

City of Belton, Texas



*Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2010*

Cover:

The Bell County Museum is housed in the historical Carnegie library building, built in 1905 with a personal contribution from Andrew Carnegie.

Photo by Leslie Malone

City of Belton, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2010

Prepared by:

Finance Department

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Assistant City Manager

Karen Evans, CPA
Assistant Finance Director



City of Belton Texas

Year Ended September 30, 2010

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City of Belton

~ *Founded 1850* ~

March 3, 2011

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 publish at the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Belton, Texas for the fiscal year ended September 30, 2010.

This report consists of management's representations concerning the finances of the City of Belton. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Belton has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City of Belton's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Belton's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Belton's financial statements have been audited by Jaynes, Reitmeier, Boyd & Therrell, P.C., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Belton for the fiscal year ended September 30, 2010, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Belton's financial statements for the fiscal year ended September 30, 2010 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

333 Water Street Street ★ P. O. Box 120 ★ Belton, Texas 76513 ★ Phone (254) 933-5800 ★
Fax (254) 933-5859

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Belton's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Belton was founded in 1850 and chartered in 1852. On July 13, 1877, Belton was incorporated by the Texas Legislature. Located in Central Texas on Interstate Highway 35, Belton is approximately 65 miles north of Austin and 40 miles south of Waco. The City currently occupies a land area of 19.86 square miles and serves a population of 18,216. Belton is the county seat of Bell County and is a governmental, agricultural, and commercial center in the area. Two large lakes, Lake Belton and Lake Stillhouse Hollow, are located adjacent to Belton within five minutes driving time from downtown. With 168 miles of shoreline, these lakes offer excellent fishing, camping and water sports.

The City of Belton is a home rule city and operates under the council-manager form of government. The City Council is comprised of the Mayor and six members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as for appointing the City Manager, City Attorney, Municipal Judge, City Clerk, and members of various statutory and advisory boards. As the chief administrative officer, the City Manager is responsible for enforcement of laws and ordinances, and the appointment and supervision of City department heads. The City of Belton is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

The City Charter establishes the fiscal year as the twelve-month period beginning October 1 and ending September 30. Department heads submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year by July 1. The City Manager then submits a budget of estimated expenditures and revenues to the City Council not later than August 31. At this meeting, the City Council sets the time and place of a public hearing on the budget. A notice of

the hearing is published at least five days before the day of the hearing. Prior to September 28, the budget is adopted through passage of an ordinance. If the budget is not accepted and formally approved by the City Council before September 28, the budget submitted by the City Manager is deemed to have been finally adopted by the Council under such time as the Council adopts a budget.

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 23 – 24 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules subsection of this report, which starts on page 62.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Belton operates.

Local economy. Belton’s economy continues to enjoy moderate, sustained growth as evidenced by local economic indicators such as increased tax appraisal values. Major industries with headquarters or divisions located within the City include manufacturers of mobile homes, advertising novelties, fiberglass tanks and vessels, office furniture, and exercise equipment. Belton Independent School District is the largest employer in the City, with 1,342 employees. Bell County is also a major economic presence in the City, with 1,074 jobs in the local job market. Additionally, Belton is proud to be the home of the University of Mary Hardin-Baylor, a private four-year college with an enrollment of over 2,700 students. The regional economy is bolstered by the large medical and manufacturing industry in nearby Temple and the presence of the Fort Hood Army Base in western Bell County.

Long-term financial planning. In fiscal year 2007, the City issued \$5.365 million in combination tax and limited revenue CO’s. Funded projects included:

Streets	\$ 1,450,000
Water and sewer	2,445,000
Buildings	805,000
Drainage	500,000
Parks	100,000

The Park project was completed in fiscal year 2008. All other projects were begun in fiscal years 2008 and 2009, and are anticipated to be completed in fiscal year 2011.

In late fiscal year 2008, the City issued \$2 million in combination tax and revenue CO's, to fund infrastructure to facilitate the location of a proposed middle school in the Avenue D area. Components of that CO issue are:

Streets	\$ 1,485,000
Water and sewer	335,000
Drainage	180,000

Construction on these projects is slated to begin in fiscal year 2010 and will be completed during fiscal year 2011, in conjunction with the opening of the new middle school, slated for Fall 2011.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belton, Texas, for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2009. This was the twenty-fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government published an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the GFOA presented a Distinguished Budget Presentation Award to the City of Belton, Texas, for its annual budget document for fiscal year beginning October 1, 2009. In order to receive this award, a governmental unit must publish a 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 eighteenth consecutive year that the City has received the budget award.

The preparation of this report could not have been accomplished without 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,

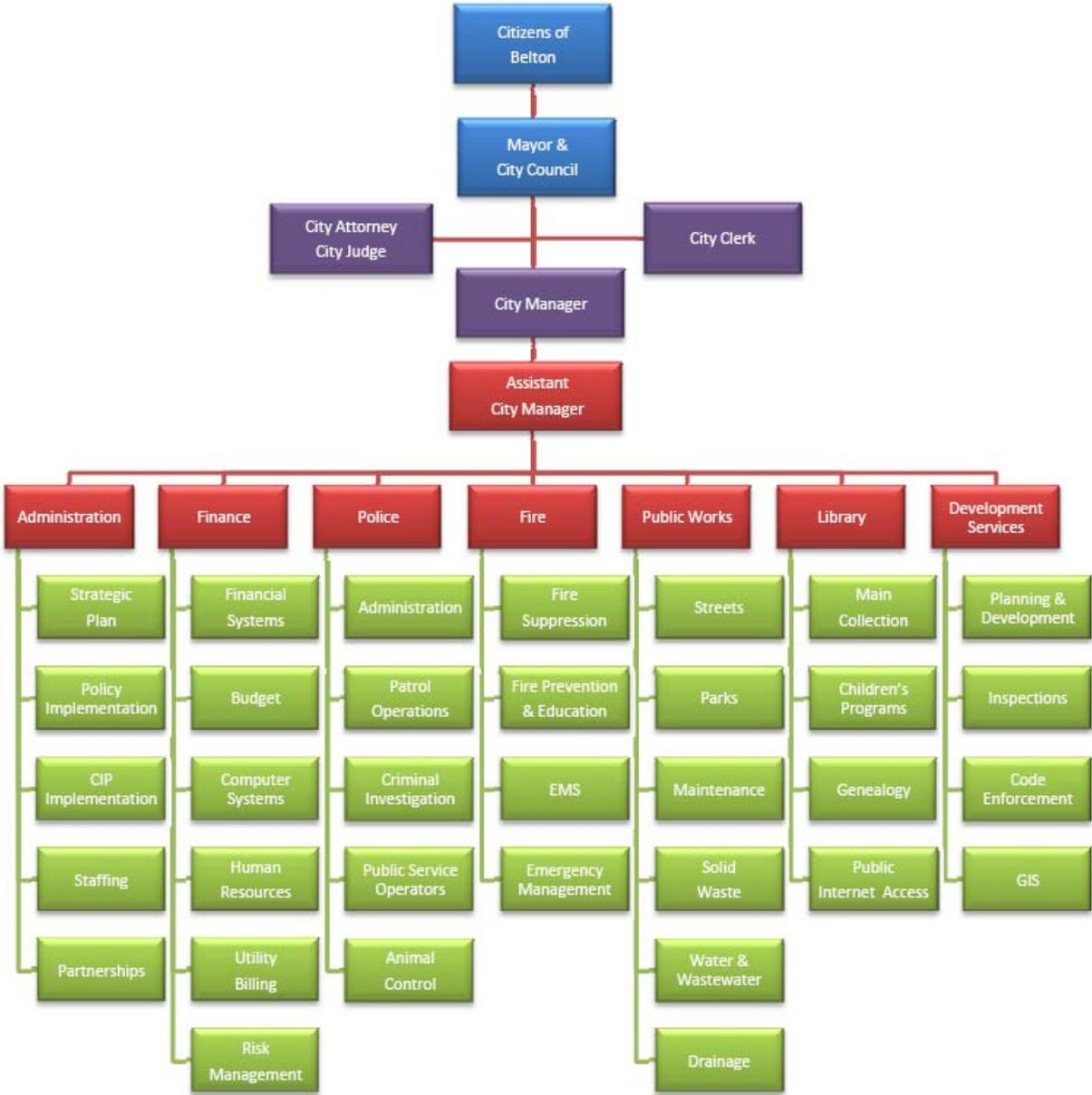


Cristy Daniell, CPA
Assistant City Manager
Finance Director



Karen Evans, CPA
Assistant Finance Director

City of Belton Functional Structure



CITY OF BELTON

ELECTED OFFICIALS

CITY COUNCIL Two-Year Terms

<u>NAME</u>	<u>TERM EXPIRES</u>
Jim Covington, Mayor	May 12, 2012
Marion Grayson, Mayor Pro Tem	May 12, 2012
Clifton Peters	May 14, 2011
David K. Leigh	May 14, 2011
Craig Pearson	May 14, 2011
John Agan	May 12, 2012
Wayne Carpenter	May 14, 2011

