

City of Belton, Texas



*Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2014*

City of Belton, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2014

Prepared by:

Finance Department

Brandon Bozon, CPA
Finance Director



City of Belton Texas

Year Ended September 30, 2014

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City of Belton

~ Founded 1850 ~

March 24, 2015

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, Texas (the City) publish at the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) 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 comprehensive annual financial report of the City of Belton, Texas, for the fiscal year ended September 30, 2014.

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’s financial statements for the year ended September 30, 2014. 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City of Belton, Texas was founded in 1850 and chartered in 1852. On July 13, 1877, the City was incorporated by the Texas Legislature. Located in Central Texas on Interstate Highway 35, the City is approximately 65 miles north of Austin and 40 miles south of Waco. The City currently occupies a land area of 19.76 square miles and serves an estimated population of 19,809. The City is the county seat of Bell County and is a governmental, agricultural, and commercial center in the area. Two large lakes, Belton Lake and Stillhouse Hollow Lake, are located adjacent to the City within five minutes driving time from downtown. These lakes 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. The City Council is comprised of the Mayor and six members, and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as for appointing the City Manager, City Attorney, Municipal Judge, City Clerk, and members of various statutory and advisory boards. As the chief administrative officer, the City Manager is responsible for enforcement of laws and ordinances, and the appointment and supervision of City department heads. The City 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 council.

The City of Belton, Texas 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 operation 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 is also financially accountable for a legally separate economic development corporation, which is reported separately within the City'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 June 1. The City Manager then submits a budget of estimated expenditures and revenues to the City Council not later than August 31. At this meeting, 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 not later than the twenty-seventh day of September; provided that if the Council takes no final action on or prior to such day, the budget as 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 this 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 and within the last three months of the fiscal year, the Council may by resolution, transfer any unencumbered appropriation or portion thereof from one division or department to another. After adoption, the City Council may amend the budget at any time by ordinance.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statement for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental funds subsection of this report.

Factors Affecting Financial Condition

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 operates.

Local economy. The City of 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. This location provides easy access to the estimated 400,000 people in the region. The military, government, medical/ healthcare services, agricultural/agribusiness, and retail trade are different thriving industry sectors in the MSA that continue to be a major economic influence contributing to the City's growth and prosperity. The City is also home to manufacturing, distribution, and business IT consulting companies such as Belco Manufacturing, American Spin Cast, Belltec, UPS, Frito Lay, Harvest Technologies, TruMH, and CGI to name a few. Overall, the City's economic vitality, proximity to major markets and business friendly atmosphere serve as a conduit for our local businesses to continue to invest and grow in our community.

The Temple-Killeen-Ft Hood MSA is in the center of the rapidly growing high-tech corridor between Austin and the Dallas/Fort Worth area. The City of Belton is located at the crossroads of IH-35 and U.S. Highway 190, within 180 miles of every major market in Texas. The Texas Department of Transportation (TXDOT) continues to expand Interstate 35 through Central Texas. In this particular MSA, there is a commitment of \$2.6 billion dollars in construction projects anticipated to be completed by 2017. The intersection of U.S. Highway 190 and IH35, within Belton city limits, is one of the projects being renovated with the insertion of a flyover to provide a seamless connection to the Killeen-Ft Hood area via U.S. Highway 190.

Forbes Magazine has ranked the Killeen/Temple/Fort Hood metropolitan statistical area as twentieth in the country for job growth. In 2014, Area Development published Leading Locations for 2014, and the MSA placed twelfth out of 379 MSAs in the Prime Workforce category. Factors that determine Prime Workforce status include education level and employees in the early stages of their careers. The Perryman Report estimates that between 2012 and 2017, the Killeen/Temple/Fort Hood MSA will experience an 11.54% increase in job growth, which translates into just over 26,000 new jobs.

In fiscal year 2011, the Belton Economic Development Corporation expanded Arbor Drive through the Belton Business Park, opening up additional areas for development and job opportunity. In 2013, several new businesses were completed in the Park, and others began construction. Scott & White Healthcare opened its new 7,644 square foot Pediatric Clinic, and a 14,406 square foot Family Practice Clinic, valued at \$1.5 million and \$2.7 million respectively. A private expansion of the Belton Business Center flex-space facility is also underway, a project valued at approximately \$1 million. The addition of this second facility will add 11,400 square feet of lease space for tenants in need of office/warehouse space. Nearby, Creekside Terrace Nursing and Rehabilitation Center, a 53,000 square foot facility, recently opened and is an estimated \$4 million investment. This expansion will maintain 65 jobs and create an additional 30 jobs in the City. In 2015, the Belton Economic Development Corporation will begin preparing the Rockwool property located along 6th Street/Taylor's Valley Road in Belton for future industrial development.

CGI, Inc., an international information technology management and business process services company with over 125 offices worldwide, constructed a \$5 million facility in the City of Belton and created 102 jobs in 2012, and 89 jobs in 2013. CGI will bring a total of 350 to 400 professional level jobs to the area with an estimated local economic impact of over \$60 million by 2016.

The City is proud to be the home of the University of Mary Hardin-Baylor (UMHB), a private four-year college with an enrollment of over 3,400 students representing 27 foreign countries. UMHB was chartered by the Republic of Texas in 1845, making it the oldest continuously operating college in the state. The University christened a new football stadium on September 21, 2013, with a 35-7 win over rival Wesley College. The on-campus stadium seats 7,671 fans and is combined with an adjoining state-of-the-art student union building. This \$50 million project is located adjacent to the Mayborn Center and nearby intramural fields to create a “student activity zone” surrounded by student residence halls and apartments. The 107,613 square foot student union building includes a resident dining facility, grill, sports bar, Starbucks, Chick-Fil-A, social areas, bookstore, offices, new band hall, meeting areas, and banquet hall.

Belton Independent School District (BISD) is the largest employer in the City, with 1,700 employees. BISD serves over 10,300 students on fifteen campuses, nine of which are in the city limits of Belton. The newest Belton campus, Chisholm Trail Elementary School, opened its doors in the Fall of 2014 and was a \$13 million project.

New development in Belton during 2014 includes CVS Pharmacy, Papa Murphy’s Pizzeria, Azbell Electronics, Tejas retail building, River Springs Apartments, Expo Quik Stop, and expansion of the American Spincast facility. New construction starts for 2014 consist primarily of residential subdivisions, including Mystic River, Bluff of Dunn’s Hollow, Highland Estates Phase II, Dawson Ranch Phase V, and Southwood Hills, Phase I.

Long-term financial planning. In 2007 and 2008, the City took the opportunity to issue additional bonds without a tax or rate increase. This was made possible by growth in the tax base and retirement of outstanding debt. In fiscal year 2007, \$5.365 million in contractual obligations were issued to fund the 2007 CIP program providing funding for:

General Fund	\$ 2,230,000
Water & Sewer	1,420,000
TIRZ	1,715,000

Work on these projects began in early fiscal year 2008, and the last of these projects was completed in fiscal year 2013.

In fiscal year 2008, the City issued \$2 million in contractual obligations. These funds were used to fund streets, drainage, and utilities related to the siting of the new South Belton Middle School in the Avenue D/Loop 121 area. This important Capital Improvement Plan (CIP) project was substantially completed in fiscal year 2011; however, cost savings on all project components allowed the construction of other eligible priority infrastructure projects.

Streets	\$ 1,485,000
Water & Sewer	180,000
Drainage	335,000

A Capital Improvement Plan (CIP) Committee was formed in 2013, to evaluate the capital needs of the City for a potential bond issue. The CIP committee was generally tasked with reviewing infrastructure or large equipment needs to enhance services for all citizens within the City. Their final recommendation was approved in June 2013, with the Council adding an additional \$1 million in street funding:

Public Safety	\$ 2,900,000
Streets & Sidewalks	3,615,000
Parks & Recreation	<u>310,000</u>
Total	\$ <u>6,825,000</u>

The City issued \$6.825 million in Certificates of Obligation in September 2013. Public Safety projects include a 8,300 square foot addition to and renovation of the existing Police Department building and a new fire engine pumper. Street projects include the Wheat Road widening project, needed in conjunction with the new Chisholm Trail Elementary School, an expansion of Sparta Road between Loop 121 and Main Street, in one of Belton's major retail areas, and \$1 million in major street maintenance projects. In South and Central Belton, \$115,000 is earmarked for sidewalks, Parks and Recreation projects, which include upgrades of equipment and facilities at existing parks, and the building of a new community park adjacent to South Belton Middle School.

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. Significant uses of the fund balance in the General Fund during the fiscal year ended September 30, 2014 included grant matches of \$747,652 for the construction of the MLK Avenue (formerly 9th Avenue) extension and bridge, and \$313,950 for the extension of the Chisholm Trail Hike and Bike Trail concurrent with the MLK Avenue extension. The primary use of the fund balance in the Water and Sewer Fund in excess of reserves was \$550,718 to fund the lake to lake water line extension.

Major Initiatives

The City budgets based on the goals and objectives set forth by the City's Strategic Plan, which places an emphasis on providing quality services, increasing health and safety, and improving the quality of life of our citizens. The City aims to achieve these goals and objectives while maintaining a balanced budget and financially prudent operations.

During the year ended September 30, 2014, the City began a number of projects to enhance safety, infrastructure, and quality of life, as identified by the 2013 CIP committee and funded in the 2013 Certificate of Obligation issue. In the coming year, work will begin on a number of

significant infrastructure projects, including the extension of MLK Avenue and rehabilitation and expansion of the Temple Belton Regional Sewer System.

Awards and Acknowledgements

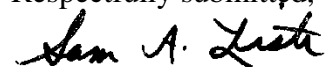
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belton, Texas, for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the twenty-eighth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. 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 CAFR 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 for its annual budget document for fiscal year beginning October 1, 2013. 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 twenty-second consecutive year that the City has received the budget award.

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,

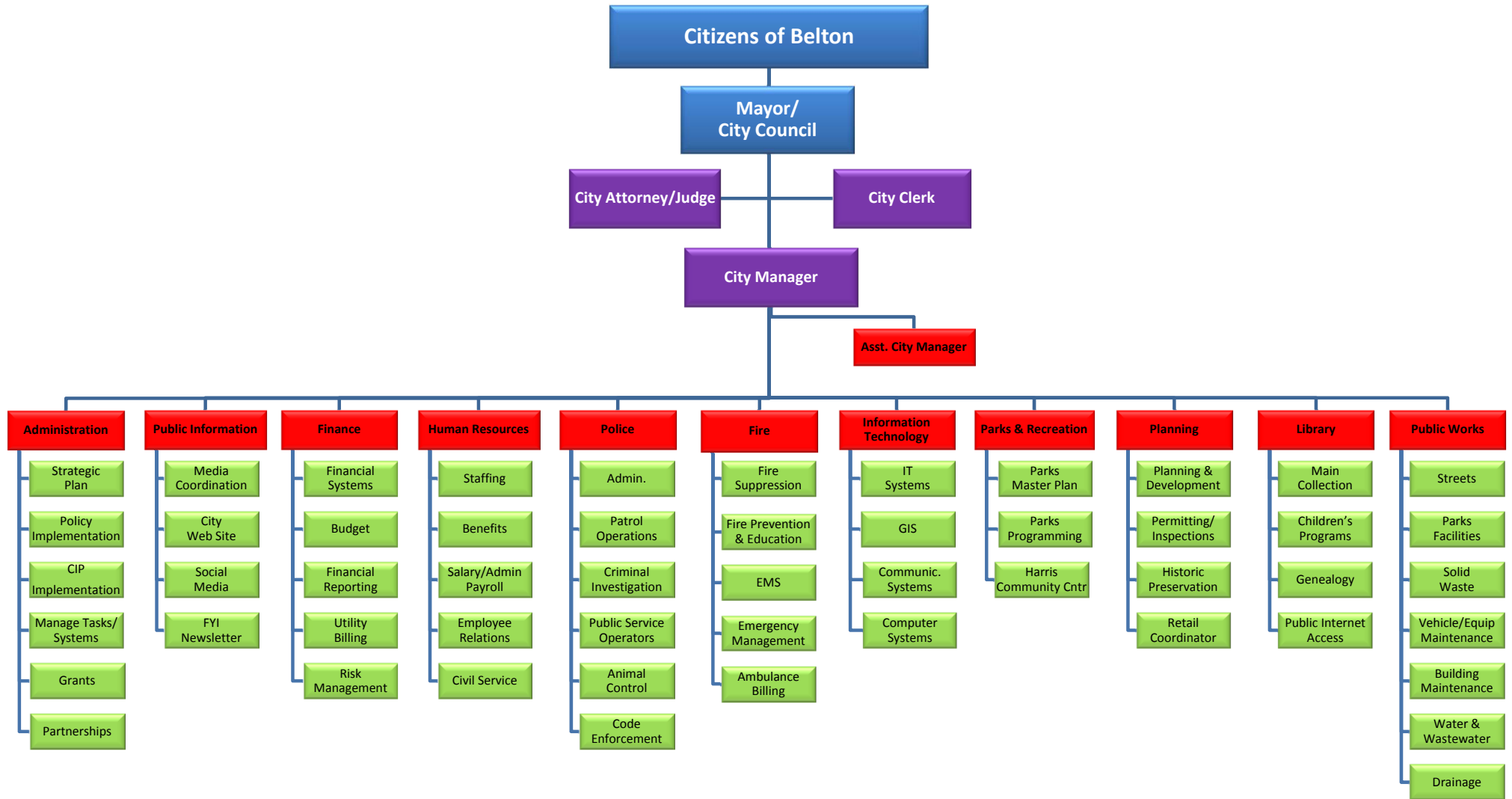


Sam A Listi
City Manager



Brandon Bozon, CPA
Finance Director

City of Belton Organizational Chart



CITY OF BELTON

ELECTED OFFICIALS

CITY COUNCIL

Two-Year Terms

<u>NAME</u>	<u>TERM EXPIRES</u>
Marion Grayson, Mayor	May 2016
David K. Leigh, Mayor Pro Tem	May 2015
Guy O'Banion	May 2016
Paul Sanderford	May 2016
Jerri Guantt	May 2015
Dan Kirkley	May 2015
Craig Pearson	May 2015

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	Jana Lewellen	December 12, 2013
Finance Director	Brandon Bozon	March 31, 2014
Grants & Special Projects Coordinator	Aaron Harris	January 2, 2013
Economic Development Corp. Director	Cynthia Hernandez	September 27, 2011
Fire Chief	Francisco Corona	February 28, 2012
Assistant City Manager/Police Chief	Gene Ellis	April 20, 2009
Public Works Director	Mike Huber	April 1, 2013
Library Director	Kim Kroll	October 2, 2000
Planning Director	Erin Newcomer	March 26, 2012
Human Resources Director	Charlotte Walker	October 1, 2010
IT Director	Denny Lassetter	November 15, 2010
Recreation/Events Director	Matt Bates	October 1, 2014
Public Information Officer	Paul Romer	November 1, 2012



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Belton
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO





JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 500 | 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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Belton, Texas (the City) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such

Auditor's Responsibility (continued)

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Belton, Texas as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, 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 auditing standards generally accepted in the United States of America. 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2105 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.

March 24, 2015



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 (MD&A) of the financial activities of the City of Belton for the fiscal year ended September 30, 2014. 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 vi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$50,583,420 (*net position*). Of this amount, \$13,298,736 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 \$2,473,166, primarily due to increased grants and contributions from third parties, and higher than anticipated revenues.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$15,646,882, a decrease of \$912,264 in comparison with the prior year. Of this total amount, \$4,657,271 (29.76 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 \$5,396,533, or 47.77 percent of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$1,193,552 during the current fiscal year.

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 21 - 23 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 twenty-one 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, the Debt Service Fund, Hike & Bike Trail Fund, and the 2013 Certificates of Obligation 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 City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24 - 28 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *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.

Proprietary funds 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.

The basic proprietary fund financial statements can be found on pages 29 - 31 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 35 – 63 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 70 - 82 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 by \$50,583,420, at the close of the most recent fiscal year.

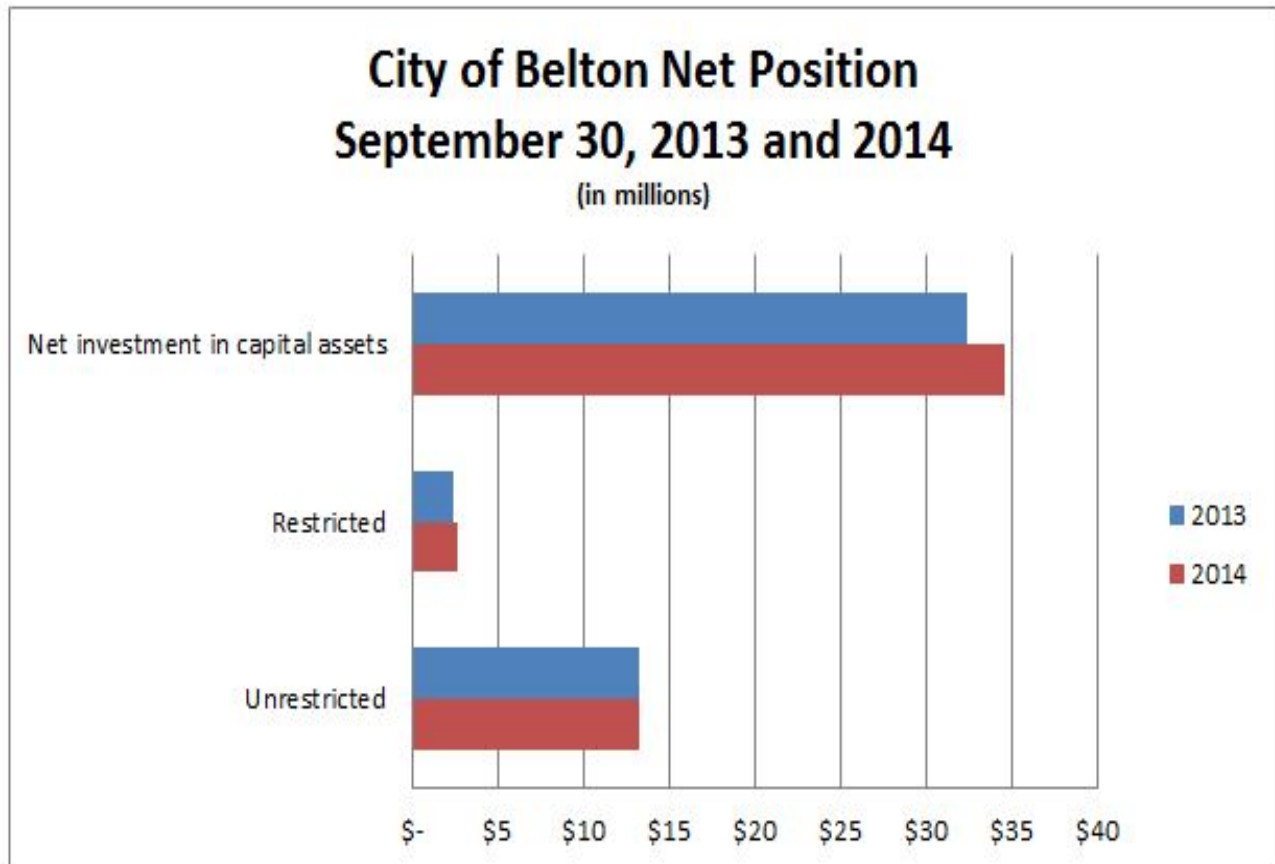
City of Belton Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 16,968,947	\$ 17,449,144	\$ 7,018,345	\$ 7,477,327	\$ 23,987,292	\$ 24,926,471
Capital assets	25,576,237	22,898,983	22,994,698	23,014,788	48,570,935	45,913,771
Total assets	42,545,184	40,348,127	30,013,043	30,492,115	72,558,227	70,840,242
Total deferred outflows of resources	-	-	15,108	20,143	15,108	20,143
Long-term liabilities						
outstanding	15,299,624	16,016,096	5,062,314	5,629,387	20,361,938	21,645,483
Other liabilities	1,119,124	639,074	505,853	465,574	1,624,977	1,104,648
Total liabilities	16,418,748	16,655,170	5,568,167	6,094,961	21,986,915	22,750,131
Net position:						
Net investments in						
capital assets	\$ 16,461,658	\$ 14,681,745	18,121,998	17,681,536	34,583,656	32,363,281
Restricted	2,701,028	2,263,468	-	193,212	2,701,028	2,456,680
Unrestricted	6,963,750	6,747,744	6,334,986	6,542,549	13,298,736	13,290,293
Total net position	\$ 26,126,436	\$ 23,692,957	\$ 24,456,984	\$ 24,417,297	\$ 50,583,420	\$ 48,110,254

By far the largest portion of the City's net position (\$34,583,656 or 68.37 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 (\$2,701,028 or 5.34 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$13,298,736 or 26.29 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.

