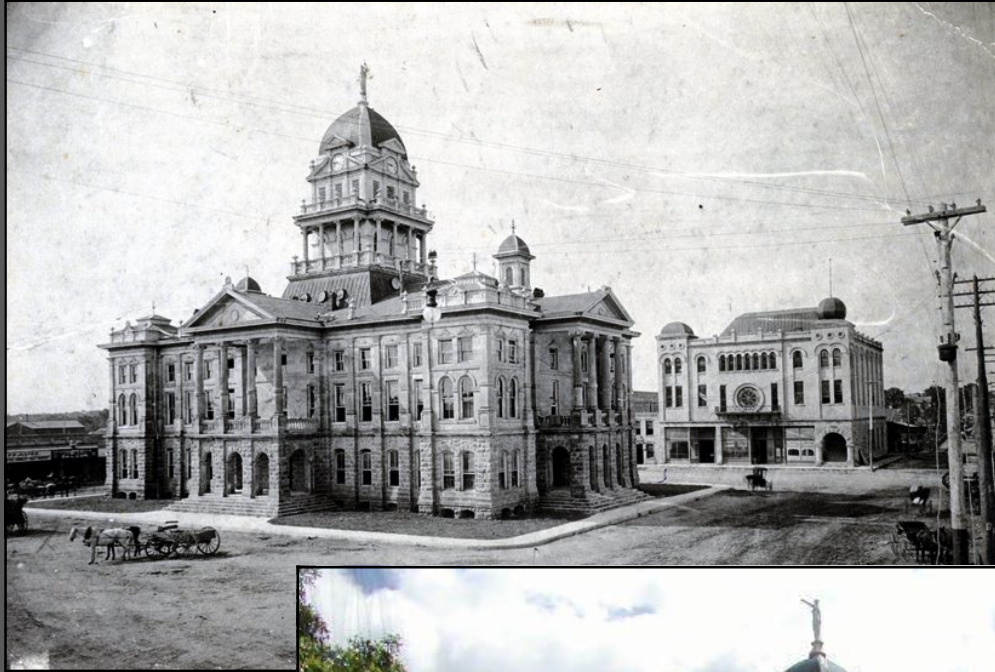


City of Belton, Texas



***Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2013***

On the cover: The Bell County Courthouse, circa 1895 and 2012.

Belton is the county seat of Bell County, founded in 1850. The current Bell County Courthouse sits on the square in historic downtown Belton. The Renaissance Revival structure was completed in 1884 at a cost of \$64,965. Renovations in the 1930's and 1950's removed many of the building's rich and historic details. A total restoration of the structure was completed in 1999, returning the dome, clock tower, and statue to the building, and restoring the building to near its original beauty. The Bell County Courthouse is on the National Register of Historic Buildings and on the State Archeological Site Register.

City of Belton, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2013

Prepared by:

Finance Department

**Cristy Daniell, CPA
Assistant City Manager
Finance Director**



City of Belton Texas

Year Ended September 30, 2013

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City of Belton Texas

Year Ended September 30, 2013

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City of Belton Texas

Year Ended September 30, 2013

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City of Belton Texas

Year Ended September 30, 2013

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City of Belton

~ Founded 1850 ~

March 14, 2014

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 (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, 2013.

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

Jaynes, Reitmeier, Boyd & Therrell, P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Belton’s financial statements for the year ended September 30, 2013. 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 was founded in 1850 and chartered in 1852. On July 13, 1877, Belton was incorporated by the Texas Legislature. Located in Central Texas on Interstate Highway 35, Belton 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 19,314. Belton is the county seat of Bell County and is a governmental, agricultural, and commercial center in the area. Two large lakes, Lake Belton and Lake Stillhouse Hollow, are located adjacent to Belton 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 of Belton is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

The annual budget serves as the foundation for the City of Belton'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 July 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. Prior to September 28, the budget is adopted through passage of an ordinance. If the budget is not accepted and formally approved by the City Council before September 28, the budget submitted by the City Manager is deemed to have been finally adopted by the Council until such time as the Council adopts a budget.

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 of Belton operates.

Local economy. 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, manufacturing/distribution, agricultural/agribusiness, retail trade and business IT consulting services are different thriving industry sectors in the MSA that continue to be a major economic influence contributing to the growth and prosperity of Belton. Belton is also home to manufacturing, distribution, and business IT consulting companies such as Belco Manufacturing, American Spin Cast, Belltec, UPS, Frito Lay, Harvest Technologies, and CGI to name a few. Overall Belton'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. Belton is located at the crossroads of Interstate Highway-35 (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 IH-35, 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.

In May 2012, Forbes Magazine announced that the Killeen/Temple/Fort Hood metropolitan statistical area ranked number 43rd in the nation on their "Best Cities for Jobs" list based on employment data from the Bureau of Labor Statistics, recent growth trends, mid and long-term growth trends, and momentum. Between 2005 and 2015, jobs in the Central Texas economy are projected to grow 17.9%, at an average annual rate of 1.7%, driven by education and health services, leisure and hospitality services, and professional and business services.

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 feet Pediatric Clinic, and a 14,406 square feet 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 is constructing a 53,000 square feet facility, an estimated \$4 million investment. This expansion will maintain 65 jobs and create an additional 30 jobs in Belton.

CGI, Inc., an international information technology management and business process services company with over 125 offices worldwide, constructed a \$5 million facility and created 102 Belton 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.

Belton is proud to be the home of the University of Mary Hardin-Baylor (UMHB), a private four-year college with an enrollment of over 3,400 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, currently under construction. 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 resident dining, 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 1,400 employees. BISD serves over 10,300 students on 14 campuses, 8 of which are in the city limits of Belton. The two newest Belton campuses include South Belton Middle School, dedicated in 2011 and Chisholm Trail Elementary School, which is a \$13 million project currently under construction and slated to open its doors in the Fall of 2014.

New development in Belton during 2013 included Starbucks, Jimmy Johns, McGuire Tire, UMHB Intramural Sports Facility, UMHB Physical Plant, and Goodwill Industries. New construction starts for 2013 include CVS Pharmacy, Papa Murphy’s pizzeria, River Spring Apartments, Expo Quik Stop, Azbell Electronics, Tejas retail building, and approximately 120 new single family Homes.

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 and 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 site 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 and sewer	180,000
Drainage	335,000

A 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 and sidewalks	3,615,000
Parks and recreation	310,000

The City issued \$6.825 million in Certificates of Obligation in September 2013. Public safety projects include a 10,000 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. \$115,000 is earmarked for sidewalks in south and central Belton, and parks and recreation projects include upgrades of equipment and facilities at existing parks, and the building of a new community park adjacent to South Belton Middle School.

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, 2012. This was the twenty-seventh 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 of Belton, Texas, for its annual budget document for fiscal year beginning October 1, 2012. 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-first 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,

A handwritten signature in black ink, appearing to read "Sam A. Listi".

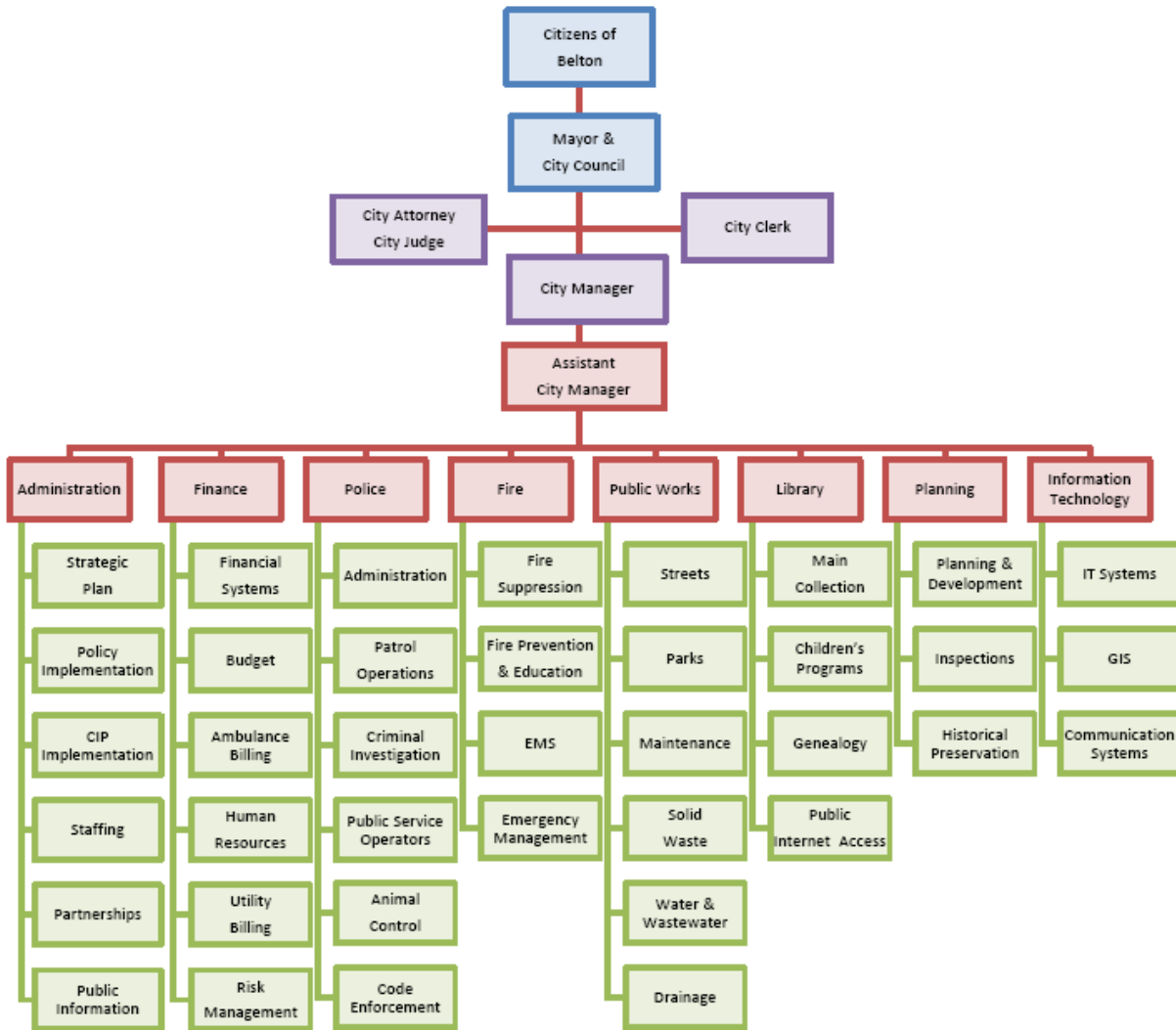
Sam A. Listi
City Manager

A handwritten signature in black ink, appearing to read "Cristy Daniell".

Cristy Daniell, CPA
Assistant City Manager
Finance Director

City of Belton

Functional Structure



CITY OF BELTON

ELECTED OFFICIALS

CITY COUNCIL Two-Year Terms

<u>NAME</u>	<u>TERM EXPIRES</u>
Jim Covington, Mayor	May 10, 2014
Marion Grayson, Mayor Pro Tem	May 10, 2014
David K. Leigh	May 9, 2015
Craig Pearson	May 9, 2015
John Agan	May 10, 2014
Jerri Gauntt	May 9, 2015
Dan Kirkley	May 9, 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	Connie Torres	September 9, 1991
Asst. City Manager/Finance Director	Cristy Daniell	February 17, 1992
Fire Chief	Francisco Corona	February 28, 2012
Police Chief	Gene Ellis	April 20, 2009
Director of Public Works	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	Sandy Slade	October 1, 2010
Economic Development Corp. Director	Cynthia Hernandez	September 27, 2011
Public Information Officer	Paul Romer	November 1, 2012
Grants & Special Projects Coordinator	Aaron Harris	January 2, 2013



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, 2012

A handwritten signature in black ink, reading "Jeffrey R. Egan". 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, 2013, 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 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.

Auditor's Responsibility (continued)

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, 2013, 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.

Change in Accounting Principle

As discussed in Note XII to the financial statements in 2013, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to these matters.

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 16 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 14, 2014 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 14, 2014



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, 2013. 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 \$48,110,254 (*net position*). Of this amount, \$13,290,293 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 \$2,387,851, primarily due to grants and contributions from third parties, including developers and grant agencies.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$16,559,146, an increase of \$7,032,275 in comparison with the prior year. Of this total amount, \$5,127,544 (30.97 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 \$5,843,616, or 54.06 percent of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$5,722,350 during the current fiscal year due to the issuance of the 2013 Certificates of Obligation.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, planning, culture and recreation, solid waste collection, economic development, and maintenance. The business-type activities of the City include a water and sewer utility and a drainage utility.

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

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

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-three 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, 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 22-26 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 27-29 of this report.

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-61 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 63-80 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 \$48,110,254, at the close of the most recent fiscal year.

City of Belton Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 17,449,144	\$ 10,572,009	\$ 7,477,327	\$ 6,924,425	\$ 24,926,471	\$ 17,496,434
Capital assets	22,898,983	23,022,827	23,014,788	22,263,216	45,913,771	45,286,043
Total assets	40,348,127	33,594,836	30,492,115	29,187,641	70,840,242	62,782,477
Total deferred outflows of resources	-	-	20,143	25,178	20,143	25,178
Long-term liabilities outstanding	16,016,096	9,712,370	5,629,387	6,170,178	21,645,483	15,882,548
Other liabilities	639,074	756,247	465,574	446,457	1,104,648	1,202,704
Total liabilities	16,655,170	10,468,617	6,094,961	6,616,635	22,750,131	17,085,252

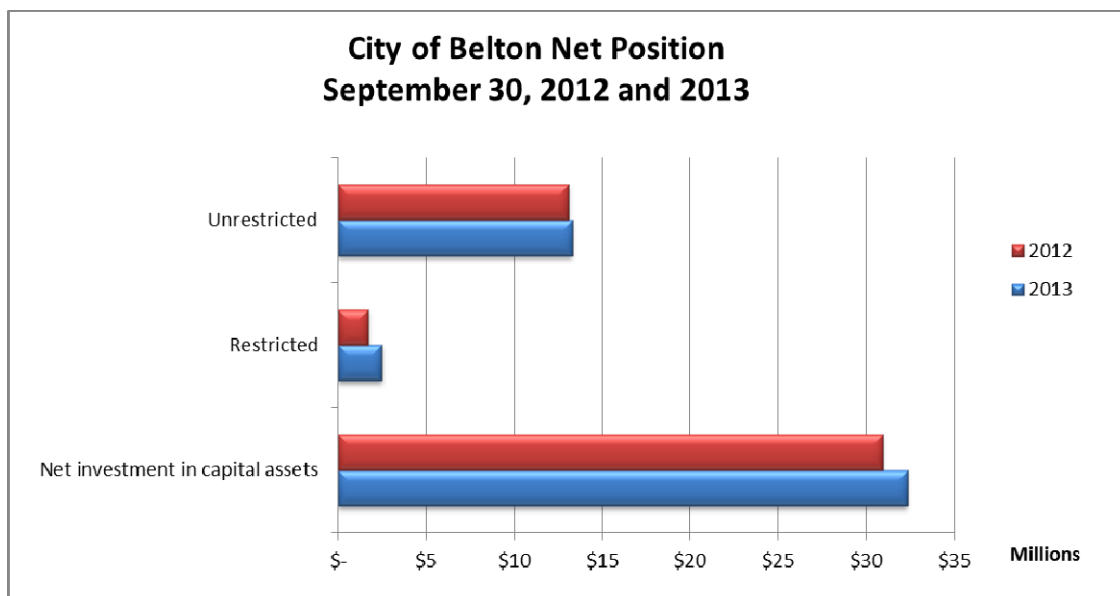
City of Belton Statement of Net Position (Continued)

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Net position:						
Net investments in						
capital assets	\$ 14,681,745	14,506,537	17,681,536	16,439,528	32,363,281	30,946,065
Restricted	2,263,468	1,661,938	193,212	33,017	2,456,680	1,694,955
Unrestricted	6,747,744	6,957,744	6,542,549	6,123,639	13,290,293	13,081,383
Total net position	<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>

By far the largest portion of the City's net position (\$32,363,281 or 67.27 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 (\$2,456,680 or 5.11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$13,290,293 or 27.62 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.