APPOINTED OFFICIALS

CITY STAFF

<u>POSITION</u>	<u>NAME</u>	<u>DATE APPOINTED</u>
City Manager	Sam Listi	March 19, 2001
City Attorney	John Messer	September 1, 1978
City Judge	Steve Lee	October 9, 2007
City Clerk	Connie Torres	September 9, 1991
Asst. City Manager/Finance Director	Cristy Daniell	February 17, 1992
Fire Chief	Roy Harmon	April 12, 1994
Police Chief	Gene Ellis	April 20, 2009
Director of Public Works	Les Hallbauer	May 1, 2002
Library Director	Kim Kroll	October 2, 2000
Development Services Director	Fred Morris	October 7, 2002
Economic Development Corp. Director	Tommy Baker	January 5, 2009

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Belton
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





JAYNES, REITMEIER, BOYD & THERRELL, P.C.
Certified Public Accountants

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Offices in Austin, Huntsville and Waco

Independent Auditors' Report

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

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, 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 conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2011 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* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belton'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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Jayns, Reitmeyer, Boyd & Threlk, P.C.

March 3, 2011

Management's Discussion and Analysis

As management of the City of Belton, Texas (the City), 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, 2010. 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 iv of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$42,877,384 (*net assets*). Of this amount, \$10,896,016 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$575,563. This increase is attributable primarily to \$1,330,447 in capital grants and contributions from third parties, including developers, grant agencies, and the economic development corporation.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,065,268. Of this total amount, \$9,145,209 (90.86 percent) is *available for spending* at the City's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$4,475,221, or 48.03 percent of total general fund expenditures.
- The City's total long-term debt decreased by \$917,150 (4.87 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets *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 assets changed during the most recent fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flow 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, development services, 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 17-19 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 evaluating 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 nineteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Debt Service Fund, both of 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 form of *combining statements* elsewhere in this report.

The basic governmental funds financial statements can be found on pages 20-22 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, found on pages 23-24 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and for the Drainage Fund, both of which are considered to be major funds of the City.

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

Notes to the financial statements. The notes provide additional information that is essential to 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 29-56 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 57-74 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$42,877,384 at the close of the most recent fiscal year.

City of Belton Statement of Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 11,218,255	\$ 11,453,239	\$ 6,126,593	\$ 6,426,486	\$ 17,344,848	\$ 17,879,725
Capital assets	21,384,750	20,981,386	23,344,137	23,169,575	44,728,887	44,150,961
Total assets	<u>32,603,005</u>	<u>32,434,625</u>	<u>29,470,730</u>	<u>29,596,061</u>	<u>62,073,735</u>	<u>62,030,686</u>
Long-term liabilities						
outstanding	10,766,414	11,243,495	7,163,082	7,603,152	17,929,496	18,846,647
Other liabilities	682,979	561,542	583,875	320,676	1,266,854	882,218
Total liabilities	<u>11,449,393</u>	<u>11,805,037</u>	<u>7,746,957</u>	<u>7,923,828</u>	<u>19,196,350</u>	<u>19,728,865</u>
Net assets:						
Invested in capital assets,						
net of related debt	12,714,726	12,587,025	16,942,659	17,596,575	29,657,385	30,183,600
Restricted	1,885,924	2,163,662	438,059	909,824	2,323,983	3,073,486
Unrestricted	6,552,962	5,878,901	4,343,054	3,165,834	10,896,016	9,044,735
Total net assets	<u>\$ 21,153,612</u>	<u>\$ 20,629,588</u>	<u>\$ 21,723,772</u>	<u>\$ 21,672,233</u>	<u>\$ 42,877,384</u>	<u>\$ 42,301,821</u>

By far the largest portion of the City's net assets (\$29,657,385 or 69.17 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, 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 needed 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 assets (\$2,323,983 or 5.42 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$10,896,016 or 25.41 percent) 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 three categories of net assets, 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.

City of Belton's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 2,498,650	\$ 2,268,931	\$ 5,303,128	\$ 5,637,250	\$ 7,801,778	\$ 7,906,181
Operating grants and contributions	631,493	294,691	-	-	631,493	294,691
Capital grants and contributions	643,356	957,519	687,091	1,290,398	1,330,447	2,247,917
General revenues:						
Property taxes	4,655,052	4,494,474	-	-	4,655,052	4,494,474
Sales taxes	2,223,209	2,178,236	-	-	2,223,209	2,178,236
Franchise taxes	1,038,259	1,028,577	-	-	1,038,259	1,028,577
Other taxes	179,817	175,294	-	-	179,817	175,294
Investment earnings	22,117	98,506	12,635	33,457	34,752	131,963
Gain (loss) on sale of assets	(66,303)	4,326	-	-	(66,303)	4,326
Other income	91,609	122,250	-	-	91,609	122,250
Total revenues	<u>11,917,259</u>	<u>11,622,804</u>	<u>6,002,854</u>	<u>6,961,105</u>	<u>17,920,113</u>	<u>18,583,909</u>
Expenses:						
General government	1,155,582	1,083,294	-	-	1,155,582	1,083,294
Public safety	5,174,535	4,767,516	-	-	5,174,535	4,767,516
Highways and streets	1,709,400	2,044,341	-	-	1,709,400	2,044,341
Development services	426,329	416,116	-	-	426,329	416,116
Culture and recreation	1,610,093	1,566,358	-	-	1,610,093	1,566,358
Solid waste	872,479	767,769	-	-	872,479	767,769
Economic development	218,463	521,490	-	-	218,463	521,490
Maintenance	314,162	322,557	-	-	314,162	322,557
Interest on long-term debt	458,092	446,281	-	-	458,092	446,281
Water and sewer	-	-	5,253,218	4,753,013	5,253,218	4,753,013
Drainage	-	-	152,197	72,372	152,197	72,372
Total expenses	<u>11,939,135</u>	<u>11,935,722</u>	<u>5,405,415</u>	<u>4,825,385</u>	<u>17,344,550</u>	<u>16,761,107</u>
Changes in net assets before transfers	(21,876)	(312,918)	597,439	2,135,720	575,563	1,822,802
Transfers	<u>545,900</u>	<u>(421,832)</u>	<u>(545,900)</u>	<u>421,832</u>	-	-
Changes in net assets	524,024	(734,750)	51,539	2,557,552	575,563	1,822,802
Net assets - October 1	<u>20,629,588</u>	<u>21,364,338</u>	<u>21,672,233</u>	<u>19,114,681</u>	<u>42,301,821</u>	<u>40,479,019</u>
Net assets - September 30	<u>\$ 21,153,612</u>	<u>\$ 20,629,588</u>	<u>\$ 21,723,772</u>	<u>\$ 21,672,233</u>	<u>\$ 42,877,384</u>	<u>\$ 42,301,821</u>

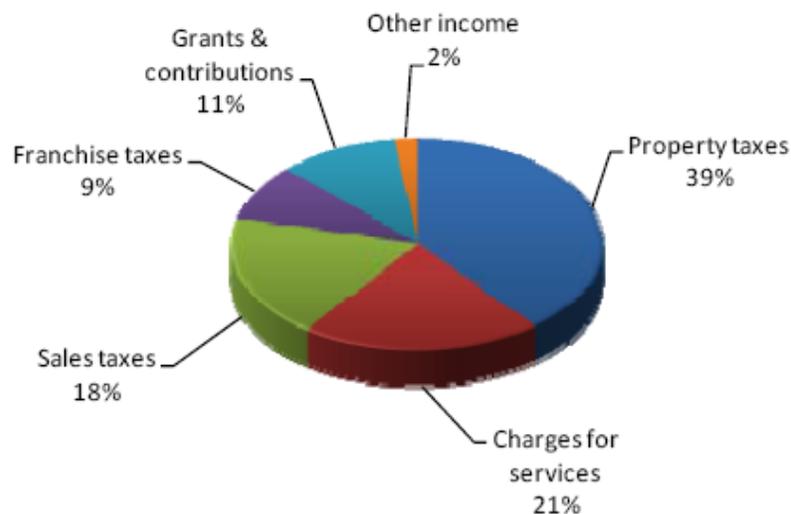
The City's net assets increased by \$575,563 during the current fiscal year, due to contributions from third parties.

Governmental activities. Governmental activities increased the City's net assets by \$524,024. This increase was the result of the transfer of \$545,900 from the City's business-type activities.

