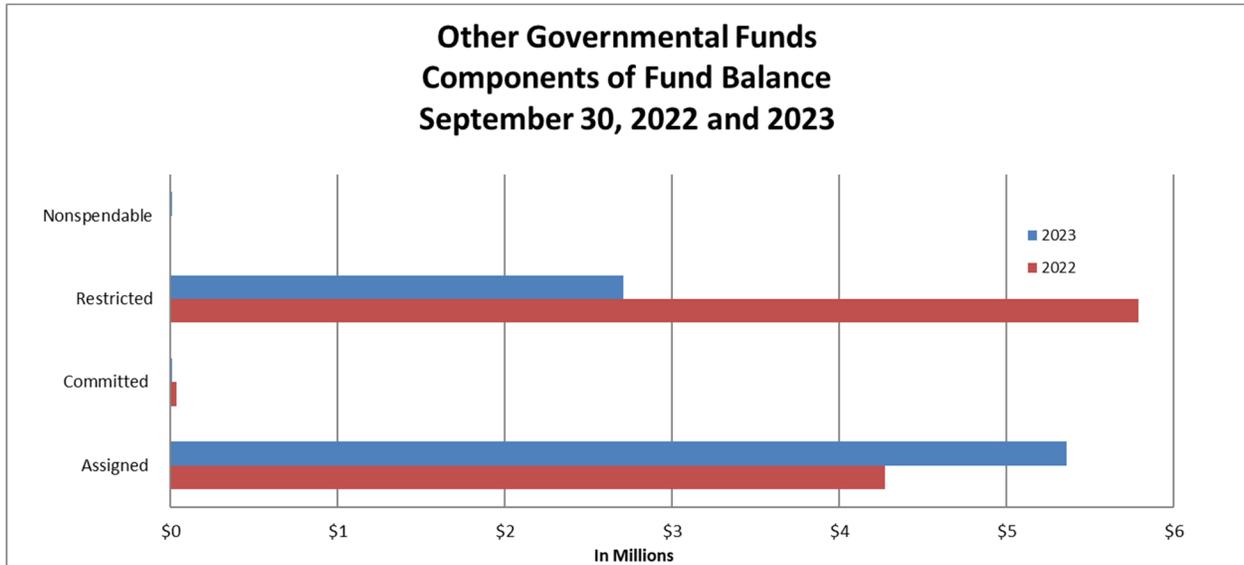
**Governmental funds.** The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City Council.

At September 30, 2023, the City’s governmental funds reported combined ending fund balances of \$19,354,390, an increase of \$517,422 in comparison with the prior year. Approximately 44.9 percent (\$8,695,912) of this amount constitutes *unassigned fund balance*, which is available for spending at the City’s discretion. The remainder of fund balance is *non-spendable, restricted, committed, or assigned* to indicate that it is:

- 1) Not in spendable form (\$71,832);
- 2) Restricted for particular purposes:
  - a. Debt service (\$26,716);
  - b. Public, educational, or governmental access facilities (\$478,944);
  - c. Public safety training, equipment, and security facilities (\$48,105);
  - d. Court technology and security (\$147,396)
  - e. Capital projects (\$1,333,124); and
  - f. Economic development (\$2,313,243).
- 3) Committed for particular purposes:
  - a. Economic development (\$6,907).
- 4) Assigned for particular purposes:
  - a. Future civil service costs (\$872,000);
  - b. Culture and recreation (\$547,735); and
  - c. Capital projects and equipment (\$4,812,476).



The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,695,912, while total fund balance increased by \$1,925,849 to \$9,630,184. Property tax revenue increased by 9.6% over the previous year to \$7,768,792 due to rising property values within the City. Sales tax revenue increased 7.1% to \$6,128,828 with strong growth in construction and retail sales. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund budgeted expenditures. Unassigned fund balance represents 40.4 percent of total General Fund budgeted expenditures (including transfers), while total fund balance represents 44.7 percent of that same amount.



Assigned other governmental funds consists primarily of capital project and capital equipment replacement funds. The \$1,091,061 increase to assigned fund balance is the result of transfers into these funds exceeding capital expenditures during the year.

Committed other governmental funds consist of the City funding dedicated to projects under the Texas Department of Housing and Community Affairs home replacement program and to special events that draw tourists. Expenditures surpassed revenues during the year by \$30,282.

Restricted governmental funds relate to funds restricted to a specific purpose such as bond funds, Tax Increment Reinvestment Zone funds, and hotel occupancy taxes. The fund balance increase from 2022 to 2023 was the result of rising contributions into the Tax Increment Reinvestment Zone Capital Projects Fund.

The Debt Service Fund, a major fund, reported an increase in fund balance during the current year of \$15,175, to bring the year-end fund balance to \$26,716. This increase was due to growing property tax values within the City.

Fund balance in the TIRZ Capital Projects Fund, a major fund, decreased by \$3,247,629 to \$1,333,124. This decline was due to the Heritage Park Improvements Project and Southwest Parkway construction.

The American Rescue Plan Grant Fund, a major fund, reported an increase in fund balance during the current year of \$256,831, to \$278,109. Grant funds totaling \$2,580,500 were received during the year and will be expended in future fiscal years to respond to and recover from the COVID-19 public health emergency.

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

Net position of the Water and Sewer Fund at the end of the year was \$48,313,642, and the net position of the Drainage Fund amounted to \$5,335,712. The total change in net position was \$3,455,104 and \$185,904, respectively.

Notable changes in the Water and Sewer Fund activity include:

- Charges for sales and services grew by 13.5 percent to \$11,772,863, due to increased consumption from an expanding customer base and higher utility rates.
- Operating expenses totaled \$10,073,198, a decrease of \$1,244,559 or 11 percent from the prior year. The decrease was due to lower depreciation and personnel costs; and
- Capital contributions were \$1,812,803 for the dedication of water and sewer lines in new subdivisions.

Notable changes in the Drainage Fund activity include:

- An increase in revenue of \$12,346 or 2.2 percent due to an increased number of customers in the current year;
- Operating expenses totaled \$606,546, a decrease of \$35,537 or 6.4 percent from the prior year. The decrease was primarily driven by lower personnel costs; and
- There was \$269,555 in capital contributions for the dedication of drainage facilities in new subdivisions.

## **Budgetary Highlights**

**Original Budget Compared to Final Budget.** Budgeted uses of funds, inclusive of expenditures and transfers out, increased by \$761,700 between the original budget and final General Fund budget. The increase in uses was attributable to costs related to personnel, grants, building maintenance, and equipment maintenance. Budgeted sources of funds, inclusive of revenues and other financial sources, increased by \$928,000 between the original and final General Fund budget. The increase in sources was attributable to refuse collection, public safety reimbursements, interest income, and grant revenue.

**Final budget compared to actual results.** For the General Fund, actual revenues surpassed budgeted revenues by \$222,357, primarily driven by franchise fees and municipal court fines and fees. Parks and recreation revenue as well as the sale of effluent water exceeded budget. Actual expenditures ended the year \$812,740 under budget with significant savings in various divisions due to personnel and services.

## Capital Asset and Debt Administration

**Capital assets.** The City’s investment in capital assets for its governmental and business type activities as of September 30, 2023, amounts to \$104,815,256 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, leases, subscriptions, park facilities, streets, bridges, drainage structures, and water and sewer system infrastructure to include pumps, pipes, storage tanks, and associated fittings and fixtures. The total increase in the City’s investment in capital assets for the current fiscal year was 6.4 percent (a 13.0 percent increase for governmental activities and a 1.4 percent increase for business-type activities).

### City of Belton’s Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 5,586,442	\$ 4,799,921	\$ 285,175	\$ 285,175	\$ 5,871,617	\$ 5,085,096
Buildings	5,128,500	4,543,424	4,060,659	4,282,735	9,189,159	8,826,159
Improvements other than buildings	2,172,662	1,174,609	-	-	2,172,662	1,174,609
Machinery and equipment	3,933,018	3,358,483	1,486,698	1,606,551	5,419,716	4,965,034
Equipment - right-to-use lease assets	68,521	-	83,305	95,206	151,826	95,206
Software - right-to-use subscription assets	280,366	-	-	-	280,366	-
Infrastructure	28,772,038	27,525,323	50,649,486	39,048,179	79,421,524	66,573,502
Construction in progress	1,809,075	848,500	499,311	10,974,026	2,308,386	11,822,526
<b>Total</b>	<b>\$ 47,750,622</b>	<b>\$ 42,250,260</b>	<b>\$ 57,064,634</b>	<b>\$ 56,291,872</b>	<b>\$ 104,815,256</b>	<b>\$ 98,542,132</b>

Major capital asset events during the current fiscal year included the following:

- Work was completed on:
  - Heritage Park expansion;
  - Skeeter brush truck;
  - PD patrol vehicles;
  - Freightliner truck;
  - N. East street & 5th water line;
  - Rockwool sewer line;
  - N. Belton water tank;
  - E. 6<sup>th</sup> Avenue water line;
  - McFarland Estates wastewater improvements; and
  - South Belton sewer line.

- Work began/continued on:
  - Standpipe Park;
  - Southwest Parkway;
  - N. College St. & 13<sup>th</sup> Ave reconstruction;
  - 13<sup>th</sup> Ave sidewalks; and
  - IH-14 sewer line.

Additional information on the City’s capital assets can be found in Note V on pages 47 - 50 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$29,049,993, excluding bond premiums. All of this debt is secured by the full faith and credit of the City. Of the total, \$20,523,655 is pledged with water and sewer revenue and storm water drainage revenue.

**City of Belton’s Outstanding Debt**  
General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 5,310,000	\$ 6,265,000	\$ 435,000	\$ 540,000	\$ 5,745,000	\$ 6,805,000
Certificates of obligation	3,216,338	3,391,725	20,088,655	21,333,268	23,304,993	24,724,993
Total	<u>\$ 8,526,338</u>	<u>\$ 9,656,725</u>	<u>\$ 20,523,655</u>	<u>\$ 21,873,268</u>	<u>\$ 29,049,993</u>	<u>\$ 31,529,993</u>

The City’s total bonded debt decreased by \$2.5 million (7.9 percent) during the current fiscal year. The decrease was due to regularly scheduled principal payments.

No direct funded debt limitation is imposed on the City under current State law or the City Charter. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem rate to \$2.50 per \$100 of assessed valuation for all City purposes. The City Charter limits the tax rate to \$1.90 per \$100 of assessed valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the maximum tax rate for general obligation debt service. The City’s fiscal year 2023 tax rate is well below all of the aforementioned limits.

Additional information on the City’s long-term debt can be found in Note VI on pages 51 - 55 of this report.

**Economic Factors and Next Year's Budget**

The following economic factors currently affect the City of Belton and were considered in developing the 2024 fiscal year budget:

- Measures taken by various governments to contain the COVID-19 pandemic have affected economic activity. The impact on future market conditions, however, remains uncertain and cannot be estimated at this time.

- The local economy is experiencing growth as evidenced by elevated property values, sales tax revenue, and construction activity. Several large projects are underway, and the City continues to make infrastructure improvements and conduct master planning which will position the City for future expansion.
- Growth does create new challenges which must be addressed, and the Strategic Plan provides a framework for the future. Meeting these challenges takes the vision of Council to guide the Strategic Plan, financial resources to fund the Plan, and a management team and staff to implement the Plan. The Belton City Council, management, and staff remain dedicated to the purposes of planning and providing for the future of the City.
- The fiscal year 2024 annual budget is noteworthy as both revenues and expenditures increase significantly. A strong demand for housing, along with limited supply, has driven property values higher. Consumer spending continues to push sales tax revenue upwards. Yields on investments have grown at a remarkable pace compared to previous years. These growing revenues in fiscal year 2024 provide the resources to fund several Strategic Plan priorities, such as enhanced staffing to meet essential needs, sustained street maintenance, infrastructure rehabilitation, and employee compensation.

### **Requests for Information**

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

Director of Finance  
City of Belton  
P.O. Box 120  
Belton, Texas, 76513

## **Basic Financial Statements**



**City of Belton, Texas**  
**Statement of Net Position**  
September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Belton Economic Development Corporation, Inc.
<b>Assets</b>				
Cash and cash equivalents	\$ 22,040,887	17,859,848	39,900,735	16,447,446
Receivables (net of allowance for uncollectibles)	2,186,951	1,594,762	3,781,713	566,783
Due from other governments	1,197,731	-	1,197,731	1,020
Prepaid items	166,883	82,157	249,040	-
Note receivable	-	-	-	46,711
Capital assets not being depreciated:				
Land	5,586,442	285,175	5,871,617	816,334
Construction in progress	1,809,075	499,311	2,308,386	815,780
Capital assets, net of accumulated depreciation:				
Buildings	5,128,500	4,060,659	9,189,159	435,782
Improvements other than buildings	2,172,662	-	2,172,662	-
Machinery and equipment	3,933,018	1,486,698	5,419,716	4,071
Lease right-of-use asset	68,521	83,305	151,826	-
Subscription right-of-use asset	280,366	-	280,366	-
Infrastructure	28,772,038	50,649,486	79,421,524	-
Total assets	<u>73,343,074</u>	<u>76,601,401</u>	<u>149,944,475</u>	<u>19,133,927</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources	2,933,331	454,944	3,388,275	64,385
Total deferred outflows of resources	<u>2,933,331</u>	<u>454,944</u>	<u>3,388,275</u>	<u>64,385</u>
<b>Liabilities</b>				
Accounts and retainages payable	2,467,030	585,625	3,052,655	19,251
Accrued interest payable	47,158	98,127	145,285	-
Other accrued liabilities	327,263	67,299	394,562	5,334
Customer deposits payable	24,510	404,750	429,260	2,200
Unearned revenue	2,468,015	-	2,468,015	-
Noncurrent liabilities:				
Due within one year	1,538,502	1,483,753	3,022,255	26,856
Due in more than one year	14,853,441	20,716,374	35,569,815	119,373
Total liabilities	<u>21,725,919</u>	<u>23,355,928</u>	<u>45,081,847</u>	<u>173,014</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources	286,211	51,063	337,274	5,940
Total deferred inflows of resources	<u>286,211</u>	<u>51,063</u>	<u>337,274</u>	<u>5,940</u>
<b>Net Position</b>				
Net investment in capital assets	38,253,910	37,629,389	75,883,299	2,071,967
Restricted for:				
Debt service	71,851	-	71,851	-
Capital projects	1,333,124	-	1,333,124	-
Economic development	2,313,423	-	2,313,423	-
Court	147,396	-	147,396	-
Public safety	48,105	-	48,105	-
Public access facilities	478,944	-	478,944	-
Unrestricted	<u>11,617,522</u>	<u>16,019,965</u>	<u>27,637,487</u>	<u>16,947,391</u>
Total net position	<u>\$ 54,264,275</u>	<u>53,649,354</u>	<u>107,913,629</u>	<u>19,019,358</u>

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Statement of Activities**  
For the Fiscal Year Ended  
September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,869,141	131,931	-	-
Public safety	11,205,902	358,377	999,550	-
Highways and streets	3,796,008	-	-	4,028,640
Planning	938,176	503,990	-	-
Culture and recreation	2,988,778	110,876	15,337	4,000
Solid waste	1,825,819	2,474,690	-	-
Economic development	1,087,562	-	958,226	335,731
Maintenance	522,999	304,763	-	-
Interest and other fiscal charges	267,813	-	-	-
Total governmental activities	<u>25,502,198</u>	<u>3,884,627</u>	<u>1,973,113</u>	<u>4,368,371</u>
Business-type activities:				
Water and sewer	10,612,384	12,445,945	-	1,812,803
Drainage	611,816	571,739	-	269,555
Total business-type activities	<u>11,224,200</u>	<u>13,017,684</u>	<u>-</u>	<u>2,082,358</u>
Total primary government	\$ <u>36,726,398</u>	<u>16,902,311</u>	<u>1,973,113</u>	<u>6,450,729</u>
<b>Component unit:</b>				
Belton Economic Development Corporation, Inc.				
Development Corporation, Inc.	\$ 699,080	61,296	-	-
Total component unit	<u>\$ 699,080</u>	<u>61,296</u>	<u>-</u>	<u>-</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel/motel taxes				
Alcoholic beverage taxes				
Unrestricted investment earnings				
Miscellaneous				
Gain on sale of assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

See accompanying notes to financial statements.

Net Revenues (Expenses) and  
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Belton Economic Development Corporation, Inc.
(2,737,210)		(2,737,210)	
(9,847,975)		(9,847,975)	
232,632		232,632	
(434,186)		(434,186)	
(2,858,565)		(2,858,565)	
648,871		648,871	
206,395		206,395	
(218,236)		(218,236)	
(267,813)		(267,813)	
(15,276,087)		(15,276,087)	
-	3,646,364	3,646,364	
-	229,478	229,478	
-	3,875,842	3,875,842	
(15,276,087)	3,875,842	(11,400,245)	
			(637,784)
			(637,784)
\$ 10,796,469	-	10,796,469	-
6,128,828	-	6,128,828	3,063,954
1,350,128	-	1,350,128	-
350,072	-	350,072	-
72,535	-	72,535	-
1,263,192	796,196	2,059,388	686,223
687,360	-	687,360	-
11,250	5,700	16,950	1,110,697
1,036,730	(1,036,730)	-	-
21,696,564	(234,834)	21,461,730	4,860,874
6,420,477	3,641,008	10,061,485	4,223,090
47,843,798	50,008,346	97,852,144	14,796,268
\$ 54,264,275	53,649,354	107,913,629	19,019,358

**City of Belton, Texas**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2023**

	General	Debt Service	TIRZ Capital Projects	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 8,387,968	25,022	1,625,315	2,911,005	8,508,363	21,457,673
Receivables (net of allowance for uncollectibles)	2,061,586	46,829	-	-	78,536	2,186,951
Due from other governments	374,944	-	750,000	-	72,787	1,197,731
Prepaid items	62,272	-	-	-	9,560	71,832
Total assets	\$ 10,886,770	71,851	2,375,315	2,911,005	8,669,246	24,914,187
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts and retainages payable	\$ 607,546	-	1,042,191	226,920	527,414	2,404,071
Accrued liabilities	315,876	-	-	-	-	315,876
Customer deposits payable	24,510	-	-	-	-	24,510
Unearned revenue	6,464	-	-	2,405,976	55,575	2,468,015
Total liabilities	954,396	-	1,042,191	2,632,896	582,989	5,212,472
<b>Deferred inflows of resources:</b>						
Unavailable revenue	302,190	45,135	-	-	-	347,325
Total deferred inflows of resources	302,190	45,135	-	-	-	347,325
<b>Fund balances:</b>						
Nonspendable	62,272	-	-	-	9,560	71,832
Restricted	-	26,716	1,333,124	278,109	2,709,579	4,347,528
Committed	-	-	-	-	6,907	6,907
Assigned	872,000	-	-	-	5,360,211	6,232,211
Unassigned	8,695,912	-	-	-	-	8,695,912
Total fund balances	9,630,184	26,716	1,333,124	278,109	8,086,257	19,354,390
Total liabilities, deferred inflows of resources and fund balances	\$ 10,886,770	71,851	2,375,315	2,911,005	8,669,246	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds						47,401,833
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.						328,686
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.						664,566
Long-term liabilities, including bonds payable and the net pension and total OPEB liabilities, are not due and payable in the current period, and therefore, are not reported in the funds.						(13,485,200)
Net position of governmental activities						\$ 54,264,275

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Governmental Funds**  
For the Fiscal Year Ended  
September 30, 2023

