



CITY OF BELTON, TEXAS ANNUAL COMPREHENSIVE FINANCIAL REPORT

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**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

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

For the Fiscal Year Ended
September 30, 2022

CITY MANAGER
Sam A. Listi

Prepared by:

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Please visit us at our website: www.beltontexas.gov

City of Belton Texas

Year Ended September 30, 2022

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City of Belton

★ *Founded 1850* ★

February 14, 2023

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, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that 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, have issued an unmodified (“clean”) opinion on the City of Belton’s financial statements for the year ended September 30, 2022. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. 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 April 1. The City Manager then submits a budget of estimated expenditures and revenues to the City Council no later than August 10. 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 and TIRZ 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 12,000 students on 18 campuses, 9 of which are in the city limits of Belton.

The unemployment rate for the Temple-Killeen-Ft Hood MSA decreased to 4.2% from 5.1% 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 has identified nearly \$68 million in capital projects for the 2023-2027 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 2023 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 the maintenance of reserves equal to 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. At September 30, 2022, all operating funds are 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 (ACFR) for the fiscal year ended September 30, 2021. This was the thirty-sixth 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, 2021. 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 thirtieth consecutive year that the City 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.

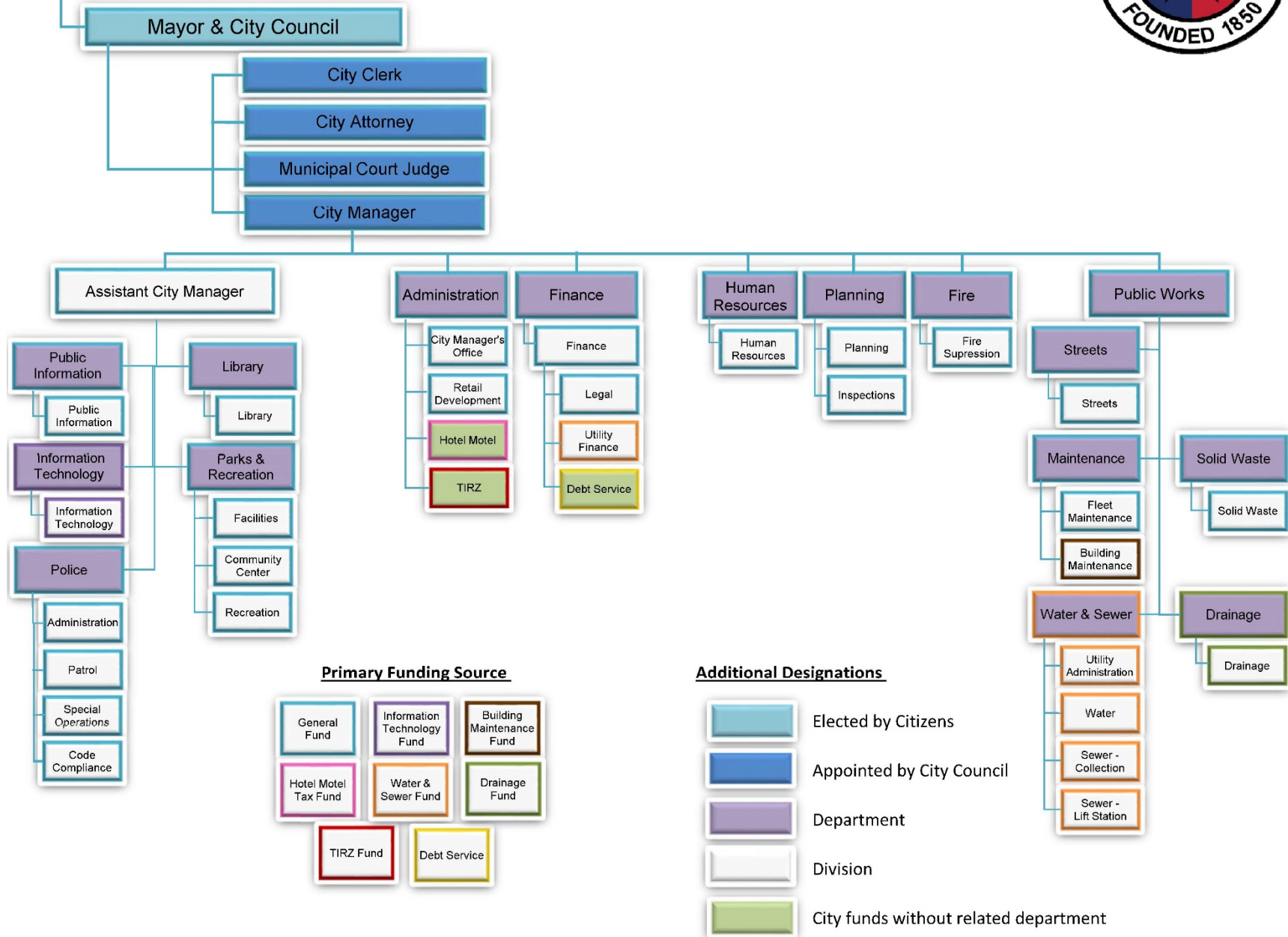
Respectfully submitted,



Sam A. Listi
City Manager



William Michael Rodgers, CPA
Director of Finance



CITY OF BELTON

ELECTED OFFICIALS

CITY COUNCIL

Two-Year Terms

<u>NAME</u>	<u>TERM EXPIRES</u>
Wayne Carpenter, Mayor	May 2025
David K. Leigh, Mayor Pro Tem	May 2024
Dan Kirkley	May 2023
Stephanie O'Banion	May 2025
Craig Pearson	May 2024
Daniel Bucher	May 2025
John Holmes	May 2023

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
for Excellence
in Financial
Reporting

Presented to

**City of Belton
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Change in Accounting Principle

As discussed in Note I to the financial statements, the City adopted Governmental Accounting Standards Board (“GASB”) Statement No. 87, *Leases* effective October 1, 2021. 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 schedules of budgetary comparisons for the General Fund and TIRZ Fund on pages 71 through 73, the schedules of changes in the City’s net pension liability and related ratios and contributions on pages 74 to 78, and the schedule of changes in the City’s total OPEB liability and related ratios and contributions on pages 79 and 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, 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.

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, 2023 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 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, 2023

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, 2022. 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 \$97,852,144 (*net position*). Of this amount, \$21,135,955 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 \$3,413,431, primarily due to grants and contributions from third parties and greater general revenues such as property and sales taxes.
- The City issued \$6.295 million of combination tax and limited revenue certificates of obligation in 2022.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$18,836,968, an increase of \$3,264,288 in comparison with the prior year. Of this total amount, \$6,825,928 (36.0 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 \$7,697,928, or 43.0 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 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 and TIRZ Fund. Budgetary comparison schedules have been provided for the General Fund and TIRZ Fund to demonstrate compliance with these budgets. Required supplementary information can be found on pages 71 - 81 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 88 through 98 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 \$97,852,144 at the close of the most recent fiscal year.

City of Belton Statement of Net Position

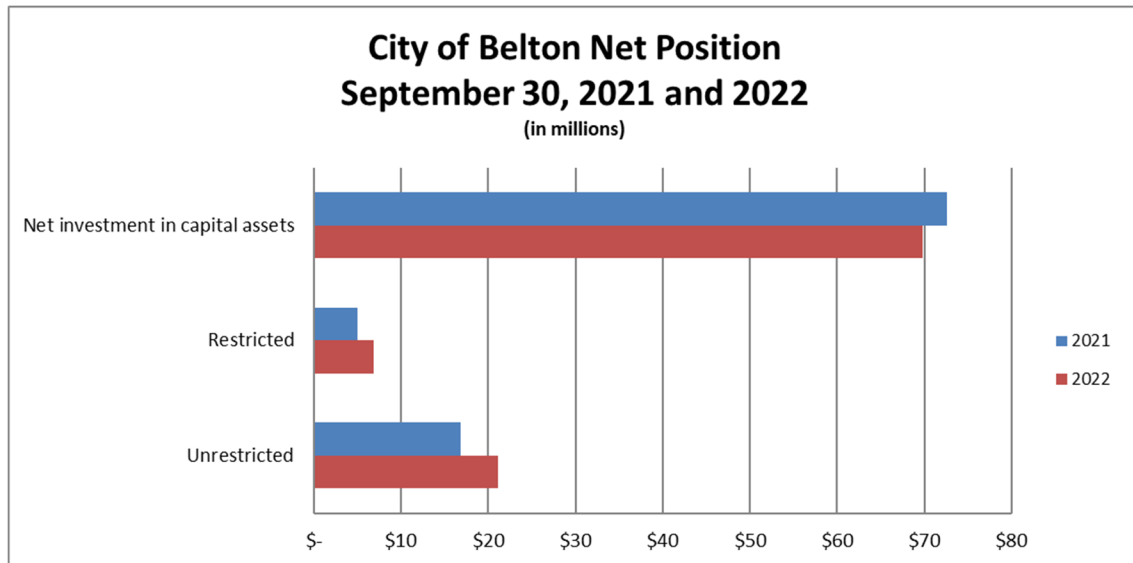
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 25,878,746	\$ 20,492,937	\$ 18,647,514	\$ 17,105,651	\$ 44,526,260	\$ 37,598,588
Capital and right-of-use assets	42,250,260	42,793,871	56,291,872	53,944,414	98,542,132	96,738,285
Total assets	<u>68,129,006</u>	<u>63,286,808</u>	<u>74,939,386</u>	<u>71,050,065</u>	<u>143,068,392</u>	<u>134,336,873</u>
Total deferred outflows of resources	<u>932,809</u>	<u>847,658</u>	<u>179,587</u>	<u>175,790</u>	<u>1,112,396</u>	<u>1,023,448</u>
Long-term liabilities outstanding	11,557,673	13,892,352	21,652,969	16,569,789	33,210,642	30,462,141
Other liabilities	8,039,293	6,191,634	3,133,580	3,473,764	11,172,873	9,665,398
Total liabilities	<u>19,596,966</u>	<u>20,083,986</u>	<u>24,786,549</u>	<u>20,043,553</u>	<u>44,383,515</u>	<u>40,127,539</u>
Total deferred inflows of resources	<u>1,621,051</u>	<u>649,167</u>	<u>324,078</u>	<u>144,902</u>	<u>1,945,129</u>	<u>794,069</u>
Net position:						
Net investment in capital asset	32,230,617	31,392,391	37,626,249	41,254,526	69,856,866	72,646,917
Restricted	6,859,323	5,008,535	-	-	6,859,323	5,008,535
Unrestricted	<u>8,753,858</u>	<u>7,000,387</u>	<u>12,382,097</u>	<u>9,782,874</u>	<u>21,135,955</u>	<u>16,783,261</u>
Total net position	<u>\$ 47,843,798</u>	<u>\$ 43,401,313</u>	<u>\$ 50,008,346</u>	<u>\$ 51,037,400</u>	<u>\$ 97,852,144</u>	<u>\$ 94,438,713</u>

By far the largest portion of the City's net position (\$69,856,866 or 71.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, 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 (\$6,859,323 or 7.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$21,135,955 or 21.6 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.

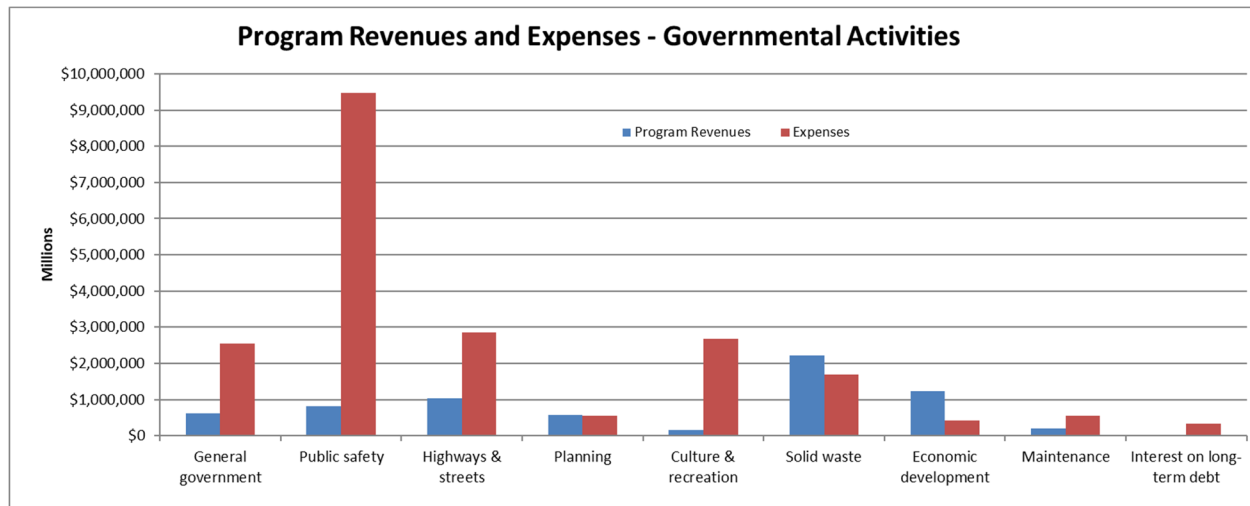
The City's total net position increased \$3,413,431 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.



City of Belton's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 3,568,509	\$ 3,064,557	\$ 11,076,317	\$ 9,941,066	\$ 14,644,826	\$ 13,005,623
Operating grants and contributions	2,205,343	1,707,513	-	-	2,205,343	1,707,513
Capital grants and contributions	1,045,229	1,465,540	1,441,835	3,940,303	2,487,064	5,405,843
General revenues:						
Property taxes	9,776,118	9,009,410	-	-	9,776,118	9,009,410
Sales taxes	5,721,518	4,896,247	-	-	5,721,518	4,896,247
Franchise taxes	1,320,018	1,238,870	-	-	1,320,018	1,238,870
Other taxes	362,357	295,932	-	-	362,357	295,932
Investment earnings	173,436	19,147	140,551	19,867	313,987	39,014
Gain on sale of assets	36,941	58,805	-	11,500	36,941	70,305
Other income	264,505	113,680	-	-	264,505	113,680
Total revenues	<u>24,473,974</u>	<u>21,869,701</u>	<u>12,658,703</u>	<u>13,912,736</u>	<u>37,132,677</u>	<u>35,782,437</u>
Expenses:						
General government	2,538,856	2,720,745	-	-	2,538,856	2,720,745
Public safety	9,478,735	8,402,934	-	-	9,478,735	8,402,934
Highways and streets	2,857,347	3,410,000	-	-	2,857,347	3,410,000
Planning	552,775	522,439	-	-	552,775	522,439
Culture and recreation	2,683,622	2,775,670	-	-	2,683,622	2,775,670
Solid waste	1,694,189	1,533,809	-	-	1,694,189	1,533,809
Economic development	408,870	75,715	-	-	408,870	75,715
Maintenance	547,620	568,396	-	-	547,620	568,396
Interest and other fiscal charges	322,675	333,711	-	-	322,675	333,711
Water and sewer	-	-	11,986,427	10,102,907	11,986,427	10,102,907
Drainage	-	-	648,130	612,115	648,130	612,115
Total expenses	<u>21,084,689</u>	<u>20,343,419</u>	<u>12,634,557</u>	<u>10,715,022</u>	<u>33,719,246</u>	<u>31,058,441</u>
Changes in net position before transfers	3,389,285	1,526,282	24,146	3,197,714	3,413,431	4,723,996
Transfers	1,053,200	562,731	(1,053,200)	(562,731)	-	-
Changes in net position	<u>4,442,485</u>	<u>2,089,013</u>	<u>(1,029,054)</u>	<u>2,634,983</u>	<u>3,413,431</u>	<u>4,723,996</u>
Net position, beginning of year	<u>43,401,313</u>	<u>41,312,300</u>	<u>51,037,400</u>	<u>48,402,417</u>	<u>94,438,713</u>	<u>89,714,717</u>
Net position, end of year	<u>\$ 47,843,798</u>	<u>\$ 43,401,313</u>	<u>\$ 50,008,346</u>	<u>\$ 51,037,400</u>	<u>\$ 97,852,144</u>	<u>\$ 94,438,713</u>

Governmental activities. During the current fiscal year, net position for governmental activities increased \$4,442,485 from the prior fiscal year for an ending balance of \$47,843,798. This increase was driven by a \$915,998 contribution to the TIRZ Fund and \$695,312 of American Rescue Plan Grant revenue recognized. Developer contributions of assets added another \$1,037,087. Property and sales tax revenue also increased by \$1,591,979 over the previous year as property values and retail spending continued to grow.



Business-type activities. For the City’s business-type activities, the results for the current fiscal year were that overall net position decreased to an ending balance of \$50,008,346. The total decrease in net position for business-type activities (Water and Sewer Fund, and Drainage Fund) was \$1,029,054. Key changes year over year included:

- Charges for business-type activities totaled \$11,076,317, an increase of \$1,135,251 from the prior year. This increase is a reflection of a growing customer base and drier year.
- Expenses for business-type activities totaled \$12,634,557, a 17.9 percent increase over prior year. Expenses rose as a result of higher operating costs and major maintenance projects.
- Capital contributions from developers and the Belton Economic Development Corporation totaled \$1,441,835.