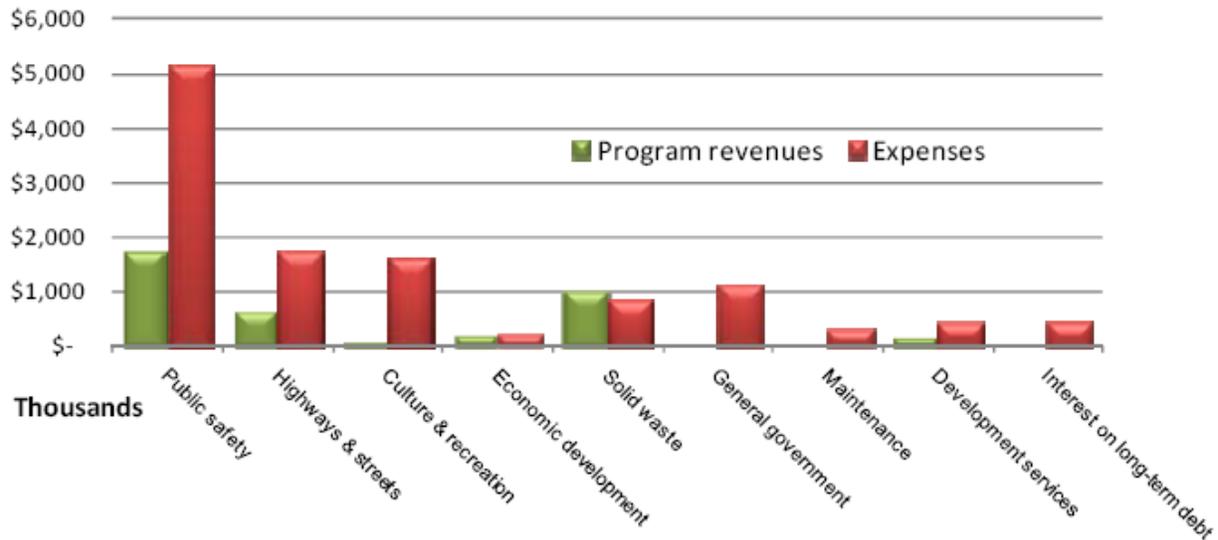
Revenues for governmental activities:

- For the fiscal year ended September 30, 2010, program revenues from governmental activities totaled \$3,773,499. These revenues consist primarily of ambulance fees, municipal court fines and fees, solid waste collection fees, building permits, grant receipts, and contributions from the county government.
 - Charges for services totaled \$2,498,650, an increase of 10.12 percent from the prior year. Increases in solid waste collection fees account for the bulk of this increase.
 - Operating grants and contributions totaled \$631,493, while capital grants and contributions totaled \$643,356. These amounts included funding for downtown development, highway and street construction, and manpower, training, and equipment costs for public safety.
- General revenues for the fiscal year ended September 30, 2010, totaled \$8,686,660. These revenues consist primarily of taxes, transfers, and other revenues not classified elsewhere.
 - Property taxes totaled \$4,655,052, an increase of 3.57 percent from the prior year.
 - Assessed values rose \$28.13 million or 4.05 percent from the prior year. New property and improvements added \$22.7 million to the tax rolls, and the remainder of the increase was due to changes in the values of existing properties and exemptions.
 - The ad valorem tax rate for fiscal year 2010 was \$0.6550 per \$100 of assessed valuation. The tax rate remained the same as the prior year rate.
 - Sales taxes totaled \$2,223,209 for fiscal year 2010, which was an increase of 2.06 percent over the prior year. This was the twenty-first consecutive year of increases in sales tax revenues.
 - Franchise taxes totaled \$1,038,259 for fiscal year 2010, an increase of 0.94 percent from 2009. Franchise taxes are paid by utility companies as a percentage of their gross receipts collected from customers within the City.

Revenues by Source – Governmental Activities



Expenses and Program Revenues – Governmental Activities



Expenses for governmental activities:

Expenses for governmental activities totaled \$11,939,135 in fiscal year 2010.

- The major expense for governmental activities is for salaries and benefits, which totaled \$6,326,776 in 2010.
- The next largest category was services, which totaled \$1,179,322 and included the City's share of 911 services, tax appraisal and collection, street lighting, utilities, insurance, professional services, and funding for the Strategic Plan.
- Depreciation on capital assets for the year was \$1,817,523.
- The City spent \$815,812 for solid waste collection contracted services.
- Interest on long-term debt was \$458,092.

Business-type activities. Business-type activities increased the City's net assets by \$51,539. Key elements of this increase are as follows:

- Charges for business-type activities totaled \$5,303,128, a decrease of \$334,122 or 5.93 percent from the prior year. These charges are generated from water and sewer utility fees and storm water drainage fees. The decrease is a result of lower water sales in fiscal year 2010, down from the record levels set in fiscal year 2009 as a result of severe drought.
- The water and sewer utility and the drainage utility received capital contributions of \$687,091 from developers and from the economic development corporation for the Auction Barn Road project.
- Investment earnings amounted to \$12,635.

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, *unreserved, undesignated fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,065,268. Approximately 90.86 percent (\$9,145,209) of this total amount constitutes *unreserved, undesignated fund balance*, which is available for spending at the City's discretion. Of this unreserved, undesignated fund balance, 45.78 percent (\$4,186,898) comes from capital project funding sources, and will be spent on major capital projects during the next three years.

The remainder of fund balance is *reserved or designated* to indicate that it is not available for discretionary spending because it has already been committed: 1) to pay debt service (\$233,286); 2) to pay for future civil service costs (\$591,114); 3) to pay for public, educational, or governmental access facilities (\$68,809); and public safety training, equipment, and security facilities (\$26,850).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$4,475,221, while total fund balance amounted to \$5,161,994. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 48.03 percent of total General Fund expenditures, while total fund balance represents 55.43 percent of that same amount.

The fund balance of the City's general fund increased by \$554,887 during the current fiscal year. Key factors in this growth are:

- Ad valorem property tax revenues increased by \$67,492.
- Sales tax receipts rose by \$44,973 despite the sluggish national economy.
- Charges for services increased by \$249,824, primarily due to increased ambulance runs and revenues, and increased solid waste rates and billings.
- Franchise revenues increased \$9,682.
- Interest earnings decreased \$30,976 due to the continued decline of interest rates.
- A new fire fighter manpower grant and public safety equipment grants caused intergovernmental receipts to increase by \$309,026.
- Construction-related licenses and permits rose by \$18,434 as building activity and related permits increased from the prior year's pace.
- Court fines and fees decreased \$121,331 from the prior year as a result of police manpower shortages and declining citation numbers.

- Increases in revenues were partially offset by increased expenditures, most notably in personnel costs.

The Debt Service Fund has a total fund balance of \$223,286 all of which is reserved for the payment of debt service. Fund balance did not change significantly from the prior year.

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

Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to \$3,951,048, and those for the Drainage Fund amounted to \$392,006. The combined growth in net assets for both funds was \$51,539. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the General Fund amounted to a \$286,632 increase in appropriations, and can be briefly summarized as follows:

- \$78,204 for public safety manpower and equipment, funded through federal and state grants;
- \$75,512 for partial year funding of new brush collection division fee;
- \$74,813 for increased solid waste collection contractor fees;
- \$38,750 for participation in a developer street project;
- \$9,800 for a recreational feasibility study; and
- \$9,553 for vehicular repairs funded by insurance proceeds.

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

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, 2010, amounts to \$44,728,887 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, streets and roads, bridges, drainage structures, and water and sewer system infrastructure, to include pumps, pipes, storage tanks, and associated fittings and fixtures. The total increase in the City's investment in capital assets for the current fiscal year was 1.31 percent (a 1.92 percent increase for governmental activities and a 0.75 percent increase for business-type activities).

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

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 2,117,779	\$ 1,659,790	\$ 169,905	\$ 150,711	\$ 2,287,684	\$ 1,810,501
Buildings	3,303,846	3,516,905	13,704	15,789	3,317,550	3,532,694
Improvements other than building	1,624,074	1,779,009	-	-	1,624,074	1,779,009
Machinery and equipment	1,648,443	1,599,606	423,466	479,485	2,071,909	2,079,091
Infrastructure	10,928,202	11,706,914	21,116,430	21,903,354	32,044,632	33,610,268
Construction in progress	1,762,406	719,162	1,620,632	620,236	3,383,038	1,339,398
Total	\$ 21,384,750	\$ 20,981,386	\$ 23,344,137	\$ 23,169,575	\$ 44,728,887	\$ 44,150,961

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

- Work was completed on:
 - Hilltop Street reconstruction
 - Neighborhood sewer project

- Work began/continued on:
 - Commerce Drive extension
 - Spring Street project
 - Harris Center repairs
 - Maintenance facility
 - Avenue D infrastructure
 - Central Avenue gateway project
 - Main Street sidewalk project
 - Sparta/Loop 121 turn lane
 - 9th Avenue extension
 - West FM 93 sewer project
 - Loop 121 wastewater project
 - IH-35 utility relocations
 - Miller Heights CDBG sewer project

Additional information on the City's capital assets can be found in Note V on pages 43-46 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$17,415,202, all of which is backed by the full faith and credit of the City. In addition, \$7,032,744 of this amount is also backed with a water and sewer revenue pledge and a storm water drainage revenue pledge.