	General	Debt Service	TIRZ Capital Projects	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
<b>Taxes:</b>						
Ad valorem	\$ 7,768,792	1,178,278	-	-	1,769,884	10,716,954
Sales	6,128,828	-	-	-	-	6,128,828
Franchise	1,321,668	-	-	-	28,460	1,350,128
Hotel/motel	-	-	-	-	350,072	350,072
Alcoholic beverage	72,535	-	-	-	-	72,535
Licenses and permits	503,990	-	-	-	-	503,990
Intergovernmental	836,852	-	750,000	2,580,500	1,451,026	5,618,378
Charges for services	2,654,422	-	-	-	-	2,654,422
Fines	350,592	-	-	-	36,481	387,073
Interest	481,624	31,119	127,013	256,831	353,316	1,249,903
Contributions and donations	-	-	-	-	24,966	24,966
Payments in lieu of taxes	11,887	-	-	-	-	11,887
Miscellaneous	266,555	-	-	-	176,084	442,639
Total revenues	<u>20,397,745</u>	<u>1,209,397</u>	<u>877,013</u>	<u>2,837,331</u>	<u>4,190,289</u>	<u>29,511,775</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	2,520,735	-	-	-	183,976	2,704,711
Public safety	9,603,015	-	-	-	165,931	9,768,946
Highways and streets	834,686	-	-	942,232	-	1,776,918
Planning	909,889	-	-	-	-	909,889
Culture and recreation	1,992,810	-	-	-	154,020	2,146,830
Solid waste	1,800,557	-	-	-	-	1,800,557
Economic development	-	-	-	616,626	470,936	1,087,562
Maintenance services	494,370	-	-	-	-	494,370
<b>Debt service:</b>						
Principal	82,518	875,387	-	-	255,000	1,212,905
Interest and fiscal charges	2,685	318,835	-	-	10,270	331,790
Capital outlay	313,255	-	6,324,642	79,722	1,498,466	8,216,085
Total expenditures	<u>18,554,520</u>	<u>1,194,222</u>	<u>6,324,642</u>	<u>1,638,580</u>	<u>2,738,599</u>	<u>30,450,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,843,225</u>	<u>15,175</u>	<u>(5,447,629)</u>	<u>1,198,751</u>	<u>1,451,690</u>	<u>(938,788)</u>
<b>Other financing sources (uses):</b>						
Insurance proceeds	24,071	-	-	-	214,956	239,027
Issuance of leases	77,571	-	-	-	-	77,571
Issuance of subscriptions	88,628	-	-	-	-	88,628
Proceeds from the sale of capital assets	884	-	-	-	11,250	12,134
Transfers in	2,046,790	-	2,200,000	-	2,160,120	6,406,910
Transfers out	<u>(2,155,320)</u>	<u>-</u>	<u>-</u>	<u>(941,920)</u>	<u>(2,270,820)</u>	<u>(5,368,060)</u>
Total other financing sources (uses)	<u>82,624</u>	<u>-</u>	<u>2,200,000</u>	<u>(941,920)</u>	<u>115,506</u>	<u>1,456,210</u>
Net change in fund balances	1,925,849	15,175	(3,247,629)	256,831	1,567,196	517,422
Fund balances, beginning of year	<u>7,704,335</u>	<u>11,541</u>	<u>4,580,753</u>	<u>21,278</u>	<u>6,519,061</u>	<u>18,836,968</u>
Fund balances, end of year	<u>\$ 9,630,184</u>	<u>26,716</u>	<u>1,333,124</u>	<u>278,109</u>	<u>8,086,257</u>	<u>19,354,390</u>

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
For the Fiscal Year Ended  
September 30, 2023

Net change in fund balances - total governmental funds	\$ 517,422
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 as depreciation expense. This is the amount by which capital outlays (\$8,216,085) exceeds depreciation expense (\$3,635,558) in the current period.	4,580,527
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, etc.) is to increase net position. This is capital assets contributed (\$698,140) less the net book value of capital assets sold (\$0) in the current period.	698,140
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	77,024
Internal service funds are used by management to charge the costs of certain services to individual funds. The change in net position of internal service funds is reported with governmental activities.	304,763
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. This amount is the net effect of change in the net pension liability and the related deferred outflows and inflows of resources (\$400,306), less the net effect of change in the total OPEB liability and the related deferred outflows and inflows of resources (\$18,988) less the change in accrued interest payable (\$1,732) plus the change in compensated absences (\$453,105).	(870,667)
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which principal repayments and bond premium amortization (\$1,279,467) exceeds increases in long-term debt (\$166,199) in the current year.	<u>1,113,268</u>
Change in net position of governmental activities	<u>\$ 6,420,477</u>

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Statement of Net Position –**  
**Proprietary Funds**  
**September 30, 2023**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Drainage	Total	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 16,597,440	1,262,408	17,859,848	583,214
Receivables (net of allowance for uncollectibles)	1,531,868	62,894	1,594,762	-
Prepaid items	82,157	-	82,157	95,051
Total current assets	<u>18,211,465</u>	<u>1,325,302</u>	<u>19,536,767</u>	<u>678,265</u>
Noncurrent assets:				
Capital assets:				
Land	285,045	130	285,175	-
Buildings	4,785,262	-	4,785,262	-
Infrastructure	85,351,916	6,139,253	91,491,169	-
Machinery and equipment	4,102,539	319,123	4,421,662	231,370
Lease right-of-use asset	106,115	-	106,115	-
Subscription right-of-use assets	-	-	-	237,360
Construction in progress	499,311	-	499,311	-
	<u>95,130,188</u>	<u>6,458,506</u>	<u>101,588,694</u>	<u>468,730</u>
Less accumulated depreciation/amortization	<u>(42,241,221)</u>	<u>(2,282,839)</u>	<u>(44,524,060)</u>	<u>(119,941)</u>
Total capital assets, net	<u>52,888,967</u>	<u>4,175,667</u>	<u>57,064,634</u>	<u>348,789</u>
Total noncurrent assets	<u>52,888,967</u>	<u>4,175,667</u>	<u>57,064,634</u>	<u>348,789</u>
Total assets	<u>71,100,432</u>	<u>5,500,969</u>	<u>76,601,401</u>	<u>1,027,054</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources	<u>412,938</u>	<u>42,006</u>	<u>454,944</u>	<u>128,776</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts and retainages payable	582,175	3,450	585,625	62,959
Accrued interest payable	97,361	766	98,127	-
Other accrued liabilities	63,689	3,610	67,299	11,387
Customer deposits payable	404,750	-	404,750	-
Lease liability - current	10,701	-	10,701	-
Subscription liabilities - current	-	-	-	83,818
Compensated absences - current	82,983	4,169	87,152	10,144
Bonds payable - current	1,365,800	20,100	1,385,900	-
Total current liabilities	<u>2,607,459</u>	<u>32,095</u>	<u>2,639,554</u>	<u>168,308</u>
Noncurrent liabilities:				
Lease liability	75,629	-	75,629	-
Subscription liabilities	-	-	-	69,738
Compensated absences	39,961	4,227	44,188	12,802
Net pension liability	679,497	68,502	747,999	214,250
Total OPEB liability	61,483	7,486	68,969	14,516
Bonds payable	19,689,977	89,612	19,779,589	-
Total noncurrent liabilities	<u>20,546,547</u>	<u>169,827</u>	<u>20,716,374</u>	<u>311,306</u>
Total liabilities	<u>23,154,006</u>	<u>201,922</u>	<u>23,355,928</u>	<u>479,614</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources	<u>45,722</u>	<u>5,341</u>	<u>51,063</u>	<u>11,650</u>
<b>Net Position</b>				
Net investment in capital assets	33,563,434	4,065,955	37,629,389	195,233
Unrestricted	<u>14,750,208</u>	<u>1,269,757</u>	<u>16,019,965</u>	<u>469,333</u>
Total net position	<u>\$ 48,313,642</u>	<u>5,335,712</u>	<u>53,649,354</u>	<u>664,566</u>

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Statement of Revenues, Expenses, and Changes in Net Position –**  
**Proprietary Funds**  
For the Fiscal Year Ended  
September 30, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Drainage	Total	Internal Service Funds
Operating revenues:				
Charges for sales and services:				
Water service	\$ 5,720,282	-	5,720,282	-
Sewer service	5,494,435	-	5,494,435	-
Internal services	-	-	-	1,591,890
Storm drainage fees	-	571,739	571,739	-
Reconnect and late fees	132,160	-	132,160	-
Tap fees	425,986	-	425,986	-
Intergovernmental revenue	275,000	-	275,000	-
Other operating revenue	398,082	-	398,082	-
Total operating revenues	<u>12,445,945</u>	<u>571,739</u>	<u>13,017,684</u>	<u>1,591,890</u>
Operating expenses:				
Salaries and wages	1,372,463	139,955	1,512,418	433,726
Employee benefits	445,886	51,842	497,728	161,039
Supplies	175,049	17,283	192,332	125,737
Repairs and maintenance	249,211	39,582	288,793	381,545
Water, sewage treatment, and other charges	3,790,017	28,593	3,818,610	111,634
Depreciation and amortization	4,040,572	329,291	4,369,863	70,480
Other operating expenses	-	-	-	9,818
Total operating expenses	<u>10,073,198</u>	<u>606,546</u>	<u>10,679,744</u>	<u>1,293,979</u>
Operating income (loss)	<u>2,372,747</u>	<u>(34,807)</u>	<u>2,337,940</u>	<u>297,911</u>
Nonoperating revenues (expenses):				
Gain on sale of capital assets	5,700	-	5,700	-
Interest earnings	741,720	54,476	796,196	13,289
Interest expense	(539,186)	(5,270)	(544,456)	(4,317)
Total nonoperating revenues (expenses)	<u>208,234</u>	<u>49,206</u>	<u>257,440</u>	<u>8,972</u>
Income (loss) before contributions and transfers	2,580,981	14,399	2,595,380	306,883
Capital contributions	1,812,803	269,555	2,082,358	-
Transfers in	90,640	2,500	93,140	6,340
Transfers out	<u>(1,029,320)</u>	<u>(100,550)</u>	<u>(1,129,870)</u>	<u>(8,460)</u>
Change in net position	3,455,104	185,904	3,641,008	304,763
Total net position, beginning of year	<u>44,858,538</u>	<u>5,149,808</u>	<u>50,008,346</u>	<u>359,803</u>
Total net position, end of year	<u>\$ 48,313,642</u>	<u>5,335,712</u>	<u>53,649,354</u>	<u>664,566</u>

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Statement of Cash Flows –**  
**Proprietary Funds**  
**For the Fiscal Year Ended**  
**September 30, 2023**

	Business-type Activities - Enterprise Funds			Governmental
	Water and	Drainage	Total	Internal
	Sewer			Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 12,092,167	566,582	12,658,749	\$ 1,591,890
Payments to suppliers	(5,280,550)	(146,298)	(5,426,848)	(715,722)
Payments to employees	(1,350,097)	(136,199)	(1,486,296)	(441,039)
Net cash provided by operating activities	<u>5,461,520</u>	<u>284,085</u>	<u>5,745,605</u>	<u>435,129</u>
Cash flows from noncapital financing activities:				
Transfer to other funds	(938,680)	(98,050)	(1,036,730)	(2,120)
Net cash used in noncapital financing activities	<u>(938,680)</u>	<u>(98,050)</u>	<u>(1,036,730)</u>	<u>(2,120)</u>
Cash flows from capital and related financing activities:				
Purchases and construction of capital assets	(3,031,670)	(28,596)	(3,060,266)	(54,814)
Principal and interest payments on lease	(11,836)	-	(11,836)	-
Principal and interest payments on subscriptions	-	-	-	(88,121)
Proceeds from the sale of assets	5,700	-	5,700	-
Principal paid on debt	(1,330,350)	(19,263)	(1,349,613)	-
Interest paid on debt	(626,469)	(5,405)	(631,874)	-
Net cash used in capital and related financing activities	<u>(4,994,625)</u>	<u>(53,264)</u>	<u>(5,047,889)</u>	<u>(142,935)</u>
Cash flows from investing activities:				
Interest received	741,720	54,476	796,196	13,289
Net cash provided by investing activities	<u>741,720</u>	<u>54,476</u>	<u>796,196</u>	<u>13,289</u>
Net increase in cash and cash equivalents	269,935	187,247	457,182	303,363
Cash and cash equivalents, beginning of year	<u>16,327,505</u>	<u>1,075,161</u>	<u>17,402,666</u>	<u>279,851</u>
Cash and cash equivalents, end of year	<u>\$ 16,597,440</u>	<u>1,262,408</u>	<u>17,859,848</u>	<u>583,214</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 2,372,747	(34,807)	2,337,940	297,911
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	4,040,572	329,291	4,369,863	70,480
Increase in receivables	(353,778)	(5,157)	(358,935)	-
Decrease (increase) in prepaid items	(73,136)	-	(73,136)	446
Increase (decrease) in accounts and retainages payable	(595,535)	(3,008)	(598,543)	32,766
Increase in other accrued liabilities	12,067	673	12,740	3,744
Increase in customer deposits payable	40,125	-	40,125	-
Increase in compensated absences	22,366	3,756	26,122	7,313
Increase (decrease) in net pension liability and pension-related deferred outflows and inflows of resources	(7,528)	(7,104)	(14,632)	21,615
Increase in total OPEB liability and OPEB-related deferred outflows of resources	3,620	441	4,061	854
Total adjustments	<u>3,088,773</u>	<u>318,892</u>	<u>3,407,665</u>	<u>137,218</u>
Net cash provided by operating activities	<u>\$ 5,461,520</u>	<u>284,085</u>	<u>5,745,605</u>	<u>435,129</u>
<b>Noncash capital and related financing activities:</b>				
Contributions of capital assets	\$ 1,812,803	269,555	2,082,358	-
Acquisition of right-of-use asset	\$ -	-	-	237,360

See accompanying notes to financial statements.



**City of Belton, Texas**  
**Notes to Financial Statements**

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## City of Belton, Texas

### Notes to Financial Statements

September 30, 2023

#### I. Summary of Significant Accounting Policies

##### A. Reporting Entity

The City of Belton, Texas (the “City”) was founded in 1850 and chartered in January of 1852 under provisions of the Constitution of the State of Texas. The City operates under a home rule charter which was first approved by the electorate on August 20, 1951. Subsequent revisions to the charter occurred in 1990, 2005, and 2020. The charter provides for the Council-Manager form of government for the City. The Council is the legislative and governing body of the City and has control of all the City finances, property, functions, services, affairs and programs, subject to the terms and provisions of the City Charter. The City Manager is the chief executive and administrative officer of the City and is responsible to the Council for the proper administration of all the affairs and business of the City. As authorized by its charter, the City provides the following services: public safety (police and fire), highways and streets, sanitation and health, public improvements, planning and zoning, recreation, general administrative services, and water, sewer, and drainage utilities.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The City did not have any blended component units. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

*Discretely presented component unit* - The Belton Economic Development Corporation, Inc. (the “Development Corporation”) is a governmental nonprofit corporation organized for the purpose of promoting, assisting, and enhancing economic development activities of the City of Belton, Texas. The City Council appoints a governing body that is not substantively the same as the governing body of the primary government. Budgets of the Development Corporation and debt to be incurred must be approved by the Council.

Financial statements for the Development Corporation may be obtained from the finance department of the City.

##### B. Government-Wide and Fund 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 activities of the primary government and its component unit. Governmental activities, which normally are

## City of Belton, Texas

### Notes to Financial Statements (Continued)

#### I. Summary of Significant Accounting Policies (continued)

##### B. Government-Wide and Fund Financial Statements (continued)

supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

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

City of Belton, Texas

Notes to Financial Statements  
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *TIRZ Capital Projects Fund* accounts for capital projects in the City's tax increment and reinvestment zones. Financing is provided by transfer of funds from the TIRZ special revenue fund.

The *American Rescue Plan Grant Fund* accounts for the resources received from the American Rescue Plan Act of 2021 to respond to and recover from the COVID-19 public health emergency.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.

The *Drainage Fund* accounts for operations related to providing storm drainage service to the citizens of Belton. All activities necessary to provide such services are accounted for in this fund including, but not limited to, operations, maintenance, financing and related debt service, billing, and collection.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**I. Summary of Significant Accounting Policies** (continued)

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

Additionally, the City reports the following major fund type:

The *Internal Service Funds* account for information technology and building maintenance services provided to other departments of the government on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

D. Budgets and Budgetary Accounting

The City's procedures in establishing the budgetary data reflected in the financial statements are as follows.

Between thirty and ninety days prior to the beginning of each fiscal year, the City Manager submits a proposed budget to the City Council. The operating budget includes proposed expenditures and the means of financing them.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**I. Summary of Significant Accounting Policies** (continued)

**D. Budgets and Budgetary Accounting** (continued)

Public hearings are held on the proposed budget and on the revised budget, if applicable. Prior to September 27, but no sooner than five days after the final public hearing, the budget is legally enacted through passage of an ordinance. If not accepted and formally approved by the City Council before September 27, the budget as submitted by the City Manager is automatically adopted.

The City Manager is authorized to transfer budgeted amounts within departments within any fund and with Council authorization, between departments within any fund during the last three months of the fiscal year. Any revisions that alter the total expenditures of any fund must be approved by the City Council. Supplemental appropriations during the year were not significant.

A provision is made in the annual budget of the General Fund for a contingent appropriation not to exceed three percent of the total General Fund expenditures to be used in the case of unforeseen expenditures. This contingency is under the control of the City Manager and distributed by him. Disbursements of this appropriation are transferred to the department incurring the expenditure.

Annual budgets are legally adopted for the General Fund, the Hotel/Motel Tax Special Revenue Fund, the Debt Service Fund, the TIRZ Special Revenue Fund, the Water and Sewer Fund, the Drainage Fund as well as the Information Technology and Building Maintenance Internal Service Funds. Certain differences exist between the basis of accounting used for budgetary purposes and that used for financial reporting in accordance with generally accepted accounting principles (“GAAP”). Budgets are not prepared for capital project funds because all significant expenditures are based on fixed-bid contracts, which are controlled by management in the initial project planning stages.

Budget appropriations lapse at year-end and do not carry forward to future periods. The reported budgetary data has been revised for amendments authorized during the year. The level of control (level at which expenditures may not exceed budget) is the division level of each fund.

The City prepares its annual appropriated budgets on a budgetary basis which differs from the GAAP basis. The budget and all transactions of the General Fund are presented in accordance with the City’s budgetary basis in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary Basis to provide a meaningful comparison of actual results with the budget. The major difference between the budgetary basis and the GAAP basis is that revenues, expenditures and other financing sources (uses) of certain activities are not budgeted.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**I. Summary of Significant Accounting Policies** (continued)

**D. Budgets and Budgetary Accounting** (continued)

Adjustments necessary to convert the net change in fund balance on the budgetary basis to a GAAP basis for the General Fund are provided below:

Net change in fund balance - budgetary basis	\$ 1,732,148
Activities not included in the General Fund budget	<u>193,701</u>
Net change in fund balance - GAAP basis	<u>\$ 1,925,849</u>

**E. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances do not constitute expenditures or liabilities because the commitments lapse at year-end and must be budgeted in the following year. At year-end, the amounts of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Nonmajor governmental funds	\$ 3,935,889
Water and sewer fund	<u>1,090,655</u>
Total primary government	<u>\$ 5,026,544</u>

**F. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand and time deposits, external investment pools and deposits in the City's internal cash and investment pool.

State statutes and the City's investment policy authorize the City to invest in obligations of the United States and its agencies, certificates of deposit, and public funds investment pools.

Investments are reported at fair value. The City invests in public funds investment pools that were created to function as money market mutual funds within appropriate state laws and regulations. Each of these public funds investment pools seek to maintain a constant \$1.00 net asset value per share.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**I. Summary of Significant Accounting Policies** (continued)

**G. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to approximately 30 percent of outstanding property taxes at September 30, 2023.

**H. Inventory and Prepaid Items**

The City does not maintain any significant amount of supplies. Supplies are expensed when the purchase is made.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**I. Capital Assets**

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Effective October 1, 2021, capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of two years. Effective October 1, 2021, infrastructure assets are defined by the City as assets with an initial, individual cost of more than \$50,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

City of Belton, Texas

Notes to Financial Statements  
(Continued)

I. Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	4 – 50
Machinery and equipment	5 – 25
Infrastructure	10 – 30

J. 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.

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.

K. Net Position Flow Assumption

Sometimes the City 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 City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

L. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance).

City of Belton, Texas

Notes to Financial Statements  
(Continued)

I. Summary of Significant Accounting Policies (continued)

L. Fund Balance Flow Assumptions (continued)

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 City'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.

M. Pensions

For purposes of measuring the net pension asset or 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.

N. Postemployment Benefits Other than Pensions ("OPEB")

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan.

O. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave for employees other than those employed under the civil service statute, outlined in local government code chapter 143. Those employed under the rules of civil service may accumulate sick leave that is payable upon their separation from the City, up to the maximum prescribed under the statute. All vacation pay is accrued when incurred in the government-wide and

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**I. Summary of Significant Accounting Policies** (continued)

O. Compensated Absences (continued)

proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated vacation leave, which is expected to be liquidated with expendable available financial resources, is reported as a program expense and fund liability in the general fund. Amounts of accumulated vacation leave within the governmental funds that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability on the statement of net position. No expenditure is reported for these amounts in the fund financial statements. Accumulated vacation leave of proprietary fund types are recorded as an expense and liability of those funds as the benefits accrue to employees.

P. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Fund Balance

In the fund financial statements, governmental funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council (the City's highest level of decision-making authority)

**City of Belton, Texas**

**Notes to Financial Statements  
(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**Q. Fund Balance (continued)**

by adoption of an ordinance prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Through a provision in the City’s charter, the City Manager may assign fund balance. The City Council may also assign fund balance by ordinance. 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.

For the classification of governmental fund balances, the City considers expenditures to be made from the most restrictive first when more than one classification is available.

