



# **City of Belton, Texas**

## **Annual Comprehensive**

## **Financial Report**

**for the Fiscal Year Ended**

**September 30, 2021**



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

For the Fiscal Year Ended  
September 30, 2021

CITY MANAGER  
Sam A. Listi

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

# City of Belton Texas

Year Ended September 30, 2021

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# City of Belton

★ *Founded 1850* ★

February 14, 2022

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

The City Charter and State statutes require that the City of Belton (City) publish, at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of the City of Belton, Texas, for the fiscal year ended September 30, 2021.

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, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and should be read in conjunction with it.

## **Profile of the City**

The City of Belton was founded in 1850 and chartered in 1852. On July 13, 1877, Belton was incorporated by the Texas Legislature. Located in Central Texas on Interstate Highways 35 and 14, Belton is approximately 65 miles north of Austin and 40 miles south of Waco. The City occupies a land area of 21 square miles and serves a population of approximately 24,000. Belton is the county seat of Bell County. Two large lakes adjacent to the City, Belton Lake and Stillhouse Hollow Lake, offer excellent fishing, camping, and water sports with 168 miles of shoreline.

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

The City of Belton provides a full range of services, including police and fire protection, construction and maintenance of streets, roads and other infrastructure, solid waste collection, planning and zoning, parks programming and maintenance, library services, and administrative services necessary to serve the citizens of our community. Water, sewer, and drainage services are operated under an enterprise fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. In addition, the City of Belton is also financially accountable for a legally separate economic development corporation, which is reported separately within the City of Belton's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements.

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

The City Charter establishes the fiscal year as the twelve-month period beginning October 1 and ending September 30. Department Heads submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year by June 1. The City Manager then submits a budget of estimated expenditures and revenues to the City Council no later than August 31. Afterwards, the City Council sets the time and place of a public hearing on the budget. A notice of the hearing is published at least five days before the day of the hearing. The budget shall be finally adopted by ordinance no later than the twenty-seventh day of September. If City Council takes no final action on or prior to such day, the budget submitted by the City Manager shall be deemed to have been finally adopted by the Council until such time as the City Council adopts a budget pursuant to the provisions of the Charter.

After adoption of the budget, the City Manager may transfer any unencumbered appropriation or portion thereof between general classifications of expenditures within a division or department. At the request of the City Manager, the Council may by resolution, transfer any unencumbered appropriation or portion thereof from one division or department to another. After adoption, the City Council may amend the budget at any time by ordinance.

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

## **Local Economy**

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

Belton is proud to be the home of the University of Mary Hardin-Baylor (UMHB), a private four-year college with an enrollment of over 3,800 students representing 30 foreign countries. UMHB was chartered by the Republic of Texas in 1845, making it the oldest continuously operated college in the State of Texas. Belton Independent School District (BISD) is the largest employer in the City. BISD serves over 12,000 students on 18 campuses, 9 of which are in the city limits of Belton.

The unemployment rate for the Temple-Killeen-Ft Hood MSA decreased to 5.1% from 7.0% one year ago. The elevated rate of unemployment in 2020 was due to the COVID-19 pandemic. Property values and sales taxes have risen as the development of residential and commercial property continues throughout the area.

## **Long-Term Financial Planning**

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

The Strategic Plan leads to the development of a Capital Improvements Program (CIP). The CIP lists major projects that are expected within the next five years. It includes cost estimates and funding methods. The City has identified nearly \$60 million in capital projects for the 2022-2026 timeframe. The timing of these projects may be advanced or postponed depending upon development and funding availability.

## **Major Initiatives**

A strong, thriving community requires continual investment in its people, facilities, and infrastructure to deliver an exceptional quality of life. A goal in the Strategic Plan, the City of Belton implemented a street maintenance plan. The plan should elevate the quality of streets and create long-term savings through the systematic use of preventive maintenance. The cost of maintenance and other corrective actions each year are analyzed and typically included in the

annual budget. Street maintenance funding in FY 2022 will reach \$650,000, potentially increasing beyond that in the years to come.

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

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

### **Relevant Financial Policies**

The City’s adopted fund balance policy requires the maintenance of reserves equal to three months of operating expenditures plus any fund-supported debt service. Balances in excess of this reserve requirement can be directed by City Council towards capital improvements. At September 30, 2021, all operating funds are compliant with this policy.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belton, Texas, for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2020. This was the thirty-fifth consecutive year that the City of Belton has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the GFOA presented a Distinguished Budget Presentation Award to the City of Belton, Texas, for its annual budget document for the fiscal year beginning October 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. This was the thirtieth consecutive year that the City has received the budget award.

## Acknowledgements

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

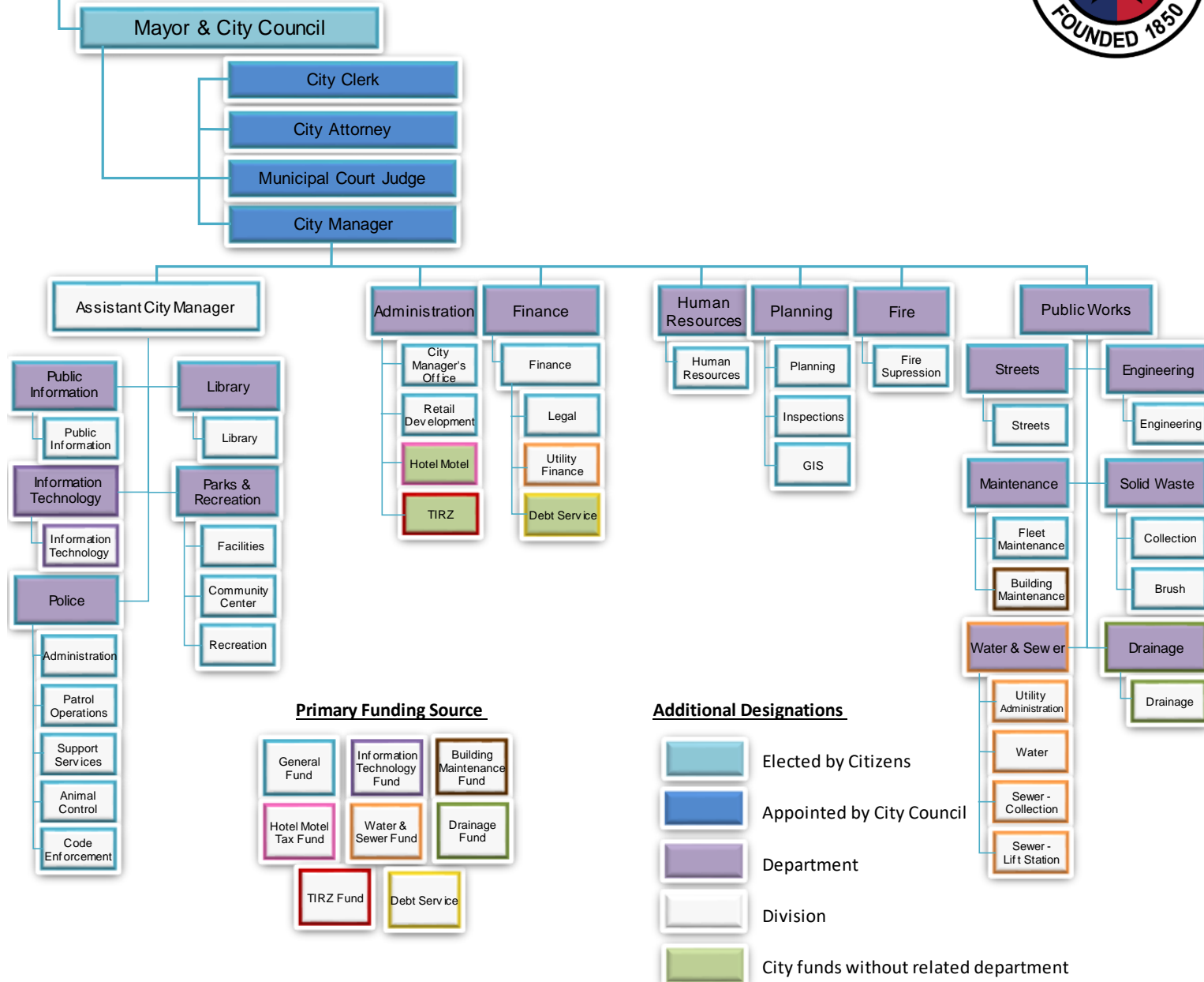
Respectfully submitted,



Sam A. Listi  
City Manager



William Michael Rodgers, CPA  
Director of Finance



# ***CITY OF BELTON***

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## **ELECTED OFFICIALS**

### **CITY COUNCIL**

Two-Year Terms

<b><u>NAME</u></b>	<b><u>TERM EXPIRES</u></b>
Wayne Carpenter, Mayor	May 2022
Dan Kirkley, Mayor Pro Tem	May 2023
Guy O'Banion	May 2022
Craig Pearson	May 2024
David K. Leigh	May 2024
Daniel Bucher	May 2022
John Holmes	May 2023

## **APPOINTED OFFICIALS**

### **CITY ADMINISTRATION**

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





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
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Reporting

Presented to

**City of Belton  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morrell*

Executive Director/CEO





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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the 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, 2021, 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.

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, 2021, 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.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, the schedules of changes in the City's net pension liability and related ratios and contributions on pages 72 to 75, and the schedule of changes in the City's total OPEB liability and related ratios and contributions on pages 77 and 78 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 February 14, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

February 14, 2022



## Management's Discussion and Analysis

As management of the City of Belton, Texas, we offer readers of the financial statements this narrative discussion and analysis of the financial activities of the City of Belton for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$94,438,713 (*net position*). Of this amount, \$16,783,261 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 \$4,723,996, primarily due to grants and contributions from third parties.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$15,572,680, an increase of \$2,073,546 in comparison with the prior year. Of this total amount, \$5,454,084 (35.0 percent) is available for spending at the City's discretion (*unassigned fund balance*).
- During the current year, the City determined that a certain fund previously reported as part of the general fund should be reported as a separate special revenue fund. Accordingly, the fund balance at October 1, 2020 was decreased for the general fund and increased for the other governmental funds by \$38,547. There was no impact on beginning net position for governmental activities.
- During the current year, the City implemented the use of internal service funds that had been previously reported as capital projects funds. Accordingly, the fund balance at October 1, 2020 was decreased for other governmental funds and increased for internal service funds by \$85,924. There was no impact on beginning net position for governmental activities.
- During the current year, the City determined that certain infrastructure assets recorded by the Belton Economic Development Corporation, Inc. were maintained by certain other funds of the primary government. Accordingly, net position at October 1, 2020 was increased by \$1,064,414 for governmental activities and \$154,953 for business-type activities and decreased by \$1,219,367 for the Belton Economic Development Corporation.
- 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 \$6,326,084, or 42.2 percent of total general fund expenditures.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing

decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains approximately thirty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, TIRZ Fund, and American Rescue Plan Grant Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund statements and schedules section of this report.

The 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 two types 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.

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

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

The basic proprietary fund financial statements can be found on pages 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 – 70 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 72 - 79 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 86 through 98 of this report.

## Government-Wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$94,438,713 at the close of the most recent fiscal year.

### City of Belton Statement of Net Position

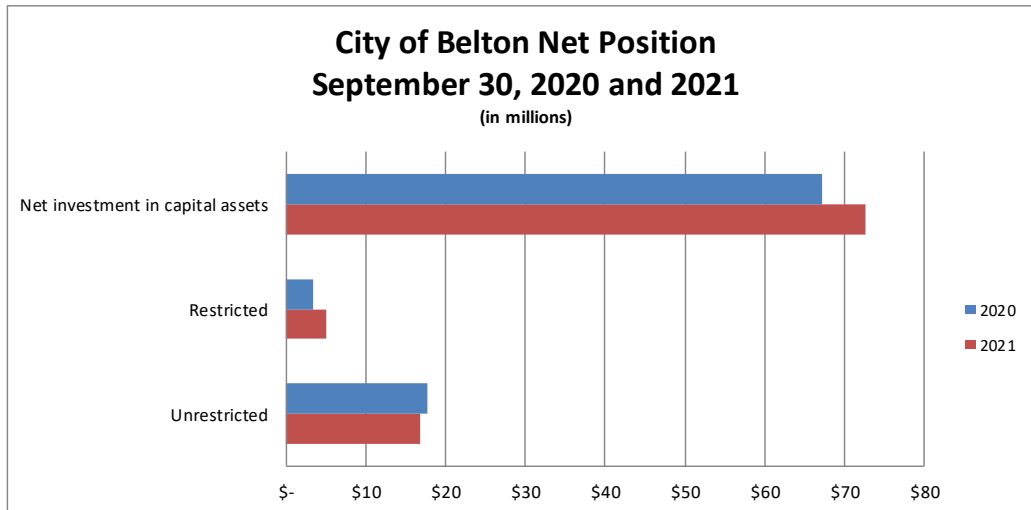
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 20,492,937	\$ 15,033,532	\$ 17,105,651	\$ 17,337,312	\$ 37,598,588	\$ 32,370,844
Capital assets	42,793,871	41,996,325	53,944,414	50,043,672	96,738,285	92,039,997
Total assets	<u>63,286,808</u>	<u>57,029,857</u>	<u>71,050,065</u>	<u>67,380,984</u>	<u>134,336,873</u>	<u>124,410,841</u>
Total deferred outflows of resources	<u>847,658</u>	<u>792,936</u>	<u>175,790</u>	<u>141,377</u>	<u>1,023,448</u>	<u>934,313</u>
Long-term liabilities outstanding	13,892,352	14,053,769	16,569,789	17,412,348	30,462,141	31,466,117
Other liabilities	6,191,634	2,764,190	3,473,764	1,715,529	9,665,398	4,479,719
Total liabilities	<u>20,083,986</u>	<u>16,817,959</u>	<u>20,043,553</u>	<u>19,127,877</u>	<u>40,127,539</u>	<u>35,945,836</u>
Total deferred inflows of resources	<u>649,167</u>	<u>756,948</u>	<u>144,902</u>	<u>147,020</u>	<u>794,069</u>	<u>903,968</u>
Net position:						
Net investment in capital assets	31,392,391	29,333,704	41,254,526	37,888,290	72,646,917	67,221,994
Restricted	5,008,535	3,527,740	-	-	5,008,535	3,527,740
Unrestricted	<u>7,000,387</u>	<u>7,386,442</u>	<u>9,782,874</u>	<u>10,359,174</u>	<u>16,783,261</u>	<u>17,745,616</u>
Total net position	<u>\$ 43,401,313</u>	<u>\$ 40,247,886</u>	<u>\$ 51,037,400</u>	<u>\$ 48,247,464</u>	<u>\$ 94,438,713</u>	<u>\$ 88,495,350</u>

By far the largest portion of the City's net position (\$72,646,917 or 76.9 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 (\$5,008,535 or 5.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$16,783,261 or 17.8 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.

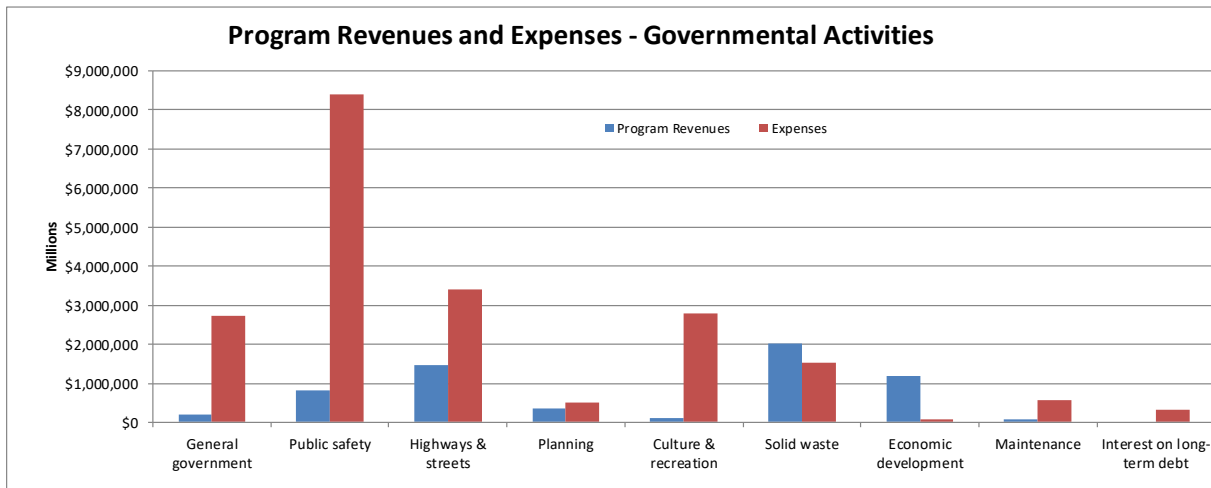
The City's total net position increased \$4,723,996 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities.



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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,064,557	\$ 2,043,618	\$ 9,941,066	\$ 9,519,672	\$ 13,005,623	\$ 11,563,290
Operating grants and contributions	1,707,513	2,318,475	-	-	1,707,513	2,318,475
Capital grants and contributions	1,465,540	3,183,589	3,940,303	4,624,032	5,405,843	7,807,621
General revenues:						
Property taxes	9,009,410	8,374,239	-	-	9,009,410	8,374,239
Sales taxes	4,896,247	4,085,122	-	-	4,896,247	4,085,122
Franchise taxes	1,238,870	1,243,128	-	-	1,238,870	1,243,128
Other taxes	295,932	215,676	-	-	295,932	215,676
Investment earnings	19,147	146,401	19,867	167,618	39,014	314,019
Gain on sale of assets	58,805	89,331	11,500	13,700	70,305	103,031
Other income	113,680	564,626	-	-	113,680	564,626
Total revenues	21,869,701	22,264,205	13,912,736	14,325,022	35,782,437	36,589,227
<b>Expenses:</b>						
General government	2,720,745	2,148,096	-	-	2,720,745	2,148,096
Public safety	8,402,934	7,549,450	-	-	8,402,934	7,549,450
Highways and streets	3,410,000	2,901,276	-	-	3,410,000	2,901,276
Planning	522,439	461,414	-	-	522,439	461,414
Culture and recreation	2,775,670	2,338,802	-	-	2,775,670	2,338,802
Solid waste	1,533,809	1,446,642	-	-	1,533,809	1,446,642
Economic development	75,715	332,050	-	-	75,715	332,050
Maintenance	568,396	657,567	-	-	568,396	657,567
Interest and other fiscal charges	333,711	415,010	-	-	333,711	415,010
Water and sewer	-	-	10,102,907	7,914,735	10,102,907	7,914,735
Drainage	-	-	612,115	520,771	612,115	520,771
Total expenses	20,343,419	18,250,307	10,715,022	8,435,506	31,058,441	26,685,813
Changes in net position before transfers	1,526,282	4,013,898	3,197,714	5,889,516	4,723,996	9,903,414
Transfers	562,731	599,226	(562,731)	(599,226)	-	-
Changes in net position	2,089,013	4,613,124	2,634,983	5,290,290	4,723,996	9,903,414
Net position, beginning of year as previously reported	40,247,886	35,634,762	48,247,464	42,957,174	88,495,350	78,591,936
Prior period adjustment	1,064,414	-	154,953	-	1,219,367	-
Net position, beginning of year as restated	41,312,300	35,634,762	48,402,417	42,957,174	89,714,717	78,591,936
Net position, end of year	\$ 43,401,313	\$ 40,247,886	\$ 51,037,400	\$ 48,247,464	\$ 94,438,713	\$ 88,495,350

**Governmental activities.** During the current fiscal year, net position for governmental activities increased \$2,089,013 from the prior fiscal year for an ending balance of \$43,401,313. This increase was primarily the result of increases in charges for services for planning and solid waste collection. Property and sales tax revenue also increased by \$1,446,296 over the previous year as property values and retail spending continued to grow.