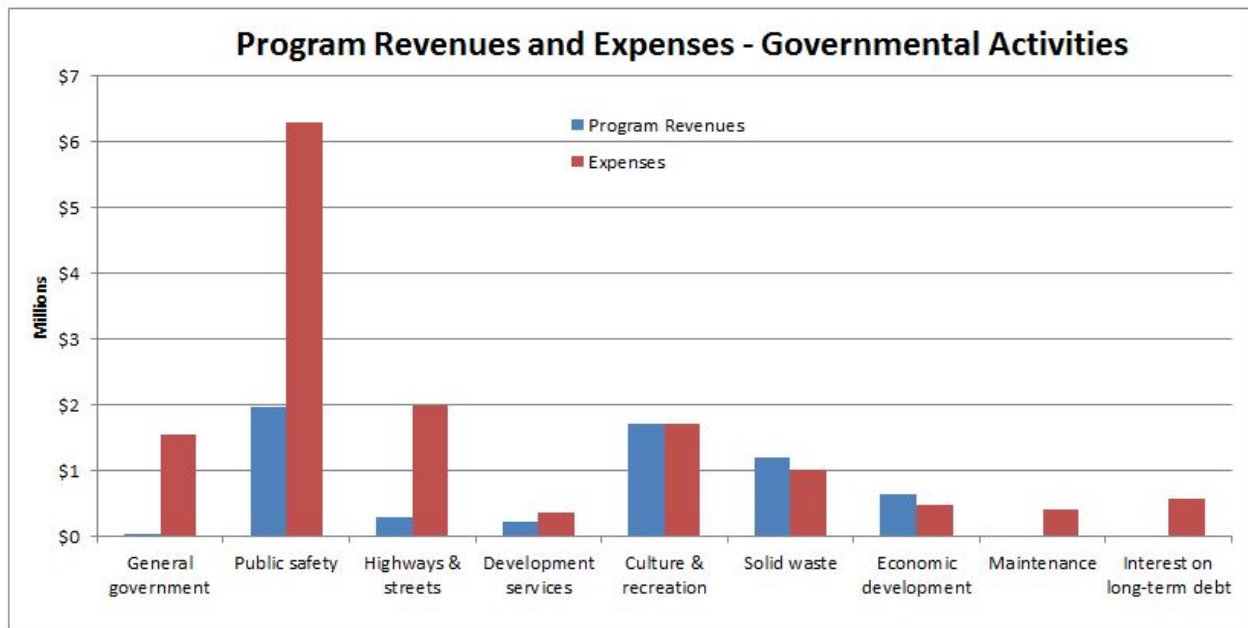


The City's total net position increased \$2,473,166 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.

City of Belton's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,046,416	\$ 2,983,592	\$ 5,918,781	\$ 6,274,920	\$ 8,965,197	\$ 9,258,512
Operating grants and contributions	646,637	645,933	-	-	646,637	645,933
Capital grants and contributions	2,283,115	1,113,389	348,298	1,242,591	2,631,413	2,355,980
General revenues:						
Property taxes	5,581,133	5,257,077	-	-	5,581,133	5,257,077
Sales taxes	3,069,314	2,874,792	-	-	3,069,314	2,874,792
Franchise taxes	1,183,602	1,075,453	-	-	1,183,602	1,075,453
Other taxes	218,511	194,367	-	-	218,511	194,367
Investment earnings	13,715	11,439	5,118	6,189	18,833	17,628
Gain (loss) on sale of assets	191,869	6,351	24,668	11,363	216,537	17,714
Other income	88,762	130,986	-	-	88,762	130,986
Total revenues	<u>16,323,074</u>	<u>14,293,379</u>	<u>6,296,865</u>	<u>7,535,063</u>	<u>22,619,939</u>	<u>21,828,442</u>
Expenses:						
General government	1,542,268	1,379,902	-	-	1,542,268	1,379,902
Public safety	6,274,184	6,081,978	-	-	6,274,184	6,081,978
Highways and streets	1,979,832	1,918,580	-	-	1,979,832	1,918,580
Development services	349,526	389,280	-	-	349,526	389,280
Culture and recreation	1,700,193	1,562,517	-	-	1,700,193	1,562,517
Solid waste	996,945	1,023,909	-	-	996,945	1,023,909
Economic development	461,622	231,829	-	-	461,622	231,829
Maintenance	400,394	444,230	-	-	400,394	444,230
Interest on long-term debt	552,290	466,056	-	-	552,290	466,056
Water and sewer	-	-	5,577,444	5,689,098	5,577,444	5,689,098
Drainage	-	-	312,075	253,212	312,075	253,212
Total expenses	<u>14,257,254</u>	<u>13,498,281</u>	<u>5,889,519</u>	<u>5,942,310</u>	<u>20,146,773</u>	<u>19,440,591</u>
Changes in net assets before transfers	2,065,820	795,098	407,346	1,592,753	2,473,166	2,387,851
Transfers	<u>367,659</u>	<u>(228,360)</u>	<u>(367,659)</u>	<u>228,360</u>	<u>-</u>	<u>-</u>
Changes in net position	2,433,479	566,738	39,687	1,821,113	2,473,166	2,387,851
Net position - October 1	<u>23,692,957</u>	<u>23,126,219</u>	<u>24,417,297</u>	<u>22,596,184</u>	<u>48,110,254</u>	<u>45,722,403</u>
Net position - September 30	<u>\$ 26,126,436</u>	<u>\$ 23,692,957</u>	<u>\$ 24,456,984</u>	<u>\$ 24,417,297</u>	<u>\$ 50,583,420</u>	<u>\$ 48,110,254</u>

Governmental activities. During the current fiscal year, net position for governmental activities increased \$2,433,479 from the prior fiscal year for an ending balance of \$26,126,436. This increase was the result of increased grants and contributions from third parties, higher than expected revenues, and personnel expenditures which were less than budgeted due to vacancies which occurred during the year.



Business-type activities. For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to an ending balance of \$24,456,984. The total increase in net position for business-type activities (Water and Sewer Fund and Drainage Fund) was \$39,687. Key changes year over year included:

- Charges for services in business-type activities totaled \$5,918,781, a decrease of \$356,139 or 5.68 percent from the prior year. This decrease is a reflection of decreased water consumption, due to a relative break in the summer heat and the ongoing drought in Central Texas as compared to 2013;
- Capital grants and contributions from grant agencies and developers amounted to \$348,298;
- Net transfers to other funds related to capital projects amounted to \$367,659;
- Investment earnings amounted to \$5,118; and
- Actual expenses were less than budgeted amounts.

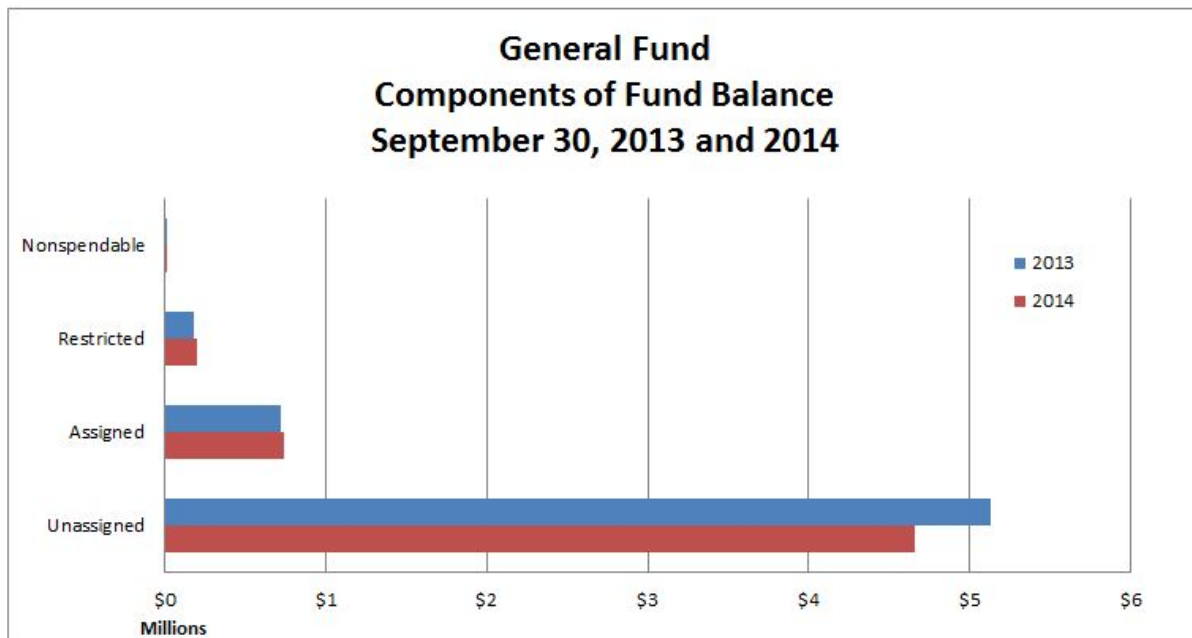
Financial Analysis of the City's Funds

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, 2014, the City's governmental funds reported combined ending fund balances of \$15,646,882, a decrease of \$912,264 in comparison with the prior year. Approximately 29.76 percent (\$4,657,271) of this amount constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is either *non-spendable*, *restricted*, *committed*, or *assigned* to indicate that it is:

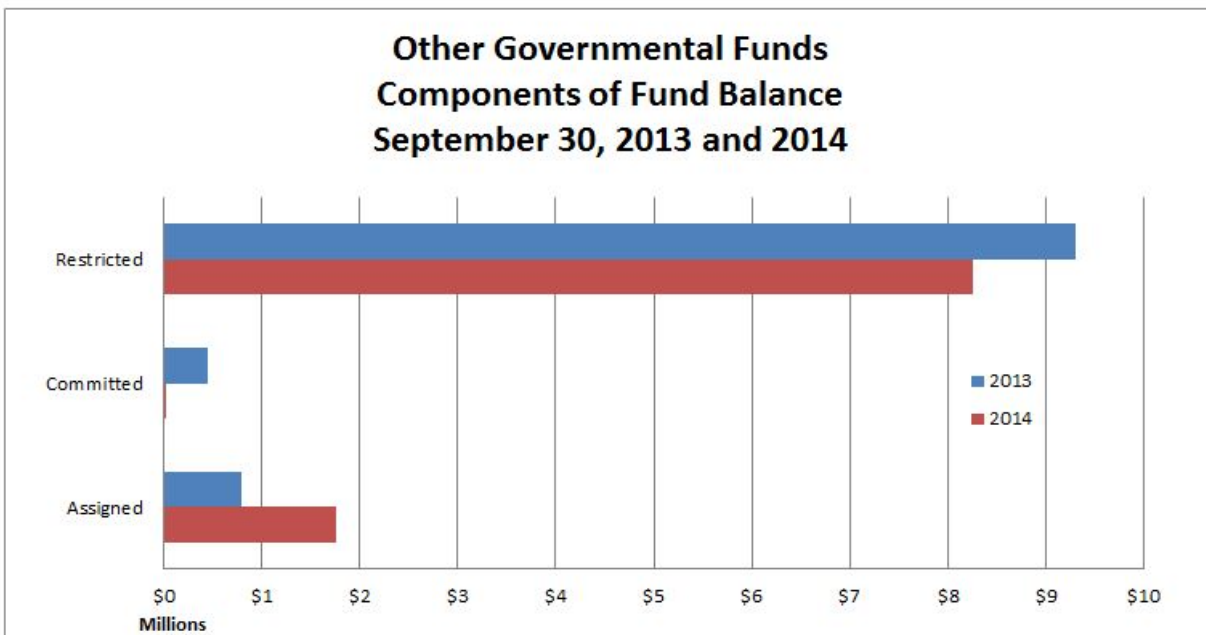
- 1) Not in spendable form (\$7,519);
- 2) Restricted for particular purposes:
 - a. Debt service (\$172,923);
 - b. Public, educational, or governmental access facilities (\$177,076);
 - c. Public safety training, equipment, and security facilities (\$194,590);
 - d. Cemetery maintenance and improvements (\$3,082); and
 - e. Capital projects and economic development (\$7,911,084).
- 3) Committed for particular purposes:
 - a. Economic development (\$20,370)
- 4) Assigned for particular purposes:
 - a. Future civil service costs (\$722,099);
 - b. Library books and park facilities (\$17,163); and
 - c. Capital projects and equipment (\$1,763,345).



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 \$4,657,271, while total fund balance decreased to \$5,604,580. 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 expenditures. Unassigned fund balance represents 41.22 percent of total General Fund expenditures, while total fund balance represents 49.61 percent of that same amount.

The fund balance of the City's General Fund decreased by \$423,262 during the current fiscal year. The net decrease was due to:

- Transfers out of \$1,684,542 to fund various capital projects and equipment, including grant matches of \$747,652 and \$313,950 to fund the MLK bridge and Chisholm Trail Hike and Bike Trail Phase III projects, and \$100,655 to fund the Nolan Creek recreation project; offset by
- Ad valorem property tax revenues increased by \$217,247. Taxable values rose \$43.25 million from the prior year;
- Sales tax receipts increased by \$194,522. This was the twenty-fifth consecutive year of increases in sales tax revenues;
- Franchise revenues increased \$108,149. Franchise taxes are paid by utility companies as a percentage of their gross receipts collected from customers within the City. The large increase this year was due to a one-time payment of approximately \$77,000 from Atmos Energy related to their revenues received for the relocation of utilities in connection to the I-35 expansion project;
- Charges for services increased by \$24,999, primarily due to increased ambulance runs and related revenues;
- Court fines increased by \$47,646 due to the success of the warrant roundup program;
- Insurance proceeds were up \$87,446 due to spring hail storms;
- Sale of capital assets were up \$168,288 due to the sale of several land parcels during the year;
- Expenditures in the General Fund were less than budgeted, primarily due to personnel vacancies and related salary savings thereon.



The Debt Service Fund, a major fund, had a decrease in fund balance during the current year of \$101,841, to bring the year end fund balance to \$172,923. This decrease resulted from the use of fund balance to phase in the impact of the 2013 Certificates of Obligation issuance.

The 2013 Certificates of Obligation Fund is used to account for the \$5.125 million general purpose portion of the \$6.825 million debt issue. Proceeds are being used for fire equipment and the construction, improvement, and equipping of land, streets, sidewalks, buildings, and

facilities. The \$1.700 million balance of the debt issue is maintained in a separate non-major capital projects fund, earmarked for use in the TIRZ zone.

The Hike & Bike Trail Fund is used to account for phase I and II of the Chisholm Trail Hike and Bike Trail, completed in November 2014.

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 \$22,671,478, and the net position of the Drainage Fund amounted to \$1,785,506. The total change in net position was (\$16,790) and \$56,477, respectively. Notable changes in the Water and Sewer Fund activity include:

- Charges for services in business-type activities totaled \$5,550,825, a decrease of \$364,087 or 6.16 percent from the prior year. These charges are generated from water and sewer utility fees. This decrease is a reflection of decreased water consumption, due to a relative decrease in summer heat compared to 2013, and a break in the ongoing drought in Central Texas;
- Operating expenditures totaled \$5,361,475, a decrease of \$94,279 or 1.73 percent from the prior year. This decrease was primarily driven by a decrease in treatment charges due to decreased consumption and a decrease in depreciation expense, offset by an increase in salaries and wages and repairs and maintenance costs;
- Depreciation expense decreased \$137,473 as a number of significant infrastructure projects reached the end of their useful lives at the end of the prior year;
- Capital contributions and transfers in were down \$727,544 and \$278,906, respectively, compared to prior year. The only significant capital contribution in the current year was the Temple Belton Regional Sewer System, as ownership of the Temple Belton Wastewater Treatment Plant transferred from the Brazos River Authority to municipal ownership, with Belton receiving a 25% ownership and Temple a 75% ownership.

Notable changes in the Drainage Fund activity include:

- An increase in operating revenue of \$7,948 or 2.21 percent due to an increase in customer count over the prior year;
- An increase in operating expenses of \$59,389 or 24.63 percent. The increases were primarily driven by salaries and wages, repairs and maintenance, treatment charges, and depreciation which were up over the prior year \$13,091, \$6,614, \$30,412, and \$11,302, respectively;
- There were no capital contributions or transfers in during the current year.