	<u>General</u>	<u>Debt Service</u>	<u>TIRZ Capital Projects</u>	<u>American Rescue Plan Grant</u>	<u>Other Funds</u>	<u>Totals</u>
Nonspendable:						
Prepaid items	\$ 62,272	-	-	-	9,560	71,832
Restricted for:						
Court technology and security	-	-	-	-	147,396	147,396
Public safety	-	-	-	-	48,105	48,105
Public access facilities	-	-	-	-	478,944	478,944
Debt service	-	26,716	-	-	-	26,716
Capital projects	-	-	1,333,124	-	-	1,333,124
Economic development	-	-	-	278,109	2,035,134	2,313,243
Committed for:						
Economic development	-	-	-	-	6,907	6,907
Assigned for:						
Civil service sick pay and appeals	872,000	-	-	-	-	872,000
Culture and recreation	-	-	-	-	547,735	547,735
Capital projects and equipment	-	-	-	-	4,812,476	4,812,476
Unassigned	<u>8,695,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,695,912</u>
	<u>\$ 9,630,184</u>	<u>26,716</u>	<u>1,333,124</u>	<u>278,109</u>	<u>8,086,257</u>	<u>19,354,390</u>

**R. Net Position**

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows and inflows of resources, and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

City of Belton, Texas

Notes to Financial Statements  
(Continued)

I. Summary of Significant Accounting Policies (continued)

R. Net Position (continued)

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

S. Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes a 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, “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$13,485,200 difference are as follows:

General obligation bonds	\$	8,526,338
Premium on general obligation bonds		335,537
Deferred charge on refunding		(50,228)
Compensated absences		2,142,189
Accrued interest payable		47,158
Lease liability		39,057
Subscription liability		44,624
Net pension liability		4,576,393
Total OPEB liability		322,537
Pension-related deferred outflows of resources		(2,659,895)
Pension-related deferred inflows of resources		72,708
OPEB-related deferred outflows of resources		(94,432)
OPEB-related deferred inflows of resources		183,214
	\$	<u>13,485,200</u>

T. Change in Accounting Principle

As of October 1, 2022, the City adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 96, *Subscription-based Information Technology Arrangements*. Accordingly, the City has recognized right-of-use subscription assets and subscription liabilities for agreements in the Internal Service Funds and at the government-wide financial statements for an agreement in the General Fund. Adoption of this standard enhances the relevant and consistency of information about the City’s subscription activities. There was no impact on beginning net position or fund balance upon implementation.

## City of Belton, Texas

### Notes to Financial Statements (Continued)

#### II. Deposits and Investments

Investments of the City at September 30, 2023, consist of investments in Texas Local Government Investment Pool (“TexPool”), Texas Local Government Investment Pool Prime (“TexPool Prime”), Texas Short-Term Asset Reserve Program (“TexSTAR”), TexSTAR Local Government Investment Cooperative (“LOGIC”), and Texas Cooperative Liquid Assets Securities System (“Texas CLASS”) of \$24,271,359, \$7,685,188, \$1,090,005, \$7,681,319, and \$13,830,916 respectively.

*Credit Risk:* For an investment, credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations. The Public Funds Investment Act (Government Code Chapter 2256) restricts the types of investments in which the City may invest. The City’s investment policy addresses credit quality by further restricting authorized investments to obligations of the United States and its agencies, and public funds investment pools rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The City’s investments in TexPool, TexPool Prime, TexSTAR, LOGIC, and Texas CLASS are rated AAAM by Standard & Poors.

*Interest Rate Risk:* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City will not invest in securities maturing more than two years from the date of purchase, and the composite portfolio will have a weighted average maturity of 365 days or less. The weighted average maturities of TexPool, TexPool Prime, TexSTAR, LOGIC, and Texas CLASS are 28, 46, 29, 39, and 49 days, respectively, as of September 30, 2023.

*Custodial Credit Risk:* The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. City policy requires all deposits to be fully secured in accordance with state law, by either surety bonds, letters of credit of the United States or its agencies and instrumentalities, or by eligible securities held by an independent third-party custodian. For an investment, custodial credit risk 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 investment or collateralized securities that are in the possession of an outside third party. The City’s investment policy requires that the purchase of investment securities be settled on a delivery basis and that ownership of all securities be perfected in the name of the City.

The City uses the following external public funds investment pools:

*TexPool and TexPool Prime:* The Texas Local Government Investment Pool (“TexPool”) and the Texas Local Government Investment Pool Prime (“TexPool Prime”) were created by an inter-local contract under the laws of the State of Texas and are governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexPool and TexPool Prime are governed by the Comptroller of

## City of Belton, Texas

### Notes to Financial Statements

(Continued)

#### II. Deposits and Investments (continued)

Public Accounts as public funds investments pools through the Texas Treasury Safekeeping Trust Company. The Comptroller is the sole officer, director, and shareholder of the Trust Company. The Comptroller and the Texas Treasury Safekeeping Trust Company have contracted with Federated Investors, Inc., as administrator and investment manager for the TexPool Portfolios. There are no maximum transaction amounts and withdrawals from TexPool and TexPool Prime may be made daily. TexPool and TexPool Prime use amortized cost rather than the fair value to report net position to compute share prices.

*TexSTAR:* The Texas Short-Term Asset Reserve Program (“TexSTAR”) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexStar’s governing body is a five-member Board of Directors consisting of representatives of three participants and one member designated by each of the co-administrators. JPMorgan Investment Management, Inc. (the investment manager) and First Southwest Company, LLC serve as co-administrators for TexSTAR. There are no maximum transaction amounts and withdrawals from TexStar may be made daily. TexSTAR uses amortized cost rather than the fair value to report net position to compute share prices.

*LOGIC:* The Local Government Investment Cooperative (“LOGIC”) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. LOGIC’s governing body is a five-member Board of Directors comprised of employees, officers or elected officials of participant government entities or individuals who do not have a business relationship with LOGIC and are qualified to advise it. A maximum of two advisory board members represent the co-administrators for LOGIC. JPMorgan Investment Management, Inc. (the investment manager) and First Southwest Company, LLC serve as co-administrators. There are no maximum transaction amounts and withdrawals from LOGIC may be made daily. LOGIC uses amortized cost rather than the fair value to report net position to compute share prices.

*Texas CLASS:* The Texas Cooperative Liquid Assets Securities System (“Texas CLASS”) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Texas CLASS’s governing body is a three-member Board of Trustees. Public Trust Advisors, LLC serve as the pool’s administrator and investment adviser. There are no maximum transaction amounts and withdrawals from Texas CLASS may be made daily. Texas CLASS uses amortized cost rather than the fair value to report net position to compute share prices.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**II. Deposits and Investments** (continued)

A reconciliation of deposits and investments as shown on the statement of net position:

Cash on hand	\$	26,240
Carrying amount of deposits		1,763,154
Carrying amount of investments		<u>54,558,787</u>
Total	\$	<u><u>56,348,181</u></u>
Per the statement of net position for the City:		
Cash and cash equivalents	\$	39,900,735
Per the statement of net position for the Belton Economic Development Corporation, Inc.:		
Cash and cash equivalents		<u>16,447,446</u>
Total	\$	<u><u>56,348,181</u></u>

**III. Receivables**

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Enterprise Funds		Nonmajor Governmental Funds	Total
			Water and Sewer	Drainage		
Receivables:						
Taxes	\$ 1,868,645	69,928	-	-	71,824	2,010,397
Water/sewer	-	-	1,724,954	-	-	1,724,954
Storm drainage	-	-	-	72,422	-	72,422
Other	487,772	-	-	-	6,712	494,484
	<u>2,356,417</u>	<u>69,928</u>	<u>1,724,954</u>	<u>72,422</u>	<u>78,536</u>	<u>4,302,257</u>
Less:						
Allowance for uncollectibles	294,831	23,099	193,086	9,528	-	520,544
	<u>2,061,586</u>	<u>46,829</u>	<u>1,531,868</u>	<u>62,894</u>	<u>78,536</u>	<u>3,781,713</u>

Included in other receivables for the General Fund is a lease receivable in the amount of \$18,907. The City entered into a lease agreement in September 2022 in which it leases building space to a corporation as part of an ambulance service contract. The lease has an imputed interest rate of 2.8% and an initial term of two years with monthly rent due of \$1,600 starting October 2022. For the year ended September 30, 2023, the total amount of lease revenue recognized was \$18,648.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**III. Receivables** (continued)

Future payment that are included in the measurement of the lease receivable as of September 30, 2023 are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ <u>18,907</u>	<u>293</u>

**IV. Property Taxes**

The City's property taxes are levied each October 1 on the assessed value listed as of the previous January 1 for all real and personal property located in the City. The assessed value for the tax roll of January 1, 2022, upon which the 2023 fiscal year levy was based, was \$1,869,200,496.

The tax rate for fiscal year 2023 was \$0.5850 per \$100 of assessed valuation at 100 percent of assumed market value. The City may levy a tax of up to \$1.90 per \$100 of assessed valuation.

Taxes were due January 31, 2023, at which time a lien attaches for unpaid taxes. Tax collections during the fiscal year ended September 30, 2023, for the tax year 2022 levy, were 98.3 percent of the total tax levy for that year.

Legislation has been passed by the Texas Legislature, which affects the method of property assessment and tax collection in the City. This legislation, with certain exceptions, exempts intangible personal property and household goods. In addition, this legislation creates a "property tax code" and provides, among other things, for the establishment of county appraisal districts and for a state property tax board.

The appraisal of property within the City is the responsibility of the county appraisal district. The appraisal district is required under the property tax code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. State law provides that the City Council sets the ad valorem tax rates on taxable property within the City. With some exceptions, if the adopted maintenance and operations tax rate (which excludes the tax rate necessary to service the debt obligations of the City) exceeds the no-new-revenue maintenance and operations tax rate by more than 3.5 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 3.5 percent above the no-new-revenue tax rate.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**V. Capital Assets**

Capital asset activity for the year ended September 30, 2023, was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b><i>Governmental activities:</i></b>				
Capital assets, not being depreciated:				
Land	\$ 4,799,921	786,521	-	5,586,442
Construction in progress	848,500	1,809,076	(848,501)	1,809,075
Total capital assets not being depreciated	<u>5,648,421</u>	<u>2,595,597</u>	<u>(848,501)</u>	<u>7,395,517</u>
Capital assets, being depreciated and amortized:				
Buildings	\$ 10,135,097	909,964	-	11,045,061
Improvements other than buildings	4,089,851	1,141,663	-	5,231,514
Machinery and equipment	8,934,144	1,312,985	(67,838)	10,179,291
Equipment - right-to-use lease asset	-	77,571	-	77,571
Software - right-to-use subscription assets	-	325,987	-	325,987
Infrastructure	50,311,427	3,691,134	-	54,002,561
Total capital assets, being depreciated and amortized	<u>73,470,519</u>	<u>7,459,304</u>	<u>(67,838)</u>	<u>80,861,985</u>
Less accumulated depreciation and amortization for:				
Buildings	(5,591,673)	(324,888)	-	(5,916,561)
Improvements other than buildings	(2,915,242)	(143,610)	-	(3,058,852)
Machinery and equipment	(5,575,661)	(738,450)	67,838	(6,246,273)
Equipment - right-to-use lease asset	-	(9,050)	-	(9,050)
Software - right-to-use subscription assets	-	(45,621)	-	(45,621)
Infrastructure	(22,786,104)	(2,444,419)	-	(25,230,523)
Total accumulated depreciation/ amortization	<u>(36,868,680)</u>	<u>(3,706,038)</u>	<u>67,838</u>	<u>(40,506,880)</u>
Total capital assets, being depreciated and amortized, net	<u>36,601,839</u>	<u>3,753,266</u>	<u>-</u>	<u>40,355,105</u>
	<u>\$ 42,250,260</u>	<u>6,348,863</u>	<u>(848,501)</u>	<u>47,750,622</u>

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**V. Capital Assets** (continued)

**Primary Government** (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i><b>Business-type activities:</b></i>				
Capital assets, not being depreciated:				
Land	285,175	-	-	285,175
Construction in progress	10,974,026	358,851	(10,833,566)	499,311
Total capital assets not being depreciated	<u>11,259,201</u>	<u>358,851</u>	<u>(10,833,566)</u>	<u>784,486</u>
Capital assets, being depreciated and amortized:				
Buildings	4,785,262	-	-	4,785,262
Machinery and equipment	4,184,946	252,637	(15,921)	4,421,662
Equipment - right-to-use lease assets	106,115	-	-	106,115
Infrastructure	76,126,466	15,364,703	-	91,491,169
Total capital assets being depreciated and amortized	<u>85,202,789</u>	<u>15,617,340</u>	<u>(15,921)</u>	<u>100,804,208</u>
Less accumulated depreciation and amortization for:				
Buildings	(502,527)	(222,076)	-	(724,603)
Machinery and equipment	(2,578,395)	(372,490)	15,921	(2,934,964)
Equipment - right-to-use lease assets	(10,909)	(11,901)	-	(22,810)
Infrastructure	(37,078,287)	(3,763,396)	-	(40,841,683)
Total accumulated depreciation/ amortization:	<u>(40,170,118)</u>	<u>(4,369,863)</u>	<u>15,921</u>	<u>(44,524,060)</u>
Total capital assets, being depreciated and amortized, net	<u>45,032,671</u>	<u>11,247,477</u>	<u>-</u>	<u>56,280,148</u>
	<u>\$ 56,291,872</u>	<u>11,606,328</u>	<u>(10,833,566)</u>	<u>57,064,634</u>

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

Governmental activities:	
General government	\$ 135,602
Public safety	687,774
Highways and streets, including depreciation	2,010,928
Planning	7,549
Culture and recreation	794,447
Solid waste	23,284
Maintenance	<u>46,454</u>
Total depreciation expense - governmental activities	<u>\$ 3,706,038</u>
Business-type activities:	
Water and sewer	\$ 4,040,572
Drainage	<u>329,291</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 4,369,863</u>

**City of Belton, Texas**  
**Notes to Financial Statements**  
(Continued)

**V. Capital Assets** (continued)

**Primary Government** (continued)

The City has active construction projects as of September 30, 2023. At year-end, the City's construction commitments for governmental activities are as follows:

<u>Project Title</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
13th Ave Sidewalks	\$ 79,063	250,937
N College St & 13th Ave Reconstruction	287,181	1,145,540
Standpipe Park	79,722	1,420,278
Southwest Parkway	1,363,109	544,498
	<u>\$ 1,809,075</u>	<u>3,361,253</u>

The projects will be financed with available resources.

At September 30, 2023, the City's construction commitments for business-type activities are as follows:

<u>Project Title</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Temple-Belton Wastewater Treatment Plant	\$ 149,835	333,985
Rockwool Water Line	105,950	254,440
Rockwool Sewer Line	105,950	2,034,230
Ave S Water Line	6,000	264,000
Standby Generator Project	38,690	351,310
HWY 190/FM 1670 Northeast Addition	3,900	215,100
Loop 121 Pump Station	88,986	55,585
Total	<u>\$ 499,311</u>	<u>3,508,650</u>

The projects will be financed with available resources.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**V. Capital Assets** (continued)

**Discretely Presented Component Unit**

Capital asset activity for the Development Corporation for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 906,896	-	(90,562)	816,334
Construction in progress	454,272	361,508	-	815,780
Total capital assets not being depreciated	1,361,168	361,508	(90,562)	1,632,114
Capital assets, being depreciated:				
Buildings	644,218	-	-	644,218
Machinery and equipment	6,577	-	-	6,577
Infrastructure	1,220,798	-	-	1,220,798
Total capital assets being depreciated	1,871,593	-	-	1,871,593
Less accumulated depreciation for:				
Buildings	(163,750)	(44,686)	-	(208,436)
Machinery and equipment	(1,566)	(940)	-	(2,506)
Infrastructure	(1,220,798)	-	-	(1,220,798)
Total accumulated depreciation	(1,386,114)	(45,626)	-	(1,431,740)
Total capital assets, being depreciated, net	485,479	(45,626)	-	439,853
	\$ 1,846,647	315,882	(90,562)	2,071,967

At September 30, 2023, the City's construction commitments for the discretely presented component unit are as follows:

Project Title	Expended to Date	Remaining Commitment
Mays Land Purchase	\$ 10,000	1,242,838
Avenue D Engineering	238,780	1,831,221
I-14 Water Line	115,970	384,030
I-14 Sewer Line	382,415	842,883
S. Pearl Reconstruction	68,615	1,231,384
Total	\$ 815,780	5,532,356

The projects will be financed with available resources.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VI. Long-Term Debt**

The City issues general obligation bonds and combination tax and revenue certificates of obligation to provide funds for the acquisition and construction of major capital facilities for both governmental and business-type activities. The amount of this debt that is reported in proprietary funds is that portion that directly relates to a given proprietary fund and that is expected to be repaid from the resources of a proprietary fund. Surplus water and sewer revenues are pledged for the combination tax and revenue certificates of obligation; however, the pledge is limited to only an amount not to exceed \$1,000.

The following is a summary of changes in long-term debt for the City for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 9,656,725	-	(1,130,387)	8,526,338	914,100
Premium	402,099	-	(66,562)	335,537	-
Lease liability	-	77,571	(38,514)	39,057	39,057
Subscription liabilities	-	325,987	(127,807)	198,180	128,442
Net pension liability	890,018	4,825,058	(924,433)	4,790,643	-
Total OPEB liability	474,260	73,428	(210,635)	337,053	-
Compensated absences	1,704,718	1,035,302	(574,885)	2,165,135	456,903
	<u>\$ 13,127,820</u>	<u>6,337,346</u>	<u>(3,073,223)</u>	<u>16,391,943</u>	<u>1,538,502</u>
Business-type activities:					
General obligation bonds	\$ 21,873,268	-	(1,349,613)	20,523,655	1,385,900
Premium	724,627	-	(82,793)	641,834	-
Lease liability	96,485	-	(10,155)	86,330	10,701
Net pension liability	182,120	747,679	(181,800)	747,999	-
Total OPEB liability	97,046	15,024	(43,101)	68,969	-
Compensated absences	105,218	101,593	(75,471)	131,340	87,152
	<u>\$ 23,078,764</u>	<u>864,296</u>	<u>(1,742,933)</u>	<u>22,200,127</u>	<u>1,483,753</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$153,556, \$214,250, \$14,516 and \$22,946 of internal service funds' subscription liability, net pension liability, total OPEB liability, and compensated absences, respectively, are included in the above governmental amounts. Pension and OPEB liabilities and compensated absences for governmental activities are generally liquidated by the General Fund.

***Bonds***

Bonds of the City's governmental activities at September 30, 2023, are comprised of the following:

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VI. Long-Term Debt** (continued)

\$4,500,000 Series 2005 general obligation bonds due in annual installments of \$140,000 to \$275,000 through 2025; interest at 3.54%	\$	290,000
\$1,485,000 Series 2008 combination tax and revenue certificates of obligation due in annual installments of \$59,400 to \$107,663 through 2028; interest at 4.19%		486,338
\$1,070,000 Series 2015 combination tax and revenue certificates of obligation due in annual installments of \$45,000 to \$65,000 through 2035; interest at 2.00%		700,000
\$2,270,000 Series 2017 general obligation refunding certificates of obligation due in annual installments of \$135,000 to \$175,000 through 2027; interest at 1.65%		690,000
\$2,185,000 Series 2018 combination tax and revenue certificates of obligation due in annual installments of \$25,000 to \$445,000 through 2030; interest at 5.00%		2,030,000
\$5,575,000 Series 2019 general obligation refunding bonds due in annual installments of \$45,000 to \$500,000 through 2033; interest at 4.00%		<u>4,330,000</u>
	\$	<u><u>8,526,338</u></u>

Annual debt service requirements for governmental activities to maturity are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 914,100	282,949
2025	947,812	250,759
2026	981,525	217,030
2027	1,015,238	184,186
2028	1,002,663	150,011
2029-2033	3,535,000	308,050
2034-2035	<u>130,000</u>	<u>5,850</u>
	<u><u>\$ 8,526,338</u></u>	<u><u>1,398,835</u></u>

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VI. Long-Term Debt** (continued)

Bonds of the City's business-type activities at September 30, 2023, are comprised of the following:

\$515,000 Series 2008 combination tax and revenue certificates of obligation due in annual installments of \$20,600 to \$37,337 through 2028; interest at 4.19%	\$ 168,655
\$8,595,000 Series 2015 combination tax and revenue certificates of obligation due in annual installments of \$345,000 to \$550,000 through 2035; interest at 2.00%	5,635,000
\$9,585,000 Series 2016 combination tax and revenue certificates of obligation due in annual installments of \$85,000 to \$665,000 through 2036; interest at 3.00%	8,215,000
\$1,350,000 Series 2017 general obligation refunding certificates of obligation due in annual installments of \$105,000 to \$170,000 through 2027; interest at 1.50%	435,000
\$6,295,000 Series 2022 combination tax and revenue certificates of obligation due in annual installments of \$225,000 to \$390,000 through 2042; interest at 2.00% to 4.00%	<u>6,070,000</u>
	<u>\$ 20,523,655</u>

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

Year Ended September 30,	Principal	Interest
2024	\$ 1,385,900	588,765
2025	1,427,188	549,780
2026	1,468,475	509,441
2027	1,509,762	463,539
2028	1,622,330	416,173
2029-2033	6,830,000	1,400,640
2034-2038	4,760,000	429,840
2039-2042	<u>1,520,000</u>	<u>80,571</u>
	<u>\$ 20,523,655</u>	<u>4,438,749</u>

The City's bond indentures contain restrictions concerning the maintenance of accounting records as well as reporting the results of the City's operations to specified major bond holders. The City is in compliance with all significant requirements and restrictions.