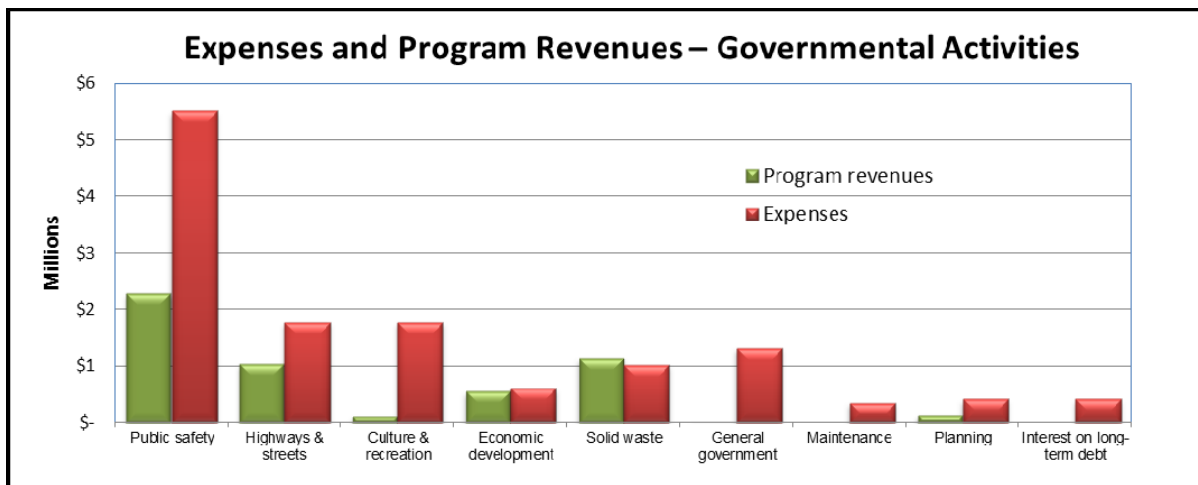


The City's total net position increased \$2,387,851 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.

City of Belton's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 2,983,592	\$ 2,918,470	\$ 6,274,920	\$ 6,182,281	\$ 9,258,512	\$ 9,100,751
Operating grants and contributions	645,933	640,097	-	-	645,933	640,097
Capital grants and contributions	1,113,389	805,335	1,242,591	377,895	2,355,980	1,183,230
General revenues:						
Property taxes	5,257,077	4,954,391	-	-	5,257,077	4,954,391
Sales taxes	2,874,792	2,763,063	-	-	2,874,792	2,763,063
Franchise taxes	1,075,453	1,062,958	-	-	1,075,453	1,062,958
Other taxes	194,367	180,670	-	-	194,367	180,670
Investment earnings	11,439	12,431	6,189	6,362	17,628	18,793
Gain (loss) on sale of assets	6,351	(20,815)	11,363	-	17,714	(20,815)
Other income	130,986	102,342	-	-	130,986	102,342
Total revenues	<u>14,293,379</u>	<u>13,418,942</u>	<u>7,535,063</u>	<u>6,566,538</u>	<u>21,828,442</u>	<u>19,985,480</u>
Expenses:						
General government	1,379,902	1,384,187	-	-	1,379,902	1,384,187
Public safety	6,081,978	5,625,533	-	-	6,081,978	5,625,533
Highways and streets	1,918,580	1,878,313	-	-	1,918,580	1,878,313
Development services	389,280	340,545	-	-	389,280	340,545
Culture and recreation	1,562,517	1,940,672	-	-	1,562,517	1,940,672
Solid waste	1,023,909	992,345	-	-	1,023,909	992,345
Economic development	231,829	456,987	-	-	231,829	456,987
Maintenance	444,230	448,480	-	-	444,230	448,480
Interest on long-term debt	466,056	387,912	-	-	466,056	387,912
Water and sewer	-	-	5,689,098	5,577,743	5,689,098	5,577,743
Drainage	-	-	253,212	207,911	253,212	207,911
Total expenses	<u>13,498,281</u>	<u>13,454,974</u>	<u>5,942,310</u>	<u>5,785,654</u>	<u>19,440,591</u>	<u>19,240,628</u>
Changes in net assets before transfers	795,098	(36,032)	1,592,753	780,884	2,387,851	744,852
Transfers	<u>(228,360)</u>	<u>328,844</u>	<u>228,360</u>	<u>(328,844)</u>	<u>-</u>	<u>-</u>
Changes in net position	566,738	292,812	1,821,113	452,040	2,387,851	744,852
Net position - October 1	<u>23,126,219</u>	<u>22,833,407</u>	<u>22,596,184</u>	<u>22,144,144</u>	<u>45,722,403</u>	<u>44,977,551</u>
Net position - September 30	<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>

Governmental activities. During the current fiscal year, net position for governmental activities increased \$566,738 from the prior fiscal year for an ending balance of \$23,692,957. This increase was the result of higher than expected sales tax and ambulance 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 \$24,417,297. The total increase in net position for business-type activities (Water and Sewer Fund and Drainage Fund) was \$1,821,113 or 8.06% from the prior fiscal year. Key elements of this increase are as follows:

- Charges for business-type activities totaled \$6,274,920, an increase of \$92,639 or 1.50 percent from the prior year. This increase is a reflection of increased water consumption, due to summer heat and the ongoing drought in Central Texas;
- Capital grants and contributions from grant agencies and developers amounted to \$1,242,591;
- Net transfers from other funds related to capital projects amounted to \$228,360;
- Investment earnings amounted to \$6,189; and
- Actual expenses were less than budgeted amounts.

Financial Analysis of the City’s Funds

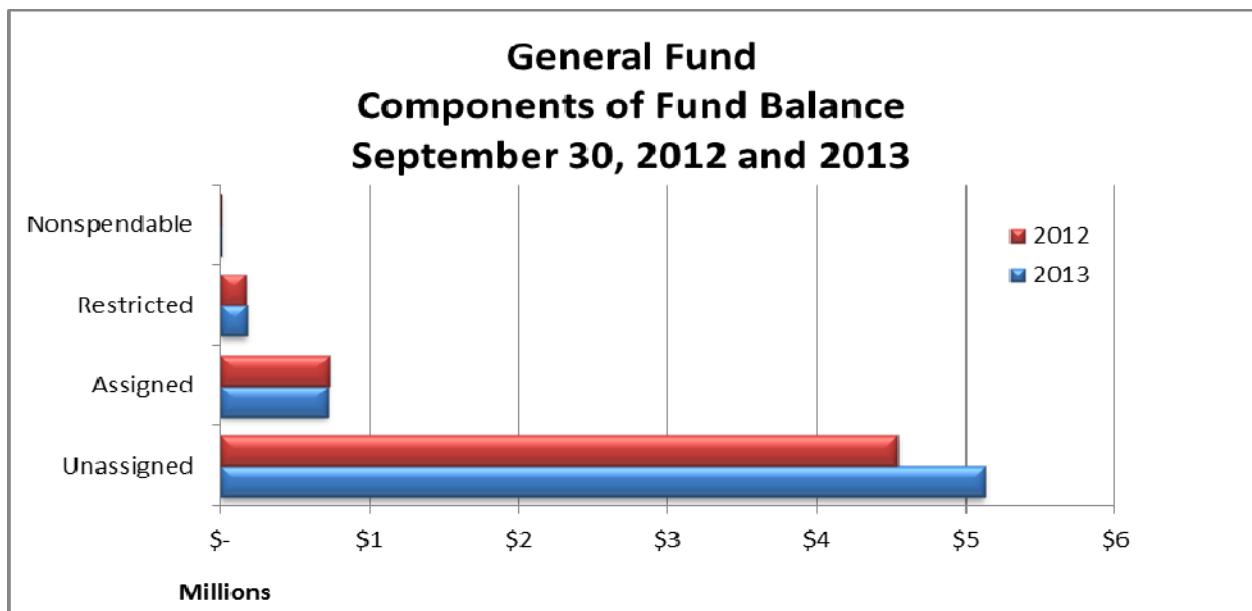
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, 2013, the City’s governmental funds reported combined ending fund balances of \$16,559,146, an increase of \$7,032,275 in comparison with the prior year. Approximately 30.97 percent (\$5,127,544) 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:

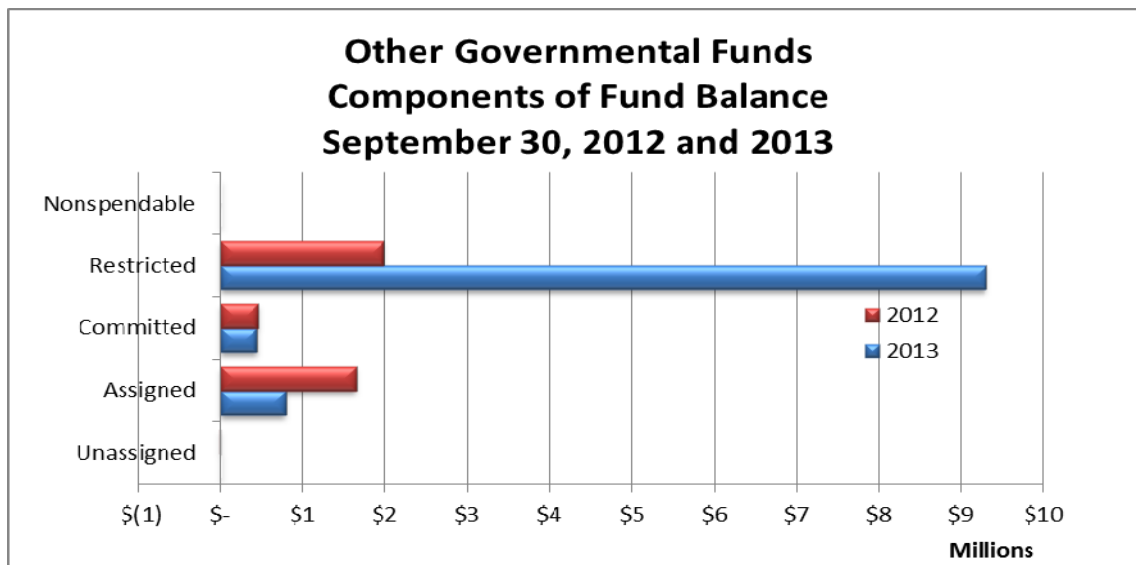
- 1) Not in spendable form (\$6,112);
- 2) Restricted for particular purposes:
 - a. Debt service (\$274,764);
 - b. Public, educational, or governmental access facilities (\$151,474);
 - c. Public safety training, equipment, and security facilities (\$130,147);
 - d. Cemetery maintenance and improvements (\$3,080); and
 - e. Capital projects and economic development (\$8,925,258).
- 3) Committed for particular purposes:
 - a. Capital projects (\$415,864); and
 - b. Economic development (\$24,750).
- 4) Assigned for particular purposes:
 - a. Future civil service costs (\$705,931);
 - b. Library books and park facilities (\$10,141); and
 - c. Capital projects and equipment (\$784,081).



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 \$5,127,544, while total fund balance increased to \$6,027,842. 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 47.44 percent of total General Fund expenditures, while total fund balance represents 55.76 percent of that same amount.

The fund balance of the City's General Fund increased by \$588,038 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due to:

- Ad valorem property tax revenues increased by \$219,272. Taxable values rose \$24.69 million from the prior year. New properties and improvements added \$24.8 million to the tax roll, which was partially offset by decreases in the values of existing properties and increased exemptions;
- Sales tax receipts increased by \$111,729 despite the sluggish national economy. This was the twenty-fourth consecutive year of increases in sales tax revenues;
- Charges for services increased by \$45,907, primarily due to increased ambulance runs and related revenues, and increased solid waste billings;
- Franchise revenues increased \$12,495. Franchise taxes are paid by utility companies as a percentage of their gross receipts collected from customers within the City;
- Interest earnings decreased \$215, as interest rates remained flat;
- Intergovernmental receipts decreased by \$9,557. Grant revenues dropped \$51,182 as several grant programs concluded. Reimbursements from other governments increased \$41,625 for an additional officer in the school resource officer program;
- Construction related licenses and permits increased by \$60,226 as building activity and related permits reached record levels;
- Court fines and fees increased \$6,677 from the prior year; and
- 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 an increase in fund balance during the current year of \$4,851, to bring the year-end fund balance to \$274,764. This increase resulted from higher than expected ad valorem tax collections.

The 2013 Certificates of Obligation, the remaining major fund, is a new fund used to account for the \$5.125 million general purpose portion of a \$6.825 million debt issue that occurred in the current year. Proceeds will be used for fire equipment, and the construction, improvement, and

equipping of land, streets, sidewalks, buildings, and facilities. The \$1.7 million balance of the debt issue is maintained in a separate capital projects fund, earmarked for use in the TIRZ zone.

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.

Unrestricted net position of the Water and Sewer Fund at the end of the year was \$5,754,176, and those for the Drainage Fund amounted to \$788,373. The total growth in net position was \$1,216,852 and \$604,261, respectively. These increases were due to:

- Charges for business-type activities totaled \$6,274,920, an increase of \$92,639 or 1.50 percent from the prior year. These charges are generated from water and sewer utility fees and storm water drainage fees. This increase is a reflection of increased water consumption, due to summer heat and the ongoing drought in Central Texas;
- The water and sewer utility and the drainage utility received capital grants and contributions of \$1,242,591 from grant agencies and developers;
- Net transfers from other funds related to capital projects amounted to \$228,360; and
- Investment earnings amounted to \$6,189.

General Fund Budgetary Highlights

Original Budget compared to final budget. Differences between the original budget and the final amended budget amounted to a \$149,903 increase in appropriations, and can be briefly summarized as follows:

- \$89,542 for sidewalk project funded through a federal grant;
- \$31,730 for public safety equipment funded through federal grants;
- \$15,300 for increased solid waste collection contractor fees; and
- \$13,331 for equipment repairs funded by insurance proceeds.

These increases in appropriations were funded by grant revenues, insurance proceeds, and revenues which exceeded original budgetary estimates, most notably in tax and ambulance revenues.