**Business-type activities.** For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to an ending balance of \$51,037,400. The total increase in net position for business-type activities (Water and Sewer Fund, and Drainage Fund) was \$2,634,983. Key changes year over year included:

- Charges for business-type activities totaled \$9,941,066, an increase of \$421,394 from the prior year. This increase is a reflection of a growing customer base.
- Expenses for business-type activities totaled \$10,715,022, a 27.0 percent increase over prior year. Expenses rose as a result of a water line relocation project and major maintenance at the wastewater treatment plant.
- Capital contributions from developers and the Belton Economic Development Corporation totaled \$3,940,303.

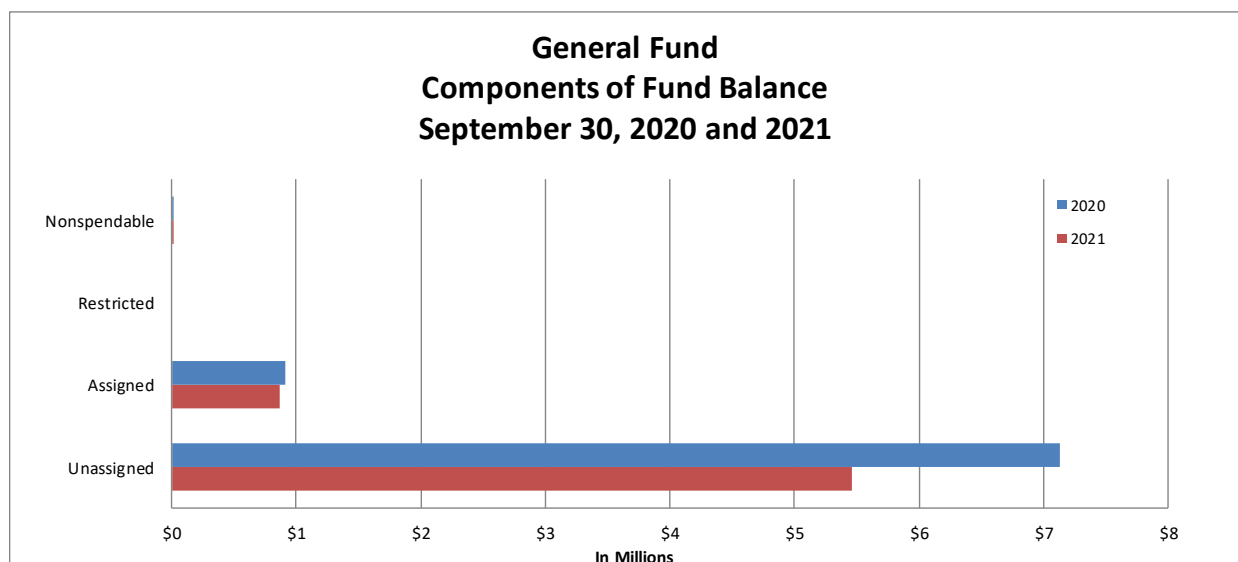
### Financial Analysis of the City's Funds

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

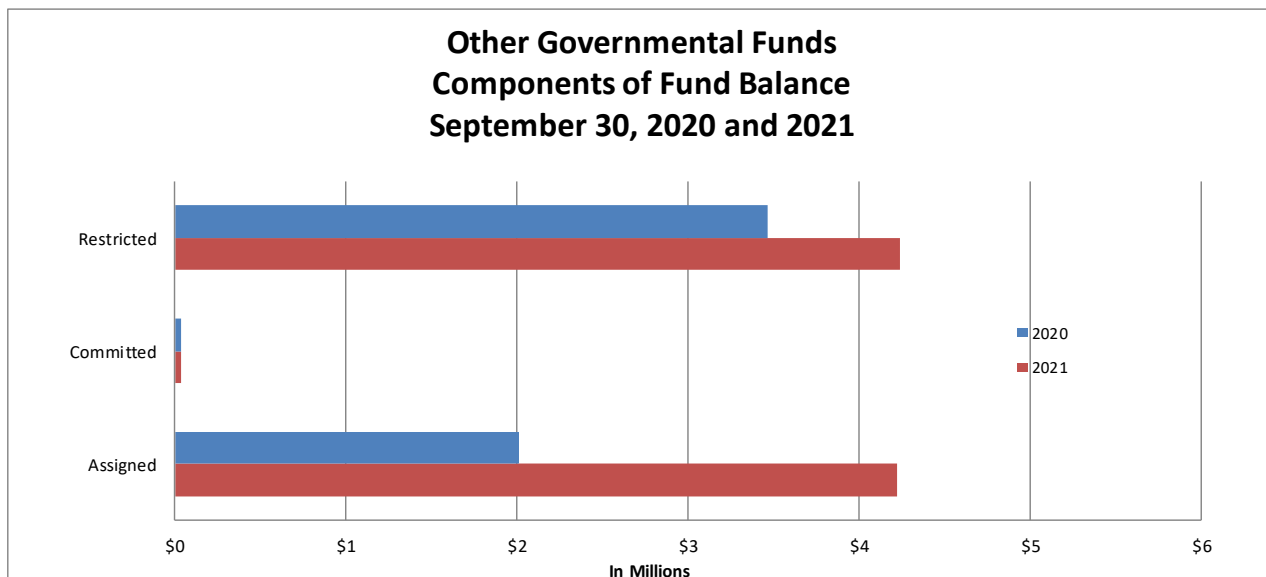
**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure 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, 2021, the City’s governmental funds reported combined ending fund balances of \$15,572,680, an increase of \$2,073,546 in comparison with the prior year. Approximately 35.0 percent (\$5,454,084) of this amount constitutes *unassigned fund balance*, which is available for spending at the City’s discretion. The remainder of fund balance is *non-spendable, restricted, committed, or assigned* to indicate that it is:

- 1) Not in spendable form (\$4,899);
- 2) Restricted for particular purposes:
  - a. Debt service (\$74,204);
  - b. Public, educational, or governmental access facilities (\$397,590);
  - c. Public safety training, equipment, and security facilities (\$182,038);
  - d. Cemetery maintenance and improvements (\$3,300);
  - e. Court technology (\$79,846)
  - f. Capital projects (\$3,115,834); and
  - g. Economic development (\$1,123,890).
- 3) Committed for particular purposes:
  - a. Economic development (\$41,142).
- 4) Assigned for particular purposes:
  - a. Future civil service costs (\$872,000);
  - b. Library books and services (\$47,803);
  - c. Tree mitigation (\$42,078); and
  - d. Capital projects and equipment (\$4,133,972)



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 \$5,454,084, while total fund balance decreased by \$1,679,057 to \$6,330,983. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund budgeted expenditures. Unassigned fund balance represents 29.3 percent of total General Fund budgeted expenditures, while total fund balance represents 34.0 percent of that same amount.



Assigned other governmental funds consists primarily of capital project and capital equipment replacement funds. The balance increased from 2020 to 2021 due to a year-end transfer from the General Fund to cash fund future capital projects.

Committed other governmental funds consist of the City funding dedicated to projects under the Texas Department of Housing and Community Affairs home replacement program and to special events that draw tourists. Contributions surpassed expenditures during the year by \$7,326.

Restricted governmental funds relate to funds restricted to a specific purpose such as bond funds, Tax Increment Reinvestment Zone funds, and hotel occupancy taxes. The fund balance increase from 2020 to 2021 was the result of rising contributions into the Tax Increment Reinvestment Zone Capital Projects Fund.

The Debt Service Fund, a major fund, had an increase in fund balance during the current year of \$43,693, to bring the year-end fund balance to \$74,204. This increase was due to a higher collection rate than anticipated.

The TIRZ Fund, a major fund in 2021, had an increase in fund balance during the current year of \$367,027, to bring the year-end fund balance to \$661,040. This increase was due to growing property values within the Tax Increment Reinvestment Zone.

The American Rescue Plan Grant Fund, a major fund and new fund in 2021, had an ending fund balance of \$125. Grant funds totaling \$2,835,291 were received during the year and will be expended in future fiscal years to respond to and recover from the COVID-19 public health emergency.

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

Net position of the Water and Sewer Fund at the end of the year was \$45,904,083, and the net position of the Drainage Fund amounted to \$5,133,317. The total change in net position was \$2,424,339 and \$210,644, respectively. Notable changes in the Water and Sewer Fund activity include:

- Charges for sales and services grew by 3.7 percent to \$9,275,660, due to increased consumption from an expanding customer base;
- Operating expenses totaled \$9,639,221, an increase of \$2,216,437 or 30.0 percent from the prior year. The increase was primarily driven by depreciation and higher costs for water production and sewer treatment; and
- Capital contributions were \$3,662,398 for the dedication of water and sewer lines in new subdivisions.

Notable changes in the Drainage Fund activity include:

- An increase in revenue of \$26,614 or 5.1 percent due to an increased number of customers in the current year;
- Operating expenses totaled \$605,296, and increase of \$92,087 or 17.9 percent from the prior year. The increase was primarily driven by depreciation and higher personnel costs; and
- There was \$277,905 in capital contributions for the dedication of drainage facilities in new subdivisions.

### **Budgetary Highlights**

**Original Budget Compared to Final Budget.** Budgeted uses of funds, inclusive of expenditures and transfers out, increased by \$3,244,350 between the original budget and final General Fund budget. The increase in uses was attributable to costs related to street maintenance and the transfer of funds for future capital projects.

Budgeted sources of funds, inclusive of revenues and other financial sources, increased by \$633,800 between the original and final budget. The increase in sources was attributable to greater sales tax revenue growth than anticipated.

**Final budget compared to actual results.** There were no significant differences between budgeted revenues and actual revenues of the General Fund as well as other financing sources and uses.

The most significant differences between budgeted expenditures and actual expenditures related to public safety expenditures. The difference of \$301,256 was a result of lower personnel and uniform costs that anticipated.

## 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, 2021, amounts to \$96,738,285 (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 3.7 percent (a 0.6 percent decrease for governmental activities and a 7.5 percent increase for business-type activities).

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

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,749,158	\$ 4,745,526	\$ 285,175	\$ 285,175	\$ 5,034,333	\$ 5,030,701
Buildings	4,913,258	5,304,317	133,798	114,733	5,047,056	5,419,050
Improvements other than buildings	1,255,328	1,420,205	-	-	1,255,328	1,420,205
Machinery and equipment	2,480,399	2,065,449	1,875,557	1,929,384	4,355,956	3,994,833
Infrastructure	27,918,944	29,285,431	47,815,171	47,167,476	75,734,115	76,452,907
Construction in progress	1,476,784	239,811	3,834,713	701,857	5,311,497	941,668
Total	<u>\$ 42,793,871</u>	<u>\$ 43,060,739</u>	<u>\$ 53,944,414</u>	<u>\$ 50,198,625</u>	<u>\$ 96,738,285</u>	<u>\$ 93,259,364</u>

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

- Work was completed on:
  - IH-35 water line;
  - Three Creeks utility infrastructure;
  - Belton Meadows street and utility infrastructure;
  - Haun Hollow utility infrastructure; and
  - Grove Court sewer line.
- Work began/continued on:
  - North Belton water tank;
  - East 6<sup>th</sup> Avenue water line;
  - Temple Belton Wastewater Treatment Plant; and
  - South Belton sewer line.

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

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$27,520,000, excluding bond premiums. All of this debt is secured by the full faith and credit of the City. Of the total, \$16,651,600 is pledged with water and sewer revenue and storm water drainage revenue.

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

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 7,320,000	\$ 8,340,000	\$ 695,000	\$ 855,000	\$ 8,015,000	\$ 9,195,000
Certificates of obligation	3,548,400	3,710,076	15,956,593	16,844,919	19,504,993	20,554,995
Total	<u>\$ 10,868,400</u>	<u>\$ 12,050,076</u>	<u>\$ 16,651,593</u>	<u>\$ 17,699,919</u>	<u>\$ 27,519,993</u>	<u>\$ 29,749,995</u>

The City's total bonded debt decreased by \$2.2 million (7.5 percent) during the current fiscal year. The decrease was due to regularly scheduled principal payments of approximately \$2.2 million.

No direct funded debt limitation is imposed on the City under current State law or the City Charter. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem rate to \$2.50 per \$100 of assessed valuation for all City purposes. The City Charter limits the tax rate to \$1.90 per \$100 of assessed valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the maximum tax rate for general obligation debt service. The City's fiscal year 2021 tax rate is well below all of the aforementioned limits.

Additional information on the City's long-term debt can be found in Note VI on pages 53 - 56 of this report.

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

The following economic factors currently affect the City of Belton and were considered in developing the 2022 fiscal year budget:

- Measures taken by various governments to contain the COVID-19 pandemic have affected economic activity. The impact on future market conditions, however, remains uncertain and cannot be estimated at this time.
- The local economy has remained stable and is experiencing growth as evidenced by construction activity. Several large projects are underway, and the City continues to make infrastructure improvements and conduct master planning which will position the City for future expansion.
- Growth does create new challenges which must be addressed, and the Strategic Plan provides a framework for the future. Meeting these challenges takes the vision of Council to guide the Strategic Plan, financial resources to fund the Plan, and a management team and staff to implement the Plan. The Belton City Council, management, and staff remain dedicated to the purposes of planning and providing for the future of the City.

- Compared to the previous year that included considerable uncertainty surrounding COVID-19, the budget development process for fiscal year 2022 was made easier by property tax and sales tax revenue that has proven to be resistant to the pandemic. A strong demand for housing, along with limited supply, continues to push property values higher. Federal government stimulus checks, and other COVID relief efforts, have driven consumer spending – and the sales tax that it generates – to record levels in Belton. Higher revenues in fiscal year 2022 provide the resources to fund several Strategic Plan priorities such as street maintenance, infrastructure rehabilitation, and employee compensation.
- On February 8, 2022, the City issued \$6.295 million Combination Tax and Limited Revenue Certificates of Obligation, Series 2022. Proceeds from the sale will be used for several utility infrastructure projects. Although the bonds are secured by ad valorem taxes, the City intends to use utility revenues to pay the debt service on the obligation.

### **Requests for Information**

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

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

## **Basic Financial Statements**



**City of Belton, Texas**  
**Statement of Net Position**  
**September 30, 2021**

	Primary Government			Component Unit
	Governmental	Business-type	Total	Belton Economic
	Activities	Activities		Development
				Corporation, Inc.
<b>Assets</b>				
Cash and cash equivalents	\$ 18,001,501	15,791,819	33,793,320	10,463,479
Receivables (net of allowance for uncollectibles)	1,836,940	1,244,452	3,081,392	493,197
Due from other governments	649,597	-	649,597	-
Prepaid items	4,899	69,380	74,279	-
Note receivable	-	-	-	106,265
Capital assets not being depreciated:				
Land	4,749,158	285,175	5,034,333	906,896
Construction in progress	1,476,784	3,834,713	5,311,497	371,157
Capital assets, net of accumulated depreciation:				
Buildings	4,913,258	133,798	5,047,056	525,154
Improvements other than buildings	1,255,328	-	1,255,328	-
Machinery and equipment	2,480,399	1,875,557	4,355,956	5,951
Infrastructure	27,918,944	47,815,171	75,734,115	-
Total assets	63,286,808	71,050,065	134,336,873	12,872,099
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources	847,658	175,790	1,023,448	18,024
Total deferred outflows of resources	847,658	175,790	1,023,448	18,024
<b>Liabilities</b>				
Accounts and retainages payable	1,176,059	1,831,529	3,007,588	8,705
Accrued interest payable	35,484	80,541	116,025	-
Other accrued liabilities	542,052	117,454	659,506	11,508
Customer deposits payable	18,960	303,415	322,375	2,200
Unearned revenue	2,835,291	-	2,835,291	-
Noncurrent liabilities:				
Due within one year	1,583,788	1,140,825	2,724,613	24,497
Due in more than one year	13,892,352	16,569,789	30,462,141	66,688
Total liabilities	20,083,986	20,043,553	40,127,539	113,598
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources	649,167	144,902	794,069	14,855
Total deferred inflows of resources	649,167	144,902	794,069	14,855
<b>Net Position</b>				
Net investment in capital assets	31,392,391	41,254,526	72,646,917	1,809,158
Restricted for:				
Debt service	106,037	-	106,037	-
Capital projects	3,115,834	-	3,115,834	-
Economic development	1,123,890	-	1,123,890	-
Court	79,846	-	79,846	-
Public safety	182,038	-	182,038	-
Public access facilities	397,590	-	397,590	-
Cemetery	3,300	-	3,300	-
Unrestricted	7,000,387	9,782,874	16,783,261	10,952,512
 Total net position	 \$ 43,401,313	 51,037,400	 94,438,713	 12,761,670

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Statement of Activities**  
For the Fiscal Year Ended  
September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,720,745	174,336	15,093	-
Public safety	8,402,934	328,168	497,924	-
Highways and streets	3,410,000	-	-	1,465,540
Planning	522,439	347,166	-	-
Culture and recreation	2,775,670	111,787	735	-
Solid waste	1,533,809	2,033,848	-	-
Economic development	75,715	-	1,193,761	-
Maintenance	568,396	69,252	-	-
Interest and other fiscal charges	333,711	-	-	-
Total governmental activities	<u>20,343,419</u>	<u>3,064,557</u>	<u>1,707,513</u>	<u>1,465,540</u>
Business-type activities:				
Water and sewer	10,102,907	9,396,990	-	3,662,398
Drainage	612,115	544,076	-	277,905
Total business-type activities	<u>10,715,022</u>	<u>9,941,066</u>	<u>-</u>	<u>3,940,303</u>
Total primary government	<u>\$ 31,058,441</u>	<u>13,005,623</u>	<u>1,707,513</u>	<u>5,405,843</u>
<b>Component unit:</b>				
Belton Economic Development Corporation, Inc.				
	\$ 1,471,019	30,040	-	-
Total component unit	<u>\$ 1,471,019</u>	<u>30,040</u>	<u>-</u>	<u>-</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel/motel taxes				
Alcoholic beverage taxes				
Unrestricted investment earnings				
Miscellaneous				
Gain on sale of assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year as previously reported				
Prior period adjustment				
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.
(2,531,316)		(2,531,316)	
(7,576,842)		(7,576,842)	
(1,944,460)		(1,944,460)	
(175,273)		(175,273)	
(2,663,148)		(2,663,148)	
500,039		500,039	
1,118,046		1,118,046	
(499,144)		(499,144)	
(333,711)		(333,711)	
<u>(14,105,809)</u>		<u>(14,105,809)</u>	
-	2,956,481	2,956,481	
-	209,866	209,866	
<u>-</u>	<u>3,166,347</u>	<u>3,166,347</u>	
<u>(14,105,809)</u>	<u>3,166,347</u>	<u>(10,939,462)</u>	
			<u>(1,440,979)</u>
			<u>(1,440,979)</u>
\$ 9,009,410	-	9,009,410	-
4,896,247	-	4,896,247	2,447,756
1,238,870	-	1,238,870	-
234,924	-	234,924	-
61,008	-	61,008	-
19,147	19,867	39,014	11,601
113,680	-	113,680	34,768
58,805	11,500	70,305	-
562,731	(562,731)	-	-
<u>16,194,822</u>	<u>(531,364)</u>	<u>15,663,458</u>	<u>2,494,125</u>
2,089,013	2,634,983	4,723,996	1,053,146
40,247,886	48,247,464	88,495,350	13,618,483
1,064,414	154,953	1,219,367	(1,909,959)
<u>41,312,300</u>	<u>48,402,417</u>	<u>89,714,717</u>	<u>11,708,524</u>
<u>\$ 43,401,313</u>	<u>51,037,400</u>	<u>94,438,713</u>	<u>12,761,670</u>