General Fund Budgetary Highlights

Original budget compared to final budget. Budgeted uses of funds, inclusive of expenditures and transfers out, increased by \$1,330,755 between the original budget and final budget. The increase in uses was primarily attributable to transfers out to fund multiple projects, including:

- \$1,061,602 in grant match funds for the MLK Avenue extension and related Chisolm Trail Hike & Bike extension;

- \$90,355 for land and right-of-way acquisition for the Lake-to-Lake Road project;
- \$100,665 grant match for the Nolan Creek Recreation project;
- \$37,909 increase in the transfer to the General Fund – capital projects to fund various small-scale capital improvements to City parks and buildings;
- \$168,796 increase in the transfer to the General Fund – capital equipment to fund the acquisition of various vehicles, mowers, and heavy and light equipment; offset by
- \$172,120 net reduction in the operations budget, primarily related to personnel savings due to vacancies during the year, and lower health insurance premiums than anticipated.

Budgeted sources of funds, inclusive of revenues and other financing sources increased by \$297,373 between the original budget and final budget. The increase in sources was primarily attributable to:

- \$170,263 for the sale of multiple parcels of land and decommissioned vehicles;
- \$98,310 in insurance proceeds;
- \$10,000 in contributions from CTCOG to help fund the R U OK? Senior welfare program.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Taxes	\$ 8,120,526	\$ 8,474,429	\$ 353,903
Licenses and permits	176,960	205,792	28,832
Charges for services	2,361,100	2,434,770	73,670

The overage in tax revenues was caused by strong sales tax collections that surpassed budget expectations in the current economic climate, and higher than expected ad valorem and franchise tax collections. License and permit revenue is influenced by the building and construction activity within the community as well as a spike in roofing permits due to spring hailstorms. Charges for services include ambulance revenue, which was conservatively estimated at the fiscal year 2013 level as there were no rate increases. However, EMS calls for service increased, thereby increasing revenue.

A review of actual expenditures compared to appropriations in the final budget shows no significant variances, with all budget divisions performing within budgeted parameters. The largest budget variances occurred in:

- City Administration: This budget includes funding for the pay plan and a contingency line item, some of which was not used during the year.
- Public Safety: Several position vacancies occurred during the year, resulting in salary savings; and
- Planning: Funds allocated to the second story downtown residential study and rehabilitation were not fully utilized.

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, 2014, amounts to \$48,570,935 (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 5.79 percent (an 11.69 percent increase for governmental activities and a 0.09 percent decrease for business-type activities).

City of Belton's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 2,325,901	\$ 2,310,562	\$ 299,987	\$ 267,497	\$ 2,625,888	\$ 2,578,059
Buildings	3,210,779	3,431,664	29,374	11,055	3,240,153	3,442,719
Improvements other than buildings	1,329,597	1,364,126	-	-	1,329,597	1,364,126
Machinery and equipment	1,595,387	1,396,517	805,542	513,391	2,400,929	1,909,908
Infrastructure	13,397,701	13,584,130	20,811,262	20,494,552	34,208,963	34,078,682
Construction in progress	3,716,872	811,984	1,048,533	1,728,293	4,765,405	2,540,277
Total	<u>\$ 25,576,237</u>	<u>\$ 22,898,983</u>	<u>\$ 22,994,698</u>	<u>\$ 23,014,788</u>	<u>\$ 48,570,935</u>	<u>\$ 45,913,771</u>

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

- Work was completed on:
 - Water Main from Sparta Road to Chisholm Trail Parkway
 - Avenue D sidewalks
 - Water Tank rehabilitation project
 - Wheat Road extension
 - Yettie Polk Park playground enhancement
- Work began/continued on:
 - Hike & Bike Trail extension;
 - MLK/9th Avenue extension;
 - Nolan Creek recreation and flood mitigation project;
 - Police department expansion;
 - TBRSS expansion;
 - Regional Law Enforcement training facility
 - Heritage Park Baseball field addition and special needs playground

Additional information on the City's capital assets can be found in Note V on pages 49 - 52 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$19,887,798, all of which is backed by the full faith and credit of the City. In addition, \$4,998,209 of this amount is also backed with a pledge of 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	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 14,889,589	\$ 15,518,988	-	-	\$ 14,889,589	\$ 15,518,988
Revenue bonds with tax cross-pledge	-	-	4,998,209	5,562,362	4,998,209	5,562,362
Total	<u>\$ 14,889,589</u>	<u>\$ 15,518,988</u>	<u>\$ 4,998,209</u>	<u>\$ 5,562,362</u>	<u>\$ 19,887,798</u>	<u>\$ 21,081,350</u>

The City's total bonded debt decreased by \$1,193,552 (5.66 percent) during the current fiscal year. The decrease was due to regularly scheduled principal payments on existing debt. The City's "AA-" rating from Standard & Poor's for general obligation debt was affirmed during the 2013 Certificate of Obligation debt issue process.

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 FY 2013 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 53 - 56 of this report.

Economic Factors and Next Year's Budget and Rates

The following economic factors currently affect the City of Belton and were considered in developing the 2015 fiscal year budget.

- Despite the sluggish national economy, the local economy has remained stable, and is even experiencing some mild growth as evidenced by construction activity. Residential home starts continue and local foreclosures are not the problem experienced in other areas of the country. 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 2015 budget was based on sustaining operating levels, while meeting the demands created by growth and the sagging national economy. The ad valorem tax rate was maintained at the current rate of \$0.6598 per \$100 of assessed valuation to fund increases in recurring expenditure obligations. A water and sewer rate study was completed and adopted by Council during fiscal year 2014 and will include future rate increases to fund planned projects, including most notably the expansion of the wastewater treatment plant. Department budgets were developed with a limited growth directive, in order to maintain operations with little or no growth in revenues.

At the end of fiscal year 2014, unassigned fund balance in the General Fund is \$4,657,271. The City Council has stipulated that the General Fund maintain three months operating expenditures as a minimum of undesignated reserves, which currently equates to \$3.1 million. It is intended that the available fund balance beyond the minimum be used for nonrecurring capital outlay and projects, and not for financing of on-going operational costs. For fiscal year 2015, fund balance in all budgeted funds is projected to remain at adequate levels to provide for unexpected decreases in revenues plus extraordinary unbudgeted expenditures.

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:

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



Basic Financial Statements



City of Belton, Texas
Statement of Net Position
September 30, 2014

	Primary Government			Component Unit
	Governmental	Business-type	Total	Belton Economic Development Corporation, Inc.
	Activities	Activities		
Assets				
Cash and cash equivalents	\$ 14,414,521	5,920,285	20,334,806	4,721,548
Receivables (net of allowance for uncollectibles)	1,502,440	733,679	2,236,119	291,802
Due from other governments	1,044,467	154,933	1,199,400	10,340
Prepaid items	7,519	57,719	65,238	-
Restricted cash and cash equivalents	-	148,729	148,729	-
Capital assets not being depreciated:				
Land	2,325,901	299,987	2,625,888	485,325
Construction in progress	3,716,872	1,048,533	4,765,405	-
Capital assets, net of accumulated depreciation:				
Buildings	3,210,779	29,374	3,240,153	1,105,232
Improvements other than buildings	1,329,597	-	1,329,597	-
Machinery and equipment	1,595,386	805,542	2,400,928	-
Infrastructure	13,397,702	20,811,262	34,208,964	1,651,497
Total assets	<u>42,545,184</u>	<u>30,010,043</u>	<u>72,555,227</u>	<u>8,265,744</u>
Deferred Outflows of Resources				
Deferred charges on refundings	-	15,108	15,108	-
Total deferred outflows of resources	<u>-</u>	<u>15,108</u>	<u>15,108</u>	<u>-</u>
Liabilities				
Accounts and retainages payable	847,380	288,603	1,135,983	465,906
Accrued interest payable	88,202	45,026	133,228	3,082
Other accrued liabilities	168,767	25,514	194,281	3,412
Customer deposits payable	14,775	146,710	161,485	2,200
Noncurrent liabilities:				
Due within one year	1,012,738	628,508	1,641,246	143,500
Due in more than one year	14,286,886	4,433,806	18,720,692	233,702
Total liabilities	<u>16,418,748</u>	<u>5,568,167</u>	<u>21,986,915</u>	<u>851,802</u>
Net Position				
Net investment in capital assets	16,461,658	18,121,998	34,583,656	2,864,852
Restricted for:				
Debt service	200,458	-	200,458	-
Economic development	1,579,202	-	1,579,202	-
Court	36,416	-	36,416	-
Public safety	158,174	-	158,174	-
Public access facilities	177,076	-	177,076	-
Cemetery	3,082	-	3,082	-
Capital projects and equipment	546,620	-	546,620	-
Unrestricted	<u>6,963,750</u>	<u>6,334,986</u>	<u>13,298,736</u>	<u>4,549,090</u>
Total net position	<u>\$ 26,126,436</u>	<u>24,456,984</u>	<u>50,583,420</u>	<u>7,413,942</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Activities
For the Fiscal Year Ended
September 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,542,268	-	14,000	-
Public safety	6,274,184	1,577,432	264,184	114,877
Highways and streets	1,979,832	-	-	276,808
Planning	349,526	205,792	-	-
Culture and recreation	1,700,193	71,857	16,087	1,617,308
Solid waste	996,945	1,191,335	-	-
Economic development	461,622	-	352,366	274,122
Maintenance	400,394	-	-	-
Interest	552,290	-	-	-
Total governmental activities	<u>14,257,254</u>	<u>3,046,416</u>	<u>646,637</u>	<u>2,283,115</u>
Business-type activities:				
Water and sewer	5,577,444	5,550,825	-	348,298
Drainage	312,075	367,956	-	-
Total business-type activities	<u>5,889,519</u>	<u>5,918,781</u>	<u>-</u>	<u>348,298</u>
Total primary government	<u>\$ 20,146,773</u>	<u>8,965,197</u>	<u>646,637</u>	<u>2,631,413</u>
Component unit:				
Belton Economic				
Development Corporation, Inc.	\$ <u>975,347</u>	<u>38,536</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 975,347</u>	<u>38,536</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 capital 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.
(1,528,268)		(1,528,268)	
(4,317,691)		(4,317,691)	
(1,703,024)		(1,703,024)	
(143,734)		(143,734)	
5,059		5,059	
194,390		194,390	
164,866		164,866	
(400,394)		(400,394)	
(552,290)		(552,290)	
<u>(8,281,086)</u>		<u>(8,281,086)</u>	
-	321,679	321,679	
-	55,881	55,881	
<u>-</u>	<u>377,560</u>	<u>377,560</u>	
<u>(8,281,086)</u>	<u>377,560</u>	<u>(7,903,526)</u>	
			\$ <u>(936,811)</u>
			<u>(936,811)</u>
\$ 5,581,133	-	5,581,133	-
3,069,314	-	3,069,314	1,534,657
1,183,602	-	1,183,602	-
177,932	-	177,932	-
40,579	-	40,579	-
13,715	5,118	18,833	3,683
88,762	-	88,762	-
191,869	24,668	216,537	-
367,659	(367,659)	-	-
<u>10,714,565</u>	<u>(337,873)</u>	<u>10,376,692</u>	<u>1,538,340</u>
2,433,479	39,687	2,473,166	601,529
<u>23,692,957</u>	<u>24,417,297</u>	<u>48,110,254</u>	<u>6,812,413</u>
<u>\$ 26,126,436</u>	<u>24,456,984</u>	<u>50,583,420</u>	<u>7,413,942</u>

City of Belton, Texas
Balance Sheet
Governmental Funds
September 30, 2014

	General	Debt Service	Hike & Bike Trail	2013 Certificates of Obligation	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 4,325,402	172,923	-	4,198,903	5,717,293	14,414,521
Receivables (net of allowance for uncollectibles)	1,433,060	27,535	-	-	41,845	1,502,440
Due from other governments	150,055	-	783,667	-	110,745	1,044,467
Due from other fund	638,608	-	-	-	-	638,608
Prepaid items	7,519	-	-	-	-	7,519
Total assets	\$ 6,554,644	200,458	783,667	4,198,903	5,869,883	17,607,555
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts and retainages payable	\$ 502,914	-	134,807	125,320	84,339	847,380
Accrued liabilities	168,767	-	-	-	-	168,767
Customer deposits payable	14,775	-	-	-	-	14,775
Due to other fund	-	-	638,608	-	-	638,608
Total liabilities	686,456	-	773,415	125,320	84,339	1,669,530
Deferred inflows of resources:						
Unavailable revenue	263,608	27,535	-	-	-	291,143
Total deferred inflows of resources	263,608	27,535	-	-	-	291,143
Fund balances:						
Nonspendable	7,519	-	-	-	-	7,519
Restricted	200,528	172,923	10,252	4,073,583	4,001,469	8,458,755
Committed	-	-	-	-	20,730	20,730
Assigned	739,262	-	-	-	1,763,345	2,502,607
Unassigned	4,657,271	-	-	-	-	4,657,271
Total fund balances	5,604,580	172,923	10,252	4,073,583	5,785,544	15,646,882
Total liabilities, deferred inflows of resources and fund balances	\$ 6,554,644	200,458	783,667	4,198,903	5,869,883	
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.						25,576,237
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						291,143
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. This amount includes bonds payable (\$14,889,589), compensated absences (\$410,035) and accrued interest payable (\$88,202).						(15,387,826)
Net position of governmental activities						\$ 26,126,436

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, 2014

	General	Debt Service	Hike & Bike Trail	2013 Certificates of Obligation	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Ad valorem	\$ 4,180,934	846,074	-	-	552,852	5,579,860
Sales	3,069,314	-	-	-	-	3,069,314
Franchise	1,183,602	-	-	-	-	1,183,602
Hotel/motel	-	-	-	-	177,932	177,932
Alcoholic beverage	40,579	-	-	-	-	40,579
Licenses and permits	205,792	-	-	-	-	205,792
Intergovernmental	271,356	-	1,617,308	-	741,364	2,630,028
Charges for services	2,434,770	-	-	-	-	2,434,770
Fines	397,409	-	-	-	21,890	419,299
Rental	11,800	-	-	-	-	11,800
Interest	6,009	457	(241)	3,953	3,537	13,715
Contributions and donations	22,916	-	-	171,382	-	194,298
Payments in lieu of taxes	7,515	-	-	-	-	7,515
Miscellaneous	85,203	-	-	-	800	86,003
Total revenues	<u>11,917,199</u>	<u>846,531</u>	<u>1,617,067</u>	<u>175,335</u>	<u>1,498,375</u>	<u>16,054,507</u>
Expenditures:						
Current:						
General government	1,443,673	-	-	-	16,855	1,460,528
Public safety	5,963,512	-	-	-	-	5,963,512
Highways and streets	1,029,737	-	-	-	-	1,029,737
Planning	327,937	-	-	-	-	327,937
Culture and recreation	1,155,054	-	-	-	-	1,155,054
Solid waste	986,098	-	-	-	-	986,098
Economic development	-	-	-	-	461,622	461,622
Maintenance services	391,983	-	-	-	-	391,983
Debt service:						
Principal	-	509,399	-	-	120,000	629,399
Interest and fiscal charges	-	438,973	-	-	94,062	533,035
Capital outlay	-	-	2,022,679	1,717,790	931,972	4,672,441
Total expenditures	<u>11,297,994</u>	<u>948,372</u>	<u>2,022,679</u>	<u>1,717,790</u>	<u>1,624,511</u>	<u>17,611,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>619,205</u>	<u>(101,841)</u>	<u>(405,612)</u>	<u>(1,542,455)</u>	<u>(126,136)</u>	<u>(1,556,839)</u>
Other financing sources (uses):						
Insurance proceeds	99,777	-	-	-	-	99,777
Sale of capital assets	174,639	-	-	-	2,500	177,139
Transfers in	367,659	-	-	564,353	1,684,542	2,616,554
Transfers out	(1,684,542)	-	-	-	(564,353)	(2,248,895)
Total other financing sources (uses)	<u>(1,042,467)</u>	<u>-</u>	<u>-</u>	<u>564,353</u>	<u>1,122,689</u>	<u>644,575</u>
Net change in fund balances	(423,262)	(101,841)	(405,612)	(978,102)	996,553	(912,264)
Fund balances, beginning of year	<u>6,027,842</u>	<u>274,764</u>	<u>415,864</u>	<u>5,051,685</u>	<u>4,788,991</u>	<u>16,559,146</u>
Fund balances, end of year	<u>\$ 5,604,580</u>	<u>172,923</u>	<u>10,252</u>	<u>4,073,583</u>	<u>5,785,544</u>	<u>15,646,882</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, 2014

Amounts reported for governmental activities in the statement of activities (Exhibit A-2) are different because:

Net change in fund balances - total governmental funds (Exhibit A-4)	\$ (912,264)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$4,654,976) exceed depreciation expense (\$1,998,101) in the current period.	2,656,875
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, etc.) is to increase net position. This is the net book value of capital assets contributed (\$105,427) less the net book value of capital assets sold (\$85,048) in the current period.	20,379
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(28,728)
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 compensated absences (\$87,073) plus the change in accrued interest payable (\$19,255).	67,818
The issuance of long-term debt 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 in the current year.	<u>629,399</u>
Change in net position of governmental activities (Exhibit A-2)	<u>\$ 2,433,479</u>

See accompanying notes to financial statements.