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

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 10,382,458	\$ 10,902,803	-	-	\$ 10,382,458	\$ 10,902,803
Revenue bonds with tax cross-pledge	-	-	7,032,744	7,449,314	7,032,744	7,449,314
Total	\$ 10,382,458	\$ 10,902,803	\$ 7,032,744	\$ 7,449,314	\$ 17,415,202	\$ 18,352,117

The City's total bonded debt decreased by \$936,915 (5.11 percent) during the current fiscal year.

The City maintains an "AA-" rating from Standard & Poor's and a "Baa 1" rating from Moody's for general obligation debt. The revenue bonds of the water and sewer utility have been rated "A-" by Standard & Poor's and "Baa" by Moody's.

No direct funded debt limitation is imposed on the City under current State law or the City Charter. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem rate to \$2.50 per \$100 of assessed valuation for all City purposes. The City Charter limits the tax rate to \$1.90 per \$100 of assessed valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.25 of the maximum tax rate for general obligation debt service. The City's fiscal year 2010 tax rate is well below all of the aforementioned limits.

Additional information on the City's long-term debt can be found in Note VII on pages 47-51 of this report.

Economic Factors and Next Year's Budget and Rates

Despite the sluggish national economy, the local economy has remained stable, and is even experiencing some mild growth as evidenced by property values and construction activity. Residential home starts continue, and local foreclosures are not the problem experienced in other areas of the country. Several large commercial and institutional projects are underway, including a new middle school to be located in the southwestern sector of Belton. Meanwhile, the City continues to make infrastructure improvements and conduct master planning which will position the City for future expansion.

Growth does create new challenges which must be addressed, and the Strategic Plan provides a framework for the future. Meeting these challenges takes the vision of Council to guide the Strategic Plan, financial resources to fund the Plan, and a management team and staff to implement the Plan. The Belton City Council, management, and staff remain dedicated to the purposes of planning and providing for the future of the City.

The fiscal year 2011 budget was based on sustaining operating levels, while meeting the demands created by growth and the sagging national economy. The ad valorem tax rate remains at a combined rate of \$0.6550 per \$100 of assessed valuation, where it has been since fiscal year

2007 when it was lowered from \$0.6750. Planned water and sewer rate increases have been deferred, in order to benefit ratepayers during the economic downturn. Improvements to be funded from these rate increases were also deferred, and while still necessary in the future, their deferral will not immediately impact service. Department budgets were developed with a no growth directive, in order to maintain operations with little or no growth in revenues.

The City Council has stipulated that the General Fund maintain three months operating expenditures as a minimum of undesignated reserves, which currently equates to \$2.4 million. At the end of fiscal year 2010, unreserved fund balance in the General Fund increased to \$4,475,221. It is intended that the available fund balance beyond the minimum be used for non-recurring capital outlay and projects, and not for financing of on-going operational costs. For fiscal year 2011, fund balance in all budgeted funds is projected to remain at adequate levels to provide for unexpected decreases in revenues plus extraordinary unbudgeted expenditures.

Requests for Information

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

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



Basic Financial Statements



City of Belton, Texas
Statement of Net Assets
September 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Belton Economic Development Corporation, Inc.
Assets				
Cash and cash equivalents	\$ 9,777,456	3,749,855	13,527,311	2,435,188
Receivables (net of allowance for uncollectibles)	1,169,951	713,958	1,883,909	93,218
Due from other governments	156,182	336,159	492,341	-
Prepaid items	6,893	3,150	10,043	-
Restricted cash and cash equivalents	-	1,256,493	1,256,493	-
Deferred charges	107,773	66,977	174,750	17,108
Capital assets not being depreciated:				
Land	2,117,779	169,905	2,287,684	476,081
Construction in progress	1,762,406	1,620,632	3,383,038	940,652
Capital assets, net of accumulated depreciation:				
Buildings	3,303,846	13,704	3,317,550	307,931
Improvements other than buildings	1,624,074	-	1,624,074	-
Machinery and equipment	1,648,443	423,466	2,071,909	4,011
Infrastructure	10,928,202	21,116,430	32,044,632	1,666,647
Total assets	32,603,005	29,470,729	62,073,734	5,940,836
Liabilities				
Accounts and retainages payable	503,259	395,125	898,384	23,883
Accrued interest payable	68,394	45,026	113,420	3,082
Other accrued liabilities	98,376	17,029	115,405	2,746
Customer deposits payable	12,950	126,695	139,645	3,850
Noncurrent liabilities:				
Due within one year	865,799	573,982	1,439,781	131,200
Due in more than one year	9,900,615	6,589,100	16,489,715	793,350
Total liabilities	11,449,393	7,746,957	19,196,350	958,111
Net assets				
Invested in capital assets, net of related debt	12,714,726	16,942,659	29,657,385	2,470,772
Restricted for:				
Debt service	262,615	-	262,615	-
Economic development	247,864	-	247,864	-
Grant requirements	122,576	-	122,576	-
Life saving equipment and training	42,202	-	42,202	-
Public access facilities	68,809	-	68,809	-
Tax increment financing	65,126	-	65,126	-
Capital projects	1,044,560	438,059	1,482,619	-
Other purposes	32,172	-	32,172	-
Unrestricted	6,552,962	4,343,054	10,896,016	2,511,953
Total net assets	\$ 21,153,612	21,723,772	42,877,384	4,982,725

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Activities
For the Fiscal Year Ended
September 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,155,582	-	-	-
Public safety	5,174,535	1,307,580	419,202	3,250
Highways and streets	1,709,400	-	-	634,506
Development services	426,329	150,787	-	-
Culture and recreation	1,610,093	26,823	23,011	4,000
Solid waste	872,479	1,013,460	-	-
Economic development	218,463	-	189,280	1,600
Maintenance	314,162	-	-	-
Interest on long-term debt	458,092	-	-	-
Total governmental activities	<u>11,939,135</u>	<u>2,498,650</u>	<u>631,493</u>	<u>643,356</u>
Business-type activities:				
Water and sewer	5,253,218	4,960,198	-	635,846
Drainage	152,197	342,930	-	51,245
Total business-type activities	<u>5,405,415</u>	<u>5,303,128</u>	<u>-</u>	<u>687,091</u>
Total primary government	<u>\$ 17,344,550</u>	<u>7,801,778</u>	<u>631,493</u>	<u>1,330,447</u>
Component unit:				
Belton Economic Development Corporation, Inc.				
Development Corporation, Inc.	\$ <u>1,350,294</u>	<u>11,000</u>	<u>-</u>	<u>-</u>
Total component unit	<u>\$ 1,350,294</u>	<u>11,000</u>	<u>-</u>	<u>-</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel/motel taxes				
Alcoholic beverage taxes				
Unrestricted investment earnings				
Miscellaneous				
Gain (loss) on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

See accompanying notes to financial statements.