**City of Belton, Texas**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2021**

	General	Debt Service	TIRZ	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 6,114,710	72,569	661,040	2,835,416	8,122,980	17,806,715
Receivables (net of allowance for uncollectibles)	1,740,887	33,765	-	-	62,288	1,836,940
Due from other governments	18,577	-	-	-	631,020	649,597
Due from other funds	32,265	-	-	-	-	32,265
Prepaid items	4,899	-	-	-	-	4,899
Total assets	\$ 7,911,338	106,334	661,040	2,835,416	8,816,288	20,330,416
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
Liabilities:						
Accounts and retainages payable	\$ 856,234	297	-	-	276,191	1,132,722
Accrued liabilities	518,730	-	-	-	1,504	520,234
Customer deposits payable	18,960	-	-	-	-	18,960
Unearned revenue	-	-	-	2,835,291	-	2,835,291
Due to other funds	-	-	-	-	32,265	32,265
Total liabilities	1,393,924	297	-	2,835,291	309,960	4,539,472
Deferred inflows of resources:						
Unavailable revenue	186,431	31,833	-	-	-	218,264
Total deferred inflows of resources	186,431	31,833	-	-	-	218,264
Fund balances:						
Nonspendable	4,899	-	-	-	-	4,899
Restricted	-	74,204	661,040	125	4,241,333	4,976,702
Committed	-	-	-	-	41,142	41,142
Assigned	872,000	-	-	-	4,223,853	5,095,853
Unassigned	5,454,084	-	-	-	-	5,454,084
Total fund balances	6,330,983	74,204	661,040	125	8,506,328	15,572,680
Total liabilities, deferred inflows of resources and fund balances	\$ 7,911,338	106,334	661,040	2,835,416	8,816,288	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds						42,635,103
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.						218,264
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.						164,646
Long-term liabilities, including bonds payable and the net pension and total OPEB liabilities, are not due and payable in the current period, and therefore, are not reported in the funds.						(15,189,380)
Net position of governmental activities						\$ 43,401,313

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, 2021

	General	Debt Service	TIRZ	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Ad valorem	\$ 6,385,048	1,218,673	1,421,889	-	-	9,025,610
Sales	4,896,247	-	-	-	-	4,896,247
Franchise	1,210,378	-	-	-	28,492	1,238,870
Hotel/motel	-	-	-	-	234,924	234,924
Alcoholic beverage	61,008	-	-	-	-	61,008
Licenses and permits	347,166	-	-	-	-	347,166
Intergovernmental	341,136	-	893,761	-	1,173,120	2,408,017
Charges for services	2,196,422	-	-	-	-	2,196,422
Fines	269,873	-	-	-	25,835	295,708
Interest	11,249	653	571	125	6,503	19,101
Contributions and donations	-	-	-	-	15,093	15,093
Payments in lieu of taxes	10,851	-	-	-	-	10,851
Miscellaneous	61,744	-	-	-	9,762	71,506
Total revenues	<u>15,791,122</u>	<u>1,219,326</u>	<u>2,316,221</u>	<u>125</u>	<u>1,493,729</u>	<u>20,820,523</u>
Expenditures:						
Current:						
General government	2,075,139	-	-	-	397,289	2,472,428
Public safety	7,058,242	-	-	-	135,461	7,193,703
Highways and streets	1,497,811	-	-	-	64,917	1,562,728
Planning	471,912	-	-	-	-	471,912
Culture and recreation	1,865,285	-	-	-	54,921	1,920,206
Solid waste	1,511,814	-	-	-	-	1,511,814
Economic development	-	-	54,898	-	20,817	75,715
Maintenance services	473,616	-	-	-	-	473,616
Debt service:						
Principal	-	801,675	380,000	-	-	1,181,675
Interest and fiscal charges	-	373,958	34,090	-	-	408,048
Capital outlay	33,249	-	-	-	2,233,645	2,266,894
Total expenditures	<u>14,987,068</u>	<u>1,175,633</u>	<u>468,988</u>	<u>-</u>	<u>2,907,050</u>	<u>19,538,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>804,054</u>	<u>43,693</u>	<u>1,847,233</u>	<u>125</u>	<u>(1,413,321)</u>	<u>1,281,784</u>
Other financing sources (uses):						
Insurance proceeds	37,102	-	-	-	-	37,102
Proceeds from the sale of capital assets	5,259	-	-	-	172,807	178,066
Transfers in	592,865	-	-	-	4,586,802	5,179,667
Transfers out	(3,118,337)	-	(1,480,206)	-	(4,530)	(4,603,073)
Total other financing sources (uses)	<u>(2,483,111)</u>	<u>-</u>	<u>(1,480,206)</u>	<u>-</u>	<u>4,755,079</u>	<u>791,762</u>
Net change in fund balances	(1,679,057)	43,693	367,027	125	3,341,758	2,073,546
Fund balances, beginning of year as previously reported	8,048,587	30,511	294,013	-	5,211,947	13,585,058
Prior period adjustment	(38,547)	-	-	-	(47,377)	(85,924)
Fund balances, as restated	<u>8,010,040</u>	<u>30,511</u>	<u>294,013</u>	<u>-</u>	<u>5,164,570</u>	<u>13,499,134</u>
Fund balances, end of year	<u>\$ 6,330,983</u>	<u>74,204</u>	<u>661,040</u>	<u>125</u>	<u>8,506,328</u>	<u>15,572,680</u>

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, 2021

Net change in fund balances - total governmental funds (Exhibit A-4)	\$ 2,073,546
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$3,323,212) exceeds capital outlays (\$2,266,894) in the current period.	(1,056,318)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, etc.) is to increase net position. This is capital assets contributed (\$749,943) less the net book value of capital assets sold (\$119,261) in the current period.	630,682
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(30,306)
Internal service funds are used by management to charge the costs of certain services to individual funds. The change in net position of internal service funds is reported with governmental activities.	78,722
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. This amount is the net effect of change in the net pension liability and the related deferred outflows and inflows of resources (\$686,897), plus the net effect of change in the total OPEB liability and the related deferred outflows and inflows of resources (\$17,292) plus the change in accrued interest payable (\$4,943) plus the change in compensated absences (\$159,136).	(868,268)
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount of principal repayments and bond premium amortization in the current year.	<u>1,260,955</u>
Change in net position of governmental activities (Exhibit A-2)	<u><u>\$ 2,089,013</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, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Current ad valorem	\$ 6,208,169	6,208,169	6,227,234	19,065
Delinquent ad valorem	47,292	47,292	81,249	33,957
Penalty and interest	48,210	48,210	76,565	28,355
Total ad valorem	6,303,671	6,303,671	6,385,048	81,377
Sales	4,261,000	4,800,000	4,896,247	96,247
Franchise	1,223,586	1,223,586	1,197,475	(26,111)
Alcoholic beverage	52,563	52,563	61,008	8,445
Total taxes	11,840,820	12,379,820	12,539,778	159,958
Licenses and permits:				
Building	117,265	197,065	197,132	67
Electrical	34,789	34,789	41,337	6,548
Plumbing	47,523	47,523	63,268	15,745
Mechanical	17,349	17,349	18,491	1,142
Swimming pool	1,050	1,050	2,500	1,450
Rezoning fees	5,200	5,200	4,600	(600)
Subdivision fees	11,956	11,956	6,033	(5,923)
Miscellaneous	11,496	11,496	14,055	2,559
Total licenses and permits	246,628	326,428	347,416	20,988
Intergovernmental	50,044	50,044	14,172	(35,872)
Charges for services:				
Ambulance	45,000	45,000	39,485	(5,515)
Parks and recreation	114,928	114,928	149,460	34,532
Brush collection	211,400	211,400	205,920	(5,480)
Refuse collection	1,589,941	1,604,941	1,586,077	(18,864)
Total charges for services	1,961,269	1,976,269	1,980,942	4,673
Fines:				
Municipal court	220,320	220,320	187,749	(32,571)
Court fees	82,230	82,230	82,125	(105)
Total fines	302,550	302,550	269,874	(32,676)
Interest	49,830	49,830	11,234	(38,596)
Contributions and donations	1,100	1,100	-	(1,100)
Payments in lieu of taxes	9,598	9,598	10,851	1,253
Miscellaneous	565,660	565,660	576,175	10,515
Total revenues	15,027,499	15,661,299	15,750,442	89,143

(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, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
City council	\$ 82,250	82,250	59,759	22,491
City administration	603,221	633,081	610,840	22,241
Finance	630,609	630,609	607,901	22,708
Legal	237,874	237,874	222,449	15,425
Total general government	1,553,954	1,583,814	1,500,949	82,865
Public safety:				
Police	4,605,882	4,678,152	4,460,151	218,001
Fire	2,578,040	2,687,136	2,603,881	83,255
Total public safety	7,183,922	7,365,288	7,064,032	301,256
Highways and streets	1,020,114	1,783,954	1,651,897	132,057
Planning	536,157	536,157	471,912	64,245
Culture and recreation:				
Parks	1,378,871	1,438,321	1,386,238	52,083
Library	495,836	495,836	484,544	11,292
Total culture and recreation	1,874,707	1,934,157	1,870,782	63,375
Solid waste	1,518,828	1,535,308	1,511,815	23,493
Maintenance services	490,267	489,997	473,636	16,361
Other costs	545,651	279,081	240,106	38,975
Total expenditures	14,723,600	15,507,756	14,785,129	722,627
Excess (deficiency) of revenues over (under) expenditures	303,899	153,543	965,313	811,770
Other financing sources (uses):				
Insurance proceeds	-	-	37,102	37,102
Transfers in	602,203	602,203	592,865	(9,338)
Transfers out	(658,169)	(3,118,363)	(3,118,338)	25
Total other financing sources (uses)	(55,966)	(2,516,160)	(2,488,371)	27,789
Net change in fund balances	247,933	(2,362,617)	(1,523,058)	839,559
Fund balances, beginning of year	5,889,603	5,889,603	5,889,603	-
Fund balances, end of year	\$ 6,137,536	3,526,986	4,366,545	839,559

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Statement of Net Position –**  
**Proprietary Funds**  
**September 30, 2021**

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Drainage	Total	Activities Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 14,922,562	869,257	15,791,819	194,786
Receivables (net of allowance for uncollectibles)	1,188,234	56,218	1,244,452	-
Prepaid items	69,380	-	69,380	-
Total current assets	16,180,176	925,475	17,105,651	194,786
Noncurrent assets:				
Capital assets:				
Land	285,045	130	285,175	-
Buildings	198,222	-	198,222	-
Infrastructure	73,775,759	5,772,400	79,548,159	-
Machinery and equipment	3,822,872	290,527	4,113,399	176,556
Construction in progress	3,834,713	-	3,834,713	-
	81,916,611	6,063,057	87,979,668	176,556
Less accumulated depreciation	(32,407,064)	(1,628,190)	(34,035,254)	(17,788)
Total capital assets, net	49,509,547	4,434,867	53,944,414	158,768
Total noncurrent assets	49,509,547	4,434,867	53,944,414	158,768
Total assets	65,689,723	5,360,342	71,050,065	353,554
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources	157,500	18,290	175,790	32,984
<b>Liabilities</b>				
Current liabilities:				
Accounts and retainages payable	1,827,768	3,761	1,831,529	43,337
Accrued interest payable	79,512	1,029	80,541	-
Other accrued liabilities	107,689	9,765	117,454	21,818
Customer deposits payable	303,415	-	303,415	-
Compensated absences - current	66,334	1,166	67,500	6,874
Bonds payable - current	1,054,900	18,425	1,073,325	-
Total current liabilities	3,439,618	34,146	3,473,764	72,029
Noncurrent liabilities:				
Compensated absences	27,077	2,624	29,701	6,372
Net pension liability	467,587	54,297	521,884	97,918
Total OPEB liability	87,810	10,197	98,007	18,388
Bonds payable	15,791,222	128,975	15,920,197	-
Total noncurrent liabilities	16,373,696	196,093	16,569,789	122,678
Total liabilities	19,813,314	230,239	20,043,553	194,707
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources	129,826	15,076	144,902	27,185
<b>Net Position</b>				
Net investment in capital assets	36,967,059	4,287,467	41,254,526	158,768
Unrestricted	8,937,024	845,850	9,782,874	5,878
Total net position	\$ 45,904,083	5,133,317	51,037,400	164,646

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, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Drainage	Total	Internal Service Funds
Operating revenues:				
Charges for sales and services:				
Water service	\$ 5,293,154	-	5,293,154	-
Sewer service	3,546,462	-	3,546,462	-
Internal services	-	-	-	1,262,209
Storm drainage fees	-	544,076	544,076	-
Reconnect and late fees	87,995	-	87,995	-
Tap fees	348,049	-	348,049	-
Other operating revenue	121,330	-	121,330	-
Total operating revenues	<u>9,396,990</u>	<u>544,076</u>	<u>9,941,066</u>	<u>1,262,209</u>
Operating expenses:				
Salaries and wages	1,445,643	179,497	1,625,140	314,352
Employee benefits	676,477	83,986	760,463	215,096
Supplies	123,186	15,984	139,170	26,605
Repairs and maintenance	865,288	13,041	878,329	384,883
Water, sewage treatment, and other charges	2,888,696	15,631	2,904,327	142,574
Depreciation	3,639,931	297,157	3,937,088	17,788
Other operating expenses	-	-	-	68,372
Total operating expenses	<u>9,639,221</u>	<u>605,296</u>	<u>10,244,517</u>	<u>1,169,670</u>
Operating income (loss)	<u>(242,231)</u>	<u>(61,220)</u>	<u>(303,451)</u>	<u>92,539</u>
Nonoperating revenues (expenses):				
Gain on sale of capital assets	11,500	-	11,500	-
Interest earnings	19,014	853	19,867	46
Interest expense	(463,686)	(6,819)	(470,505)	-
Total nonoperating revenues (expenses)	<u>(433,172)</u>	<u>(5,966)</u>	<u>(439,138)</u>	<u>46</u>
Income (loss) before contributions and transfers	(675,403)	(67,186)	(742,589)	92,585
Capital contributions	3,662,398	277,905	3,940,303	-
Transfers out	<u>(562,656)</u>	<u>(75)</u>	<u>(562,731)</u>	<u>(13,863)</u>
Change in net position	2,424,339	210,644	2,634,983	78,722
Total net position, as previously reported	43,458,364	4,789,100	48,247,464	-
Prior period adjustment	21,380	133,573	154,953	85,924
Total net position, as restated	<u>43,479,744</u>	<u>4,922,673</u>	<u>48,402,417</u>	<u>85,924</u>
Total net position, end of year	<u>\$ 45,904,083</u>	<u>5,133,317</u>	<u>51,037,400</u>	<u>164,646</u>

See accompanying notes to financial statements.

**City of Belton, Texas**  
**Statement of Cash Flows –**  
**Proprietary Funds**  
For the Fiscal Year Ended  
September 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Drainage	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 9,234,084	544,595	9,778,679	\$ 1,263,094
Payments to suppliers	(2,649,677)	(99,997)	(2,749,674)	(663,083)
Payments to employees	(1,443,091)	(179,427)	(1,622,518)	(327,598)
Net cash provided by operating activities	<u>5,141,316</u>	<u>265,171</u>	<u>5,406,487</u>	<u>272,413</u>
Cash flows from noncapital financing activities:				
Transfer to other funds	(562,656)	(75)	(562,731)	(13,863)
Net cash used in noncapital financing activities	<u>(562,656)</u>	<u>(75)</u>	<u>(562,731)</u>	<u>(13,863)</u>
Cash flows from capital and related financing activities:				
Purchases and construction of capital assets	(3,737,066)	(2,808)	(3,739,874)	(176,556)
Proceeds from the sale of assets	8,800	-	8,800	-
Principal paid on capital debt	(1,029,901)	(18,425)	(1,048,326)	-
Interest paid on capital debt	(511,405)	(6,948)	(518,353)	-
Net cash used in capital and related financing activities	<u>(5,269,572)</u>	<u>(28,181)</u>	<u>(5,297,753)</u>	<u>(176,556)</u>
Cash flows from investing activities:				
Interest received	19,014	853	19,867	46
Net cash provided by investing activities	<u>19,014</u>	<u>853</u>	<u>19,867</u>	<u>46</u>
Net increase (decrease) in cash and cash equivalents	(671,898)	237,768	(434,130)	82,040
Cash and cash equivalents, beginning of year	<u>15,594,460</u>	<u>631,489</u>	<u>16,225,949</u>	<u>112,746</u>
Cash and cash equivalents, end of year	<u>\$ 14,922,562</u>	<u>869,257</u>	<u>15,791,819</u>	<u>194,786</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (242,231)	(61,220)	(303,451)	92,539
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	3,639,931	297,157	3,937,088	17,788
Decrease (increase) in receivables	(162,906)	519	(162,387)	885
Increase in prepaid items	(35,160)	-	(35,160)	-
Increase (decrease) in accounts and retainages payable	1,701,726	(1,799)	1,699,927	43,266
Decrease in due to other funds	(4,151)	(771)	(4,922)	(27,636)
Increase in other accrued liabilities	9,827	3,507	13,334	21,818
Increase in customer deposits payable	24,875	-	24,875	-
Increase (decrease) in compensated absences	139,289	(70)	139,219	13,246
Increase in net pension liability and pension-related deferred outflows and inflows of resources	44,441	25,483	69,924	95,276
Increase in total OPEB liability and OPEB-related deferred outflows of resources	25,675	2,365	28,040	15,231
Total adjustments	<u>5,383,547</u>	<u>326,391</u>	<u>5,709,938</u>	<u>179,874</u>
Net cash provided by operating activities	<u>\$ 5,141,316</u>	<u>265,171</u>	<u>5,406,487</u>	<u>272,413</u>
Noncash capital and related financing activities:				
Contributions of capital assets	<u>\$ 3,662,398</u>	<u>277,905</u>	<u>3,940,303</u>	<u>-</u>

See accompanying notes to financial statements.



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

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**City of Belton, Texas**  
**Notes to Financial Statements**  
September 30, 2021

**I. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

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

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. Governmental activities, which normally are

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

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

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as an other financing source.

City of Belton, Texas

Notes to Financial Statements  
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

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

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

Additionally, the City reports the following major fund type:

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

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

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

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

D. Budgets and Budgetary Accounting

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

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

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

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

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

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

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

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

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

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

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

City of Belton, Texas

Notes to Financial Statements  
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting (continued)

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

Net change in fund balance - budgetary basis	\$ (1,523,058)
Activities not included in the General Fund budget	<u>(155,999)</u>
Net change in fund balance - GAAP basis	<u>\$ (1,679,057)</u>

E. Encumbrances

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

Nonmajor governmental funds	\$ 325,166
Water and sewer fund	<u>1,886,592</u>
Total primary government	<u>\$ 2,211,758</u>

F. Deposits and Investments

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

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

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

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

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

**G. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to approximately 30 percent of outstanding property taxes at September 30, 2021.