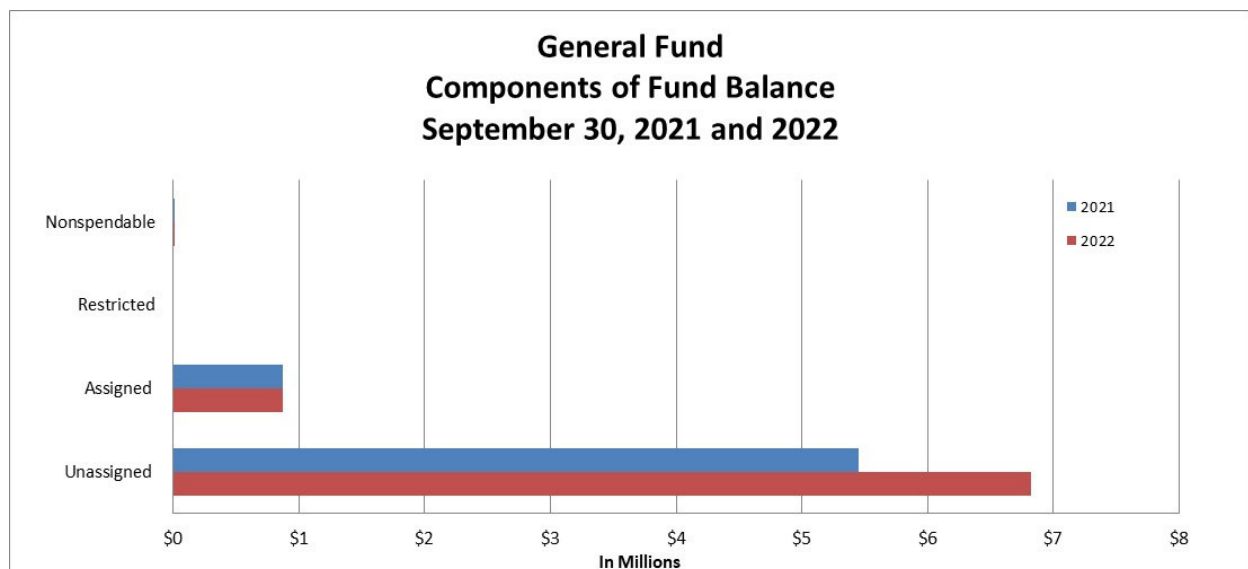
Financial Analysis of the City’s Funds

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

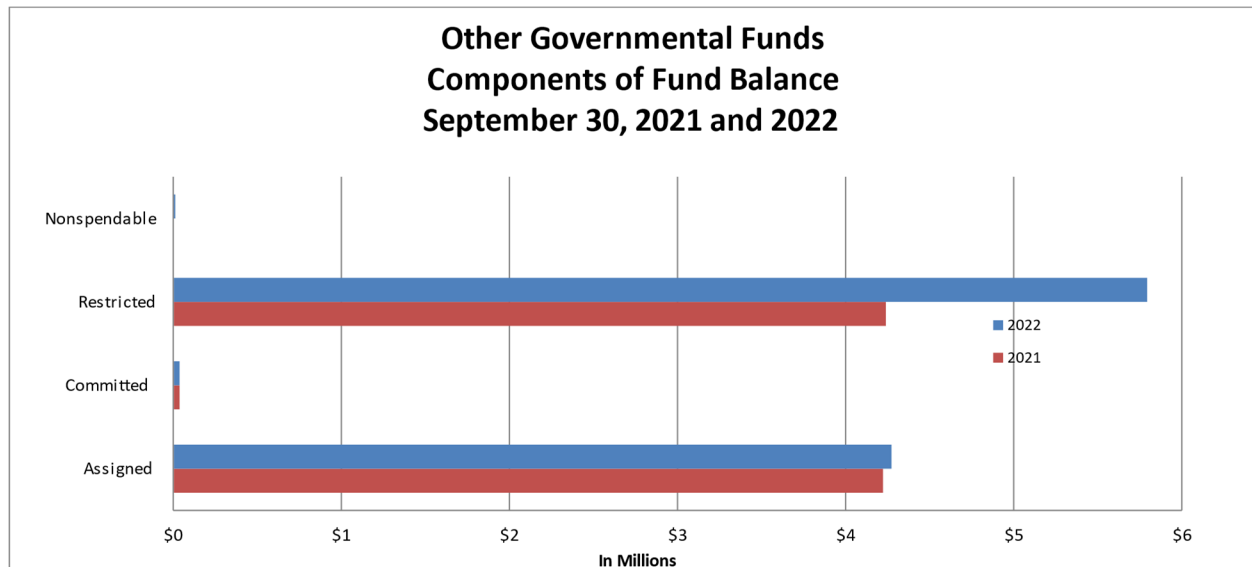
Governmental funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure 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, 2022, the City's governmental funds reported combined ending fund balances of \$18,836,968, an increase of \$3,264,288 in comparison with the prior year. Approximately 36.0 percent (\$6,825,928) 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 (\$8,407);
- 2) Restricted for particular purposes:
 - a. Debt service (\$11,541);
 - b. Public, educational, or governmental access facilities (\$430,133);
 - c. Public safety training, equipment, and security facilities (\$50,825);
 - d. Cemetery maintenance and improvements (\$519);
 - e. Court technology and security (\$109,466)
 - f. Capital projects (\$4,580,753); and
 - g. Economic development (\$1,641,057).
- 3) Committed for particular purposes:
 - a. Economic development (\$37,189).
- 4) Assigned for particular purposes:
 - a. Future civil service costs (\$872,000);
 - b. Culture and recreation (\$527,919); and
 - c. Capital projects and equipment (\$3,741,231).



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 \$6,825,928, while total fund balance increased by \$1,373,352 to \$7,704,335. Property tax revenue increased by 11% over the previous year to \$7,090,308 due to increasing property values within the City. Sales tax revenue increased 16.8% to \$5,721,518 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 38.1 percent of total General Fund budgeted expenditures (including transfers), while total fund balance represents 43.1 percent of that same amount.



Assigned other governmental funds consists primarily of capital project and capital equipment replacement funds. The \$45,297 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 \$3,953.

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 2021 to 2022 was the result of rising contributions into the Tax Increment Reinvestment Zone Capital Projects Fund.

The Debt Service Fund, a major fund, had a decrease in fund balance during the current year of \$62,663, to bring the year-end fund balance to \$11,541. This decrease was due to a lower collection rate than anticipated along with a planned use of reserves.

The TIRZ Fund, a major fund, had an increase in fund balance during the current year of \$340,037, to bring the year-end fund balance to \$1,001,077. This increase was due to growing property values within the Tax Increment Reinvestment Zone.

The American Rescue Plan Grant Fund, a major fund, had an increase in fund balance during the current year of \$21,153, to bring the year-end fund balance to \$21,278. Grant funds totaling \$2,840,894 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 \$44,858,538, and the net position of the Drainage Fund amounted to \$5,149,808. The total change in net position was (\$1,045,545) and \$16,491, respectively. Notable changes in the Water and Sewer Fund activity include:

- Charges for sales and services grew by 11.8 percent to \$10,370,050, due to increased consumption from an expanding customer base and a drier than average year;
- Operating expenses totaled \$11,317,757, an increase of \$1,678,536 or 17.4 percent from the prior year. The increase was primarily driven by depreciation and higher costs for water production and sewer treatment; and
- Capital contributions were \$1,344,537 for the dedication of water and sewer lines in new subdivisions.

Notable changes in the Drainage Fund activity include:

- An increase in revenue of \$15,317 or 2.8 percent due to an increased number of customers in the current year;
- Operating expenses totaled \$642,083, an increase of \$36,787 or 6.1 percent from the prior year. The increase was primarily driven by depreciation and maintenance costs; and
- There was \$97,298 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 \$430,480 between the original budget and final General Fund budget. The increase in uses was attributable to costs related to compensation study implementation, fuels, vehicle repairs and the transfer of funds for future capital projects. Budgeted sources of funds, inclusive of revenues and other financial sources, increased by \$848,100 between the original and final General Fund budget. The increase in sources was attributable to greater property and sales tax revenue growth than anticipated.

There was no difference in budgeted sources and uses of funds between the original and final TIRZ Fund budget.

Final budget compared to actual results. For the General Fund, actual revenues surpassed budgeted revenues by \$345,757, primarily driven by miscellaneous items such as public safety reimbursements and sale of assets. Parks and recreation revenue exceeded budget as well as interest income. Actual expenditures ended the year \$592,975 under budget with significant savings in various divisions due to personnel.

The most significant difference between budgeted revenues and actual revenues of the TIRZ Fund related to intergovernmental revenue with a difference of \$65,112 due to a lower adopted property tax rate than anticipated when the budget was being developed. The most significant difference between budgeted expenditures and actual expenditures of the TIRZ Fund related to economic development expenditures with a difference of \$55,231 due to façade grants.

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, 2022, amounts to \$98,446,926 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, 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 1.8 percent (a 1.3 percent decrease for governmental activities and a 4.2 percent increase for business-type activities).

City of Belton's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,799,921	\$ 4,749,158	\$ 285,175	\$ 285,175	\$ 5,085,096	\$ 5,034,333
Buildings	4,543,424	4,913,258	4,282,735	4,505,633	8,826,159	9,418,891
Improvements other than buildings	1,174,609	1,255,328	-	-	1,174,609	1,255,328
Machinery and equipment	3,358,483	2,872,984	1,606,551	1,928,097	4,965,034	4,801,081
Infrastructure	27,525,323	27,526,359	39,048,179	43,390,796	66,573,502	70,917,155
Construction in progress	848,500	1,476,784	10,974,026	3,834,713	11,822,526	5,311,497
Total	<u>\$ 42,250,260</u>	<u>\$ 42,793,871</u>	<u>\$ 56,196,666</u>	<u>\$ 53,944,414</u>	<u>\$ 98,446,926</u>	<u>\$ 96,738,285</u>

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

- Work was completed on:
 - Shared Use Path;
 - Pumper fire truck;
 - Three Creeks water and sewer;
 - Connell subdivision streets, water, and sewer; and
 - West Canyon Trails streets, water, and sewer.

- Work began/continued on:
 - Heritage Park expansion;
 - N. Belton water tank;
 - E. 6th Avenue water line; and
 - South Belton 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 \$31,530,000, excluding bond premiums. All of this debt is secured by the full faith and credit of the City. Of the total, \$21,873,300 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 6,265,000	\$ 7,320,000	\$ 540,000	\$ 695,000	\$ 6,805,000	\$ 8,015,000
Certificates of obligation	3,391,725	3,548,400	21,333,268	15,956,593	24,724,993	19,504,993
Total	<u>\$ 9,656,725</u>	<u>\$ 10,868,400</u>	<u>\$ 21,873,268</u>	<u>\$ 16,651,593</u>	<u>\$ 31,529,993</u>	<u>\$ 27,519,993</u>

The City's total bonded debt increased by \$4.0 million (14.6 percent) during the current fiscal year. The increase was due to the issuance of \$6.295 million of combination tax and limited revenue certifications of obligation in 2022 offset by regularly scheduled principal payments of approximately \$2.3 million.

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 2022 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 2023 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 2023 annual budget is noteworthy as both revenues and expenditures increase significantly. A strong demand for housing, along with limited supply, continues to push property values higher. Consumer spending drives sales tax revenue to record levels in Belton. An American Rescue Plan Act grant provides one-time funding to address community needs. These growing revenues in fiscal year 2023 provide the resources to fund several Strategic Plan priorities, such as enhanced 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, 2022

	Primary Government			Component Unit
	Governmental	Business-type	Total	Belton Economic
	Activities	Activities		Development
				Corporation, Inc.
Assets				
Cash and cash equivalents	\$ 23,723,725	17,402,666	41,126,391	12,434,541
Receivables (net of allowance for uncollectibles)	2,001,991	1,235,827	3,237,818	531,665
Due from other governments	49,126	-	49,126	-
Prepaid items	103,904	9,021	112,925	4,371
Note receivable	-	-	-	77,379
Right-of-use asset, net of accumulated amortization	-	95,206	95,206	-
Capital assets not being depreciated:				
Land	4,799,921	285,175	5,085,096	906,896
Construction in progress	848,500	10,974,026	11,822,526	454,272
Capital assets, net of accumulated depreciation:				
Buildings	4,543,424	4,282,735	8,826,159	480,468
Improvements other than buildings	1,174,609	-	1,174,609	-
Machinery and equipment	3,358,483	1,606,551	4,965,034	5,011
Infrastructure	27,525,323	39,048,179	66,573,502	-
Total assets	68,129,006	74,939,386	143,068,392	14,894,603
Deferred Outflows of Resources				
Deferred outflows of resources	932,809	179,587	1,112,396	19,435
Total deferred outflows of resources	932,809	179,587	1,112,396	19,435
Liabilities				
Accounts and retainages payable	1,145,497	1,184,168	2,329,665	11,201
Accrued interest payable	53,830	104,433	158,263	-
Other accrued liabilities	261,783	54,559	316,342	4,396
Customer deposits payable	21,560	364,625	386,185	2,200
Unearned revenue	4,986,476	-	4,986,476	5,000
Noncurrent liabilities:				
Due within one year	1,570,147	1,425,795	2,995,942	24,664
Due in more than one year	11,557,673	21,652,969	33,210,642	35,238
Total liabilities	19,596,966	24,786,549	44,383,515	82,699
Deferred Inflows of Resources				
Deferred inflows of resources	1,621,051	324,078	1,945,129	35,071
Total deferred inflows of resources	1,621,051	324,078	1,945,129	35,071
Net Position				
Net investment in capital assets	32,230,617	37,626,249	69,856,866	1,846,647
Restricted for:				
Debt service	46,570	-	46,570	-
Capital projects	4,580,753	-	4,580,753	-
Economic development	1,641,057	-	1,641,057	-
Court	109,466	-	109,466	-
Public safety	50,825	-	50,825	-
Public access facilities	430,133	-	430,133	-
Cemetery	519	-	519	-
Unrestricted	8,753,858	12,382,097	21,135,955	12,949,621
Total net position	\$ 47,843,798	50,008,346	97,852,144	14,796,268

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Activities
For the Fiscal Year Ended
September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,538,856	128,461	485,565	-
Public safety	9,478,735	310,275	503,780	-
Highways and streets	2,857,347	-	-	1,037,807
Planning	552,775	566,050	-	-
Culture and recreation	2,683,622	145,816	-	-
Solid waste	1,694,189	2,222,750	-	-
Economic development	408,870	-	1,215,998	7,422
Maintenance	547,620	195,157	-	-
Interest and other fiscal charges	322,675	-	-	-
Total governmental activities	<u>21,084,689</u>	<u>3,568,509</u>	<u>2,205,343</u>	<u>1,045,229</u>
Business-type activities:				
Water and sewer	11,986,427	10,516,924	-	1,344,537
Drainage	648,130	559,393	-	97,298
Total business-type activities	<u>12,634,557</u>	<u>11,076,317</u>	<u>-</u>	<u>1,441,835</u>
Total primary government	<u>\$ 33,719,246</u>	<u>14,644,826</u>	<u>2,205,343</u>	<u>2,487,064</u>
Component unit:				
Belton Economic Development Corporation, Inc.				
	<u>\$ 952,858</u>	<u>33,190</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 952,858</u>	<u>33,190</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.
(1,924,830)		(1,924,830)	
(8,664,680)		(8,664,680)	
(1,819,540)		(1,819,540)	
13,275		13,275	
(2,537,806)		(2,537,806)	
528,561		528,561	
814,550		814,550	
(352,463)		(352,463)	
(322,675)		(322,675)	
<u>(14,265,608)</u>		<u>(14,265,608)</u>	
-	(124,966)	(124,966)	
-	8,561	8,561	
<u>-</u>	<u>(116,405)</u>	<u>(116,405)</u>	
<u>(14,265,608)</u>	<u>(116,405)</u>	<u>(14,382,013)</u>	
			<u>(919,668)</u>
			<u>(919,668)</u>
\$ 9,776,118	-	9,776,118	-
5,721,518	-	5,721,518	2,860,330
1,320,018	-	1,320,018	-
289,819	-	289,819	-
72,538	-	72,538	-
173,436	140,551	313,987	93,336
264,505	-	264,505	600
36,941	-	36,941	-
1,053,200	(1,053,200)	-	-
<u>18,708,093</u>	<u>(912,649)</u>	<u>17,795,444</u>	<u>2,954,266</u>
4,442,485	(1,029,054)	3,413,431	2,034,598
<u>43,401,313</u>	<u>51,037,400</u>	<u>94,438,713</u>	<u>12,761,670</u>
<u>\$ 47,843,798</u>	<u>50,008,346</u>	<u>97,852,144</u>	<u>14,796,268</u>