Net Revenues (Expenses) and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Belton Economic Development Corporation, Inc.
(1,155,582)		(1,155,582)	
(3,444,503)		(3,444,503)	
(1,074,894)		(1,074,894)	
(275,542)		(275,542)	
(1,556,259)		(1,556,259)	
140,981		140,981	
(27,583)		(27,583)	
(314,162)		(314,162)	
(458,092)		(458,092)	
<u>(8,165,636)</u>		<u>(8,165,636)</u>	
-	342,826	342,826	
-	241,978	241,978	
-	584,804	584,804	
<u>(8,165,636)</u>	<u>584,804</u>	<u>(7,580,832)</u>	
			\$ <u>(1,339,294)</u>
			<u>(1,339,294)</u>
\$ 4,655,052	-	4,655,052	-
2,223,209	-	2,223,209	1,111,604
1,038,259	-	1,038,259	-
151,197	-	151,197	-
28,620	-	28,620	-
22,117	12,635	34,752	7,691
91,609	-	91,609	-
(66,303)	-	(66,303)	47,687
545,900	(545,900)	-	-
<u>8,689,660</u>	<u>(533,265)</u>	<u>8,156,395</u>	<u>1,166,982</u>
524,024	51,539	575,563	(172,312)
<u>20,629,588</u>	<u>21,672,233</u>	<u>42,301,821</u>	<u>5,155,037</u>
<u>\$ 21,153,612</u>	<u>21,723,772</u>	<u>42,877,384</u>	<u>4,982,725</u>

City of Belton, Texas
Balance Sheet
Governmental Funds
September 30, 2010

Assets	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 4,720,478	233,286	4,823,692	9,777,456
Receivables (net of allowance for uncollectibles)	1,099,905	29,329	40,717	1,169,951
Due from other governments	156,182	-	-	156,182
Prepaid items	6,893	-	-	6,893
Total assets	\$ 5,983,458	262,615	4,864,409	11,110,482

Liabilities and Fund Balances

Liabilities:				
Accounts and retainages payable	\$ 308,838	-	194,421	503,259
Accrued liabilities	98,376	-	-	98,376
Customer deposits payable	12,950	-	-	12,950
Deferred revenue	401,300	29,329	-	430,629
Total liabilities	821,464	29,329	194,421	1,045,214

Fund balances:				
Reserved for:				
Debt service	-	233,286	-	233,286
Public safety	26,850	-	-	26,850
Public access facilities	68,809	-	-	68,809
Unreserved, designated for:				
Civil service sick pay and appeals	591,114	-	-	591,114
Unreserved, undesignated reported in:				
General fund	4,475,221	-	-	4,475,221
Special revenue funds	-	-	483,090	483,090
Capital projects funds	-	-	4,186,898	4,186,898
Total fund balances	5,161,994	233,286	4,669,988	10,065,268
Total liabilities and fund balances	\$ 5,983,458	262,615	4,864,409	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,384,750
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	430,629
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. This amount includes bonds payable (\$10,382,458), compensated absences (\$383,956) and accrued interest payable (\$68,394), net of deferred charges (\$107,773).	<u>(10,727,035)</u>

Net assets of governmental activities \$ 21,153,612

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, 2010

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Ad valorem	\$ 3,478,768	846,548	330,596	4,655,912
Sales	2,223,209	-	-	2,223,209
Franchise	1,038,259	-	-	1,038,259
Hotel/motel	-	-	151,197	151,197
Alcoholic beverage	28,620	-	-	28,620
Licenses and permits	150,787	-	-	150,787
Intergovernmental	424,810	-	190,880	615,690
Charges for services	2,039,346	-	-	2,039,346
Fines	255,366	-	9,777	265,143
Interest	11,075	1,147	9,895	22,117
Contributions and donations	17,403	-	554,000	571,403
Payments in lieu of taxes	5,540	-	-	5,540
Miscellaneous	103,339	-	-	103,339
Total revenues	<u>9,776,522</u>	<u>847,695</u>	<u>1,246,345</u>	<u>11,870,562</u>
Expenditures:				
Current:				
General government	1,063,588	-	6,523	1,070,111
Public safety	4,836,186	-	112,896	4,949,082
Highways and streets	874,660	-	-	874,660
Development services	390,325	-	-	390,325
Culture and recreation	989,906	-	-	989,906
Solid waste	861,083	-	-	861,083
Economic development	-	-	205,575	205,575
Maintenance services	301,741	-	-	301,741
Debt service:				
Principal	-	430,345	90,000	520,345
Interest and fiscal charges	-	390,520	63,988	454,508
Capital outlay	-	-	2,190,743	2,190,743
Total expenditures	<u>9,317,489</u>	<u>820,865</u>	<u>2,669,725</u>	<u>12,808,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>459,033</u>	<u>26,830</u>	<u>(1,423,380)</u>	<u>(937,517)</u>
Other financing sources (uses):				
Insurance proceeds	9,553	-	-	9,553
Sale of capital assets	13,536	-	-	13,536
Transfers in	289,900	-	1,216,135	1,506,035
Transfers out	(217,135)	-	(743,000)	(960,135)
Total other financing sources (uses)	<u>95,854</u>	<u>-</u>	<u>473,135</u>	<u>568,989</u>
Net change in fund balances	554,887	26,830	(950,245)	(368,528)
Fund balances, beginning of year	<u>4,607,107</u>	<u>206,456</u>	<u>5,620,233</u>	<u>10,433,796</u>
Fund balances, end of year	<u>\$ 5,161,994</u>	<u>233,286</u>	<u>4,669,988</u>	<u>10,065,268</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, 2010

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

Net change in fund balances - total governmental funds (Exhibit A-4)	\$	(368,528)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$2,212,970) exceeded depreciation expense (\$1,817,523) in the current period.</p>		
		395,447
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, etc.) is to increase net assets. This is the amount by which contributed capital assets (\$87,756) exceeded the net book value of capital assets sold (\$79,839) in the current period.</p>		
		7,917
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		15,691
<p>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 amortization of deferred charges (\$7,001) and change in compensated absences (\$43,264), less change in accrued interest payable (\$3,417).</p>		
		(46,848)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of principal repayments.</p>		
		<u>520,345</u>
Change in net assets of governmental activities (Exhibit A-2)	\$	<u><u>524,024</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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes:				
Current ad valorem	\$ 3,366,033	3,366,033	3,384,106	18,073
Delinquent ad valorem	47,000	47,000	47,135	135
Penalty and interest	37,000	37,000	47,527	10,527
Total ad valorem	<u>3,450,033</u>	<u>3,450,033</u>	<u>3,478,768</u>	<u>28,735</u>
Sales	2,188,000	2,188,000	2,223,209	35,209
Franchise	1,015,000	1,015,000	1,038,259	23,259
Alcoholic beverage	20,000	20,000	28,620	8,620
Total taxes	<u>6,673,033</u>	<u>6,673,033</u>	<u>6,768,856</u>	<u>95,823</u>
Licenses and permits:				
Building	66,800	66,800	57,208	(9,592)
Electrical	18,700	18,700	23,320	4,620
Plumbing	17,500	17,500	29,280	11,780
Mechanical	7,600	7,600	22,200	14,600
Swimming pool	900	900	175	(725)
Rezoning fees	4,300	4,300	4,132	(168)
Subdivision fees	4,200	4,200	2,022	(2,178)
Miscellaneous	7,940	7,940	12,450	4,510
Total licenses and permits	<u>127,940</u>	<u>127,940</u>	<u>150,787</u>	<u>22,847</u>
Intergovernmental	<u>365,529</u>	<u>423,733</u>	<u>417,259</u>	<u>(6,474)</u>
Charges for services:				
Ambulance	890,000	890,000	1,025,886	135,886
Brush collection	-	94,584	79,757	(14,827)
Refuse collection	840,000	923,791	933,703	9,912
Total charges for services	<u>1,730,000</u>	<u>1,908,375</u>	<u>2,039,346</u>	<u>130,971</u>
Fines:				
Municipal court	250,000	250,000	177,069	(72,931)
Court fees	121,400	121,400	78,297	(43,103)
Total fines	<u>371,400</u>	<u>371,400</u>	<u>255,366</u>	<u>(116,034)</u>
Interest	<u>25,000</u>	<u>25,000</u>	<u>9,842</u>	<u>(15,158)</u>
Payments in lieu of taxes	<u>4,600</u>	<u>4,600</u>	<u>5,540</u>	<u>940</u>
Miscellaneous	<u>60,600</u>	<u>60,600</u>	<u>66,353</u>	<u>5,753</u>
Total revenues	<u>9,358,102</u>	<u>9,594,681</u>	<u>9,713,349</u>	<u>118,668</u>