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	\$ 7,603,417	\$ 7,945,310	\$ 341,893
Licenses and permits	142,640	223,636	80,996
Charges for services	2,350,862	2,409,771	58,909

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, and permit levels reached a historic high during the current year. Charges for services include ambulance revenue, which was conservatively estimated at the fiscal year 2012 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
- Highways and streets: Position vacancies and unused maintenance funds resulted in budget savings.

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, 2013, amounts to \$45,913,771 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, streets, bridges, drainage structures, and water and sewer system infrastructure to include pumps, pipes, storage tanks, and associated fittings and fixtures. The total increase in the City's investment in capital assets for the current fiscal year was 1.39 percent (a 0.54 percent decrease for governmental activities and a 3.38 percent increase for business-type activities).

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

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,310,562	\$ 2,252,974	\$ 267,497	\$ 187,270	\$ 2,578,059	\$ 2,440,244
Buildings	3,431,664	3,619,972	11,055	11,730	3,442,719	3,631,702
Improvements other than buildings	1,364,126	1,469,110	-	-	1,364,126	1,469,110
Machinery and equipment	1,396,517	1,518,247	513,391	471,678	1,909,908	1,989,925
Infrastructure	13,584,130	13,158,985	20,494,552	20,676,342	34,078,682	33,835,327
Construction in progress	811,984	1,003,539	1,728,293	916,196	2,540,277	1,919,735
Total	<u>\$ 22,898,983</u>	<u>\$ 23,022,827</u>	<u>\$ 23,014,788</u>	<u>\$ 22,263,216</u>	<u>\$ 45,913,771</u>	<u>\$ 45,286,043</u>

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

- Work was completed on:
 - Patriot Plaza;
 - Safe Routes to School project; and
 - UMHB wastewater project.

- Work began/continued on:
 - Hike & Bike Trail extension;
 - 9th Avenue extension;
 - Nolan Creek recreation and flood mitigation project;
 - Police department expansion;
 - Wheat Road extension;
 - TBRSS expansion;
 - Water tank rehab project; and
 - IH-35 and SH 317 utility relocations.

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$21,081,350, all of which is backed by the full faith and credit of the City. In addition, \$5,562,362 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	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 15,518,988	\$ 9,278,055	-	-	\$ 15,518,988	\$ 9,278,055
Revenue bonds with tax cross-pledge	-	-	5,562,362	6,080,945	5,562,362	6,080,945
Total	<u>\$ 15,518,988</u>	<u>\$ 9,278,055</u>	<u>\$ 5,562,362</u>	<u>\$ 6,080,945</u>	<u>\$ 21,081,350</u>	<u>\$ 15,359,000</u>

The City's total bonded debt increased by \$5,722,350 (37.26 percent) during the current fiscal year. The reason for the increase was a new debt issue of \$6,825,000 in Certificates of Obligation. The increase was partially offset by regularly scheduled principal payments on existing debt. The City "AA-" rating from Standard & Poor's for general obligation debt was affirmed during the new 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 \$1.25 of the maximum tax rate for general obligation debt service. The City's fiscal year 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 50-54 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 2014 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 2014 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 has been budgeted for fiscal year 2014, and will likely 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 2013, unassigned fund balance in the General Fund is \$5,127,544. The City Council has stipulated that the General Fund maintain three months operating expenditures as a minimum of undesignated reserves, which currently equates to \$2.7 million. It is intended that the available fund balance beyond the minimum be used for non-recurring capital outlay and projects, and not for financing of on-going operational costs. For fiscal year 2014, 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, 2013

	Primary Government			Component Unit
	Governmental	Business-type	Total	Belton Economic
	Activities	Activities		Development
				Corporation, Inc.
Assets				
Cash and cash equivalents	\$ 15,712,427	6,073,457	21,785,884	4,479,477
Receivables (net of allowance for uncollectibles)	1,482,185	978,648	2,460,833	263,538
Due from other governments	248,420	154,953	403,373	-
Prepaid items	6,112	2,900	9,012	-
Restricted cash and cash equivalents	-	267,369	267,369	-
Capital assets not being depreciated:				
Land	2,310,562	267,497	2,578,059	485,325
Construction in progress	811,984	1,728,293	2,540,277	4,053
Capital assets, net of accumulated depreciation:				
Buildings	3,431,664	11,055	3,442,719	1,144,644
Improvements other than buildings	1,364,126	-	1,364,126	-
Machinery and equipment	1,396,517	513,391	1,909,908	-
Infrastructure	13,584,130	20,494,552	34,078,682	1,768,488
Total assets	<u>40,348,127</u>	<u>30,492,115</u>	<u>70,840,242</u>	<u>8,145,525</u>
Deferred outflows of resources				
Deferred charges on refundings	-	20,143	20,143	-
Total deferred outflows of resources	<u>-</u>	<u>20,143</u>	<u>20,143</u>	<u>-</u>
Liabilities				
Accounts and retainages payable	412,297	248,391	660,688	806,198
Accrued interest payable	68,947	45,027	113,974	3,082
Other accrued liabilities	141,980	27,091	169,071	2,982
Customer deposits payable	15,850	145,065	160,915	2,200
Noncurrent liabilities:				
Due within one year	997,576	616,305	1,613,881	141,450
Due in more than one year	15,018,520	5,013,082	20,031,602	377,200
Total liabilities	<u>16,655,170</u>	<u>6,094,961</u>	<u>22,750,131</u>	<u>1,333,112</u>
Net position				
Net investment in capital assets	14,681,745	17,681,536	32,363,281	2,883,859
Restricted for:				
Debt service	302,401	-	302,401	-
Economic development	1,077,203	-	1,077,203	-
Court	31,355	-	31,355	-
Public safety	98,792	-	98,792	-
Public access facilities	151,474	-	151,474	-
Cemetery	3,080	-	3,080	-
Capital projects and equipment	599,163	193,212	792,375	-
Unrestricted	<u>6,747,744</u>	<u>6,542,549</u>	<u>13,290,293</u>	<u>3,928,554</u>
Total net position	<u>\$ 23,692,957</u>	<u>24,417,297</u>	<u>48,110,254</u>	<u>6,812,413</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Activities
For the Fiscal Year Ended
September 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,379,902	-	2,000	-
Public safety	6,081,978	1,503,586	310,674	30,715
Highways and streets	1,918,580	-	-	941,378
Planning	389,280	223,636	-	-
Culture and recreation	1,562,517	57,923	17,681	141,296
Solid waste	1,023,909	1,198,447	-	-
Economic development	231,829	-	315,578	-
Maintenance	444,230	-	-	-
Interest	466,056	-	-	-
Total governmental activities	<u>13,498,281</u>	<u>2,983,592</u>	<u>645,933</u>	<u>1,113,389</u>
Business-type activities:				
Water and sewer	5,689,098	5,914,912	-	1,075,842
Drainage	253,212	360,008	-	166,749
Total business-type activities	<u>5,942,310</u>	<u>6,274,920</u>	<u>-</u>	<u>1,242,591</u>
Total primary government	<u>\$ 19,440,591</u>	<u>9,258,512</u>	<u>645,933</u>	<u>2,355,980</u>
Component unit:				
Belton Economic				
Development Corporation, Inc.	<u>\$ 1,558,017</u>	<u>120,190</u>	<u>4,646</u>	<u>71,609</u>
Total component unit	<u>\$ 1,558,017</u>	<u>120,190</u>	<u>4,646</u>	<u>71,609</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, as restated				
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.
(1,377,902)		(1,377,902)	
(4,237,003)		(4,237,003)	
(977,202)		(977,202)	
(165,644)		(165,644)	
(1,345,617)		(1,345,617)	
174,538		174,538	
83,749		83,749	
(444,230)		(444,230)	
(466,056)		(466,056)	
<u>(8,755,367)</u>		<u>(8,755,367)</u>	
-	1,301,656	1,301,656	
-	273,545	273,545	
-	<u>1,575,201</u>	<u>1,575,201</u>	
<u>(8,755,367)</u>	<u>1,575,201</u>	<u>(7,180,166)</u>	
		\$	<u>(1,361,572)</u>
			<u>(1,361,572)</u>
\$ 5,257,077	-	5,257,077	-
2,874,792	-	2,874,792	1,437,396
1,075,453	-	1,075,453	-
162,989	-	162,989	-
31,378	-	31,378	-
11,439	6,189	17,628	3,259
130,986	-	130,986	-
6,351	11,363	17,714	2,085,994
(228,360)	228,360	-	-
<u>9,322,105</u>	<u>245,912</u>	<u>9,568,017</u>	<u>3,526,649</u>
566,738	1,821,113	2,387,851	2,165,077
<u>23,126,219</u>	<u>22,596,184</u>	<u>45,722,403</u>	<u>4,647,336</u>
\$ <u>23,692,957</u>	<u>24,417,297</u>	<u>48,110,254</u>	<u>6,812,413</u>

City of Belton, Texas
Balance Sheet
Governmental Funds
September 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>2013 Certificates of Obligation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 5,229,480	275,747	5,059,921	5,147,279	15,712,427
Receivables (net of allowance for uncollectibles)	1,400,766	27,727	-	53,691	1,482,184
Due from other governments	200,877	-	-	47,543	248,420
Prepaid items	6,112	-	-	-	6,112
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>6,837,235</u>	<u>303,474</u>	<u>5,059,921</u>	<u>5,248,513</u>	<u>17,449,143</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts and retainages payable	\$ 359,419	983	8,236	43,658	412,296
Accrued liabilities	141,980	-	-	-	141,980
Customer deposits payable	15,850	-	-	-	15,850
Total liabilities	<u>517,249</u>	<u>983</u>	<u>8,236</u>	<u>43,658</u>	<u>570,126</u>
Deferred inflows of resources:					
Unavailable revenue	<u>292,144</u>	<u>27,727</u>	<u>-</u>	<u>-</u>	<u>319,871</u>
Total deferred inflows of resources	<u>292,144</u>	<u>27,727</u>	<u>-</u>	<u>-</u>	<u>319,871</u>
Fund balances:					
Nonspendable	6,112	-	-	-	6,112
Restricted	178,114	274,764	5,051,685	3,980,160	9,484,723
Committed	-	-	-	440,614	440,614
Assigned	716,072	-	-	784,081	1,500,153
Unassigned	<u>5,127,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,127,544</u>
Total fund balances	<u>6,027,842</u>	<u>274,764</u>	<u>5,051,685</u>	<u>5,204,855</u>	<u>16,559,146</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>6,837,235</u>	<u>303,474</u>	<u>5,059,921</u>	<u>5,248,513</u>	
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.					22,898,983
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					319,871
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 (\$15,518,988), compensated absences (\$497,108) and accrued interest payable (\$68,947).					<u>(16,085,043)</u>
Net position of governmental activities				\$ <u>23,692,957</u>	

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, 2013

	General	Debt Service	2013 Certificates of Obligation	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Ad valorem	\$ 3,963,687	802,766	-	495,585	5,262,038
Sales	2,874,792	-	-	-	2,874,792
Franchise	1,075,453	-	-	-	1,075,453
Hotel/motel	-	-	-	162,989	162,989
Alcoholic beverage	31,378	-	-	-	31,378
Licenses and permits	223,636	-	-	-	223,636
Intergovernmental	339,996	-	-	785,200	1,125,196
Charges for services	2,409,771	-	-	-	2,409,771
Fines	349,763	-	-	20,030	369,793
Rental	9,900	-	-	-	9,900
Interest	7,017	718	120	3,584	11,439
Contributions and donations	14,243	-	-	107,954	122,197
Payments in lieu of taxes	6,349	-	-	-	6,349
Miscellaneous	76,734	-	-	31,250	107,984
Total revenues	<u>11,382,719</u>	<u>803,484</u>	<u>120</u>	<u>1,606,592</u>	<u>13,792,915</u>
Expenditures:					
Current:					
General government	1,274,967	-	-	11,979	1,286,946
Public safety	5,703,416	-	-	145,052	5,848,468
Highways and streets	986,341	-	-	-	986,341
Planning	355,265	-	-	-	355,265
Culture and recreation	1,083,562	-	-	-	1,083,562
Solid waste	1,009,519	-	-	-	1,009,519
Economic development	-	-	-	231,829	231,829
Maintenance services	396,470	-	-	-	396,470
Debt service:					
Principal	-	479,067	-	105,000	584,067
Interest and fiscal charges	-	319,566	5,125	53,545	378,236
Bond issuance costs	-	-	60,073	19,927	80,000
Capital outlay	-	-	8,237	1,127,022	1,135,259
Total expenditures	<u>10,809,540</u>	<u>798,633</u>	<u>73,435</u>	<u>1,694,354</u>	<u>13,375,962</u>
Excess (deficiency) of revenues over (under) expenditures	<u>573,179</u>	<u>4,851</u>	<u>(73,315)</u>	<u>(87,762)</u>	<u>416,953</u>
Other financing sources (uses):					
Bonds issued	-	-	5,125,000	1,700,000	6,825,000
Insurance proceeds	12,331	-	-	-	12,331
Sale of capital assets	6,351	-	-	-	6,351
Transfers in	380,820	-	-	384,643	765,463
Transfers out	(384,643)	-	-	(609,180)	(993,823)
Total other financing sources (uses)	<u>14,859</u>	<u>-</u>	<u>5,125,000</u>	<u>1,475,463</u>	<u>6,615,322</u>
Net change in fund balances	588,038	4,851	5,051,685	1,387,701	7,032,275
Fund balances, beginning of year	<u>5,439,804</u>	<u>269,913</u>	<u>-</u>	<u>3,817,154</u>	<u>9,526,871</u>
Fund balances, end of year	<u>\$ 6,027,842</u>	<u>274,764</u>	<u>5,051,685</u>	<u>5,204,855</u>	<u>16,559,146</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, 2013

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)	\$ 7,032,275
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$1,915,047) exceeded capital outlay (\$1,279,274) in the current period.	(635,773)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, etc.) is to increase net position. This is the amount of net book value of capital assets contributed in the current period.	511,928
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(30,146)
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 (\$62,793) plus the change in accrued interest payable (\$7,820).	(70,613)
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. The amount is the amount by which bonds issued (\$6,825,000) exceeded principal repayments (\$584,067).	(6,240,933)
Change in net position of governmental activities (Exhibit A-2)	\$ <u><u>566,738</u></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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Current ad valorem	\$ 3,816,067	3,816,067	3,850,479	34,412
Delinquent ad valorem	47,500	47,500	62,097	14,597
Penalty and interest	50,350	50,350	51,111	761
Total ad valorem	3,913,917	3,913,917	3,963,687	49,770
Sales	2,625,000	2,625,000	2,874,792	249,792
Franchise	1,042,000	1,042,000	1,075,453	33,453
Alcoholic beverage	22,500	22,500	31,378	8,878
Total taxes	7,603,417	7,603,417	7,945,310	341,893
Licenses and permits:				
Building	70,000	70,000	114,885	44,885
Electrical	20,000	20,000	32,383	12,383
Plumbing	23,000	23,000	34,714	11,714
Mechanical	12,000	12,000	18,744	6,744
Swimming pool	1,000	1,000	1,100	100
Rezoning fees	5,000	5,000	6,418	1,418
Subdivision fees	3,500	3,500	5,341	1,841
Miscellaneous	8,140	8,140	10,051	1,911
Total licenses and permits	142,640	142,640	223,636	80,996
Intergovernmental	274,930	306,660	327,006	20,346
Charges for services:				
Ambulance	1,100,000	1,100,000	1,162,780	62,780
Parks and recreation	52,230	52,230	48,544	(3,686)
Brush collection	161,400	161,400	164,009	2,609
Refuse collection	1,020,096	1,037,232	1,034,438	(2,794)
Total charges for services	2,333,726	2,350,862	2,409,771	58,909
Fines:				
Municipal court	225,825	225,825	234,437	8,612
Court fees	109,700	109,700	111,525	1,825
Total fines	335,525	335,525	345,962	10,437
Rental	9,900	9,900	9,900	-
Interest	6,000	6,000	6,088	88
Contributions and donations	-	-	-	-
Payments in lieu of taxes	5,500	5,500	6,349	849
Miscellaneous	31,000	31,000	41,597	10,597
Total revenues	10,742,638	10,791,504	11,315,619	524,115