City of Belton, Texas
Balance Sheet
Governmental Funds
September 30, 2022

	General	Debt Service	TIRZ	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,959,965	9,626	1,001,077	5,007,754	10,465,452	23,443,874
Receivables (net of allowance for uncollectibles)	1,892,843	36,944	-	-	72,204	2,001,991
Due from other governments	11,750	-	-	-	37,376	49,126
Due from other funds	27,949	-	-	-	-	27,949
Prepaid items	6,407	-	-	-	2,000	8,407
Total assets	\$ 8,898,914	46,570	1,001,077	5,007,754	10,577,032	25,531,347
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts and retainages payable	\$ 664,959	-	-	-	450,346	1,115,305
Accrued liabilities	254,140	-	-	-	-	254,140
Customer deposits payable	21,560	-	-	-	-	21,560
Unearned revenue	-	-	-	4,986,476	-	4,986,476
Due to other funds	-	-	-	-	27,949	27,949
Total liabilities	940,659	-	-	4,986,476	478,295	6,405,430
Deferred inflows of resources:						
Unavailable revenue	253,920	35,029	-	-	-	288,949
Total deferred inflows of resources	253,920	35,029	-	-	-	288,949
Fund balances:						
Nonspendable	6,407	-	-	-	2,000	8,407
Restricted	-	11,541	1,001,077	21,278	5,790,398	6,824,294
Committed	-	-	-	-	37,189	37,189
Assigned	872,000	-	-	-	4,269,150	5,141,150
Unassigned	6,825,928	-	-	-	-	6,825,928
Total fund balances	7,704,335	11,541	1,001,077	21,278	10,098,737	18,836,968
Total liabilities, deferred inflows of resources and fund balances	\$ 8,898,914	46,570	1,001,077	5,007,754	10,577,032	
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						42,123,165
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.						251,662
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.						359,803
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.						(13,727,800)
Net position of governmental activities						\$ 47,843,798

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, 2022

	General	Debt Service	TIRZ	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Ad valorem	\$ 7,090,308	1,084,101	1,566,771	-	-	9,741,180
Sales	5,721,518	-	-	-	-	5,721,518
Franchise	1,290,650	-	-	-	29,368	1,320,018
Hotel/motel	-	-	-	-	289,819	289,819
Alcoholic beverage	72,538	-	-	-	-	72,538
Licenses and permits	566,050	-	-	-	-	566,050
Intergovernmental	394,732	-	915,998	695,312	389,610	2,395,652
Charges for services	2,401,104	-	-	-	-	2,401,104
Fines	287,737	-	-	-	32,151	319,888
Interest	63,026	2,777	11,959	21,153	73,642	172,557
Contributions and donations	-	-	-	-	89,721	89,721
Payments in lieu of taxes	11,900	-	-	-	-	11,900
Miscellaneous	104,802	-	-	-	99,025	203,827
Total revenues	<u>18,004,365</u>	<u>1,086,878</u>	<u>2,494,728</u>	<u>716,465</u>	<u>1,003,336</u>	<u>23,305,772</u>
Expenditures:						
Current:						
General government	1,863,055	-	-	395,312	138,699	2,397,066
Public safety	8,597,424	-	-	-	303,858	8,901,282
Highways and streets	836,300	-	-	-	64,966	901,266
Planning	549,888	-	-	-	14,437	564,325
Culture and recreation	1,799,823	-	-	-	274,673	2,074,496
Solid waste	1,684,639	-	-	-	-	1,684,639
Economic development	-	-	69,769	300,000	39,101	408,870
Maintenance services	536,696	-	-	-	-	536,696
Debt service:						
Principal	-	831,675	380,000	-	-	1,211,675
Interest and fiscal charges	-	347,866	22,392	-	-	370,258
Capital outlay	57,105	-	-	-	2,115,465	2,172,570
Total expenditures	<u>15,924,930</u>	<u>1,179,541</u>	<u>472,161</u>	<u>695,312</u>	<u>2,951,199</u>	<u>21,223,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,079,435</u>	<u>(92,663)</u>	<u>2,022,567</u>	<u>21,153</u>	<u>(1,947,863)</u>	<u>2,082,629</u>
Other financing sources (uses):						
Insurance proceeds	41,109	-	-	-	16,900	58,009
Proceeds from the sale of capital assets	41,459	-	-	-	14,711	56,170
Transfers in	631,730	30,000	-	-	3,508,661	4,170,391
Transfers out	(1,420,381)	-	(1,682,530)	-	-	(3,102,911)
Total other financing sources (uses)	<u>(706,083)</u>	<u>30,000</u>	<u>(1,682,530)</u>	<u>-</u>	<u>3,540,272</u>	<u>1,181,659</u>
Net change in fund balances	1,373,352	(62,663)	340,037	21,153	1,592,409	3,264,288
Fund balances, beginning of year	<u>6,330,983</u>	<u>74,204</u>	<u>661,040</u>	<u>125</u>	<u>8,506,328</u>	<u>15,572,680</u>
Fund balances, end of year	<u>\$ 7,704,335</u>	<u>11,541</u>	<u>1,001,077</u>	<u>21,278</u>	<u>10,098,737</u>	<u>18,836,968</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, 2022

Net change in fund balances - total governmental funds \$ 3,264,288

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 depreciation expense (\$3,430,478) exceeds capital outlays (\$2,172,570) in the current period. (1,257,908)

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 (\$765,199) less the net book value of capital assets sold (\$19,229) in the current period. 745,970

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 33,398

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. 195,157

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 (\$590,885), less the net effect of change in the total OPEB liability and the related deferred outflows and inflows of resources (\$43,845) less the change in accrued interest payable (\$23,287) less the change in compensated absences (\$344,718). 179,035

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 of principal repayments and bond premium amortization in the current year. 1,282,545

Change in net position of governmental activities \$ 4,442,485

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Net Position –
Proprietary Funds
September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Drainage	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 16,327,505	1,075,161	17,402,666	279,851
Receivables (net of allowance for uncollectibles)	1,178,090	57,737	1,235,827	-
Prepaid items	9,021	-	9,021	95,497
Total current assets	<u>17,514,616</u>	<u>1,132,898</u>	<u>18,647,514</u>	<u>375,348</u>
Noncurrent assets:				
Right-of-use asset, net of accumulated amortization	95,206	-	95,206	-
Capital assets:				
Land	285,045	130	285,175	-
Buildings	4,785,262	-	4,785,262	-
Infrastructure	70,256,768	5,869,698	76,126,466	-
Machinery and equipment	3,894,419	290,527	4,184,946	176,556
Construction in progress	10,974,026	-	10,974,026	-
	<u>90,195,520</u>	<u>6,160,355</u>	<u>96,355,875</u>	<u>176,556</u>
Less accumulated depreciation	<u>(38,205,661)</u>	<u>(1,953,548)</u>	<u>(40,159,209)</u>	<u>(49,461)</u>
Total capital assets, net	<u>51,989,859</u>	<u>4,206,807</u>	<u>56,196,666</u>	<u>127,095</u>
Total noncurrent assets	<u>52,085,065</u>	<u>4,206,807</u>	<u>56,291,872</u>	<u>127,095</u>
Total assets	<u>69,599,681</u>	<u>5,339,705</u>	<u>74,939,386</u>	<u>502,443</u>
Deferred Outflows of Resources				
Deferred outflows of resources	<u>160,094</u>	<u>19,493</u>	<u>179,587</u>	<u>37,800</u>
Liabilities				
Current liabilities:				
Accounts and retainages payable	1,177,710	6,458	1,184,168	30,193
Accrued interest payable	103,532	901	104,433	-
Other accrued liabilities	51,622	2,937	54,559	7,643
Customer deposits payable	364,625	-	364,625	-
Lease liability	10,155	-	10,155	-
Compensated absences - current	65,767	260	66,027	6,524
Bonds payable - current	<u>1,330,350</u>	<u>19,263</u>	<u>1,349,613</u>	<u>-</u>
Total current liabilities	<u>3,103,761</u>	<u>29,819</u>	<u>3,133,580</u>	<u>44,360</u>
Noncurrent liabilities:				
Lease liability	86,330	-	86,330	-
Compensated absences	34,811	4,380	39,191	9,109
Net pension liability	162,352	19,768	182,120	38,332
Total OPEB liability	86,512	10,534	97,046	20,426
Bonds payable	<u>21,138,570</u>	<u>109,712</u>	<u>21,248,282</u>	<u>-</u>
Total noncurrent liabilities	<u>21,508,575</u>	<u>144,394</u>	<u>21,652,969</u>	<u>67,867</u>
Total liabilities	<u>24,612,336</u>	<u>174,213</u>	<u>24,786,549</u>	<u>112,227</u>
Deferred Inflows of Resources				
Deferred inflows of resources	<u>288,901</u>	<u>35,177</u>	<u>324,078</u>	<u>68,213</u>
Net Position				
Net investment in capital assets	33,548,417	4,077,832	37,626,249	127,095
Unrestricted	<u>11,310,121</u>	<u>1,071,976</u>	<u>12,382,097</u>	<u>232,708</u>
Total net position	<u>\$ 44,858,538</u>	<u>5,149,808</u>	<u>50,008,346</u>	<u>359,803</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, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Drainage	Total	Internal Service Funds
Operating revenues:				
Charges for sales and services:				
Water service	\$ 5,959,310	-	5,959,310	-
Sewer service	3,875,760	-	3,875,760	-
Internal services	-	-	-	1,359,286
Storm drainage fees	-	559,393	559,393	-
Reconnect and late fees	119,990	-	119,990	-
Tap fees	414,990	-	414,990	-
Other operating revenue	146,874	-	146,874	-
Total operating revenues	<u>10,516,924</u>	<u>559,393</u>	<u>11,076,317</u>	<u>1,359,286</u>
Operating expenses:				
Salaries and wages	1,521,618	182,819	1,704,437	356,711
Employee benefits	345,154	56,644	401,798	94,153
Supplies	136,182	28,818	165,000	162,357
Repairs and maintenance	289,013	24,703	313,716	391,484
Water, sewage treatment, and other charges	3,188,254	23,741	3,211,995	105,812
Depreciation and amortization	5,817,321	325,358	6,142,679	31,673
Other operating expenses	20,215	-	20,215	8,538
Total operating expenses	<u>11,317,757</u>	<u>642,083</u>	<u>11,959,840</u>	<u>1,150,728</u>
Operating income (loss)	<u>(800,833)</u>	<u>(82,690)</u>	<u>(883,523)</u>	<u>208,558</u>
Nonoperating revenues (expenses):				
Loss on sale of capital assets	(3,311)	-	(3,311)	-
Interest earnings	132,621	7,930	140,551	879
Bond issuance costs	(133,944)	-	(133,944)	-
Interest expense	(531,415)	(6,047)	(537,462)	-
Total nonoperating revenues (expenses)	<u>(536,049)</u>	<u>1,883</u>	<u>(534,166)</u>	<u>879</u>
Income (loss) before contributions and transfers	<u>(1,336,882)</u>	<u>(80,807)</u>	<u>(1,417,689)</u>	<u>209,437</u>
Capital contributions	1,344,537	97,298	1,441,835	-
Transfers out	<u>(1,053,200)</u>	<u>-</u>	<u>(1,053,200)</u>	<u>(14,280)</u>
Change in net position	<u>(1,045,545)</u>	<u>16,491</u>	<u>(1,029,054)</u>	<u>195,157</u>
Total net position, beginning of year	<u>45,904,083</u>	<u>5,133,317</u>	<u>51,037,400</u>	<u>164,646</u>
Total net position, end of year	<u>\$ 44,858,538</u>	<u>5,149,808</u>	<u>50,008,346</u>	<u>359,803</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Cash Flows –
Proprietary Funds
For the Fiscal Year Ended
September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Drainage	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 10,527,068	557,874	11,084,942	\$ 1,359,286
Payments to suppliers	(4,713,426)	(151,631)	(4,865,057)	(901,722)
Payments to employees	(1,514,451)	(183,669)	(1,698,120)	(359,098)
Net cash provided by operating activities	<u>4,299,191</u>	<u>222,574</u>	<u>4,521,765</u>	<u>98,466</u>
Cash flows from noncapital financing activities:				
Transfer to other funds	(1,053,200)	-	(1,053,200)	(14,280)
Net cash used in noncapital financing activities	<u>(1,053,200)</u>	<u>-</u>	<u>(1,053,200)</u>	<u>(14,280)</u>
Cash flows from capital and related financing activities:				
Purchases and construction of capital assets	(7,451,010)	-	(7,451,010)	-
Principal and interest payments on lease	(11,492)	-	(11,492)	-
Proceeds from the sale of assets	5,512	-	5,512	-
Capital contributions	500,000	-	500,000	-
Proceeds from debt issuance	6,738,603	-	6,738,603	-
Principal paid on debt	(1,054,900)	(18,425)	(1,073,325)	-
Interest paid on debt	(566,438)	(6,175)	(572,613)	-
Payment of bond issuance costs	(133,944)	-	(133,944)	-
Net cash used in capital and related financing activities	<u>(1,973,669)</u>	<u>(24,600)</u>	<u>(1,998,269)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received	132,621	7,930	140,551	879
Net cash provided by investing activities	<u>132,621</u>	<u>7,930</u>	<u>140,551</u>	<u>879</u>
Net increase in cash and cash equivalents	1,404,943	205,904	1,610,847	85,065
Cash and cash equivalents, beginning of year	14,922,562	869,257	15,791,819	194,786
Cash and cash equivalents, end of year	<u>\$ 16,327,505</u>	<u>1,075,161</u>	<u>17,402,666</u>	<u>279,851</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (800,833)	(82,690)	(883,523)	208,558
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	5,817,321	325,358	6,142,679	31,673
Decrease (increase) in receivables	10,144	(1,519)	8,625	-
Increase in prepaid items	60,359	-	60,359	(95,497)
Increase (decrease) in accounts and retainages payable	(650,058)	2,697	(647,361)	8,375
Decrease in other accrued liabilities	(56,067)	(6,828)	(62,895)	(35,694)
Increase in customer deposits payable	61,210	-	61,210	-
Increase in compensated absences	7,167	850	8,017	2,387
Decrease in net pension liability and pension-related deferred outflows and inflows of resources	(152,101)	(15,954)	(168,055)	(23,763)
Increase in total OPEB liability and OPEB-related deferred outflows of resources	2,049	660	2,709	2,427
Total adjustments	<u>5,100,024</u>	<u>305,264</u>	<u>5,405,288</u>	<u>(110,092)</u>
Net cash provided by operating activities	<u>\$ 4,299,191</u>	<u>222,574</u>	<u>4,521,765</u>	<u>98,466</u>
Noncash capital and related financing activities:				
Contributions of capital assets	\$ 844,537	97,298	941,835	-
Acquisition of right-of-use asset	<u>\$ 106,115</u>	<u>-</u>	<u>106,115</u>	<u>-</u>

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, 2022

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 Fund* accounts for the economic development projects in the City's tax increment and reinvestment zone pursuant to the state tax code statute and county contributions.

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	\$ 1,445,290
Activities not included in the General Fund budget	<u>(71,938)</u>
Net change in fund balance - GAAP basis	<u><u>\$ 1,373,352</u></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	\$ 6,618,949
Water and sewer fund	<u>2,501,505</u>
Total primary government	<u><u>\$ 9,120,454</u></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, 2022.

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. The City recorded an additional \$1,872,169 in depreciation expense during fiscal year 2022 as a result of this change in estimate. 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. In addition, the government-wide financial statements and proprietary fund types in the fund financial statements report the right-of-use asset related to leases which is amortized over the life of the contract. 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.

	General	Debt Service	TIRZ	American Rescue Plan Grant	Other Funds	Totals
Nonspendable:						
Prepaid items	\$ 6,407	-	-	-	2,000	8,407
Restricted for:						
Court technology and security	-	-	-	-	109,466	109,466
Public safety	-	-	-	-	50,825	50,825
Public access facilities	-	-	-	-	430,133	430,133
Cemetery	-	-	-	-	519	519
Debt service	-	11,541	-	-	-	11,541
Capital projects	-	-	-	-	4,580,753	4,580,753
Economic development	-	-	1,001,077	21,278	618,702	1,641,057
Committed for:						
Economic development	-	-	-	-	37,189	37,189
Assigned for:						
Civil service sick pay and appeals	872,000	-	-	-	-	872,000
Culture and recreation	-	-	-	-	527,919	527,919
Capital projects and equipment	-	-	-	-	3,741,231	3,741,231
Unassigned	<u>6,825,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,825,928</u>
	<u>\$ 7,704,335</u>	<u>11,541</u>	<u>1,001,077</u>	<u>21,278</u>	<u>10,098,737</u>	<u>18,836,968</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 \$13,727,800 difference are as follows:

General obligation bonds	\$ 9,656,725
Premium on general obligation bonds	402,099
Deferred charge on refunding	(55,169)
Compensated absences	1,689,084
Accrued interest payable	53,830
Net pension liability	851,686
Total OPEB liability	453,834
Pension-related deferred outflows of resources	(718,474)
Pension-related deferred inflows of resources	1,455,688
OPEB-related deferred outflows of resources	(106,714)
OPEB-related deferred inflows of resources	<u>45,211</u>
	<u>\$ 13,727,800</u>

T. Change in Accounting Principle

As of October 1, 2021, the City adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 87, *Leases*. Accordingly, the City has recognized a lease receivable and deferred inflow of resources for an agreement where the City is the lessor in the General Fund. In addition, the City has recognized a right-of-use asset and lease liability for an agreement where the City is the lessee in the Water and Sewer Fund. Adoption of this standard enhances the relevant and consistency of information about the City’s leasing 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, 2022, 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 \$22,170,792, \$7,326,794, \$1,041,800, \$7,324,516, and \$13,491,151, 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 25, 14, 16, 19, and 31 days, respectively, as of September 30, 2022.