(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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Expenditures:				
General government:				
City council	\$ 91,891	94,266	88,633	5,633
City administration	640,720	532,418	438,805	93,613
Finance	383,317	389,515	383,455	6,060
Legal	162,341	158,763	152,695	6,068
Total general government	<u>1,278,269</u>	<u>1,174,962</u>	<u>1,063,588</u>	<u>111,374</u>
Public safety:				
Police	2,656,914	2,743,967	2,580,411	163,556
Fire	2,285,229	2,317,180	2,202,485	114,695
Total public safety	<u>4,942,143</u>	<u>5,061,147</u>	<u>4,782,896</u>	<u>278,251</u>
Highways and streets	<u>885,058</u>	<u>892,351</u>	<u>874,660</u>	<u>17,691</u>
Development services	<u>385,817</u>	<u>393,085</u>	<u>390,325</u>	<u>2,760</u>
Culture and recreation:				
Parks	727,585	768,071	718,500	49,571
Library	222,834	221,101	219,488	1,613
Total culture and recreation	<u>950,419</u>	<u>989,172</u>	<u>937,988</u>	<u>51,184</u>
Solid waste	<u>765,005</u>	<u>886,888</u>	<u>861,083</u>	<u>25,805</u>
Maintenance services	<u>296,264</u>	<u>302,486</u>	<u>301,741</u>	<u>745</u>
Total expenditures	<u>9,502,975</u>	<u>9,700,091</u>	<u>9,212,281</u>	<u>487,810</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,873)</u>	<u>(105,410)</u>	<u>501,068</u>	<u>606,478</u>
Other financing sources (uses):				
Insurance proceeds	-	9,553	9,553	-
Sale of capital assets	-	-	10,873	10,873
Transfers in	289,500	289,500	289,900	400
Transfers out	(216,819)	(306,335)	(306,335)	-
Total other financing sources (uses)	<u>72,681</u>	<u>(7,282)</u>	<u>3,991</u>	<u>11,273</u>
Net change in fund balances	(72,192)	(112,692)	505,059	617,751
Fund balances, beginning of year	<u>3,923,286</u>	<u>3,923,286</u>	<u>3,923,286</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,851,094</u>	<u>3,810,594</u>	<u>4,428,345</u>	<u>617,751</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Net Assets –
Proprietary Funds
September 30, 2010

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,582,187	167,668	3,749,855
Receivables (net of allowance for uncollectibles)	666,389	47,569	713,958
Due from other governments	336,159	-	336,159
Prepaid items	3,150	-	3,150
Total current assets	<u>4,587,885</u>	<u>215,237</u>	<u>4,803,122</u>
Noncurrent assets:			
Restricted cash and cash equivalents	1,065,165	191,328	1,256,493
Deferred charges	66,977	-	66,977
Capital assets:			
Land	169,831	74	169,905
Buildings	87,935	-	87,935
Infrastructure	30,356,841	490,939	30,847,780
Machinery and equipment	881,998	163,822	1,045,820
Construction in progress	1,387,271	233,361	1,620,632
	<u>32,883,876</u>	<u>888,196</u>	<u>33,772,072</u>
Less accumulated depreciation	(10,346,406)	(81,529)	(10,427,935)
Total capital assets, net	<u>22,537,470</u>	<u>806,667</u>	<u>23,344,137</u>
Total noncurrent assets	<u>23,669,612</u>	<u>997,995</u>	<u>24,667,607</u>
Total assets	<u>28,257,497</u>	<u>1,213,232</u>	<u>29,470,729</u>
Liabilities			
Current liabilities:			
Accounts and retainages payable	384,407	10,718	395,125
Accrued interest payable	42,856	2,170	45,026
Other accrued liabilities	16,192	837	17,029
Customer deposits payable	126,695	-	126,695
Compensated absences - current	53,046	836	53,882
Capital leases payable - current	-	36,645	36,645
Revenue bonds payable - current	471,730	11,725	483,455
Total current liabilities	<u>1,094,926</u>	<u>62,931</u>	<u>1,157,857</u>
Noncurrent liabilities:			
Compensated absences	1,957	-	1,957
Capital leases payable	-	37,854	37,854
Revenue bonds payable (net of deferred amount on refunding)	<u>6,250,302</u>	<u>298,987</u>	<u>6,549,289</u>
Total noncurrent liabilities	<u>6,252,259</u>	<u>336,841</u>	<u>6,589,100</u>
Total liabilities	<u>7,347,185</u>	<u>399,772</u>	<u>7,746,957</u>
Net Assets			
Invested in capital assets, net of related debt	16,521,205	421,454	16,942,659
Restricted for capital projects	438,059	-	438,059
Unrestricted	<u>3,951,048</u>	<u>392,006</u>	<u>4,343,054</u>
Total net assets	<u>\$ 20,910,312</u>	<u>813,460</u>	<u>21,723,772</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Assets –
Proprietary Funds
For the Fiscal Year Ended
September 30, 2010

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Operating revenues:			
Charges for sales and services:			
Water service	\$ 2,959,211	-	2,959,211
Sewer service	1,790,603	-	1,790,603
Storm drainage fees	-	342,930	342,930
Reconnect and late fees	105,620	-	105,620
Tap fees	73,139	-	73,139
Other operating revenue	31,625	-	31,625
Total operating revenues	<u>4,960,198</u>	<u>342,930</u>	<u>5,303,128</u>
Operating expenses:			
Salaries and wages	880,266	51,641	931,907
Employee benefits	251,660	20,348	272,008
Supplies	89,578	6,032	95,610
Repairs and maintenance	120,448	2,745	123,193
Water, sewage treatment, and other charges	1,984,950	3,594	1,988,544
Depreciation	1,627,737	52,474	1,680,211
Total operating expenses	<u>4,954,639</u>	<u>136,834</u>	<u>5,091,473</u>
Operating income	<u>5,559</u>	<u>206,096</u>	<u>211,655</u>
Nonoperating revenues (expenses):			
Interest earnings	11,452	1,183	12,635
Interest expense	(278,552)	(15,363)	(293,915)
Amortization expense	(20,027)	-	(20,027)
Total nonoperating revenues (expenses)	<u>(287,127)</u>	<u>(14,180)</u>	<u>(301,307)</u>
Income before contributions and transfers	(281,568)	191,916	(89,652)
Capital contributions from developers and others	635,846	51,245	687,091
Transfers out	<u>(289,900)</u>	<u>(256,000)</u>	<u>(545,900)</u>
Change in net assets	64,378	(12,839)	51,539
Total net assets, beginning of year	<u>20,845,934</u>	<u>826,299</u>	<u>21,672,233</u>
Total net assets, end of year	<u>\$ 20,910,312</u>	<u>813,460</u>	<u>21,723,772</u>

See accompanying notes to financial statements.

City of Belton, Texas
Statement of Cash Flows –
Proprietary Funds
For the Fiscal Year Ended
September 30, 2010

	Business-type Activities - Enterprise Funds		
	Water and Sewer	Drainage	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 4,938,442	341,538	5,279,980
Payments to suppliers	(2,180,384)	(21,961)	(2,202,345)
Payments to employees	(868,581)	(51,350)	(919,931)
Net cash provided by operating activities	<u>1,889,477</u>	<u>268,227</u>	<u>2,157,704</u>
Cash flows from noncapital financing activities:			
Transfer to other funds	(289,900)	(256,000)	(545,900)
Net cash used in noncapital financing activities	<u>(289,900)</u>	<u>(256,000)</u>	<u>(545,900)</u>
Cash flows from capital and related financing activities:			
Capital contributions	204,097	34,192	238,289
Purchases and construction of capital assets	(1,434,840)	(307,248)	(1,742,088)
Principal paid on capital debt	(460,002)	(47,201)	(507,203)
Interest paid on capital debt	(272,840)	(15,446)	(288,286)
Net cash used in capital and related financing activities	<u>(1,963,585)</u>	<u>(335,703)</u>	<u>(2,299,288)</u>
Cash flows from investing activities:			
Interest received	11,452	1,183	12,635
Net cash provided by investing activities	<u>11,452</u>	<u>1,183</u>	<u>12,635</u>
Net decrease in cash and cash equivalents	(352,556)	(322,293)	(674,849)
Cash and cash equivalents, beginning of year	4,999,908	681,289	5,681,197
Cash and cash equivalents, end of year	<u>\$ 4,647,352</u>	<u>358,996</u>	<u>5,006,348</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 5,559	206,096	211,655
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,627,737	52,474	1,680,211
Increase in receivables	(26,916)	(1,392)	(28,308)
Decrease in prepaid items	2,583	-	2,583
Decrease in other assets	8,346	-	8,346
Increase in accounts and retainages payable	248,836	10,236	259,072
Increase in accrued liabilities	6,487	522	7,009
Increase in customer deposits payable	5,160	-	5,160
Increase in compensated absences	11,685	291	11,976
Total adjustments	<u>1,883,918</u>	<u>62,131</u>	<u>1,946,049</u>
Net cash provided by operating activities	<u>\$ 1,889,477</u>	<u>268,227</u>	<u>2,157,704</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets from developers and others	\$ 95,631	17,053	112,684
Payment to refunded bond escrow agent	<u>\$ 1,367,872</u>	<u>-</u>	<u>1,367,872</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, 2010

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Belton, Texas (the City) was founded in 1850 and incorporated in January of 1852 under provisions of the Constitution of the State of Texas. The City operates under a home rule charter which was approved by the electorate August 20, 1951, rewritten and approved May 5, 1990, and again rewritten and approved May 7, 2005. The charter provides for the Council-Manager form of government for the City. Policy-making and supervisory functions are the responsibility of and vested in the Mayor and City Council. 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 assets 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 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.

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

I. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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.