(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, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
City council	\$ 65,647	65,647	59,226	6,421
City administration	809,962	484,982	452,328	32,654
Finance	415,684	426,227	416,862	9,365
Legal	188,977	188,977	182,795	6,182
Information Technology	161,661	169,519	158,992	10,527
Total general government	<u>1,641,931</u>	<u>1,335,352</u>	<u>1,270,203</u>	<u>65,149</u>
Public safety:				
Police	3,076,149	3,163,916	3,101,325	62,591
Fire	2,382,144	2,492,310	2,473,531	18,779
Total public safety	<u>5,458,293</u>	<u>5,656,226</u>	<u>5,574,856</u>	<u>81,370</u>
Highways and streets	<u>1,039,348</u>	<u>1,049,901</u>	<u>986,341</u>	<u>63,560</u>
Planning	<u>326,772</u>	<u>367,269</u>	<u>355,265</u>	<u>12,004</u>
Culture and recreation:				
Parks	801,945	785,972	777,537	8,435
Library	253,461	257,671	249,898	7,773
Total culture and recreation	<u>1,055,406</u>	<u>1,043,643</u>	<u>1,027,435</u>	<u>16,208</u>
Solid waste	<u>995,852</u>	<u>1,012,613</u>	<u>1,009,519</u>	<u>3,094</u>
Maintenance services	<u>394,647</u>	<u>404,152</u>	<u>396,470</u>	<u>7,682</u>
Total expenditures	<u>10,912,249</u>	<u>10,869,156</u>	<u>10,620,089</u>	<u>249,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(169,611)</u>	<u>(77,652)</u>	<u>695,530</u>	<u>773,182</u>
Other financing sources (uses):				
Insurance proceeds	-	13,331	12,331	(1,000)
Sale of capital assets	-	-	5,821	5,821
Transfers in	380,820	380,820	380,820	-
Transfers out	(312,666)	(505,662)	(505,643)	19
Total other financing sources (uses)	<u>68,154</u>	<u>(111,511)</u>	<u>(106,671)</u>	<u>4,840</u>
Net change in fund balances	(101,457)	(189,163)	588,859	778,022
Fund balances, beginning of year	<u>4,544,600</u>	<u>4,544,600</u>	<u>4,544,600</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,443,143</u>	<u>4,355,437</u>	<u>5,133,459</u>	<u>778,022</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Net Position –
Proprietary Funds
September 30, 2013

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,319,637	753,820	6,073,457
Receivables (net of allowance for uncollectibles)	932,646	46,002	978,648
Due from other governments	154,953	-	154,953
Prepaid items	2,900	-	2,900
Total current assets	<u>6,410,136</u>	<u>799,822</u>	<u>7,209,958</u>
Noncurrent assets:			
Restricted cash and cash equivalents	267,369	-	267,369
Capital assets:			
Land	267,371	126	267,497
Buildings	85,328	-	85,328
Infrastructure	31,935,777	1,304,611	33,240,388
Machinery and equipment	1,000,365	192,293	1,192,658
Construction in progress	1,728,293	-	1,728,293
	<u>35,017,134</u>	<u>1,497,030</u>	<u>36,514,164</u>
Less accumulated depreciation	<u>(13,216,864)</u>	<u>(282,512)</u>	<u>(13,499,376)</u>
Total capital assets, net	<u>21,800,270</u>	<u>1,214,518</u>	<u>23,014,788</u>
Total noncurrent assets	<u>22,067,639</u>	<u>1,214,518</u>	<u>23,282,157</u>
Total assets	<u>28,477,775</u>	<u>2,014,340</u>	<u>30,492,115</u>
Deferred Outflows of Resources			
Deferred charges on refundings	20,143	-	20,143
Total deferred outflows of resources	<u>20,143</u>	<u>-</u>	<u>20,143</u>
Liabilities			
Current liabilities:			
Accounts and retainages payable	242,964	5,427	248,391
Accrued interest payable	42,857	2,170	45,027
Other accrued liabilities	25,058	2,033	27,091
Customer deposits payable	145,065	-	145,065
Compensated absences - current	51,501	654	52,155
Revenue bonds payable - current	550,750	13,400	564,150
Total current liabilities	<u>1,058,195</u>	<u>23,684</u>	<u>1,081,879</u>
Noncurrent liabilities:			
Compensated absences	13,705	1,165	14,870
Revenue bonds payable	4,737,750	260,462	4,998,212
Total noncurrent liabilities	<u>4,751,455</u>	<u>261,627</u>	<u>5,013,082</u>
Total liabilities	<u>5,809,650</u>	<u>285,311</u>	<u>6,094,961</u>
Net Position			
Net investment in capital assets	16,740,880	940,656	17,681,536
Restricted for capital projects	193,212	-	193,212
Unrestricted	5,754,176	788,373	6,542,549
Total net position	<u>\$ 22,688,268</u>	<u>1,729,029</u>	<u>24,417,297</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, 2013

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Operating revenues:			
Charges for sales and services:			
Water service	\$ 3,674,171	-	3,674,171
Sewer service	1,954,499	-	1,954,499
Storm drainage fees	-	359,592	359,592
Reconnect and late fees	111,453	-	111,453
Tap fees	137,725	-	137,725
Other operating revenue	37,064	416	37,480
Total operating revenues	<u>5,914,912</u>	<u>360,008</u>	<u>6,274,920</u>
Operating expenses:			
Salaries and wages	936,002	87,853	1,023,855
Employee benefits	272,490	30,798	303,288
Supplies	111,949	16,545	128,494
Repairs and maintenance	131,326	17,685	149,011
Water, sewage treatment, and other charges	2,257,659	6,520	2,264,179
Depreciation	1,746,328	81,743	1,828,071
Total operating expenses	<u>5,455,754</u>	<u>241,144</u>	<u>5,696,898</u>
Operating income	<u>459,158</u>	<u>118,864</u>	<u>578,022</u>
Nonoperating revenues (expenses):			
Gain on sale of capital assets	11,363	-	11,363
Interest earnings	5,747	442	6,189
Interest expense	(228,309)	(12,068)	(240,377)
Amortization expense	(5,035)	-	(5,035)
Total nonoperating revenues (expenses)	<u>(216,234)</u>	<u>(11,626)</u>	<u>(227,860)</u>
Income before contributions and transfers	242,924	107,238	350,162
Capital contributions	1,075,842	166,749	1,242,591
Transfers in	278,906	330,274	609,180
Transfers out	<u>(380,820)</u>	<u>-</u>	<u>(380,820)</u>
Change in net position	1,216,852	604,261	1,821,113
Total net position, beginning of year, as restated	<u>21,471,416</u>	<u>1,124,768</u>	<u>22,596,184</u>
Total net position, end of year	<u>\$ 22,688,268</u>	<u>1,729,029</u>	<u>24,417,297</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Cash Flows –
Proprietary Funds
For the Fiscal Year Ended
September 30, 2013

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 6,091,975	361,701	6,453,676
Payments to suppliers	(2,484,522)	(43,479)	(2,528,001)
Payments to employees	(1,229,017)	(117,810)	(1,346,827)
Net cash provided by operating activities	<u>2,378,436</u>	<u>200,412</u>	<u>2,578,848</u>
Cash flows from noncapital financing activities:			
Transfer from other funds	278,906	330,274	609,180
Transfer to other funds	(380,820)	-	(380,820)
Net cash provided by (used in) noncapital financing activities	<u>(101,914)</u>	<u>330,274</u>	<u>228,360</u>
Cash flows from capital and related financing activities:			
Capital contributions	397,047	166,749	563,796
Insurance proceeds	7,678	-	7,678
Purchases and construction of capital assets	(1,656,084)	(245,029)	(1,901,113)
Proceeds from sales of capital assets	3,950	-	3,950
Principal paid on capital debt	(506,020)	(12,563)	(518,583)
Interest paid on capital debt	(228,309)	(12,068)	(240,377)
Net cash used in capital and related financing activities	<u>(1,981,738)</u>	<u>(102,911)</u>	<u>(2,084,649)</u>
Cash flows from investing activities:			
Interest received	5,747	442	6,189
Net cash provided by investing activities	<u>5,747</u>	<u>442</u>	<u>6,189</u>
Net increase in cash and cash equivalents	300,531	428,217	728,748
Cash and cash equivalents, beginning of year	<u>5,286,475</u>	<u>325,603</u>	<u>5,612,078</u>
Cash and cash equivalents, end of year	<u>\$ 5,587,006</u>	<u>753,820</u>	<u>6,340,826</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 459,158	118,864	578,022
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,746,328	81,743	1,828,071
Decrease in receivables	174,153	1,693	175,846
Increase (decrease) in accounts and retainages payable	16,412	(2,729)	13,683
Increase in accrued liabilities	2,009	515	2,524
Increase in customer deposits payable	2,910	-	2,910
Increase (decrease) in compensated absences	(22,534)	326	(22,208)
Total adjustments	<u>1,919,278</u>	<u>81,548</u>	<u>2,000,826</u>
Net cash provided by operating activities	<u>\$ 2,378,436</u>	<u>200,412</u>	<u>2,578,848</u>
Noncash capital and related financing activities:			
Contributions of capital assets	<u>\$ 678,795</u>	<u>-</u>	<u>678,795</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, 2013

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 claims and judgments, are recorded only when payment is due.

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 *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.

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	\$ 588,859
Activities not included in the General Fund budget	<u>(821)</u>
Net change in fund balance - GAAP basis	<u><u>\$ 588,038</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	\$ 110,278
Nonmajor governmental funds	283,851
Water and sewer fund	802,956
Drainage fund	<u>28,421</u>
Total primary government	<u>\$ 1,225,506</u>
Discretely present component unit	<u>\$ 26,050</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.

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

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

I. Summary of Significant Accounting Policies (continued)

G. Receivables and Payables (continued)

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 36.7 percent of outstanding property taxes at September 30, 2013.

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.

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

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

I. Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

the investment of funds borrowed for construction in accordance with Financial Accounting Standards Board Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*.

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 of \$160,071 from property taxes and \$159,800 from ambulance services, which are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

I. Summary of Significant Accounting Policies (continued)

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.

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.

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

I. Summary of Significant Accounting Policies (continued)

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 through an ordinance. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. The City Council has authorized City management to assign fund balance.

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

	General	Debt Service	2013 Certificates of Obligation	Other Funds
Nonspendable:				
Prepaid items	\$ 6,112	-	-	-
Restricted for:				
Court	-	-	-	31,355
Public safety	23,560	-	-	75,232
Public access facilities	151,474	-	-	-
Cemetery	3,080	-	-	-
Debt service	-	274,764	-	-
Capital projects and equipment	-	-	5,051,685	2,778,707
Economic development	-	-	-	1,094,866

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

I. Summary of Significant Accounting Policies (continued)

P. Fund Balance (continued)

	General	Debt Service	2013 Certificates of Obligation	Other Funds
Committed for:				
Capital projects and equipment	\$ -	-	-	415,864
Economic development	-	-	-	24,750
Assigned for:				
Civil service sick pay and appeals	705,931	-	-	-
Culture and recreation	10,141	-	-	-
Capital projects and equipment	-	-	-	784,081
Unassigned	5,127,544	-	-	-
	<u>\$ 6,027,842</u>	<u>274,764</u>	<u>5,051,685</u>	<u>5,204,855</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.

II. Deposits and Investments

Investments of the City at September 30, 2013, consist of investments in Texas Local Government Investment Pool (TexPool) and in Texas Short-Term Asset Reserve Program (TexSTAR) of \$14,377,364 and \$11,865,510, 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.

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

II. Deposits and Investments (continued)

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 55 and 45 days, respectively, as of September 30, 2013.

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 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

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

II. Deposits and Investments (continued)

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	\$ 4,162
Carrying amount of deposits	285,694
Carrying amount of investments	<u>26,242,874</u>
Total	<u><u>\$ 26,532,730</u></u>
Per the statement of net position for the City:	
Cash and cash equivalents	\$ 21,785,884
Restricted cash and cash equivalents	<u>267,369</u>
	22,053,253
Per the statement of net position for the Belton Economic Development Corporation, Inc.:	
Cash and cash equivalents	<u>4,479,477</u>
Total	<u><u>\$ 26,532,730</u></u>

III. Receivables

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

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

III. Receivables (continued)

			Enterprise Funds			
	General	Debt Service	Water and Sewer	Drainage	Nonmajor Funds	Total
Receivables:						
Taxes	\$ 1,010,991	43,563	-	-	44,691	1,099,245
Water/sewer	-	-	949,910	-	-	949,910
Storm drainage	-	-	-	56,385	-	56,385
Ambulance	525,905	-	-	-	-	525,905
Other	370,306	-	-	-	9,000	379,306
	<u>1,907,202</u>	<u>43,563</u>	<u>949,910</u>	<u>56,385</u>	<u>53,691</u>	<u>3,010,751</u>
Less:						
Allowance for uncollectibles	<u>506,436</u>	<u>15,836</u>	<u>17,264</u>	<u>10,383</u>	<u>-</u>	<u>549,919</u>
	<u>\$ 1,400,766</u>	<u>27,727</u>	<u>932,646</u>	<u>46,002</u>	<u>53,691</u>	<u>2,460,832</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, 2012, upon which the 2013 fiscal year levy was based, was \$793,292,078.