**City of Belton, Texas**  
**Notes to Financial Statements**  
(Continued)

**VI. Long-Term Debt** (continued)

***Leases***

The City entered into an operating lease for body cameras used by the Police Department beginning in February 2023. The lease has an imputed interest rate of 4.33% and a lease term of five years requiring two equal payments in April 2023 and February 2024. The lease is funded by the General Fund.

The City also leases space on a communication tower for its utility metering system under an operating lease agreement through 2030 funded by the Water and Sewer Fund. The lease has an imputed interest rate of 1.83% with a monthly payment term of \$984 in 2023. The lease contains a 3% annual rent escalator.

Future principal and interest requirements for the lease liabilities are as follows:

Governmental activities:

Year Ended September 30,	Principal	Interest
2024	\$ 39,057	710

Business-type activities:

Year Ended September 30,	Principal	Interest
2024	\$ 10,701	1,491
2025	11,267	1,290
2026	11,855	1,079
2027	12,465	857
2028	13,098	624
2029-2030	26,944	499
	\$ 86,330	5,840

***Subscription-Based Information Technology Arrangements (“SBITAs”)***

The City has entered into subscription-based information technology arrangements (“SBITAs”) for computer software subscriptions through 2027. The SBITAs have imputed interest rates ranging from 4.33% to 5.42%.

**City of Belton, Texas**

**Notes to Financial Statements  
(Continued)**

**VI. Long-Term Debt** (continued)

As of September 30, 2023, the principal and interest requirements for the SBITAs liability are as follows:

Governmental activities:

Year Ended September 30,	Principal	Interest
2024	\$ 128,442	6,968
2025	54,499	2,749
2026	7,423	702
2027	7,816	309
	<u>\$ 198,180</u>	<u>10,728</u>

**Discretely Presented Component Unit**

The following is a summary of changes in long-term debt of the Development Corporation for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	\$ 19,709	107,960	(20,651)	107,018	-
Total OPEB liability	10,502	1,627	(4,665)	7,464	-
Compensated absences	29,691	20,859	(18,803)	31,747	26,856
	<u>\$ 59,902</u>	<u>130,446</u>	<u>(44,119)</u>	<u>146,229</u>	<u>26,856</u>

**VII. Interfund Transfers**

Interfund transfers for 2023 are as follows:

	Transfers in						Total
	General	TIRZ Capital Projects	Other Nonmajor Governmental	Water and Sewer	Drainage	Internal Service	
Transfers out:							
General	\$ -	-	2,155,320	-	-	-	2,155,320
American Rescue Plan grant	900,000	-	4,800	28,280	2,500	6,340	941,920
Other nonmajor governmental	70,820	2,200,000	-	-	-	-	2,270,820
Water and sewer	1,029,320	-	-	-	-	-	1,029,320
Drainage	46,650	-	-	53,900	-	-	100,550
Internal service	-	-	-	8,460	-	-	8,460
	<u>\$ 2,046,790</u>	<u>2,200,000</u>	<u>2,160,120</u>	<u>90,640</u>	<u>2,500</u>	<u>6,340</u>	<u>6,506,390</u>

Transfers are used to: (1) move revenues from the fund responsible for collecting them to the fund responsible for expending them as required by statute or budget; and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VIII. Employee Benefits**

**Pension Plan**

*Plan Description* - The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (“TMRS”). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (“Annual Report”) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

*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 member’s benefit is calculated based on the sum of the member’s contributions with interest, and the City-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

*Employees Covered by Benefit Terms* – At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	96
Inactive employees entitled to but not yet receiving benefits	168
Active employees	<u>177</u>
	<u>441</u>

*Contributions* – Member contribution rates in TMRS are either 5%, 6%, or 7% of the member’s total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City’s contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VIII. Employee Benefits** (continued)

**Pension Plan** (continued)

Employees for the City were required to contribute 7.00% of their annual compensation during the fiscal year. The contribution rates for the City were 10.54% and 10.51% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$1,148,057 and were equal to the required contributions.

*Net Pension Liability* – The City's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions* – The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were 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 are 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 generation basis by Scale UMP to account for future mortality improvements subject to the floor.

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

City of Belton, Texas

Notes to Financial Statements  
(Continued)

VIII. Employee Benefits (continued)

**Pension Plan** (continued)

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 order to determine the best estimate of investment return under the various alternative asset allocation portfolios, the actuarial firm 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 2023 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Public Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	<u>10.0%</u>	11.80%
Total	<u><u>100.0%</u></u>	

*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 member 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 members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VIII. Employee Benefits** (continued)

**Pension Plan** (continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2021	\$ 30,608,686	29,516,839	1,091,847
Changes for the year:			
Service cost	1,537,638	-	1,537,638
Interest (on the Total Pension Liability)	2,076,522	-	2,076,522
Difference between expected and actual experience	617,172	-	617,172
Contributions - employer	-	1,089,423	(1,089,423)
Contributions - employee	-	738,235	(738,235)
Net investment income	-	(2,153,743)	2,153,743
Benefit payments, including refunds of employee contributions	(1,228,444)	(1,228,444)	-
Administrative expense	-	(18,645)	18,645
Other changes	-	22,249	(22,249)
Net changes	3,002,888	(1,550,925)	4,553,813
Balance at December 31, 2022	\$ 33,611,574	27,965,914	5,645,660

\$107,018 of the net pension liability of \$5,645,660 is the liability of the Development Corporation, the discretely presented component unit. Detailed information regarding the deferred outflows and inflows of resources related to pensions of the component unit can be found in Note IX.

*Sensitivity of the Net Pension Liability 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 one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	\$ 10,701,505	5,645,660	1,532,198

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VIII. Employee Benefits** (continued)

**Pension Plan** (continued)

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plan’s Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained on the internet at [www.tnrs.com](http://www.tnrs.com).

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2023, the City recognized pension expense of \$1,572,838 of which \$31,659 is the expense of the Development Corporation.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 490,050	89,696
Difference between projected and actual investment earnings, net	1,902,348	-
Difference in assumption changes	9,621	-
Contributions subsequent to the measurement date	<u>879,355</u>	<u>-</u>
Total	<u>\$ 3,281,374</u>	<u>89,696</u>

The \$879,355 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Year Ended December 31,</u>	
2023	\$ 265,893
2024	583,990
2025	633,214
2026	<u>829,226</u>
Total	<u>\$ 2,312,323</u>

City of Belton, Texas

Notes to Financial Statements  
(Continued)

VIII. Employee Benefits (continued)

**OPEB**

*Plan Description* – The City also participates in a defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (“SDBF”). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage by adopting an ordinance before November 1 of any year to be effective the following January 1. As the SDBF covers both active and retired members, with no segregation of assets, the SDBF does not meet the definition of a trust under paragraph 4 of Governmental Accounting Standards Board (“GASB”) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (i.e. no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan with benefit payments treated as being equal to the City’s yearly contributions for retirees.

*Benefits Provided* – 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). The death benefit for retirees is a fixed amount of \$7,500.

*Employees Covered by Benefit Terms* – At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	65
Inactive employees entitled to but not yet receiving benefits	35
Active employees	<u>177</u>
	<u>277</u>

*Contributions* – 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.

The City’s contributions to the SDBF for the year ended September 30, 2023 were \$35,755 and were equal to the required contributions.

*Total OPEB Liability* – The City’s total OPEB liability was measured as of December 31, 2022 and the total was determined by an actuarial valuation as of that date.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VIII. Employee Benefits** (continued)

**OPEB** (continued)

*Actuarial assumptions* – The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5%, including inflation
Discount rate	4.05% (based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2022)
Administrative expenses	All administrative expenses are paid through the TMRS Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. For disabled retirees, the 2019 Municipal Retirees of Texas Mortality Tables were used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. 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 used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

The changes in the total OPEB liability for the measurement period ending December 31, 2022 was as follows:

	<u>Total OPEB Liability</u>
Balance at December 31, 2021	\$ <u>581,808</u>
Changes for the year:	
Service cost	51,676
Interest on total OPEB liability	11,074
Differences between expected and actual experience	8,638
Changes in assumptions or other inputs	(228,109)
Benefit payments **	<u>(11,601)</u>
Net changes	<u>(168,322)</u>
Balance at December 31, 2022	\$ <u><u>413,486</u></u>

\*\* Due to the plan being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VIII. Employee Benefits** (continued)

**OPEB** (continued)

\$7,464 of the total OPEB liability of \$413,486 is the liability of the Development Corporation, the discretely presented component unit. Detailed information regarding the deferred outflows and inflows of resources related to OPEB of the component unit can be found in Note IX.

*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 4.05%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.05%) or once percentage point (5.05%) higher than the current rate.

	<u>1% Decrease (3.05%)</u>	<u>Current Rate Assumption (4.05%)</u>	<u>1% Increase (5.05%)</u>
City's total OPEB liability	\$ <u>499,567</u>	<u>413,486</u>	<u>347,835</u>

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$24,344 of which \$440 is the expense of the Development Corporation.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 90,766	199,163
Differences between expected and actual economic experience	-	35,716
Contributions subsequent to the measurement date	<u>30,292</u>	<u>-</u>
Total	\$ <u>121,058</u>	<u>234,879</u>

The \$30,292 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**City of Belton, Texas**

**Notes to Financial Statements  
(Continued)**

**VIII. Employee Benefits** (continued)

**OPEB** (continued)

Measurement Year Ended December 31,		
2023		\$ (20,416)
2024		(23,538)
2025		(20,644)
2026		(36,461)
2027		(39,811)
Thereafter		<u>(3,243)</u>
Total		\$ <u><u>(144,113)</u></u>

**IX. Deferred Outflows and Inflows of Resources**

The statements of financial position and the balance sheet include the following deferred outflows/inflows of resources at September 30, 2023:

	Statements of Net Position			Balance Sheet - Governmental Funds	
	Governmental Activities	Business-Type Activities	Belton Economic Development Corporation, Inc.	General Fund	Debt Service Fund
Deferred outflows of resources:					
Deferred charge on refunding Pension - post measurement date contributions	\$ 50,228	-	-	-	-
Pension - differences in assumption changes	746,179	116,507	16,669	-	-
Pension - differences between expected and actual experience	8,164	1,275	182	-	-
Pension - net differences between projected and actual earnings	415,834	64,927	9,289	-	-
OPEB - post measurement date contributions	1,614,244	252,044	36,060	-	-
OPEB - differences in assumption changes	24,693	5,052	547	-	-
	<u>73,989</u>	<u>15,139</u>	<u>1,638</u>	<u>-</u>	<u>-</u>
	\$ <u><u>2,933,331</u></u>	<u><u>454,944</u></u>	<u><u>64,385</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	\$ -	-	-	282,255	45,135
Unavailable revenue - fines	-	-	-	1,296	-
Unavailable revenue - leases	18,639	-	-	18,639	-
Pension - differences between expected and actual experience	76,112	11,884	1,700	-	-
OPEB - differences in assumption changes	162,347	33,221	3,595	-	-
OPEB - differences between expected and actual experience	29,113	5,958	645	-	-
	\$ <u><u>286,211</u></u>	<u><u>51,063</u></u>	<u><u>5,940</u></u>	<u><u>302,190</u></u>	<u><u>45,135</u></u>

## City of Belton, Texas

### Notes to Financial Statements (Continued)

#### **IX. Deferred Outflows and Inflows of Resources** (continued)

*Deferred Outflows of Resources.* The deferred charge on refunding, resulting from the difference in the carrying value of the refunded debt and its reacquisition price, is amortized as interest expense over the shorter of the life of the refunded or refunding debt. Post-measurement date contributions will be recognized as a reduction of the net pension liability and total OPEB liability in the following fiscal year. The changes in assumptions will be recognized in pension and OPEB expense over 3.79 and 6.09 years, respectively. The pension-related differences between expected and actual experience will be recognized in pension expense over 3.79 years. The pension-related difference between projected and actual earnings will be recognized in pension expense over five years.

*Deferred Inflows of Resources.* The governmental funds, under the modified accrual basis of accounting, report unavailable revenues from property taxes, ambulance services, fines, and leases, which is deferred and recognized as an inflow of resources in the period that the amounts become available. The difference between expected and actual experience will be recognized in pension and OPEB expense over 3.79 years and 6.09 years, respectively. The changes in assumptions will be recognized in OPEB expense over 6.09 years.

#### **X. Risk Management**

The City is a member of the Texas Municipal League's Intergovernmental Risk Pool (the "Pool"). The Pool was created for the purpose of providing coverage against risks, which are inherent in operating a political subdivision. The City pays annual premiums to the Pool for liability, property, and workers' compensation coverage. The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will provide through commercial companies' reinsurance contracts. The Pool agrees to handle all liability, property, and workers' compensation claims and provide any defense as is necessary. The Pool makes available to the City loss control services to assist the City in following a plan of loss control that may result in reduced losses. The City agrees that it will cooperate in instituting any and all reasonable loss control recommendations made by the Pool. The City also carries commercial insurance on all other risks of loss, including employee health and accident insurance.

The City has experienced no significant reductions in coverage through the Pool over the past year. There have been no insurance settlements exceeding Pool coverage for any of the past three years.

#### **XI. Commitments and Contingencies**

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

## City of Belton, Texas

### Notes to Financial Statements

(Continued)

#### **XI. Commitments and Contingencies** (continued)

The Development Corporation has entered into several economic development agreements with business that will provide financial incentives to the businesses based on specific capital investment, employment or other economic development measures. Commitments made under the agreements total approximately \$1.94 million.

The City has entered into a long-term agreement to purchase water from the Brazos River Authority (the “Authority”). The agreement requires the City to pay for a certain portion of the water rights, whether or not it actually withdraws the full amount of water to which it is entitled. The cost of the water may be adjusted each year based on changes in the consumer price index. Further, additional costs imposed on the Authority (by taxation or as a result of new regulations) may be passed through to the City. The agreement expires in 2042. The City's cost under the agreement for the year ended September 30, 2023 was \$37,400.

The City has entered into a long-term agreement to purchase water from Bell County Water Control and Improvement District No. 1 (the “District”). The District serves six civilian resale customers (cities and water districts) and the Fort Hood Military Reservation. Under the agreement, the City pays its proportionate share of fixed capital costs (debt service) and operating costs (purchasing, producing, treating and delivering water) of the District. Consequently, the price of the water will vary over the term of the agreement. In addition to capital and operating costs, the contract with the District requires the City to pay for water rights, both for water currently being used (election use water) and for rights to future water (option water). The cost of option water is paid whether or not the City actually withdraws the full amount of water to which it is entitled. The cost of both election use and option water may be adjusted annually each year based on changes in the consumer price index. The original agreement remained in effect until all bonds of the District were repaid, which occurred in 2018. The agreement has been extended through the evaluation of plant expansion and related debt repayment. Charges for water under the agreement for the year ended September 30, 2023 were \$1,672,030.

Also, the City entered into a tri-party agreement with the City of Temple, Texas (“Temple”) and the Authority, whereby the Authority operates and maintains a wastewater treatment plant for Temple and the City (currently known as the Temple Belton Regional Sewerage System). The City is charged an amount equal to a pro-rata portion of actual expenditures based on its percentage of flow through the plant. The plant is jointly owned by Temple and the City but a separate legal entity was not created. Consequently, Temple and the City each report their proportionate share of capital assets of the plant. The City's expense under the tri-party agreement for the year ended September 30, 2023 was \$874,913.

Finally, the City has entered into a Development Agreement with Belton Hwy 190/FM 1670 Northeast Partnership, Ltd. (“Partnership”) for the extension of certain water and sewer lines at or near the intersection of Interstate Highway 14 and Boxer Road. The City and Partnership

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**XI. Commitments and Contingencies** (continued)

will share the cost of design and construction. The total cost estimated for the project is \$260,000. Upon completion, the Partnership will provide an easement and reimburse the City up to \$57,500. The City's expense under this agreement for the year ended September 30, 2023 was \$0.

The City is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate outcome of these claims will not have a material adverse effect on the City's financial position.

**XII. Related Organizations**

The following entities are related organizations to which the City appoints board members but for which the City has no significant financial accountability: Central Texas Housing Consortium, Texas; Public Property Finance Corporation of Texas; and Texas Dormitory Finance Authority.

**XIII. Tax Abatements**

The City enters into ad valorem tax abatement agreements with businesses pursuant to its Tax Abatement Policy and Texas Tax Code Chapter 311, Texas Tax Code Chapter 312, Texas Local Government Code Chapter 380 and Section 52-a of the State Constitution of Texas. Under its policy, the City may grant ad valorem tax abatements up to 100% of a business' ad valorem tax bill for the purpose of the promotion of high quality commercial and industrial development in all parts of the City, and an ongoing improvement of the quality of life of its citizens.

For the fiscal year ended September 30, 2023, the City abated ad valorem taxes totaling \$9,087, as detailed below:

- A declining ad valorem tax abatement of 90% to 50% over a five-year period to USA Capitol, formerly CSC Group, LP, for the construction of a new facility. The fiscal year 2023 abatement amounted to \$-0-. The City may recapture the abated taxes should USA Capitol become delinquent in its payment to the City of any ad valorem taxes not abated or breach any other terms set form in the abatement agreement.
- A 70% ad valorem tax abatement on certain improvements to BELLTEC Industries for the construction of a new facility. The fiscal year 2023 abatement amounted to \$9,087. The City may recapture the abated taxes should BELLTEC Industries become delinquent in its payment to the City of any ad valorem taxes not abated or breach any other terms set form in the abatement agreement.

## City of Belton, Texas

### Notes to Financial Statements (Continued)

#### **XIII. Tax Abatements** (continued)

Incentive agreements may rebate a flat amount or percentage of property taxes or sales taxes that are received by the City or the Development Corporation. This may result in fee reductions such as utility charges or building inspection fees. Some agreements may take the form of one-time incentive payments to offset expenses.

- The Development Corporation will rebate one-half of its sales tax revenues generated from Glass Expanse for a five-year period upon completion of its facility located in Belton. For fiscal year 2023, the rebate amounted to \$-0-.

#### **XIV. Authoritative Pronouncements Not Yet Effective**

A summary of pronouncements issued by the Governmental Accounting Standards Board (“GASB”), which may impact the City but are not yet effective follows. The City has not yet determined the effects of the adoption of these pronouncements on the financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB 62 (Statement 100)* – The objective of Statement 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of Statement 100 are effective for financial statements for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences (Statement 101)* – The objective of Statement 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences through a unified recognition and measurement model and amendment of certain previously required disclosures. The provisions of Statement 101 are effective for financial statements for fiscal years beginning after December 15, 2023.

## **Required Supplementary Information**

**City of Belton, Texas**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances – Budget and Actual – Budgetary Basis**  
For the Fiscal Year Ended  
September 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Current ad valorem	\$ 7,834,360	7,624,360	7,644,478	20,118
Delinquent ad valorem	63,550	63,550	45,081	(18,469)
Penalty and interest	68,200	68,200	79,233	11,033
Total ad valorem	7,966,110	7,756,110	7,768,792	12,682
Sales	6,113,840	6,113,840	6,128,828	14,988
Franchise	1,209,020	1,209,020	1,321,668	112,648
Alcoholic beverage	46,760	46,760	72,535	25,775
Total taxes	15,335,730	15,125,730	15,291,823	166,093
Licenses and permits:				
Building	252,390	252,390	254,720	2,330
Electrical	72,690	72,690	78,534	5,844
Plumbing	83,490	83,490	80,467	(3,023)
Mechanical	29,450	29,450	44,491	15,041
Swimming pool	2,400	2,400	2,830	430
Rezoning fees	6,350	6,350	6,955	605
Subdivision fees	11,070	11,070	10,807	(263)
Technology fees	7,440	7,440	2,945	(4,495)
Miscellaneous	9,560	9,560	22,241	12,681
Total licenses and permits	474,840	474,840	503,990	29,150
Intergovernmental	337,610	835,610	863,576	27,966
Charges for services:				
Library	8,600	8,600	6,193	(2,407)
Ambulance	24,990	84,990	65,758	(19,232)
Parks and recreation	109,690	109,690	123,882	14,192
PPFC/TDFA Finance Fees	10,000	10,000	(10,000)	(20,000)
Sale of Effluent Water	217,110	217,110	291,523	74,413
Code Enforcement	17,580	17,580	880	(16,700)
Brush collection	226,310	226,310	224,345	(1,965)
Refuse collection	1,930,080	2,030,080	1,941,768	(88,312)
Total charges for services	2,544,360	2,704,360	2,644,349	(60,011)
Fines:				
Municipal court	195,080	195,080	241,862	46,782
Court fees	81,210	81,210	108,730	27,520
Total fines	276,290	276,290	350,592	74,302
Interest	8,500	488,500	474,707	(13,793)
Contributions and donations	-	-	-	-
Payments in lieu of taxes	11,030	11,030	11,887	857
Miscellaneous	56,030	56,030	54,003	(2,027)
Total revenues	19,044,390	19,972,390	20,194,927	222,537

**City of Belton, Texas**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances – Budget and Actual – Budgetary Basis**  
For the Fiscal Year Ended  
September 30, 2023  
(continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	
Expenditures:				
General government:				
City council	\$ 248,030	248,030	246,930	(1,100)
City administration	1,112,810	1,144,810	1,119,344	(25,466)
Finance	615,520	615,520	602,870	(12,650)
Human Resources	348,020	348,020	323,949	(24,071)
Legal	230,730	230,730	217,639	(13,091)
Total general government	<u>2,555,110</u>	<u>2,587,110</u>	<u>2,510,732</u>	<u>(76,378)</u>
Public safety:				
Police	6,071,780	6,519,680	6,342,320	(177,360)
Fire	3,475,740	3,520,740	3,471,849	(48,891)
Total public safety	<u>9,547,520</u>	<u>10,040,420</u>	<u>9,814,169</u>	<u>(226,251)</u>
Highways and streets	<u>1,919,660</u>	<u>934,660</u>	<u>834,686</u>	<u>(99,974)</u>
Planning	<u>926,600</u>	<u>1,053,600</u>	<u>909,889</u>	<u>(143,711)</u>
Culture and recreation:				
Parks	1,695,860	1,695,860	1,549,727	(146,133)
Library	481,440	461,440	464,192	2,752
Total culture and recreation	<u>2,177,300</u>	<u>2,157,300</u>	<u>2,013,919</u>	<u>(143,381)</u>
Solid waste	<u>1,798,940</u>	<u>1,900,640</u>	<u>1,800,556</u>	<u>(100,084)</u>
Maintenance services	<u>472,330</u>	<u>517,330</u>	<u>494,369</u>	<u>(22,961)</u>
Total expenditures	<u>19,397,460</u>	<u>19,191,060</u>	<u>18,378,320</u>	<u>(812,740)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(353,070)</u>	<u>781,330</u>	<u>1,816,607</u>	<u>1,035,277</u>
Other financing sources (uses):				
Insurance proceeds	-	-	24,071	24,071
Transfers in	2,243,030	2,243,030	2,243,030	-
Transfers out	<u>(1,386,560)</u>	<u>(2,354,660)</u>	<u>(2,351,560)</u>	<u>3,100</u>
Total other financing sources (uses)	<u>856,470</u>	<u>(111,630)</u>	<u>(84,459)</u>	<u>27,171</u>
Net change in fund balances	503,400	669,700	1,732,148	1,062,448
Fund balances, beginning of year	<u>7,582,826</u>	<u>7,582,826</u>	<u>7,582,826</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,086,226</u>	<u>8,252,526</u>	<u>9,314,974</u>	<u>1,062,448</u>

See accompanying independent auditor's report.