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

I. Summary of Significant Accounting Policies (continued)

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

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 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

I. Summary of Significant Accounting Policies (continued)

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

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources, as they are needed.

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Between thirty and ninety days prior to the beginning of each fiscal year, the City Manager submits a proposed budget to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are held on the proposed budget and on the revised budget, if applicable.
3. Prior to September 28, but no sooner than five days after the final public hearing, the budget is legally enacted through passage of an ordinance. If not accepted and formally approved by the City Council before September 28, the budget as submitted by the City Manager is automatically adopted.

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

I. Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting (continued)

4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Supplemental appropriations during the year were not significant.
5. A provision is made in the annual budget of the General Fund for a contingent appropriation not to exceed three percent of the total general fund expenditures to be used in the case of unforeseen expenditures. This contingency is under the control of the City Manager and distributed by him. Disbursements of this appropriation are transferred to the department incurring the expenditure.
6. Annual budgets are legally adopted for the General Fund, the Hotel/Motel Tax Special Revenue Fund, the Debt Service Fund, and the TIRZ Special Revenue Fund. Certain differences exist between the basis of accounting used for budgetary purposes and that used for financial reporting in accordance with generally accepted accounting principles (GAAP). Budgets are not prepared for capital project funds because all significant expenditures are based on fixed-bid contracts, which are controlled by management in the initial project planning stages.
7. Budget appropriations lapse at year-end and do not carry forward to future periods. The reported budgetary data has been revised for amendments authorized during the year.
8. The level of control (level at which expenditures may not exceed budget) is the fund.

The City prepares its annual appropriated budgets on a budgetary basis which differs from the GAAP basis. The budget and all transactions of the General Fund are presented in accordance with the City's budgetary basis in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary Basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the GAAP basis are revenues, expenditures and other financing sources (uses) of certain activities are not budgeted. Adjustments necessary to convert the net change in fund balance on the budgetary basis to a GAAP basis for the General Fund are provided below:

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

I. Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting (continued)

Net change in fund balance - budgetary basis	\$ 505,059
Activities not included in the General Fund budget	<u>49,828</u>
Net change in fund balance - GAAP basis	<u>\$ 554,887</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.

F. Deposits and Investments

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

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

Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that mature within one year of acquisition that are reported at amortized cost. The City invests in public funds investment pools that were created to function as money market mutual funds within the meaning of Rule 2a-7 of the Investment Company Act of 1940. Each of these public funds investment pools seek to maintain a constant \$1.00 net asset value per share.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

I. Summary of Significant Accounting Policies (continued)

G. Receivables and Payables (continued)

between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 30.2 percent of outstanding property taxes at September 30, 2010.

H. Inventory

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

I. Restricted Assets

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

J. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Infrastructure assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest expense that relates to the cost of acquiring or constructing fixed assets in the enterprise fund is capitalized. Interest expense incurred in

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

I. Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

connection with construction of capital assets has been reduced by interest earned on the investment of funds borrowed for construction in accordance with Financial Accounting Standards Board Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*.

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

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

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. Employees are allowed to accumulate up to five days of vacation leave from the previous anniversary year. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated vacation leave, which is expected to be liquidated with expendable available financial resources, is reported as a program expense and fund liability in the general fund. Amounts of accumulated vacation leave within the governmental funds that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability on the statement of net assets. 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.

L. 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

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

I. Summary of Significant Accounting Policies (continued)

L. Long-Term Obligations (continued)

proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

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.

M. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Deposits and Investments

Investments of the City at September 30, 2010, consist of investments in Texas Local Government Investment Pool (TexPool) and in Texas Short-Term Asset Reserve Program (TexSTAR) of \$5,020,693 and \$11,824,736, respectively.

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

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy,

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

II. Deposits and Investments (continued)

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.

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

For an investment, custodial credit risk is the risk that in the event of the failure of the counter-party, the City will not be able to recover the value of its investment or collateralized securities that are in the possession of an outside third party. The City's investment policy requires that the purchase of investment securities be settled on a delivery basis and that ownership of all securities be perfected in the name of the City.

The City uses the following external public funds investment pools:

TexPool: The Texas Local Government Investment Pool (TexPool) was created by an inter-local contract under the laws of the State of Texas and is governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexPool is governed by the Comptroller of Public Accounts as public funds investments pools through the Texas Treasury Safekeeping Trust Company. This Trust Company is a special-purpose trust company authorized to receive, transfer, and disburse money and securities as provided by statute or belonging to the state, agencies, and local political subdivisions and other organizations created on behalf of the state or agency or political subdivision of the state. The Comptroller is the sole officer, director, and shareholder of the Trust Company.

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

TexPool offers a safe, efficient, and liquid investment alternative to local governments in the State of Texas. The expectation is that local governments will benefit from the receipt of higher investment returns as a result of economies of scale and the investment expertise and regulatory oversight of the Comptroller and the Trust Company. TexPool uses amortized cost rather than the market value to report net assets to compute share prices.

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

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. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexSTAR under an agreement with the TexSTAR Board.

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

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

Cash on hand	\$	5,180
Carrying amount of deposits		368,383
Carrying amount of investments		<u>16,845,429</u>
	\$	<u><u>17,218,992</u></u>
Per the statement of net assets for the City:		
Cash and cash equivalents	\$	13,527,311
Restricted cash and cash equivalents		<u>1,256,493</u>
		14,783,804
Per the statement of net assets for the Belton Economic Development Corporation, Inc.:		
Cash and cash equivalents		<u>2,435,188</u>
	\$	<u><u>17,218,992</u></u>

III. Receivables

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

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

III. Receivables (continued)

	<u>General</u>	<u>Debt Service</u>	<u>Enterprise Fund</u>		<u>Nonmajor Funds</u>	<u>Total</u>
			<u>Water and Sewer</u>	<u>Drainage</u>		
Receivables:						
Taxes	\$ 638,046	42,138	-	-	40,717	720,901
Water/sewer	-	-	680,004	-	-	680,004
Storm drainage	-	-	-	61,417	-	61,417
Ambulance	409,606	-	-	-	-	409,606
Other	318,903	-	-	-	-	318,903
	<u>1,366,555</u>	<u>42,138</u>	<u>680,004</u>	<u>61,417</u>	<u>40,717</u>	<u>2,190,831</u>
Less:						
Allowance for uncollectibles	<u>266,650</u>	<u>12,809</u>	<u>13,615</u>	<u>13,848</u>	<u>-</u>	<u>306,922</u>
	<u>\$ 1,099,905</u>	<u>29,329</u>	<u>666,389</u>	<u>47,569</u>	<u>40,717</u>	<u>1,883,909</u>

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, all deferred revenue relates to revenue that is unavailable.

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, 2009, upon which the 2010 fiscal year levy was based, was \$722,714,102.

The tax levy of October 2009 set a tax rate of \$.655 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, 2010, at which time a lien attaches for unpaid taxes. Tax collections during the fiscal year ended September 30, 2010, for the fiscal year 2010 levy were 97.8 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

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

IV. Property Taxes (continued)

"property tax code" and provides, among other things, for the establishment of county appraisal districts and for a state property tax board, which commenced operations in January 1980.

The appraisal of property within the City is the responsibility of the county appraisal district. The appraisal district is required under the property tax code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. State law provides that the City Council set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations and adjusted for new improvements, exceeds the modified rate of the previous year by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than eight percent above the rate of the previous year.

V. Capital Assets

Capital asset activity for the year ended September 30, 2010 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 1,659,790	457,989	-	2,117,779
Construction in progress	719,162	1,808,386	(765,142)	1,762,406
Total capital assets not being depreciated	<u>2,378,952</u>	<u>2,266,375</u>	<u>(765,142)</u>	<u>3,880,185</u>
Capital assets, being depreciated:				
Buildings	5,127,915	18,342	(18,986)	5,127,271
Improvements other than buildings	2,816,218	-	(37,357)	2,778,861
Machinery and equipment	3,642,469	457,555	(345,796)	3,754,228
Infrastructure	19,342,215	323,596	(25,051)	19,640,760
Total capital assets, being depreciated	<u>30,928,817</u>	<u>799,493</u>	<u>(427,190)</u>	<u>31,301,120</u>