The tax levy of October 2012 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, 2013, at which time a lien attaches for unpaid taxes. Tax collections during the fiscal year ended September 30, 2013, for the fiscal year 2013 levy were 97.91 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

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

IV. Property Taxes (continued)

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, 2013, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 2,252,974	57,588	-	2,310,562
Construction in progress	1,003,539	964,359	(1,155,914)	811,984
Total capital assets not being depreciated	3,256,513	1,021,947	(1,155,914)	3,122,546
Capital assets, being depreciated:				
Buildings	6,116,979	58,145	(23,145)	6,151,979
Improvements other than buildings	2,730,845	21,270	(3,203)	2,748,912
Machinery and equipment	4,064,938	302,146	(53,624)	4,313,460
Infrastructure	19,774,317	1,543,609	(32,720)	21,285,206
Total capital assets, being depreciated	32,687,079	1,925,170	(112,692)	34,499,557
Less accumulated depreciation for:				
Buildings	(2,497,007)	(246,453)	23,145	(2,720,315)
Improvements other than buildings	(1,261,735)	(126,254)	3,203	(1,384,786)
Machinery and equipment	(2,546,691)	(423,876)	53,624	(2,916,943)
Infrastructure	(6,615,332)	(1,118,464)	32,720	(7,701,076)
Total accumulated depreciation	(12,920,765)	(1,915,047)	112,692	(14,723,120)
Total capital assets, being depreciated, net	19,766,314	10,123	-	19,776,437
	<u>\$ 23,022,827</u>	<u>1,032,070</u>	<u>(1,155,914)</u>	<u>22,898,983</u>

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

V. Capital Assets (continued)

Primary Government (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 187,270	80,227	-	267,497
Construction in progress	916,196	1,572,836	(760,739)	1,728,293
Total capital assets not being depreciated	1,103,466	1,653,063	(760,739)	1,995,790
Capital assets, being depreciated:				
Buildings	87,935	-	(2,607)	85,328
Machinery and equipment	1,136,508	145,461	(89,311)	1,192,658
Infrastructure	32,294,511	1,542,123	(596,246)	33,240,388
Total capital assets being depreciated	33,518,954	1,687,584	(688,164)	34,518,374
Less accumulated depreciation for:				
Buildings	(76,205)	(675)	2,607	(74,273)
Machinery and equipment	(664,830)	(103,483)	89,046	(679,267)
Infrastructure	(11,618,169)	(1,723,913)	596,246	(12,745,836)
Total accumulated depreciation	(12,359,204)	(1,828,071)	687,899	(13,499,376)
Total capital assets, being depreciated, net	21,159,750	(140,487)	(265)	21,018,998
	<u>\$ 22,263,216</u>	<u>1,512,576</u>	<u>(761,004)</u>	<u>23,014,788</u>

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

Governmental activities:	
General government	\$ 68,960
Public safety	397,480
Highways and streets, including depreciation of general infrastructure assets	934,626
Planning	2,379
Maintenance	31,844
Solid waste	12,930
Culture and recreation	466,828
Total depreciation expense - governmental activities	<u>\$ 1,915,047</u>
Business-type activities:	
Water and sewer	\$ 1,746,328
Drainage	81,743
Total depreciation expense - business-type activities	<u>\$ 1,828,071</u>

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

V. Capital Assets (continued)

Primary Government (continued)

The City has active construction projects as of September 30, 2013. At year-end, the City's construction commitments for governmental activities are as follows:

<u>Project Title</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Hike & Bike Trail	\$ 206,327	28,135
9th Avenue Extension	527,854	535,969
Spring Street	1,950	-
Sparta Road Widening	44,375	5,575
Police Department Expansion	11,827	5,020
Wheat Road Reconstruction	8,200	81,110
Nolan Creek	11,451	1,600
Total	<u>\$ 811,984</u>	<u>657,409</u>

The projects will be financed with available resources.

At September 30, 2013, the City's construction commitments for business-type activities are as follows:

<u>Project Title</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Water Tank Rehab	\$ 458,923	187,330
SH 317 Utility Relocation	291,871	142,244
TBRSS Expansion	283,231	56,369
I-35 Utility Relocations	694,268	263
Total	<u>\$ 1,728,293</u>	<u>386,206</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, 2013, was as follows:

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

V. Capital Assets (continued)

Discretely Presented Component Unit (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 517,540	15,533	(47,748)	485,325
Construction in progress	128,232	135,796	(259,975)	4,053
Total capital assets not being depreciated	645,772	151,329	(307,723)	489,378
Capital assets, being depreciated:				
Buildings	1,261,523	-	-	1,261,523
Infrastructure	2,683,809	222,931	-	2,906,740
Total capital assets being depreciated	3,945,332	222,931	-	4,168,263
Less accumulated depreciation for:				
Buildings	(77,468)	(39,411)	-	(116,879)
Infrastructure	(1,002,461)	(135,791)	-	(1,138,252)
Total accumulated depreciation	(1,079,929)	(175,202)	-	(1,255,131)
Total capital assets, being depreciated, net	2,865,403	47,729	-	2,913,132
	<u>\$ 3,511,175</u>	<u>199,058</u>	<u>(307,723)</u>	<u>3,402,510</u>

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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 9,278,055	6,825,000	(584,067)	15,518,988	639,400
Compensated absences	434,315	378,963	(316,170)	497,108	358,176
	<u>\$ 9,712,370</u>	<u>7,203,963</u>	<u>(900,237)</u>	<u>16,016,096</u>	<u>997,576</u>

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

VI. Long-Term Debt (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
General obligation and revenue bonds	\$ 6,080,945	-	(518,583)	5,562,362	564,150
Compensated absences	<u>89,233</u>	<u>47,216</u>	<u>(69,424)</u>	<u>67,025</u>	<u>52,155</u>
	<u>\$ 6,170,178</u>	<u>47,216</u>	<u>(588,007)</u>	<u>5,629,387</u>	<u>616,305</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, 2013, 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%	\$ 1,625,000
\$4,500,000 Series 2005 general obligation bonds due in annual installments of \$140,000 to \$275,000 through 2025; interest at 3.54%	2,790,000
\$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%	3,065,000
\$1,485,000 Series 2008 combination tax and revenue certificates of obligation due in annual installments of \$59,400 to \$107,663 through 2028; interest at 4.19%	1,213,988
\$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>6,825,000</u>
	<u>\$ 15,518,988</u>

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

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

VI. Long-Term Debt (continued)

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 639,400	530,387
2015	723,112	529,210
2016	796,825	501,277
2017	861,825	471,076
2018	935,538	438,723
2019 - 2023	5,490,950	1,621,208
2024 - 2028	3,616,338	731,379
2029 - 2033	<u>2,455,000</u>	<u>231,003</u>
	<u>\$ 15,518,988</u>	<u>5,054,263</u>

Long-term debt of the City's business-type activities at September 30, 2013, 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%	\$ 210,000
\$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%	2,825,000
\$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%	1,360,000
\$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%	421,012
\$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>746,350</u>
	<u>\$ 5,562,362</u>

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

VI. Long-Term Debt (continued)

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>
2014	\$ 564,150	220,573
2015	583,388	201,440
2016	592,625	181,019
2017	520,025	161,429
2018	494,462	141,035
2019 - 2023	2,174,050	382,445
2024 - 2028	<u>633,662</u>	<u>70,582</u>
	<u>\$ 5,562,362</u>	<u>1,358,523</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, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 656,000	-	(137,350)	518,650	141,450
	<u>\$ 656,000</u>	<u>-</u>	<u>(137,350)</u>	<u>518,650</u>	<u>141,450</u>

Long-term debt of the Development Corporation at September 30, 2013, 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>518,650</u>
	\$ <u><u>518,650</u></u>

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

VI. Long-Term Debt (continued)

Discretely Presented Component Unit (continued)

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>
2014	\$ 141,450	11,536
2015	143,500	8,707
2016	145,550	5,479
2017	<u>88,150</u>	<u>2,204</u>
	<u>\$ 518,650</u>	<u>27,926</u>

VII. Interfund Transfers

Interfund transfers for 2013 are as follow:

		<u>Transfer in</u>			
	<u>General</u>	<u>Other NonMajor Governmental</u>	<u>Water and Sewer</u>	<u>Drainage</u>	<u>Total</u>
Transfer out:					
General	\$ -	384,643	-	-	384,643
Other nonmajor governmental	-	-	278,906	330,274	609,180
Water and sewer	<u>380,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>380,820</u>
	<u>\$ 380,820</u>	<u>384,643</u>	<u>278,906</u>	<u>330,274</u>	<u>1,374,643</u>

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

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

VIII. Employee Benefits

Pension Plan

Plan Description – The City 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 2012</u>	<u>Plan Year 2013</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 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.

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

VIII. Employee Benefits (continued)

Pension Plan (continued)

Contributions – Under the state law governing TMRS, the contribution rate is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. 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 finances the portion of an active member's projected benefit allocated annually; 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. The annual pension cost and net pension obligation are as follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution Made</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 472,970	472,970	100%	\$ -
2012	468,034	468,034	100%	-
2011	555,778	555,778	100%	-

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

<u>Valuation Date</u>	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	27.4 years; closed period	26.0 years; closed period	25.3 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

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

VIII. Employee Benefits (continued)

Pension Plan (continued)

Valuation Date	12/31/2010	12/31/2011	12/31/2012
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	3.0%	3.0%	3.0%
Cost-of-living adjustments	0.9%	0.9%	0.9%

Funded Status and Funding Progress –The following schedule presents the funded status (as of December 31, 2012, 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.

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
12/31/2010	\$ 12,408,906	13,731,013	90.4%	1,322,107	6,098,176	21.7%
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%

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.

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

VIII. Employee Benefits (continued)

Supplemental Death Benefits Plan (continued)

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. The City’s contributions to the SDBF for the years ended September 30, 2013, 2012 and 2011, were \$13,822, \$13,820, and \$16,945, 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.

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

X. Commitments and Contingencies (continued)

The City has entered into a long-term agreement to purchase water from the Brazos River Authority (the Authority). The agreement requires the City to pay for a certain portion of the water rights, whether or not it actually withdraws the full amount of water to which it is entitled. The cost of the water may be adjusted each year based on changes in the consumer price index. Further, additional costs imposed on the Authority (by taxation or as a result of new regulations) may be passed through to the City. The agreement expires in 2042. The City's cost under the agreement for the year ended September 30, 2013, was \$33,250.

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, 2013, were \$1,399,640.

Finally, the City entered into an agreement with the Brazos River Authority, whereby the Authority receives, treats and disposes of the City's sewage. The City is charged a monthly amount for sewer services based on the amount of sewage treated. The City's net expense for the year ended September 30, 2013, was \$440,564.

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. Change in Accounting Principle

Effective October 1, 2012, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. With the adoption of GASB Statement No. 63, amounts previously reported as net assets are now reported as net position. With the adoption of GASB Statement No. 65, the City reclassified unavailable property tax revenue to deferred inflows of resources in the governmental funds, and reclassified deferred charges on refundings to deferred outflows of resources for business-type activities and proprietary funds. In addition, the City restated prior year financial statements to expense bond issuance costs previously deferred. Under GASB Statement No. 65, bond issuance costs are to be expensed as incurred. The impact of this change in accounting principle was a reduction to net position at October 1, 2012 of \$93,770 for governmental activities, \$49,610 for business-type activities and the water and sewer proprietary fund, and \$12,220 for the discretely presented component unit. The change increased the changes in net position for 2012 by \$7,001 for governmental activities, \$8,881 for business-type activities and the water and sewer proprietary fund, and \$2,444 for the discretely presented component unit.

XIII. Subsequent Event

Under the City's agreement with Brazos River Authority (the Authority) to receive, treat and dispose of the City's sewage, the ownership of the related wastewater treatment plant is to be transferred to the two cities served by the plant, the City of Belton and the City of Temple, Texas (collectively, the Cities), upon repayment of the underlying wastewater treatment plant debt. The underlying plant debt was repaid by the Authority in 2012, and plans are being formulated to: (a) transfer ownership of the wastewater treatment plant to the Cities; (b) establish a wastewater services agreement between the Cities and the Authority who will continue to operate the wastewater treatment plant; and (c) establish an ownership agreement between the Cities. The operation and administration of the wastewater treatment plant will be subject to joint control by the Cities but a separate legal entity was not created. Consequently, the Cities will separately report their proportionate share of assets, liabilities, revenues and expenses of the plant. It is anticipated that the ownership transfer will be completed in 2014.

XIV. Authoritative Pronouncements Not Yet Effective

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

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

XIV. Authoritative Pronouncements Not Yet Effective (continued)

GASB Statement No. 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. 69, Government Combinations and Disposals of Government Operations (issued January 2013) – the objective of this statement is to provide specific accounting and financial reporting guidance for combinations in the governmental environment. Additionally, this statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The provisions of this statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees (issued April 2013) – the objective of this statement is to enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This statement will also enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2013.



**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.

Revolving Loan Fund: This fund is used to account for economic development loans to private enterprises and the repayment thereof.

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 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 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.

Hike & Bike Trail Fund: This fund accounts for the extension of the Nolan Creek pedestrian and bike trail from the current termination near the Harris Community Center to the UMHB Campus near 10th Avenue and University Drive.

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.

Commerce Drive Extension Fund: This fund accounts for the extension of Commerce Drive from Sparta Road to Lake Road.

9th Avenue Extension Fund: This fund accounts for the West 9th Avenue extension and overpass.

First Responder Grant Fund: This fund accounts for acquisition and improvements for the Police Department for communication, emergency, and technology equipment.

Safe Routes to School Grant Fund: This fund accounts for acquisition, construction and improvements to enable and encourage children to walk and bicycle to/from school by improving safety of streets and sidewalks and reducing traffic, fuel consumption, and air pollution in the vicinity of Miller Heights Elementary School.

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.

City of Belton, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

Special Revenue											
	Greathouse Public Trust	Revolving Loan	Hotel/ Motel/ Tax	TIRZ	Court Technology	Court Security	TDHCA Home Grants	Total	General Capital Projects	General Capital Equipment	Park Donation
Assets											
Cash and cash equivalents	\$ 75,232	-	22,430	197,003	6,100	27,084	24,750	352,599	259,336	479,248	17,663
Receivables	-	-	44,691	-	-	-	-	44,691	9,000	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 75,232</u>	<u>-</u>	<u>67,121</u>	<u>197,003</u>	<u>6,100</u>	<u>27,084</u>	<u>24,750</u>	<u>397,290</u>	<u>268,336</u>	<u>479,248</u>	<u>17,663</u>
Liabilities and Fund Balances											
Liabilities:											
Accounts and retainages payable	\$ -	-	-	-	-	1,829	-	1,829	16,361	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,829</u>	<u>-</u>	<u>1,829</u>	<u>16,361</u>	<u>-</u>	<u>-</u>
Fund balances:											
Restricted	75,232	-	67,121	197,003	6,100	25,255	-	370,711	-	-	17,663
Committed	-	-	-	-	-	-	24,750	24,750	-	-	-
Assigned	-	-	-	-	-	-	-	-	251,975	479,248	-
Total fund balances	<u>75,232</u>	<u>-</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>	<u>17,663</u>
Total liabilities and fund balances	<u>\$ 75,232</u>	<u>-</u>	<u>67,121</u>	<u>197,003</u>	<u>6,100</u>	<u>27,084</u>	<u>24,750</u>	<u>397,290</u>	<u>268,336</u>	<u>479,248</u>	<u>17,663</u>

See accompanying independent auditor's report.