**City of Belton, Texas**  
**Schedule of Changes in Net Pension Liability and Related Ratios –**  
**Employees’ Pension Plan**  
Last Nine Measurement Dates

	December 31,			
	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 1,537,638	1,286,036	1,311,159	1,071,723
Interest (on the Total Pension Liability)	2,076,522	1,944,419	1,805,889	1,611,792
Change in benefit terms including substantively automatic status	-	-	1,156,532	-
Difference between expected and actual experience	617,172	(180,300)	127,208	47,913
Changes of assumptions	-	-	-	133,749
Benefit payments, including refunds of employee contributions	<u>(1,228,444)</u>	<u>(1,209,321)</u>	<u>(1,149,484)</u>	<u>(1,382,322)</u>
<b>Net change in Total Pension Liability</b>	3,002,888	1,840,834	3,251,304	1,482,855
<b>Total Pension Liability - beginning</b>	<u>30,608,686</u>	<u>28,767,852</u>	<u>25,516,548</u>	<u>24,033,693</u>
<b>Total Pension Liability - ending (a)</b>	<u>\$ 33,611,574</u>	<u>30,608,686</u>	<u>28,767,852</u>	<u>25,516,548</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 1,089,423	899,252	870,847	711,639
Contributions - employee	738,235	619,563	542,549	511,970
Net investment income	(2,153,743)	3,368,454	1,804,665	3,208,114
Benefit payments, including refunds of employee contributions	(1,228,444)	(1,209,321)	(1,149,484)	(1,382,322)
Administrative expense	(18,645)	(15,595)	(11,689)	(18,141)
Other	<u>22,249</u>	<u>107</u>	<u>(456)</u>	<u>(544)</u>
<b>Net change in Plan Fiduciary Net Position</b>	(1,550,925)	3,662,460	2,056,432	3,030,716
<b>Plan Fiduciary Net Position - beginning</b>	<u>29,516,839</u>	<u>25,854,379</u>	<u>23,797,947</u>	<u>20,767,231</u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<u>\$ 27,965,914</u>	<u>29,516,839</u>	<u>25,854,379</u>	<u>23,797,947</u>
<b>Net Pension Liability - ending (a) - (b)</b>	\$ 5,645,660	1,091,847	2,913,473	1,718,601
<b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>	83.20%	96.43%	89.87%	93.26%
<b>Covered-employee payroll</b>	\$ 10,546,211	8,850,904	9,042,479	8,532,827
<b>Net Pension Liability as a percentage of covered-employee payroll</b>	53.53%	12.34%	32.22%	20.14%

Note: The City adopted GASB Statement No. 68, *Accounting and Financial Reporting Reporting for Pensions*, effective October 1, 2014. Information for years prior to 2014 is not available.

See accompanying independent auditor’s report.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1,052,574	891,715	862,169	826,770	697,959
1,532,001	1,439,110	1,361,691	1,307,310	1,245,375
115,219	-	-	-	-
(191,864)	(90,945)	(111,361)	(80,818)	(172,175)
-	-	-	351,416	-
<u>(1,058,081)</u>	<u>(1,060,641)</u>	<u>(900,011)</u>	<u>(950,060)</u>	<u>(951,498)</u>
1,449,849	1,179,239	1,212,488	1,454,618	819,661
<u>22,583,844</u>	<u>21,404,605</u>	<u>20,192,117</u>	<u>18,737,499</u>	<u>17,917,838</u>
<u>24,033,693</u>	<u>22,583,844</u>	<u>21,404,605</u>	<u>20,192,117</u>	<u>18,737,499</u>
642,579	609,271	536,111	561,505	476,627
424,425	403,491	391,895	397,104	359,990
(641,418)	2,614,129	1,193,044	26,023	961,087
(1,058,081)	(1,060,641)	(900,011)	(950,060)	(951,498)
(12,396)	(13,547)	(13,474)	(15,851)	(10,034)
<u>(648)</u>	<u>(686)</u>	<u>(726)</u>	<u>(783)</u>	<u>(825)</u>
(645,539)	2,552,017	1,206,839	17,938	835,347
<u>21,412,770</u>	<u>18,860,753</u>	<u>17,653,914</u>	<u>17,635,976</u>	<u>16,800,629</u>
<u>20,767,231</u>	<u>21,412,770</u>	<u>18,860,753</u>	<u>17,653,914</u>	<u>17,635,976</u>
3,266,462	1,171,074	2,543,852	2,538,203	1,101,523
86.41%	94.81%	88.12%	87.43%	94.12%
8,488,498	8,069,816	7,837,901	7,942,074	7,199,806
38.48%	14.51%	32.46%	31.96%	15.30%

**City of Belton, Texas**  
**Schedule of Contributions –**  
**Employees’ Pension Plan**  
Fiscal Years Ended

	September 30,			
	2015	2016	2017	2018
Actuarially Determined Contributions	\$ 527,669	542,064	586,051	636,453
Contributions in relation to the actuarially determined contributions	<u>527,669</u>	<u>542,064</u>	<u>586,051</u>	<u>636,453</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 7,561,577	7,865,451	7,928,962	8,409,865
Contributions as a percentage of covered-employee payroll	7.0%	6.9%	7.4%	7.6%

See accompanying independent auditor’s report.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
704,034	812,119	906,268	1,077,406	1,148,057
<u>704,034</u>	<u>812,119</u>	<u>906,268</u>	<u>1,077,406</u>	<u>1,148,057</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,567,031	8,662,089	9,062,334	10,471,451	11,256,250
8.2%	9.4%	10.0%	10.3%	10.2%

**City of Belton, Texas**  
**Schedule of Contributions –**  
**Employees’ Pension Plan**  
(continued)

**Notes to Schedule of Contributions**

**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	23 years (longest amortization ladder)
Asset Valuation Method	10 year smoothed fair market value, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other information	There were no benefit changes during the year.

Note: The City of Belton adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective October 1, 2014. Information for years prior to 2015 is not available.



**City of Belton, Texas**  
**Schedule of Changes in Total OPEB Liability and Related Ratios –**  
**Employees’ OPEB Plan**  
**Last Six Measurement Dates**

	December 31,					
	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service cost	\$ 51,676	37,174	27,127	20,479	22,070	17,754
Interest (on the Total OPEB Liability)	11,074	11,199	13,130	13,809	12,587	12,161
Changes in benefit terms including TMRS plan participation	-	-	-	-	(10,688)	-
Differences between expected and actual experience	8,638	(20,591)	(30,445)	(4,216)	-	-
Changes in assumptions or other inputs	(228,109)	18,400	75,244	75,370	(27,421)	30,214
Benefit payments**	(11,601)	(11,506)	(3,617)	(3,413)	(4,244)	(3,228)
<b>Net change in Total OPEB Liability</b>	(168,322)	34,676	81,439	102,029	(7,696)	56,901
<b>Total OPEB Liability - beginning</b>	<u>581,808</u>	<u>547,132</u>	<u>465,693</u>	<u>363,664</u>	<u>371,360</u>	<u>314,459</u>
<b>Total OPEB Liability - ending (a)</b>	<u>\$ 413,486</u>	<u>581,808</u>	<u>547,132</u>	<u>465,693</u>	<u>363,664</u>	<u>371,360</u>
<b>Covered-employee payroll</b>	\$ 10,546,211	8,850,904	9,042,479	8,532,827	8,488,498	8,069,816
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	3.92%	6.57%	6.05%	5.46%	4.28%	4.60%

\*\* There are no assets accumulated in a trust for the OPEB plan to pay related benefits. Due to the plan being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017. Information for years prior to 2017 is not available.

See accompanying independent auditor’s report.

**City of Belton, Texas**  
**Schedule of Contributions –**  
**Employees’ OPEB Plan**  
**Fiscal Years Ended**

	September 30,					
	2018	2019	2020	2021	2022	2023
Actuarially Determined Contributions	\$ 15,105	14,181	11,514	18,572	22,243	35,755
Contributions in relation to the actuarially determined contributions	<u>15,105</u>	<u>14,181</u>	<u>11,514</u>	<u>18,572</u>	<u>22,243</u>	<u>35,755</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 8,409,865	8,567,031	8,662,089	9,062,334	10,471,451	11,256,250
Contributions as a percentage of covered-employee payroll	0.2%	0.2%	0.1%	0.2%	0.2%	0.3%

**City of Belton, Texas**  
**Schedule of Contributions –**  
**Employees’ OPEB Plan**  
 (continued)

**Notes to Schedule of Contributions**

**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:**

Inflation	2.5%
Salary increases	3.5% to 11.5%, including inflation
Discount rate	4.05%
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.
Mortality rates-services retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Note: The City of Belton adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017. Information for fiscal years prior to 2018 is not available.

**Combining and Individual Fund  
Statements and Schedules**



## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

*Special Revenue Funds* are used to account for specific revenue that is legally restricted to expenditure for particular purposes.

***Hotel/Motel Tax Fund:*** This fund is used to account for the levy and utilization of the local hotel occupancy tax. State law requires that revenue from this tax be used for advertising and promotion of the City.

***TIRZ Fund:*** This fund accounts for economic development projects in the City's tax increment and reinvestment zone. Financing is provided by certain tax revenues collected within the City's tax increment and reinvestment zone pursuant to state tax code statutes and county contributions.

***Grant Fund:*** This fund is used to account for the City's grant expenditures and reimbursements from various federal and state grants received.

***Municipal Court Funds:*** These funds are used to account for court technology and security fees collected in connection with citations issued by the City. State law requires that revenue from these fees be used for technological and security enhancements of the municipal court and/or the building that houses the court. In addition, these funds are used to account for fees collected for truancy prevention.

***TDHCA Home Grants Fund:*** This fund is used to account for the City's Texas Department of Housing and Community Affairs HOME Program which provides payment assistance to qualified first-time home buyers within the City of Belton and funding for the rehabilitation and replacement of dilapidated owner-occupied housing within the City of Belton.

***Other Special Revenue Funds:*** These funds are used to account for various other revenues of the City that are legally or contractually restricted for specific purposes that include donations to the police and fire departments, collection of public access fees, donations for improving and equipping City parks, developer fees for tree removal, maintenance of the Far North Belton Cemetery, and special events hosted by the City and funded in whole or in part by hotel occupancy tax with the intent to increase overnight tourism.



## **Capital Projects Funds**

**Capital Projects Funds** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**General Capital Projects Fund:** This fund accounts for construction of various facility and infrastructure projects which extend over several fiscal years. Financing is provided primarily by the transfer of funds from the General Fund.

**General Capital Equipment Fund:** This fund accounts for acquisition of various capital equipment. Financing is provided primarily by the transfer of funds from the General Fund.

**Vehicle and Equipment Replacement Funds:** These funds account for the systematic replacement of fire and police department fleet vehicles, and public works fleet vehicles and equipment based on age, condition, and usable life. Financing is provided by the transfer of funds from the General Fund.

**City of Belton, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
September 30, 2023

	Special Revenue						
	Hotel/ Motel Tax	TIRZ	Grant	Municipal Court	TDHCA Home Grants	Other Special Revenue Funds	Special Revenue Funds Total
<b>Assets</b>							
Cash and cash equivalents	\$ 739,659	1,199,384	27,330	147,396	6,907	1,103,216	3,223,892
Receivables	71,824	-	-	-	-	6,712	78,536
Due from other governments	-	-	31,361	-	41,426	-	72,787
Prepaid items	9,560	-	-	-	-	-	9,560
<b>Total assets</b>	<b>\$ 821,043</b>	<b>1,199,384</b>	<b>58,691</b>	<b>147,396</b>	<b>48,333</b>	<b>1,109,928</b>	<b>3,384,775</b>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts and retainages payable	\$ 5,130	172	8,691	-	41,426	-	55,419
Unearned revenue	5,575	-	50,000	-	-	-	55,575
<b>Total liabilities</b>	<b>10,705</b>	<b>172</b>	<b>58,691</b>	<b>-</b>	<b>41,426</b>	<b>-</b>	<b>110,994</b>
Fund balances:							
Nonspendable	9,560	-	-	-	-	-	9,560
Restricted	800,778	1,199,212	-	147,396	-	562,193	2,709,579
Committed	-	-	-	-	6,907	-	6,907
Assigned	-	-	-	-	-	547,735	547,735
<b>Total fund balances</b>	<b>810,338</b>	<b>1,199,212</b>	<b>-</b>	<b>147,396</b>	<b>6,907</b>	<b>1,109,928</b>	<b>3,273,781</b>
<b>Total liabilities and fund balances</b>	<b>\$ 821,043</b>	<b>1,199,384</b>	<b>58,691</b>	<b>147,396</b>	<b>48,333</b>	<b>1,109,928</b>	<b>3,384,775</b>

See accompanying independent auditor's report.

**City of Belton, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
(continued)

Capital Projects				
General Capital Projects	General Capital Equipment	Vehicle and Equipment Replacement Funds	Capital Project Funds Total	Total Nonmajor Governmental Funds
3,979,692	337,457	967,322	5,284,471	8,508,363
-	-	-	-	78,536
-	-	-	-	72,787
-	-	-	-	9,560
<u>3,979,692</u>	<u>337,457</u>	<u>967,322</u>	<u>5,284,471</u>	<u>8,669,246</u>
140,314	38,000	293,681	471,995	527,414
-	-	-	-	55,575
<u>140,314</u>	<u>38,000</u>	<u>293,681</u>	<u>471,995</u>	<u>582,989</u>
-	-	-	-	9,560
-	-	-	-	2,709,579
-	-	-	-	6,907
<u>3,839,378</u>	<u>299,457</u>	<u>673,641</u>	<u>4,812,476</u>	<u>5,360,211</u>
<u>3,839,378</u>	<u>299,457</u>	<u>673,641</u>	<u>4,812,476</u>	<u>8,086,257</u>
<u>3,979,692</u>	<u>337,457</u>	<u>967,322</u>	<u>5,284,471</u>	<u>8,669,246</u>

**City of Belton, Texas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
For the Fiscal Year Ended  
September 30, 2023

	Special Revenue						Special Revenue Funds Total
	Hotel/ Motel Tax	TIRZ	Grant	Municipal Court	TDHCA Home Grants	Other Special Revenue Funds	
<b>Revenues:</b>							
Taxes	\$ 350,072	1,769,884	-	-	-	-	2,119,956
Franchise	-	-	-	-	-	28,460	28,460
Intergovernmental	-	958,226	131,184	-	335,731	25,885	1,451,026
Fines	-	-	-	36,481	-	-	36,481
Interest	31,775	61,653	-	4,404	52	48,356	146,240
Contributions and donations	-	-	-	-	-	24,966	24,966
Miscellaneous revenue	1,400	-	-	-	-	3,325	4,725
Total revenues	<u>383,247</u>	<u>2,789,763</u>	<u>131,184</u>	<u>40,885</u>	<u>335,783</u>	<u>130,992</u>	<u>3,811,854</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	159,583	-	8,800	2,955	-	-	171,338
Public safety	-	-	127,184	-	-	21,097	148,281
Culture and recreation	-	-	-	-	-	24,058	24,058
Economic development	-	90,948	-	-	379,988	-	470,936
<b>Debt service:</b>							
Principal	-	255,000	-	-	-	-	255,000
Interest and fiscal charges	-	10,270	-	-	-	-	10,270
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>159,583</u>	<u>356,218</u>	<u>135,984</u>	<u>2,955</u>	<u>379,988</u>	<u>45,155</u>	<u>1,079,883</u>
Excess (deficiency) of revenues over (under) expenditures	<u>223,664</u>	<u>2,433,545</u>	<u>(4,800)</u>	<u>37,930</u>	<u>(44,205)</u>	<u>85,837</u>	<u>2,731,971</u>
<b>Other financing sources (uses):</b>							
Insurance proceeds	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	16,122	-	4,800	-	30,000	-	50,922
Transfers out	(35,410)	(2,235,410)	-	-	-	(16,122)	(2,286,942)
Total other financing sources (uses)	<u>(19,288)</u>	<u>(2,235,410)</u>	<u>4,800</u>	<u>-</u>	<u>30,000</u>	<u>(16,122)</u>	<u>(2,236,020)</u>
Net change in fund balances	204,376	198,135	-	37,930	(14,205)	69,715	495,951
Fund balances, beginning of year	605,962	1,001,077	-	109,466	21,112	1,040,213	2,777,830
Fund balances, end of year	<u>\$ 810,338</u>	<u>1,199,212</u>	<u>-</u>	<u>147,396</u>	<u>6,907</u>	<u>1,109,928</u>	<u>3,273,781</u>

See accompanying independent auditor's report.

**City of Belton, Texas**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
(continued)

Capital Projects				
General Capital Projects	General Capital Equipment	Vehicle and Equipment Replacement Funds	Capital Project Funds Total	Total Nonmajor Governmental Funds
-	-	-	-	2,119,956
-	-	-	-	28,460
-	-	-	-	1,451,026
-	-	-	-	36,481
134,492	16,151	56,433	207,076	353,316
-	-	-	-	24,966
153,334	18,025	-	171,359	176,084
<u>287,826</u>	<u>34,176</u>	<u>56,433</u>	<u>378,435</u>	<u>4,190,289</u>
12,638	-	-	12,638	183,976
17,650	-	-	17,650	165,931
79,228	50,734	-	129,962	154,020
-	-	-	-	470,936
-	-	-	-	255,000
-	-	-	-	10,270
393,139	67,266	1,038,061	1,498,466	1,498,466
<u>502,655</u>	<u>118,000</u>	<u>1,038,061</u>	<u>1,658,716</u>	<u>2,738,599</u>
<u>(214,829)</u>	<u>(83,824)</u>	<u>(981,628)</u>	<u>(1,280,281)</u>	<u>1,451,690</u>
214,956	-	-	214,956	214,956
-	-	11,250	11,250	11,250
1,065,000	-	1,060,320	2,125,320	2,176,242
-	-	-	-	(2,286,942)
<u>1,279,956</u>	<u>-</u>	<u>1,071,570</u>	<u>2,351,526</u>	<u>115,506</u>
1,065,127	(83,824)	89,942	1,071,245	1,567,196
<u>2,774,251</u>	<u>383,281</u>	<u>583,699</u>	<u>3,741,231</u>	<u>6,519,061</u>
<u>3,839,378</u>	<u>299,457</u>	<u>673,641</u>	<u>4,812,476</u>	<u>8,086,257</u>



**City of Belton, Texas**  
**Hotel/Motel Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual - Budgetary Basis**  
For the Fiscal Year Ended  
September 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/motel taxes	\$ 288,100	318,100	350,072	31,972
Interest	500	500	31,775	31,275
Miscellaneous	-	-	1,400	1,400
Total revenues	<u>288,600</u>	<u>318,600</u>	<u>383,247</u>	<u>64,647</u>
Expenditures:				
General government	<u>132,770</u>	<u>164,540</u>	<u>159,583</u>	<u>4,957</u>
Total expenditures	<u>132,770</u>	<u>164,540</u>	<u>159,583</u>	<u>4,957</u>
Excess of revenues over expenditures	<u>155,830</u>	<u>154,060</u>	<u>223,664</u>	<u>69,604</u>
Other financing sources (uses):				
Transfers in	-	-	16,122	16,122
Transfers out	<u>(35,410)</u>	<u>(35,410)</u>	<u>(35,410)</u>	<u>-</u>
Net change in fund balance	120,420	118,650	204,376	85,726
Fund balance, October 1	<u>605,962</u>	<u>605,962</u>	<u>605,962</u>	<u>-</u>
Fund balance, September 30	<u>\$ 726,382</u>	<u>724,612</u>	<u>810,338</u>	<u>85,726</u>

See accompanying independent auditor's report.