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	\$ 36,520
Carrying amount of deposits	2,169,359
Carrying amount of investments	<u>51,355,053</u>
Total	<u>\$ 53,560,932</u>
Per the statement of net position for the City:	
Cash and cash equivalents	\$ 41,126,391
Per the statement of net position for the Belton Economic Development Corporation, Inc.:	
Cash and cash equivalents	<u>12,434,541</u>
Total	<u>\$ 53,560,932</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	\$ 1,713,324	55,869	-	-	61,991	1,831,184
Water/sewer	-	-	1,319,903	-	-	1,319,903
Storm drainage	-	-	-	65,004	-	65,004
Ambulance	6,299,072	-	-	-	-	6,299,072
Other	426,908	-	-	-	10,213	437,121
	<u>8,439,304</u>	<u>55,869</u>	<u>1,319,903</u>	<u>65,004</u>	<u>72,204</u>	<u>9,952,284</u>
Less:						
Allowance for uncollectibles	<u>6,546,461</u>	<u>18,925</u>	<u>141,813</u>	<u>7,267</u>	<u>-</u>	<u>6,714,466</u>
	<u>\$ 1,892,843</u>	<u>36,944</u>	<u>1,178,090</u>	<u>57,737</u>	<u>72,204</u>	<u>3,237,818</u>

Included in other receivables for the General Fund is a lease receivable in the amount of \$37,287. 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. The City recorded a lease receivable and an equal deferred inflow of resources for the lease of \$37,287 at September 30, 2022.

City of Belton, Texas

Notes to Financial Statements (Continued)

III. Receivables (continued)

Future payments that are included in the measurement of the lease receivable as of September 30, 2022 are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 18,380	820
2024	<u>18,907</u>	<u>293</u>
	<u>\$ 37,287</u>	<u>1,113</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, 2021, upon which the 2022 fiscal year levy was based, was \$1,556,589,820.

The tax rate for fiscal year 2022 was \$0.6300 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, 2022, at which time a lien attaches for unpaid taxes. Tax collections during the fiscal year ended September 30, 2022, for the tax year 2021 levy, were 98.6 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

City of Belton, Texas

Notes to Financial Statements (Continued)

IV. Property Taxes (continued)

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.

V. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 4,749,158	57,105	(6,342)	4,799,921
Construction in progress	1,476,784	931,695	(1,559,979)	848,500
Total capital assets not being depreciated	6,225,942	988,800	(1,566,321)	5,648,421
Capital assets, being depreciated:				
Buildings	\$ 10,135,097	-	-	10,135,097
Improvements other than buildings	4,047,619	59,597	(17,365)	4,089,851
Machinery and equipment	7,887,902	1,154,707	(108,465)	8,934,144
Infrastructure	48,016,783	2,294,644	-	50,311,427
Total capital assets, being depreciated	70,087,401	3,508,948	(125,830)	73,470,519
Less accumulated depreciation for:				
Buildings	(5,221,839)	(369,834)	-	(5,591,673)
Improvements other than buildings	(2,792,291)	(140,316)	17,365	(2,915,242)
Machinery and equipment	(5,014,918)	(656,321)	95,578	(5,575,661)
Infrastructure	(20,490,424)	(2,295,680)	-	(22,786,104)
Total accumulated depreciation	(33,519,472)	(3,462,151)	112,943	(36,868,680)
Total capital assets, being depreciated, net	36,567,929	46,797	(12,887)	36,601,839
	\$ 42,793,871	1,035,597	(1,579,208)	42,250,260

City of Belton, Texas

Notes to Financial Statements (Continued)

V. Capital Assets (continued)

Primary Government (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land	285,175	-	-	285,175
Construction in progress	3,834,713	7,139,313	-	10,974,026
Total capital assets not being depreciated	4,119,888	7,139,313	-	11,259,201
Capital assets, being depreciated:				
Buildings	4,785,262	-	-	4,785,262
Machinery and equipment	4,113,399	88,184	(16,637)	4,184,946
Infrastructure	74,961,119	1,165,347	-	76,126,466
Total capital assets being depreciated	83,859,780	1,253,531	(16,637)	85,096,674
Less accumulated depreciation for:				
Buildings	(279,629)	(222,898)	-	(502,527)
Machinery and equipment	(2,185,302)	(400,908)	7,815	(2,578,395)
Infrastructure	(31,570,323)	(5,507,964)	-	(37,078,287)
Total accumulated depreciation	(34,035,254)	(6,131,770)	7,815	(40,159,209)
Total capital assets, being depreciated, net	49,824,526	(4,878,239)	(8,822)	44,937,465
	<u>\$ 53,944,414</u>	<u>2,261,074</u>	<u>(8,822)</u>	<u>56,196,666</u>

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

Governmental activities:	
General government	\$ 110,675
Public safety	635,445
Highways and streets, including depreciation	1,983,489
Planning	7,549
Culture and recreation	658,074
Solid waste	15,309
Maintenance	51,610
Total depreciation expense - governmental activities	<u>\$ 3,462,151</u>
Business-type activities:	
Water and sewer	\$ 5,806,412
Drainage	325,358
Total depreciation expense - business-type activities	<u>\$ 6,131,770</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, 2022. 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>
Heritage Park Expansion	\$ 848,500	5,102,433

The projects will be financed with available resources.

At September 30, 2022, 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>
North Belton Water Tank	\$ 2,541,311	940,147
East 6th Avenue Water Line	797,614	226,264
McFarland Estates	1,198,427	335,200
East 24th and Main Street	155,450	180,655
North East and 5th Water Line	316,735	283,264
Avenue S Water Line	6,000	264,000
Standby Generator Project	21,975	368,025
TBWWTP	112,486	44,222
South Belton Sewer Phase II Design	5,824,028	370,626
Total	\$ 10,974,026	3,012,403

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, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 906,896	-	-	906,896
Construction in progress	371,157	83,115	-	454,272
Total capital assets not being depreciated	1,278,053	83,115	-	1,361,168
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	(119,064)	(44,686)	-	(163,750)
Machinery and equipment	(626)	(940)	-	(1,566)
Infrastructure	(1,220,798)	-	-	(1,220,798)
Total accumulated depreciation	(1,340,488)	(45,626)	-	(1,386,114)
Total capital assets, being depreciated, net	531,105	(45,626)	-	485,479
	<u>\$ 1,809,158</u>	<u>37,489</u>	<u>-</u>	<u>1,846,647</u>

At September 30, 2022, the City's construction commitments for the discretely presented component unit are as follows:

Project Title	Expended to Date	Remaining Commitment
Avenue D Engineering	\$ 238,779	1,831,221
I-14 Water Line Extension	215,493	1,509,805
Total	<u>\$ 454,272</u>	<u>3,341,026</u>

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 10,868,400	-	(1,211,675)	9,656,725	1,130,387
Premium	472,969	-	(70,870)	402,099	-
Net pension liability	2,338,082	755,849	(2,203,913)	890,018	-
Total OPEB liability	439,077	67,164	(31,981)	474,260	-
Compensated absences	1,357,612	874,435	(527,329)	1,704,718	439,760
	<u>\$ 15,476,140</u>	<u>1,697,448</u>	<u>(4,045,768)</u>	<u>13,127,820</u>	<u>1,570,147</u>
Business-type activities:					
General obligation bonds	\$ 16,651,593	6,295,000	(1,073,325)	21,873,268	1,349,613
Premium	341,929	443,603	(60,905)	724,627	-
Lease liability	106,115	-	(9,630)	96,485	10,155
Net pension liability	521,884	147,129	(486,893)	182,120	-
Total OPEB liability	98,007	13,744	(14,705)	97,046	-
Compensated absences	97,201	93,670	(85,653)	105,218	66,027
	<u>\$ 17,816,729</u>	<u>6,993,146</u>	<u>(1,731,111)</u>	<u>23,078,764</u>	<u>1,425,795</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, \$38,332, \$20,426 and \$15,633 of internal service funds' net pension liability, total OPEB liability, and compensate 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, 2022, are comprised of the following:

\$2,480,000 Series 2003 general obligation bonds due in annual installments of \$130,000 to \$200,000 through 2023; interest at 4.15%	\$ 200,000
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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%	\$ 555,000
\$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%	571,725
\$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%	750,000
\$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%	860,000
\$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%	2,070,000
\$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>4,650,000</u>
	<u>\$ 9,656,725</u>

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

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,130,387	322,982
2024	914,100	282,949
2025	947,812	250,759
2026	981,525	217,030
2027	1,015,238	184,186
2028-2032	3,972,663	437,211
2033-2035	<u>695,000</u>	<u>26,700</u>
	<u>\$ 9,656,725</u>	<u>1,721,817</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, 2022, 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%	\$ 198,268
\$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%	6,030,000
\$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%	8,810,000
\$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%	540,000
\$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>6,295,000</u>
	<u>\$ 21,873,268</u>

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

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,349,613	626,594
2024	1,385,900	588,765
2025	1,427,188	549,780
2026	1,468,475	509,441
2027	1,509,762	463,539
2028-2032	7,007,330	1,619,755
2033-2037	5,845,000	588,140
2038-2042	<u>1,880,000</u>	<u>119,329</u>
	<u>\$ 21,873,268</u>	<u>5,065,343</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)

Lease

The City leases space on a communication tower for its utility metering system under a lease agreement through 2030. The lease has an imputed interest rate of 1.83% with a monthly payment term of \$955 in 2022. The lease contains a 3% annual rent escalator.

Right-of-use activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-type activities:</i>				
Right-of-use:				
Equipment	\$ 106,115	-	-	106,115
Total right-of-use asset	<u>106,115</u>	<u>-</u>	<u>-</u>	<u>106,115</u>
Less accumulated amortization for:				
Equipment	(10,909)	-	-	(10,909)
Total accumulated amortization	<u>(10,909)</u>	<u>-</u>	<u>-</u>	<u>(10,909)</u>
Total right-of-use asset, net	<u>\$ 95,206</u>	<u>-</u>	<u>-</u>	<u>95,206</u>

Amortization expense of \$10,909 in 2022 was charged to water and sewer business-type activities.

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

Year Ended September 30,	Principal	Interest
2023	\$ 10,155	1,681
2024	10,701	1,491
2025	11,267	1,290
2026	11,855	1,079
2027	12,465	857
2028	13,098	624
2029	13,755	378
2030	<u>13,189</u>	<u>121</u>
	<u>\$ 96,485</u>	<u>7,521</u>

City of Belton, Texas

Notes to Financial Statements
(Continued)

VI. Long-Term Debt (continued)

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	\$ 53,507	15,922	(49,720)	19,709	-
Total OPEB liability	10,048	1,487	(1,033)	10,502	-
Compensated absences	27,630	17,324	(15,263)	29,691	24,664
	<u>\$ 27,570</u>	<u>34,733</u>	<u>(66,016)</u>	<u>59,902</u>	<u>24,664</u>

VII. Interfund Transfers

Interfund transfers for 2022 are as follows:

	Transfers in			
	General	Debt Service	Other Nonmajor Governmental	Total
Transfers out:				
General	\$ -	30,000	1,390,381	1,420,381
TIRZ	32,530	-	1,650,000	1,682,530
Water and sewer	599,200	-	454,000	1,053,200
Internal service	-	-	14,280	14,280
	<u>\$ 631,730</u>	<u>30,000</u>	<u>3,508,661</u>	<u>4,170,391</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 901 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 does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report ("Annual Report") that can be obtained at tmrs.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, the City-financed monetary credits with interest, and their age of retirement and other actuarial factors. 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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	93
Inactive employees entitled to but not yet receiving benefits	164
Active employees	<u>172</u>
	<u>429</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 1:1 (1 to 1), 1.5:1 (1 ½ to 1), or 2:1 (2 to 1), 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 10.38% and 10.54% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were \$1,077,406 and were equal to the required contributions.

Net Pension Liability – The City's net pension liability was measured as of December 31, 2021, 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, 2021 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. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 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%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	<u>10.0%</u>	10.00%
Total	<u>100.0%</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, 2020	\$ 28,767,852	25,854,379	2,913,473
Changes for the year:			
Service cost	1,286,036	-	1,286,036
Interest (on the Total Pension Liability)	1,944,419	-	1,944,419
Difference between expected and actual experience	(180,300)	-	(180,300)
Changes in assumptions	-	-	-
Contributions - employer	-	899,252	(899,252)
Contributions - employee	-	619,563	(619,563)
Net investment income	-	3,368,454	(3,368,454)
Benefit payments, including refunds of employee contributions	(1,209,321)	(1,209,321)	-
Administrative expense	-	(15,595)	15,595
Other changes	-	107	(107)
Net changes	1,840,834	3,662,460	(1,821,626)
Balance at December 31, 2021	\$ 30,608,686	29,516,839	1,091,847

\$19,709 of the net pension liability of \$1,091,847 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 (asset)	\$ 5,678,340	1,091,847	(2,639,520)

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 tmrs.com.

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

For the year ended September 30, 2022, the City recognized pension expense of \$263,813 of which \$3,872 is the expense of the Development Corporation.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 78,482	162,170
Difference between projected and actual investment earnings, net	-	1,722,783
Difference in assumption changes	40,653	-
Contributions subsequent to the measurement date	820,722	-
Total	\$ <u>939,857</u>	<u>1,884,953</u>

The \$820,722 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended December 31,	
2022	\$ (306,908)
2023	(726,176)
2024	(408,079)
2025	<u>(324,655)</u>
Total	\$ <u>(1,765,818)</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 – 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, 2021 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	30
Active employees	<u>172</u>
	<u>267</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, 2022 were \$22,243 and were equal to the required contributions.

Total OPEB Liability – The City’s total OPEB liability was measured as of December 31, 2021 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)

Actuarial assumptions – The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5%, including inflation
Discount rate	1.84% (based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021)
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, 2021 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, 2021 was as follows:

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	\$ <u>547,132</u>
Changes for the year:	
Service cost	37,174
Interest on total OPEB liability	11,199
Differences between expected and actual experience	(20,591)
Changes in assumptions or other inputs	18,400
Benefit payments **	<u>(11,506)</u>
Net changes	<u>34,676</u>
Balance at December 31, 2021	\$ <u><u>581,808</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)

\$10,502 of the total OPEB liability of \$581,808 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 1.84%, 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 (0.84%) or once percentage point (2.84%) higher than the current rate.

	1% Decrease (0.84%)	Current Rate Assumption (1.84%)	1% Increase (2.84%)
City's total OPEB liability	\$ <u>716,302</u>	<u>581,808</u>	<u>478,870</u>

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$49,736 of which \$756 is the expense of the Development Corporation.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ <u>120,121</u>	<u>12,293</u>
Differences between expected and actual economic experience	-	45,667
Contributions subsequent to the measurement date	<u>16,685</u>	<u>-</u>
Total	\$ <u><u>136,806</u></u>	<u><u>57,960</u></u>

The \$16,685 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, 2023. 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 Expense and Deferred Outflows of Resources
and Deferred Inflows of Resources Related to OPEB** (continued)

Measurement Year Ended December 31,	
2022	\$ 15,622
2023	15,622
2024	12,500
2025	15,394
2026	3,186
Thereafter	<u>(163)</u>
Total	\$ <u>62,161</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, 2022:

	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	\$ 55,169	-	-	-	-
Pension - post measurement date contributions	669,011	136,896	14,815	-	-
Pension - differences in assumption changes	33,138	6,781	734	-	-
Pension - differences between expected and actual experience	63,974	13,091	1,417	-	-
OPEB - post measurement date contributions	13,601	2,783	301	-	-
OPEB - differences in assumption changes	<u>97,916</u>	<u>20,036</u>	<u>2,168</u>	<u>-</u>	<u>-</u>
	\$ <u>932,809</u>	<u>179,587</u>	<u>19,435</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	\$ -	-	-	212,846	35,029
Unavailable revenue - ambulance services	-	-	-	1,456	-
Unavailable revenue - fines	-	-	-	2,331	-
Unavailable revenue - leases	37,287	-	-	37,287	-
Pension - net differences between projected and actual earnings	1,404,325	287,360	31,098	-	-
Pension - differences between expected and actual experience	132,193	27,050	2,927	-	-
OPEB - differences in assumption changes	10,020	2,051	222	-	-
OPEB - differences between expected and actual experience	<u>37,226</u>	<u>7,617</u>	<u>824</u>	<u>-</u>	<u>-</u>
	\$ <u>1,621,051</u>	<u>324,078</u>	<u>35,071</u>	<u>253,920</u>	<u>35,029</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 3.98 and 6.48 years, respectively. The pension-related differences between expected and actual experience will be recognized in pension expense over 3.98 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 pension-related difference between projected and actual earnings will be recognized in pension expense over five years. The difference between expected and actual experience will be recognized in pension and OPEB expense over 3.98 years and 6.48 years, respectively. The changes in assumptions will be recognized in OPEB expense over 6.48 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

City of Belton, Texas

Notes to Financial Statements (Continued)

XI. Commitments and Contingencies (continued)

be disallowed by the grantors cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

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 \$1.4 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, 2022 was \$36,175.

Also, 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, 2022 were \$1,346,716.