Capital Projects											Total Nonmajor Governmental Funds
Hike & Bike Trail	2007 Certificates of Obligation	2008 Certificates of Obligation	2013 Certificates of Obligation - TIRZ	Commerce Drive Extension	9th Avenue Extension	First Responder Grant	Safe Routes to School Grant	TIRZ Capital Projects	Nolan Creek	Total	
380,881	68,083	518,794	1,678,413	-	284,623	-	-	814,579	293,060	4,794,680	5,147,279
-	-	-	-	-	-	-	-	-	-	9,000	53,691
34,983	-	-	-	-	7,597	-	4,963	-	-	47,543	47,543
<u>415,864</u>	<u>68,083</u>	<u>518,794</u>	<u>1,678,413</u>	<u>-</u>	<u>292,220</u>	<u>-</u>	<u>4,963</u>	<u>814,579</u>	<u>293,060</u>	<u>4,851,223</u>	<u>5,248,513</u>
-	15,225	-	-	-	780	-	4,963	1,500	3,000	41,829	43,658
-	15,225	-	-	-	780	-	4,963	1,500	3,000	41,829	43,658
-	-	518,794	1,678,413	-	291,440	-	-	813,079	290,060	3,609,449	3,980,160
415,864	-	-	-	-	-	-	-	-	-	415,864	440,614
-	52,858	-	-	-	-	-	-	-	-	784,081	784,081
<u>415,864</u>	<u>52,858</u>	<u>518,794</u>	<u>1,678,413</u>	<u>-</u>	<u>291,440</u>	<u>-</u>	<u>-</u>	<u>813,079</u>	<u>290,060</u>	<u>4,809,394</u>	<u>5,204,855</u>
<u>415,864</u>	<u>68,083</u>	<u>518,794</u>	<u>1,678,413</u>	<u>-</u>	<u>292,220</u>	<u>-</u>	<u>4,963</u>	<u>814,579</u>	<u>293,060</u>	<u>4,851,223</u>	<u>5,248,513</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, 2013

	Special Revenue										
	Greathouse Public Trust	Revolving Loan	Hotel/ Motel Tax	TIRZ	Court Technology	Court Security	TDHCA Home Grants	Total	General Capital Projects	General Capital Equipment	Park Donation
Revenues:											
Ad valorem taxes	\$ -	-	-	495,585	-	-	-	495,585	-	-	-
Hotel/motel taxes	-	-	162,989	-	-	-	-	162,989	-	-	-
Intergovernmental	-	-	-	315,578	-	-	-	315,578	-	-	-
Fines	-	-	-	-	11,685	8,345	-	20,030	-	-	-
Interest	139	17	19	266	2	22	26	491	136	344	52
Contributions and donations	-	-	-	-	-	-	-	-	56,500	-	-
Miscellaneous revenue	-	-	-	-	-	-	1,250	1,250	-	-	-
Total revenues	<u>139</u>	<u>17</u>	<u>163,008</u>	<u>811,429</u>	<u>11,687</u>	<u>8,367</u>	<u>1,276</u>	<u>995,923</u>	<u>56,636</u>	<u>344</u>	<u>52</u>
Expenditures:											
Current:											
General government	-	-	-	-	9,893	2,086	-	11,979	-	-	-
Public safety	145,052	-	-	-	-	-	-	145,052	-	-	-
Economic development	-	56,221	150,772	18,968	-	-	1,222	227,183	4,646	-	-
Debt service:											
Principal	-	-	-	105,000	-	-	-	105,000	-	-	-
Interest and fiscal charges	-	-	-	51,845	-	-	-	51,845	-	-	-
Bond issuance cost	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	189,915	112,508	153,179
Total expenditures	<u>145,052</u>	<u>56,221</u>	<u>150,772</u>	<u>175,813</u>	<u>9,893</u>	<u>2,086</u>	<u>1,222</u>	<u>541,059</u>	<u>194,561</u>	<u>112,508</u>	<u>153,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,913)</u>	<u>(56,204)</u>	<u>12,236</u>	<u>635,616</u>	<u>1,794</u>	<u>6,281</u>	<u>54</u>	<u>454,864</u>	<u>(137,925)</u>	<u>(112,164)</u>	<u>(153,127)</u>
Other financing sources (uses):											
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-
Transfers in	62,510	-	-	-	-	-	-	62,510	27,800	204,810	145,739
Transfers out	-	-	-	(580,000)	-	-	-	(580,000)	(45,739)	-	-
Total other financing sources (uses)	<u>62,510</u>	<u>-</u>	<u>-</u>	<u>(580,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(517,490)</u>	<u>(17,939)</u>	<u>204,810</u>	<u>145,739</u>
Net change in fund balances	<u>(82,403)</u>	<u>(56,204)</u>	<u>12,236</u>	<u>55,616</u>	<u>1,794</u>	<u>6,281</u>	<u>54</u>	<u>(62,626)</u>	<u>(155,864)</u>	<u>92,646</u>	<u>(7,388)</u>
Fund balances, October 1	<u>157,635</u>	<u>56,204</u>	<u>54,885</u>	<u>141,387</u>	<u>4,306</u>	<u>18,974</u>	<u>24,696</u>	<u>458,087</u>	<u>407,839</u>	<u>386,602</u>	<u>25,051</u>
Fund balances, September 30	<u>\$ 75,232</u>	<u>-</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>	<u>17,663</u>

See accompanying independent auditor's report.

Capital Projects											Total Nonmajor Governmental Funds
Hike and Bike Trail	2007 Certificates of Obligation	2008 Certificates of Obligation	2013 Certificates of Obligation - TIRZ	Commerce Drive Extension	9th Avenue Extension	First Responder Grant	Safe Routes To School Grant	TIRZ Capital Projects	Nolan Creek	Total	
-	-	-	-	-	-	-	-	-	-	-	495,585
-	-	-	-	-	-	-	-	-	-	-	162,989
81,342	-	-	-	-	29,651	6,833	351,796	-	-	469,622	785,200
-	-	-	-	-	-	-	-	-	-	-	20,030
431	223	538	40	521	290	-	100	328	90	3,093	3,584
-	-	-	-	-	-	-	-	-	51,454	107,954	107,954
-	30,000	-	-	-	-	-	-	-	-	30,000	31,250
81,773	30,223	538	40	521	29,941	6,833	351,896	328	51,544	610,669	1,606,592
-	-	-	-	-	-	-	-	-	-	-	11,979
-	-	-	-	-	-	-	-	-	-	-	145,052
-	-	-	-	-	-	-	-	-	-	4,646	231,829
-	-	-	-	-	-	-	-	-	-	-	105,000
-	-	-	1,700	-	-	-	-	-	-	1,700	53,545
-	-	-	19,927	-	-	-	-	-	-	19,927	19,927
101,678	24,626	2,155	-	-	36,940	6,833	441,412	46,325	11,451	1,127,022	1,127,022
101,678	24,626	2,155	21,627	-	36,940	6,833	441,412	46,325	11,451	1,153,295	1,694,354
(19,905)	5,597	(1,617)	(21,587)	521	(6,999)	-	(89,516)	(45,997)	40,093	(542,626)	(87,762)
-	-	-	1,700,000	-	-	-	-	-	-	1,700,000	1,700,000
-	-	-	-	-	-	-	89,523	480,000	200,017	1,147,889	1,210,399
-	(194,093)	-	-	(609,180)	-	-	-	(5,924)	-	(854,936)	(1,434,936)
-	(194,093)	-	1,700,000	(609,180)	-	-	89,523	474,076	200,017	1,992,953	1,475,463
(19,905)	(188,496)	(1,617)	1,678,413	(608,659)	(6,999)	-	7	428,079	240,110	1,450,327	1,387,701
435,769	241,354	520,411	-	608,659	298,439	-	(7)	385,000	49,950	3,359,067	3,817,154
415,864	52,858	518,794	1,678,413	-	291,440	-	-	813,079	290,060	4,809,394	5,204,855

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, 2013

	<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	162,989	5,489
Interest	100	100	19	(81)
Total revenues	<u>157,600</u>	<u>157,600</u>	<u>163,008</u>	<u>5,408</u>
Expenditures:				
Economic development	<u>152,500</u>	<u>152,500</u>	<u>150,772</u>	<u>1,728</u>
Total expenditures	<u>152,500</u>	<u>152,500</u>	<u>150,772</u>	<u>1,728</u>
Net change in fund balance	5,100	5,100	12,236	7,136
Fund balance, October 1	<u>54,885</u>	<u>54,885</u>	<u>54,885</u>	<u>-</u>
Fund balance, September 30	<u>\$ 59,985</u>	<u>59,985</u>	<u>67,121</u>	<u>7,136</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 796,835	796,835	802,766	5,931
Interest	<u>750</u>	<u>750</u>	<u>718</u>	<u>(32)</u>
Total revenues	<u>797,585</u>	<u>797,585</u>	<u>803,484</u>	<u>5,899</u>
Expenditures:				
Principal	479,067	479,067	479,067	-
Interest and fiscal charges	<u>317,542</u>	<u>317,542</u>	<u>319,566</u>	<u>(2,024)</u>
Total expenditures	<u>796,609</u>	<u>796,609</u>	<u>798,633</u>	<u>(2,024)</u>
Net change in fund balance	976	976	4,851	3,875
Fund balance, October 1	<u>269,913</u>	<u>269,913</u>	<u>269,913</u>	<u>-</u>
Fund balance, September 30	<u>\$ 270,889</u>	<u>270,889</u>	<u>274,764</u>	<u>3,875</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 485,111	485,111	495,585	10,474
Intergovernmental	309,143	309,143	315,578	6,435
Interest	300	300	266	(34)
Total revenues	<u>794,554</u>	<u>794,554</u>	<u>811,429</u>	<u>16,875</u>
Expenditures:				
Current:				
Economic development	50,000	50,000	18,968	31,032
Debt service:				
Principal	105,000	105,000	105,000	-
Interest and fiscal charges	51,919	51,919	51,845	74
Total expenditures	<u>206,919</u>	<u>206,919</u>	<u>175,813</u>	<u>31,106</u>
Excess of revenues over expenditures	<u>587,635</u>	<u>587,635</u>	<u>635,616</u>	<u>47,981</u>
Other financing sources (uses):				
Transfers out	<u>(580,000)</u>	<u>(580,000)</u>	<u>(580,000)</u>	<u>-</u>
Net change in fund balance	7,635	7,635	55,616	47,981
Fund balance, October 1	<u>141,387</u>	<u>141,387</u>	<u>141,387</u>	<u>-</u>
Fund balance, September 30	<u>\$ 149,022</u>	<u>149,022</u>	<u>197,003</u>	<u>47,981</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, 2013

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Operating revenue:				
Water service	\$ 2,987,000	3,187,000	3,674,171	487,171
Sewer service	1,830,000	1,830,000	1,954,499	124,499
Reconnect and late fees	110,000	110,000	111,453	1,453
Tap fees	50,000	60,000	137,725	77,725
Other	23,400	23,400	37,064	13,664
Total operating revenue	<u>5,000,400</u>	<u>5,210,400</u>	<u>5,914,912</u>	<u>704,512</u>
Operating expenses:				
Salaries and wages	1,005,964	989,015	958,537	30,478
Employee benefits	299,788	312,737	272,490	40,247
Supplies	122,310	118,811	109,850	8,961
Repairs and maintenance	155,321	168,649	130,139	38,510
Water, sewage treatment, and other charges	2,114,077	2,313,526	2,150,640	162,886
Capital outlay	711,000	544,823	542,172	2,651
Total operating expenses	<u>4,408,460</u>	<u>4,447,561</u>	<u>4,163,828</u>	<u>283,733</u>
Operating income	<u>591,940</u>	<u>762,839</u>	<u>1,751,084</u>	<u>988,245</u>
Nonoperating revenue (expenses):				
Interest revenue	5,000	5,000	5,069	69
Insurance proceeds	-	7,678	7,678	-
Sale of city property	-	-	3,950	3,950
Payments to fiduciary for debt service	(734,248)	(734,248)	(734,329)	(81)
Transfers in	-	21,100	21,100	-
Transfers out	(730,820)	(930,497)	(930,497)	-
Total nonoperating revenue (expenses)	<u>(1,460,068)</u>	<u>(1,630,967)</u>	<u>(1,627,029)</u>	<u>3,938</u>
Net income (loss)	<u>\$ (868,128)</u>	<u>(868,128)</u>	<u>124,055</u>	<u>992,183</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, 2013

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Administration:				
Salaries and wages	\$ 604,441	597,564	596,990	574
Employee benefits	164,352	166,640	144,074	22,566
Supplies	31,764	32,462	31,144	1,318
Repairs and maintenance	38,533	41,737	37,658	4,079
Other charges	187,304	180,976	155,730	25,246
Capital outlay	16,000	16,900	16,637	263
Debt service	734,248	734,248	734,329	(81)
Transfers	-	-	-	-
Total administration	<u>1,776,642</u>	<u>1,770,527</u>	<u>1,716,562</u>	<u>53,965</u>
Water:				
Salaries and wages	259,442	256,093	237,939	18,154
Employee benefits	84,531	90,061	80,931	9,130
Supplies	37,461	37,466	33,055	4,411
Repairs and maintenance	78,635	84,759	63,270	21,489
Other charges	86,876	90,231	65,590	24,641
Cost of water	1,259,867	1,459,867	1,447,964	11,903
Capital outlay	675,000	513,923	512,459	1,464
Transfers	325,728	517,905	517,905	-
Total water	<u>2,807,540</u>	<u>3,050,305</u>	<u>2,959,113</u>	<u>91,192</u>
Sanitary sewage gathering system:				
Salaries and wages	109,328	102,326	90,882	11,444
Employee benefits	39,427	44,511	36,393	8,118
Supplies	37,662	38,960	36,634	2,326
Repairs and maintenance	24,323	21,323	9,925	11,398
Other charges	3,924	6,066	2,874	3,192
Capital outlay	-	-	-	-
Transfers	205,092	205,092	205,092	-
Total sanitary sewage gathering system	<u>419,756</u>	<u>418,278</u>	<u>381,800</u>	<u>36,478</u>
Sewage treatment and disposal:				
Salaries and wages	32,753	33,032	32,726	306
Employee benefits	11,478	11,525	11,092	433
Supplies	15,423	9,923	9,017	906
Repairs and maintenance	13,830	20,830	19,286	1,544
Other charges	25,582	25,862	26,708	(846)
Charges for sewage treatment	550,524	550,524	451,774	98,750
Capital outlay	20,000	14,000	13,076	924
Transfers	200,000	207,500	207,500	-
Total sewage treatment and disposal	<u>869,590</u>	<u>873,196</u>	<u>771,179</u>	<u>102,017</u>
	<u>\$ 5,873,528</u>	<u>6,112,306</u>	<u>5,828,654</u>	<u>283,652</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, 2013

	<u>Bond Proceeds</u>	<u>Grant Proceeds</u>	<u>Total</u>
Balance, October 1	\$ 257,257	(233,985)	23,272
Receipts:			
Transfers from other funds	352,134	196,062	548,196
Grant receipts	-	422,892	422,892
Interest income	220	(211)	9
Total receipts	<u>352,354</u>	<u>618,743</u>	<u>971,097</u>
Disbursements:			
Construction progress payments	380,501	257,219	637,720
Transfers to other funds	<u> </u>	<u>89,280</u>	<u> </u>
Total disbursements	<u>380,501</u>	<u>346,499</u>	<u>727,000</u>
Balance, September 30	<u><u>229,110</u></u>	<u><u>38,259</u></u>	<u><u>267,369</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, 2013