**H. Inventory**

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

**I. Capital Assets**

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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 acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

**I. Capital Assets** (continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	4 – 50
Machinery and equipment	5 – 15
Infrastructure	10 – 25

**J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**K. Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**L. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

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

**L. Fund Balance Flow Assumptions** (continued)

unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**M. Pensions**

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System ("TMRS") and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

**O. Compensated Absences**

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

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

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

**O. Compensated Absences** (continued)

governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

**P. Long-Term Obligations**

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

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

**Q. Fund Balance**

In the fund financial statements, governmental funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council (the City's highest level of decision-making authority) by adoption of an ordinance prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation. Assigned fund balances are constrained by intent to

# City of Belton, Texas

## Notes to Financial Statements (Continued)

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

#### Q. Fund Balance (continued)

be used for specific purposes but are neither restricted nor committed. Through a provision in the City's charter, the City Manager may assign fund balance. The City Council may also assign fund balance by ordinance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

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

	General	Debt Service	TIRZ	American Rescue Plan Grant	Other Funds	Totals
Nonspendable:						
Prepaid items	\$ 4,899	-	-	-	-	4,899
Restricted for:						
Court technology and security	-	-	-	-	79,846	79,846
Public safety	-	-	-	-	182,038	182,038
Public access facilities	-	-	-	-	397,590	397,590
Cemetery	-	-	-	-	3,300	3,300
Debt service	-	74,204	-	-	-	74,204
Capital projects	-	-	-	-	3,115,834	3,115,834
Economic development	-	-	661,040	125	462,725	1,123,890
Committed for:						
Economic development	-	-	-	-	41,142	41,142
Assigned for:						
Civil service sick pay and appeals	872,000	-	-	-	-	872,000
Culture and recreation	-	-	-	-	89,881	89,881
Capital projects and equipment	-	-	-	-	4,133,972	4,133,972
Unassigned	<u>5,454,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,454,084</u>
	<u>\$ 6,330,983</u>	<u>74,204</u>	<u>661,040</u>	<u>125</u>	<u>8,506,328</u>	<u>15,572,680</u>

#### R. Net Position

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

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

## City of Belton, Texas

### Notes to Financial Statements (Continued)

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

##### S. Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$15,189,380 difference are as follows:

General obligation bonds	\$ 10,868,400
Premium on general obligation bonds	472,969
Deferred charge on refunding	(60,110)
Compensated absences	1,344,366
Accrued interest payable	35,484
Net pension liability	2,240,164
Total OPEB liability	420,689
Pension-related deferred outflows of resources	(643,069)
Pension-related deferred inflows of resources	582,690
OPEB-related deferred outflows of resources	(111,495)
OPEB-related deferred inflows of resources	<u>39,292</u>
	<u>\$ 15,189,380</u>

#### II. Deposits and Investments

Investments of the City at September 30, 2021, consist of investments in Texas Local Government Investment Pool (“TexPool”), Texas Local Government Investment Pool Prime (“TexPool Prime”), Texas Short-Term Asset Reserve Program (“TexSTAR”), TexSTAR Local Government Investment Cooperative (“LOGIC”), and Texas Cooperative Liquid Assets Securities System (“Texas CLASS”) of \$13,955,144, \$7,267,354, \$1,035,067, \$7,267,842, and \$10,105,211, respectively.

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

## 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, TexPool Prime, TexSTAR, LOGIC, and Texas CLASS are 37, 48, 43, 55, and 53 days, respectively, as of September 30, 2021.

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

The City uses the following external public funds investment pools:

*TexPool and TexPool Prime:* The Texas Local Government Investment Pool ("TexPool") and the Texas Local Government Investment Pool Prime ("TexPool Prime") were created by an inter-local contract under the laws of the State of Texas and are governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexPool and TexPool Prime are governed by the Comptroller of Public Accounts as public funds investments pools through the Texas Treasury Safekeeping Trust Company. The Comptroller is the sole officer, director, and shareholder of the Trust Company. The Comptroller and the Texas Treasury Safekeeping Trust Company have contracted with Federated Investors, Inc., as administrator and investment manager for the TexPool Portfolios. There are no maximum transaction amounts and withdrawals from TexPool and TexPool Prime may be made daily. TexPool and TexPool Prime use amortized cost rather than the fair value to report net position to compute share prices.

## City of Belton, Texas

### Notes to Financial Statements (Continued)

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

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

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

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

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

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

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

Cash on hand	\$ 25,740
Carrying amount of deposits	4,600,441
Carrying amount of investments	<u>39,630,618</u>
Total	\$ <u><u>44,256,799</u></u>

Per the statement of net position for the City:

Cash and cash equivalents	\$ 33,793,320
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Per the statement of net position for the Belton

Economic Development Corporation, Inc.:

Cash and cash equivalents	<u>10,463,479</u>
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Total	\$ <u><u>44,256,799</u></u>
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**III. Receivables**

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

	<u>Enterprise Funds</u>				Nonmajor Governmental Funds	Total
	<u>General</u>	<u>Debt Service</u>	<u>Water and Sewer</u>	<u>Drainage</u>		
Receivables:						
Taxes	\$ 1,559,629	52,285	-	-	55,005	1,666,919
Water/sewer	-	-	1,284,628	-	-	1,284,628
Storm drainage	-	-	-	77,677	-	77,677
Ambulance	6,306,813	-	-	-	-	6,306,813
Other	<u>365,261</u>	-	-	-	<u>7,283</u>	<u>372,544</u>
	8,231,703	52,285	1,284,628	77,677	62,288	9,708,581
Less:						
Allowance for uncollectibles	<u>6,490,816</u>	<u>18,520</u>	<u>96,394</u>	<u>21,459</u>	<u>-</u>	<u>6,627,189</u>
	\$ <u><u>1,740,887</u></u>	<u><u>33,765</u></u>	<u><u>1,188,234</u></u>	<u><u>56,218</u></u>	<u><u>62,288</u></u>	<u><u>3,081,392</u></u>

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

**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, 2020, upon which the 2021 fiscal year levy was based, was \$1,465,089,774.

The tax levy of October 2020 set a tax rate of \$0.6300 per \$100 of assessed valuation at 100 percent of assumed market value. The City may levy a tax of up to \$1.90 per \$100 of assessed valuation.

Taxes were due January 31, 2021, at which time a lien attaches for unpaid taxes. Tax collections during the fiscal year ended September 30, 2021, for the fiscal year 2021 levy, were 98.6 percent of the total tax levy for that year.

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

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

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

**V. Capital Assets**

Capital asset activity for the year ended September 30, 2021, was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b><i>Governmental activities:</i></b>				
Capital assets, not being depreciated:				
Land	\$ 4,745,526	3,632	-	4,749,158
Construction in progress	239,811	1,236,973	-	1,476,784
Total capital assets not being depreciated	<u>4,985,337</u>	<u>1,240,605</u>	<u>-</u>	<u>6,225,942</u>
Capital assets, being depreciated:				
Buildings	\$ 10,135,097	-	-	10,135,097
Improvements other than buildings	4,037,396	10,223	-	4,047,619
Machinery and equipment	7,250,768	1,192,622	(555,488)	7,887,902
Infrastructure	47,266,840	749,943	-	48,016,783
Total capital assets, being depreciated	<u>68,690,101</u>	<u>1,952,788</u>	<u>(555,488)</u>	<u>70,087,401</u>
Less accumulated depreciation for:				
Buildings	(4,830,780)	(391,059)	-	(5,221,839)
Improvements other than buildings	(2,617,191)	(175,100)	-	(2,792,291)
Machinery and equipment	(5,185,319)	(658,411)	436,227	(5,407,503)
Infrastructure	(17,981,409)	(2,116,430)	-	(20,097,839)
Total accumulated depreciation	<u>(30,614,699)</u>	<u>(3,341,000)</u>	<u>436,227</u>	<u>(33,519,472)</u>
Total capital assets, being depreciated, net	<u>38,075,402</u>	<u>(1,388,212)</u>	<u>(119,261)</u>	<u>36,567,929</u>
	<u>\$ 43,060,739</u>	<u>(147,607)</u>	<u>(119,261)</u>	<u>42,793,871</u>

# City of Belton, Texas

## Notes to Financial Statements (Continued)

### V. Capital Assets (continued)

#### Primary Government (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b><i>Business-type activities:</i></b>				
Capital assets, not being depreciated:				
Land	285,175	-	-	285,175
Construction in progress	701,857	3,149,874	(17,018)	3,834,713
Total capital assets not being depreciated	987,032	3,149,874	(17,018)	4,119,888
Capital assets, being depreciated:				
Buildings	165,406	32,816	-	198,222
Machinery and equipment	3,781,366	361,253	(29,220)	4,113,399
Infrastructure	75,392,207	4,155,952	-	79,548,159
Total capital assets being depreciated	79,338,979	4,550,021	(29,220)	83,859,780
Less accumulated depreciation for:				
Buildings	(50,673)	(13,751)	-	(64,424)
Machinery and equipment	(1,851,982)	(415,080)	29,220	(2,237,842)
Infrastructure	(28,224,731)	(3,508,257)	-	(31,732,988)
Total accumulated depreciation	(30,127,386)	(3,937,088)	29,220	(34,035,254)
Total capital assets, being depreciated, net	49,211,593	612,933	-	49,824,526
	<u>\$ 50,198,625</u>	<u>3,762,807</u>	<u>(17,018)</u>	<u>53,944,414</u>

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

Governmental activities:	
General government	\$ 96,651
Public safety	580,226
Highways and streets, including depreciation of general infrastructure assets	1,811,066
Planning	11,898
Culture and recreation	773,148
Solid waste	15,309
Maintenance	52,702
Total depreciation expense - governmental activities	<u>\$ 3,341,000</u>
Business-type activities:	
Water and sewer	\$ 3,639,931
Drainage	297,157
Total depreciation expense - business-type activities	<u>\$ 3,937,088</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, 2021. At year-end, the City's construction commitments for governmental activities are as follows:

Project Title	Expended to Date	Remaining Commitment
Sidewalk Infrastructure	\$ 1,167,806	475,504
Computer Equipment	20,453	10,081
Heritage Park Expansion	288,525	783,226
Total	<u>\$ 1,476,784</u>	<u>1,268,811</u>

The projects will be financed with available resources.

At September 30, 2021, the City's construction commitments for business-type activities are as follows:

Project Title	Expended to Date	Remaining Commitment
North Belton Water Tank	\$ 134,844	3,265,156
East 6th Avenue Water Line	69,540	780,460
McFarland Estates	73,580	926,420
East 24th & Main Street	9,870	90,130
TBWWTP	56,098	7,750,000
South Belton Sewer Phase II Design	3,490,781	2,668,780
Total	<u>\$ 3,834,713</u>	<u>15,480,946</u>

The projects will be financed with available resources.

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

**V. Capital Assets** (continued)

**Discretely Presented Component Unit**

Capital asset activity for the Development Corporation for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 906,896	-	-	906,896
Construction in progress	327,681	97,391	(53,915)	371,157
Total capital assets not being depreciated	1,234,577	97,391	(53,915)	1,278,053
Capital assets, being depreciated:				
Buildings	531,909	112,309	-	644,218
Machinery and equipment	-	6,577	-	6,577
Infrastructure	1,220,798	899,109	(899,109)	1,220,798
Total capital assets being depreciated	1,752,707	1,017,995	(899,109)	1,871,593
Less accumulated depreciation for:				
Buildings	(96,840)	(22,224)	-	(119,064)
Machinery and equipment	-	(626)	-	(626)
Infrastructure	(1,104,410)	(119,385)	2,997	(1,220,798)
Total accumulated depreciation	(1,201,250)	(142,235)	2,997	(1,340,488)
Total capital assets, being depreciated, net	551,457	875,760	(896,112)	531,105
	\$ 1,786,034	973,151	(950,027)	1,809,158

At September 30, 2021, the City's construction commitments for the discretely presented component unit are as follows:

Project Title	Expended to Date	Remaining Commitment
Avenue D Engineering	\$ 238,779	1,831,221
I-14 Water Line Extension	132,378	1,198,207
Total	\$ 371,157	3,029,428

The projects will be financed with available resources.

During 2021, the Development Corporation contributed infrastructure assets with a net book value of \$896,112 to the water and sewer fund.

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

**VI. Long-Term Debt**

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

The following is a summary of changes in long-term debt for the City for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 12,050,076	-	(1,181,676)	10,868,400	1,211,675
Premium	547,988	-	(75,019)	472,969	-
Net pension liability	1,412,344	1,816,894	(891,156)	2,338,082	-
Total OPEB liability	382,675	109,917	(53,515)	439,077	-
Compensated absences	1,185,229	590,036	(417,653)	1,357,612	372,113
	<u>\$ 15,578,312</u>	<u>2,516,847</u>	<u>(2,619,019)</u>	<u>15,476,140</u>	<u>1,583,788</u>
Business-type activities:					
General obligation bonds	\$ 17,699,919	-	(1,048,326)	16,651,593	1,073,325
Premium	384,719	-	(42,790)	341,929	-
Net pension liability	274,311	405,550	(157,977)	521,884	-
Total OPEB liability	74,348	31,608	(7,949)	98,007	-
Compensated absences	94,719	74,664	(72,182)	97,201	67,500
	<u>\$ 18,528,016</u>	<u>511,822</u>	<u>(1,329,224)</u>	<u>17,710,614</u>	<u>1,140,825</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$97,918, \$18,388 and \$13,246 of internal service funds' net pension liability, total OPEB liability, and compensate absences, respectively, are included in the above governmental amounts. Pension and OPEB liabilities and compensated absences for governmental activities are generally liquidated by the General Fund.

Long-term debt of the City's governmental activities at September 30, 2021, 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%	\$ 390,000
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**City of Belton, Texas**  
**Notes to Financial Statements**  
(Continued)

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

\$4,500,000 Series 2005 general obligation bonds due in annual installments of \$140,000 to \$275,000 through 2025; interest at 3.54%	\$ 830,000
\$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%	653,400
\$1,070,000 Series 2015 combination tax and revenue certificates of obligation due in annual installments of \$45,000 to \$65,000 through 2035; interest at 2.00%	795,000
\$2,270,000 Series 2017 general obligation refunding certificates of obligation due in annual installments of \$135,000 to \$175,000 through 2027; interest at 1.65%	1,155,000
\$2,185,000 Series 2018 combination tax and revenue certificates of obligation due in annual installments of \$25,000 to \$445,000 through 2030; interest at 5.00%	2,100,000
\$5,575,000 Series 2019 general obligation refunding bonds due in annual installments of \$45,000 to \$500,000 through 2033; interest at 4.00%	<u>4,945,000</u>
	<u>\$ 10,868,400</u>

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

<u>Year Ended September 30, 2021</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,211,675	363,092
2023	1,130,387	322,982
2024	914,100	282,949
2025	947,812	250,759
2026	981,525	217,030
2027-2031	4,437,901	584,047
2032-2036	<u>1,245,000</u>	<u>64,050</u>
	<u>\$ 10,868,400</u>	<u>2,084,909</u>

Long-term debt of the City's business-type activities at September 30, 2021, is comprised of the following:

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

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

\$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%	\$ 355,000
\$515,000 Series 2008 combination tax and revenue certificates of obligation due in annual installments of \$20,600 to \$37,337 through 2028; interest at 4.19%	226,593
\$8,595,000 Series 2015 combination tax and revenue certificates of obligation due in annual installments of \$345,000 to \$550,000 through 2035; interest at 2.00%	6,420,000
\$9,585,000 Series 2016 combination tax and revenue certificates of obligation due in annual installments of \$85,000 to \$665,000 through 2036; interest at 3.00%	8,955,000
\$1,350,000 Series 2017 general obligation refunding certificates of obligation due in annual installments of \$105,000 to \$170,000 through 2027; interest at 1.50%	<u>695,000</u>
	<u><u>\$ 16,651,593</u></u>

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

<u>Year Ended</u> <u>September 30, 2021</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,073,325	483,249
2023	1,124,613	451,736
2024	1,150,900	422,907
2025	1,182,188	393,322
2026	1,213,475	362,783
2027-2031	5,677,092	1,274,846
2032-2035	<u>5,230,000</u>	<u>447,450</u>
	<u><u>\$ 16,651,593</u></u>	<u><u>3,836,293</u></u>

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

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

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

**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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	\$ 31,946	41,579	(20,018)	53,507	-
Total OPEB liability	8,670	2,414	(1,036)	10,048	-
Compensated absences	-	34,678	(7,048)	27,630	24,497
	<u>\$ 27,570</u>	<u>78,671</u>	<u>(28,102)</u>	<u>91,185</u>	<u>24,497</u>

**VII. Interfund Transfers**

Interfund transfers for 2021 are as follows:

	Transfers in		
	Other		
	Nonmajor		
	General	Governmental	Total
Transfers out:			
General	\$ -	3,118,337	3,118,337
TIRZ	30,206	1,450,000	1,480,206
Other nonmajor governmental	4,530	-	4,530
Water and sewer	558,129	4,527	562,656
Drainage	-	75	75
Internal service	-	13,863	13,863
	<u>\$ 592,865</u>	<u>4,586,802</u>	<u>5,179,667</u>

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

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

**VIII. Employee Benefits**

**Pension Plan**

*Plan Description* - The City participates as one of 895 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System ("TMRS"). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for employees of participating Texas cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report ("ACFR") that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

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

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

*Employees Covered by Benefit Terms* – At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	88
Inactive employees entitled to but not yet receiving benefits	158
Active employees	<u>169</u>
	<u>415</u>

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

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

**VIII. Employee Benefits** (continued)

**Pension Plan** (continued)

Employees for the City were required to contribute 7.00% of their annual compensation during the fiscal year. The contribution rates for the City were 8.28% and 10.38% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$906,268 and were equal to the required contributions.

*Net Pension Liability* – The City's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuities, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generation basis by Scale UMP to account for future mortality improvements subject to the floor.

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

City of Belton, Texas

Notes to Financial Statements  
(Continued)

**VIII. Employee Benefits** (continued)

**Pension Plan** (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuarial firm focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	<u>10.0%</u>	7.75%
Total	<u>100.0%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**VIII. Employee Benefits** (continued)

**Pension Plan** (continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2019	\$ 25,516,548	23,797,947	1,718,601
Changes for the year:			
Service cost	1,311,159	-	1,311,159
Interest	1,805,889	-	1,805,889
Change in benefit terms	1,156,532	-	1,156,532
Difference between expected and actual actual experience	127,208	-	127,208
Changes in assumptions	-	-	-
Contributions - employer	-	870,847	(870,847)
Contributions - employee	-	542,549	(542,549)
Net investment income	-	1,804,665	(1,804,665)
Benefit payments, including refunds of employee contributions	(1,149,484)	(1,149,484)	-
Administrative expense	-	(11,689)	11,689
Other changes	-	(456)	456
Net changes	3,251,304	2,056,432	1,194,872
Balance at December 31, 2020	\$ 28,767,852	25,854,379	2,913,473

\$53,507 of the net pension liability of \$2,913,473 is the liability of the Development Corporation, the discretely presented component unit. Detailed information regarding the deferred outflows and inflows of resources related to pensions of the component unit can be found in Note IX.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability (asset)	\$ 7,264,599	2,913,473	(624,201)

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

**VIII. Employee Benefits** (continued)

**Pension Plan** (continued)

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plan’s fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at [www.tmr.com](http://www.tmr.com).

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

For the year ended September 30, 2021, the City recognized pension expense of \$1,951,663 of which \$35,435 is the expense of the Development Corporation.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 121,243	81,890
Difference between projected and actual investment earnings, net	-	675,932
Difference in assumption changes	71,685	-
Contributions subsequent to the measurement date	<u>643,426</u>	<u>-</u>
Total	<u>\$ 836,354</u>	<u>757,822</u>

The \$643,426 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	
2021	\$ (232,700)
2022	63,051
2023	(356,217)
2024	<u>(39,028)</u>
Total	<u>\$ (564,894)</u>

## City of Belton, Texas

### Notes to Financial Statements (Continued)

#### VIII. Employee Benefits (continued)

##### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

##### **OPEB**

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

*Benefits* – The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is a fixed amount of \$7,500.

*Employees Covered by Benefit Terms* – At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	63
Inactive employees entitled to but not yet receiving benefits	23
Active employees	<u>169</u>
	<u>255</u>

*Contributions* – The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees’ entire careers.

The City’s contributions to the SDBF for the year ended September 30, 2021 were \$18,572 and were equal to the required contributions.

*Total OPEB Liability* – The City’s total OPEB liability was measured as of December 31, 2020 and the total was determined by an actuarial valuation as of that date.

# City of Belton, Texas

## Notes to Financial Statements (Continued)

### VIII. Employee Benefits (continued)

*Actuarial assumptions* – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 11.5%, including inflation
Discount rate	2.00% (based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020)
Administrative expenses	All administrative expenses are paid through the TMRS Pension Trust.

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. For disabled retirees, the 2019 Municipal Retirees of Texas Mortality Tables were used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the actuarial experience study for the period December 31, 2014 to December 31, 2018.