**City of Belton, Texas**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual - Budgetary Basis**  
For the Fiscal Year Ended  
September 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,209,320	1,209,320	1,178,278	(31,042)
Interest	830	830	31,119	30,289
Total revenues	<u>1,210,150</u>	<u>1,210,150</u>	<u>1,209,397</u>	<u>(753)</u>
Expenditures:				
Principal	875,390	875,390	875,387	3
Interest and fiscal charges	312,790	312,790	312,782	8
Other costs	8,200	8,200	6,053	2,147
Total expenditures	<u>1,196,380</u>	<u>1,196,380</u>	<u>1,194,222</u>	<u>2,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,770</u>	<u>13,770</u>	<u>15,175</u>	<u>1,405</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	13,770	13,770	15,175	1,405
Fund balance, October 1	<u>11,541</u>	<u>11,541</u>	<u>11,541</u>	<u>-</u>
Fund balance, September 30	<u>\$ 25,311</u>	<u>25,311</u>	<u>26,716</u>	<u>1,405</u>

See accompanying independent auditor's report.

**City of Belton, Texas**  
**TIRZ Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual - Budgetary Basis**  
For the Fiscal Year Ended  
September 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	With Final Budget
Revenues:				
Taxes	\$ 1,789,550	1,789,550	1,769,884	(19,666)
Intergovernmental	1,037,940	1,037,940	958,226	(79,714)
Interest	700	700	61,653	60,953
Total revenues	<u>2,828,190</u>	<u>2,828,190</u>	<u>2,789,763</u>	<u>(38,427)</u>
Expenditures:				
Current:				
Economic development	170,000	170,000	90,948	79,052
Debt service:				
Principal	255,000	255,000	255,000	-
Interest and fiscal charges	10,800	10,800	10,270	530
Total expenditures	<u>435,800</u>	<u>435,800</u>	<u>356,218</u>	<u>79,582</u>
Excess of revenues over expenditures	<u>2,392,390</u>	<u>2,392,390</u>	<u>2,433,545</u>	<u>41,155</u>
Other financing sources (uses):				
Transfers out	<u>(2,235,410)</u>	<u>(2,235,410)</u>	<u>(2,235,410)</u>	<u>-</u>
Net change in fund balance	156,980	156,980	198,135	41,155
Fund balance, October 1	<u>1,001,077</u>	<u>1,001,077</u>	<u>1,001,077</u>	<u>-</u>
Fund balance, September 30	<u>\$ 1,158,057</u>	<u>1,158,057</u>	<u>1,199,212</u>	<u>41,155</u>

See accompanying independent auditor's report.

## **Internal Service Funds**

***Internal Service Funds*** are used to account for financing of goods and services provided by one department or agency to other departments or agencies of the City and to other government units on a cost reimbursement basis.

***Information Technology Fund:*** This fund accounts for all costs of providing general information technology services to City divisions. These activities are financed through charges for services rendered.

***Building Maintenance Fund:*** This fund accounts for all costs of providing routine building maintenance services to City divisions. These activities are financed through charges for services rendered.

**City of Belton, Texas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
September 30, 2023

	Information Technology	Building Maintenance	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 303,808	279,406	583,214
Prepaid items	95,051	-	95,051
Total current assets	398,859	279,406	678,265
Noncurrent assets:			
Capital assets:			
Machinery and equipment	231,370	-	231,370
Subscription right-of-use assets	237,360	-	237,360
Less: accumulated depreciation/amortization	(119,941)	-	(119,941)
Total capital assets	348,789	-	348,789
Total noncurrent assets	348,789	-	348,789
Total assets	747,648	279,406	1,027,054
<b>Deferred outflows of resources</b>			
Deferred outflows of resources	68,996	59,780	128,776
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	50,263	12,696	62,959
Accrued liabilities	6,013	5,374	11,387
Subscription liabilities - current	83,818	-	83,818
Compensated absences - current	9,490	654	10,144
Total current liabilities	149,584	18,724	168,308
Noncurrent liabilities:			
Subscription liabilities	69,738	-	69,738
Compensated absences payable	7,487	5,315	12,802
Net pension liability	115,263	98,987	214,250
Total OPEB liability	6,842	7,674	14,516
Total noncurrent liabilities	199,330	111,976	311,306
Total liabilities	348,914	130,700	479,614
<b>Deferred inflows of resources</b>			
Deferred inflows of resources	5,718	5,932	11,650
<b>Net position</b>			
Net investment in capital assets	195,233	-	195,233
Unrestricted	266,779	202,554	469,333
Total net position	\$ 462,012	202,554	664,566

See accompanying independent auditor's report.

**City of Belton, Texas**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**

For the Year Ended September 30, 2023

	Information Technology	Building Maintenance	Total
<b>Operating revenues:</b>			
Charges for services	\$ 1,100,610	491,280	1,591,890
Total operating revenues	1,100,610	491,280	1,591,890
<b>Operating expenses:</b>			
Salaries and wages	233,039	200,687	433,726
Employee benefits	78,112	82,927	161,039
Supplies	89,117	36,620	125,737
Repairs and maintenance	333,466	48,079	381,545
Other charges	83,603	28,031	111,634
Depreciation and amortization	70,480	-	70,480
Other operating expenses	6,040	3,778	9,818
Total operating expenses	893,857	400,122	1,293,979
Operating income	206,753	91,158	297,911
<b>Nonoperating revenues:</b>			
Interest earnings	5,675	7,614	13,289
Interest expense	(4,317)	-	(4,317)
Total nonoperating revenues	1,358	7,614	8,972
Income before transfers	208,111	98,772	306,883
Transfers in	3,130	3,210	6,340
Transfers out	-	(8,460)	(8,460)
Change in net position	211,241	93,522	304,763
Total net position, beginning of year	250,771	109,032	359,803
Total net position, end of year	\$ 462,012	202,554	664,566

See accompanying independent auditor's report.

**City of Belton, Texas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended September 30, 2023

	Information Technology	Building Maintenance	Total
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 1,100,610	491,280	1,591,890
Payments to suppliers	(535,699)	(180,023)	(715,722)
Payments to employees	(236,755)	(204,284)	(441,039)
Net cash provided by operating activities	<u>328,156</u>	<u>106,973</u>	<u>435,129</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from (to) other funds	<u>3,130</u>	<u>(5,250)</u>	<u>(2,120)</u>
Net cash provided by (used in) noncapital financing activities	<u>3,130</u>	<u>(5,250)</u>	<u>(2,120)</u>
<b>Cash flows from capital and related financing activities:</b>			
Purchases of capital assets	(54,814)	-	(54,814)
Principal and interest payments on subscription	(88,121)	-	(88,121)
Net cash used in capital and related financing activities	<u>(142,935)</u>	<u>-</u>	<u>(142,935)</u>
<b>Cash flows from investing activities:</b>			
Interest received	<u>5,675</u>	<u>7,614</u>	<u>13,289</u>
Net cash provided by investing activities	<u>5,675</u>	<u>7,614</u>	<u>13,289</u>
Net increase in cash and cash equivalents	194,026	109,337	303,363
Cash and cash equivalents, beginning of year	<u>109,782</u>	<u>170,069</u>	<u>279,851</u>
Cash and cash equivalents, end of year	<u>\$ 303,808</u>	<u>279,406</u>	<u>583,214</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 206,753	91,158	297,911
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	70,480	-	70,480
Decrease in prepaid items	446	-	446
Increase in accounts payable	27,851	4,915	32,766
Increase in accrued liabilities	2,114	1,630	3,744
Increase in compensated absences payable	3,716	3,597	7,313
Increase in net pension liability and pension-related deferred outflows and inflows of resources	16,393	5,222	21,615
Increase in total OPEB liability and OPEB-related deferred outflows of resources	403	451	854
Total adjustments	<u>121,403</u>	<u>15,815</u>	<u>137,218</u>
Net cash provided by operating activities	<u>\$ 328,156</u>	<u>106,973</u>	<u>435,129</u>
<b>Noncash capital and related financing activities:</b>			
Acquisition of subscription asset	<u>\$ 237,360</u>	<u>-</u>	<u>237,360</u>

See accompanying independent auditor's report.



# City of Belton, Texas

## Statistical Section

This part of the City of Belton'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.

<b>Contents</b>	<b>Page</b>
Financial Trends	100
<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>	
Revenue Capacity	110
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	120
<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>	
Demographic and Economic Information	130
<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>	
Operating Information	134
<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>	

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

**City of Belton, Texas**  
**Net Position by Component**  
 Last Ten Years  
 (Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 16,461,658	20,253,143	24,492,141	24,735,870
Restricted	2,701,028	2,846,948	2,300,596	1,123,142
Unrestricted	<u>6,963,750</u>	<u>6,462,523</u>	<u>5,385,680</u>	<u>6,115,680</u>
Total governmental activities net position	<u>\$ 26,126,436</u>	<u>29,562,614</u>	<u>32,178,417</u>	<u>31,974,692</u>
Business-type activities				
Net investment in capital assets	\$ 18,121,998	21,325,320	27,592,280	31,298,115
Restricted	-	-	-	-
Unrestricted	<u>6,334,986</u>	<u>4,941,679</u>	<u>7,176,189</u>	<u>6,348,421</u>
Total business-type activities net position	<u>\$ 24,456,984</u>	<u>26,266,999</u>	<u>34,768,469</u>	<u>37,646,536</u>
Primary government				
Net investment in capital assets	\$ 34,583,656	41,578,463	52,084,421	56,033,985
Restricted	2,701,028	2,846,948	2,300,596	1,123,142
Unrestricted	<u>13,298,736</u>	<u>11,404,202</u>	<u>12,561,869</u>	<u>12,464,101</u>
Total primary government net position	<u>\$ 50,583,420</u>	<u>55,829,613</u>	<u>66,946,886</u>	<u>69,621,228</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
25,577,477	26,552,859	29,333,704	31,392,391	32,230,617	38,253,910
2,245,552	3,115,867	3,527,740	5,008,535	6,859,323	4,392,843
<u>5,570,034</u>	<u>5,966,036</u>	<u>7,386,442</u>	<u>7,000,387</u>	<u>8,753,858</u>	<u>11,617,522</u>
<u>33,393,063</u>	<u>35,634,762</u>	<u>40,247,886</u>	<u>43,401,313</u>	<u>47,843,798</u>	<u>54,264,275</u>
33,628,880	33,448,863	37,888,290	41,254,526	37,626,249	37,629,389
-	-	-	-	-	-
<u>7,284,409</u>	<u>9,508,311</u>	<u>10,359,174</u>	<u>9,782,874</u>	<u>12,382,097</u>	<u>16,019,965</u>
<u>40,913,289</u>	<u>42,957,174</u>	<u>48,247,464</u>	<u>51,037,400</u>	<u>50,008,346</u>	<u>53,649,354</u>
59,206,357	60,001,722	67,221,994	72,646,917	69,856,866	75,883,299
2,245,552	3,115,867	3,527,740	5,008,535	6,859,323	4,392,843
<u>12,854,443</u>	<u>15,474,347</u>	<u>17,745,616</u>	<u>16,783,261</u>	<u>21,135,955</u>	<u>27,637,487</u>
<u>74,306,352</u>	<u>78,591,936</u>	<u>88,495,350</u>	<u>94,438,713</u>	<u>97,852,144</u>	<u>107,913,629</u>

**City of Belton, Texas**  
**Changes in Net Position**  
Last Ten Years  
(Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,542,268	1,534,183	1,689,517	1,716,860
Public safety	6,274,184	6,513,269	7,542,557	7,267,041
Highways and streets	1,979,832	2,176,849	2,092,553	3,748,290
Planning	349,526	352,821	346,111	410,159
Culture and recreation	1,700,193	1,873,363	2,174,373	2,287,621
Solid waste	996,945	1,039,691	1,096,528	1,149,978
Economic development	461,622	180,440	209,272	303,486
Maintenance	400,394	398,974	432,894	488,765
Interest	552,290	540,242	524,277	530,523
Total governmental activities expenses	<u>14,257,254</u>	<u>14,609,832</u>	<u>16,108,082</u>	<u>17,902,723</u>
Business-type activities:				
Water and sewer	5,577,444	5,912,553	6,612,667	7,587,275
Drainage	312,075	280,317	438,375	467,002
Total business-type activities expenses	<u>5,889,519</u>	<u>6,192,870</u>	<u>7,051,042</u>	<u>8,054,277</u>
Total primary government expenses	<u>\$ 20,146,773</u>	<u>20,802,702</u>	<u>23,159,124</u>	<u>25,957,000</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ -	-	-	-
Public safety	1,577,432	1,744,958	1,656,931	1,724,140
Planning	205,792	188,172	221,395	331,412
Culture and recreation	71,857	76,672	83,249	84,260
Solid waste	1,191,335	1,207,841	1,271,762	1,330,093
Maintenance	-	-	-	-
Operating grants and contributions	646,637	747,749	1,044,637	1,031,482
Capital grants and contributions	2,283,115	3,758,025	2,783,748	1,756,063
Total governmental activities program revenues	<u>5,976,168</u>	<u>7,723,417</u>	<u>7,061,722</u>	<u>6,257,450</u>
Business-type activities:				
Charges for services:				
Water and sewer	5,550,825	6,164,279	6,898,744	7,857,459
Drainage	367,956	360,021	377,991	389,231
Capital grants and contributions	348,298	1,764,757	8,588,839	3,296,277
Total business-type activities program revenues	<u>6,267,079</u>	<u>8,289,057</u>	<u>15,865,574</u>	<u>11,542,967</u>
Total primary government program revenues	<u>\$ 12,243,247</u>	<u>16,012,474</u>	<u>22,927,296</u>	<u>17,800,417</u>
Net (expense)/revenue				
Governmental activities	\$ (8,281,086)	(6,886,415)	(9,046,360)	(11,645,273)
Business-type activities	<u>774,522</u>	<u>2,096,187</u>	<u>8,814,532</u>	<u>3,488,690</u>
Total primary government net expense	<u>\$ (7,506,564)</u>	<u>(4,790,228)</u>	<u>(231,828)</u>	<u>(8,156,583)</u>

**City of Belton, Texas**  
**Changes in Net Position**  
Last Ten Years  
(Accrual Basis of Accounting)  
(Unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
1,708,939	1,922,535	2,148,096	2,720,745	2,538,856	2,869,141
7,583,124	7,732,691	7,549,450	8,402,934	9,478,735	11,205,902
3,048,186	2,931,121	2,901,276	3,410,000	2,857,347	3,796,008
376,194	420,375	461,414	522,439	552,775	938,176
2,231,611	2,263,114	2,338,802	2,775,670	2,683,622	2,988,778
1,233,457	1,375,670	1,446,642	1,533,809	1,694,189	1,825,819
20,538	254,749	332,050	75,715	408,870	1,087,562
551,823	620,433	657,567	568,396	547,620	522,999
500,946	444,005	415,010	333,711	322,675	267,813
<u>17,254,818</u>	<u>17,964,693</u>	<u>18,250,307</u>	<u>20,343,419</u>	<u>21,084,689</u>	<u>25,502,198</u>
7,292,722	7,399,552	7,914,735	10,102,907	11,986,427	10,612,384
583,665	518,216	520,771	612,115	648,130	611,816
<u>7,876,387</u>	<u>7,917,768</u>	<u>8,435,506</u>	<u>10,715,022</u>	<u>12,634,557</u>	<u>11,224,200</u>
<u>25,131,205</u>	<u>25,882,461</u>	<u>26,685,813</u>	<u>31,058,441</u>	<u>33,719,246</u>	<u>36,726,398</u>
-	-	-	174,336	128,461	131,931
1,256,344	1,284,306	84,653	328,168	310,275	358,377
249,596	265,243	234,209	347,166	566,050	503,990
100,485	118,731	47,610	111,787	145,816	110,876
1,411,823	1,567,214	1,677,146	2,033,848	2,222,750	2,474,690
-	-	-	69,252	195,157	304,763
935,743	1,004,165	2,318,475	1,707,513	2,205,343	1,973,113
1,960,463	2,186,550	3,183,589	1,465,540	1,045,229	4,368,371
<u>5,914,454</u>	<u>6,426,209</u>	<u>7,545,682</u>	<u>6,237,610</u>	<u>6,819,081</u>	<u>10,226,111</u>
8,506,124	8,467,402	9,002,210	9,396,990	10,516,924	12,445,945
452,795	492,638	517,462	544,076	559,393	571,739
2,404,750	1,104,514	4,624,032	3,940,303	1,441,835	2,082,358
<u>11,363,669</u>	<u>10,064,554</u>	<u>14,143,704</u>	<u>13,881,369</u>	<u>12,518,152</u>	<u>15,100,042</u>
<u>17,278,123</u>	<u>16,490,763</u>	<u>21,689,386</u>	<u>20,118,979</u>	<u>19,337,233</u>	<u>25,326,153</u>
(11,340,364)	(11,538,484)	(10,704,625)	(14,105,809)	(14,265,608)	(15,276,087)
3,487,282	2,146,786	5,708,198	3,166,347	(116,405)	3,875,842
<u>(7,853,082)</u>	<u>(9,391,698)</u>	<u>(4,996,427)</u>	<u>(10,939,462)</u>	<u>(14,382,013)</u>	<u>(11,400,245)</u>

**City of Belton, Texas**  
**Changes in Net Position**  
Last Ten Years  
(Accrual Basis of Accounting – Continued)  
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 5,581,133	5,916,916	6,355,718	6,608,619
Sales taxes	3,069,314	3,205,411	3,155,659	3,276,982
Franchise taxes	1,183,602	1,148,273	1,171,669	1,164,334
Hotel/motel taxes	177,932	157,454	147,230	167,691
Alcoholic beverage taxes	40,579	39,204	38,434	40,811
Unrestricted investment earnings	13,715	28,003	42,668	113,232
Miscellaneous	88,762	102,773	399,537	276,195
Gain (loss) on sale of capital assets	191,869	36,937	17,821	(981,302)
Transfers	367,659	294,516	333,427	774,986
Total governmental activities	<u>10,714,565</u>	<u>10,929,487</u>	<u>11,662,163</u>	<u>11,441,548</u>
Business-type activities:				
Unrestricted investment earnings	5,118	16,624	33,343	149,443
Miscellaneous	-	-	-	-
Gain on sale of capital assets	24,668	108,079	(36,600)	14,920
Transfers	(367,659)	(294,516)	(309,805)	(774,986)
Total business-type activities	<u>(337,873)</u>	<u>(169,813)</u>	<u>(313,062)</u>	<u>(610,623)</u>
Total primary government	<u>\$ 10,376,692</u>	<u>10,759,674</u>	<u>11,349,101</u>	<u>10,830,925</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 2,433,479	4,043,072	2,615,803	(203,725)
Business-type activities	<u>436,649</u>	<u>1,926,374</u>	<u>8,501,470</u>	<u>2,878,067</u>
Total primary government	<u>\$ 2,870,128</u>	<u>5,969,446</u>	<u>11,117,273</u>	<u>2,674,342</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
7,014,638	7,417,023	8,374,239	9,009,410	9,776,118	10,796,469
3,510,105	3,573,712	4,085,122	4,896,247	5,721,518	6,128,828
1,248,967	1,252,492	1,243,128	1,238,870	1,320,018	1,350,128
162,032	189,851	172,435	234,924	289,819	350,072
46,951	55,115	43,241	61,008	72,538	72,535
168,241	281,580	146,401	19,147	173,436	1,263,192
355,287	312,387	564,626	113,680	264,505	687,360
-	140,266	89,331	58,805	36,941	11,250
503,778	557,757	599,226	562,731	1,053,200	1,036,730
<u>13,009,999</u>	<u>13,780,183</u>	<u>15,317,749</u>	<u>16,194,822</u>	<u>18,708,093</u>	<u>21,696,564</u>
285,490	369,904	167,618	19,867	140,551	796,196
2,637	5,481	-	-	-	-
43,061	36,007	13,700	11,500	-	5,700
<u>(503,778)</u>	<u>(514,293)</u>	<u>(599,226)</u>	<u>(562,731)</u>	<u>(1,053,200)</u>	<u>(1,036,730)</u>
<u>(172,590)</u>	<u>(102,901)</u>	<u>(417,908)</u>	<u>(531,364)</u>	<u>(912,649)</u>	<u>(234,834)</u>
<u>12,837,409</u>	<u>13,677,282</u>	<u>14,899,841</u>	<u>15,663,458</u>	<u>17,795,444</u>	<u>21,461,730</u>
1,669,635	2,241,699	4,613,124	2,089,013	4,442,485	6,420,477
<u>3,314,692</u>	<u>2,043,885</u>	<u>5,290,290</u>	<u>2,634,983</u>	<u>(1,029,054)</u>	<u>3,641,008</u>
<u>4,984,327</u>	<u>4,285,584</u>	<u>9,903,414</u>	<u>4,723,996</u>	<u>3,413,431</u>	<u>10,061,485</u>