City of Belton, Texas
General Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Current ad valorem	\$ 4,007,513	4,007,513	4,053,796	46,283
Delinquent ad valorem	55,000	55,000	71,482	16,482
Penalty and interest	52,000	52,000	55,656	3,656
Total ad valorem	4,114,513	4,114,513	4,180,934	66,421
Sales	2,917,013	2,917,013	3,069,314	152,301
Franchise	1,060,000	1,060,000	1,183,602	123,602
Alcoholic beverage	29,000	29,000	40,579	11,579
Total taxes	8,120,526	8,120,526	8,474,429	353,903
Licenses and permits:				
Building	90,000	90,000	79,078	(10,922)
Electrical	25,000	25,000	40,465	15,465
Plumbing	25,000	25,000	29,905	4,905
Mechanical	15,000	15,000	27,016	12,016
Swimming pool	1,000	1,000	600	(400)
Rezoning fees	5,000	5,000	8,100	3,100
Subdivision fees	6,000	6,000	11,773	5,773
Miscellaneous	9,960	9,960	8,855	(1,105)
Total licenses and permits	176,960	176,960	205,792	28,832
Intergovernmental	197,100	207,100	249,659	42,559
Charges for services:				
Ambulance	1,100,000	1,100,000	1,192,354	92,354
Parks and recreation	51,500	51,500	51,081	(419)
Brush collection	168,000	168,000	168,727	727
Refuse collection	1,041,600	1,041,600	1,022,608	(18,992)
Total charges for services	2,361,100	2,361,100	2,434,770	73,670
Fines:				
Municipal court	225,000	225,000	265,133	40,133
Court fees	110,525	110,525	128,056	17,531
Total fines	335,525	335,525	393,189	57,664
Rental	9,900	9,900	11,800	1,900
Interest	7,000	7,000	5,297	(1,703)
Contributions and donations	-	12,000	12,000	-
Payments in lieu of taxes	5,500	5,500	7,515	2,015
Miscellaneous	38,500	45,300	47,208	1,908
Total revenues	11,252,111	11,280,911	11,841,659	560,748

(Continued)

City of Belton, Texas
General Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
City council	\$ 67,302	77,527	77,500	27
City administration	813,497	591,008	558,192	32,816
Finance	465,142	469,642	451,288	18,354
Legal	200,968	199,880	187,377	12,503
Information Technology	173,728	170,325	164,947	5,378
Total general government	<u>1,720,637</u>	<u>1,508,382</u>	<u>1,439,304</u>	<u>69,078</u>
Public safety:				
Police	3,275,919	3,328,251	3,287,624	40,627
Fire	<u>2,529,230</u>	<u>2,583,902</u>	<u>2,574,409</u>	<u>9,493</u>
Total public safety	<u>5,805,149</u>	<u>5,912,153</u>	<u>5,862,033</u>	<u>50,120</u>
Highways and streets	<u>1,091,366</u>	<u>1,057,561</u>	<u>1,029,737</u>	<u>27,824</u>
Planning	<u>342,212</u>	<u>367,862</u>	<u>327,937</u>	<u>39,925</u>
Culture and recreation:				
Parks	863,285	841,977	836,779	5,198
Library	<u>267,801</u>	<u>263,868</u>	<u>263,836</u>	<u>32</u>
Total culture and recreation	<u>1,131,086</u>	<u>1,105,845</u>	<u>1,100,615</u>	<u>5,230</u>
Solid waste	<u>995,677</u>	<u>988,077</u>	<u>986,098</u>	<u>1,979</u>
Maintenance services	<u>408,528</u>	<u>392,655</u>	<u>391,983</u>	<u>672</u>
Total expenditures	<u>11,494,655</u>	<u>11,332,535</u>	<u>11,137,707</u>	<u>194,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(242,544)</u>	<u>(51,624)</u>	<u>703,952</u>	<u>755,576</u>
Other financing sources (uses):				
Insurance proceeds	-	98,310	99,777	1,467
Sale of capital assets	-	170,263	170,263	-
Transfers in	367,659	367,659	367,659	-
Transfers out	<u>(317,666)</u>	<u>(1,810,541)</u>	<u>(1,810,541)</u>	<u>-</u>
Total other financing sources (uses)	<u>49,993</u>	<u>(1,174,309)</u>	<u>(1,172,842)</u>	<u>1,467</u>
Net change in fund balances	(192,551)	(1,225,933)	(468,890)	757,043
Fund balances, beginning of year	<u>5,133,459</u>	<u>5,133,459</u>	<u>5,133,459</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,940,908</u>	<u>3,907,526</u>	<u>4,664,569</u>	<u>757,043</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Net Position –
Proprietary Funds
September 30, 2014

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,289,734	630,551	5,920,285
Receivables (net of allowance for uncollectibles)	686,112	47,567	733,679
Due from other governments	154,933	-	154,933
Prepaid items	57,719	-	57,719
Total current assets	<u>6,188,498</u>	<u>678,118</u>	<u>6,866,616</u>
Noncurrent assets:			
Restricted cash and cash equivalents	148,729	-	148,729
Capital assets:			
Land	299,858	129	299,987
Buildings	34,272	-	34,272
Infrastructure	33,487,001	1,497,938	34,984,939
Machinery and equipment	1,353,131	254,009	1,607,140
Construction in progress	1,027,033	21,500	1,048,533
	<u>36,201,295</u>	<u>1,773,576</u>	<u>37,974,871</u>
Less accumulated depreciation	<u>(14,604,616)</u>	<u>(375,557)</u>	<u>(14,980,173)</u>
Total capital assets, net	<u>21,596,679</u>	<u>1,398,019</u>	<u>22,994,698</u>
Total noncurrent assets	<u>21,745,408</u>	<u>1,398,019</u>	<u>23,143,427</u>
Total assets	<u>27,933,906</u>	<u>2,076,137</u>	<u>30,010,043</u>
Deferred Outflows of Resources			
Deferred charges on refundings	<u>15,108</u>	<u>-</u>	<u>15,108</u>
Total deferred outflows of resources	<u>15,108</u>	<u>-</u>	<u>15,108</u>
Liabilities			
Current liabilities:			
Accounts and retainages payable	265,151	23,452	288,603
Accrued interest payable	42,856	2,170	45,026
Other accrued liabilities	23,574	1,940	25,514
Customer deposits payable	146,710	-	146,710
Compensated absences - current	43,750	1,370	45,120
Revenue bonds payable - current	569,150	14,238	583,388
Total current liabilities	<u>1,091,191</u>	<u>43,170</u>	<u>1,134,361</u>
Noncurrent liabilities:			
Compensated absences	17,748	1,237	18,985
Revenue bonds payable	4,168,597	246,224	4,414,821
Total noncurrent liabilities	<u>4,186,345</u>	<u>247,461</u>	<u>4,433,806</u>
Total liabilities	<u>5,277,536</u>	<u>290,631</u>	<u>5,568,167</u>
Net Position			
Net investment in capital assets	16,984,441	1,137,557	18,121,998
Unrestricted	<u>5,687,037</u>	<u>647,949</u>	<u>6,334,986</u>
Total net position	<u>\$ 22,671,478</u>	<u>1,785,506</u>	<u>24,456,984</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, 2014

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Operating revenues:			
Charges for sales and services:			
Water service	\$ 3,369,275	-	3,369,275
Sewer service	1,888,871	-	1,888,871
Storm drainage fees	-	367,956	367,956
Reconnect and late fees	113,691	-	113,691
Tap fees	137,570	-	137,570
Other operating revenue	41,418	-	41,418
Total operating revenues	<u>5,550,825</u>	<u>367,956</u>	<u>5,918,781</u>
Operating expenses:			
Salaries and wages	1,035,091	100,944	1,136,035
Employee benefits	282,161	31,718	313,879
Supplies	104,780	13,595	118,375
Repairs and maintenance	168,191	24,299	192,490
Water, sewage treatment, and other charges	2,162,397	36,932	2,199,329
Depreciation	1,608,855	93,045	1,701,900
Total operating expenses	<u>5,361,475</u>	<u>300,533</u>	<u>5,662,008</u>
Operating income	<u>189,350</u>	<u>67,423</u>	<u>256,773</u>
Nonoperating revenues (expenses):			
Gain on sale of capital assets	24,668	-	24,668
Interest earnings	4,522	596	5,118
Interest expense	(210,934)	(11,542)	(222,476)
Amortization expense	(5,035)	-	(5,035)
Total nonoperating revenues (expenses)	<u>(186,779)</u>	<u>(10,946)</u>	<u>(197,725)</u>
Income before contributions and transfers	2,571	56,477	59,048
Capital contributions	348,298	-	348,298
Transfers out	<u>(367,659)</u>	<u>-</u>	<u>(367,659)</u>
Change in net position	(16,790)	56,477	39,687
Total net position, beginning of year	<u>22,688,268</u>	<u>1,729,029</u>	<u>24,417,297</u>
Total net position, end of year	<u>\$ 22,671,478</u>	<u>1,785,506</u>	<u>24,456,984</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Cash Flows –
Proprietary Funds
For the Fiscal Year Ended
September 30, 2014

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 5,799,024	366,391	6,165,415
Payments to suppliers	(2,755,325)	(88,518)	(2,843,843)
Payments to employees	(1,035,119)	(100,250)	(1,135,369)
Net cash provided by operating activities	<u>2,008,580</u>	<u>177,623</u>	<u>2,186,203</u>
Cash flows from noncapital financing activities:			
Transfer to other funds	(367,659)	-	(367,659)
Net cash used in noncapital financing activities	<u>(367,659)</u>	<u>-</u>	<u>(367,659)</u>
Cash flows from capital and related financing activities:			
Purchases and construction of capital assets	(1,056,966)	(276,546)	(1,333,512)
Proceeds from sales of capital assets	24,668	-	24,668
Principal paid on capital debt	(550,753)	(13,400)	(564,153)
Interest paid on capital debt	(210,935)	(11,542)	(222,477)
Net cash used in capital and related financing activities	<u>(1,793,986)</u>	<u>(301,488)</u>	<u>(2,095,474)</u>
Cash flows from investing activities:			
Interest received	4,522	596	5,118
Net cash provided by investing activities	<u>4,522</u>	<u>596</u>	<u>5,118</u>
Net decrease in cash and cash equivalents	(148,543)	(123,269)	(271,812)
Cash and cash equivalents, beginning of year	<u>5,587,006</u>	<u>753,820</u>	<u>6,340,826</u>
Cash and cash equivalents, end of year	<u>\$ 5,438,463</u>	<u>630,551</u>	<u>6,069,014</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 189,350	67,423	256,773
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,608,855	93,045	1,701,900
Decrease (increase) in receivables	246,554	(1,565)	244,989
Increase in prepaid items	(54,819)	-	(54,819)
Increase in accounts and retainages payable	22,187	18,025	40,212
Decrease in accrued liabilities	(1,484)	(93)	(1,577)
Increase in customer deposits payable	1,645	-	1,645
Increase (decrease) in compensated absences	(3,708)	788	(2,920)
Total adjustments	<u>1,819,230</u>	<u>110,200</u>	<u>1,929,430</u>
Net cash provided by operating activities	<u>\$ 2,008,580</u>	<u>177,623</u>	<u>2,186,203</u>
Noncash capital and related financing activities:			
Contributions of capital assets	<u>\$ 348,298</u>	<u>-</u>	<u>348,298</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, 2014

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 approved by the electorate August 20, 1951, rewritten and approved May 5, 1990, and again rewritten and approved May 7, 2005. 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 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 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 another 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 *Hike & Bike Trail Fund* accounts for the extension of the Nolan Creek pedestrian and bike trail.

The *2013 Certificates of Obligation Fund* accounts for the acquisition of fire equipment, and the construction, improvement, and equipping of land, streets, sidewalks, buildings, and facilities from the proceeds of the certificates of obligation issued in 2013.

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.

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.

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)

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 water and sewer enterprise fund 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 fund 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 follows these procedures in establishing the budgetary data reflected in the financial statements:

1. 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.
2. Public hearings are held on the proposed budget and on the revised budget, if applicable.
3. Prior to September 28, 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 28, the budget as submitted by the City Manager is automatically adopted.
4. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, 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.

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

I. Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting (continued)

5. 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.
6. 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, and the Drainage Fund. 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.
7. 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.
8. The level of control (level at which expenditures may not exceed budget) is the 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 differences between the budgetary basis and the GAAP basis are revenues, expenditures and other financing sources (uses) of certain activities are not budgeted. 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	\$ (468,890)
Activities not included in the General Fund budget	<u>45,628</u>
Net change in fund balance - GAAP basis	<u><u>\$ (423,262)</u></u>

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

I. Summary of Significant Accounting Policies (continued)

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:

General fund	\$ 194,366
Hike and bike trail fund	232,019
Nonmajor governmental funds	363,397
Water and sewer fund	264,032
Drainage fund	<u>23,292</u>
Total primary government	<u>\$ 1,077,106</u>
Discretely present component unit	<u>\$ 13,252</u>

F. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand 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, except for money market investments and participating interest-earning investment contracts that mature within one year of acquisition that are reported at amortized cost. The City invests in public funds investment pools that were created to function as money market mutual funds within the meaning of Rule 2a-7 of the Investment Company Act of 1940. 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 30 percent of outstanding property taxes at September 30, 2014.

H. Inventory

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

I. Restricted Assets

Certain proceeds of the City's enterprise funds revenue bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

J. 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. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Infrastructure assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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)

J. Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest expense that relates to the cost of acquiring or constructing fixed assets in the enterprise fund is capitalized. Interest expense incurred in connection with construction of capital assets has been reduced by interest earned on the investment of funds borrowed for construction.

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 – 15
Infrastructure	10 – 25

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position for business-type activities and the proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues

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

I. Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

of \$156,604 from property taxes and \$134,539 from ambulance services, which are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. 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.

M. 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). 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.

N. 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 since the City does not have a policy to pay any amounts when employees separate from service with the City. Employees are allowed to accumulate up to five days of vacation leave from the previous anniversary year. All vacation pay is accrued when incurred in the government-wide and 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.

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

I. Summary of Significant Accounting Policies (continued)

N. Compensated Absences (continued)

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.

O. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

P. 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) 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.

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

I. Summary of Significant Accounting Policies (continued)

P. Fund Balance (continued)

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.

				2013	
	General	Debt Service	Hike & Bike Trail	Certificates of Obligation	Other Funds
Nonspendable:					
Prepaid items	\$ 7,519	-	-	-	-
Restricted for:					
Court technology and security	-	-	-	-	36,416
Public safety	20,370	-	-	-	137,804
Public access facilities	177,076	-	-	-	-
Cemetery	3,082	-	-	-	-
Debt service	-	172,923	-	-	-
Capital projects and equipment	-	-	10,252	4,073,583	2,230,370
Economic development	-	-	-	-	1,596,879
Committed for:					
Economic development	-	-	-	-	20,730
Assigned for:					
Civil service sick pay and appeals	722,099	-	-	-	-
Culture and recreation	17,163	-	-	-	-
Capital projects and equipment	-	-	-	-	1,763,345
Unassigned	4,657,271	-	-	-	-
	<u>\$ 5,604,580</u>	<u>172,923</u>	<u>10,252</u>	<u>4,073,583</u>	<u>5,785,544</u>

Q. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows 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.

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.

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

II. Deposits and Investments

Investments of the City at September 30, 2014, consist of investments in Texas Local Government Investment Pool (TexPool) and in Texas Short-Term Asset Reserve Program (TexSTAR) of \$2,368,709 and \$5,455,348, 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 and TexSTAR 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 and TexSTAR are 48 and 53 days, respectively, as of September 30, 2014.

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 counter-party, 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: The Texas Local Government Investment Pool (TexPool) was created by an inter-local contract under the laws of the State of Texas and is governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexPool is governed by the Comptroller of Public Accounts as public funds investments pools through the Texas Treasury Safekeeping Trust Company. This Trust Company is a special-purpose trust company authorized to receive, transfer, and disburse money

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

II. Deposits and Investments (continued)

and securities as provided by statute or belonging to the state, agencies, and local political subdivisions and other organizations created on behalf of the state or agency or political subdivision of the state. The Comptroller is the sole officer, director, and shareholder of the Trust Company.

The Comptroller and the Trust Company have contracted with Federated Investors, Inc., as administrator and investment manager for the TexPool Portfolios. TexPool invests in U.S. Treasury and government agency securities, repurchase agreements, and certain mutual funds.

TexPool offers a safe, efficient, and liquid investment alternative to local governments in the State of Texas. The expectation is that local governments will benefit from the receipt of higher investment returns as a result of economies of scale and the investment expertise and regulatory oversight of the Comptroller and the Trust Company. TexPool uses amortized cost rather than the market 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. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexSTAR under an agreement with the TexSTAR Board.

TexSTAR will invest only in instruments authorized under both the Public Funds Investment Act and the current TexSTAR Investment Policy. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet participants' needs, diversification to avoid unreasonable or avoidable risks, and yield. TexSTAR uses amortized cost rather than the market value to report net position to compute share prices.

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

Cash on hand	\$ 11,465
Carrying amount of deposits	17,369,561
Carrying amount of investments	<u>7,824,057</u>
Total	<u><u>\$ 25,205,083</u></u>

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

II. Deposits and Investments (continued)

Per the statement of net position for the City:

Cash and cash equivalents	\$ 20,334,806
Restricted cash and cash equivalents	<u>148,729</u>
	20,483,535

Per the statement of net position for the Belton
Economic Development Corporation, Inc.:

Cash and cash equivalents	<u>4,721,548</u>
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Total	<u><u>\$ 25,205,083</u></u>
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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:

			Enterprise Funds			
	General	Debt Service	Water and Sewer	Drainage	Nonmajor Funds	Total
Receivables:						
Taxes	\$ 1,062,842	39,994	-	-	41,845	1,144,681
Water/sewer	-	-	707,263	-	-	707,263
Storm drainage	-	-	-	59,909	-	59,909
Ambulance	475,396	-	-	-	-	475,396
Other	<u>384,542</u>	-	-	-	-	<u>384,542</u>
	1,922,780	39,994	707,263	59,909	41,845	2,771,791
Less:						
Allowance for uncollectibles	<u>489,720</u>	<u>12,459</u>	<u>21,151</u>	<u>12,342</u>	<u>-</u>	<u>535,672</u>
	<u><u>\$ 1,433,060</u></u>	<u><u>27,535</u></u>	<u><u>686,112</u></u>	<u><u>47,567</u></u>	<u><u>41,845</u></u>	<u><u>2,236,119</u></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, 2013, upon which the 2014 fiscal year levy was based, was \$835,898,027.

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

IV. Property Taxes (continued)

The tax levy of October 2013 set a tax rate of \$0.6598 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, 2014, at which time a lien attaches for unpaid taxes. Tax collections during the fiscal year ended September 30, 2014, for the fiscal year 2014 levy were 98.52 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 set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations and adjusted for new improvements, exceeds the modified rate of the previous year by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than eight percent above the rate of the previous year.

V. Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 2,310,562	70,770	(55,431)	2,325,901
Construction in progress	811,984	4,021,901	(1,117,013)	3,716,872
Total capital assets not being depreciated	3,122,546	4,092,671	(1,172,444)	6,042,773

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

V. Capital Assets (continued)

Primary Government (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i> (continued)				
Capital assets, being depreciated:				
Buildings	\$ 6,151,979	58,507	(96,267)	6,114,219
Improvements other than buildings	2,748,912	90,600	-	2,839,512
Machinery and equipment	4,313,460	637,557	(178,198)	4,772,819
Infrastructure	21,285,206	998,081	-	22,283,287
Total capital assets, being depreciated	34,499,557	1,784,745	(274,465)	36,009,837
Less accumulated depreciation for:				
Buildings	(2,720,315)	(250,604)	67,479	(2,903,440)
Improvements other than buildings	(1,384,786)	(125,129)	-	(1,509,915)
Machinery and equipment	(2,916,943)	(437,858)	177,369	(3,177,432)
Infrastructure	(7,701,076)	(1,184,510)	-	(8,885,586)
Total accumulated depreciation	(14,723,120)	(1,998,101)	244,848	(16,476,373)
Total capital assets, being depreciated, net	19,776,437	(213,356)	(29,617)	19,533,464
	<u>\$ 22,898,983</u>	<u>3,879,315</u>	<u>(1,202,061)</u>	<u>25,576,237</u>
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 267,497	32,490	-	299,987
Construction in progress	1,728,293	1,102,669	(1,782,429)	1,048,533
Total capital assets not being depreciated	1,995,790	1,135,159	(1,782,429)	1,348,520
Capital assets, being depreciated:				
Buildings	85,328	19,522	(70,578)	34,272
Machinery and equipment	1,192,658	436,845	(22,363)	1,607,140
Infrastructure	33,240,388	1,874,833	(130,282)	34,984,939
Total capital assets being depreciated	34,518,374	2,331,200	(223,223)	36,626,351
Less accumulated depreciation for:				
Buildings	(74,273)	(1,203)	70,578	(4,898)
Machinery and equipment	(679,267)	(142,464)	20,133	(801,598)
Infrastructure	(12,745,836)	(1,558,233)	130,392	(14,173,677)
Total accumulated depreciation	(13,499,376)	(1,701,900)	221,103	(14,980,173)
Total capital assets, being depreciated, net	21,018,998	629,300	(2,120)	21,646,178
	<u>\$ 23,014,788</u>	<u>1,764,459</u>	<u>(1,784,549)</u>	<u>22,994,698</u>

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

V. Capital Assets (continued)

Primary Government (continued)

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

Governmental activities:	
General government	\$ 73,107
Public safety	397,532
Highways and streets, including depreciation of general infrastructure assets	955,551
Planning	1,683
Maintenance	32,757
Solid waste	13,063
Culture and recreation	<u>524,408</u>
Total depreciation expense - governmental activities	<u>\$ 1,998,101</u>
Business-type activities:	
Water and sewer	\$ 1,608,855
Drainage	<u>93,045</u>
Total depreciation expense - business-type activities	<u>\$ 1,701,900</u>

The City has active construction projects as of September 30, 2014. At year-end, the City's construction commitments for governmental activities are as follows:

Project Title	Expended to Date	Remaining Commitment
Hike & Bike Trail	\$ 2,229,006	98,939
9th Avenue Extension	786,074	5,636,406
Police Department Expansion	206,373	2,293,627
Baseball Field - Heritage Park	147,884	2,116
Others	<u>347,535</u>	<u>681,718</u>
Total	<u>\$ 3,716,872</u>	<u>8,712,806</u>

The projects will be financed with available resources.

At September 30, 2014, the City's construction commitments for business-type activities are as follows:

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

V. Capital Assets (continued)

Primary Government (continued)

Project Title	Expended to Date	Remaining Commitment
I-35 Utility Relocations	\$ 694,269	263
TBRSS Expansion	332,764	53,535
Others	21,500	283,966
Total	<u>\$ 1,048,533</u>	<u>337,764</u>

The projects will be financed with available resources.

Discretely Presented Component Unit

Capital asset activity for the Development Corporation for the year ended September 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 485,325	-	-	485,325
Construction in progress	4,053	26,761	(30,814)	-
Total capital assets not being depreciated	<u>489,378</u>	<u>26,761</u>	<u>(30,814)</u>	<u>485,325</u>
Capital assets, being depreciated:				
Buildings	1,261,523	-	-	1,261,523
Machinery and equipment	-	-	-	-
Infrastructure	2,906,740	30,816	-	2,937,556
Total capital assets being depreciated	<u>4,168,263</u>	<u>30,816</u>	<u>-</u>	<u>4,199,079</u>
Less accumulated depreciation for:				
Buildings	(116,879)	(39,412)	-	(156,291)
Machinery and equipment	-	-	-	-
Infrastructure	(1,138,252)	(147,807)	-	(1,286,059)
Total accumulated depreciation	<u>(1,255,131)</u>	<u>(187,219)</u>	<u>-</u>	<u>(1,442,350)</u>
Total capital assets, being depreciated, net	<u>2,913,132</u>	<u>(156,403)</u>	<u>-</u>	<u>2,756,729</u>
	<u>\$ 3,402,510</u>	<u>(129,642)</u>	<u>(30,814)</u>	<u>3,242,054</u>

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, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 15,518,988	-	(629,399)	14,889,589	733,112
Compensated absences	<u>497,108</u>	<u>369,935</u>	<u>(457,008)</u>	<u>410,035</u>	<u>279,626</u>
	<u>\$ 16,016,096</u>	<u>369,935</u>	<u>(1,086,407)</u>	<u>15,299,624</u>	<u>1,012,738</u>
Business-type activities:					
General obligation and revenue bonds	\$ 5,562,362	-	(564,153)	4,998,209	583,388
Compensated absences	<u>67,025</u>	<u>57,788</u>	<u>(60,708)</u>	<u>64,105</u>	<u>45,120</u>
	<u>\$ 5,629,387</u>	<u>57,788</u>	<u>(624,861)</u>	<u>5,062,314</u>	<u>628,508</u>

Compensated absences for governmental activities are generally liquidated by the General Fund.

Long-term debt of the City's governmental activities at September 30, 2014, is 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%	\$ 1,495,000
\$4,500,000 Series 2005 general obligation bonds due in annual installments of \$140,000 to \$275,000 through 2025; interest at 3.54%	2,565,000
\$3,945,000 Series 2007 combination tax and revenue certificates of obligation due in annual installments of \$195,000 to \$295,000 through 2027; interest at 4.13%	2,870,000

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

VI. Long-Term Debt (continued)

\$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%	\$ 1,154,589
\$6,825,000 Series 2013 combination tax and revenue certificates of obligation due in annual installments of \$20,000 to \$520,000 through 2033; interest at 3.08%	<u>6,805,000</u>
	<u>\$ 14,889,589</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>
2015	\$ 733,112	529,210
2016	796,825	501,277
2017	861,825	471,076
2018	935,538	438,723
2019	1,009,250	403,800
2020 - 2024	5,285,800	1,418,606
2025 - 2029	3,277,239	605,746
2030 - 2034	<u>1,990,000</u>	<u>155,438</u>
	<u>\$ 14,889,589</u>	<u>4,523,876</u>

Long-term debt of the City's business-type activities at September 30, 2014, is comprised of the following:

\$2,301,140 Series 2002 general obligation refunding bonds due in annual intallments of \$70,000 through 2016; interest at 3.35%	\$ 140,000
\$4,360,449 Series 2002 combination tax and revenue certificates of obligation due in annual installments of \$260,000 to \$360,000 through 2022; interest at 4.4%	2,565,000
\$1,420,000 Series 2007 combination tax and revenue certificates of obligation due in annual installments of \$10,000 to \$150,000 through 2027; interest at 4.13%	1,350,000

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

VI. Long-Term Debt (continued)

\$515,000 Series 2008 combination tax and revenue certificates of obligation due in annual intallments of \$20,600 to \$37,337 through 2028; interest at 4.19%	\$ 400,409
\$1,367,872 Series 2009 general obligation refunding bonds due in annual installments of \$126,850 to \$209,450 through 2017; interest at 2% to 2.5%	<u>542,800</u>
	<u>\$ 4,998,209</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>
2015	\$ 583,388	201,440
2016	592,625	181,019
2017	520,025	161,429
2018	494,461	141,035
2019	485,750	119,734
2020 - 2024	1,829,200	288,983
2025 - 2029	<u>492,760</u>	<u>44,310</u>
	<u>\$ 4,998,209</u>	<u>1,137,950</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.

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, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 518,650	-	(141,448)	377,202	143,500
	<u>\$ 518,650</u>	<u>-</u>	<u>(141,448)</u>	<u>377,202</u>	<u>143,500</u>

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

VI. Long-Term Debt (continued)

Discretely Presented Component Unit (continued)

Long-term debt of the Development Corporation at September 30, 2014, is comprised of the following general obligation bonds issued by the City for which the Development Corporation is legally obligated to repay:

\$952,172 Series 2009 general obligation refunding bonds due in annual installments of \$88,150 to \$145,550 through 2017; interest at 2% to 2.5%	\$ <u>377,202</u>
	\$ <u><u>377,202</u></u>

Annual debt service requirements to maturity for the Development Corporation are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 143,500	8,707
2016	145,550	5,479
2017	<u>88,152</u>	<u>2,204</u>
	\$ <u><u>377,202</u></u>	<u><u>16,390</u></u>

VII. Interfund Transfers

Interfund transfers for 2014 are as follow:

	<u>Transfer in</u>		
	<u>General</u>	<u>2013 Certificates of Obligation</u>	<u>Other Nonmajor Governmental</u>
Transfer out:			<u>Total</u>
General	\$ -	-	1,684,542
Other nonmajor governmental	-	564,353	-
Water and sewer	<u>367,659</u>	<u>-</u>	<u>-</u>
	\$ <u><u>367,659</u></u>	<u><u>564,353</u></u>	<u><u>1,684,542</u></u>
			<u><u>2,616,554</u></u>

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

VII. Interfund Transfers (continued)

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.

VIII. Employee Benefits

Pension Plan

Plan Description – The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained from the TMRS website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2013</u>	<u>Plan Year 2014</u>
Employee deposit rate	5%	5%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credits	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	30% of CPI Repeating	30% of CPI Repeating

Benefits – Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated

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

VIII. Employee Benefits (continued)

Pension Plan (continued)

contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Contributions – Under the state law governing TMRS, the contribution rate is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for the City. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015). The annual pension cost and net pension obligation are as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Actual</u> <u>Contribution</u> <u>Made</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2014	\$ 474,499	474,499	100%	\$ -
2013	472,970	472,970	100%	-
2012	468,034	468,034	100%	-

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

VIII. Employee Benefits (continued)

Pension Plan (continued)

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial cost method	Projected unit credit	Projected unit credit	Entry Age Normal
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	26.0 years; closed period	25.3 years; closed period	30.0 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.0%	7.0%	7.0%
Projected salary increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes inflation at cost-of-living adjustments	3.0% 0.9%	3.0% 0.9%	3.0% 0.9%

Funded Status and Funding Progress – In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 *TMRS Comprehensive Annual Financial Report*.

The following schedule presents the funded status (as of December 31, 2013, the most recent actuarial valuation date) and multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

VIII. Employee Benefits (continued)

Pension Plan (continued)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2011	\$ 13,558,389	14,652,428	92.5%	\$ 1,094,039	6,284,109	17.4%
12/31/2012	14,730,366	15,665,671	94.0%	935,305	6,515,758	14.4%
12/31/2013	15,830,438	17,917,838	88.4%	2,087,400	7,012,305	29.8%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Supplemental Death Benefits Plan

Plan Description – The City also participates in the cost-sharing multiple-employer defined benefit group-term life insurance plan operated 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 under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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); retired employees are insured for \$7,500; this coverage for retired employees is considered an “other postemployment benefit”, or OPEB.

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.

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

VIII. Employee Benefits (continued)

Supplemental Death Benefits Plan (continued)

The City's contributions to the SDBF for the years ended September 30, 2014, 2013 and 2012, were \$13,788, \$13,822, and \$13,820, respectively, which equaled the required annual contributions each year.

IX. 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.

X. Commitments and Contingencies

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

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 \$2,190,000.

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

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

X. Commitments and Contingencies (continued)

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, 2014, was \$33,400.

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 agreement remains in effect until all bonds of the District are repaid, currently 2018. Charges for water under the agreement for the year ended September 30, 2014, were \$1,310,755.

Finally, the City entered into a tri-party agreement with the City of Temple, Texas (Temple) and the Brazos River Authority, whereby the Brazos River 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, 2014, was \$437,820.

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.

XI. 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: Housing Authority of the City of Belton, Texas; Public Property Finance Corporation of Texas; and Texas Dormitory Finance Authority.

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

XII. Subsequent Event

On March 24, 2015, the City Council authorized the City Manager to enter into a contract with Siemens Industry, Inc. for the installation of an advanced meter infrastructure. The contract is for the replacement or retrofitting of 6,206 meters throughout the City with radio read capable meters, and the installation of all necessary towers, data collectors, hardware and software to operate an automated metering platform. The cost of the project is \$4,291,696, and the anticipated funding source for the project is a certificate of obligation offering set to be sold on April 14, 2015.

XIII. Authoritative Pronouncements Not Yet Effective

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

GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (issued June 2012) – The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions and to improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment to GASB Statement No. 68 (issued November 2013) – The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit plan after the measurement date of the government's beginning net pension liability. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014.



**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.

Greathouse Public Trust Fund: This fund is used to account for resources bequeathed to the City pursuant to the will and trust agreement of Zora Lee Greathouse. Such resources and income thereon are required by the trust agreement to be spent for the purchase of life saving medical equipment for use by the City and to train City employees as paramedics in life saving techniques.

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

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

Court Technology Fund: This fund is used to account for court technology fees collected in connection with citations issued by the City. State law requires that revenue from these fees be used for technological enhancements of the municipal court.

Court Security Fund: This fund is used to account for court security fees collected in connection with citations issued by the City. State law requires that revenue from these fees be used for security enhancements of the municipal court and/or the building that houses the court.

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.



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.

Park Donation Fund: This fund accounts for construction, improvement, and equipping of the City's parks. Financing is provided by funds donated to the City for use in the Parks system and by transfers from other City funds.

2007 Certificates of Obligation Fund: This fund accounts for acquisition, construction, improvement, and equipping of land, streets, and related drainage facilities for municipal parks and recreation facilities, and for renovating and equipping City buildings.

2008 Certificates of Obligation Fund: This fund accounts for acquisition, construction, and improvement of streets.

2013 Certificates of Obligation - TIRZ Fund: This fund accounts for acquisition, construction, and improvement of streets, sidewalks, and related facilities within the City's tax increment and reinvestment zone.

9th Avenue Extension Fund: This fund accounts for the federal earmark and associated City match for the construction of West 9th Avenue/MLK extension and overpass.

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

Nolan Creek Fund: This fund accounts for recreational and safety improvements to Nolan Creek in the downtown area.

Chisholm Trail Fund: This fund accounts for the TE grant from TXDOT and associated City match for the extension of the Chisholm Trail Hike and Bike Trail in conjunction with the West 9th Avenue/MLK extension and overpass.

9th Avenue Fund: This fund accounts for the Cat 7 grant from TXDOT and associated City match for the construction of West 9th Avenue/MLK extension and overpass.

City of Belton, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue								
	Greathouse Public Trust	Hotel/ Motel Tax	TIRZ	Court Technology	Court Security	TDHCA Home Grants	Total	General Capital Projects	General Capital Equipment
Assets									
Cash and cash equivalents	\$ 137,804	51,019	251,054	1,924	34,492	20,730	497,023	252,520	515,388
Receivables	-	41,845	-	-	-	-	41,845	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 137,804</u>	<u>92,864</u>	<u>251,054</u>	<u>1,924</u>	<u>34,492</u>	<u>20,730</u>	<u>538,868</u>	<u>252,520</u>	<u>515,388</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts and retainages payable	\$ -	85	-	-	-	-	85	4,050	25,156
Total liabilities	<u>-</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85</u>	<u>4,050</u>	<u>25,156</u>
Fund balances:									
Restricted	137,804	92,779	251,054	1,924	34,492	-	518,053	-	-
Committed	-	-	-	-	-	20,730	20,730	-	-
Assigned	-	-	-	-	-	-	-	248,470	490,232
Total fund balances	<u>137,804</u>	<u>92,779</u>	<u>251,054</u>	<u>1,924</u>	<u>34,492</u>	<u>20,730</u>	<u>538,783</u>	<u>248,470</u>	<u>490,232</u>
Total liabilities and fund balances	<u>\$ 137,804</u>	<u>92,864</u>	<u>251,054</u>	<u>1,924</u>	<u>34,492</u>	<u>20,730</u>	<u>538,868</u>	<u>252,520</u>	<u>515,388</u>

See accompanying independent auditor's report.