The changes in the total OPEB liability for the measurement period ending December 31, 2020 was as follows:

	<u>Total OPEB Liability</u>
Balance at December 31, 2019	\$ <u>465,693</u>
Changes for the year:	
Service cost	27,127
Interest on total OPEB liability	13,130
Differences between expected and actual experience	(30,445)
Changes in assumptions or other inputs	75,244
Benefit payments **	<u>(3,617)</u>
Net changes	<u>81,439</u>
Balance at December 31, 2020	\$ <u><u>547,132</u></u>

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

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

**VIII. Employee Benefits** (continued)

\$10,048 of the total OPEB liability of \$547,132 is the liability of the Development Corporation, the discretely presented component unit. Detailed information regarding the deferred outflows and inflows of resources related to OPEB of the component unit can be found in Note IX.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.00%) or once percentage point (3.00%) higher than the current rate.

	1% Decrease (1.00%)	Current Rate Assumption (2.00%)	1% Increase (3.00%)
City's total OPEB liability	\$ <u>674,334</u>	<u>547,132</u>	<u>450,181</u>

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$50,182 of which \$819 is the expense of the Development Corporation.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ <u>131,076</u>	<u>16,075</u>
Differences between expected and actual economic experience	-	35,027
Contributions subsequent to the measurement date	<u>13,932</u>	<u>-</u>
Total	\$ <u><u>145,008</u></u>	<u><u>51,102</u></u>

The \$13,932 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**VIII. Employee Benefits** (continued)

**OPEB Expense and Deferred Outflows of Resources  
and Deferred Inflows of Resources Related to OPEB** (continued)

<u>Year Ended December 31,</u>	
2021	\$ 15,960
2022	15,960
2023	15,960
2024	12,838
2025	15,732
Thereafter	<u>3,524</u>
Total	\$ <u><u>79,974</u></u>

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

The statements of financial position and the balance sheet include the following deferred outflows/inflows of resources at September 30, 2021:

	<u>Statements of Net Position</u>			<u>Balance Sheet - Governmental Funds</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Belton Economic Development Corporation, Inc.</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
Deferred outflows of resources:					
Deferred charge on refunding	\$ 60,110	-	-	-	-
Pension - post measurement date contributions	516,354	115,255	11,817	-	-
Pension - differences in assumption changes	57,527	12,841	1,317	-	-
Pension - differences between expected and actual experience	97,298	21,718	2,227	-	-
OPEB - post measurement date contributions	11,180	2,496	256	-	-
OPEB - differences in assumption changes	<u>105,189</u>	<u>23,480</u>	<u>2,407</u>	<u>-</u>	<u>-</u>
	\$ <u><u>847,658</u></u>	<u><u>175,790</u></u>	<u><u>18,024</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	\$ -	-	-	181,104	31,833
Unavailable revenue - ambulance services	-	-	-	4,463	-
Unavailable revenue - fines	-	-	-	864	-
Pension - net differences between projected and actual earnings	542,441	121,078	12,413	-	-
Pension - differences between expected and actual experience	65,717	14,669	1,504	-	-
OPEB - differences in assumption changes	12,900	2,880	295	-	-
OPEB - differences between expected and actual experience	<u>28,109</u>	<u>6,275</u>	<u>643</u>	<u>-</u>	<u>-</u>
	\$ <u><u>649,167</u></u>	<u><u>144,902</u></u>	<u><u>14,855</u></u>	<u><u>186,431</u></u>	<u><u>31,833</u></u>

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

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

*Deferred Outflows of Resources.* The deferred charge on refunding, resulting from the difference in the carrying value of the refunded debt and its reacquisition price, is amortized as interest expense over the shorter of the life of the refunded or refunding debt. Post-measurement date contributions will be recognized as a reduction of the net pension liability and total OPEB liability in the following fiscal year. The changes in assumptions will be recognized in pension and OPEB expense over 4.02 and 6.48 years, respectively. The pension-related differences between expected and actual experience will be recognized in pension expense over 5.00 years.

*Deferred Inflows of Resources.* The governmental funds, under the modified accrual basis of accounting, report unavailable revenues from property taxes, ambulance services and fines, which is deferred and recognized as an inflow of resources in the period that the amounts become available. The pension-related difference between projected and actual earnings will be recognized in pension expense over five years. The difference between expected and actual experience will be recognized in pension and OPEB expense over 4.02 years and 6.48 years, respectively. The changes in assumptions will be recognized in OPEB expense over 6.48 years.

**X. Risk Management**

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

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

**XI. Commitments and Contingencies**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may

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

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

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

The Development Corporation has entered into several economic development agreements with business that will provide financial incentives to the businesses based on specific capital investment, employment or other economic development measures. Commitments made under the agreements total approximately \$1.2 million.

The City has entered into a long-term agreement to purchase water from the Brazos River Authority (the “Authority”). The agreement requires the City to pay for a certain portion of the water rights, whether or not it actually withdraws the full amount of water to which it is entitled. The cost of the water may be adjusted each year based on changes in the consumer price index. Further, additional costs imposed on the Authority (by taxation or as a result of new regulations) may be passed through to the City. The agreement expires in 2042. The City's cost under the agreement for the year ended September 30, 2021, was \$34,975.

Also, the City has entered into a long-term agreement to purchase water from Bell County Water Control and Improvement District No. 1 (the “District”). The District serves six civilian resale customers (cities and water districts) and the Fort Hood Military Reservation. Under the agreement, the City pays its proportionate share of fixed capital costs (debt service) and operating costs (purchasing, producing, treating and delivering water) of the District. Consequently, the price of the water will vary over the term of the agreement. In addition to capital and operating costs, the contract with the District requires the City to pay for water rights, both for water currently being used (election use water) and for rights to future water (option water). The cost of option water is paid whether or not the City actually withdraws the full amount of water to which it is entitled. The cost of both election use and option water may be adjusted annually each year based on changes in the consumer price index. The original agreement remained in effect until all bonds of the District were repaid, which occurred in 2018. The agreement has been extended through the evaluation of plant expansion and related debt repayment. Charges for water under the agreement for the year ended September 30, 2021, were \$1,079,438.

Finally, the City entered into a tri-party agreement with the City of Temple, Texas (“Temple”) and the Authority, whereby the Authority operates and maintains a wastewater treatment plant for Temple and the City (currently known as the Temple Belton Regional Sewerage System). The City is charged an amount equal to a pro-rata portion of actual expenditures based on its percentage of flow through the plant. The plant is jointly owned by Temple and the City but a separate legal entity was not created. Consequently, Temple and the City each report their proportionate share of capital assets of the plant. The City's expense under the tri-party agreement for the year ended September 30, 2021, was \$738,793.

## **City of Belton, Texas**

### **Notes to Financial Statements (Continued)**

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

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

#### **XII. Related Organizations**

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

#### **XIII. Tax Abatements**

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

For the fiscal year ended September 30, 2021, the City abated ad valorem taxes totaling \$16,585, as detailed below:

- A 100% ad valorem tax abatement on certain improvements to CMH Manufacturing, Inc. for the modernization/expansion of a new facility and the creation of 175 permanent jobs for a total of 385 permanent jobs. The fiscal year 2021 abatement amounted to \$8,352. The City may recapture the abated taxes should CMH Manufacturing, Inc. become delinquent in its payment to the City of any ad valorem taxes not abated, fall below the 175 additional permanent job threshold for an extended period of time or breach any other terms set forth in the abatement agreement.
- A declining ad valorem tax abatement of 90% to 50% over a five-year period to USA Capitol, formerly CSC Group, LP, for the construction of a new facility. The fiscal year 2021 abatement amounted to \$-0-. The City may recapture the abated taxes should USA Capitol become delinquent in its payment to the City of any ad valorem taxes not abated or breach any other terms set form in the abatement agreement.

**City of Belton, Texas**

**Notes to Financial Statements**  
(Continued)

**XIII. Tax Abatements** (continued)

- A 70% ad valorem tax abatement on certain improvements to BELLTEC Industries for the construction of a new facility. The fiscal year 2021 abatement amounted to \$8,233. The City may recapture the abated taxes should BELLTEC Industries become delinquent in its payment to the City of any ad valorem taxes not abated or breach any other terms set forth in the abatement agreement.

**XIV. Prior Period Adjustments**

During the current year, the City determined that a certain fund previously reported as part of the general fund should be reported as a separate special revenue fund. Accordingly, the fund balance at October 1, 2020 was decreased for the general fund and increased for the other governmental funds by \$38,547. There was no impact on beginning net position for governmental activities.

Additionally, the City implemented internal service funds effective October 1, 2020. These funds were previously reported as capital project funds. Accordingly, the fund balance at October 1, 2020 was decreased for the other governmental funds and increased for the internal service funds by \$85,924. There was no impact on beginning net position for governmental activities.

Also, the City determined that certain infrastructure assets recorded by the Belton Economic Development Corporation, Inc. were maintained by certain other funds of the primary government. Accordingly, net position at October 1, 2020 was increased by \$1,064,414 for governmental activities and \$154,953 for business-type activities and decreased by \$1,219,367 for the Belton Economic Development Corporation. Further, it was determined that certain capital assets had been disposed in a prior year but not removed from the financial statements. Accordingly, net position of the Belton Economic Development Corporation was further reduced by \$690,592.

**XV. Authoritative Pronouncements Not Yet Effective**

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

GASB Statement No. 87, Leases (Statement 87) – The objective of Statement 87 is to increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. The statement will also require notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

## City of Belton, Texas

### Notes to Financial Statements (Continued)

#### XV. **Authoritative Pronouncements Not Yet Effective** (continued)

The provisions of Statement 87 were effective for financial statements for periods beginning after December 15, 2019; however, in May 2020, GASB issued Statement 95 and delayed implementation to fiscal years beginning after June 15, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (Statement 89) – The objective of Statement 89 is to simplify accounting for interest costs incurred before the end of a construction period. It will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The provisions of Statement 89 are effective for financial statements for periods beginning after December 15, 2019; however, in May 2020, GASB issued Statement 95 and delayed implementation to fiscal years beginning after December 15, 2020.

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (“IRC”) Section 457 Deferred Compensation Plans* (Statement 97) – The objectives of Statement 97 are to (1) increase consistency and comparability of the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board; (2) to mitigate costs associated with the reporting of certain defined benefit and defined contribution plans as fiduciary component units, and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for IRC Section 457 plans. Certain provision relating to component unit criteria are effective upon issuance. The remaining provisions of Statement 97 are effective for financial statements for fiscal years beginning after June 15, 2021.

## **Required Supplementary Information**

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

	December 31,			
	2020	2019	2018	2017
<b>Total Pension Liability</b>				
Service cost	\$ 1,311,159	1,071,723	1,052,574	891,715
Interest (on the Total Pension Liability)	1,805,889	1,611,792	1,532,001	1,439,110
Change in benefit terms including substantively automatic status	1,156,532	-	115,219	-
Difference between expected and actual experience	127,208	47,913	(191,864)	(90,945)
Changes of assumptions	-	133,749	-	-
Benefit payments, including refunds of employee contributions	<u>(1,149,484)</u>	<u>(1,382,322)</u>	<u>(1,058,081)</u>	<u>(1,060,641)</u>
<b>Net change in Total Pension Liability</b>	3,251,304	1,482,855	1,449,849	1,179,239
<b>Total Pension Liability - beginning</b>	<u>25,516,548</u>	<u>24,033,693</u>	<u>22,583,844</u>	<u>21,404,605</u>
<b>Total Pension Liability - ending (a)</b>	<u><u>\$ 28,767,852</u></u>	<u><u>25,516,548</u></u>	<u><u>24,033,693</u></u>	<u><u>22,583,844</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 870,847	711,639	642,579	609,271
Contributions - employee	542,549	511,970	424,425	403,491
Net investment income	1,804,665	3,208,114	(641,418)	2,614,129
Benefit payments, including refunds of employee contributions	(1,149,484)	(1,382,322)	(1,058,081)	(1,060,641)
Administrative expense	(11,689)	(18,141)	(12,396)	(13,547)
Other	<u>(456)</u>	<u>(544)</u>	<u>(648)</u>	<u>(686)</u>
<b>Net change in Plan Fiduciary Net Position</b>	2,056,432	3,030,716	(645,539)	2,552,017
<b>Plan Fiduciary Net Position - beginning</b>	<u>23,797,947</u>	<u>20,767,231</u>	<u>21,412,770</u>	<u>18,860,753</u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<u><u>\$ 25,854,379</u></u>	<u><u>23,797,947</u></u>	<u><u>20,767,231</u></u>	<u><u>21,412,770</u></u>
<b>Net Pension Liability - ending (a) - (b)</b>	\$ 2,913,473	1,718,601	3,266,462	1,171,074
<b>Plan Fiduciary Net Position as a percentage of Total Pension Liability</b>	89.87%	93.26%	86.41%	94.81%
<b>Covered-employee payroll</b>	\$ 9,042,479	8,532,827	8,488,498	8,069,816
<b>Net Pension Liability as a percentage of covered-employee payroll</b>	32.22%	20.14%	38.48%	14.51%

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

See accompanying independent auditor's report.

Exhibit B-1

<u>2016</u>	<u>2015</u>	<u>2014</u>
862,169	826,770	697,959
1,361,691	1,307,310	1,245,375
-	-	-
(111,361)	(80,818)	(172,175)
-	351,416	-
<u>(900,011)</u>	<u>(950,060)</u>	<u>(951,498)</u>
1,212,488	1,454,618	819,661
<u>20,192,117</u>	<u>18,737,499</u>	<u>17,917,838</u>
<u>21,404,605</u>	<u>20,192,117</u>	<u>18,737,499</u>
536,111	561,505	476,627
391,895	397,104	359,990
1,193,044	26,023	961,087
(900,011)	(950,060)	(951,498)
(13,474)	(15,851)	(10,034)
<u>(726)</u>	<u>(783)</u>	<u>(825)</u>
1,206,839	17,938	835,347
<u>17,653,914</u>	<u>17,635,976</u>	<u>16,800,629</u>
<u>18,860,753</u>	<u>17,653,914</u>	<u>17,635,976</u>
2,543,852	2,538,203	1,101,523
88.12%	87.43%	94.12%
7,837,901	7,942,074	7,199,806
32.46%	31.96%	15.30%

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

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

See accompanying independent auditor's report.

<u>2019</u>	<u>2020</u>	<u>2021</u>
704,034	812,119	906,268
<u>704,034</u>	<u>812,119</u>	<u>906,268</u>
<u>-</u>	<u>-</u>	<u>-</u>
8,567,031	8,662,089	9,062,334
8.2%	9.4%	10.0%

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

**Notes to Schedule of Contributions**

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 year smoothed market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other information	1) Increased employee contribution rate from 6% to 7%. 2) Increased statutory max to 13.50% due to plan changes.

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

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

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

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

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

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

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

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

**Notes to Schedule of Contributions**

**Valuation Date:**

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later
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**Methods and Assumptions Used to Determine Contribution Rates:**

Inflation	2.5%
Salary increases	3.50% to 11.50%, including inflation
Discount rate	2.00%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-services retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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



**Combining and Individual Fund  
Statements and Schedules**



## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

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

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

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

***Other Special Revenue Funds:*** These funds are used to account for various other revenues of the City that are legally or contractually restricted for specific purposes that include donations to the police and fire departments, collection of public access fees, donations for improving and equipping City parks, developer fees for tree removal, resources from the Zora Lee Greathouse will and trust agreement to be spent on life saving medical equipment purchases and paramedics training, maintenance of the Far North Belton Cemetery, and special events hosted by the City and funded in whole or in part by hotel occupancy tax with the intent to increase overnight tourism.



## **Capital Projects Funds**

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

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

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

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

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

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

**Major Street Maintenance Fund:** This fund accounts for the repavement and improvement street projects under the City's preventative maintenance program.

**City of Belton, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
September 30, 2021

		Special Revenue					
		Hotel/ Motel Tax	Grant	Municipal Court	TDHCA Home Grants	Other Special Revenue Funds	Special Revenue Funds Total
<b>Assets</b>							
Cash and cash equivalents	\$	406,330	-	79,846	20,960	697,113	1,204,249
Receivables		55,005	-	-	-	7,283	62,288
Due from other governments		-	60,495	-	-	-	60,495
Total assets	\$	<u>461,335</u>	<u>60,495</u>	<u>79,846</u>	<u>20,960</u>	<u>704,396</u>	<u>1,327,032</u>
<b>Liabilities and Fund Balances</b>							
Liabilities:							
Accounts and retainages payable	\$	5,380	28,230	-	-	3,131	36,741
Accrued liabilities		1,504	-	-	-	-	1,504
Due to other funds		-	32,265	-	-	-	32,265
Total liabilities		<u>6,884</u>	<u>60,495</u>	<u>-</u>	<u>-</u>	<u>3,131</u>	<u>70,510</u>
Fund balances:							
Restricted		454,451	-	79,846	-	591,202	1,125,499
Committed		-	-	-	20,960	20,182	41,142
Assigned		-	-	-	-	89,881	89,881
Total fund balances		<u>454,451</u>	<u>-</u>	<u>79,846</u>	<u>20,960</u>	<u>701,265</u>	<u>1,256,522</u>
Total liabilities and fund balances	\$	<u>461,335</u>	<u>60,495</u>	<u>79,846</u>	<u>20,960</u>	<u>704,396</u>	<u>1,327,032</u>

See accompanying independent auditor's report.