**City of Belton, Texas**  
**Fund Balances of Governmental Funds**  
Last Ten Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
General fund				
Nonspendable prepaid expense \$	7,519	8,169	7,829	4,409
Restricted for:				
Public access facilities	177,076	204,307	233,434	264,425
Public safety	20,370	10,894	10,995	10,936
Cemetery	3,082	3,106	3,115	3,140
Assigned to:				
Civil service sick pay	722,099	719,391	704,950	824,834
Other purposes	17,163	29,511	32,233	35,744
Unreserved/Unassigned	<u>4,657,271</u>	<u>4,768,975</u>	<u>5,029,559</u>	<u>5,104,032</u>
Total general fund	<u>\$ 5,604,580</u>	<u>5,744,353</u>	<u>6,022,115</u>	<u>6,247,520</u>
All other governmental funds				
Nonspendable prepaid expense \$	-	-	-	-
Restricted for:				
Debt service	172,923	132,462	158,685	169,940
Capital projects	6,314,205	5,310,080	4,484,401	1,310,998
Economic development	1,596,879	1,826,018	1,192,880	541,585
Public access facilities	-	-	-	-
Public safety	137,804	114,421	162,757	68,645
Other purposes	36,416	42,959	36,293	37,976
Committed to:				
Economic development	20,730	23,859	21,680	7,034
Assigned to capital projects				
Capital projects	1,763,345	1,617,003	1,088,912	1,912,218
Other purposes				
Unassigned	<u>-</u>	<u>(1,218)</u>	<u>(4,830)</u>	<u>(584)</u>
Total all other governmental funds	<u>\$ 10,042,302</u>	<u>9,065,584</u>	<u>7,140,778</u>	<u>4,047,812</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
6,699	7,392	7,511	4,899	6,407	62,272
299,494	-	-	-	-	-
4,693	-	-	-	-	-
3,189	-	-	-	-	-
785,547	759,785	872,000	872,000	872,000	872,000
33,658	44,522	40,479	-	-	-
<u>5,122,832</u>	<u>5,077,904</u>	<u>7,128,597</u>	<u>5,454,084</u>	<u>6,825,928</u>	<u>8,695,912</u>
<u>6,256,112</u>	<u>5,889,603</u>	<u>8,048,587</u>	<u>6,330,983</u>	<u>7,704,335</u>	<u>9,630,184</u>
-	-	-	-	2,000	9,560
306,462	236,154	30,511	74,204	11,541	26,716
-	1,673,625	2,199,282	3,115,834	4,580,753	1,333,124
1,434,099	590,801	650,597	1,123,890	1,641,057	2,313,243
-	335,911	368,665	397,590	430,133	478,944
133,575	184,467	181,800	182,038	50,825	48,105
36,898	45,857	62,511	83,146	109,985	147,396
5,082	43,650	33,816	41,142	37,189	6,907
1,985,455	2,415,820	1,959,629	4,133,972	3,741,231	4,812,476
		49,660	89,881	527,919	547,735
<u>(96,497)</u>	<u>(20,364)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,805,074</u>	<u>5,505,921</u>	<u>5,536,471</u>	<u>9,241,697</u>	<u>11,132,633</u>	<u>9,724,206</u>

**City of Belton, Texas**  
**Changes in Fund Balance of Governmental Funds**  
Last Ten Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues</b>				
Taxes	\$ 10,051,287	10,467,602	10,878,885	11,259,914
Licenses and permits	205,792	188,172	221,395	331,412
Intergovernmental	2,630,028	3,308,812	2,523,212	1,122,211
Charges for services	2,434,770	2,526,593	2,589,725	2,743,579
Fines	419,299	377,875	389,614	333,039
Rental	11,800	15,600	14,300	-
Interest	13,715	28,003	44,564	113,232
Contributions and donations	194,298	279,926	406,507	267,036
Payments in lieu of taxes	7,515	9,164	9,489	9,532
Miscellaneous	86,003	93,967	385,988	277,542
Total revenues	<u>16,054,507</u>	<u>17,295,714</u>	<u>17,463,679</u>	<u>16,457,497</u>
<b>Expenditures</b>				
General government	1,460,528	1,475,263	1,588,236	1,580,289
Public safety	5,963,512	6,278,268	6,492,045	6,711,922
Highways and streets	1,029,737	1,061,613	924,047	946,466
Planning	327,937	337,730	325,475	375,071
Culture and recreation	1,155,054	1,196,792	1,281,494	1,357,934
Solid waste	986,098	1,027,958	1,079,976	1,123,844
Economic development	461,622	186,379	209,272	321,695
Maintenance	391,983	363,981	388,027	440,884
Debt service				
Principal	629,399	733,112	841,824	906,824
Interest and fiscal charges	533,035	541,331	533,119	510,588
Bond issuance cost		15,234	-	35,682
Capital outlay	4,672,441	6,366,845	5,841,144	5,906,783
Total expenditures	<u>17,611,346</u>	<u>19,584,506</u>	<u>19,504,659</u>	<u>20,217,982</u>
Excess of revenues over (under) expenditures	<u>(1,556,839)</u>	<u>(2,288,792)</u>	<u>(2,040,980)</u>	<u>(3,760,485)</u>
<b>Other financing sources (uses)</b>				
Insurance proceeds	99,777	18,601	25,360	49,458
Sale of capital assets	177,139	31,775	35,149	18,480
Transfers in	2,616,554	1,715,681	1,576,500	2,458,921
Transfers out	(2,248,895)	(1,421,165)	(1,243,073)	(1,683,935)
Issuance of leases	-	-	-	-
Issuance of subscriptions	-	-	-	-
Issuance of debt	-	1,070,000	-	50,000
Premium on issuance of debt	-	-	-	-
Payments to refunding escrow agents	-	-	-	-
Other uses	-	36,955	-	-
Total other financing sources (uses)	<u>644,575</u>	<u>1,451,847</u>	<u>393,936</u>	<u>892,924</u>
Net change in fund balances	<u>\$ (912,264)</u>	<u>(836,945)</u>	<u>(1,647,044)</u>	<u>(2,867,561)</u>
Debt service as a percentage of noncapital expenditures	8.98%	9.64%	10.06%	10.15%

Fiscal Year					
2018	2019	2020	2021	2022	2023
11,969,151	12,467,060	13,868,310	15,456,659	17,145,073	18,618,517
249,596	265,243	234,209	347,166	566,050	503,990
1,155,895	2,514,469	2,232,140	2,408,017	2,395,652	5,618,378
2,692,984	2,216,309	1,911,644	2,196,422	2,401,104	2,654,422
301,237	384,661	308,271	295,708	319,888	387,073
-	-	-	-	-	-
168,241	281,580	146,401	19,101	172,557	1,249,903
270,332	240,789	86,335	15,093	89,721	24,966
9,375	9,118	10,333	10,851	11,900	11,887
359,222	314,712	345,091	71,506	203,827	442,639
<u>17,176,033</u>	<u>18,693,941</u>	<u>19,142,734</u>	<u>20,820,523</u>	<u>23,305,772</u>	<u>29,511,775</u>
1,665,115	1,777,826	2,038,418	2,472,428	2,397,066	2,704,711
7,030,556	6,936,055	6,890,563	7,193,703	8,901,282	9,768,946
1,561,526	1,294,284	1,271,603	1,562,728	901,266	1,776,918
360,172	391,355	441,831	471,912	564,325	909,889
1,585,759	1,587,938	1,620,003	1,920,206	2,074,496	2,146,830
1,205,209	1,342,432	1,429,589	1,511,814	1,684,639	1,800,557
20,538	254,749	332,050	75,715	408,870	1,087,562
507,201	545,038	602,186	473,616	536,696	494,370
1,010,538	1,104,250	1,217,963	1,181,675	1,211,675	1,212,905
413,177	459,583	379,357	408,048	370,258	331,790
1,527	-	121,174	-	-	-
4,790,466	2,409,366	1,657,426	2,266,894	2,172,570	8,216,085
<u>20,151,784</u>	<u>18,102,876</u>	<u>18,002,163</u>	<u>19,538,739</u>	<u>21,223,143</u>	<u>30,450,563</u>
<u>(2,975,751)</u>	<u>591,065</u>	<u>1,140,571</u>	<u>1,281,784</u>	<u>2,082,629</u>	<u>(938,788)</u>
26,065	46,753	245,800	37,102	58,009	239,027
41,186	138,763	81,546	178,066	56,170	12,134
2,412,836	3,439,234	1,723,042	5,179,667	4,170,391	6,406,910
(1,909,058)	(2,881,477)	(1,123,816)	(4,603,073)	(3,102,911)	(5,368,060)
-	-	-	-	-	77,571
-	-	-	-	-	88,628
2,170,576	-	5,575,000	-	-	-
-	-	521,559	-	-	-
-	-	(5,974,168)	-	-	-
-	-	-	-	-	-
<u>2,741,605</u>	<u>743,273</u>	<u>1,048,963</u>	<u>791,762</u>	<u>1,181,659</u>	<u>1,456,210</u>
<u>(234,146)</u>	<u>1,334,338</u>	<u>2,189,534</u>	<u>2,073,546</u>	<u>3,264,288</u>	<u>517,422</u>
9.27%	9.96%	9.77%	9.20%	8.30%	6.95%

**City of Belton, Texas**  
**General Governmental Tax Revenues By Source**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

Fiscal Year	Property Tax <sup>(1)</sup>	Sales Tax	Franchise Tax	Hotel/Motel Occupancy Tax	Alcoholic Beverage Tax	Total	% Change
2014	\$ 5,587,375	3,069,314	1,183,601	177,932	40,579	10,058,802	6.86%
2015	5,926,424	3,205,411	1,148,273	157,454	39,204	10,476,766	4.16%
2016	6,375,382	3,155,659	1,171,668	147,230	38,434	10,888,373	3.93%
2017	6,619,628	3,276,982	1,164,334	167,691	40,811	11,269,446	3.50%
2018	7,010,469	3,510,105	1,248,967	162,032	46,951	11,978,524	6.29%
2019	7,405,006	3,573,712	1,252,492	189,851	55,115	12,476,176	4.15%
2020	8,334,717	4,085,122	1,243,128	172,435	43,241	13,878,643	11.24%
2021	9,036,460	4,896,247	1,238,870	234,924	61,008	15,467,509	11.45%
2022	9,753,080	5,721,518	1,320,018	289,819	72,538	17,156,973	10.92%
2023	10,716,954	6,128,828	1,350,128	350,072	72,535	18,618,517	8.52%

<sup>(1)</sup> Includes penalty and interest on delinquent taxes and payments in lieu of taxes.

**City of Belton, Texas**  
**Municipal Sales Tax History**  
 Last Ten Fiscal Years  
 (Unaudited)

<u>Fiscal Year</u>	<u>Total Collected</u>	<u>Percent of Ad Valorem Tax Levy</u>	<u>Equivalent Ad Valorem Tax Rate</u>	<u>Per Capita</u>
2014	\$ 3,069,314	56%	0.3683	155
2015	3,205,411	55%	0.3604	156
2016	3,155,659	50%	0.3314	149
2017	3,276,982	50%	0.3292	151
2018	3,510,105	50%	0.3325	159
2019	3,573,712	49%	0.3201	159
2020	4,085,122	49%	0.3246	179
2021	4,896,247	55%	0.3446	199
2022	5,721,518	59%	0.3712	233
2023	6,128,828	57%	0.3332	241

Notes: The City has adopted the Municipal Sales and Use Tax Act V.A.T.C.S., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City. Proceeds are credited to the General Fund and are not pledged to the payment of the Bonds. Collections and enforcements are effective through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deducting a 2% service fee, to the City monthly.



**City of Belton, Texas**  
**Principal Property Taxpayers**  
Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
River Springs at Barge Ranch	\$ 36,328,138	1	1.94%	\$ -		-
Turtle Creek Investments	29,549,378	2	1.58%	14,608,424	2	1.75%
Oncor Electric Delivery	22,261,160	3	1.19%	11,381,599	5	1.36%
Chappell Hill Equity III	17,726,352	4	0.95%	7,457,563	6	0.89%
Legacy Landing Group	17,193,760	5	0.92%	11,789,562	4	1.41%
Colonial Crossing Company	16,377,917	6	0.88%	-		0.00%
Wal-Mart	10,850,000	7	0.58%	14,205,576	3	1.70%
Stratasys Direct Manufacturing	9,877,808	8	0.53%	-		0.00%
CMH Manufacturing	9,376,427	9	0.50%	5,675,750	9	0.68%
2007 Belton Shady Lane Lp	9,031,573	10	0.48%	-		0.00%
HEB Grocery Company	-		-	15,227,439	1	1.82%
Airgas Southwest, Inc.	-		-	7,219,639	7	0.86%
Tarco of Texas	-		-	5,740,029	8	0.69%
Belco Manufacturing	-		-	4,490,905	10	0.54%
Subtotal	\$ 178,572,513		9.55%	\$ 97,796,486		11.70%
Other Taxpayers	1,690,627,983		90.45%	738,101,541		88.30%
Total	\$ 1,869,200,496		100%	\$ 835,898,027		100%

Source: Bell County Appraisal District, Top 10 Taxpayer Report and Certified 2022 Tax Roll.

**City of Belton, Texas**  
**Assessed Value and Adjusted Taxable Value of Property**  
 Last Ten Years  
 (Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Single-Family Residential Property	\$ 522,384,977	\$ 554,335,813	\$ 586,835,143	\$ 617,668,260
Other Property	653,254,439	715,752,062	748,363,534	786,091,839
Total Assessed Value <sup>(1)</sup>	1,175,639,416	1,270,087,875	1,335,198,677	1,403,760,099
Exemptions and Reductions	(339,741,389)	(375,226,179)	(388,827,555)	(406,166,184)
Certified Taxable Value	835,898,027	894,861,696	946,371,122	997,593,915
Adjustments After Certification	(2,563,532)	(5,363,818)	5,882,894	(2,289,883)
Adjusted Taxable Value	<u>\$ 833,334,495</u>	<u>\$ 889,497,878</u>	<u>\$ 952,254,016</u>	<u>\$ 995,304,032</u>
Adjusted Tax Levy	\$5,498,341	\$5,868,907	\$6,282,972	\$6,567,016
Adjusted Taxable Value % of Assessed	70.9%	70.0%	71.3%	70.9%
Ad Valorem Tax Rate <sup>(2)</sup>	\$ 0.6598	\$ 0.6598	\$ 0.6598	\$ 0.6598

Source: Bell County Appraisal District, Certified Tax Rolls and Year-to-Date Recap Report as of September 30, 2023.

<sup>(1)</sup> Chapter 23, Section 23.01 (a) of the Texas Tax Code states that all taxable property is assessed at 100% of its market value.

<sup>(2)</sup> Per \$100 of taxable value.

Assessed and taxable values reflect the certified and uncertified values of each fiscal year as of September 30, 2023.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 665,420,476	\$ 706,346,298	\$ 808,110,348	\$ 906,641,580	\$ 1,047,686,312	\$1,396,892,070
811,985,942	845,579,588	1,042,499,490	1,179,756,119	1,117,217,836	1,269,490,422
1,477,406,418	1,551,925,886	1,850,609,838	2,086,397,699	2,164,904,148	2,666,382,492
(420,159,125)	(431,772,543)	(583,756,203)	(621,307,925)	(608,314,328)	(797,181,996)
1,057,247,293	1,120,153,343	1,266,853,635	1,465,089,774	1,556,589,820	1,869,200,496
(1,539,654)	(3,670,166)	(8,488,524)	(44,092,155)	(15,141,725)	(29,876,906)
<u>\$ 1,055,707,639</u>	<u>\$ 1,116,483,177</u>	<u>\$ 1,258,365,111</u>	<u>\$ 1,420,997,619</u>	<u>\$ 1,541,448,095</u>	<u>\$ 1,839,323,590</u>
\$6,965,559	\$7,366,556	\$8,302,693	\$8,952,285	\$9,711,123	\$10,760,043
71.5%	71.9%	68.0%	68.1%	71.2%	69.0%
\$ 0.6598	\$ 0.6598	\$ 0.6598	\$ 0.6300	\$ 0.6300	\$ 0.5850

**City of Belton, Texas**  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years  
 (Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
<b>Taxes levied:</b>				
Fiscal year levy	\$ 5,515,442	\$ 5,886,071	\$ 6,242,079	\$ 6,586,489
Adjustments in subsequent years	(17,101)	(17,164)	40,893	(19,473)
Total of taxes levied <sup>(1)</sup>	<u>5,498,341</u>	<u>5,868,907</u>	<u>6,282,972</u>	<u>6,567,016</u>
<b>Taxes collected:</b>				
Fiscal year collections	5,426,284	5,780,783	6,213,465	6,493,885
Collections in subsequent years <sup>(2)</sup>	62,291	78,055	57,446	58,857
Total of taxes collected	<u>\$5,488,575</u>	<u>\$5,858,838</u>	<u>\$6,270,911</u>	<u>\$6,552,742</u>
<b>Collection rates:</b>				
Percentage collected in fiscal year	98.69%	98.50%	98.89%	98.89%
Percentage collected of total levy	99.82%	99.83%	99.81%	99.78%
<b>Delinquent taxes:</b>				
Total outstanding balance	9,766	10,069	12,061	14,274
Percentage of total levy outstanding	0.18%	0.17%	0.19%	0.22%

Notes:

<sup>(1)</sup> The tax levy reflects the certified and uncertified property values of each fiscal year as of September 30, 2023.

<sup>(2)</sup> Negative tax collections in subsequent years reflect refunds due to losses in property tax hearings.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,009,948	\$ 7,386,463	\$ 8,341,442	\$ 9,102,329	\$ 9,777,074	\$ 10,980,333
(44,389)	(19,907)	(38,749)	(150,044)	(65,951)	(220,290)
<u>6,965,559</u>	<u>7,366,556</u>	<u>8,302,693</u>	<u>8,952,285</u>	<u>9,711,123</u>	<u>10,760,043</u>
6,881,333	7,282,464	8,181,665	8,839,461	9,581,195	10,583,055
67,789	64,051	76,676	42,419	37,506	-
<u>\$6,949,122</u>	<u>\$7,346,515</u>	<u>\$8,258,341</u>	<u>\$8,881,880</u>	<u>\$9,618,701</u>	<u>\$10,583,055</u>
98.79%	98.86%	98.54%	98.74%	98.66%	98.36%
99.76%	99.73%	99.47%	99.21%	99.05%	98.36%
16,437	20,041	44,352	70,405	92,422	176,988
0.24%	0.27%	0.53%	0.79%	0.95%	1.64%

**City of Belton, Texas**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
Last Ten Years  
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
City of Belton by Fund:				
General	0.5488	0.5425	0.5332	0.5393
Debt Service	0.1110	0.1173	0.1266	0.1205
Total Direct Rates <sup>(1)</sup>	<u>0.6598</u>	<u>0.6598</u>	<u>0.6598</u>	<u>0.6598</u>
Belton ISD	1.4500	1.4400	1.4400	1.4400
Bell County	0.4212	0.4212	0.4212	0.4212
Bell County Road District	0.0299	0.0299	0.0299	0.0299
Bell County WCID #6	0.0000	0.0000	0.0000	0.0300
Clear Water Underground Wtr. Cons. Dist.	0.0040	0.0040	0.0040	0.0039
Total Direct and Overlapping Rates <sup>(1)(2)</sup>	<u>2.5649</u>	<u>2.5549</u>	<u>2.5549</u>	<u>2.5848</u>

Source: Bell County Appraisal District

<sup>(1)</sup> Tax rates per \$100 of assessed value.

<sup>(2)</sup> Overlapping rates and levies are those of local and county governments that apply to property owners within the City of Belton. Not all overlapping rates and levies apply to all City of Belton property owners (e.g., the rates for special districts apply only to the proportion of the city's property owners whose property is located within the geographic boundaries of the special district).