Finally, 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, 2022 was \$742,303.

City of Belton, Texas

Notes to Financial Statements (Continued)

XI. Commitments and Contingencies (continued)

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, 2022, the City abated ad valorem taxes totaling \$8,120, 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 2022 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 2022 abatement amounted to \$8,120. 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.

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.

City of Belton, Texas

Notes to Financial Statements
(Continued)

XIV. **Authoritative Pronouncements Not Yet Effective** (continued)

GASB Statement No. 91, *Conduit Debt Obligations* (Statement 91) – The objective of Statement 91 is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of Statement 91 are effective for financial statements for periods beginning after December 15, 2021.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (Statement 96) – The objective of Statement 96 is to provide guidance for subscription based information technology arrangements (SBITA). It will define SBITA contracts, provide guidance on the accounting for SBITAs, and require disclosures regarding the SBITAs. The provisions of Statement 96 are effective for financial statements for fiscal years beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022* (Statement 99) – The objective of Statement 99 is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. Specifically, provisions of GASB 87 related to leases have been clarified related to the determination of lease term, short-term lease classification, recognition and measurement of lease liability and lease asset, and identification of lease incentives. In addition, provisions of GASB 96 have been clarified related to SBITA term, short-term SBITA classification, and recognition and measurement of subscription liability. The provisions of Statement 99 are effective for financial statements for fiscal years beginning after June 15, 2022.

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, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Current ad valorem	\$ 7,160,200	6,960,880	6,936,991	(23,889)
Delinquent ad valorem	61,460	61,460	78,968	17,508
Penalty and interest	59,980	59,980	74,349	14,369
Total ad valorem	7,281,640	7,082,320	7,090,308	7,988
Sales	4,917,660	5,705,000	5,721,518	16,518
Franchise	1,216,830	1,216,830	1,290,650	73,820
Alcoholic beverage	48,470	48,470	72,538	24,068
Total taxes	13,464,600	14,052,620	14,175,014	122,394
Licenses and permits:				
Building	160,920	305,000	242,437	(62,563)
Electrical	34,000	95,000	102,795	7,795
Plumbing	53,650	108,650	127,666	19,016
Mechanical	16,270	16,270	34,821	18,551
Swimming pool	1,470	1,470	3,190	1,720
Rezoning fees	4,750	4,750	9,400	4,650
Subdivision fees	9,230	9,230	15,754	6,524
Miscellaneous	13,430	13,430	30,081	16,651
Total licenses and permits	293,720	553,800	566,144	12,344
Intergovernmental	49,830	49,830	34,303	(15,527)
Charges for services:				
Ambulance	22,700	22,700	8,405	(14,295)
Parks and recreation	122,470	122,470	180,126	57,656
Brush collection	217,870	217,870	222,181	4,311
Refuse collection	1,802,810	1,802,810	1,783,147	(19,663)
Total charges for services	2,165,850	2,165,850	2,193,859	28,009
Fines:				
Municipal court	217,610	217,610	204,942	(12,668)
Court fees	85,460	85,460	92,026	6,566
Total fines	303,070	303,070	296,968	(6,102)
Interest	13,200	13,200	62,999	49,799
Contributions and donations	1,430	1,430	-	(1,430)
Payments in lieu of taxes	10,100	10,100	11,900	1,800
Miscellaneous	578,490	578,490	732,960	154,470
Total revenues	16,880,290	17,728,390	18,074,147	345,757

(Continued)

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, 2022
(continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
City council	\$ 205,950	205,950	168,342	37,608
City administration	1,304,650	745,980	732,650	13,330
Finance	676,540	679,540	647,048	32,492
Legal	238,960	238,960	218,052	20,908
Total general government	<u>2,426,100</u>	<u>1,870,430</u>	<u>1,766,092</u>	<u>104,338</u>
Public safety:				
Police	5,025,380	5,467,020	5,417,712	49,308
Fire	2,773,510	3,175,310	3,139,795	35,515
Total public safety	<u>7,798,890</u>	<u>8,642,330</u>	<u>8,557,507</u>	<u>84,823</u>
Highways and streets	<u>1,634,810</u>	<u>1,015,810</u>	<u>990,387</u>	<u>25,423</u>
Planning	<u>597,680</u>	<u>634,880</u>	<u>549,889</u>	<u>84,991</u>
Culture and recreation:				
Parks	1,487,610	1,503,670	1,300,917	202,753
Library	500,560	503,560	495,200	8,360
Total culture and recreation	<u>1,988,170</u>	<u>2,007,230</u>	<u>1,796,117</u>	<u>211,113</u>
Solid waste	<u>1,747,060</u>	<u>1,755,560</u>	<u>1,684,639</u>	<u>70,921</u>
Maintenance services	<u>516,400</u>	<u>548,050</u>	<u>536,684</u>	<u>11,366</u>
Other costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>16,709,110</u>	<u>16,474,290</u>	<u>15,881,315</u>	<u>592,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>171,180</u>	<u>1,254,100</u>	<u>2,192,832</u>	<u>938,732</u>
Other financing sources (uses):				
Insurance proceeds	-	-	41,109	41,109
Transfers in	589,910	589,910	631,730	41,820
Transfers out	<u>(755,090)</u>	<u>(1,420,390)</u>	<u>(1,420,381)</u>	<u>9</u>
Total other financing sources (uses)	<u>(165,180)</u>	<u>(830,480)</u>	<u>(747,542)</u>	<u>82,938</u>
Net change in fund balances	6,000	423,620	1,445,290	1,021,670
Fund balances, beginning of year	<u>6,137,536</u>	<u>6,137,536</u>	<u>6,137,536</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,143,536</u>	<u>6,561,156</u>	<u>7,582,826</u>	<u>1,021,670</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, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,553,820	1,553,820	1,566,771	12,951
Intergovernmental	981,110	981,110	915,998	(65,112)
Interest	4,000	4,000	11,959	7,959
Total revenues	<u>2,538,930</u>	<u>2,538,930</u>	<u>2,494,728</u>	<u>(44,202)</u>
Expenditures:				
Current:				
Economic development	125,000	125,000	69,769	55,231
Debt service:				
Principal	380,000	380,000	380,000	-
Interest and fiscal charges	22,710	22,710	22,392	318
Total expenditures	<u>527,710</u>	<u>527,710</u>	<u>472,161</u>	<u>55,549</u>
Excess of revenues over expenditures	<u>2,011,220</u>	<u>2,011,220</u>	<u>2,022,567</u>	<u>11,347</u>
Other financing sources (uses):				
Transfers out	<u>(1,682,530)</u>	<u>(1,682,530)</u>	<u>(1,682,530)</u>	<u>-</u>
Net change in fund balance	328,690	328,690	340,037	11,347
Fund balance, October 1	<u>661,040</u>	<u>661,040</u>	<u>661,040</u>	<u>-</u>
Fund balance, September 30	<u>\$ 989,730</u>	<u>989,730</u>	<u>1,001,077</u>	<u>11,347</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 Eight Measurement Dates

	December 31,			
	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 1,286,036	1,311,159	1,071,723	1,052,574
Interest (on the Total Pension Liability)	1,944,419	1,805,889	1,611,792	1,532,001
Change in benefit terms including substantively automatic status	-	1,156,532	-	115,219
Difference between expected and actual experience	(180,300)	127,208	47,913	(191,864)
Changes of assumptions	-	-	133,749	-
Benefit payments, including refunds of employee contributions	<u>(1,209,321)</u>	<u>(1,149,484)</u>	<u>(1,382,322)</u>	<u>(1,058,081)</u>
Net change in Total Pension Liability	1,840,834	3,251,304	1,482,855	1,449,849
Total Pension Liability - beginning	<u>28,767,852</u>	<u>25,516,548</u>	<u>24,033,693</u>	<u>22,583,844</u>
Total Pension Liability - ending (a)	<u>\$ 30,608,686</u>	<u>28,767,852</u>	<u>25,516,548</u>	<u>24,033,693</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 899,252	870,847	711,639	642,579
Contributions - employee	619,563	542,549	511,970	424,425
Net investment income	3,368,454	1,804,665	3,208,114	(641,418)
Benefit payments, including refunds of employee contributions	(1,209,321)	(1,149,484)	(1,382,322)	(1,058,081)
Administrative expense	(15,595)	(11,689)	(18,141)	(12,396)
Other	<u>107</u>	<u>(456)</u>	<u>(544)</u>	<u>(648)</u>
Net change in Plan Fiduciary Net Position	3,662,460	2,056,432	3,030,716	(645,539)
Plan Fiduciary Net Position - beginning	<u>25,854,379</u>	<u>23,797,947</u>	<u>20,767,231</u>	<u>21,412,770</u>
Plan Fiduciary Net Position - ending (b)	<u>\$ 29,516,839</u>	<u>25,854,379</u>	<u>23,797,947</u>	<u>20,767,231</u>
Net Pension Liability - ending (a) - (b)	\$ 1,091,847	2,913,473	1,718,601	3,266,462
Plan Fiduciary Net Position as a percentage of Total Pension Liability	96.43%	89.87%	93.26%	86.41%
Covered payroll	\$ 8,850,904	9,042,479	8,532,827	8,488,498
Net Pension Liability as a percentage of covered payroll	12.34%	32.22%	20.14%	38.48%

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

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

	September 30,			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
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 payroll	\$ 7,561,577	7,865,451	7,928,962	8,409,865
Contributions as a percentage of covered 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>
704,034	812,119	906,268	1,077,406
<u>704,034</u>	<u>812,119</u>	<u>906,268</u>	<u>1,077,406</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,567,031	8,662,089	9,062,334	10,471,451
8.2%	9.4%	10.0%	10.3%

**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	24 years (longest amortization ladder)
Asset Valuation Method	10 year smoothed fair 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 Five Measurement Dates

	December 31,				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 37,174	27,127	20,479	22,070	17,754
Interest (on the Total OPEB Liability)	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	(20,591)	(30,445)	(4,216)	-	-
Changes in assumptions or other inputs	18,400	75,244	75,370	(27,421)	30,214
Benefit payments**	(11,506)	(3,617)	(3,413)	(4,244)	(3,228)
Net change in Total OPEB Liability	34,676	81,439	102,029	(7,696)	56,901
Total OPEB Liability - beginning	547,132	465,693	363,664	371,360	314,459
Total OPEB Liability - ending (a)	<u>\$ 581,808</u>	<u>547,132</u>	<u>465,693</u>	<u>363,664</u>	<u>371,360</u>
Covered payroll	\$ 8,850,904	9,042,479	8,532,827	8,488,498	8,069,816
Net OPEB Liability as a percentage of covered payroll	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
Actuarially Determined Contributions	\$ 15,105	14,181	11,514	18,572	22,243
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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 8,409,865	8,567,031	8,662,089	9,062,334	10,471,451
Contributions as a percentage of covered payroll	0.2%	0.2%	0.1%	0.2%	0.2%

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	3.50% to 11.50%, including inflation
Discount rate	1.84%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
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.

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, resources from the Zora Lee Greathouse will and trust agreement to be spent on life saving medical equipment purchases and paramedics training, 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.

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

Chisholm Trail Hike and Bike Phase 2 Fund: This fund accounts for the TAP grant from TXDOT and associated City match for the extension of the Chisholm Trail Hike and Bike trail.

City of Belton, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue					
	Hotel/ Motel Tax	Grant	Municipal Court	TDHCA Home Grants	Other Special Revenue Funds	Special Revenue Funds Total
Assets						
Cash and cash equivalents	\$ 550,990	-	109,466	13,690	1,037,785	1,711,931
Receivables	61,991	-	-	-	7,178	69,169
Due from other governments	-	29,954	-	7,422	-	37,376
Prepaid items	2,000	-	-	-	-	2,000
Total assets	\$ 614,981	29,954	109,466	21,112	1,044,963	1,820,476
Liabilities and Fund Balances						
Liabilities:						
Accounts and retainages payable	\$ 9,019	2,005	-	-	4,750	15,774
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	27,949	-	-	-	27,949
Total liabilities	9,019	29,954	-	-	4,750	43,723
Fund balances:						
Nonspendable	2,000	-	-	-	-	2,000
Restricted	603,962	-	109,466	-	496,217	1,209,645
Committed	-	-	-	21,112	16,077	37,189
Assigned	-	-	-	-	527,919	527,919
Total fund balances	605,962	-	109,466	21,112	1,040,213	1,776,753
Total liabilities and fund balances	\$ 614,981	29,954	109,466	21,112	1,044,963	1,820,476

See accompanying independent auditor's report.

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

Capital Projects						Total Nonmajor Governmental Funds
General Capital Projects	General Capital Equipment	TIRZ Capital Projects	Vehicle and Equipment Replacement Funds	Chisholm Trail Hike and Bike Phase 2	Capital Project Funds Total	
2,818,398	383,281	4,906,221	645,621	-	8,753,521	10,465,452
-	-	-	3,035	-	3,035	72,204
-	-	-	-	-	-	37,376
-	-	-	-	-	-	2,000
<u>2,818,398</u>	<u>383,281</u>	<u>4,906,221</u>	<u>648,656</u>	<u>-</u>	<u>8,756,556</u>	<u>10,577,032</u>
44,147	-	325,468	64,957	-	434,572	450,346
-	-	-	-	-	-	-
-	-	-	-	-	-	27,949
<u>44,147</u>	<u>-</u>	<u>325,468</u>	<u>64,957</u>	<u>-</u>	<u>434,572</u>	<u>478,295</u>
-	-	-	-	-	-	2,000
-	-	4,580,753	-	-	4,580,753	5,790,398
-	-	-	-	-	-	37,189
<u>2,774,251</u>	<u>383,281</u>	<u>-</u>	<u>583,699</u>	<u>-</u>	<u>3,741,231</u>	<u>4,269,150</u>
<u>2,774,251</u>	<u>383,281</u>	<u>4,580,753</u>	<u>583,699</u>	<u>-</u>	<u>8,321,984</u>	<u>10,098,737</u>
<u>2,818,398</u>	<u>383,281</u>	<u>4,906,221</u>	<u>648,656</u>	<u>-</u>	<u>8,756,556</u>	<u>10,577,032</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, 2022

	Special Revenue					
	Hotel/ Motel Tax	Grant	Municipal Court	TDHCA Home Grants	Other Special Revenue Funds	Special Revenue Funds Total
Revenues:						
Hotel/motel taxes	\$ 289,819	-	-	-	-	289,819
Franchise	-	-	-	-	29,368	29,368
Intergovernmental	-	106,910	-	7,422	2,670	117,002
Fines	-	-	32,151	-	-	32,151
Interest	4,121	-	619	152	7,684	12,576
Contributions and donations	-	-	-	-	64,721	64,721
Miscellaneous revenue	-	-	-	-	99,025	99,025
Total revenues	<u>293,940</u>	<u>106,910</u>	<u>32,770</u>	<u>7,574</u>	<u>203,468</u>	<u>644,662</u>
Expenditures:						
Current:						
General government	117,429	-	3,150	-	100	120,679
Public safety	-	114,201	-	-	10,266	124,467
Highways and streets	-	-	-	-	-	-
Planning	-	-	-	-	-	-
Culture and recreation	-	-	-	-	56,133	56,133
Economic development	-	-	-	7,422	31,679	39,101
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>117,429</u>	<u>114,201</u>	<u>3,150</u>	<u>7,422</u>	<u>98,178</u>	<u>340,380</u>
Excess (deficiency) of revenues over (under) expenditures	<u>176,511</u>	<u>(7,291)</u>	<u>29,620</u>	<u>152</u>	<u>105,290</u>	<u>304,282</u>
Other financing sources (uses):						
Insurance proceeds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	7,291	-	-	371,874	379,165
Transfers out	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,216)</u>	<u>(163,216)</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>7,291</u>	<u>-</u>	<u>-</u>	<u>233,658</u>	<u>215,949</u>
Net change in fund balances	151,511	-	29,620	152	338,948	520,231
Fund balances, beginning of year	<u>454,451</u>	<u>-</u>	<u>79,846</u>	<u>20,960</u>	<u>701,265</u>	<u>1,256,522</u>
Fund balances, end of year	<u>\$ 605,962</u>	<u>-</u>	<u>109,466</u>	<u>21,112</u>	<u>1,040,213</u>	<u>1,776,753</u>