Capital Projects										Total Nonmajor Governmental Funds
Park Donation	2007 Certificates of Obligation	2008 Certificates of Obligation	2013 Certificates of Obligation - TIRZ	9th Avenue Extension	TIRZ Capital Projects	Nolan Creek	Chisholm Trail	9th Avenue	Total	
17,677	(50)	-	1,701,427	47,759	1,276,852	384,004	304,531	720,162	5,220,270	5,717,293
-	-	-	-	-	-	-	-	-	-	41,845
-	-	-	-	110,745	-	-	-	-	110,745	110,745
<u>17,677</u>	<u>(50)</u>	<u>-</u>	<u>1,701,427</u>	<u>158,504</u>	<u>1,276,852</u>	<u>384,004</u>	<u>304,531</u>	<u>720,162</u>	<u>5,331,015</u>	<u>5,869,883</u>
-	-	-	-	10,341	41,483	3,224	-	-	84,254	84,339
-	-	-	-	10,341	41,483	3,224	-	-	84,254	84,339
17,677	-	-	1,701,427	148,163	1,235,369	380,780	-	-	3,483,416	4,001,469
-	-	-	-	-	-	-	-	-	-	20,730
-	(50)	-	-	-	-	-	304,531	720,162	1,763,345	1,763,345
<u>17,677</u>	<u>(50)</u>	<u>-</u>	<u>1,701,427</u>	<u>148,163</u>	<u>1,235,369</u>	<u>380,780</u>	<u>304,531</u>	<u>720,162</u>	<u>5,246,761</u>	<u>5,785,544</u>
<u>17,677</u>	<u>(50)</u>	<u>-</u>	<u>1,701,427</u>	<u>158,504</u>	<u>1,276,852</u>	<u>384,004</u>	<u>304,531</u>	<u>720,162</u>	<u>5,331,015</u>	<u>5,869,883</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, 2014

	Special Revenue								
	Greathouse Public Trust	Hotel/ Motel Tax	TIRZ	Court Technology	Court Security	TDHCA Home Grants	Total	General Capital Projects	General Capital Equipment
Revenues:									
Ad valorem taxes	\$ -	-	552,852	-	-	-	552,852	-	-
Hotel/motel taxes	-	177,932	-	-	-	-	177,932	-	-
Intergovernmental	-	-	352,364	-	-	274,123	626,487	-	-
Fines	-	-	-	12,678	9,212	-	21,890	-	-
Interest	62	34	622	1	25	30	774	145	231
Miscellaneous revenue	-	-	-	-	-	-	-	-	-
Total revenues	<u>62</u>	<u>177,966</u>	<u>905,838</u>	<u>12,679</u>	<u>9,237</u>	<u>274,153</u>	<u>1,379,935</u>	<u>145</u>	<u>231</u>
Expenditures:									
Current:									
General government	-	-	-	16,855	-	-	16,855	-	-
Economic development	-	152,308	31,141	-	-	278,173	461,622	-	-
Debt service:									
Principal	-	-	120,000	-	-	-	120,000	-	-
Interest and fiscal charges	-	-	94,062	-	-	-	94,062	-	-
Capital outlay	-	-	-	-	-	-	-	201,035	227,704
Total expenditures	<u>-</u>	<u>152,308</u>	<u>245,203</u>	<u>16,855</u>	<u>-</u>	<u>278,173</u>	<u>692,539</u>	<u>201,035</u>	<u>227,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62</u>	<u>25,658</u>	<u>660,635</u>	<u>(4,176)</u>	<u>9,237</u>	<u>(4,020)</u>	<u>687,396</u>	<u>(200,890)</u>	<u>(227,473)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	2,500
Transfers in	62,510	-	-	-	-	-	62,510	212,385	332,013
Transfers out	-	-	(606,584)	-	-	-	(606,584)	(15,000)	(96,056)
Total other financing sources (uses)	<u>62,510</u>	<u>-</u>	<u>(606,584)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(544,074)</u>	<u>197,385</u>	<u>238,457</u>
Net change in fund balances	62,572	25,658	54,051	(4,176)	9,237	(4,020)	143,322	(3,505)	10,984
Fund balances, October 1	<u>75,232</u>	<u>67,121</u>	<u>197,003</u>	<u>6,100</u>	<u>25,255</u>	<u>24,750</u>	<u>395,461</u>	<u>251,975</u>	<u>479,248</u>
Fund balances, September 30	<u>\$ 137,804</u>	<u>92,779</u>	<u>251,054</u>	<u>1,924</u>	<u>34,492</u>	<u>20,730</u>	<u>538,783</u>	<u>248,470</u>	<u>490,232</u>

See accompanying independent auditor's report.

Capital Projects										Total Nonmajor Governmental Funds
Park Donation	2007 Certificates of Obligation	2008 Certificates of Obligation	2013 Certificates of Obligation - TIRZ	9th Avenue Extension	TIRZ Capital Projects	Nolan Creek	Chisholm Trail	9th Avenue	Total	
-	-	-	-	-	-	-	-	-	-	552,852
-	-	-	-	-	-	-	-	-	-	177,932
-	-	-	-	114,877	-	-	-	-	114,877	741,364
-	-	-	-	-	-	-	-	-	-	21,890
14	8	75	1,387	90	590	223	-	-	2,763	3,537
-	-	-	-	-	-	800	-	-	800	800
14	8	75	1,387	114,967	590	1,023	-	-	118,440	1,498,375
-	-	-	-	-	-	-	-	-	-	16,855
-	-	-	-	-	-	-	-	-	-	461,622
-	-	-	-	-	-	-	-	-	-	120,000
-	-	-	-	-	-	-	-	-	-	94,062
-	18,855	-	-	258,244	163,257	25,968	9,419	27,490	931,972	931,972
-	18,855	-	-	258,244	163,257	25,968	9,419	27,490	931,972	1,624,511
14	(18,847)	75	1,387	(143,277)	(162,667)	(24,945)	(9,419)	(27,490)	(813,532)	(126,136)
-	-	-	-	-	-	-	-	-	2,500	2,500
-	-	-	21,627	-	606,584	115,665	313,950	747,652	2,349,876	2,412,386
-	(34,061)	(518,869)	-	-	(21,627)	-	-	-	(685,613)	(1,292,197)
-	(34,061)	(518,869)	21,627	-	584,957	115,665	313,950	747,652	1,666,763	1,122,689
14	(52,908)	(518,794)	23,014	(143,277)	422,290	90,720	304,531	720,162	853,231	996,553
17,663	52,858	518,794	1,678,413	291,440	813,079	290,060	-	-	4,393,530	4,788,991
17,677	(50)	-	1,701,427	148,163	1,235,369	380,780	304,531	720,162	5,246,761	5,785,544

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/motel taxes	\$ 157,500	157,500	177,932	20,432
Interest	25	25	34	9
Total revenues	<u>157,525</u>	<u>157,525</u>	<u>177,966</u>	<u>20,441</u>
Expenditures:				
Economic development	<u>152,500</u>	<u>152,500</u>	<u>152,308</u>	<u>192</u>
Total expenditures	<u>152,500</u>	<u>152,500</u>	<u>152,308</u>	<u>192</u>
Net change in fund balance	5,025	5,025	25,658	20,633
Fund balance, October 1	<u>67,121</u>	<u>67,121</u>	<u>67,121</u>	<u>-</u>
Fund balance, September 30	<u>\$ 72,146</u>	<u>72,146</u>	<u>92,779</u>	<u>20,633</u>

See accompanying independent auditor's report.

City of Belton, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 835,557	835,557	846,074	10,517
Interest	500	500	457	(43)
Total revenues	<u>836,057</u>	<u>836,057</u>	<u>846,531</u>	<u>10,474</u>
Expenditures:				
Principal	509,400	509,400	509,399	1
Interest and fiscal charges	<u>441,337</u>	<u>441,337</u>	<u>438,973</u>	<u>2,364</u>
Total expenditures	<u>950,737</u>	<u>950,737</u>	<u>948,372</u>	<u>2,365</u>
Net change in fund balance	(114,680)	(114,680)	(101,841)	12,839
Fund balance, October 1	<u>274,764</u>	<u>274,764</u>	<u>274,764</u>	<u>-</u>
Fund balance, September 30	<u>\$ 160,084</u>	<u>160,084</u>	<u>172,923</u>	<u>12,839</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, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 531,727	531,727	552,852	21,125
Intergovernmental	338,951	338,951	352,364	13,413
Interest	300	300	622	322
Total revenues	<u>870,978</u>	<u>870,978</u>	<u>905,838</u>	<u>34,860</u>
Expenditures:				
Current:				
Economic development	50,000	50,000	31,141	18,859
Debt service:				
Principal	120,000	120,000	120,000	-
Interest and fiscal charges	94,394	94,394	94,062	332
Total expenditures	<u>264,394</u>	<u>264,394</u>	<u>245,203</u>	<u>19,191</u>
Excess of revenues over expenditures	<u>606,584</u>	<u>606,584</u>	<u>660,635</u>	<u>54,051</u>
Other financing sources (uses):				
Transfers out	<u>(606,584)</u>	<u>(606,584)</u>	<u>(606,584)</u>	<u>-</u>
Net change in fund balance	-	-	54,051	54,051
Fund balance, October 1	<u>197,003</u>	<u>197,003</u>	<u>197,003</u>	<u>-</u>
Fund balance, September 30	<u>\$ 197,003</u>	<u>197,003</u>	<u>251,054</u>	<u>54,051</u>

See accompanying independent auditor's report.

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises (1) where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Water and Sewer Fund: This fund is used to account 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.

Drainage Fund: This fund is used to account 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
Water and Sewer Fund
Schedule of Revenues and Expenses –
Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Operating revenue:				
Water service	\$ 3,210,000	3,210,000	3,369,275	159,275
Sewer service	1,850,000	1,850,000	1,888,870	38,870
Reconnect and late fees	110,000	110,000	113,691	3,691
Tap fees	75,000	85,500	137,570	52,070
Other	23,400	23,400	41,418	18,018
Total operating revenue	<u>5,268,400</u>	<u>5,278,900</u>	<u>5,550,824</u>	<u>271,924</u>
Operating expenses:				
Salaries and wages	1,074,030	1,050,704	1,035,091	15,613
Employee benefits	317,547	331,559	282,160	49,399
Supplies	133,110	132,460	104,779	27,681
Repairs and maintenance	158,368	169,449	164,220	5,229
Water, sewage treatment, and other charges	2,270,707	2,235,285	2,107,886	127,399
Capital outlay	98,415	133,990	171,355	(37,365)
Total operating expenses	<u>4,052,177</u>	<u>4,053,447</u>	<u>3,865,491</u>	<u>187,956</u>
Operating income	<u>1,216,223</u>	<u>1,225,453</u>	<u>1,685,333</u>	<u>459,880</u>
Nonoperating revenue (expenses):				
Interest revenue	5,000	5,000	3,915	(1,085)
Insurance proceeds	-	10,126	10,126	-
Sale of city property	-	-	7,259	7,259
Payments to fiduciary for debt service	(762,198)	(762,198)	(761,686)	512
Transfers out	(567,659)	(1,144,269)	(1,144,269)	-
Total nonoperating revenue (expenses)	<u>(1,324,857)</u>	<u>(1,891,341)</u>	<u>(1,884,655)</u>	<u>6,686</u>
Net income (loss)	<u>\$ (108,634)</u>	<u>(665,888)</u>	<u>(199,322)</u>	<u>466,566</u>

See accompanying independent auditor's report.

City of Belton, Texas
Water and Sewer Fund
Schedule of Expenses by Department –
Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Administration:				
Salaries and wages	\$ 638,434	635,786	634,112	1,674
Employee benefits	174,121	176,769	148,219	28,550
Supplies	35,500	34,950	31,710	3,240
Repairs and maintenance	38,371	37,271	41,148	(3,877)
Other charges	274,142	233,992	168,385	65,607
Capital outlay	29,000	54,075	64,160	(10,085)
Debt service	762,198	762,198	761,686	512
Transfers	-	25,893	25,893	-
Total administration	<u>1,951,766</u>	<u>1,960,934</u>	<u>1,875,313</u>	<u>85,621</u>
Water:				
Salaries and wages	277,442	272,322	257,348	14,974
Employee benefits	89,013	94,695	84,733	9,962
Supplies	45,296	45,046	33,421	11,625
Repairs and maintenance	80,474	82,942	73,339	9,603
Other charges	75,087	75,087	65,410	9,677
Cost of water	1,336,864	1,336,864	1,360,641	(23,777)
Capital outlay	55,900	66,400	58,935	7,465
Transfers	340,299	891,017	891,017	-
Total water	<u>2,300,375</u>	<u>2,864,373</u>	<u>2,824,844</u>	<u>39,529</u>
Sanitary sewage gathering system:				
Salaries and wages	123,824	108,267	109,826	(1,559)
Employee benefits	42,141	47,823	38,308	9,515
Supplies	33,917	34,017	29,523	4,494
Repairs and maintenance	20,436	36,126	39,676	(3,550)
Other charges	5,382	5,453	5,112	341
Capital outlay	10,515	10,515	-	10,515
Transfers	227,360	227,360	227,360	-
Total sanitary sewage gathering system	<u>463,575</u>	<u>469,561</u>	<u>449,805</u>	<u>19,756</u>
Sewage treatment and disposal:				
Salaries and wages	34,330	34,330	33,805	525
Employee benefits	12,272	12,272	10,900	1,372
Supplies	18,397	18,447	10,125	8,322
Repairs and maintenance	19,087	13,110	10,057	3,053
Other charges	28,708	33,363	30,031	3,332
Charges for sewage treatment	550,524	550,524	478,306	72,218
Capital outlay	3,000	3,000	48,260	(45,260)
Total sewage treatment and disposal	<u>666,318</u>	<u>665,046</u>	<u>621,484</u>	<u>43,562</u>
	<u>\$ 5,382,034</u>	<u>5,959,914</u>	<u>5,771,446</u>	<u>188,468</u>

See accompanying independent auditor's report.

City of Belton, Texas
Water and Sewer Fund
Schedule of Cash Receipts and Disbursements of Restricted
Cash and Cash Equivalents for Project Construction
For the Fiscal Year Ended
September 30, 2014

	<u>Bond Proceeds</u>	<u>Capital Projects</u>	<u>Grant Proceeds</u>	<u>Total</u>
Balance, October 1	\$ 168,672	755,033	38,259	961,964
Receipts:				
Transfers from other funds	-	776,610	-	776,610
Interest income	<u>97</u>	<u>459</u>	<u>69</u>	<u>625</u>
Total receipts	<u>97</u>	<u>777,069</u>	<u>69</u>	<u>777,235</u>
Disbursements:				
Construction progress payments	<u>58,368</u>	<u>928,447</u>	<u>-</u>	<u>986,815</u>
Total disbursements	<u>58,368</u>	<u>928,447</u>	<u>-</u>	<u>986,815</u>
Balance, September 30	\$ <u><u>110,401</u></u>	<u><u>603,655</u></u>	<u><u>38,328</u></u>	<u><u>752,384</u></u>

See accompanying independent auditor's report.

City of Belton, Texas
Drainage Fund
Schedule of Revenue and Expenses –
Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Operating revenue:				
Storm drainage fee	\$ 362,700	362,700	367,956	5,256
Total operating revenue	<u>362,700</u>	<u>362,700</u>	<u>367,956</u>	<u>5,256</u>
Operating expenses:				
Salaries and wages	99,394	111,894	100,943	10,951
Employee benefits	52,050	39,550	31,717	7,833
Supplies	21,436	21,436	13,594	7,842
Repairs and maintenance	19,748	19,748	24,299	(4,551)
Other charges	58,821	39,031	10,014	29,017
Capital outlay	70,000	78,000	61,719	16,281
Total operating expenses	<u>321,449</u>	<u>309,659</u>	<u>242,286</u>	<u>67,373</u>
Operating income	41,251	53,041	125,670	72,629
Nonoperating revenue (expenses):				
Interest revenue	300	300	308	8
Payments to fiduciary for debt service	(25,225)	(25,225)	(24,942)	283
Transfers out	(150,000)	(295,816)	(295,816)	-
Total nonoperating revenue (expenses)	<u>(174,925)</u>	<u>(320,741)</u>	<u>(320,450)</u>	<u>291</u>
Net income (loss)	\$ <u>(133,674)</u>	<u>(267,700)</u>	<u>(194,780)</u>	<u>72,920</u>

See accompanying independent auditor's report.

City of Belton, Texas
Drainage Fund
Schedule of Cash Receipts and Disbursements of Restricted
Cash and Cash Equivalents for Project Construction
For the Fiscal Year Ended
September 30, 2014

	<u>Capital Projects</u>	<u>Total</u>
Balance, October 1	\$ 330,318	330,318
Receipts:		
Transactions from operating cash	295,816	295,816
Interest income	<u>284</u>	<u>284</u>
Total receipts	<u>296,100</u>	<u>296,100</u>
Disbursements:		
Construction progress payments	<u>241,746</u>	<u>241,746</u>
Total disbursements	<u>241,746</u>	<u>241,746</u>
Balance, September 30	\$ <u><u>384,672</u></u>	<u><u>384,672</u></u>

See accompanying independent auditor's report.

City of Belton, Texas

Statistical Section

This part of the City of Belton's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	84
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	95
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	100
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	110
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	113

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net investment in capital assets	\$ 7,403,580	12,380,934	11,074,215	10,933,815
Restricted	905,502	573,420	742,489	1,345,488
Unrestricted	<u>7,684,370</u>	<u>6,055,785</u>	<u>9,674,013</u>	<u>8,963,260</u>
Total governmental activities net position	<u>\$ 15,993,452</u>	<u>19,010,139</u>	<u>21,490,717</u>	<u>21,242,563</u>
Business-type activities				
Net investment in capital assets	\$ 11,826,016	14,564,542	14,637,860	14,406,422
Restricted	-	-	-	-
Unrestricted	<u>4,217,742</u>	<u>2,777,421</u>	<u>3,452,403</u>	<u>4,636,575</u>
Total business-type activities net position	<u>\$ 16,043,758</u>	<u>17,341,963</u>	<u>18,090,263</u>	<u>19,042,997</u>
Primary government				
Net investment in capital assets	\$ 19,229,596	26,945,476	25,712,075	25,340,237
Restricted	905,502	573,420	742,489	1,345,488
Unrestricted	<u>11,902,112</u>	<u>8,833,206</u>	<u>13,126,416</u>	<u>13,599,835</u>
Total primary government net position	<u>\$ 32,037,210</u>	<u>36,352,102</u>	<u>39,580,980</u>	<u>40,285,560</u>

Table I

Fiscal Year					
2009	2010	2011	2012	2013	2014
12,587,025	12,714,726	14,748,004	14,506,537	14,681,745	16,461,658
2,163,662	1,885,924	1,627,859	1,661,938	2,263,468	2,701,028
5,764,127	6,445,189	6,457,544	6,957,744	6,747,744	6,963,750
<u>20,514,814</u>	<u>21,045,839</u>	<u>22,833,407</u>	<u>23,126,219</u>	<u>23,692,957</u>	<u>26,126,436</u>
17,596,575	16,942,659	16,962,666	16,439,528	17,681,536	18,121,998
909,824	438,059	231,106	33,017	193,212	-
3,111,969	4,276,077	4,950,372	6,123,639	6,542,549	6,334,986
<u>21,618,368</u>	<u>21,656,795</u>	<u>22,144,144</u>	<u>22,596,184</u>	<u>24,417,297</u>	<u>24,456,984</u>
30,183,600	29,657,385	31,710,670	30,946,065	32,363,281	34,583,656
3,073,486	2,323,983	1,858,965	1,694,955	2,456,680	2,701,028
8,876,096	10,721,266	11,407,916	13,081,383	13,290,293	13,298,736
<u>42,133,182</u>	<u>42,702,634</u>	<u>44,977,551</u>	<u>45,722,403</u>	<u>48,110,254</u>	<u>50,583,420</u>