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

Capital Projects							Total Nonmajor Governmental Funds
General Capital Projects	General Capital Equipment	TIRZ Capital Projects	Vehicle and Equipment Replacement Funds	Chisholm Trail Hike and Bike Phase 2	Major Street Maintenance	Capital Project Funds Total	
2,690,918	651,717	2,642,128	795,494	73,557	64,917	6,918,731	8,122,980
-	-	-	-	-	-	-	62,288
-	-	570,525	-	-	-	570,525	631,020
<u>2,690,918</u>	<u>651,717</u>	<u>3,212,653</u>	<u>795,494</u>	<u>73,557</u>	<u>64,917</u>	<u>7,489,256</u>	<u>8,816,288</u>
-	77,714	96,819	-	-	64,917	239,450	276,191
-	-	-	-	-	-	-	1,504
-	-	-	-	-	-	-	32,265
<u>-</u>	<u>77,714</u>	<u>96,819</u>	<u>-</u>	<u>-</u>	<u>64,917</u>	<u>239,450</u>	<u>309,960</u>
-	-	3,115,834	-	-	-	3,115,834	4,241,333
-	-	-	-	-	-	-	41,142
<u>2,690,918</u>	<u>574,003</u>	<u>-</u>	<u>795,494</u>	<u>73,557</u>	<u>-</u>	<u>4,133,972</u>	<u>4,223,853</u>
<u>2,690,918</u>	<u>574,003</u>	<u>3,115,834</u>	<u>795,494</u>	<u>73,557</u>	<u>-</u>	<u>7,249,806</u>	<u>8,506,328</u>
<u>2,690,918</u>	<u>651,717</u>	<u>3,212,653</u>	<u>795,494</u>	<u>73,557</u>	<u>64,917</u>	<u>7,489,256</u>	<u>8,816,288</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, 2021

	Special Revenue					
	Hotel/ Motel Tax	Grant	Municipal Court	TDHCA Home Grants	Other Special Revenue Funds	Special Revenue Funds Total
Revenues:						
Hotel/motel taxes	\$ 234,924	-	-	-	-	234,924
Franchise	-	-	-	-	28,492	28,492
Intergovernmental	-	456,788	-	-	735	457,523
Fines	-	-	25,272	-	563	25,835
Interest	418	-	69	24	860	1,371
Contributions and donations	-	-	-	-	9,693	9,693
Miscellaneous revenue	-	-	-	-	9,762	9,762
Total revenues	<u>235,342</u>	<u>456,788</u>	<u>25,341</u>	<u>24</u>	<u>50,105</u>	<u>767,600</u>
Expenditures:						
Current:						
General government	97,109	300,000	180	-	-	397,289
Public safety	-	131,928	-	-	3,533	135,461
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	21,604	21,604
Economic development	-	-	-	-	18,917	18,917
Capital outlay	-	30,075	-	-	-	30,075
Total expenditures	<u>97,109</u>	<u>462,003</u>	<u>180</u>	<u>-</u>	<u>44,054</u>	<u>603,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>138,233</u>	<u>(5,215)</u>	<u>25,161</u>	<u>24</u>	<u>6,051</u>	<u>164,254</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	5,215	-	-	25,000	30,215
Transfers out	(25,000)	-	(4,530)	-	-	(29,530)
Total other financing sources (uses)	<u>(25,000)</u>	<u>5,215</u>	<u>(4,530)</u>	<u>-</u>	<u>25,000</u>	<u>685</u>
Net change in fund balances	113,233	-	20,631	24	31,051	164,939
Fund balances, beginning of year						
as previously reported	341,218	-	59,215	20,936	631,667	1,053,036
Prior period adjustment	-	-	-	-	38,547	38,547
Fund balances, as restated	<u>341,218</u>	<u>-</u>	<u>59,215</u>	<u>20,936</u>	<u>670,214</u>	<u>1,091,583</u>
Fund balances, end of year	<u>\$ 454,451</u>	<u>-</u>	<u>79,846</u>	<u>20,960</u>	<u>701,265</u>	<u>1,256,522</u>

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

Capital Projects							Total Nonmajor Governmental Funds
General Capital Projects	General Capital Equipment	TIRZ Capital Projects	Vehicle and Equipment Replacement Funds	Chisholm Trail Hike and Bike Phase 2	Major Street Maintenance	Capital Project Funds Total	
-	-	-	-	-	-	-	234,924
-	-	-	-	-	-	-	28,492
-	-	715,597	-	-	-	715,597	1,173,120
-	-	-	-	-	-	-	25,835
1,078	384	2,692	816	86	76	5,132	6,503
5,400	-	-	-	-	-	5,400	15,093
-	-	-	-	-	-	-	9,762
<u>6,478</u>	<u>384</u>	<u>718,289</u>	<u>816</u>	<u>86</u>	<u>76</u>	<u>726,129</u>	<u>1,493,729</u>
-	-	-	-	-	-	-	397,289
-	-	-	-	-	-	-	135,461
-	-	-	-	-	64,917	64,917	64,917
-	-	33,317	-	-	-	33,317	54,921
-	-	1,900	-	-	-	1,900	20,817
49,909	118,516	1,216,520	818,625	-	-	2,203,570	2,233,645
<u>49,909</u>	<u>118,516</u>	<u>1,251,737</u>	<u>818,625</u>	<u>-</u>	<u>64,917</u>	<u>2,303,704</u>	<u>2,907,050</u>
<u>(43,431)</u>	<u>(118,132)</u>	<u>(533,448)</u>	<u>(817,809)</u>	<u>86</u>	<u>(64,841)</u>	<u>(1,577,575)</u>	<u>(1,413,321)</u>
-	-	-	172,807	-	-	172,807	172,807
2,061,500	397,714	1,450,000	672,373	-	-	4,581,587	4,611,802
-	-	-	-	-	-	-	(29,530)
<u>2,061,500</u>	<u>397,714</u>	<u>1,450,000</u>	<u>845,180</u>	<u>-</u>	<u>-</u>	<u>4,754,394</u>	<u>4,755,079</u>
2,018,069	279,582	916,552	27,371	86	(64,841)	3,176,819	3,341,758
672,849	294,421	2,199,282	854,047	73,471	64,841	4,158,911	5,211,947
-	-	-	(85,924)	-	-	(85,924)	(47,377)
<u>672,849</u>	<u>294,421</u>	<u>2,199,282</u>	<u>768,123</u>	<u>73,471</u>	<u>64,841</u>	<u>4,072,987</u>	<u>5,164,570</u>
<u>2,690,918</u>	<u>574,003</u>	<u>3,115,834</u>	<u>795,494</u>	<u>73,557</u>	<u>-</u>	<u>7,249,806</u>	<u>8,506,328</u>



**City of Belton, Texas**  
**Hotel/Motel Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual - Budgetary Basis**  
For the Fiscal Year Ended  
September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/motel taxes	\$ 150,215	150,215	234,924	84,709
Interest	<u>1,465</u>	<u>1,465</u>	<u>418</u>	<u>(1,047)</u>
Total revenues	<u>151,680</u>	<u>151,680</u>	<u>235,342</u>	<u>83,662</u>
Expenditures:				
General government	<u>178,572</u>	<u>178,572</u>	<u>97,109</u>	<u>81,463</u>
Total expenditures	<u>178,572</u>	<u>178,572</u>	<u>97,109</u>	<u>81,463</u>
Excess of revenues over expenditures	<u>(26,892)</u>	<u>(26,892)</u>	<u>138,233</u>	<u>165,125</u>
Other financing sources (uses):				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	(51,892)	(51,892)	113,233	165,125
Fund balance, October 1	<u>341,218</u>	<u>341,218</u>	<u>341,218</u>	<u>-</u>
Fund balance, September 30	<u>\$ 289,326</u>	<u>289,326</u>	<u>454,451</u>	<u>165,125</u>

**City of Belton, Texas**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual - Budgetary Basis**  
For the Fiscal Year Ended  
September 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,205,169	1,205,169	1,218,673	13,504
Interest	1,485	1,485	653	(832)
Total revenues	<u>1,206,654</u>	<u>1,206,654</u>	<u>1,219,326</u>	<u>12,672</u>
Expenditures:				
Principal	801,675	801,675	801,675	-
Interest and fiscal charges	367,908	367,908	367,706	202
Other costs	8,250	8,250	6,252	1,998
Total expenditures	<u>1,177,833</u>	<u>1,177,833</u>	<u>1,175,633</u>	<u>2,200</u>
Excess of revenues over expenditures	<u>28,821</u>	<u>28,821</u>	<u>43,693</u>	<u>14,872</u>
Fund balance, October 1	<u>30,511</u>	<u>30,511</u>	<u>30,511</u>	<u>-</u>
Fund balance, September 30	<u>\$ 59,332</u>	<u>59,332</u>	<u>74,204</u>	<u>14,872</u>

**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, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,630,640	1,630,640	1,421,889	(208,751)
Intergovernmental	1,054,435	1,054,435	893,761	(160,674)
Interest	4,700	4,700	571	(4,129)
Total revenues	<u>2,689,775</u>	<u>2,689,775</u>	<u>2,316,221</u>	<u>(373,554)</u>
Expenditures:				
Current:				
Economic development	50,000	85,980	54,898	31,082
Debt service:				
Principal	380,000	380,000	380,000	-
Interest and fiscal charges	33,685	34,105	34,090	15
Total expenditures	<u>463,685</u>	<u>500,085</u>	<u>468,988</u>	<u>31,097</u>
Excess of revenues over expenditures	<u>2,226,090</u>	<u>2,189,690</u>	<u>1,847,233</u>	<u>(342,457)</u>
Other financing sources (uses):				
Transfers out	<u>(1,480,206)</u>	<u>(1,480,206)</u>	<u>(1,480,206)</u>	<u>-</u>
Net change in fund balance	745,884	709,484	367,027	(342,457)
Fund balance, October 1	<u>294,013</u>	<u>294,013</u>	<u>294,013</u>	<u>-</u>
Fund balance, September 30	<u>\$ 1,039,897</u>	<u>1,003,497</u>	<u>661,040</u>	<u>(342,457)</u>



### **Internal Service Funds**

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

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

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

**City of Belton, Texas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
September 30, 2021

	Information Technology	Building Maintenance	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 65,497	129,289	194,786
Total current assets	<u>65,497</u>	<u>129,289</u>	<u>194,786</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	176,556	-	176,556
Less: accumulated depreciation	<u>(17,788)</u>	<u>-</u>	<u>(17,788)</u>
Total capital assets	<u>158,768</u>	<u>-</u>	<u>158,768</u>
Total noncurrent assets	<u>158,768</u>	<u>-</u>	<u>158,768</u>
Total assets	<u>224,265</u>	<u>129,289</u>	<u>353,554</u>
<b>Deferred outflows of resources</b>			
Deferred outflows of resources	<u>16,026</u>	<u>16,958</u>	<u>32,984</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	10,772	11,046	21,818
Accrued liabilities	10,790	32,547	43,337
Compensated absences - current	<u>4,353</u>	<u>2,521</u>	<u>6,874</u>
Total current liabilities	<u>25,915</u>	<u>46,114</u>	<u>72,029</u>
Noncurrent liabilities:			
Compensated absences payable	3,767	2,605	6,372
Net pension liability	47,576	50,342	97,918
Total OPEB liability	<u>8,934</u>	<u>9,454</u>	<u>18,388</u>
Total noncurrent liabilities	<u>60,277</u>	<u>62,401</u>	<u>122,678</u>
Total liabilities	<u>86,192</u>	<u>108,515</u>	<u>194,707</u>
<b>Deferred inflows of resources</b>			
Deferred inflows of resources	<u>13,208</u>	<u>13,977</u>	<u>27,185</u>
<b>Net position</b>			
Net investment in capital assets	158,768	-	158,768
Unrestricted	<u>(17,877)</u>	<u>23,755</u>	<u>5,878</u>
Total net position	<u>\$ 140,891</u>	<u>23,755</u>	<u>164,646</u>

See accompanying independent auditor's report.

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

For the Year Ended September 30, 2021

	Information Technology	Building Maintenance	Total
<b>Operating revenues:</b>			
Charges for services	\$ 818,692	443,517	1,262,209
Total operating revenues	<u>818,692</u>	<u>443,517</u>	<u>1,262,209</u>
<b>Operating expenses:</b>			
Salaries and wages	151,963	162,389	314,352
Employee benefits	97,508	117,588	215,096
Supplies	4,070	22,535	26,605
Repairs and maintenance	340,460	44,423	384,883
Other charges	86,095	56,479	142,574
Depreciation	17,788	-	17,788
Other operating expenses	59,234	9,138	68,372
Total operating expenses	<u>757,118</u>	<u>412,552</u>	<u>1,169,670</u>
Operating income	<u>61,574</u>	<u>30,965</u>	<u>92,539</u>
<b>Nonoperating revenues:</b>			
Interest earnings	<u>15</u>	<u>31</u>	<u>46</u>
Total nonoperating revenues	<u>15</u>	<u>31</u>	<u>46</u>
Income before transfers	61,589	30,996	92,585
Transfers out	<u>-</u>	<u>(13,863)</u>	<u>(13,863)</u>
Change in net position	61,589	17,133	78,722
Total net position, beginning of year	-	-	-
Prior period adjustment	79,302	6,622	85,924
Total net position, as restated	<u>79,302</u>	<u>6,622</u>	<u>85,924</u>
Total net position, end of year	<u>\$ 140,891</u>	<u>23,755</u>	<u>164,646</u>

See accompanying independent auditor's report.

**City of Belton, Texas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended September 30, 2021

	Information Technology	Building Maintenance	Total
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 819,577	443,517	1,263,094
Payments to suppliers	(523,509)	(139,574)	(663,083)
Payments to employees	(160,083)	(167,515)	(327,598)
Net cash provided by operating activities	<u>135,985</u>	<u>136,428</u>	<u>272,413</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers to other funds	-	(13,863)	(13,863)
Net cash used in noncapital financing activities	<u>-</u>	<u>(13,863)</u>	<u>(13,863)</u>
<b>Cash flows from capital and related financing activities:</b>			
Purchases of capital assets	(176,556)	-	(176,556)
Net cash used in capital and related financing activities	<u>(176,556)</u>	<u>-</u>	<u>(176,556)</u>
<b>Cash flows from investing activities:</b>			
Interest received	15	31	46
Net cash provided by investing activities	<u>15</u>	<u>31</u>	<u>46</u>
Net increase (decrease) in cash and cash equivalents	(40,556)	122,596	82,040
Cash and cash equivalents, beginning of year	106,053	6,693	112,746
Cash and cash equivalents, end of year	<u>\$ 65,497</u>	<u>129,289</u>	<u>194,786</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 61,574	30,965	92,539
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	17,788	-	17,788
Decrease in receivables	885	-	885
Increase in accounts payable	10,790	32,476	43,266
Decrease in due to other funds	(27,636)	-	(27,636)
Increase in accrued liabilities	10,772	11,046	21,818
Increase in compensated absences payable	8,120	5,126	13,246
Increase in net pension liability and pension-related deferred outflows and inflows of resources	46,292	48,984	95,276
Increase in total OPEB liability and OPEB-related deferred outflows of resources	7,400	7,831	15,231
Total adjustments	<u>74,411</u>	<u>105,463</u>	<u>179,874</u>
Net cash provided by operating activities	<u>\$ 135,985</u>	<u>136,428</u>	<u>272,413</u>

See accompanying independent auditor's report.

# City of Belton, Texas

## Statistical Section

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

<b>Contents</b>	<b>Page</b>
Financial Trends	100
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	110
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	120
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	130
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	134
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	

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

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

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 14,506,537	14,681,745	16,461,658	20,253,143
Restricted	1,661,938	2,263,468	2,701,028	2,846,948
Unrestricted	<u>6,957,744</u>	<u>6,747,744</u>	<u>6,963,750</u>	<u>6,462,523</u>
Total governmental activities net position	<u>\$ 23,126,219</u>	<u>23,692,957</u>	<u>26,126,436</u>	<u>29,562,614</u>
Business-type activities				
Net investment in capital assets	\$ 16,439,528	17,681,536	18,121,998	21,325,320
Restricted	33,017	193,212	-	-
Unrestricted	<u>6,123,639</u>	<u>6,542,549</u>	<u>6,334,986</u>	<u>4,941,679</u>
Total business-type activities net position	<u>\$ 22,596,184</u>	<u>24,417,297</u>	<u>24,456,984</u>	<u>26,266,999</u>
Primary government				
Net investment in capital assets	\$ 30,946,065	32,363,281	34,583,656	41,578,463
Restricted	1,694,955	2,456,680	2,701,028	2,846,948
Unrestricted	<u>13,081,383</u>	<u>13,290,293</u>	<u>13,298,736</u>	<u>11,404,202</u>
Total primary government net position	<u>\$ 45,722,403</u>	<u>48,110,254</u>	<u>50,583,420</u>	<u>55,829,613</u>

Table I

Fiscal Year					
2016	2017	2018	2019	2020	2021
24,492,141	24,735,870	25,577,477	26,552,859	29,333,704	31,392,391
2,300,596	1,123,142	2,245,552	3,115,867	3,527,740	5,008,535
5,385,680	6,115,680	5,570,034	5,966,036	7,386,442	7,000,387
<u>32,178,417</u>	<u>31,974,692</u>	<u>33,393,063</u>	<u>35,634,762</u>	<u>40,247,886</u>	<u>43,401,313</u>
27,592,280	31,298,115	33,628,880	33,448,863	37,888,290	41,254,526
-	-	-	-	-	-
7,176,189	6,348,421	7,284,409	9,508,311	10,359,174	9,782,874
<u>34,768,469</u>	<u>37,646,536</u>	<u>40,913,289</u>	<u>42,957,174</u>	<u>48,247,464</u>	<u>51,037,400</u>
52,084,421	56,033,985	59,206,357	60,001,722	67,221,994	72,646,917
2,300,596	1,123,142	2,245,552	3,115,867	3,527,740	5,008,535
12,561,869	12,464,101	12,854,443	15,474,347	17,745,616	16,783,261
<u>66,946,886</u>	<u>69,621,228</u>	<u>74,306,352</u>	<u>78,591,936</u>	<u>88,495,350</u>	<u>94,438,713</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,384,187	1,379,902	1,542,268	1,534,183
Public safety	5,646,348	6,081,978	6,274,184	6,513,269
Highways and streets	1,878,313	1,918,580	1,979,832	2,176,849
Planning	340,545	389,280	349,526	352,821
Culture and recreation	1,940,672	1,562,517	1,700,193	1,873,363
Solid waste	992,345	1,023,909	996,945	1,039,691
Economic development	456,987	231,829	461,622	180,440
Maintenance	448,480	444,230	400,394	398,974
Interest	387,912	466,056	552,290	540,242
Total governmental activities expenses	<u>13,475,789</u>	<u>13,498,281</u>	<u>14,257,254</u>	<u>14,609,832</u>
Business-type activities:				
Water and sewer	5,586,624	5,689,098	5,577,444	5,912,553
Drainage	207,911	253,212	312,075	280,317
Total business-type activities expenses	<u>5,794,535</u>	<u>5,942,310</u>	<u>5,889,519</u>	<u>6,192,870</u>
Total primary government expenses	<u>\$ 19,270,324</u>	<u>19,440,591</u>	<u>20,146,773</u>	<u>20,802,702</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ -	-	-	-
Public safety	1,544,949	1,503,586	1,577,432	1,744,958
Planning	163,410	223,636	205,792	188,172
Culture and recreation	43,835	57,923	71,857	76,672
Solid waste	1,166,276	1,198,447	1,191,335	1,207,841
Maintenance	-	-	-	-
Operating grants and contributions	640,097	645,933	646,637	747,749
Capital grants and contributions	805,335	1,113,389	2,283,115	3,758,025
Total governmental activities program revenues	<u>4,363,902</u>	<u>4,742,914</u>	<u>5,976,168</u>	<u>7,723,417</u>
Business-type activities:				
Charges for services:				
Water and sewer	5,833,008	5,914,912	5,550,825	6,164,279
Drainage	349,273	360,008	367,956	360,021
Capital grants and contributions	377,895	1,242,591	348,298	1,764,757
Total business-type activities program revenues	<u>6,560,176</u>	<u>7,517,511</u>	<u>6,267,079</u>	<u>8,289,057</u>
Total primary government program revenues	<u>\$ 10,924,078</u>	<u>12,260,425</u>	<u>12,243,247</u>	<u>16,012,474</u>
Net (expense)/revenue				
Governmental activities	\$ (9,111,887)	(8,755,367)	(8,281,086)	(6,886,415)
Business-type activities	1,550,699	774,522	377,560	2,096,187
Total primary government net expense	<u>\$ (7,561,188)</u>	<u>(7,980,845)</u>	<u>(7,903,526)</u>	<u>(4,790,228)</u>