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Operating revenue:				
Storm drainage fee	\$ 355,200	355,200	359,592	4,392
Other	-	-	416	416
Total operating revenue	<u>355,200</u>	<u>355,200</u>	<u>360,008</u>	<u>4,808</u>
Operating expenses:				
Salaries and wages	92,842	94,792	87,527	7,265
Employee benefits	36,675	34,725	30,798	3,927
Supplies	24,371	25,371	16,545	8,826
Repairs and maintenance	16,100	33,350	17,685	15,665
Other charges	20,548	17,298	6,051	11,247
Capital outlay	55,000	40,000	32,618	7,382
Total operating expenses	<u>245,536</u>	<u>245,536</u>	<u>191,224</u>	<u>54,312</u>
Operating income	109,664	109,664	168,784	59,120
Nonoperating revenue (expenses):				
Interest revenue	250	250	355	105
Payments to fiduciary for debt service	(24,664)	(24,664)	(25,100)	(436)
Transfers out	-	(9,600)	(9,550)	50
Total nonoperating revenue (expenses)	<u>(24,414)</u>	<u>(34,014)</u>	<u>(34,295)</u>	<u>(281)</u>
Net income (loss)	<u>\$ 85,250</u>	<u>75,650</u>	<u>134,489</u>	<u>58,839</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, 2013

	Bond Issue <u>Proceeds</u>	Capital Projects	<u>Total</u>
Balance, October 1	\$ 41,945	-	41,945
Receipts:			
Transactions from operating cash	9,550	330,274	339,824
Interest income	43	44	87
Total receipts	9,593	330,318	339,911
Disbursements:			
Construction progress payments	51,538	-	51,538
Total disbursements	51,538	-	51,538
Balance, September 30	\$ -	330,318	330,318

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	82
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	93
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	98
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	108
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	111
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the 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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities				
Net investment in capital assets	\$ 9,907,261	7,403,580	12,380,934	11,074,215
Restricted	393,201	905,502	573,420	742,489
Unrestricted	<u>3,907,266</u>	<u>7,684,370</u>	<u>6,055,785</u>	<u>9,674,013</u>
Total governmental activities net position	<u>\$ 14,207,728</u>	<u>15,993,452</u>	<u>19,010,139</u>	<u>21,490,717</u>
Business-type activities				
Net investment in capital assets	\$ 13,168,867	11,826,016	14,564,542	14,637,860
Restricted	-	-	-	-
Unrestricted	<u>1,557,119</u>	<u>4,217,742</u>	<u>2,777,421</u>	<u>3,452,403</u>
Total business-type activities net position	<u>\$ 14,725,986</u>	<u>16,043,758</u>	<u>17,341,963</u>	<u>18,090,263</u>
Primary government				
Net investment in capital assets	\$ 23,076,128	19,229,596	26,945,476	25,712,075
Restricted	393,201	905,502	573,420	742,489
Unrestricted	<u>5,464,385</u>	<u>11,902,112</u>	<u>8,833,206</u>	<u>13,126,416</u>
Total primary government net position	<u>\$ 28,933,714</u>	<u>32,037,210</u>	<u>36,352,102</u>	<u>39,580,980</u>

Table I

Fiscal Year					
2008	2009	2010	2011	2012	2013
10,933,815	12,587,025	12,714,726	14,748,004	14,506,537	14,681,745
1,345,488	2,163,662	1,885,924	1,627,859	1,661,938	2,263,468
8,963,260	5,764,127	6,445,189	6,457,544	6,957,744	6,747,744
<u>21,242,563</u>	<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>
14,406,422	17,596,575	16,942,659	16,962,666	16,439,528	17,681,536
-	909,824	438,059	231,106	33,017	193,212
4,636,575	3,111,969	4,276,077	4,950,372	6,123,639	6,542,549
<u>19,042,997</u>	<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>
25,340,237	30,183,600	29,657,385	31,710,670	30,946,065	32,363,281
1,345,488	3,073,486	2,323,983	1,858,965	1,694,955	2,456,680
13,599,835	8,876,096	10,721,266	11,407,916	13,081,383	13,290,293
<u>40,285,560</u>	<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>

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

	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	\$ 752,377	729,634	754,745	796,507
Public safety	3,228,500	3,750,732	4,158,479	4,365,643
Highways and streets	1,048,679	1,127,558	1,430,432	1,419,572
Planning	216,454	245,482	310,782	346,087
Culture and recreation	652,828	715,176	847,167	1,299,129
Solid waste	593,704	607,668	646,508	717,398
Economic development	95,759	630,911	217,824	117,828
Maintenance	248,752	247,712	245,430	265,857
Interest	251,490	172,486	277,277	327,339
Total governmental activities expenses	<u>7,088,543</u>	<u>8,227,359</u>	<u>8,888,644</u>	<u>9,655,360</u>
Business-type activities:				
Water and sewer	3,278,993	3,193,458	3,713,637	4,069,063
Drainage	-	-	-	-
Total business-type activities expenses	<u>3,278,993</u>	<u>3,193,458</u>	<u>3,713,637</u>	<u>4,069,063</u>
Total primary government expenses	<u>\$ 10,367,536</u>	<u>11,420,817</u>	<u>12,602,281</u>	<u>13,724,423</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Public safety	\$ 1,026,338	989,758	1,131,522	1,126,432
Planning	124,731	190,462	145,097	162,914
Culture and recreation	-	-	-	-
Solid waste	645,905	664,842	714,942	757,531
Operating grants and contributions	41,196	136,560	227,310	274,889
Capital grants and contributions	337,676	1,858,959	2,269,098	2,041,342
Total governmental activities program revenues	<u>2,175,846</u>	<u>3,840,581</u>	<u>4,487,969</u>	<u>4,363,108</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,387,512	3,733,067	4,190,262	3,985,697
Drainage	-	-	-	-
Capital grants and contributions	69,484	932,057	968,544	1,038,513
Total business-type activities program revenues	<u>3,456,996</u>	<u>4,665,124</u>	<u>5,158,806</u>	<u>5,024,210</u>
Total primary government program revenues	<u>\$ 5,632,842</u>	<u>8,505,705</u>	<u>9,646,775</u>	<u>9,387,318</u>
Net (expense)/revenue				
Governmental activities	\$ (4,912,697)	(4,386,778)	(4,400,675)	(5,292,252)
Business-type activities	<u>178,003</u>	<u>1,471,666</u>	<u>1,445,169</u>	<u>955,147</u>
Total primary government net expense	<u>\$ (4,734,694)</u>	<u>(2,915,112)</u>	<u>(2,955,506)</u>	<u>(4,337,105)</u>

Table II

Fiscal Year					
2008	2009	2010	2011	2012	2013
898,581	1,083,294	1,155,582	1,312,897	1,384,187	1,379,902
4,707,210	4,767,516	5,240,838	5,513,342	5,646,348	6,081,978
1,713,940	2,044,341	1,709,400	1,786,877	1,878,313	1,918,580
450,248	416,116	426,329	416,266	340,545	389,280
1,457,177	1,566,358	1,610,093	1,779,825	1,940,672	1,562,517
734,724	767,769	872,479	1,024,826	992,345	1,023,909
187,144	521,490	218,463	609,974	456,987	231,829
295,254	322,557	314,162	343,480	448,480	444,230
421,903	439,280	451,091	408,622	387,912	466,056
<u>10,866,181</u>	<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>
4,502,519	4,735,194	5,266,330	5,396,788	5,577,743	5,689,098
36,456	72,372	152,197	167,411	207,911	253,212
<u>4,538,975</u>	<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>15,405,156</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>
1,273,551	1,297,267	1,307,580	1,252,269	1,544,949	1,503,586
129,943	132,353	150,787	122,596	163,410	223,636
-	-	26,823	40,416	43,835	57,923
806,446	839,311	1,013,460	1,137,155	1,166,276	1,198,447
275,047	294,691	631,493	829,734	640,097	645,933
180,517	957,519	643,356	1,864,243	805,335	1,113,389
<u>2,665,504</u>	<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>
4,657,551	5,304,072	4,960,198	6,033,244	5,833,008	5,914,912
222,107	333,178	342,930	350,856	349,273	360,008
104,623	1,290,398	687,091	730,798	377,895	1,242,591
<u>4,984,281</u>	<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>7,649,785</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>
(8,200,677)	(8,407,580)	(8,224,938)	(7,949,696)	(9,111,887)	(8,755,367)
<u>445,306</u>	<u>2,120,082</u>	<u>571,692</u>	<u>1,550,699</u>	<u>774,522</u>	<u>1,575,201</u>
<u>(7,755,371)</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>

(Continued)

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 2,925,631	3,075,583	3,403,788	3,810,255
Sales taxes	1,298,594	1,537,164	1,830,944	1,987,095
Franchise taxes	757,657	833,188	1,053,573	928,508
Hotel/motel taxes	79,075	91,638	119,568	163,749
Alcoholic beverage taxes	7,734	9,059	12,324	9,859
Unrestricted investment earnings	71,641	208,202	386,911	407,083
Miscellaneous	225,438	135,668	277,764	119,256
Gain on sale of capital assets	78,908	-	36,490	21,132
Transfers	225,895	282,000	296,000	246,000
Total governmental activities	<u>5,670,573</u>	<u>6,172,502</u>	<u>7,417,362</u>	<u>7,692,937</u>
 Business-type activities:				
Unrestricted investment earnings	71,424	123,648	144,074	119,046
Miscellaneous	-	-	-	-
Gain on sale of capital assets	-	4,458	4,962	-
Transfers	(225,895)	(282,000)	(296,000)	(246,000)
Total business-type activities	<u>(154,471)</u>	<u>(153,894)</u>	<u>(146,964)</u>	<u>(126,954)</u>
 Total primary government	<u>\$ 5,516,102</u>	<u>6,018,608</u>	<u>7,270,398</u>	<u>7,565,983</u>
 Change in Net Position				
Governmental activities	\$ 757,876	1,785,724	3,016,687	2,400,685
Business-type activities	<u>23,532</u>	<u>1,317,772</u>	<u>1,298,205</u>	<u>828,193</u>
Total primary government	<u>\$ 781,408</u>	<u>3,103,496</u>	<u>4,314,892</u>	<u>3,228,878</u>

Table II
(Continued)

Fiscal Year					
2008	2009	2010	2011	2012	2013
4,080,884	4,494,474	4,655,052	4,791,388	4,954,391	5,257,077
2,170,770	2,178,236	2,223,209	2,323,032	2,763,063	2,874,792
1,008,428	1,028,577	1,038,259	1,110,063	1,062,958	1,075,453
177,646	151,765	151,197	154,071	151,802	162,989
12,633	23,529	28,620	29,065	28,868	31,378
364,677	98,506	22,117	14,386	12,431	11,439
278,504	122,250	91,609	229,790	102,342	130,986
-	4,326	-	3,833	-	6,351
(141,019)	(421,832)	545,900	1,081,636	328,844	(228,360)
<u>7,952,523</u>	<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>
111,409	33,457	12,635	6,684	6,362	6,189
-	-	-	1,316	-	-
-	-	-	10,286	-	11,363
<u>396,019</u>	<u>421,832</u>	<u>(545,900)</u>	<u>(1,081,636)</u>	<u>(328,844)</u>	<u>228,360</u>
<u>507,428</u>	<u>455,289</u>	<u>(533,265)</u>	<u>(1,063,350)</u>	<u>(322,482)</u>	<u>245,912</u>
<u>8,459,951</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>
(248,154)	(727,749)	531,025	1,787,568	292,812	566,738
<u>952,734</u>	<u>2,575,371</u>	<u>38,427</u>	<u>487,349</u>	<u>452,040</u>	<u>1,821,113</u>
<u>704,580</u>	<u>1,847,622</u>	<u>569,452</u>	<u>2,274,917</u>	<u>744,852</u>	<u>2,387,851</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund				
Reserved	\$ -	-	-	-
Unreserved, designated	326,635	388,136	407,058	463,626
Nonspendable prepaid expenses	-	-	-	-
Restricted for:				
Public access facilities	-	-	-	-
Public safety	-	-	-	-
Cemetery	-	-	-	-
Committed to:				
Civil service sick pay and appeals	-	-	-	-
Other purposes	-	-	-	-
Unreserved/Unassigned	<u>2,999,535</u>	<u>3,000,253</u>	<u>3,311,499</u>	<u>3,536,554</u>
Total general fund	<u>\$ 3,326,170</u>	<u>3,388,389</u>	<u>3,718,557</u>	<u>4,000,180</u>
All other governmental funds				
Reserved	\$ 45,184	48,606	57,334	117,140
Unreserved, reported in:				
Special revenue funds	318,393	442,297	544,650	625,813
Capital projects funds	940,580	4,745,998	2,330,205	5,526,120
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>\$ 1,304,157</u>	<u>5,236,901</u>	<u>2,932,189</u>	<u>6,269,073</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					
2008	2009	2010	2011	2012	2013
14,783	40,857	95,659	-	-	-
504,405	558,885	591,114	-	-	-
-	-	-	4,925	6,102	6,112
-	-	-	96,665	124,571	151,474
-	-	-	25,636	43,355	23,560
-	-	-	-	3,077	3,080
-	-	-	632,220	711,366	705,931
-	-	-	35,466	12,668	10,141
<u>3,722,852</u>	<u>4,007,365</u>	<u>4,475,221</u>	<u>3,989,030</u>	<u>4,538,665</u>	<u>5,127,544</u>
<u>4,242,040</u>	<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>
168,444	206,456	233,286	-	-	-
532,616	534,159	483,090	-	-	-
6,299,642	5,086,074	4,186,898	-	-	-
-	-	-	281,757	269,913	274,764
-	-	-	524,116	893,851	7,830,392
-	-	-	396,908	637,476	1,094,866
-	-	-	99,887	157,635	75,232
-	-	-	14,259	23,280	31,355
-	-	-	1,426,410	435,769	415,864
-	-	-	5,822	24,696	24,750
-	-	-	1,661,041	1,644,454	784,081
-	-	-	(7)	(7)	-
<u>7,000,702</u>	<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>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues				
Taxes	\$ 5,049,654	5,533,566	6,378,070	6,820,214
Licenses and permits	124,731	190,462	145,097	162,914
Intergovernmental	374,328	800,929	1,879,511	500,057
Charges for services	1,186,509	1,254,321	1,474,050	1,559,209
Fines	388,831	400,278	339,026	287,180
Rental	15,600	16,800	18,000	3,000
Interest	71,641	208,202	386,911	407,083
Contributions and donations	11,690	219,988	206,147	208,558
Payments in lieu of taxes	15,564	4,108	-	3,276
Miscellaneous	110,638	44,967	114,426	95,874
Total revenues	<u>7,349,186</u>	<u>8,673,621</u>	<u>10,941,238</u>	<u>10,047,365</u>
Expenditures				
General government	600,650	684,170	730,039	797,183
Public safety	3,255,153	3,630,982	4,013,361	4,232,039
Highways and streets	527,707	620,867	827,482	687,365
Planning	227,286	253,577	310,022	337,046
Culture and recreation	437,582	498,003	603,387	809,258
Solid waste	593,704	607,668	646,508	717,398
Economic development	95,759	630,911	217,824	117,828
Maintenance	235,121	222,244	241,290	250,138
Debt service				
Principal	638,939	907,129	343,370	353,370
Interest and fiscal charges	203,090	195,797	282,435	263,575
Bond issuance costs	-	-	-	-
Capital outlay	<u>2,595,465</u>	<u>1,165,578</u>	<u>5,068,664</u>	<u>2,050,969</u>
Total expenditures	<u>9,410,456</u>	<u>9,416,926</u>	<u>13,284,382</u>	<u>10,616,169</u>
Excess of revenues over (under) expenditures	<u>(2,061,270)</u>	<u>(743,305)</u>	<u>(2,343,144)</u>	<u>(568,804)</u>
Other financing sources (uses)				
Insurance proceeds	25,891	7,645	30,735	17,106
Sale of capital assets	103,349	8,623	41,865	24,205
Transfers in	463,737	581,514	1,306,753	1,081,464
Transfers out	(237,842)	(299,514)	(1,010,753)	(835,464)
Issuance of debt	-	4,500,000	-	3,945,000
Payments to escrow agents	-	(60,000)	-	(45,000)
Other uses	(132,190)	-	-	-
Total other financing sources (uses)	<u>222,945</u>	<u>4,738,268</u>	<u>368,600</u>	<u>4,187,311</u>
Net change in fund balances	<u>\$ (1,838,325)</u>	<u>3,994,963</u>	<u>(1,974,544)</u>	<u>3,618,507</u>
Debt service as a percentage of noncapital expenditures	12.89%	13.94%	7.86%	7.36%