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

	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 729,634	754,745	796,507	898,581
Public safety	3,750,732	4,158,479	4,365,643	4,707,210
Highways and streets	1,127,558	1,430,432	1,419,572	1,713,940
Planning	245,482	310,782	346,087	450,248
Culture and recreation	715,176	847,167	1,299,129	1,457,177
Solid waste	607,668	646,508	717,398	734,724
Economic development	630,911	217,824	117,828	187,144
Maintenance	247,712	245,430	265,857	295,254
Interest	172,486	277,277	327,339	421,903
Total governmental activities expenses	<u>8,227,359</u>	<u>8,888,644</u>	<u>9,655,360</u>	<u>10,866,181</u>
Business-type activities:				
Water and sewer	3,193,458	3,713,637	4,069,063	4,502,519
Drainage	-	-	-	36,456
Total business-type activities expenses	<u>3,193,458</u>	<u>3,713,637</u>	<u>4,069,063</u>	<u>4,538,975</u>
Total primary government expenses	<u>\$ 11,420,817</u>	<u>12,602,281</u>	<u>13,724,423</u>	<u>15,405,156</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Public safety	\$ 989,758	1,131,522	1,126,432	1,273,551
Planning	190,462	145,097	162,914	129,943
Culture and recreation	-	-	-	-
Solid waste	664,842	714,942	757,531	806,446
Operating grants and contributions	136,560	227,310	274,889	275,047
Capital grants and contributions	1,858,959	2,269,098	2,041,342	180,517
Total governmental activities program revenues	<u>3,840,581</u>	<u>4,487,969</u>	<u>4,363,108</u>	<u>2,665,504</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,733,067	4,190,262	3,985,697	4,657,551
Drainage	-	-	-	222,107
Capital grants and contributions	932,057	968,544	1,038,513	104,623
Total business-type activities program revenues	<u>4,665,124</u>	<u>5,158,806</u>	<u>5,024,210</u>	<u>4,984,281</u>
Total primary government program revenues	<u>\$ 8,505,705</u>	<u>9,646,775</u>	<u>9,387,318</u>	<u>7,649,785</u>
Net (expense)/revenue				
Governmental activities	\$ (4,386,778)	(4,400,675)	(5,292,252)	(8,200,677)
Business-type activities	<u>1,471,666</u>	<u>1,445,169</u>	<u>955,147</u>	<u>445,306</u>
Total primary government net expense	<u>\$ (2,915,112)</u>	<u>(2,955,506)</u>	<u>(4,337,105)</u>	<u>(7,755,371)</u>

Table II

Fiscal Year					
2009	2010	2011	2012	2013	2014
1,083,294	1,155,582	1,312,897	1,384,187	1,379,902	1,542,268
4,767,516	5,240,838	5,513,342	5,646,348	6,081,978	6,274,184
2,044,341	1,709,400	1,786,877	1,878,313	1,918,580	1,979,832
416,116	426,329	416,266	340,545	389,280	349,526
1,566,358	1,610,093	1,779,825	1,940,672	1,562,517	1,700,193
767,769	872,479	1,024,826	992,345	1,023,909	996,945
521,490	218,463	609,974	456,987	231,829	461,622
322,557	314,162	343,480	448,480	444,230	400,394
439,280	451,091	408,622	387,912	466,056	552,290
<u>11,928,721</u>	<u>11,998,437</u>	<u>13,196,109</u>	<u>13,475,789</u>	<u>13,498,281</u>	<u>14,257,254</u>
4,735,194	5,266,330	5,396,788	5,577,743	5,689,098	5,577,444
72,372	152,197	167,411	207,911	253,212	312,075
<u>4,807,566</u>	<u>5,418,527</u>	<u>5,564,199</u>	<u>5,785,654</u>	<u>5,942,310</u>	<u>5,889,519</u>
<u>16,736,287</u>	<u>17,416,964</u>	<u>18,760,308</u>	<u>19,261,443</u>	<u>19,440,591</u>	<u>20,146,773</u>
1,297,267	1,307,580	1,252,269	1,544,949	1,503,586	1,577,432
132,353	150,787	122,596	163,410	223,636	205,792
-	26,823	40,416	43,835	57,923	71,857
839,311	1,013,460	1,137,155	1,166,276	1,198,447	1,191,335
294,691	631,493	829,734	640,097	645,933	646,637
957,519	643,356	1,864,243	805,335	1,113,389	2,283,115
<u>3,521,141</u>	<u>3,773,499</u>	<u>5,246,413</u>	<u>4,363,902</u>	<u>4,742,914</u>	<u>5,976,168</u>
5,304,072	4,960,198	6,033,244	5,833,008	5,914,912	5,550,825
333,178	342,930	350,856	349,273	360,008	367,956
1,290,398	687,091	730,798	377,895	1,242,591	348,298
<u>6,927,648</u>	<u>5,990,219</u>	<u>7,114,898</u>	<u>6,560,176</u>	<u>7,517,511</u>	<u>6,267,079</u>
<u>10,448,789</u>	<u>9,763,718</u>	<u>12,361,311</u>	<u>10,924,078</u>	<u>12,260,425</u>	<u>12,243,247</u>
(8,407,580)	(8,224,938)	(7,949,696)	(9,111,887)	(8,755,367)	(8,281,086)
<u>2,120,082</u>	<u>571,692</u>	<u>1,550,699</u>	<u>774,522</u>	<u>1,575,201</u>	<u>377,560</u>
<u>(6,287,498)</u>	<u>(7,653,246)</u>	<u>(6,398,997)</u>	<u>(8,337,365)</u>	<u>(7,180,166)</u>	<u>(7,903,526)</u>

(Continued)

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 3,075,583	3,403,788	3,810,255	4,080,884
Sales taxes	1,537,164	1,830,944	1,987,095	2,170,770
Franchise taxes	833,188	1,053,573	928,508	1,008,428
Hotel/motel taxes	91,638	119,568	163,749	177,646
Alcoholic beverage taxes	9,059	12,324	9,859	12,633
Unrestricted investment earnings	208,202	386,911	407,083	364,677
Miscellaneous	135,668	277,764	119,256	278,504
Gain on sale of capital assets	-	36,490	21,132	-
Transfers	<u>282,000</u>	<u>296,000</u>	<u>246,000</u>	<u>(141,019)</u>
Total governmental activities	<u>6,172,502</u>	<u>7,417,362</u>	<u>7,692,937</u>	<u>7,952,523</u>
Business-type activities:				
Unrestricted investment earnings	123,648	144,074	119,046	111,409
Miscellaneous	-	-	-	-
Gain on sale of capital assets	4,458	4,962	-	-
Transfers	<u>(282,000)</u>	<u>(296,000)</u>	<u>(246,000)</u>	<u>396,019</u>
Total business-type activities	<u>(153,894)</u>	<u>(146,964)</u>	<u>(126,954)</u>	<u>507,428</u>
Total primary government	<u>\$ 6,018,608</u>	<u>7,270,398</u>	<u>7,565,983</u>	<u>8,459,951</u>
Change in Net Position				
Governmental activities	\$ 1,785,724	3,016,687	2,400,685	(248,154)
Business-type activities	<u>1,317,772</u>	<u>1,298,205</u>	<u>828,193</u>	<u>952,734</u>
Total primary government	<u>\$ 3,103,496</u>	<u>4,314,892</u>	<u>3,228,878</u>	<u>704,580</u>

Table II
(Continued)

Fiscal Year					
2009	2010	2011	2012	2013	2014
4,494,474	4,655,052	4,791,388	4,954,391	5,257,077	5,581,133
2,178,236	2,223,209	2,323,032	2,763,063	2,874,792	3,069,314
1,028,577	1,038,259	1,110,063	1,062,958	1,075,453	1,183,602
151,765	151,197	154,071	151,802	162,989	177,932
23,529	28,620	29,065	28,868	31,378	40,579
98,506	22,117	14,386	12,431	11,439	13,715
122,250	91,609	229,790	102,342	130,986	88,762
4,326	-	3,833	-	6,351	191,869
(421,832)	545,900	1,081,636	328,844	(228,360)	367,659
<u>7,679,831</u>	<u>8,755,963</u>	<u>9,737,264</u>	<u>9,404,699</u>	<u>9,322,105</u>	<u>10,714,565</u>
33,457	12,635	6,684	6,362	6,189	5,118
-	-	1,316	-	-	-
-	-	10,286	-	11,363	24,668
<u>421,832</u>	<u>(545,900)</u>	<u>(1,081,636)</u>	<u>(328,844)</u>	<u>228,360</u>	<u>(367,659)</u>
<u>455,289</u>	<u>(533,265)</u>	<u>(1,063,350)</u>	<u>(322,482)</u>	<u>245,912</u>	<u>(337,873)</u>
<u>8,135,120</u>	<u>8,222,698</u>	<u>8,673,914</u>	<u>9,082,217</u>	<u>9,568,017</u>	<u>10,376,692</u>
(727,749)	531,025	1,787,568	292,812	566,738	2,433,479
<u>2,575,371</u>	<u>38,427</u>	<u>487,349</u>	<u>452,040</u>	<u>1,821,113</u>	<u>39,687</u>
<u>1,847,622</u>	<u>569,452</u>	<u>2,274,917</u>	<u>744,852</u>	<u>2,387,851</u>	<u>2,473,166</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund				
Reserved	\$ -	-	-	14,783
Unreserved, designated	388,136	407,058	463,626	504,405
Nonspendable prepaid expenses	-	-	-	-
Restricted for:				
Public access facilities	-	-	-	-
Public safety	-	-	-	-
Cemetery	-	-	-	-
Committed to:				
Civil service sick pay and appeals	-	-	-	-
Other purposes	-	-	-	-
Unreserved/Unassigned	<u>3,000,253</u>	<u>3,311,499</u>	<u>3,536,554</u>	<u>3,722,852</u>
Total general fund	<u>\$ 3,388,389</u>	<u>3,718,557</u>	<u>4,000,180</u>	<u>4,242,040</u>
All other governmental funds				
Reserved	\$ 48,606	57,334	117,140	168,444
Unreserved, reported in:				
Special revenue funds	442,297	544,650	625,813	532,616
Capital projects funds	4,745,998	2,330,205	5,526,120	6,299,642
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Economic development	-	-	-	-
Public safety	-	-	-	-
Other purposes	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Economic development	-	-	-	-
Assigned to capital projects	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 5,236,901</u>	<u>2,932,189</u>	<u>6,269,073</u>	<u>7,000,702</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Table III

Fiscal Year					
2009	2010	2011	2012	2013	2014
40,857	95,659	-	-	-	-
558,885	591,114	-	-	-	-
-	-	4,925	6,102	6,112	7,519
-	-	96,665	124,571	151,474	177,076
-	-	25,636	43,355	23,560	20,370
-	-	-	3,077	3,080	3,082
-	-	632,220	711,366	705,931	722,099
-	-	35,466	12,668	10,141	17,163
4,007,365	4,475,221	3,989,030	4,538,665	5,127,544	4,657,271
<u>4,607,107</u>	<u>5,161,994</u>	<u>4,783,942</u>	<u>5,439,804</u>	<u>6,027,842</u>	<u>5,604,580</u>
206,456	233,286	-	-	-	-
534,159	483,090	-	-	-	-
5,086,074	4,186,898	-	-	-	-
-	-	281,757	269,913	274,764	172,923
-	-	524,116	893,851	7,830,392	6,314,205
-	-	396,908	637,476	1,094,866	1,596,879
-	-	99,887	157,635	75,232	137,804
-	-	14,259	23,280	31,355	36,416
-	-	1,426,410	435,769	415,864	-
-	-	5,822	24,696	24,750	20,730
-	-	1,661,041	1,644,454	784,081	1,763,345
-	-	(7)	(7)	-	-
<u>5,826,689</u>	<u>4,903,274</u>	<u>4,410,193</u>	<u>4,087,067</u>	<u>10,531,304</u>	<u>10,042,302</u>

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

	2005	2006	2007	2008
Revenues				
Taxes	\$ 5,533,566	6,378,070	6,820,214	7,424,082
Licenses and permits	190,462	145,097	162,914	129,943
Intergovernmental	800,929	1,879,511	500,057	342,302
Charges for services	1,254,321	1,474,050	1,559,209	1,712,363
Fines	400,278	339,026	287,180	363,060
Rental	16,800	18,000	3,000	9,000
Interest	208,202	386,911	407,083	364,677
Contributions and donations	219,988	206,147	208,558	113,262
Payments in lieu of taxes	4,108	-	3,276	4,201
Miscellaneous	44,967	114,426	95,874	221,558
Total revenues	<u>8,673,621</u>	<u>10,941,238</u>	<u>10,047,365</u>	<u>10,684,448</u>
Expenditures				
General government	684,170	730,039	797,183	877,023
Public safety	3,630,982	4,013,361	4,232,039	4,553,429
Highways and streets	620,867	827,482	687,365	861,999
Planning	253,577	310,022	337,046	435,020
Culture and recreation	498,003	603,387	809,258	897,662
Solid waste	607,668	646,508	717,398	734,724
Economic development	630,911	217,824	117,828	187,144
Maintenance	222,244	241,290	250,138	284,312
Debt service				
Principal	907,129	343,370	353,370	458,370
Interest and fiscal charges	195,797	282,435	263,575	389,682
Bond issuance costs	-	-	-	-
Capital outlay	<u>1,165,578</u>	<u>5,068,664</u>	<u>2,050,969</u>	<u>2,125,018</u>
Total expenditures	<u>9,416,926</u>	<u>13,284,382</u>	<u>10,616,169</u>	<u>11,804,383</u>
Excess of revenues over (under) expenditures	<u>(743,305)</u>	<u>(2,343,144)</u>	<u>(568,804)</u>	<u>(1,119,935)</u>
Other financing sources (uses)				
Insurance proceeds	7,645	30,735	17,106	43,745
Sale of capital assets	8,623	41,865	24,205	12,145
Transfers in	581,514	1,306,753	1,081,464	1,056,406
Transfers out	(299,514)	(1,010,753)	(835,464)	(555,406)
Issuance of debt	4,500,000	-	3,945,000	1,485,000
Payments to escrow agents	(60,000)	-	(45,000)	(28,359)
Other uses	-	-	-	-
Total other financing sources (uses)	<u>4,738,268</u>	<u>368,600</u>	<u>4,187,311</u>	<u>2,013,531</u>
Net change in fund balances	<u>\$ 3,994,963</u>	<u>(1,974,544)</u>	<u>3,618,507</u>	<u>893,596</u>
Debt service as a percentage of noncapital expenditures	13.94%	7.86%	7.36%	8.98%

Table IV

Fiscal Year					
2009	2010	2011	2012	2013	2014
7,874,666	8,097,197	8,415,055	8,948,717	9,406,650	10,051,287
132,353	150,787	122,596	163,410	223,636	205,792
591,139	615,690	1,841,492	1,347,776	1,125,196	2,630,028
1,789,522	2,039,346	2,222,768	2,363,864	2,409,771	2,434,770
384,936	265,143	314,336	362,650	369,793	419,299
11,400	9,000	9,000	9,300	9,900	11,800
98,506	22,117	14,386	12,432	11,439	13,715
499,822	571,403	544,849	97,656	122,197	194,298
4,855	5,540	4,646	5,220	6,349	7,515
105,313	94,339	176,129	73,506	107,984	86,003
<u>11,492,512</u>	<u>11,870,562</u>	<u>13,665,257</u>	<u>13,384,531</u>	<u>13,792,915</u>	<u>16,054,507</u>
1,051,967	1,070,111	1,172,554	1,220,853	1,286,946	1,460,528
4,575,968	4,949,082	4,934,983	5,220,652	5,848,468	5,963,512
1,151,697	874,660	896,935	943,953	986,341	1,029,737
403,582	390,325	409,378	330,726	355,265	327,937
991,191	989,906	1,072,806	1,071,969	1,083,562	1,155,054
767,769	861,083	1,013,119	978,348	1,009,519	986,098
521,490	187,725	609,915	456,987	231,829	461,622
305,203	301,741	343,456	339,382	396,470	391,983
509,057	520,345	540,345	564,058	584,067	629,399
448,477	454,508	412,176	391,625	378,236	533,035
-	-	-	-	80,000	-
<u>1,885,289</u>	<u>2,208,593</u>	<u>4,271,626</u>	<u>1,933,174</u>	<u>1,135,259</u>	<u>4,672,441</u>
<u>12,611,690</u>	<u>12,808,079</u>	<u>15,677,293</u>	<u>13,451,727</u>	<u>13,375,962</u>	<u>17,611,346</u>
<u>(1,119,178)</u>	<u>(937,517)</u>	<u>(2,012,036)</u>	<u>(67,196)</u>	<u>416,953</u>	<u>(1,556,839)</u>
682	9,553	42,821	18,332	12,331	99,777
25,550	13,536	16,446	52,756	6,351	177,139
2,265,486	1,506,035	2,196,218	895,629	765,463	2,616,554
(1,981,486)	(960,135)	(1,114,582)	(566,785)	(993,823)	(2,248,895)
-	-	-	-	6,825,000	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>310,232</u>	<u>568,989</u>	<u>1,140,903</u>	<u>399,932</u>	<u>6,615,322</u>	<u>644,575</u>
<u>(808,946)</u>	<u>(368,528)</u>	<u>(871,133)</u>	<u>332,736</u>	<u>7,032,275</u>	<u>(912,264)</u>
9.11%	9.20%	8.04%	8.16%	8.62%	8.99%



Table V

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
2005	\$ 3,062,517	1,537,164	833,188	91,638	9,059	5,533,566
2006	3,361,661	1,830,944	1,053,573	119,568	12,324	6,378,070
2007	3,731,003	1,987,095	928,508	163,749	9,859	6,820,214
2008	4,054,605	2,170,770	1,008,428	177,646	12,633	7,424,082
2009	4,492,559	2,178,236	1,028,577	151,765	23,529	7,874,666
2010	4,655,912	2,223,209	1,038,259	151,197	28,620	8,097,197
2011	4,798,824	2,323,032	1,110,063	154,071	29,065	8,415,055
2012	4,942,026	2,763,063	1,062,958	151,802	28,868	8,948,717
2013	5,262,038	2,874,792	1,075,453	162,989	31,378	9,406,650
2014	5,579,766	3,069,314	1,183,601	177,932	40,579	10,051,192

(1) Includes penalty and interest on delinquent taxes

Table VI

City of Belton, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2005	\$ 534,291,271	77,875,459	172,579,784	439,586,946	0.7050	612,166,730	71.81 %
2006	597,022,523	84,484,247	179,521,260	501,985,510	0.6750	681,506,770	73.66
2007	652,059,373	97,845,476	180,391,394	569,513,455	0.6550	749,904,849	75.94
2008	720,502,875	102,090,376	195,028,176	627,565,075	0.6550	822,593,251	76.29
2009	776,426,292	109,116,917	190,958,759	694,584,450	0.6550	885,543,209	78.44
2010	856,135,785	113,872,404	247,294,087	722,714,102	0.6550	970,008,189	74.51
2011	889,165,112	111,080,240	256,163,778	744,081,574	0.6550	1,000,245,352	74.39
2012	939,902,073	116,782,078	290,281,154	766,402,997	0.6540	1,056,684,151	72.53
2013	994,174,474	118,978,673	319,861,069	793,292,078	0.6598	1,113,153,147	71.27
2014	1,049,244,023	126,395,393	339,741,389	835,898,027	0.6598	1,175,639,416	71.10

Source: Bell County Appraisal District

(1) To derive taxable value, deductions from estimated actual value are made for caps on homestead increases, abatements, totally exempt property, exemptions for agriculture use, ownership by individuals over 65, and disabled veterans.