Table II

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
1,689,517	1,716,860	1,708,939	1,922,535	2,148,096	2,720,745
7,542,557	7,267,041	7,583,124	7,732,691	7,549,450	8,402,934
2,092,553	3,748,290	3,048,186	2,931,121	2,901,276	3,410,000
346,111	410,159	376,194	420,375	461,414	522,439
2,174,373	2,287,621	2,231,611	2,263,114	2,338,802	2,775,670
1,096,528	1,149,978	1,233,457	1,375,670	1,446,642	1,533,809
209,272	303,486	20,538	254,749	332,050	75,715
432,894	488,765	551,823	620,433	657,567	568,396
524,277	530,523	500,946	444,005	415,010	333,711
<u>16,108,082</u>	<u>17,902,723</u>	<u>17,254,818</u>	<u>17,964,693</u>	<u>18,250,307</u>	<u>20,343,419</u>
6,612,667	7,587,275	7,292,722	7,399,552	7,914,735	10,102,907
438,375	467,002	583,665	518,216	520,771	612,115
<u>7,051,042</u>	<u>8,054,277</u>	<u>7,876,387</u>	<u>7,917,768</u>	<u>8,435,506</u>	<u>10,715,022</u>
<u>23,159,124</u>	<u>25,957,000</u>	<u>25,131,205</u>	<u>25,882,461</u>	<u>26,685,813</u>	<u>31,058,441</u>
-	-	-	-	-	174,336
1,656,931	1,724,140	1,256,344	1,284,306	84,653	328,168
221,395	331,412	249,596	265,243	234,209	347,166
83,249	84,260	100,485	118,731	47,610	111,787
1,271,762	1,330,093	1,411,823	1,567,214	1,677,146	2,033,848
-	-	-	-	-	69,252
1,044,637	1,031,482	935,743	1,004,165	2,318,475	1,707,513
2,783,748	1,756,063	1,960,463	2,186,550	3,183,589	1,465,540
<u>7,061,722</u>	<u>6,257,450</u>	<u>5,914,454</u>	<u>6,426,209</u>	<u>7,545,682</u>	<u>6,237,610</u>
6,898,744	7,857,459	8,506,124	8,467,402	9,002,210	9,396,990
377,991	389,231	452,795	492,638	517,462	544,076
8,588,839	3,296,277	2,404,750	1,104,514	4,624,032	3,940,303
<u>15,865,574</u>	<u>11,542,967</u>	<u>11,363,669</u>	<u>10,064,554</u>	<u>14,143,704</u>	<u>13,881,369</u>
<u>22,927,296</u>	<u>17,800,417</u>	<u>17,278,123</u>	<u>16,490,763</u>	<u>21,689,386</u>	<u>20,118,979</u>
(9,046,360)	(11,645,273)	(11,340,364)	(11,538,484)	(10,704,625)	(14,105,809)
<u>8,814,532</u>	<u>3,488,690</u>	<u>3,487,282</u>	<u>2,146,786</u>	<u>5,708,198</u>	<u>3,166,347</u>
<u>(231,828)</u>	<u>(8,156,583)</u>	<u>(7,853,082)</u>	<u>(9,391,698)</u>	<u>(4,996,427)</u>	<u>(10,939,462)</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 4,954,391	5,257,077	5,581,133	5,916,916
Sales taxes	2,763,063	2,874,792	3,069,314	3,205,411
Franchise taxes	1,062,958	1,075,453	1,183,602	1,148,273
Hotel/motel taxes	151,802	162,989	177,932	157,454
Alcoholic beverage taxes	28,868	31,378	40,579	39,204
Unrestricted investment earnings	12,431	11,439	13,715	28,003
Miscellaneous	102,342	130,986	88,762	102,773
Gain (loss) on sale of capital assets	-	6,351	191,869	36,937
Transfers	328,844	(228,360)	367,659	294,516
Total governmental activities	<u>9,404,699</u>	<u>9,322,105</u>	<u>10,714,565</u>	<u>10,929,487</u>
Business-type activities:				
Unrestricted investment earnings	6,362	6,189	5,118	16,624
Miscellaneous	-	-	-	-
Gain on sale of capital assets	-	11,363	24,668	108,079
Transfers	(328,844)	228,360	(367,659)	(294,516)
Total business-type activities	<u>(322,482)</u>	<u>245,912</u>	<u>(337,873)</u>	<u>(169,813)</u>
Total primary government	<u>\$ 9,082,217</u>	<u>9,568,017</u>	<u>10,376,692</u>	<u>10,759,674</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 292,812	566,738	2,433,479	4,043,072
Business-type activities	<u>1,228,217</u>	<u>1,020,434</u>	<u>39,687</u>	<u>1,926,374</u>
Total primary government	<u>\$ 1,521,029</u>	<u>1,587,172</u>	<u>2,473,166</u>	<u>5,969,446</u>

Table II  
(continued)

Fiscal Year					
2016	2017	2018	2019	2020	2021
6,355,718	6,608,619	7,014,638	7,417,023	8,374,239	9,009,410
3,155,659	3,276,982	3,510,105	3,573,712	4,085,122	4,896,247
1,171,669	1,164,334	1,248,967	1,252,492	1,243,128	1,238,870
147,230	167,691	162,032	189,851	172,435	234,924
38,434	40,811	46,951	55,115	43,241	61,008
42,668	113,232	168,241	281,580	146,401	19,147
399,537	276,195	355,287	312,387	564,626	113,680
17,821	(981,302)	-	140,266	89,331	58,805
333,427	774,986	503,778	557,757	599,226	562,731
<u>11,662,163</u>	<u>11,441,548</u>	<u>13,009,999</u>	<u>13,780,183</u>	<u>15,317,749</u>	<u>16,194,822</u>
33,343	149,443	285,490	369,904	167,618	19,867
-	-	2,637	5,481	-	-
(36,600)	14,920	43,061	36,007	13,700	11,500
<u>(309,805)</u>	<u>(774,986)</u>	<u>(503,778)</u>	<u>(514,293)</u>	<u>(599,226)</u>	<u>(562,731)</u>
<u>(313,062)</u>	<u>(610,623)</u>	<u>(172,590)</u>	<u>(102,901)</u>	<u>(417,908)</u>	<u>(531,364)</u>
<u>11,349,101</u>	<u>10,830,925</u>	<u>12,837,409</u>	<u>13,677,282</u>	<u>14,899,841</u>	<u>15,663,458</u>
2,615,803	(203,725)	1,669,635	2,241,699	4,613,124	2,089,013
<u>8,501,470</u>	<u>2,878,067</u>	<u>3,314,692</u>	<u>2,043,885</u>	<u>5,290,290</u>	<u>2,634,983</u>
<u>11,117,273</u>	<u>2,674,342</u>	<u>4,984,327</u>	<u>4,285,584</u>	<u>9,903,414</u>	<u>4,723,996</u>

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

	Fiscal Year			
	2012	2013	2014	2015
General fund				
Nonspendable prepaid expenses	\$ 6,102	6,112	7,519	8,169
Restricted for:				
Public access facilities	124,571	151,474	177,076	204,307
Public safety	43,355	23,560	20,370	10,894
Cemetery	3,077	3,080	3,082	3,106
Assigned to:				
Civil service sick pay	711,366	705,931	722,099	719,391
Other purposes	12,668	10,141	17,163	29,511
Unreserved/Unassigned	<u>4,538,665</u>	<u>5,127,544</u>	<u>4,657,271</u>	<u>4,768,975</u>
Total general fund	<u>\$ 5,439,804</u>	<u>6,027,842</u>	<u>5,604,580</u>	<u>5,744,353</u>
All other governmental funds				
Restricted for:				
Debt service	269,913	274,764	172,923	132,462
Capital projects	893,851	7,830,392	6,314,205	5,310,080
Economic development	637,476	1,094,866	1,596,879	1,826,018
Public access facilities	-	-	-	-
Public safety	157,635	75,232	137,804	114,421
Other purposes	23,280	31,355	36,416	42,959
Committed to:				
Capital projects	435,769	415,864	-	-
Economic development	24,696	24,750	20,730	23,859
Assigned to capital projects				
Capital Projects	1,644,454	784,081	1,763,345	1,617,003
Other purposes				
Unassigned	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>(1,218)</u>
Total all other governmental funds	<u>\$ 4,087,067</u>	<u>10,531,304</u>	<u>10,042,302</u>	<u>9,065,584</u>

Table III

Fiscal Year					
2016	2017	2018	2019	2020	2021
7,829	4,409	6,699	7,392	7,511	4,899
233,434	264,425	299,494	-	-	-
10,995	10,936	4,693	-	-	-
3,115	3,140	3,189	-	-	-
704,950	824,834	785,547	759,785	872,000	872,000
32,233	35,744	33,658	44,522	40,479	-
5,029,559	5,104,032	5,122,832	5,077,904	7,128,597	5,454,084
<u>6,022,115</u>	<u>6,247,520</u>	<u>6,256,112</u>	<u>5,889,603</u>	<u>8,048,587</u>	<u>6,330,983</u>
158,685	169,940	306,462	236,154	30,511	74,204
4,484,401	1,310,998	-	1,673,625	2,199,282	3,115,834
1,192,880	541,585	1,434,099	590,801	650,597	1,123,890
-	-	-	335,911	368,665	397,590
162,757	68,645	133,575	184,467	181,800	182,038
36,293	37,976	36,898	45,857	62,511	83,146
-	-	-	-	-	-
21,680	7,034	5,082	43,650	33,816	41,142
1,088,912	1,912,218	1,985,455	2,415,820	1,959,629	4,133,972
				49,660	89,881
(4,830)	(584)	(96,497)	(20,364)	-	-
<u>7,140,778</u>	<u>4,047,812</u>	<u>3,805,074</u>	<u>5,505,921</u>	<u>5,536,471</u>	<u>9,241,697</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Revenues</b>				
Taxes	\$ 8,948,717	9,406,650	10,051,287	10,467,602
Licenses and permits	163,410	223,636	205,792	188,172
Intergovernmental	1,347,776	1,125,196	2,630,028	3,308,812
Charges for services	2,363,864	2,409,771	2,434,770	2,526,593
Fines	362,650	369,793	419,299	377,875
Rental	9,300	9,900	11,800	15,600
Interest	12,432	11,439	13,715	28,003
Contributions and donations	97,656	122,197	194,298	279,926
Payments in lieu of taxes	5,220	6,349	7,515	9,164
Miscellaneous	73,506	107,984	86,003	93,967
Total revenues	<u>13,384,531</u>	<u>13,792,915</u>	<u>16,054,507</u>	<u>17,295,714</u>
<b>Expenditures</b>				
General government	1,220,853	1,286,946	1,460,528	1,475,263
Public safety	5,220,652	5,848,468	5,963,512	6,278,268
Highways and streets	943,953	986,341	1,029,737	1,061,613
Planning	330,726	355,265	327,937	337,730
Culture and recreation	1,071,969	1,083,562	1,155,054	1,196,792
Solid waste	978,348	1,009,519	986,098	1,027,958
Economic development	456,987	231,829	461,622	186,379
Maintenance	339,382	396,470	391,983	363,981
Debt service				
Principal	564,058	584,067	629,399	733,112
Interest and fiscal charges	391,625	378,236	533,035	541,331
Bond issuance cost		80,000		15,234
Capital outlay	<u>1,933,174</u>	<u>1,135,259</u>	<u>4,672,441</u>	<u>6,366,845</u>
Total expenditures	<u>13,451,727</u>	<u>13,375,962</u>	<u>17,611,346</u>	<u>19,584,506</u>
Excess of revenues over (under) expenditures	<u>(67,196)</u>	<u>416,953</u>	<u>(1,556,839)</u>	<u>(2,288,792)</u>
<b>Other financing sources (uses)</b>				
Insurance proceeds	18,332	12,331	99,777	18,601
Sale of capital assets	52,756	6,351	177,139	31,775
Transfers in	895,629	765,463	2,616,554	1,715,681
Transfers out	(566,785)	(993,823)	(2,248,895)	(1,421,165)
Issuance of debt	-	6,825,000	-	1,070,000
Premium on issuance of debt	-	-	-	-
Payments to refunding escrow agents	-	-	-	-
Other uses	-	-	-	36,955
Total other financing sources (uses)	<u>399,932</u>	<u>6,615,322</u>	<u>644,575</u>	<u>1,451,847</u>
Net change in fund balances	<u>\$ 332,736</u>	<u>7,032,275</u>	<u>(912,264)</u>	<u>(836,945)</u>
Debt service as a percentage of noncapital expenditures	8.30%	7.86%	8.98%	9.64%

Table IV

Fiscal Year					
2016	2017	2018	2019	2020	2021
10,878,885	11,259,914	11,969,151	12,467,060	13,868,310	15,456,659
221,395	331,412	249,596	265,243	234,209	347,166
2,523,212	1,122,211	1,155,895	2,514,469	2,232,140	2,408,017
2,589,725	2,743,579	2,692,984	2,216,309	1,911,644	2,196,422
389,614	333,039	301,237	384,661	308,271	295,708
14,300	-	-	-	-	-
44,564	113,232	168,241	281,580	146,401	19,101
406,507	267,036	270,332	240,789	86,335	15,093
9,489	9,532	9,375	9,118	10,333	10,851
385,988	277,542	359,222	314,712	345,091	71,506
17,463,679	16,457,497	17,176,033	18,693,941	19,142,734	20,820,523
1,588,236	1,580,289	1,665,115	1,777,826	2,038,418	2,472,428
6,492,045	6,711,922	7,030,556	6,936,055	6,890,563	7,193,703
924,047	946,466	1,561,526	1,294,284	1,271,603	1,562,728
325,475	375,071	360,172	391,355	441,831	471,912
1,281,494	1,357,934	1,585,759	1,587,938	1,620,003	1,920,206
1,079,976	1,123,844	1,205,209	1,342,432	1,429,589	1,511,814
209,272	321,695	20,538	254,749	332,050	75,715
388,027	440,884	507,201	545,038	602,186	473,616
841,824	906,824	1,010,538	1,104,250	1,217,963	1,181,675
533,119	510,588	413,177	459,583	379,357	408,048
-	35,682	1,527	-	121,174	-
5,841,144	5,906,783	4,790,466	2,409,366	1,657,426	2,266,894
19,504,659	20,217,982	20,151,784	18,102,876	18,002,163	19,538,739
(2,040,980)	(3,760,485)	(2,975,751)	591,065	1,140,571	1,281,784
25,360	49,458	26,065	46,753	245,800	37,102
35,149	18,480	41,186	138,763	81,546	178,066
1,576,500	2,458,921	2,412,836	3,439,234	1,723,042	5,179,667
(1,243,073)	(1,683,935)	(1,909,058)	(2,881,477)	(1,123,816)	(4,603,073)
-	50,000	2,170,576	-	5,575,000	-
-	-	-	-	521,559	-
-	-	-	-	(5,974,168)	-
-	-	-	-	-	-
393,936	892,924	2,741,605	743,273	1,048,963	791,762
(1,647,044)	(2,867,561)	(234,146)	1,334,338	2,189,534	2,073,546
10.06%	9.90%	9.27%	9.96%	9.77%	9.20%

Table V

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

Fiscal Year	Property Tax <sup>(1)</sup>	Sales Tax	Franchise Tax	Hotel/Motel Occupancy Tax	Alcoholic Beverage Tax	Total	% Change
2012	\$ 4,947,246	\$ 2,763,063	\$ 1,062,958	\$ 151,802	\$ 28,868	\$ 8,953,937	6.40%
2013	5,268,387	2,874,792	1,075,453	162,989	31,378	9,412,999	5.13%
2014	5,587,375	3,069,314	1,183,601	177,932	40,579	10,058,802	6.86%
2015	5,926,424	3,205,411	1,148,273	157,454	39,204	10,476,766	4.16%
2016	6,375,382	3,155,659	1,171,668	147,230	38,434	10,888,373	3.93%
2017	6,619,628	3,276,982	1,164,334	167,691	40,811	11,269,446	3.50%
2018	7,010,469	3,510,105	1,248,967	162,032	46,951	11,978,524	6.29%
2019	7,405,006	3,573,712	1,252,492	189,851	55,115	12,476,176	4.15%
2020	8,334,717	4,085,122	1,243,128	172,435	43,241	13,878,643	11.24%
2021	9,036,460	4,896,247	1,238,870	234,924	61,008	15,467,509	11.45%

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

Table VI

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

<u>Fiscal Year</u>	<u>Total Collected</u>	<u>Percent of Ad Valorem Tax Levy</u>	<u>Equivalent Ad Valorem Tax Rate</u>	<u>Per Capita</u>
2012	\$ 2,763,063	55%	\$ 0.3605	\$ 146
2013	2,874,792	55%	0.3624	149
2014	3,069,314	56%	0.3672	155
2015	3,205,411	55%	0.3582	156
2016	3,155,659	50%	0.3334	149
2017	3,276,982	50%	0.3285	151
2018	3,510,105	50%	0.3320	159
2019	3,573,712	49%	0.3190	159
2020	4,085,122	49%	0.3225	179
2021	4,896,247	55%	0.3342	199

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



Table VII

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
River Springs at Barge Ranch	\$ 27,189,940	1	1.86%	\$ -	-	-
Turtle Creek Investments	23,316,807	2	1.59%	12,974,927	2	1.69%
Oncor Electric Delivery	20,271,930	3	1.38%	10,148,761	3	1.32%
Colonial Crossing Company	15,288,569	4	1.04%	-	-	-
Legacy Landing Group	14,685,800	5	1.00%	8,236,131	4	1.07%
Chappell Hill Equity III	13,046,400	6	0.89%	5,906,133	6	0.77%
Wal-Mart	10,506,000	7	0.72%	14,005,457	1	1.83%
Stratasys Direct Manufacturing	9,258,498	8	0.63%	-	-	-
2007 Belton Shady Lane Lp	8,482,175	9	0.58%	-	-	-
HEB Grocery Company	7,996,252	10	0.55%	-	-	-
CMH Manufacturing	-	-	-	7,392,823	5	0.96%
Tarco of Texas	-	-	-	5,386,746	7	0.70%
E.M. Cable International	-	-	-	5,124,701	8	0.67%
Airgas Southwest, Inc.	-	-	-	5,000,330	9	0.65%
James Construction	-	-	-	4,711,803	10	0.61%
Subtotal	\$ 150,042,371		10.24%	\$ 78,887,812		10.29%
Other Taxpayers	1,315,047,403		89.76%	687,515,165		89.71%
Total	\$ 1,465,089,774		100%	\$ 766,402,977		100%

Source: Bell County Appraisal District, Top 10 Taxpayer Report and Certified 2020 Tax Roll.

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

	Fiscal Year			
	2012	2013	2014	2015
Single-Family Residential Property	\$ 479,337,000	\$ 495,626,123	\$ 522,384,977	\$ 554,335,813
Other Property	577,347,151	617,527,024	653,254,439	715,752,062
Total Assessed Value <sup>(1)</sup>	1,056,684,151	1,113,153,147	1,175,639,416	1,270,087,875
Exemptions and Reductions	(290,281,154)	(319,861,069)	(339,741,389)	(375,226,179)
Certified Taxable Value	766,402,997	793,292,078	835,898,027	894,861,696
Adjustments After Certification	(2,111,560)	(2,350,277)	(2,563,532)	(5,363,818)
Adjusted Taxable Value	<u>\$ 764,291,437</u>	<u>\$ 790,941,801</u>	<u>\$ 833,334,495</u>	<u>\$ 889,497,878</u>
Adjusted Tax Levy	\$ 4,998,466	\$ 5,218,634	\$ 5,498,341	\$ 5,868,907
Adjusted Taxable Value % of Assessed	72.3%	71.1%	70.9%	70.0%
Ad Valorem Tax Rate <sup>(2)</sup>	\$ 0.6540	\$ 0.6598	\$ 0.6598	\$ 0.6598

Source: Bell County Appraisal District, Certified Tax Rolls and Year-to-Date Recap Report as of September 30, 2021.

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

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

Assessed and taxable values reflect the certified and uncertified values of each fiscal year as of September 30, 2021.

Table VIII

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 586,835,143	\$ 617,668,260	\$ 665,420,476	\$ 706,346,298	\$ 808,110,348	\$ 906,641,580
748,363,534	786,091,839	811,985,942	845,579,588	1,042,499,490	1,179,756,119
1,335,198,677	1,403,760,099	1,477,406,418	1,551,925,886	1,850,609,838	2,086,397,699
(388,827,555)	(406,166,184)	(420,159,125)	(431,772,543)	(583,756,203)	(621,307,925)
946,371,122	997,593,915	1,057,247,293	1,120,153,343	1,266,853,635	1,465,089,774
5,882,894	(2,289,883)	(1,534,804)	(3,616,968)	(7,831,507)	(42,023,901)
<u>\$ 952,254,016</u>	<u>\$ 995,304,032</u>	<u>\$ 1,055,712,489</u>	<u>\$ 1,116,536,375</u>	<u>\$ 1,259,022,128</u>	<u>\$ 1,423,065,873</u>
\$ 6,282,972	\$ 6,567,016	\$ 6,965,591	\$ 7,366,907	\$ 8,307,028	\$ 8,965,315
71.3%	70.9%	71.5%	71.9%	68.0%	68.2%
\$ 0.6598	\$ 0.6598	\$ 0.6598	\$ 0.6598	\$ 0.6598	\$ 0.6300

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

	Fiscal Year			
	2012	2013	2014	2015
Taxes levied:				
Fiscal year levy	\$ 5,015,237	\$ 5,242,115	\$ 5,515,442	\$ 5,886,071
Adjustments in subsequent years	(16,771)	(23,481)	(17,101)	(17,164)
Total of taxes levied <sup>(1)</sup>	<u>4,998,466</u>	<u>5,218,634</u>	<u>5,498,341</u>	<u>5,868,907</u>
Taxes collected:				
Fiscal year collections	4,916,417	5,124,859	5,426,284	5,780,783
Collections in subsequent years <sup>(2)</sup>	73,164	85,555	61,501	76,945
Total of taxes collected	<u>\$ 4,989,581</u>	<u>\$ 5,210,414</u>	<u>\$ 5,487,785</u>	<u>\$ 5,857,728</u>
Collection rates:				
Percentage collected in fiscal year	98.36%	98.20%	98.69%	98.50%
Percentage collected of total levy	99.82%	99.84%	99.81%	99.81%
Delinquent taxes:				
Total outstanding balance	8,885	8,220	10,556	11,179
Percentage of total levy outstanding	0.18%	0.16%	0.19%	0.19%

Notes:

<sup>(1)</sup> The tax levy reflects the certified and uncertified property values of each fiscal year as of September 30, 2021.