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

Capital Projects						Total
General Capital Projects	General Capital Equipment	TIRZ Capital Projects	Vehicle and Equipment Replacement Funds	Chisholm Trail Hike and Bike Phase 2	Capital Project Funds Total	Nonmajor Governmental Funds
-	-	-	-	-	-	289,819
-	-	-	-	-	-	29,368
-	-	272,608	-	-	272,608	389,610
-	-	-	-	-	-	32,151
21,087	3,395	30,670	5,369	545	61,066	73,642
-	-	-	-	25,000	25,000	89,721
-	-	-	-	-	-	99,025
<u>21,087</u>	<u>3,395</u>	<u>303,278</u>	<u>5,369</u>	<u>25,545</u>	<u>358,674</u>	<u>1,003,336</u>
18,020	-	-	-	-	18,020	138,699
158,565	4,565	-	16,261	-	179,391	303,858
34,602	30,364	-	-	-	64,966	64,966
14,437	-	-	-	-	14,437	14,437
78,520	74,277	20,745	44,998	-	218,540	274,673
-	-	-	-	-	-	39,101
35,838	84,911	921,614	1,073,102	-	2,115,465	2,115,465
<u>339,982</u>	<u>194,117</u>	<u>942,359</u>	<u>1,134,361</u>	<u>-</u>	<u>2,610,819</u>	<u>2,951,199</u>
<u>(318,895)</u>	<u>(190,722)</u>	<u>(639,081)</u>	<u>(1,128,992)</u>	<u>25,545</u>	<u>(2,252,145)</u>	<u>(1,947,863)</u>
-	-	-	16,900	-	16,900	16,900
-	-	-	14,711	-	14,711	14,711
749,102	-	2,104,000	885,586	-	3,738,688	4,117,853
<u>(346,874)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,102)</u>	<u>(445,976)</u>	<u>(609,192)</u>
<u>402,228</u>	<u>-</u>	<u>2,104,000</u>	<u>917,197</u>	<u>(99,102)</u>	<u>3,324,323</u>	<u>3,540,272</u>
83,333	(190,722)	1,464,919	(211,795)	(73,557)	1,072,178	1,592,409
<u>2,690,918</u>	<u>574,003</u>	<u>3,115,834</u>	<u>795,494</u>	<u>73,557</u>	<u>7,249,806</u>	<u>8,506,328</u>
<u>2,774,251</u>	<u>383,281</u>	<u>4,580,753</u>	<u>583,699</u>	<u>-</u>	<u>8,321,984</u>	<u>10,098,737</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, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues:				
Hotel/motel taxes	\$ 181,580	181,580	289,819	108,239
Interest	1,520	1,520	4,121	2,601
Total revenues	<u>183,100</u>	<u>183,100</u>	<u>293,940</u>	<u>110,840</u>
Expenditures:				
General government	155,110	156,110	117,429	38,681
Total expenditures	<u>155,110</u>	<u>156,110</u>	<u>117,429</u>	<u>38,681</u>
Excess of revenues over expenditures	<u>27,990</u>	<u>26,990</u>	<u>176,511</u>	<u>149,521</u>
Other financing sources (uses):				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	2,990	1,990	151,511	149,521
Fund balance, October 1	<u>454,451</u>	<u>454,451</u>	<u>454,451</u>	<u>-</u>
Fund balance, September 30	<u>\$ 457,441</u>	<u>456,441</u>	<u>605,962</u>	<u>149,521</u>

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,114,330	1,114,330	1,084,101	(30,229)
Interest	830	830	2,777	1,947
Total revenues	<u>1,115,160</u>	<u>1,115,160</u>	<u>1,086,878</u>	<u>(28,282)</u>
Expenditures:				
Principal	831,680	831,680	831,675	5
Interest and fiscal charges	340,990	340,990	340,982	8
Other costs	8,200	8,200	6,884	1,316
Total expenditures	<u>1,180,870</u>	<u>1,180,870</u>	<u>1,179,541</u>	<u>1,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,710)</u>	<u>(65,710)</u>	<u>(92,663)</u>	<u>(26,953)</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	(65,710)	(35,710)	(62,663)	(26,953)
Fund balance, October 1	<u>74,204</u>	<u>74,204</u>	<u>74,204</u>	<u>-</u>
Fund balance, September 30	<u>\$ 8,494</u>	<u>38,494</u>	<u>11,541</u>	<u>(26,953)</u>

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, 2022

	Information Technology	Building Maintenance	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 109,782	170,069	279,851
Prepaid items	95,497	-	95,497
Total current assets	<u>205,279</u>	<u>170,069</u>	<u>375,348</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	176,556	-	176,556
Less: accumulated depreciation	(49,461)	-	(49,461)
Total capital assets	<u>127,095</u>	<u>-</u>	<u>127,095</u>
Total noncurrent assets	<u>127,095</u>	<u>-</u>	<u>127,095</u>
Total assets	<u>332,374</u>	<u>170,069</u>	<u>502,443</u>
Deferred outflows of resources			
Deferred outflows of resources	<u>17,817</u>	<u>19,983</u>	<u>37,800</u>
Liabilities			
Current liabilities:			
Accounts payable	22,412	7,781	30,193
Accrued liabilities	3,899	3,744	7,643
Compensated absences - current	6,351	173	6,524
Total current liabilities	<u>32,662</u>	<u>11,698</u>	<u>44,360</u>
Noncurrent liabilities:			
Compensated absences payable	6,910	2,199	9,109
Net pension liability	18,068	20,264	38,332
Total OPEB liability	9,628	10,798	20,426
Total noncurrent liabilities	<u>34,606</u>	<u>33,261</u>	<u>67,867</u>
Total liabilities	<u>67,268</u>	<u>44,959</u>	<u>112,227</u>
Deferred inflows of resources			
Deferred inflows of resources	<u>32,152</u>	<u>36,061</u>	<u>68,213</u>
Net position			
Net investment in capital assets	127,095	-	127,095
Unrestricted	<u>123,676</u>	<u>109,032</u>	<u>232,708</u>
Total net position	<u>\$ 250,771</u>	<u>109,032</u>	<u>359,803</u>

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, 2022

	Information Technology	Building Maintenance	Total
Operating revenues:			
Charges for services	\$ 901,148	458,138	1,359,286
Total operating revenues	<u>901,148</u>	<u>458,138</u>	<u>1,359,286</u>
Operating expenses:			
Salaries and wages	172,378	184,333	356,711
Employee benefits	31,616	62,537	94,153
Supplies	127,292	35,065	162,357
Repairs and maintenance	345,868	45,616	391,484
Other charges	77,377	28,435	105,812
Depreciation	31,673	-	31,673
Other operating expenses	5,227	3,311	8,538
Total operating expenses	<u>791,431</u>	<u>359,297</u>	<u>1,150,728</u>
Operating income	<u>109,717</u>	<u>98,841</u>	<u>208,558</u>
Nonoperating revenues:			
Interest earnings	<u>163</u>	<u>716</u>	<u>879</u>
Total nonoperating revenues	<u>163</u>	<u>716</u>	<u>879</u>
Income before transfers	109,880	99,557	209,437
Transfers out	<u>-</u>	<u>(14,280)</u>	<u>(14,280)</u>
Change in net position	109,880	85,277	195,157
Total net position, beginning of year	<u>140,891</u>	<u>23,755</u>	<u>164,646</u>
Total net position, end of year	<u><u>\$ 250,771</u></u>	<u><u>109,032</u></u>	<u><u>359,803</u></u>

See accompanying independent auditor's report.

City of Belton, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022

	Information Technology	Building Maintenance	Total
Cash flows from operating activities:			
Receipts from customers	\$ 901,148	458,138	1,359,286
Payments to suppliers	(679,507)	(222,215)	(901,722)
Payments to employees	(177,519)	(181,579)	(359,098)
Net cash provided by operating activities	<u>44,122</u>	<u>54,344</u>	<u>98,466</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	-	(14,280)	(14,280)
Net cash used in noncapital financing activities	<u>-</u>	<u>(14,280)</u>	<u>(14,280)</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	-	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	163	716	879
Net cash provided by investing activities	<u>163</u>	<u>716</u>	<u>879</u>
Net increase in cash and cash equivalents	44,285	40,780	85,065
Cash and cash equivalents, beginning of year	<u>65,497</u>	<u>129,289</u>	<u>194,786</u>
Cash and cash equivalents, end of year	<u><u>\$ 109,782</u></u>	<u><u>170,069</u></u>	<u><u>279,851</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 109,717	98,841	208,558
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	31,673	-	31,673
Increase in prepaid items	(95,497)	-	(95,497)
Increase (decrease) in accounts payable	11,640	(3,265)	8,375
Decrease in accrued liabilities	(6,891)	(28,803)	(35,694)
Increase (decrease) in compensated absences payable	5,141	(2,754)	2,387
Decrease in net pension liability and pension-related deferred outflows and inflows of resources	(12,584)	(11,179)	(23,763)
Increase in total OPEB liability and OPEB-related deferred outflows of resources	923	1,504	2,427
Total adjustments	<u>(65,595)</u>	<u>(44,497)</u>	<u>(110,092)</u>
Net cash provided by operating activities	<u><u>\$ 44,122</u></u>	<u><u>54,344</u></u>	<u><u>98,466</u></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.

Contents	Page
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)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 14,681,745	16,461,658	20,253,143	24,492,141
Restricted	2,263,468	2,701,028	2,846,948	2,300,596
Unrestricted	<u>6,747,744</u>	<u>6,963,750</u>	<u>6,462,523</u>	<u>5,385,680</u>
Total governmental activities net position	<u>\$ 23,692,957</u>	<u>26,126,436</u>	<u>29,562,614</u>	<u>32,178,417</u>
Business-type activities				
Net investment in capital assets	\$ 17,681,536	18,121,998	21,325,320	27,592,280
Restricted	193,212	-	-	-
Unrestricted	<u>6,542,549</u>	<u>6,334,986</u>	<u>4,941,679</u>	<u>7,176,189</u>
Total business-type activities net position	<u>\$ 24,417,297</u>	<u>24,456,984</u>	<u>26,266,999</u>	<u>34,768,469</u>
Primary government				
Net investment in capital assets	\$ 32,363,281	34,583,656	41,578,463	52,084,421
Restricted	2,456,680	2,701,028	2,846,948	2,300,596
Unrestricted	<u>13,290,293</u>	<u>13,298,736</u>	<u>11,404,202</u>	<u>12,561,869</u>
Total primary government net position	<u>\$ 48,110,254</u>	<u>50,583,420</u>	<u>55,829,613</u>	<u>66,946,886</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
24,735,870	25,577,477	26,552,859	29,333,704	31,392,391	32,230,617
1,123,142	2,245,552	3,115,867	3,527,740	5,008,535	6,859,323
6,115,680	5,570,034	5,966,036	7,386,442	7,000,387	8,753,858
<u>31,974,692</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>
31,298,115	33,628,880	33,448,863	37,888,290	41,254,526	37,626,249
-	-	-	-	-	-
6,348,421	7,284,409	9,508,311	10,359,174	9,782,874	12,382,097
<u>37,646,536</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>
56,033,985	59,206,357	60,001,722	67,221,994	72,646,917	69,856,866
1,123,142	2,245,552	3,115,867	3,527,740	5,008,535	6,859,323
12,464,101	12,854,443	15,474,347	17,745,616	16,783,261	21,135,955
<u>69,621,228</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>

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

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	\$ 1,379,902	1,542,268	1,534,183	1,689,517
Public safety	6,081,978	6,274,184	6,513,269	7,542,557
Highways and streets	1,918,580	1,979,832	2,176,849	2,092,553
Planning	389,280	349,526	352,821	346,111
Culture and recreation	1,562,517	1,700,193	1,873,363	2,174,373
Solid waste	1,023,909	996,945	1,039,691	1,096,528
Economic development	231,829	461,622	180,440	209,272
Maintenance	444,230	400,394	398,974	432,894
Interest	466,056	552,290	540,242	524,277
Total governmental activities expenses	<u>13,498,281</u>	<u>14,257,254</u>	<u>14,609,832</u>	<u>16,108,082</u>
Business-type activities:				
Water and sewer	5,689,098	5,577,444	5,912,553	6,612,667
Drainage	253,212	312,075	280,317	438,375
Total business-type activities expenses	<u>5,942,310</u>	<u>5,889,519</u>	<u>6,192,870</u>	<u>7,051,042</u>
Total primary government expenses	<u>\$ 19,440,591</u>	<u>20,146,773</u>	<u>20,802,702</u>	<u>23,159,124</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ -	-	-	-
Public safety	1,503,586	1,577,432	1,744,958	1,656,931
Planning	223,636	205,792	188,172	221,395
Culture and recreation	57,923	71,857	76,672	83,249
Solid waste	1,198,447	1,191,335	1,207,841	1,271,762
Maintenance	-	-	-	-
Operating grants and contributions	645,933	646,637	747,749	1,044,637
Capital grants and contributions	1,113,389	2,283,115	3,758,025	2,783,748
Total governmental activities program revenues	<u>4,742,914</u>	<u>5,976,168</u>	<u>7,723,417</u>	<u>7,061,722</u>
Business-type activities:				
Charges for services:				
Water and sewer	5,914,912	5,550,825	6,164,279	6,898,744
Drainage	360,008	367,956	360,021	377,991
Capital grants and contributions	1,242,591	348,298	1,764,757	8,588,839
Total business-type activities program revenues	<u>7,517,511</u>	<u>6,267,079</u>	<u>8,289,057</u>	<u>15,865,574</u>
Total primary government program revenues	<u>\$ 12,260,425</u>	<u>12,243,247</u>	<u>16,012,474</u>	<u>22,927,296</u>
Net (expense)/revenue				
Governmental activities	\$ (8,755,367)	(8,281,086)	(6,886,415)	(9,046,360)
Business-type activities	1,550,699	774,522	2,096,187	8,814,532
Total primary government net expense	<u>\$ (7,204,668)</u>	<u>(7,506,564)</u>	<u>(4,790,228)</u>	<u>(231,828)</u>

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
1,716,860	1,708,939	1,922,535	2,148,096	2,720,745	2,538,856
7,267,041	7,583,124	7,732,691	7,549,450	8,402,934	9,478,735
3,748,290	3,048,186	2,931,121	2,901,276	3,410,000	2,857,347
410,159	376,194	420,375	461,414	522,439	552,775
2,287,621	2,231,611	2,263,114	2,338,802	2,775,670	2,683,622
1,149,978	1,233,457	1,375,670	1,446,642	1,533,809	1,694,189
303,486	20,538	254,749	332,050	75,715	408,870
488,765	551,823	620,433	657,567	568,396	547,620
530,523	500,946	444,005	415,010	333,711	322,675
<u>17,902,723</u>	<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>
7,587,275	7,292,722	7,399,552	7,914,735	10,102,907	11,986,427
467,002	583,665	518,216	520,771	612,115	648,130
<u>8,054,277</u>	<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>25,957,000</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>
-	-	-	-	174,336	128,461
1,724,140	1,256,344	1,284,306	84,653	328,168	310,275
331,412	249,596	265,243	234,209	347,166	566,050
84,260	100,485	118,731	47,610	111,787	145,816
1,330,093	1,411,823	1,567,214	1,677,146	2,033,848	2,222,750
-	-	-	-	69,252	195,157
1,031,482	935,743	1,004,165	2,318,475	1,707,513	2,205,343
1,756,063	1,960,463	2,186,550	3,183,589	1,465,540	1,045,229
<u>6,257,450</u>	<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>
7,857,459	8,506,124	8,467,402	9,002,210	9,396,990	10,516,924
389,231	452,795	492,638	517,462	544,076	559,393
3,296,277	2,404,750	1,104,514	4,624,032	3,940,303	1,441,835
<u>11,542,967</u>	<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>17,800,417</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>
(11,645,273)	(11,340,364)	(11,538,484)	(10,704,625)	(14,105,809)	(14,265,608)
3,488,690	3,487,282	2,146,786	5,708,198	3,166,347	(116,405)
<u>(8,156,583)</u>	<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>

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

		Fiscal Year			
		2013	2014	2015	2016
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$	5,257,077	5,581,133	5,916,916	6,355,718
Sales taxes		2,874,792	3,069,314	3,205,411	3,155,659
Franchise taxes		1,075,453	1,183,602	1,148,273	1,171,669
Hotel/motel taxes		162,989	177,932	157,454	147,230
Alcoholic beverage taxes		31,378	40,579	39,204	38,434
Unrestricted investment earnings		11,439	13,715	28,003	42,668
Miscellaneous		130,986	88,762	102,773	399,537
Gain (loss) on sale of capital assets		6,351	191,869	36,937	17,821
Transfers		(228,360)	367,659	294,516	333,427
Total governmental activities		<u>9,322,105</u>	<u>10,714,565</u>	<u>10,929,487</u>	<u>11,662,163</u>
Business-type activities:					
Unrestricted investment earnings		6,189	5,118	16,624	33,343
Miscellaneous		-	-	-	-
Gain on sale of capital assets		11,363	24,668	108,079	(36,600)
Transfers		<u>228,360</u>	<u>(367,659)</u>	<u>(294,516)</u>	<u>(309,805)</u>
Total business-type activities		<u>245,912</u>	<u>(337,873)</u>	<u>(169,813)</u>	<u>(313,062)</u>
Total primary government	\$	<u><u>9,568,017</u></u>	<u><u>10,376,692</u></u>	<u><u>10,759,674</u></u>	<u><u>11,349,101</u></u>
Change in Net Position					
Governmental activities	\$	566,738	2,433,479	4,043,072	2,615,803
Business-type activities		<u>1,796,611</u>	<u>436,649</u>	<u>1,926,374</u>	<u>8,501,470</u>
Total primary government	\$	<u><u>2,363,349</u></u>	<u><u>2,870,128</u></u>	<u><u>5,969,446</u></u>	<u><u>11,117,273</u></u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
6,608,619	7,014,638	7,417,023	8,374,239	9,009,410	9,776,118
3,276,982	3,510,105	3,573,712	4,085,122	4,896,247	5,721,518
1,164,334	1,248,967	1,252,492	1,243,128	1,238,870	1,320,018
167,691	162,032	189,851	172,435	234,924	289,819
40,811	46,951	55,115	43,241	61,008	72,538
113,232	168,241	281,580	146,401	19,147	173,436
276,195	355,287	312,387	564,626	113,680	264,505
(981,302)	-	140,266	89,331	58,805	36,941
774,986	503,778	557,757	599,226	562,731	1,053,200
<u>11,441,548</u>	<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>
149,443	285,490	369,904	167,618	19,867	140,551
-	2,637	5,481	-	-	-
14,920	43,061	36,007	13,700	11,500	-
<u>(774,986)</u>	<u>(503,778)</u>	<u>(514,293)</u>	<u>(599,226)</u>	<u>(562,731)</u>	<u>(1,053,200)</u>
<u>(610,623)</u>	<u>(172,590)</u>	<u>(102,901)</u>	<u>(417,908)</u>	<u>(531,364)</u>	<u>(912,649)</u>
<u>10,830,925</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>
(203,725)	1,669,635	2,241,699	4,613,124	2,089,013	4,442,485
<u>2,878,067</u>	<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>2,674,342</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>