Fiscal Year					
2018	2019	2020	2021	2022	2023
0.5545	0.5650	0.5712	0.5289	0.5466	0.5080
0.1053	0.0948	0.0886	0.1011	0.0834	0.0770
0.6598	0.6598	0.6598	0.6300	0.6300	0.5850
1.6030	1.6030	1.4651	1.3651	1.3571	1.3371
0.4212	0.4212	0.4208	0.3968	0.3680	0.3160
0.0299	0.0299	0.2920	0.0285	0.0263	0.0233
0.0300	0.0300	0.0297	0.0300	0.0280	0.0266
0.0038	0.0038	0.0036	0.0033	0.0031	0.0027
2.7477	2.7477	2.8710	2.4537	2.4125	2.2907

**City of Belton, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds**  
September 30, 2023  
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
City Direct Debt <sup>(1)</sup>	\$ <u>9,099,112</u> <sup>(1)</sup>	100.00 %	\$ <u>9,099,112</u>
Overlapping Debt :			
Belton Independent School District	378,025,000	32.47%	122,744,718
Salado Independent School District	55,390,000	1.58%	875,162
Bell County	<u>134,990,000</u>	6.71%	<u>9,057,829</u>
Total overlapping	<u>568,405,000</u>		<u>132,677,709</u>
Total direct and overlapping debt	<u>\$ 577,504,112</u>		<u>\$ 141,776,821</u>

<sup>(1)</sup> City Direct Debt is comprised of debt obligations supported by a pledge of ad valorem taxes.

<sup>(2)</sup> Overlapping debt estimates provided by Municipal Advisory Council of Texas

**City of Belton, Texas**  
**Valuation, Exemptions and Ad Valorem Tax Debt**  
September 30, 2023  
(Unaudited)

2022 Tax Year, 2023 Fiscal Year Market Valuation <sup>(1)</sup>		\$ 2,666,382,492
Less Exemptions/Reductions		(797,181,996)
2022 Tax Year, 2023 Fiscal Year Net Taxable Assessed Valuation		<u>\$ 1,869,200,496</u>
Debt Payable from Ad Valorem Taxes as of 09/30/2023		\$ 30,350,931
Less Self-Supporting Debt <sup>(2)</sup>		(21,251,819)
Net Debt Payable from Ad Valorem Taxes		<u>\$ 9,099,112</u>
Interest & Sinking Fund as of 9/30/2023	\$ 26,716	
Ratio Net Tax Supported Debt to Taxable Assessed Valuation	0.49%	
2023 Estimated Population	25,466	
Per Capita Taxable Assessed Valuation -	\$ 73,400	
Per Capita Net Debt Payable from Ad Valorem Taxes	\$ 357	

<sup>(1)</sup> Valuations established by Bell County Tax Appraisal District.

<sup>(2)</sup> Self-supporting debt payable from the City's water & sewer utility fund and the drainage fund.



**City of Belton, Texas**  
**Tax Adequacy**  
September 30, 2023  
(Unaudited)

2023 Net Principal and Interest Requirements <sup>(1)</sup>	\$ 1,188,169
\$0.0649 Tax Rate at 98% Collection Produces	\$ 1,188,849
Average Annual Net Principal and Interest Requirements, 2023-2035	\$ 740,889
\$0.0405 Tax Rate at 98% Collection Produces	\$ 741,886

<sup>(1)</sup> Excludes self-supporting ad valorem tax debt.

**City of Belton, Texas**  
**Ratios of Outstanding Debt by Type**  
 Last Ten Fiscal Years  
 (Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
<b>Governmental Activities</b>				
General Obligation Bonds	4,060,000	3,695,000	3,320,000	2,930,000
General Obligation Premium	-	-	-	-
Certificates of Obligation	10,829,588	11,531,476	11,064,651	10,597,826
Certificates of Obligation Premium	-	36,955	33,301	30,436
Lease Liability	-	-	-	-
SBITA Liability	-	-	-	-
<b>Total Governmental Activities</b>	<u>14,889,588</u>	<u>15,263,431</u>	<u>14,417,952</u>	<u>13,558,262</u>
<b>Business-Type Activities</b>				
General Obligation Bonds	682,800	406,300	126,850	1,350,000
Certificates of Obligation	4,315,409	12,603,518	11,945,343	19,327,168
Certificates of Obligation Premium	-	296,853	267,819	517,240
Lease Liability	-	-	-	-
<b>Total Business-Type Activities</b>	<u>4,998,209</u>	<u>13,306,671</u>	<u>12,340,012</u>	<u>21,194,408</u>
<b>Total Primary Government</b>	<u>19,887,797</u>	<u>28,570,102</u>	<u>26,757,964</u>	<u>34,752,670</u>
Percentage of Personal Income <sup>(1)</sup>	4.82	6.68	5.45	6.91
Per Capita <sup>(1)</sup>	1,004	1,393	1,261	1,600

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

<sup>(1)</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

Fiscal Year					
2018	2019	2020	2021	2022	2023
2,525,000	3,830,000	8,340,000	7,320,000	6,265,000	5,310,000
-	-	475,298	409,630	347,875	290,160
12,177,288	9,768,039	3,710,076	3,548,400	3,391,725	3,216,338
92,312	82,260	72,690	63,339	54,224	45,377
-	-	-	-	-	39,057
-	-	-	-	-	198,180
<u>14,794,600</u>	<u>13,680,299</u>	<u>12,598,064</u>	<u>11,341,369</u>	<u>10,058,824</u>	<u>9,099,112</u>
1,180,000	1,015,000	855,000	695,000	540,000	435,000
18,337,550	17,706,956	16,844,919	15,956,593	21,333,268	20,088,655
472,055	427,852	384,719	341,929	724,627	641,834
-	-	-	-	96,485	86,330
<u>19,989,605</u>	<u>19,149,808</u>	<u>18,084,638</u>	<u>16,993,522</u>	<u>22,694,380</u>	<u>21,251,819</u>
<u>34,784,205</u>	<u>32,830,107</u>	<u>30,682,702</u>	<u>28,334,891</u>	<u>32,753,204</u>	<u>30,350,931</u>
6.58	5.82	4.99	4.27	4.81	3.58
1,576	1,457	1,344	1,151	1,334	1,192

**City of Belton, Texas**  
**Ratios of General Bonded Debt Outstanding**  
 Last Ten Fiscal Years  
 (Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
<b>Taxable Value of Property</b> <sup>(1)</sup>				
All property	\$833,334,495	\$889,497,878	\$952,254,016	\$ 995,304,032
<b>Net Bonded Debt</b> <sup>(2)</sup>				
Gross bonded debt	14,889,588	15,263,431	14,417,952	13,558,262
Debt service funds	<u>(172,923)</u>	<u>(132,462)</u>	<u>(158,685)</u>	<u>(169,940)</u>
<b>Net Bonded Debt</b>	<u>14,716,665</u>	<u>15,130,969</u>	<u>14,259,267</u>	<u>13,388,322</u>
<b>Ratio of Net Bonded Debt to Taxable Value</b>	1.77%	1.70%	1.50%	1.35%
<b>Population</b> <sup>(3)</sup>	19,809	20,517	21,214	21,721
<b>Net Bonded Debt Per Capita</b>	\$ 743	\$ 737	\$ 672	\$ 616

Note: The values reflect adjusted taxable value as of September 30, 2023. See Assessed Value and Adjusted Taxable Value of Property for more details.

<sup>(1)</sup> Taxable values reflect the certified and uncertified values of each fiscal year as of September 30, 2023.

<sup>(2)</sup> Net bonded debt reflects obligations supported by a pledge of ad valorem taxes.

<sup>(3)</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$1,055,707,639	\$1,116,483,177	\$1,258,365,111	\$1,420,997,619	\$1,541,448,095	\$1,839,323,590
14,794,600	13,680,299	12,598,064	11,341,369	10,058,824	9,099,112
<u>(306,462)</u>	<u>(236,154)</u>	<u>(30,512)</u>	<u>(74,203)</u>	<u>(11,541)</u>	<u>(26,716)</u>
<u>14,488,138</u>	<u>13,444,145</u>	<u>12,567,552</u>	<u>11,267,166</u>	<u>10,047,283</u>	<u>9,072,396</u>
1.37%	1.20%	1.00%	0.79%	0.65%	0.49%
22,078	22,532	22,833	24,610	24,553	25,466
\$ 656	\$ 597	\$ 550	\$ 458	\$ 409	\$ 356

**City of Belton, Texas**  
**Legal Debt Margin Information**  
Last Ten Years  
(Unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Debt limit <sup>(1)</sup>	\$ 117,563,942	127,008,788	133,519,868	140,376,010
Total net debt applicable to limit	<u>14,716,665</u>	<u>15,130,969</u>	<u>14,259,267</u>	<u>13,388,322</u>
Legal debt margin	<u>102,847,277</u>	<u>111,877,819</u>	<u>119,260,601</u>	<u>126,987,688</u>
Total net debt applicable to the limit as a percentage of debt limit	14.31%	13.52%	11.96%	10.54%
<b>Legal Debt Margin Calculation</b>				
Assessed Value	\$ 1,175,639,416	1,270,087,875	1,335,198,677	1,403,760,099
Debt limit (10% of assessed value)	117,563,942	127,008,788	133,519,868	140,376,010
Debt applicable to limit:				
General obligation bonds	\$ 19,887,797	28,570,102	26,757,964	34,752,670
Less: pledged utility revenues	(4,998,209)	(13,306,671)	(12,340,012)	(21,194,408)
Less: amount set aside for repayment of debt	<u>(172,923)</u>	<u>(132,462)</u>	<u>(158,685)</u>	<u>(169,940)</u>
Total net debt applicable to limit	<u>14,716,665</u>	<u>15,130,969</u>	<u>14,259,267</u>	<u>13,388,322</u>
Legal debt margin	<u>\$ 102,847,277</u>	<u>\$ 111,877,819</u>	<u>\$ 119,260,601</u>	<u>\$ 126,987,688</u>

(1) All taxable property in the City of Belton is subject to the assessment, levy, and collection by the City of an annual ad valorem tax levied, within the limits prescribed by law, sufficient to provide for the payment of principal and interest on debt issued by the government. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.5 per \$100 of assessed valuation for all City purposes. The City operates under a Home-Rule Charter, which limits its tax rate to \$1.90 per \$100 Assessed Valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the maximum tax rate for general obligation debt service, as calculated at the time of issuance. The City's total rate of \$0.5850 and debt rate of \$0.0770 are well below the maximum rates allowed by law.

Fiscal Year					
2018	2019	2020	2021	2022	2023
147,740,642	155,192,589	185,060,984	208,639,770	216,490,415	266,638,249
<u>14,488,138</u>	<u>13,444,145</u>	<u>12,567,552</u>	<u>11,267,166</u>	<u>10,047,283</u>	<u>9,072,396</u>
<u><u>133,252,504</u></u>	<u><u>141,748,443</u></u>	<u><u>172,493,432</u></u>	<u><u>197,372,604</u></u>	<u><u>206,443,132</u></u>	<u><u>257,565,853</u></u>
10.87%	9.48%	7.29%	5.71%	4.87%	3.52%
1,477,406,418	1,551,925,886	1,850,609,838	2,086,397,699	2,164,904,148	2,666,382,492
147,740,642	155,192,589	185,060,984	208,639,770	216,490,415	266,638,249
34,784,205	32,830,107	30,682,702	28,334,891	32,753,204	30,350,931
(19,989,605)	(19,149,808)	(18,084,638)	(16,993,522)	(22,694,380)	(21,251,819)
<u>(306,462)</u>	<u>(236,154)</u>	<u>(30,512)</u>	<u>(74,203)</u>	<u>(11,541)</u>	<u>(26,716)</u>
<u>14,488,138</u>	<u>13,444,145</u>	<u>12,567,552</u>	<u>11,267,166</u>	<u>10,047,283</u>	<u>9,072,396</u>
<u><u>\$ 133,252,504</u></u>	<u><u>\$ 141,748,443</u></u>	<u><u>\$ 172,493,432</u></u>	<u><u>\$ 197,372,604</u></u>	<u><u>\$ 206,443,132</u></u>	<u><u>\$ 257,565,853</u></u>

**City of Belton, Texas**  
**Demographic and Economic Statistics**  
 Last Ten Years  
 (Unaudited)

<u>Fiscal Year</u>	<u>Population<sup>(1)</sup></u>	<u>Personal Income</u>	<u>Per Capita Income<sup>(2)</sup></u>	<u>Median Age<sup>(2)</sup></u>	<u>School Enrollment<sup>(3)</sup></u>	<u>Unemployment Rate<sup>(4)</sup></u>
2014	19,809	\$ 412,958,223	20,847	29	10,305	5.8
2015	20,517	427,717,899	20,847	29	10,488	4.7
2016	21,214	490,913,174	23,141	29	10,828	4.8
2017	21,721	502,645,661	23,141	36	11,077	4.1
2018	22,078	528,591,476	23,942	28	11,488	4.2
2019	22,532	563,998,492	25,031	28	11,681	3.7
2020	22,833	615,166,686	26,942	28	12,195	7.0
2021	24,610	663,042,620	26,942	28	12,621	5.1
2022	24,553	680,510,948	27,716	27	13,327	4.3
2023	25,466	847,024,626	33,261	26	13,597	4.5

Data Sources:

<sup>(1)</sup> City of Belton

<sup>(2)</sup> U.S. Census Bureau

<sup>(3)</sup> Belton Independent School District, Fall 2023 Demographic Report

<sup>(4)</sup> Texas Labor Market Information, Local Area Unemployment Statistics as of September 2023 (Bell County).

**City of Belton, Texas**  
**Principal Employers**  
Current Year and Nine Years Ago  
(Unaudited)

Employer	2023		2014	
	Employees	Rank	Employees	Rank
Belton Independent School District	2,100	1	1,700	1
Bell County	1,222	2	1,180	2
University of Mary Hardin-Baylor	662	3	543	3
HEB Grocery	650	4	295	6
TruMH (a Clayton Homes Co)	500	5	176	8
CGI	350	6	200	7
United Parcel Service	315	7	-	-
Wal-Mart	295	8	323	5
Cedar Crest Hospital & Clinic	293	9	175	9
PSC (Primoris Industrial & Civil)	200	10	-	-
James Construction Group	-	-	380	4
Belco Manufacturing	-	-	173	10
Total	<u>6,587</u>		<u>5,145</u>	

Source: Belton Economic Development Corporation, Entities

**City of Belton, Texas**  
**Top Ten Water Customers**  
Current Year and Nine Years Ago  
(Unaudited)

Customer	Customer Type	2023			2014		
		Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
UMHB	Education	\$ 387,714	1	6.85 %	\$ 255,146	1	7.57
Belton ISD	Education	136,684	2	2.41	141,938	3	4.21
Bell County	Government	129,586	3	2.29	229,876	2	6.82
Turtle Creek Village	Apartment	93,927	4	1.66	103,193	4	3.06
Tex Mix Partners	Construction	65,857	5	1.16	-		-
Today's Car Wash	Retail	49,897	6	0.88	-		-
Legacy Landing	Apartment	45,723	7	0.81	69,571	5	2.06
Riversprings At Barge Ranch	Apartment	43,895	8	0.78	-		-
D R Horton	Construction	42,270	9	0.75	-		-
Bell County Expo Center	Event Center	42,023	10	0.74	54,862	7	1.63
Belle Oaks Apartments	Apartment	-		-	66,412	6	1.97
Montrose II Apartments	Apartment	-		-	46,030	8	1.37
H.E.B. Grocery Company	Retail	-		-	44,299	9	1.31
Belton Housing Authority	Government	-		-	43,179	10	1.28
Totals		<u>\$ 1,037,576</u>		<u>18.33 %</u>	<u>\$ 1,054,506</u>		<u>31.28%</u>

Source: Finance Department, City of Belton, Texas

**City of Belton, Texas**  
**Full-Time Equivalent City Government Employees by Function**  
 Last Ten Years  
 (Unaudited)

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	18.0	19.0	16.0	15.0	15.0	15.0	15.0	16.0	16.0	18.0
Public safety:										
Police	42.0	46.0	46.0	47.0	48.0	48.0	48.5	51.5	52.5	54.5
Fire	33.0	34.0	35.0	35.0	35.0	35.0	29.0	28.0	28.0	28.0
Highways and streets	9.0	9.0	9.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0
Planning	4.5	4.5	4.5	6.5	6.5	6.5	7.5	7.8	7.8	8.0
Culture and recreation	17.0	17.0	18.0	19.0	19.0	19.0	19.5	19.5	19.5	19.5
Solid waste	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Maintenance	8.0	8.0	7.0	8.5	9.0	9.0	9.0	9.0	9.0	9.0
Water and sewer	22.0	22.0	24.0	22.5	24.5	25.0	28.0	28.0	29.0	29.0
Economic development	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.8
Drainage	2.0	2.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
<b>Total</b>	<b>158.5</b>	<b>164.5</b>	<b>166.0</b>	<b>168.0</b>	<b>171.5</b>	<b>172.0</b>	<b>171.0</b>	<b>174.3</b>	<b>176.3</b>	<b>180.8</b>

Source: Finance Department, City of Belton, Texas

**City of Belton, Texas**  
**Operating Indicators by Function**  
 Last Ten Years  
 (Unaudited)

Function	Fiscal Year			
	2014	2015	2016	2017
<b>Police:</b>				
Alarms responded to	1,350	1,050	1,088	1,101
Calls for Service	50,000	39,322	38,642	36,805
Code Inspections *	-	-	-	-
Code Citations issued *	-	-	-	-
<b>Fire:</b>				
Fires	123	130	67	127
Inspections	165	175	200	249
Investigations	43	50	45	13
<b>Highways and streets:</b>				
Signs erected	460	496	352	254
<b>Planning:</b>				
Permits issued	1,725	1,210	1,932	2,518
Inspections	3,760	2,290	3,812	4,842
<b>Culture and recreation:</b>				
Library circulation	86,624	88,694	83,880	84,607
<b>Maintenance:</b>				
Work orders completed	2,758	1,850	2,590	2,803
<b>Water:</b>				
New connections	175	150	150	270
Water main breaks	35	15	11	10
Avg. daily water consumption (millions of gallons)	3.09	2.78	2.84	3.06
<b>Sewer:</b>				
Avg. daily sewage treatment (millions of gallons)	1.53	1.77	1.86	1.53

Sources: Various city departments.

Note: Indicators are not all available for the general government, refuse collection, and economic development

\* Beginning in FY 2018, Code Enforcement began a new compliance-encouraged approach to addressing properties in violation. Therefore, the appropriate metrics have been adjusted and data prior to FY 2018 is not available.

Fiscal Year					
2018	2019	2020	2021	2022	2023
925	1,100	1,150	950	1,128	1,149
36,658	35,800	33,400	33,600	35,452	33,929
1,831	2,012	2,950	3,925	3,184	3,146
3	10	8	8	73	138
81	99	100	126	136	104
235	228	175	350	310	268
21	35	27	24	10	44
275	400	393	440	318	333
2,541	2,489	2,801	1,390	1,315	912
4,837	4,982	5,711	4,158	8,662	5,031
90,076	87,023	58,122	53,356	85,912	97,514
2,658	1,469	2,425	1,213	1,225	1,025
335	385	422	358	453	309
18	15	18	16	31	12
3.09	2.69	3.0	3.3	3.8	3.7
1.27	1.73	1.78	1.66	1.54	1.71

**City of Belton, Texas**  
**Capital Asset Statistics by Function**  
 Last Ten Years  
 (Unaudited)

Function	Fiscal Year			
	2014	2015	2016	2017
Public safety:				
Police:				
Stations	1	1	1	1
Substations	1	1	1	1
Patrol units	15	15	17	17
Fire stations	2	2	2	2
Highways and streets:				
Streets (miles)	106	107	109	111
Culture and recreation:				
Parks acreage	194	174	177	186
Playgrounds	15	18	18	18
Irrigated ball fields	15	15	15	15
Trails (miles)	7	7	4	4.06
Water:				
Service connections	6,105	6,387	6,324	6,596
Water mains (miles)	121	144	144	152
Water pump stations	2	2	2	2
Fire hydrants	890	1016	1016	1098
Plant capacity (millions of gallons)	8.3	8.3	8.3	8.3
Sewer:				
Service connections	4,782	4,750	4,843	5,068
Sanitary sewers (miles)	134	135	100	112
Number of lift stations	17	17	17	17
Treatment plant capacity (millions of gallons)	2.5	2.5	2.5	2.5

Sources: Various city departments.

Note: Capital asset indicators are not available for the general government, refuse collection, planning, maintenance, and economic development functions.

Fiscal Year						
2018	2019	2020	2021	2022	2023	
1	1	1	1	1	1	1
1	1	1	2	2	2	2
20	21	23	23	22	23	23
2	2	2	2	2	2	2
115	115	114	115	117	118.5	
275	349	349	349	349	349	349
18	18	18	20	20	20	20
15	15	15	15	15	15	15
4	5.2	5.2	6.08	6.08	7.96	
6,885	7,729	8,566	8,591	8,702	8,763	
156	160	162	168	164	166	
2	2	2	2	2	2	
1138	1188	1208	1175	1183	1207	
8.3	8.3	8.3	10	10	10	
5,332	5,702	6,020	6,458	6,905	7,058	
114	118	119	132	131	135	
17	17	17	17	17	18	
2.5	2.5	2.5	2.5	2.5	2.5	