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

Table IX

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 6,242,079	\$ 6,586,489	\$ 7,009,948	\$ 7,386,463	\$ 8,341,442	\$ 9,102,329
40,893	(19,473)	(44,357)	(19,556)	(34,414)	(137,014)
<u>6,282,972</u>	<u>6,567,016</u>	<u>6,965,591</u>	<u>7,366,907</u>	<u>8,307,028</u>	<u>8,965,315</u>
6,213,465	6,493,885	6,881,333	7,282,464	8,181,665	8,839,461
55,957	55,808	62,462	54,199	55,604	-
<u>\$ 6,269,422</u>	<u>\$ 6,549,693</u>	<u>\$ 6,943,795</u>	<u>\$ 7,336,663</u>	<u>\$ 8,237,269</u>	<u>\$ 8,839,461</u>
98.89%	98.89%	98.79%	98.85%	98.49%	98.60%
99.78%	99.74%	99.69%	99.59%	99.16%	98.60%
13,550	17,323	21,796	30,244	69,759	125,854
0.22%	0.26%	0.31%	0.41%	0.84%	1.40%

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

	Fiscal Year			
	2012	2013	2014	2015
City of Belton by Fund:				
General	0.5405	0.5488	0.5488	0.5425
Debt Service	0.1135	0.1110	0.1110	0.1173
Total Direct Rates <sup>(1)</sup>	<u>0.6540</u>	<u>0.6598</u>	<u>0.6598</u>	<u>0.6598</u>
Belton ISD	1.4060	1.5210	1.4500	1.4400
Bell County	0.4096	0.4212	0.4212	0.4212
Bell County Road District	0.0299	0.0299	0.0299	0.0299
Bell County WCID #6	0.0000	0.0000	0.0000	0.0000
Clear Water Underground Wtr. Cons. Dist.	0.0040	0.0040	0.0040	0.0040
Total Direct and Overlapping Rates <sup>(1) (2)</sup>	<u>2.5035</u>	<u>2.6359</u>	<u>2.5649</u>	<u>2.5549</u>

Source: Bell County Appraisal District

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

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

Table X

Fiscal Year					
2016	2017	2018	2019	2020	2021
0.5332	0.5393	0.5545	0.5650	0.5712	0.5289
0.1266	0.1205	0.1053	0.0948	0.0886	0.1011
0.6598	0.6598	0.6598	0.6598	0.6598	0.6300
1.4400	1.4400	1.6030	1.6030	1.4651	1.3651
0.4212	0.4212	0.4212	0.4212	0.4208	0.3968
0.0299	0.0299	0.0299	0.0299	0.2920	0.0285
0.0000	0.0300	0.0300	0.0300	0.0297	0.0300
0.0040	0.0039	0.0038	0.0038	0.0036	0.0033
2.5549	2.5848	2.7477	2.7477	2.8710	2.4537

**City of Belton, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds**  
September 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
City Direct Debt <sup>(1)</sup>	\$ <u>11,341,369</u> <sup>(1)</sup>	100.00 %	\$ <u>11,341,369</u>
Overlapping Debt :			
Belton Independent School District	228,020,000	35.21%	80,285,842
Bell County	<u>159,610,000</u>	7.22%	<u>11,523,842</u>
Total overlapping	<u>387,630,000</u>		<u>91,809,684</u>
Total direct and overlapping debt	\$ <u><u>398,971,369</u></u>		\$ <u><u>103,151,053</u></u>

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

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

**City of Belton, Texas**  
**Valuation, Exemptions and Ad Valorem Tax Debt**

2020 Tax Year, 2021 Fiscal Year Market Valuation <sup>(1)</sup>	\$ 2,086,397,699
Less Exemptions/Reductions	(621,307,925)
2020 Tax Year, 2021 Fiscal Year Net Taxable Assessed Valuation	<u>\$ 1,465,089,774</u>
Debt Payable from Ad Valorem Taxes as of September 30, 2021	\$ 27,519,993
Less Self-Supporting Debt <sup>(2)</sup>	(17,286,593)
Net Debt Payable from Ad Valorem Taxes	<u>\$ 10,233,400</u>
Interest and Sinking Fund as of 9/30/2021	\$ 72,569
Ratio Net Tax Supported Debt to Taxable Assessed Valuation	0.70%
2021 Estimated Population	24,610
Per Capita Taxable Assessed Valuation -	\$ 59,532
Per Capita Net Debt Payable from Ad Valorem Taxes	\$ 416

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

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



**City of Belton, Texas**  
**Tax Adequacy**

2022 Net Principal and Interest Requirements	\$ 1,172,657
\$0.0817 Tax Rate at 98% Collection Produces	\$ 1,173,038
 Average Annual Net Principal and Interest Requirements, 2022-2035	 \$ 877,571
\$0.0612 Tax Rate at 98% Collection Produces	\$ 878,702

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

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Governmental Activities</b>				
General Obligation Bonds	4,706,630	4,415,000	4,060,000	3,695,000
General Obligation Premium	-	-	-	-
Certificates of Obligation	4,571,425	11,103,988	10,829,588	11,531,476
Certificates of Obligation Premium	-	-	-	36,955
Total Governmental Activities	<u>9,278,055</u>	<u>15,518,988</u>	<u>14,889,588</u>	<u>15,263,431</u>
<b>Business-Type Activities</b>				
General Obligation Bonds	1,219,000	956,350	682,800	406,300
Certificates of Obligation	4,861,945	4,606,012	4,315,409	12,603,518
Certificates of Obligation Premium	-	-	-	296,853
Total Business-Type Activities	<u>6,080,945</u>	<u>5,562,362</u>	<u>4,998,209</u>	<u>13,306,671</u>
<b>Total Primary Government</b>	<u>15,359,000</u>	<u>21,081,350</u>	<u>19,887,797</u>	<u>28,570,102</u>
Percentage of Personal Income <sup>(1)</sup>	3.88	5.24	4.82	6.68
Per Capita <sup>(1)</sup>	809	1,092	1,004	1,393

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

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

Table XIV

Fiscal Year					
2016	2017	2018	2019	2020	2021
3,320,000	2,930,000	2,525,000	3,830,000	8,340,000	7,320,000
-	-	-	-	475,298	409,630
11,064,651	10,597,826	12,177,288	9,768,039	3,710,076	3,548,400
33,301	30,436	92,312	82,260	72,690	63,339
<u>14,417,952</u>	<u>13,558,262</u>	<u>14,794,600</u>	<u>13,680,299</u>	<u>12,598,064</u>	<u>11,341,369</u>
126,850	1,350,000	1,180,000	1,015,000	855,000	695,000
11,945,343	19,327,168	18,337,550	17,706,956	16,844,919	15,956,593
267,819	517,240	472,055	427,852	384,719	341,929
<u>12,340,012</u>	<u>21,194,408</u>	<u>19,989,605</u>	<u>19,149,808</u>	<u>18,084,638</u>	<u>16,993,522</u>
<u>26,757,964</u>	<u>34,752,670</u>	<u>34,784,205</u>	<u>32,830,107</u>	<u>30,682,702</u>	<u>28,334,891</u>
5.45	6.91	6.58	5.82	4.99	4.27
1,261	1,600	1,576	1,457	1,344	1,151

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

	Fiscal Year			
	2012	2013	2014	2015
<b>Taxable Value of Property <sup>(1)</sup></b>				
All property	\$764,291,437	\$790,941,801	\$833,334,495	\$889,497,878
<b>Net Bonded Debt <sup>(2)</sup></b>				
Gross bonded debt	9,278,055	15,518,988	14,889,588	15,263,431
Debt service funds	(269,914)	(274,764)	(172,923)	(132,462)
<b>Net Bonded Debt</b>	<u>9,008,141</u>	<u>15,244,224</u>	<u>14,716,665</u>	<u>15,130,969</u>
<b>Ratio of Net Bonded Debt to Taxable Value</b>	1.18%	1.93%	1.77%	1.70%
<b>Population <sup>(3)</sup></b>	18,981	19,314	19,809	20,517
<b>Net Bonded Debt Per Capita</b>	\$ 475	\$ 789	\$ 743	\$ 737

Note: The values reflect adjusted taxable value as of September 30, 2021. See Assessed Value and Adjusted Taxable Value of Property for more details.

<sup>(1)</sup> Taxable values reflect the certified and uncertified values of each fiscal year as of September 30, 2021.

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

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

Table XV

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 952,254,016	\$ 995,304,032	\$1,055,712,489	\$1,116,536,375	\$1,259,022,128	\$1,423,065,873
14,417,952	13,558,262	14,794,600	13,680,299	12,644,301	11,341,369
(158,685)	(169,940)	(306,462)	(236,154)	(30,512)	(74,203)
<u>14,259,267</u>	<u>13,388,322</u>	<u>14,488,138</u>	<u>13,444,145</u>	<u>12,613,789</u>	<u>11,267,166</u>
1.50%	1.35%	1.37%	1.20%	1.00%	0.79%
21,214	21,721	22,078	22,532	22,833	24,610
\$ 672	\$ 616	\$ 656	\$ 597	\$ 552	\$ 458

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

	Fiscal Year			
	2012	2013	2014	2015
Debt limit <sup>(1)</sup>	\$ 105,668,415	111,315,315	117,563,942	127,008,788
Total net debt applicable to limit	<u>9,008,141</u>	<u>15,244,224</u>	<u>14,716,665</u>	<u>15,130,969</u>
Legal debt margin	<u>\$ 96,660,274</u>	<u>\$ 96,071,091</u>	<u>\$ 102,847,277</u>	<u>\$ 111,877,819</u>
Total net debt applicable to the limit as a percentage of debt limit	9.32%	15.87%	14.31%	13.52%
<b>Legal Debt Margin Calculation</b>				
Assessed Value	\$ 1,056,684,151	1,113,153,147	1,175,639,416	1,270,087,875
Debt limit (10% of assessed value)	105,668,415	111,315,315	117,563,942	127,008,788
Debt applicable to limit:				
General obligation bonds	\$ 15,359,000	21,081,350	19,887,797	28,570,102
Less: pledged utility revenues	(6,080,945)	(5,562,362)	(4,998,209)	(13,306,671)
Less: amount set aside for repayment of debt	<u>(269,914)</u>	<u>(274,764)</u>	<u>(172,923)</u>	<u>(132,462)</u>
Total net debt applicable to limit	<u>9,008,141</u>	<u>15,244,224</u>	<u>14,716,665</u>	<u>15,130,969</u>
Legal debt margin	<u>\$ 96,660,274</u>	<u>\$ 96,071,091</u>	<u>\$ 102,847,277</u>	<u>\$ 111,877,819</u>

<sup>(1)</sup> All taxable property in the City of Belton is subject to the assessment, levy, and collection by the City of an annual ad valorem tax levied, within the limits prescribed by law, sufficient to provide for the payment of principal and interest on debt issued by the government. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.5 per \$100 of assessed valuation for all City purposes. The City operates under a Home-Rule Charter, which limits its tax rate to \$1.90 per \$100 Assessed Valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the maximum tax rate for general obligation debt service, as calculated at the time of issuance. The City's total rate of \$0.6300 and debt rate of \$0.1011 are well below the maximum rates allowed by law.

Table XVI

Fiscal Year					
2016	2017	2018	2019	2020	2021
133,519,868	140,376,010	147,740,642	155,192,589	185,060,984	208,639,770
14,259,267	13,388,322	14,488,138	13,444,145	12,613,789	11,267,190
<u>\$ 119,260,601</u>	<u>\$ 126,987,688</u>	<u>\$ 133,252,504</u>	<u>\$ 141,748,443</u>	<u>\$ 172,447,195</u>	<u>\$ 197,372,579</u>
11.96%	10.54%	10.87%	9.48%	7.31%	5.71%
1,335,198,677	1,403,760,099	1,477,406,418	1,551,925,886	1,850,609,838	2,086,397,699
133,519,868	140,376,010	147,740,642	155,192,589	185,060,984	208,639,770
26,757,964	34,752,670	34,784,205	32,830,107	30,728,939	28,334,915
(12,340,012)	(21,194,408)	(19,989,605)	(19,149,808)	(18,084,638)	(16,993,522)
(158,685)	(169,940)	(306,462)	(236,154)	(30,512)	(74,203)
<u>14,259,267</u>	<u>13,388,322</u>	<u>14,488,138</u>	<u>13,444,145</u>	<u>12,613,789</u>	<u>11,267,190</u>
<u>\$ 119,260,601</u>	<u>\$ 126,987,688</u>	<u>\$ 133,252,504</u>	<u>\$ 141,748,443</u>	<u>\$ 172,447,195</u>	<u>\$ 197,372,579</u>

Table XVII

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

Fiscal Year	Population <sup>(1)</sup>	Personal Income	Per Capita Income <sup>(2)</sup>	Median Age <sup>(2)</sup>	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
2012	18,981	\$ 395,696,907	\$ 20,847	29	9,509	7.0
2013	19,314	402,638,958	20,847	29	9,896	7.1
2014	19,809	412,958,223	20,847	29	10,305	5.8
2015	20,517	427,717,899	20,847	29	10,488	4.7
2016	21,214	490,913,174	23,141	29	10,828	4.8
2017	21,721	502,645,661	23,141	36	11,077	4.1
2018	22,078	528,591,476	23,942	28	11,488	4.2
2019	22,532	563,998,492	25,031	28	11,681	3.7
2020	22,833	615,166,686	26,942	28	12,186	7.0
2021	24,610	663,042,620	26,942	28	13,354	5.1

## Data Sources:

<sup>(1)</sup> City of Belton<sup>(2)</sup> U.S. Census Bureau<sup>(3)</sup> Belton Independent School District, Fall 2021 Demographic Report<sup>(4)</sup> Texas Labor Market Information, Local Area Unemployment Statistics as of September 2021.

Table XVIII

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

Employer	2021		2012	
	Employees	Rank	Employees	Rank
Belton Independent School District	1,990	1	1,400	1
Bell County	1,250	2	1,072	2
University of Mary Hardin-Baylor	672	3	406	4
TruMH (a Clayton Homes Co)	502	4	-	-
HEB Grocery	397	5	285	6
Cedar Crest Hospital & Clinic	299	6	160	8
CGI	275	7	-	-
Wal-Mart	268	8	450	3
United Parcel Service	212	9	-	-
City of Belton	171	10	152	9
James Construction Group	-		350	5
Belco Manufacturing	-		175	7
Custom Printing	-		151	10
Total	6,036		4,601	

Source: Belton Economic Development Corporation, Entities



Table XIX

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	16	18	18	19	16	15	15	15	15	16
Public safety:										
Police:	40	42	42	46	46	47	48	48	48.5	51.5
Fire:	33	33	33	34	35	35	35	35	29	28
Highways and streets	9	9	9	9	9	8	8	8	7	7
Planning	4	4.5	4.5	4.5	4.5	6.5	6.5	6.5	7.5	7.8
Culture and recreation	17	17	17	17	18	19	19	19	19.5	19.5
Solid waste	1	1	1	1	1	1	1	1	1	1
Maintenance	7	8	8	8	7	9	9	9	9	9
Water and sewer	21	21	22	22	24	23	25	25	28	28
Economic development	2	2	2	2	2.5	2.5	2.5	2.5	2.5	2.5
Drainage	2	2	2	2	3	3	3	3	4	4
Total	<u>152</u>	<u>158</u>	<u>159</u>	<u>164.5</u>	<u>166</u>	<u>168</u>	<u>171.5</u>	<u>172</u>	<u>171</u>	<u>174.3</u>

Source: Finance Department, City of Belton, Texas

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

Function	Fiscal Year			
	2012	2013	2014	2015
Police:				
Alarms responded to	1,202	1,100	1,350	1,050
Calls for Service	40,829	48,500	50,000	39,322
Code Inspections *	-	-	-	-
Code Citations issued *	-	-	-	-
Fire:				
Fires	66	113	123	130
Inspections	355	143	165	175
Investigations	53	27	43	50
Highways and streets:				
Signs erected	304	492	460	496
Planning:				
Permits issued	1,297	806	1,725	1,210
Inspections	2,200	2,372	3,760	2,290
Culture and recreation:				
Library circulation	61,670	65,072	86,624	88,694
Maintenance:				
Work orders completed	1,367	1,398	2,758	1,850
Water:				
New connections	166	94	175	150
Water main breaks	31	27	35	15
Avg. daily water consumption (millions of gallons)	3.06	2.93	3.09	2.78
Sewer:				
Avg. daily sewage treatment (millions of gallons)	1.31	1.32	1.53	1.77

Sources: Various city departments.

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

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

Table XX

Fiscal Year					
2016	2017	2018	2019	2020	2021
1,088	1,101	925	1,100	1,150	950
38,642	36,805	36,658	35,800	33,400	33,600
-	-	1,831	2,012	2,950	3,925
-	-	3	10	8	8
67	127	81	99	100	126
200	249	235	228	175	350
45	13	21	35	27	24
352	254	275	400	393	440
1,932	2,518	2,541	2,489	2,801	1,390
3,812	4,842	4,837	4,982	5,711	4,158
83,880	84,607	90,076	87,023	58,122	53,356
2,590	2,803	2,658	1,469	2,425	1,213
150	270	335	385	422	358
11	10	18	15	18	16
2.84	3.06	3.09	2.69	3.0	3.3
1.86	1.53	1.27	1.73	1.78	1.66

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

Function	Fiscal Year			
	2012	2013	2014	2015
Public safety:				
Police:				
Stations	1	1	1	1
Substations			1	1
Patrol units	14	14	15	15
Fire stations	2	2	2	2
Highways and streets:				
Streets (miles)	121	122	106	107
Culture and recreation:				
Parks acreage	188.7	194	194	174
Playgrounds	16	17	15	18
Irrigated ball fields	14	14	15	15
Trails (miles)	4.25	5	7	7
Water:				
Service connections	5,902	6,065	6,105	6,387
Water mains (miles)	117	119	121	144
Water pump stations	2	2	2	2
Fire hydrants	843	870	890	1016
Plant capacity (millions of gallons)	6.57	6.57	8.3	8.3
Sewer:				
Service connections	4,351	4,358	4,782	4,750
Sanitary sewers (miles)	130	133	134	135
Number of lift stations	16	15	17	17
Treatment plant capacity (millions of gallons)	2.5	2.5	2.5	2.5

Sources: Various city departments.

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
1	1	1	1	1	2
17	17	20	21	23	23
2	2	2	2	2	2
109	111	115	115	114	115
177	186	275	349	349	349
18	18	18	18	18	20
15	15	15	15	15	15
4	4.06	4	5.2	5.2	6.08
6,324	6,596	6,885	7,729	8,566	8,591
144	152	156	160	162	168
2	2	2	2	2	2
1016	1098	1138	1188	1208	1175
8.3	8.3	8.3	8.3	8.3	10
4,843	5,068	5,332	5,702	6,020	6,458
100	112	114	118	119	132
17	17	17	17	17	17
2.5	2.5	2.5	2.5	2.5	2.5