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

	Fiscal Year			
	2013	2014	2015	2016
General fund				
Nonspendable prepaid expenses	6,112	7,519	8,169	7,829
Restricted for:				
Public access facilities	151,474	177,076	204,307	233,434
Public safety	23,560	20,370	10,894	10,995
Cemetery	3,080	3,082	3,106	3,115
Assigned to:				
Civil service sick pay	705,931	722,099	719,391	704,950
Other purposes	10,141	17,163	29,511	32,233
Unreserved/Unassigned	5,127,544	4,657,271	4,768,975	5,029,559
Total general fund	<u>\$ 6,027,842</u>	<u>5,604,580</u>	<u>5,744,353</u>	<u>6,022,115</u>
All other governmental funds				
Nonspendable prepaid expenses	-	-	-	-
Restricted for:				
Debt service	274,764	172,923	132,462	158,685
Capital projects	7,830,392	6,314,205	5,310,080	4,484,401
Economic development	1,094,866	1,596,879	1,826,018	1,192,880
Public access facilities	-	-	-	-
Public safety	75,232	137,804	114,421	162,757
Other purposes	31,355	36,416	42,959	36,293
Committed to:				
Capital projects	415,864	-	-	-
Economic development	24,750	20,730	23,859	21,680
Assigned to capital projects				
Capital projects	784,081	1,763,345	1,617,003	1,088,912
Other purposes				
Unassigned	-	-	(1,218)	(4,830)
Total all other governmental funds	<u>\$ 10,531,304</u>	<u>10,042,302</u>	<u>9,065,584</u>	<u>7,140,778</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
4,409	6,699	7,392	7,511	4,899	6,407
264,425	299,494	-	-	-	-
10,936	4,693	-	-	-	-
3,140	3,189	-	-	-	-
824,834	785,547	759,785	872,000	872,000	872,000
35,744	33,658	44,522	40,479	-	-
5,104,032	5,122,832	5,077,904	7,128,597	5,454,084	6,825,928
<u>6,247,520</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>
-	-	-	-	-	2,000
169,940	306,462	236,154	30,511	74,204	11,541
1,310,998	-	1,673,625	2,199,282	3,115,834	4,580,753
541,585	1,434,099	590,801	650,597	1,123,890	1,641,057
-	-	335,911	368,665	397,590	430,133
68,645	133,575	184,467	181,800	182,038	50,825
37,976	36,898	45,857	62,511	83,146	109,985
-	-	-	-	-	-
7,034	5,082	43,650	33,816	41,142	37,189
1,912,218	1,985,455	2,415,820	1,959,629	4,133,972	3,741,231
			49,660	89,881	527,919
(584)	(96,497)	(20,364)	-	-	-
<u>4,047,812</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>

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

	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 9,406,650	10,051,287	10,467,602	10,878,885
Licenses and permits	223,636	205,792	188,172	221,395
Intergovernmental	1,125,196	2,630,028	3,308,812	2,523,212
Charges for services	2,409,771	2,434,770	2,526,593	2,589,725
Fines	369,793	419,299	377,875	389,614
Rental	9,900	11,800	15,600	14,300
Interest	11,439	13,715	28,003	44,564
Contributions and donations	122,197	194,298	279,926	406,507
Payments in lieu of taxes	6,349	7,515	9,164	9,489
Miscellaneous	107,984	86,003	93,967	385,988
Total revenues	<u>13,792,915</u>	<u>16,054,507</u>	<u>17,295,714</u>	<u>17,463,679</u>
Expenditures				
General government	1,286,946	1,460,528	1,475,263	1,588,236
Public safety	5,848,468	5,963,512	6,278,268	6,492,045
Highways and streets	986,341	1,029,737	1,061,613	924,047
Planning	355,265	327,937	337,730	325,475
Culture and recreation	1,083,562	1,155,054	1,196,792	1,281,494
Solid waste	1,009,519	986,098	1,027,958	1,079,976
Economic development	231,829	461,622	186,379	209,272
Maintenance	396,470	391,983	363,981	388,027
Debt service				
Principal	584,067	629,399	733,112	841,824
Interest and fiscal charges	378,236	533,035	541,331	533,119
Bond issuance cost	80,000		15,234	-
Capital outlay	<u>1,135,259</u>	<u>4,672,441</u>	<u>6,366,845</u>	<u>5,841,144</u>
Total expenditures	<u>13,375,962</u>	<u>17,611,346</u>	<u>19,584,506</u>	<u>19,504,659</u>
Excess of revenues over (under) expenditures	<u>416,953</u>	<u>(1,556,839)</u>	<u>(2,288,792)</u>	<u>(2,040,980)</u>
Other financing sources (uses)				
Insurance proceeds	12,331	99,777	18,601	25,360
Sale of capital assets	6,351	177,139	31,775	35,149
Transfers in	765,463	2,616,554	1,715,681	1,576,500
Transfers out	(993,823)	(2,248,895)	(1,421,165)	(1,243,073)
Issuance of debt	6,825,000	-	1,070,000	-
Premium on issuance of debt	-	-	-	-
Payments to refunding escrow agents	-	-	-	-
Other uses	-	-	36,955	-
Total other financing sources (uses)	<u>6,615,322</u>	<u>644,575</u>	<u>1,451,847</u>	<u>393,936</u>
Net change in fund balances	<u>\$ 7,032,275</u>	<u>(912,264)</u>	<u>(836,945)</u>	<u>(1,647,044)</u>
Debt service as a percentage of noncapital expenditures	7.86%	8.98%	9.64%	10.06%

Fiscal Year					
2017	2018	2019	2020	2021	2022
11,259,914	11,969,151	12,467,060	13,868,310	15,456,659	17,145,073
331,412	249,596	265,243	234,209	347,166	566,050
1,122,211	1,155,895	2,514,469	2,232,140	2,408,017	2,395,652
2,743,579	2,692,984	2,216,309	1,911,644	2,196,422	2,401,104
333,039	301,237	384,661	308,271	295,708	319,888
-	-	-	-	-	-
113,232	168,241	281,580	146,401	19,101	172,557
267,036	270,332	240,789	86,335	15,093	89,721
9,532	9,375	9,118	10,333	10,851	11,900
277,542	359,222	314,712	345,091	71,506	203,827
16,457,497	17,176,033	18,693,941	19,142,734	20,820,523	23,305,772
1,580,289	1,665,115	1,777,826	2,038,418	2,472,428	2,397,066
6,711,922	7,030,556	6,936,055	6,890,563	7,193,703	8,901,282
946,466	1,561,526	1,294,284	1,271,603	1,562,728	901,266
375,071	360,172	391,355	441,831	471,912	564,325
1,357,934	1,585,759	1,587,938	1,620,003	1,920,206	2,074,496
1,123,844	1,205,209	1,342,432	1,429,589	1,511,814	1,684,639
321,695	20,538	254,749	332,050	75,715	408,870
440,884	507,201	545,038	602,186	473,616	536,696
906,824	1,010,538	1,104,250	1,217,963	1,181,675	1,211,675
510,588	413,177	459,583	379,357	408,048	370,258
35,682	1,527	-	121,174	-	-
5,906,783	4,790,466	2,409,366	1,657,426	2,266,894	2,172,570
20,217,982	20,151,784	18,102,876	18,002,163	19,538,739	21,223,143
(3,760,485)	(2,975,751)	591,065	1,140,571	1,281,784	2,082,629
49,458	26,065	46,753	245,800	37,102	58,009
18,480	41,186	138,763	81,546	178,066	56,170
2,458,921	2,412,836	3,439,234	1,723,042	5,179,667	4,170,391
(1,683,935)	(1,909,058)	(2,881,477)	(1,123,816)	(4,603,073)	(3,102,911)
50,000	2,170,576	-	5,575,000	-	-
-	-	-	521,559	-	-
-	-	-	(5,974,168)	-	-
-	-	-	-	-	-
892,924	2,741,605	743,273	1,048,963	791,762	1,181,659
(2,867,561)	(234,146)	1,334,338	2,189,534	2,073,546	3,264,288
10.15%	9.27%	9.96%	9.77%	9.20%	8.30%

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

Fiscal Year	Property Tax ⁽¹⁾	Sales Tax	Franchise Tax	Hotel/Motel Occupancy Tax	Alcoholic Beverage Tax	Total	% Change
2013	\$ 5,268,387	\$ 2,874,792	\$ 1,075,453	\$ 162,989	\$ 31,378	\$ 9,412,999	5.13%
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%

⁽¹⁾ 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

<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>
2013	\$ 2,874,792	55%	\$ 0.3635	\$ 149
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%	0.3444	199
2022	5,721,518	59%	0.3710	233

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

Taxpayer	2022			2013		
	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	\$ 27,189,940	1	1.75%	\$ -		-
Turtle Creek Investments	23,316,807	2	1.50%	12,971,905	3	1.64%
Oncor Electric Delivery	20,271,930	3	1.30%	10,762,388	4	1.36%
Colonial Crossing Company	15,288,569	4	0.98%	-		-
Legacy Landing Group	14,685,800	5	0.94%	10,221,449	5	1.29%
Chappell Hill Equity III	13,046,400	6	0.84%	5,905,922	6	0.74%
Wal-Mart	10,506,000	7	0.67%	14,061,954	1	1.77%
Stratasys Direct Manufacturing	9,258,498	8	0.59%	-		-
2007 Belton Shady Lane Lp	8,482,175	9	0.54%	-		-
HEB Grocery Company	7,996,252	10	0.51%	13,908,609	2	1.75%
CMH Manufacturing	-		-	5,864,091	7	0.74%
Tarco of Texas	-		-	5,614,495	8	0.71%
E.M. Cable International	-		-	5,140,687	9	0.65%
Airgas Southwest, Inc.	-		-	5,012,093	10	0.63%
Subtotal	\$ 150,042,371		9.64%	\$ 89,463,593		11.28%
Other Taxpayers	1,406,547,449		90.36%	703,828,485		88.72%
Total	\$ 1,556,589,820		100%	\$ 793,292,078		100%

Source: Bell County Appraisal District, Top 10 Taxpayer Report and Certified 2021 Tax Roll.

City of Belton, Texas
Assessed Value and Adjusted Taxable Value of Property
Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Single-Family Residential Property	\$ 495,626,123	\$ 522,384,977	\$ 554,335,813	\$ 586,835,143
Other Property	<u>617,527,024</u>	<u>653,254,439</u>	<u>715,752,062</u>	<u>748,363,534</u>
Total Assessed Value ⁽¹⁾	1,113,153,147	1,175,639,416	1,270,087,875	1,335,198,677
Exemptions and Reductions	<u>(319,861,069)</u>	<u>(339,741,389)</u>	<u>(375,226,179)</u>	<u>(388,827,555)</u>
Certified Taxable Value	793,292,078	835,898,027	894,861,696	946,371,122
Adjustments After Certification	<u>(2,350,277)</u>	<u>(2,563,532)</u>	<u>(5,363,818)</u>	<u>5,882,894</u>
Adjusted Taxable Value	<u><u>\$ 790,941,801</u></u>	<u><u>\$ 833,334,495</u></u>	<u><u>\$ 889,497,878</u></u>	<u><u>\$ 952,254,016</u></u>
Adjusted Tax Levy	\$ 5,218,634	\$ 5,498,341	\$ 5,868,907	\$ 6,282,972
Adjusted Taxable Value % of Assessed	71.1%	70.9%	70.0%	71.3%
Ad Valorem Tax Rate ⁽²⁾	\$ 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, 2022.

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

⁽²⁾ Per \$100 of taxable value.

Assessed and taxable values reflect the certified and uncertified values of each fiscal year as of September 30, 2022.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 617,668,260	\$ 665,420,476	\$ 706,346,298	\$ 808,110,348	\$ 906,641,580	\$ 1,047,686,312
<u>786,091,839</u>	<u>811,985,942</u>	<u>845,579,588</u>	<u>1,042,499,490</u>	<u>1,179,756,119</u>	<u>1,117,217,836</u>
1,403,760,099	1,477,406,418	1,551,925,886	1,850,609,838	2,086,397,699	2,164,904,148
<u>(406,166,184)</u>	<u>(420,159,125)</u>	<u>(431,772,543)</u>	<u>(583,756,203)</u>	<u>(621,307,925)</u>	<u>(608,314,328)</u>
997,593,915	1,057,247,293	1,120,153,343	1,266,853,635	1,465,089,774	1,556,589,820
<u>(2,289,883)</u>	<u>(1,534,804)</u>	<u>(3,616,968)</u>	<u>(8,427,748)</u>	<u>(43,468,504)</u>	<u>(14,563,153)</u>
<u><u>\$ 995,304,032</u></u>	<u><u>\$ 1,055,712,489</u></u>	<u><u>\$ 1,116,536,375</u></u>	<u><u>\$ 1,258,425,887</u></u>	<u><u>\$ 1,421,621,270</u></u>	<u><u>\$ 1,542,026,667</u></u>
\$ 6,567,016	\$ 6,965,591	\$ 7,366,907	\$ 8,303,094	\$ 8,956,214	\$ 9,714,768
70.9%	71.5%	71.9%	68.0%	68.1%	71.2%
\$ 0.6598	\$ 0.6598	\$ 0.6598	\$ 0.6598	\$ 0.6300	\$ 0.6300

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

	Fiscal Year			
	2013	2014	2015	2016
Taxes levied:				
Fiscal year levy	\$ 5,242,115	\$ 5,515,442	\$ 5,886,071	\$ 6,242,079
Adjustments in subsequent years	(23,481)	(17,101)	(17,164)	40,893
Total of taxes levied ⁽¹⁾	<u>5,218,634</u>	<u>5,498,341</u>	<u>5,868,907</u>	<u>6,282,972</u>
Taxes collected:				
Fiscal year collections	5,124,859	5,426,284	5,780,783	6,213,465
Collections in subsequent years ⁽²⁾	85,920	61,954	77,443	56,744
Total of taxes collected	<u>\$ 5,210,779</u>	<u>\$ 5,488,238</u>	<u>\$ 5,858,226</u>	<u>\$ 6,270,209</u>
Collection rates:				
Percentage collected in fiscal year	98.20%	98.69%	98.50%	98.89%
Percentage collected of total levy	99.85%	99.82%	99.82%	99.80%
Delinquent taxes:				
Total outstanding balance	7,855	10,103	10,681	12,763
Percentage of total levy outstanding	0.15%	0.18%	0.18%	0.20%

Notes:

⁽¹⁾ The tax levy reflects the certified and uncertified property values of each fiscal year as of September 30, 2022.

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 6,586,489	\$ 7,009,948	\$ 7,386,463	\$ 8,341,442	\$ 9,102,329	\$ 9,777,074
(19,473)	(44,357)	(19,556)	(34,414)	(137,014)	(62,306)
<u>6,567,016</u>	<u>6,965,591</u>	<u>7,366,907</u>	<u>8,307,028</u>	<u>8,965,315</u>	<u>9,714,768</u>
6,493,885	6,881,333	7,282,464	8,181,665	8,839,461	9,581,195
58,332	67,019	62,036	72,446	37,717	-
<u>\$ 6,552,217</u>	<u>\$ 6,948,352</u>	<u>\$ 7,344,500</u>	<u>\$ 8,254,111</u>	<u>\$ 8,877,178</u>	<u>\$ 9,581,195</u>
98.89%	98.79%	98.85%	98.49%	98.60%	98.63%
99.77%	99.75%	99.70%	99.36%	99.02%	98.63%
14,799	17,239	22,407	52,917	88,137	133,573
0.23%	0.25%	0.30%	0.64%	0.98%	1.37%

City of Belton, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
City of Belton by Fund:				
General	0.5488	0.5488	0.5425	0.5332
Debt Service	0.1110	0.1110	0.1173	0.1266
Total Direct Rates ⁽¹⁾	0.6598	0.6598	0.6598	0.6598
Belton ISD	1.5210	1.4500	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	0.0000
Clear Water Underground Wtr. Cons. Dist.	0.0040	0.0040	0.0040	0.0040
Total Direct and Overlapping Rates ^{(1) (2)}	2.6359	2.5649	2.5549	2.5549

Source: Bell County Appraisal District

⁽¹⁾ Tax rates per \$100 of assessed value.