Table IV

Fiscal Year					
2008	2009	2010	2011	2012	2013
7,424,082	7,874,666	8,097,197	8,415,055	8,948,717	9,406,650
129,943	132,353	150,787	122,596	163,410	223,636
342,302	591,139	615,690	1,841,492	1,347,776	1,125,196
1,712,363	1,789,522	2,039,346	2,222,768	2,363,864	2,409,771
363,060	384,936	265,143	314,336	362,650	369,793
9,000	11,400	9,000	9,000	9,300	9,900
364,677	98,506	22,117	14,386	12,432	11,439
113,262	499,822	571,403	544,849	97,656	122,197
4,201	4,855	5,540	4,646	5,220	6,349
221,558	105,313	94,339	176,129	73,506	107,984
10,684,448	11,492,512	11,870,562	13,665,257	13,384,531	13,792,915
877,023	1,051,967	1,070,111	1,172,554	1,220,853	1,286,946
4,553,429	4,575,968	4,949,082	4,934,983	5,220,652	5,848,468
861,999	1,151,697	874,660	896,935	943,953	986,341
435,020	403,582	390,325	409,378	330,726	355,265
897,662	991,191	989,906	1,072,806	1,071,969	1,083,562
734,724	767,769	861,083	1,013,119	978,348	1,009,519
187,144	521,490	187,725	609,915	456,987	231,829
284,312	305,203	301,741	343,456	339,382	396,470
458,370	509,057	520,345	540,345	564,058	584,067
389,682	448,477	454,508	412,176	391,625	378,236
-	-	-	-	-	80,000
2,125,018	1,885,289	2,208,593	4,271,626	1,933,174	1,135,259
11,804,383	12,611,690	12,808,079	15,677,293	13,451,727	13,375,962
(1,119,935)	(1,119,178)	(937,517)	(2,012,036)	(67,196)	416,953
43,745	682	9,553	42,821	18,332	12,331
12,145	25,550	13,536	16,446	52,756	6,351
1,056,406	2,265,486	1,506,035	2,196,218	895,629	765,463
(555,406)	(1,981,486)	(960,135)	(1,114,582)	(566,785)	(993,823)
1,485,000	-	-	-	-	6,825,000
(28,359)	-	-	-	-	-
-	-	-	-	-	-
2,013,531	310,232	568,989	1,140,903	399,932	6,615,322
893,596	(808,946)	(368,528)	(871,133)	332,736	7,032,275
8.98%	9.11%	9.20%	8.04%	8.16%	8.62%



Table V

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

<u>Fiscal Year</u>	<u>Property Tax (1)</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Hotel/Motel Occupancy Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
2004	\$ 2,906,594	1,298,594	757,657	79,075	7,734	5,049,654
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

(1) Includes penalty and interest on delinquent taxes

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
2004	\$ 489,178,392	70,961,490	160,225,967	399,913,915	0.7350	560,139,882	71.40 %
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

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)								
2004	\$	0.5810	0.1540	0.7350	0.3650	1.6640	0.0049	2.7689
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

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
Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart	\$ 14,061,954	1	1.77 %	\$ 2,410,021	10	0.60 %
H.E.B. Grocery Co.	13,908,609	2	1.75	2,802,584	8	0.70
Turtle Creek Investments	12,971,905	3	1.64	4,466,598	6	1.12
Oncor Electric Delivery Co., LLC	10,762,388	4	1.36	6,340,728	2	1.59
Legacy Landing Group, Ltd.	10,221,449	5	1.29	-		-
Chappell Hill Equity III Ltd.	5,905,922	6	0.74	3,758,517	7	0.94
CMH Manufacturing	5,864,091	7	0.74	-		-
Tarco of Texas, Inc.	5,614,495	8	0.71	2,774,745	9	0.69
E.M. Cable International	5,140,687	9	0.65	-		-
Airgas Southwest, Inc.	5,012,093	10	0.63	-		-
Fleetwood Homes of Texas	-		-	8,112,681	1	2.03
Southwestern Bell Telephone Co.	-		-	5,737,551	3	1.43
Custom Printing II Ltd.	-		-	4,928,618	4	1.23
JSJ Seating Corporation	-		-	4,532,852	5	1.13
Totals	\$ 89,463,593		11.28 %	\$ 45,864,895		11.46 %

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
2004	\$ 2,944,180	2,879,699	97.81	60,671	2,940,370	99.87 %
2005	3,099,088	3,015,229	97.29	74,235	3,089,464	99.69
2006	3,388,414	3,300,813	97.41	67,182	3,367,995	99.40
2007	3,730,314	3,647,857	97.79	64,538	3,712,395	99.52
2008	4,110,551	4,023,508	97.88	67,728	4,091,236	99.53
2009	4,549,528	4,455,311	97.93	64,701	4,520,012	99.35
2010	4,733,777	4,629,436	97.80	65,927	4,695,363	99.19
2011	4,873,734	4,755,548	97.58	56,640	4,812,188	98.74
2012	5,012,276	4,915,146	98.06	44,081	4,959,227	98.94
2013	5,234,142	5,124,859	97.91	-	5,124,859	97.91

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			
2004	\$ 3,086,300	\$ 8,389,775	\$ -	\$ 11,476,075	4.47 %	757
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	4.84	1,092

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>
2004	\$ 11,476,075	\$ 45,184	\$ 11,430,891	2.86 %	754
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

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, 2013

<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	\$ <u>15,518,988</u> (1)	100.00 %	\$ <u>15,518,988</u>
Total direct	<u>15,518,988</u>		<u>15,518,988</u>
Overlapping:			
Belton Economic Development Corp.	518,650	100.00	518,650
Belton Independent School District	136,394,996	40.53	55,280,892
Bell County	<u>122,035,000</u>	6.17	<u>7,529,560</u>
Total overlapping	<u>258,948,646</u>		<u>63,329,102</u>
Total direct and overlapping debt	\$ <u>274,467,634</u>		\$ <u>78,848,090</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, 2013

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 \$1.25 of the maximum tax rate for general obligation debt service.

Assessed value, fiscal year 2013 tax roll	\$ 793,292,078
Limit on amount designated for debt service	<u>1.25%</u>
Legal debt limit	<u>\$ 9,916,151</u>
Actual amount expended for general obligation debt service during the year ended September 30, 2013	<u>\$ 1,042,303</u>



Table XIV

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
2004	\$ 3,458,936	2,379,094	1,079,842	736,835	378,612	1,115,447	0.97
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

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating and Nonoperating Revenue:				
Water and Sewer System	\$ 3,363,939	3,714,215	4,166,704	3,962,341
Miscellaneous	23,573	18,852	23,558	23,356
Interest	<u>71,424</u>	<u>123,648</u>	<u>144,074</u>	<u>119,046</u>
Total	<u>\$ 3,458,936</u>	<u>3,856,715</u>	<u>4,334,336</u>	<u>4,104,743</u>
Operating Expense:				
Water and Sewer System (1)	<u>\$ 2,379,094</u>	<u>2,242,446</u>	<u>2,645,121</u>	<u>2,874,206</u>

(1) Excludes depreciation expense

Table XV

Fiscal Year					
2008	2009	2010	2011	2012	2013
4,635,948	5,275,863	4,928,573	6,000,318	5,795,849	5,877,848
21,603	28,209	31,625	32,926	37,159	37,064
109,993	30,220	11,452	6,212	5,995	5,747
<u>4,767,544</u>	<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>3,224,696</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>

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
Belton Housing Authority	Government Housing
Legacy Landing	Multi-Family Housing
Belle Oaks Apartments	Multi-Family Housing
College View Apartments	Multi-Family Housing
Bell County Expo Center	Exposition Center
Montrose II Apartments	Multi-Family Housing
Bell Village Apartment	Multi-Family Housing
Totals	

Source: Finance Department, City of Belton, Texas

Table XVI

2013			2004		
Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
\$ 463,051	1	12.6 %	\$ 206,999	1	10.65 %
210,180	3	5.72	104,378	3	5.37
166,410	2	4.53	123,935	2	6.37
120,984	4	3.29	36,693	7	1.89
88,677	7	2.41	90,794	4	4.67
80,184	6	2.18	-	-	-
69,164	5	1.88	64,136	6	3.30
62,150	8	1.69	67,489	5	3.47
50,127	9	1.36	25,976	10	1.34
45,132	10	1.23	35,801	8	1.84
-		-	27,802	9	1.43
<hr/>			<hr/>		
\$ 1,356,059		36.89 %	\$ 784,003		40.33 %
<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>
2004	15,159 !	\$ 256,869,255	\$ 16,945 @	28	7,171	4.4 %
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 @	435,781,782	22,563 #	29	9,932	7.0

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	2013			2004		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Belton Independent School District	1,400	1	18.62 %	1,500	1	23.30 %
Bell County	1,073	2	14.27	958	2	14.88
James Construction Group	700	3	9.31	-		-
Super Wal-Mart	450	4	5.99	-		-
University of Mary Hardin Baylor	405	5	5.39	316	3	4.91
HEB Grocery	325	6	4.32	154	5	2.39
Cedar Crest Hospital & Clinic	185	7	2.46	145	6	2.25
CGI	178	8	2.37	-		-
TruMH	160	9	2.13	-		-
City of Belton	158	10	2.10	125	10	1.94
Custom Printing	-		-	300	4	4.66
Fleetwood Homes of Texas	-		-	145	7	2.25
Superior Chaircraft	-		-	140	8	2.17
United Parcel Service	-		-	127	9	1.97
Total	5,034		66.96 %	3,910		60.72 %

Source: Belton Economic Development Corporation.



Table XIX

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	12	12	13	13	13	14	14	15	16	18
Public safety:										
Police:										
Officers	24	27	27	28	28	28	29	29	30	32
Civilians	9	9	9	9	9	9	9	9	10	10
Fire:										
Firefighters and officers	26	26	26	26	26	26	32	32	32	32
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and streets	8	10	10	11	11	11	10	9	9	9
Planning	4	5	5	5	6	6	6	6	4	4.5
Culture and recreation	12	12	13	16	16	16	16	17	17	17
Solid waste	-	-	-	-	-	-	1	1	1	1
Maintenance	6	6	6	6	6	7	7	7	7	8
Water and sewer	20	20	20	20	20	19	20	21	21	21
Economic development	2	2	2	2	2	3	3	3	2	2
Drainage	-	-	-	-	-	1	2	2	2	2
Total	<u>124</u>	<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>

Source: Finance Department, City of Belton, Texas

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

Function	2004	2005	2006	2007
Police:				
Citations issued	6,766	5,288	3,412	4,307
Alarms responded to	600	695	651	898
Disturbance calls	488	429	575	640
Animal control citations issued	10	-	-	-
Abatement of junk vehicle	-	-	-	-
Abatement of weedy lots	-	-	-	-
Dilapidated structures	-	-	-	-
Fire:				
Fires	114	182	200	123
Inspections	268	420	329	460
Investigations	5	12	17	28
Highways and streets:				
Signs erected	100	149	65	90
Planning:				
Permits issued	1,070	1,515	1,585	1,413
Inspections	1,561	1,735	1,905	2,848
Abatement of junk vehicle	200	300	300	384
Abatement of weedy lots	325	500	500	1,651
Dilapidated structures	40	25	25	30
Culture and recreation:				
Library circulation	52,423	43,306	43,132	38,878
Maintenance:				
Work orders completed	1,495	1,025	980	1,390
Water:				
New connections	69	133	214	159
Water main breaks	12	12	15	6
Average daily water consumption (millions of gallons)	2.01	1.66	1.31	1.61
Sewer:				
Average daily sewage treatment (millions of gallons)	1.62	1.64	1.04	1.56

Sources: Various city departments.

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

Table XX

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
3,954	4,085	4,050	3,019	3,248	2,930
924	1,029	1,100	1,222	1,202	1,100
1,187	1,359	1,150	692	692	720
-	37	24	15	19	33
-	-	-	-	367	225
-	-	-	-	940	890
-	-	-	-	7	4
105	147	101	162	66	113
480	499	505	271	355	143
22	16	20	31	53	27
121	925	900	910	304	492
1,462	1,414	1,438	1,532	1,297	806
2,549	2,436	1,668	2,205	2,200	2,372
328	302	356	211	-	-
1,527	1,339	2,129	1,164	-	-
20	15	16	4	-	-
37,194	46,631	49,242	58,415	61,670	65,072
1,370	1,640	1,150	1,854	1,367	1,398
145	109	106	93	166	94
4	16	26	22	31	27
2.45	2.51	2.00	2.66	3.06	2.93
1.13	1.12	1.46	1.18	1.31	1.32

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

Function	2004	2005	2006	2007
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)	96	101	103	115
Culture and recreation:				
Parks acreage	168.7	168.7	175.2	177
Playgrounds	13	13	13	14
Ball fields	13	13	13	14
Sports courts	8	8	8	8
Pavilions	5	5	5	6
Amphitheaters	1	1	1	1
Trails (miles)	2.2	2.2	2.2	3.5
Water:				
Service connections	4,704	4,837	5,051	5,210
Water mains (miles)	104	106	108.5	112
Water pump stations	2	2	2	2
Fire hydrants	617	656	684	702
Plant capacity (millions of gallons)	6.57	6.57	6.57	6.57
Sewer:				
Service connections	3,689	3,797	3,895	4,016
Sanitary sewers (miles)	92	102	103	103
Number of lift stations	18	18	18	17
Treatment plant capacity (millions of gallons)	2.5	2.5	2.5	2.5

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1	1	1	1	1	1
12	12	12	14	14	14
2	2	2	2	2	2
116	118	119	119	121	122
184	184	189	188.7	188.7	194
16	16	16	16	16	17
14	14	14	14	14	14
11	11	11	11	11	11
6	6	7	7	7	7
1	1	1	1	1	1
4.25	4.25	4.25	4.25	4.25	5
5,355	5,464	5,663	5,785	5,902	6,065
114	115	116	116	117	119
2	2	2	2	2	2
742	752	840	840	843	870
6.57	6.57	6.57	6.57	6.57	6.57
4,115	4,192	4,245	4,245	4,351	4,358
104	106	107	108	130	133
17	17	16	15	16	15
2.5	2.5	2.5	2.5	2.5	2.5