Table VII

City of Belton, Texas
Property Tax Rates and Tax Levies
Direct and Overlapping Governments (1)
 Last Ten Fiscal Years

	City of Belton			Overlapping Rates			Total Direct and Overlapping Rates	
Fiscal Year	Operating Rate	Debt Service Rate	Total Rate	Bell County	Belton I.S.D.	Clear Water Underground Water Cons. District		
TAX RATES (Per \$100 assessed value)								
2005	\$	0.5653	0.1397	0.7050	0.3610	1.7400	0.0048	2.8108
2006		0.5517	0.1233	0.6750	0.3760	1.6685	0.0044	2.7239
2007		0.5456	0.1094	0.6550	0.4110	1.6685	0.0040	2.7385
2008		0.5377	0.1173	0.6550	0.4090	1.2870	0.0040	2.3550
2009		0.5394	0.1156	0.6550	0.4074	1.4110	0.0040	2.4774
2010		0.5360	0.1190	0.6550	0.4054	1.4110	0.0040	2.4754
2011		0.5397	0.1153	0.6550	0.4119	1.4210	0.0040	2.4919
2012		0.5405	0.1135	0.6540	0.4395	1.4060	0.0040	2.5035
2013		0.5488	0.1110	0.6598	0.4511	1.5210	0.0040	2.6359
2014		0.5488	0.1110	0.6598	0.4511	1.4500	0.0040	2.5649

Source: Bell County Appraisal District

(1) 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).

Table VIII

City of Belton, Texas
Principal Property Taxpayers
September 30, 2014

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
H.E.B. Grocery Company	\$ 15,227,439	1	1.82 %	\$ 2,773,306	10	0.63 %
Turtle Creek Investments	14,608,424	2	1.75	4,453,824	6	1.01
Wal-Mart	14,205,576	3	1.70	-		
Legacy Landing Group	11,789,562	4	1.41	-		
Oncor Electric Delivery	11,381,599	5	1.36	6,989,671	2	1.59
Chappell Hill Equity III	7,457,563	6	0.89	3,742,305	7	0.85
Airgas USA	7,219,639	7	0.86	-		
Tarco of Texas	5,740,029	8	0.69	3,161,871	8	0.72
CMH Manufacturing	5,675,750	9	0.68	-		
Belco Manufacturing	4,490,905	10	0.54	-		
Bell Eagle	-		-	2,936,020	9	0.67
Fleetwood Homes of Texas	-		-	9,297,799	1	2.12
Southwestern Bell Telephone Co.	-		-	4,510,418	5	1.03
Custom Printing II, Ltd.	-		-	4,515,016	4	1.03
JSJ Seating Corporation	-		-	5,897,837	3	1.34
Totals	\$ 97,796,486		11.70 %	\$ 48,278,067		10.99 %

Source: Bell County Appraisal District

Table IX

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 3,099,088	3,015,229	97.29 %	\$ 74,720	3,089,949	99.71 %
2006	3,388,414	3,300,813	97.41	67,944	3,368,757	99.42
2007	3,730,314	3,647,857	97.79	65,258	3,713,115	99.54
2008	4,110,551	4,023,508	97.88	68,480	4,091,988	99.55
2009	4,549,528	4,455,311	97.93	66,768	4,522,079	99.40
2010	4,733,777	4,629,436	97.80	68,619	4,698,055	99.25
2011	4,873,734	4,755,548	97.58	61,240	4,816,788	98.83
2012	5,012,276	4,915,146	98.06	56,489	4,971,635	99.19
2013	5,234,142	5,124,859	97.91	61,217	5,186,076	99.08
2014	5,508,036	5,426,284	98.52	-	5,426,284	98.52

Source: Finance Department, City of Belton, Texas

Table X

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

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds with Revenue Pledge	Capital Leases			
2005	\$ 7,136,970	\$ 7,691,322	\$ -	\$ 14,828,292	5.30 %	932
2006	6,793,600	6,941,827	-	13,735,427	4.63	845
2007	10,385,230	7,803,505	-	18,188,735	5.74	1,085
2008	11,411,860	7,926,204	-	19,338,064	5.74	1,123
2009	10,902,803	7,489,597	109,974	18,502,374	5.21	1,053
2010	10,382,458	7,067,992	74,499	17,524,949	4.61	962
2011	9,842,113	6,584,537	37,854	16,464,504	4.25	885
2012	9,278,055	6,080,945	-	15,359,000	3.88	809
2013	15,518,988	5,562,362	-	21,081,350	5.24	1,092
2014	14,889,589	4,998,209	-	19,887,798	4.82	1,004

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.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Taxable Value (1) of Property</u>	<u>Per Capita (2)</u>
2005	14,828,292	\$ 48,606	14,779,686	3.36 %	929
2006	13,735,427	57,334	13,678,093	2.72	842
2007	18,188,735	117,140	18,071,595	3.17	1,078
2008	19,338,064	168,444	19,169,620	3.05	1,113
2009	18,392,400	206,456	18,185,944	2.62	1,035
2010	17,450,450	233,286	17,217,164	2.38	945
2011	16,426,650	281,757	16,144,893	2.17	868
2012	15,359,000	269,913	15,089,087	1.97	795
2013	21,081,350	274,764	20,806,586	2.62	1,077
2014	19,887,798	172,923	19,714,875	2.36	995

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

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

Table XII

City of Belton, Texas
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds
September 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Belton	\$ 14,889,588 (1)	100.00 %	\$ 14,889,588
Total direct	<u>14,889,588</u>		<u>14,889,588</u>
Overlapping:			
Belton Economic Development Corp.	377,200	100.00	377,200
Belton Independent School District	130,239,996	40.87	53,229,086
Bell County	<u>113,865,000</u>	5.70	<u>6,490,305</u>
Total overlapping	<u>244,482,196</u>		<u>60,096,591</u>
Total direct and overlapping debt	<u>\$ 259,371,784</u>		<u>\$ 74,986,179</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Belton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Excluding general obligation bonds reported in the enterprise funds.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of each government's taxable assessed value that is within the City's boundaries and dividing it by that government's total taxable assessed value.

City of Belton, Texas
Computation of Maximum Debt Margin
September 30, 2014

The City of Belton has no legal debt limit established by its charter or ordinances. Article XI, Section 5, of the Texas Constitution is applicable to the City and limits the maximum ad valorem tax rate to \$2.50 per \$100 Assessed Valuation (for all City purposes). The City operates under a Home Rule Charter that 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.

Assessed value, fiscal year 2014 tax roll	\$ 835,898,027
Limit on amount designated for debt service	<u>1.50%</u>
Legal debt limit	\$ <u><u>12,538,470</u></u>
Actual amount expended for general obligation debt service during the year ended September 30, 2013	\$ <u><u>1,162,434</u></u>



City of Belton, Texas
Pledged Revenue Coverage
Water and Sewer, and Drainage Bonds
 Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	Coverage
2005	\$ 3,856,715	2,242,446	1,614,269	725,390	337,237	1,062,627	1.52
2006	4,334,336	2,645,121	1,689,215	749,495	317,848	1,067,343	1.58
2007	4,104,743	2,874,206	1,230,537	558,322	295,083	853,405	1.44
2008	4,991,067	3,240,356	1,750,711	392,301	329,112	721,413	2.43
2009	5,670,707	3,429,668	2,241,039	436,607	333,210	769,817	2.91
2010	5,315,763	3,411,263	1,904,500	507,203	288,286	795,489	2.39
2011	6,390,784	3,557,957	2,832,827	520,100	275,263	795,363	3.56
2012	6,188,643	3,747,788	2,440,855	503,592	254,718	758,310	3.22
2013	6,281,109	3,868,827	2,412,282	518,583	237,980	756,563	3.19
2014	5,923,899	3,960,108	1,963,791	564,150	220,573	784,723	2.50

Source: Finance Department, City of Belton, Texas

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Operating revenue includes investment earnings. Operating expenses do not include amortization or depreciation.

City of Belton, Texas
Water and Sewer System Condensed Statement of Operations
Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Operating and Nonoperating Revenue:				
Water and Sewer System	\$ 3,714,215	4,166,704	3,962,341	4,635,948
Miscellaneous	18,852	23,558	23,356	21,603
Interest	<u>123,648</u>	<u>144,074</u>	<u>119,046</u>	<u>109,993</u>
Total	<u>\$ 3,856,715</u>	<u>4,334,336</u>	<u>4,104,743</u>	<u>4,767,544</u>
Operating Expense:				
Water and Sewer System (1)	<u>\$ 2,242,446</u>	<u>2,645,121</u>	<u>2,874,206</u>	<u>3,224,696</u>

(1) Excludes depreciation expense

Table XV

Fiscal Year					
2009	2010	2011	2012	2013	2014
5,275,863	4,928,573	6,000,318	5,795,849	5,877,848	5,509,407
28,209	31,625	32,926	37,159	37,064	41,418
30,220	11,452	6,212	5,995	5,747	4,522
<u>5,334,292</u>	<u>4,971,650</u>	<u>6,039,456</u>	<u>5,839,003</u>	<u>5,920,659</u>	<u>5,555,347</u>
<u>3,399,581</u>	<u>3,326,903</u>	<u>3,460,787</u>	<u>3,621,282</u>	<u>3,709,426</u>	<u>3,752,620</u>

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

Customer	Customer Type
University of Mary Hardin Baylor	Higher Education
Bell County	County Government
Belton ISD	Public Education
Turtle Creek Village	Multi-Family Housing
Legacy Landing	Multi-Family Housing
Belle Oaks Apartments	Multi-Family Housing
Bell County Expo Center	Exposition Center
Montrose II Apartments	Multi-Family Housing
H.E.B. Grocery Company	Retail
Belton Housing Authority	Multi-Family Housing
College View Apartments	Multi-Family Housing
Wal-Mart	Retail
Totals	

Source: Finance Department, City of Belton, Texas

Table XVI

2014			2005		
Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
\$ 255,146	1	7.57 %	\$ 229,793	1	10.53 %
229,876	2	6.82	107,225	3	4.91
141,938	3	4.21	123,649	2	5.67
103,193	4	3.06	39,888	8	1.83
69,571	5	2.06	86,321	4	3.95
66,412	6	1.97	-		-
54,862	7	1.63	64,190	5	2.94
46,030	8	1.37	32,479	9	1.49
44,299	9	1.31	-		
43,179	10	1.28	40,072	7	1.84
-		-	62,725	6	2.87
-		-	29,002	10	1.33
<hr/>			<hr/>		
\$ 1,054,506		31.28 %	\$ 815,344		37.36 %
<hr/>			<hr/>		

Table XVII

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income**</u>	<u>Per Capita Income</u>	<u>Median Age #</u>	<u>School Enrollment *</u>	<u>Unemployment Rate **</u>
2005	15,912 !	\$ 279,971,640	\$ 17,595 @	28	7,149	5.3 %
2006	16,249 @	296,463,005	18,245 @	28	7,994	5.3
2007	16,761 @	316,699,095	18,895 @	28	7,995	4.6
2008	17,227 @	336,701,715	19,545 @	28	8,314	4.6
2009	17,578 @	354,987,710	20,195 @	28	8,476	6.1
2010	18,216 #	379,748,952	20,847 #	29	9,278	7.3
2011	18,600 @	387,754,200	20,847 #	29	9,500	8.0
2012	18,981 @	395,696,907	20,847 #	29	9,560	6.8
2013	19,314 @	402,638,958	20,847 #	29	9,932	7.0
2014	19,809 @	412,958,223	20,847 #	29	10,343	6.0

Data Sources:

* Belton Independent School District

** Texas Workforce Commission

@ City of Belton

U.S. Census Bureau

! Texas State Data Center

Table XVIII

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Belton Independent School District	1,700	1	22.43 %	1,500	1	24.49 %
Bell County	1,180	2	15.57	958	2	15.64
University of Mary Hardin Baylor	543	3	7.16	316	4	5.16
James Construction Group	380	4	5.01	-		-
Wal-Mart	323	5	4.26	373	3	6.09
H.E.B. Grocery	295	6	3.89	154	6	2.51
CGI	200	7	2.64	-		
TruMN (A Clayton Homes Co.)	176	8	2.32	-		-
Cedar Crest Hospital & Clinic	175	9	2.31	145	8	2.37
Belco Manufacturing	173	10	2.28	-		0.00
Custom Printing	-		-	300	5	4.90
Fleetwood Homes of Texas	-		-	145	7	2.37
Superior Chaircraft	-		-	140	9	2.29
City of Belton	-		-	130	10	2.12
Total	5,145		67.87 %	4,161		67.94 %

Source: Belton Economic Development Corporation.



Table XIX

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	12	13	13	13	14	14	15	16	18	18
Public safety:										
Police:										
Officers	27	27	28	28	28	29	29	30	32	32
Civilians	9	9	9	9	9	9	9	10	10	10
Fire:										
Firefighters and officers	26	26	26	26	26	32	32	32	32	32
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and streets	10	10	11	11	11	10	9	9	9	9
Planning	5	5	5	6	6	6	6	4	4.5	4.5
Culture and recreation	12	13	16	16	16	16	17	17	17	17
Solid waste	-	-	-	-	-	1	1	1	1	1
Maintenance	6	6	6	6	7	7	7	7	8	8
Water and sewer	20	20	20	20	19	20	21	21	21	22
Economic development	2	2	2	2	3	3	3	2	2	2
Drainage	-	-	-	-	1	2	2	2	2	2
Total	<u>130</u>	<u>132</u>	<u>137</u>	<u>138</u>	<u>141</u>	<u>150</u>	<u>152</u>	<u>152</u>	<u>157.5</u>	<u>158.5</u>

Source: Finance Department, City of Belton, Texas

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

Function	2005	2006	2007	2008
Police:				
Citations issued	5,288	3,412	4,307	3,954
Alarms responded to	695	651	898	924
Disturbance calls	429	575	640	1,187
Animal control citations issued	-	-	-	-
Abatement of junk vehicle	-	-	-	-
Abatement of weedy lots	-	-	-	-
Dilapidated structures	-	-	-	-
Fire:				
Fires	182	200	123	105
Inspections	420	329	460	480
Investigations	12	17	28	22
Highways and streets:				
Signs erected	149	65	90	121
Planning:				
Permits issued	1,515	1,585	1,413	1,462
Inspections	1,735	1,905	2,848	2,549
Abatement of junk vehicle	300	300	384	328
Abatement of weedy lots	500	500	1,651	1,527
Dilapidated structures	25	25	30	20
Culture and recreation:				
Library circulation	43,306	43,132	38,878	37,194
Maintenance:				
Work orders completed	1,025	980	1,390	1,370
Water:				
New connections	133	214	159	145
Water main breaks	12	15	6	4
Average daily water consumption (millions of gallons)	1.66	1.31	1.61	2.45
Sewer:				
Average daily sewage treatment (millions of gallons)	1.64	1.04	1.56	1.13

Sources: Various city departments.

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

Table XX

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
4,085	4,050	3,019	3,248	2,930	3,400
1,029	1,100	1,222	1,202	1,100	1,350
1,359	1,150	692	692	720	800
37	24	15	19	33	1
-	-	-	367	225	284
-	-	-	940	890	1,055
-	-	-	7	4	7
147	101	162	66	113	123
499	505	271	355	143	165
16	20	31	53	27	43
925	900	910	304	492	460
1,414	1,438	1,532	1,297	806	1,725
2,436	1,668	2,205	2,200	2,372	3,760
302	356	211	-	-	-
1,339	2,129	1,164	-	-	-
15	16	4	-	-	-
46,631	49,242	58,415	61,670	65,072	86,624
1,640	1,150	1,854	1,367	1,398	2,758
109	106	93	166	94	175
16	26	22	31	27	35
2.51	2.00	2.66	3.06	2.93	3.09
1.12	1.46	1.18	1.31	1.32	1.53

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

Function	2005	2006	2007	2008
Public safety:				
Police:				
Stations	1	1	1	1
Patrol units	12	12	12	12
Fire stations	2	2	2	2
Highways and streets:				
Streets (miles)	101	103	115	116
Culture and recreation:				
Parks acreage	168.7	175.2	177	184
Playgrounds	13	13	14	16
Ball fields	13	13	14	14
Sports courts	8	8	8	11
Pavilions	5	5	6	6
Amphitheaters	1	1	1	1
Trails (miles)	2.2	2.2	3.5	4.25
Water:				
Service connections	4,837	5,051	5,210	5,355
Water mains (miles)	106	108.5	112	114
Water pump stations	2	2	2	2
Fire hydrants	656	684	702	742
Plant capacity	6.57	6.57	6.57	6.57
(millions of gallons)				
Sewer:				
Service connections	3,797	3,895	4,016	4,115
Sanitary sewers (miles)	102	103	103	104
Number of lift stations	18	18	17	17
Treatment plant capacity	2.5	2.5	2.5	2.5
(millions of gallons)				

Sources: Various city departments.

Note: No capital asset indicators are available for the general government, refuse collection, planning, maintenance, and economic development functions.

Table XXI

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1	1	1	1	1	1
12	12	14	14	14	15
2	2	2	2	2	2
118	119	119	121	122	182
184	189	188.7	188.7	194	194
16	16	16	16	17	15
14	14	14	14	14	15
11	11	11	11	11	15
6	7	7	7	7	7
1	1	1	1	1	1
4.25	4.25	4.25	4.25	5	7
5,464	5,663	5,785	5,902	6,065	6,105
115	116	116	117	119	121
2	2	2	2	2	2
752	840	840	843	870	890
6.57	6.57	6.57	6.57	6.57	8.3
4,192	4,245	4,245	4,351	4,358	4,782
106	107	108	130	133	134
17	16	15	16	15	17
2.5	2.5	2.5	2.5	2.5	2.5