⁽²⁾ 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					
2017	2018	2019	2020	2021	2022
0.5393	0.5545	0.5650	0.5712	0.5289	0.5466
0.1205	0.1053	0.0948	0.0886	0.1011	0.0834
0.6598	0.6598	0.6598	0.6598	0.6300	0.6300
1.4400	1.6030	1.6030	1.4651	1.3651	1.3571
0.4212	0.4212	0.4212	0.4208	0.3968	0.3680
0.0299	0.0299	0.0299	0.2920	0.0285	0.0263
0.0300	0.0300	0.0300	0.0297	0.0300	0.0280
0.0039	0.0038	0.0038	0.0036	0.0033	0.0031
2.5848	2.7477	2.7477	2.8710	2.4537	2.4125

City of Belton, Texas
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds
September 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
City Direct Debt ⁽¹⁾	\$ <u>10,058,824</u> ⁽¹⁾	100.00 %	\$ <u>10,058,824</u>
Overlapping Debt :			
Belton Independent School District	222,460,000	35.21%	78,328,166
Bell County	<u>147,845,000</u>	7.22%	<u>10,674,409</u>
Total overlapping	<u>370,305,000</u>		<u>89,002,575</u>
Total direct and overlapping debt	\$ <u><u>380,363,824</u></u>		\$ <u><u>99,061,399</u></u>

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

⁽²⁾ Overlapping debt estimates provided by Municipal Advisory Council of Texas

City of Belton, Texas
Valuation, Exemptions and Ad Valorem Tax Debt
September 30, 2022

2021 Tax Year, 2022 Fiscal Year Market Valuation ⁽¹⁾	\$ 2,164,904,148
Less Exemptions/Reductions	(608,314,328)
2021 Tax Year, 2022 Fiscal Year Net Taxable Assessed Valuation	<u>\$ 1,556,589,820</u>
Debt Payable from Ad Valorem Taxes as of September 30, 2022	\$ 32,656,719
Less Self-Supporting Debt ⁽²⁾	(22,597,895)
Net Debt Payable from Ad Valorem Taxes	<u>\$ 10,058,824</u>
Interest and Sinking Fund as of 9/30/2022	\$ 11,541
Ratio Net Tax Supported Debt to Taxable Assessed Valuation	0.65%
2022 Estimated Population	24,553
Per Capita Taxable Assessed Valuation -	\$ 63,397
Per Capita Net Debt Payable from Ad Valorem Taxes	\$ 410

⁽¹⁾ Valuations established by Bell County Tax Appraisal District.

⁽²⁾ Self-supporting debt payable from the City's water and sewer utility fund, the drainage fund, and the tax increment reinvestment zone.



City of Belton, Texas
Tax Adequacy
September 30, 2022

2023 Net Principal and Interest Requirements	\$ 1,188,169
\$0.0834 Tax Rate at 98% Collection Produces	\$ 1,272,232
 Average Annual Net Principal and Interest Requirements, 2022-2035	 \$ 740,889
\$0.0486 Tax Rate at 98% Collection Produces	\$ 741,373

⁽¹⁾ Excludes self-supporting ad valorem tax debt.

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

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities				
General Obligation Bonds	4,415,000	4,060,000	3,695,000	3,320,000
General Obligation Premium	-	-	-	-
Certificates of Obligation	11,103,988	10,829,588	11,531,476	11,064,651
Certificates of Obligation Premium	-	-	36,955	33,301
Total Governmental Activities	<u>15,518,988</u>	<u>14,889,588</u>	<u>15,263,431</u>	<u>14,417,952</u>
Business-Type Activities				
General Obligation Bonds	956,350	682,800	406,300	126,850
Certificates of Obligation	4,606,012	4,315,409	12,603,518	11,945,343
Certificates of Obligation Premium	-	-	296,853	267,819
Total Business-Type Activities	<u>5,562,362</u>	<u>4,998,209</u>	<u>13,306,671</u>	<u>12,340,012</u>
Total Primary Government	<u>21,081,350</u>	<u>19,887,797</u>	<u>28,570,102</u>	<u>26,757,964</u>
Percentage of Personal Income ⁽¹⁾	5.24	4.82	6.68	5.45
Per Capita ⁽¹⁾	1,092	1,004	1,393	1,261

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

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
2,930,000	2,525,000	3,830,000	8,340,000	7,320,000	6,265,000
-	-	-	475,298	409,630	347,875
10,597,826	12,177,288	9,768,039	3,710,076	3,548,400	3,391,725
30,436	92,312	82,260	72,690	63,339	54,224
<u>13,558,262</u>	<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>
1,350,000	1,180,000	1,015,000	855,000	695,000	540,000
19,327,168	18,337,550	17,706,956	16,844,919	15,956,593	21,333,268
517,240	472,055	427,852	384,719	341,929	724,627
<u>21,194,408</u>	<u>19,989,605</u>	<u>19,149,808</u>	<u>18,084,638</u>	<u>16,993,522</u>	<u>22,597,895</u>
<u>34,752,670</u>	<u>34,784,205</u>	<u>32,830,107</u>	<u>30,682,702</u>	<u>28,334,891</u>	<u>32,656,719</u>
6.91	6.58	5.82	4.99	4.27	4.80
1,600	1,576	1,457	1,344	1,151	1,330

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

	Fiscal Year			
	2013	2014	2015	2016
Taxable Value of Property ⁽¹⁾				
All property	\$790,941,801	\$833,334,495	\$889,497,878	\$952,254,016
Net Bonded Debt ⁽²⁾				
Gross bonded debt	15,518,988	14,889,588	15,263,431	14,417,952
Debt service funds	(274,764)	(172,923)	(132,462)	(158,685)
Net Bonded Debt	15,244,224	14,716,665	15,130,969	14,259,267
Ratio of Net Bonded Debt to Taxable Value	1.93%	1.77%	1.70%	1.50%
Population ⁽³⁾	19,314	19,809	20,517	21,214
Net Bonded Debt Per Capita	\$ 789	\$ 743	\$ 737	\$ 672

Note: The values reflect adjusted taxable value as of September 30, 2022. See Assessed Value and Adjusted Taxable Value of Property for more details.

⁽¹⁾ Taxable values reflect the certified and uncertified values of each fiscal year as of September 30, 2022.

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

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 995,304,032	\$1,055,712,489	\$1,116,536,375	\$1,258,425,887	\$1,421,621,270	\$1,542,026,667
13,558,262	14,794,600	13,680,299	12,644,301	11,341,393	10,058,824
(169,940)	(306,462)	(236,154)	(30,512)	(74,203)	(11,541)
<u>13,388,322</u>	<u>14,488,138</u>	<u>13,444,145</u>	<u>12,613,789</u>	<u>11,267,190</u>	<u>10,047,283</u>
1.35%	1.37%	1.20%	1.00%	0.79%	0.65%
21,721	22,078	22,532	22,833	24,610	24,553
\$ 616	\$ 656	\$ 597	\$ 552	\$ 458	\$ 409

City of Belton, Texas
Legal Debt Margin Information
Last Ten Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit ⁽¹⁾	\$ 111,315,315	117,563,942	127,008,788	133,519,868
Total net debt applicable to limit	<u>15,244,224</u>	<u>14,716,665</u>	<u>15,130,969</u>	<u>14,259,267</u>
Legal debt margin	<u>\$ 96,071,091</u>	<u>102,847,277</u>	<u>111,877,819</u>	<u>119,260,601</u>
Total net debt applicable to the limit as a percentage of debt limit	15.87%	14.31%	13.52%	11.96%
Legal Debt Margin Calculation				
Assessed Value	\$ 1,113,153,147	1,175,639,416	1,270,087,875	1,335,198,677
Debt limit (10% of assessed value)	111,315,315	117,563,942	127,008,788	133,519,868
Debt applicable to limit:				
General obligation bonds	\$ 21,081,350	19,887,797	28,570,102	26,757,964
Less: pledged utility revenues	(5,562,362)	(4,998,209)	(13,306,671)	(12,340,012)
Less: amount set aside for repayment of debt	<u>(274,764)</u>	<u>(172,923)</u>	<u>(132,462)</u>	<u>(158,685)</u>
Total net debt applicable to limit	<u>15,244,224</u>	<u>14,716,665</u>	<u>15,130,969</u>	<u>14,259,267</u>
Legal debt margin	<u>\$ 96,071,091</u>	<u>\$ 102,847,277</u>	<u>\$ 111,877,819</u>	<u>\$ 119,260,601</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 \$0.6300 and debt rate of \$0.0834 are well below the maximum rates allowed by law.

Fiscal Year					
2017	2018	2019	2020	2021	2022
140,376,010	147,740,642	155,192,589	185,060,984	208,639,770	216,490,415
13,388,322	14,488,138	13,444,145	12,613,789	11,267,190	10,047,283
<u>126,987,688</u>	<u>133,252,504</u>	<u>141,748,443</u>	<u>172,447,195</u>	<u>197,372,579</u>	<u>206,443,132</u>
10.54%	10.87%	9.48%	7.31%	5.71%	4.87%
1,403,760,099	1,477,406,418	1,551,925,886	1,850,609,838	2,086,397,699	2,164,904,148
140,376,010	147,740,642	155,192,589	185,060,984	208,639,770	216,490,415
34,752,670	34,784,205	32,830,107	30,728,939	28,334,915	32,656,719
(21,194,408)	(19,989,605)	(19,149,808)	(18,084,638)	(16,993,522)	(22,597,895)
(169,940)	(306,462)	(236,154)	(30,512)	(74,203)	(11,541)
<u>13,388,322</u>	<u>14,488,138</u>	<u>13,444,145</u>	<u>12,613,789</u>	<u>11,267,190</u>	<u>10,047,283</u>
<u>\$ 126,987,688</u>	<u>\$ 133,252,504</u>	<u>\$ 141,748,443</u>	<u>\$ 172,447,195</u>	<u>\$ 197,372,579</u>	<u>\$ 206,443,132</u>

City of Belton, Texas
Demographic and Economic Statistics
 Last Ten Years

<u>Fiscal Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income</u>	<u>Per Capita Income ⁽²⁾</u>	<u>Median Age ⁽²⁾</u>	<u>School Enrollment ⁽³⁾</u>	<u>Unemployment Rate ⁽⁴⁾</u>
2013	19,314	\$ 402,638,958	20,847	29	9,896	7.1
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	12,186	7.0
2021	24,610	663,042,620	26,942	28	13,354	5.1
2022	24,553	680,510,948	27,716	27	13,651	4.3

Data Sources:

⁽¹⁾ City of Belton

⁽²⁾ U.S. Census Bureau

⁽³⁾ Belton Independent School District, Fall 2022 Demographic Report

⁽⁴⁾ Texas Labor Market Information, Local Area Unemployment Statistics as of September 2022 (Bell County).

City of Belton, Texas
Principal Employers
Current Year and Nine Years Ago

	<u>2022</u>		<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Belton Independent School District	1,990	1	1,400	1
Bell County	1,250	2	1,073	2
University of Mary Hardin-Baylor	660	3	405	5
TruMH (a Clayton Homes Co)	556	4	160	9
HEB Grocery	433	5	325	6
CGI	315	6	178	8
Cedar Crest Hospital & Clinic	294	7	185	7
Wal-Mart	272	8	450	4
United Parcel Service	212	9	-	-
PSC (Primary Heavy Civil)	200	10	-	-
City of Belton	-		158	10
James Construction Group	-		700	3
Total	<u>6,182</u>		<u>5,034</u>	

Source: Belton Economic Development Corporation, Entities

City of Belton, Texas
Top Ten Water Customers
Current Year and Nine Years Ago

Customer	Customer Type	2022			2013		
		Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
University of Mary Hardin Baylor	Higher Education	\$ 596,214	1	9.68 %	\$ 463,051	1	12.6 %
Bell County	County Government	194,514	2	3.16	210,180	2	5.72
Turtle Creek Village	Multi-Family Housing	128,085	3	2.08	120,984	4	3.29
Belton ISD	Public Education	106,227	4	1.73	166,410	3	4.53
Legacy Landing	Multi-Family Housing	68,986	5	1.12	80,184	6	2.18
Belle Oaks Apartments	Multi-Family Housing	62,848	6	1.02	69,164	7	1.88
Colonial Crossing Apartments	Multi-Family Housing	61,559	7	1			
Tex Mix Partners	Construction	60,250	8	0.98			
Belton Housing Authority	Government Housing	57,866	9	0.94	88,677	5	2.41
Today's Car Wash	Retail	56,828	10	0.92			
College View Apartments	Multi-Family Housing	-		-	62,150	8	1.69
Bell County Expo Center	Exposition Center	-		-	50,127	9	1.36
Montrose II Apartments	Multi-Family Housing	-		-	45,132	10	1.23
Totals		<u>\$ 1,393,376</u>		<u>22.63 %</u>	<u>\$ 1,356,059</u>		<u>36.89%</u>

Source: Finance Department, City of Belton, Texas

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	18	18	19	16	15	15	15	15	16	16
Public safety:										
Police:	42	42	46	46	47	48	48	48.5	51.5	51.5
Fire:	33	33	34	35	35	35	35	29	28	28
Highways and streets	9	9	9	9	8	8	8	7	7	7
Planning	4.5	4.5	4.5	4.5	6.5	6.5	6.5	7.5	7.8	7.8
Culture and recreation	17	17	17	18	19	19	19	19.5	19.5	19.5
Solid waste	1	1	1	1	1	1	1	1	1	1
Maintenance	8	8	8	7	9	9	9	9	9	9
Water and sewer	21	22	22	24	23	25	25	28	28	29
Economic development	2	2	2	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Drainage	2	2	2	3	3	3	3	4	4	4
Total	<u>158</u>	<u>159</u>	<u>165</u>	<u>166.0</u>	<u>168</u>	<u>172</u>	<u>172.0</u>	<u>171</u>	<u>174</u>	<u>175.3</u>

Source: Finance Department, City of Belton, Texas

City of Belton, Texas
Operating Indicators by Function
Last Ten Years

Function	Fiscal Year			
	2013	2014	2015	2016
Police:				
Alarms responded to	1,100	1,350	1,050	1,088
Calls for Service	48,500	50,000	39,322	38,642
Code Inspections *	-	-	-	-
Code Citations issued *	-	-	-	-
Fire:				
Fires	113	123	130	67
Inspections	143	165	175	200
Investigations	27	43	50	45
Highways and streets:				
Signs erected	492	460	496	352
Planning:				
Permits issued	806	1,725	1,210	1,932
Inspections	2,372	3,760	2,290	3,812
Culture and recreation:				
Library circulation	65,072	86,624	88,694	83,880
Maintenance:				
Work orders completed	1,398	2,758	1,850	2,590
Water:				
New connections	94	175	150	150
Water main breaks	27	35	15	11
Avg. daily water consumption (millions of gallons)	2.93	3.09	2.78	2.84
Sewer:				
Avg. daily sewage treatment (millions of gallons)	1.32	1.53	1.77	1.86

Sources: Various city departments.

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

* 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					
2017	2018	2019	2020	2021	2022
1,101	925	1,100	1,150	950	1,128
36,805	36,658	35,800	33,400	33,600	35,452
-	1,831	2,012	2,950	3,925	3,184
-	3	10	8	8	73
127	81	99	100	126	136
249	235	228	175	350	310
13	21	35	27	24	10
254	275	400	393	440	318
2,518	2,541	2,489	2,801	1,390	1,315
4,842	4,837	4,982	5,711	4,158	8,662
84,607	90,076	87,023	58,122	53,356	85,912
2,803	2,658	1,469	2,425	1,213	1,225
270	335	385	422	358	453
10	18	15	18	16	31
3.06	3.09	2.69	3.0	3.3	3.8
1.53	1.27	1.73	1.78	1.66	1.54

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

Function	Fiscal Year			
	2013	2014	2015	2016
Public safety:				
Police:				
Stations	1	1	1	1
Substations		1	1	1
Patrol units	14	15	15	17
Fire stations	2	2	2	2
Highways and streets:				
Streets (miles)	122	106	107	109
Culture and recreation:				
Parks acreage	194	194	174	177
Playgrounds	17	15	18	18
Irrigated ball fields	14	15	15	15
Trails (miles)	5	7	7	4
Water:				
Service connections	6,065	6,105	6,387	6,324
Water mains (miles)	119	121	144	144
Water pump stations	2	2	2	2
Fire hydrants	870	890	1016	1016
Plant capacity (millions of gallons)	6.57	8.3	8.3	8.3
Sewer:				
Service connections	4,358	4,782	4,750	4,843
Sanitary sewers (miles)	133	134	135	100
Number of lift stations	15	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					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
1	1	1	1	2	2
17	20	21	23	23	22
2	2	2	2	2	2
111	115	115	114	115	117
186	275	349	349	349	349
18	18	18	18	20	20
15	15	15	15	15	15
4.06	4	5.2	5.2	6.08	6.08
6,596	6,885	7,729	8,566	8,591	8,702
152	156	160	162	168	164
2	2	2	2	2	2
1098	1138	1188	1208	1175	1183
8.3	8.3	8.3	8.3	10	10
5,068	5,332	5,702	6,020	6,458	6,905
112	114	118	119	132	131
17	17	17	17	17	17
2.5	2.5	2.5	2.5	2.5	2.5