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

V. Capital Assets (continued)

Primary Government (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental activities:</i> (continued)				
Less accumulated depreciation for:				
Buildings	\$ (1,611,010)	(231,401)	18,986	(1,823,425)
Improvements other than buildings	(1,037,209)	(138,417)	20,839	(1,154,787)
Machinery and equipment	(2,042,863)	(364,075)	301,153	(2,105,785)
Infrastructure	(7,635,301)	(1,083,630)	6,373	(8,712,558)
Total accumulated depreciation	<u>(12,326,383)</u>	<u>(1,817,523)</u>	<u>347,351</u>	<u>(13,796,555)</u>
Total capital assets, being depreciated, net	<u>18,602,434</u>	<u>(1,018,030)</u>	<u>(79,839)</u>	<u>17,504,565</u>
	<u>\$ 20,981,386</u>	<u>1,248,345</u>	<u>(844,981)</u>	<u>21,384,750</u>
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 150,711	19,194	-	169,905
Construction in progress	620,236	1,647,992	(647,596)	1,620,632
Total capital assets not being depreciated	<u>770,947</u>	<u>1,667,186</u>	<u>(647,596)</u>	<u>1,790,537</u>
Capital assets, being depreciated:				
Buildings	90,055	-	(2,120)	87,935
Machinery and equipment	1,083,566	52,709	(90,455)	1,045,820
Infrastructure	31,285,677	782,474	(1,220,371)	30,847,780
Total capital assets being depreciated	<u>32,459,298</u>	<u>835,183</u>	<u>(1,312,946)</u>	<u>31,981,535</u>
Less accumulated depreciation for:				
Buildings	(74,266)	(2,085)	2,120	(74,231)
Machinery and equipment	(604,081)	(108,728)	90,455	(622,354)
Infrastructure	(9,382,323)	(1,569,398)	1,220,371	(9,731,350)
Total accumulated depreciation	<u>(10,060,670)</u>	<u>(1,680,211)</u>	<u>1,312,946</u>	<u>(10,427,935)</u>
Total capital assets, being depreciated, net	<u>22,398,628</u>	<u>(845,028)</u>	<u>-</u>	<u>21,553,600</u>
	<u>\$ 23,169,575</u>	<u>822,158</u>	<u>(647,596)</u>	<u>23,344,137</u>

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

V. Capital Assets (continued)

Primary Government (continued)

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

Governmental activities:	
General government	\$ 47,160
Public safety	327,499
Highways and streets, including depreciation of general infrastructure assets	817,832
Development services	12,118
Maintenance	9,157
Solid waste	7,543
Culture and recreation	<u>596,214</u>
Total depreciation expense - governmental activities	<u>\$ 1,817,523</u>
Business-type activities:	
Water and sewer	\$ 1,627,737
Drainage	<u>52,474</u>
Total depreciation expense - business-type activities	<u>\$ 1,680,211</u>

The City has active construction projects as of September 30, 2010. At year-end, the City's construction commitments for governmental activities are as follows:

<u>Project Title</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Legacy Landing Street extension	\$ 173	38,750
Sidewalks	43,891	26,109
Sparta/Loop 121 turn lane	65,027	-
Spring Street	15,386	47,455
East Street alley paving	9,574	-
Harris Center repairs	153,474	-
Maintenance facility	52,600	397,400
Avenue D Street	298,306	673,538
Avenue D/Loop 121 turn lane	76,117	3,200
Central Avenue gateway	835,385	716,740
Commerce Drive extension	192,551	28,800
9th Avenue extension	<u>19,922</u>	<u>-</u>
Total	<u>\$ 1,762,406</u>	<u>1,931,992</u>

The projects will be financed with available resources.

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

V. Capital Assets (continued)

Primary Government (continued)

At September 30, 2010, the City's construction commitments for business-type activities are as follows:

<u>Project Title</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Auction Barn Road sewer	\$ 8,442	9,850
Central Avenue water	24,596	-
West FM 93 sewer	38,699	20,750
Avenue D water and sewer	249,612	53,612
Loop 121 wastewater	654,753	24,548
Miller Heights CDBG sewer	31,890	31,150
I-35 utility relocations	379,278	186,000
Avenue D drainage	230,345	62,626
Hilltop drainage	3,017	-
Total	<u>\$ 1,620,632</u>	<u>388,536</u>

The projects will be financed with available resources.

Discretely Presented Component Unit

Capital asset activity for the Development Corporation for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 482,636	-	(6,555)	476,081
Construction in progress	-	940,652	-	940,652
Total capital assets not being depreciated	<u>482,636</u>	<u>940,652</u>	<u>(6,555)</u>	<u>1,416,733</u>
Capital assets, being depreciated:				
Buildings	317,183	-	-	317,183
Machinery and equipment	43,666	-	-	43,666
Infrastructure	2,381,459	29,750	-	2,411,209
Total capital assets being depreciated	<u>2,742,308</u>	<u>29,750</u>	<u>-</u>	<u>2,772,058</u>
Less accumulated depreciation for:				
Buildings	(1,322)	(7,930)	-	(9,252)
Machinery and equipment	(30,922)	(8,733)	-	(39,655)
Infrastructure	(624,616)	(119,946)	-	(744,562)
Total accumulated depreciation	<u>(656,860)</u>	<u>(136,609)</u>	<u>-</u>	<u>(793,469)</u>
Total capital assets, being depreciated, net	<u>2,085,448</u>	<u>(106,859)</u>	<u>-</u>	<u>1,978,589</u>
	<u>\$ 2,568,084</u>	<u>833,793</u>	<u>(6,555)</u>	<u>3,395,322</u>

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

VI. Capital Leases

The City has financed the purchase of a street sweeper for the Drainage Fund by means of a lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at present value of its future minimum lease payments as of the inception date. The cost and accumulated depreciation of the capital asset under capital lease at September 30, 2010 is \$149,078 and \$23,604, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010, were as follows:

Fiscal Year Ending	Drainage Fund
2011	\$ 39,104
2012	39,104
Total minimum lease payments	78,208
Less: amount representing interest	(3,709)
Present value of minimum lease payments	\$ 74,499

VII. 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, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 10,902,803	-	(520,345)	10,382,458	540,345
Compensated absences	340,692	360,681	(317,417)	383,956	325,454
	\$ 11,243,495	360,681	(837,762)	10,766,414	865,799
Business-type activities:					
General obligation and revenue bonds	\$ 7,449,314	1,367,872	(1,784,442)	7,032,744	483,455
Capital lease	109,974	-	(35,475)	74,499	36,645
Compensated absences	43,863	41,383	(29,407)	55,839	53,882
	\$ 7,603,151	1,409,255	(1,849,324)	7,163,082	573,982

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

VII. Long-Term Debt (continued)

Compensated absences for governmental activities are generally liquidated by the general fund.

Long-term debt of the City's governmental activities at September 30, 2010, is comprised of the following:

\$283,710 Series 2002 combination tax and revenue certificates of obligation due in annual installments of \$28,370 to \$28,380 through 2013; interest at 4.4%	\$ 85,120
\$2,480,000 Series 2003 general obligation bonds due in annual installments of \$115,000 to \$200,000 through 2023; interest at 4.15%	1,985,000
\$4,500,000 Series 2005 general obligation bonds due in annual installments of \$140,000 to \$275,000 through 2025; interest at 3.54%	3,370,000
\$3,945,000 Series 2007 combination tax and revenue certificates of obligation due in annual installments of \$155,000 to \$295,000 through 2027; interest at 4.13%	3,565,000
\$1,485,000 Series 2008 combination tax and revenue certificates of obligation due in annual installments of \$51,975 to \$107,663 through 2028; interest at 4.19%	<u>1,377,338</u>
	<u>\$ 10,382,458</u>

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

Year Ended September 30,	Principal	Interest
2011	\$ 540,345	410,367
2012	564,058	389,040
2013	584,067	366,761
2014	609,400	343,655
2015	633,112	319,752
2016 - 2020	3,581,401	1,204,250
2021 - 2025	3,195,649	469,285
2026 - 2028	<u>674,426</u>	<u>49,105</u>
	<u>\$ 10,382,458</u>	<u>3,552,215</u>

Long-term debt of the City's business-type activities at September 30, 2010, is comprised of the following:

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

VII. Long-Term Debt (continued)

\$2,301,140 Series 2002 general obligation refunding bonds due in annual intallments of \$60,000 to \$70,000 through 2016; interest at 3.35%	\$ 395,000
\$4,360,449 Series 2002 combination tax and revenue certificates of obligation due in annual installments of \$206,630 to \$360,000 through 2022; interest at 4.4%	3,474,880
\$1,420,000 Series 2007 combination tax and revenue certificates of obligation due in annual installments of \$10,000 to \$150,000 through 2027; interest at 4.13%	1,390,000
\$515,000 Series 2008 combination tax and revenue certificates of obligation due in annual intallments of \$18,025 to \$37,337 through 2028; interest at 4.19%	477,662
\$1,367,872 Series 2009 general obligation refunding bonds due in annual installments of \$126,850 to \$209,450 through 2017; interest at 2% to 2.5%; net of the unamortized difference between the reacquisition price and the carrying value of the refunded debt of \$35,248	<u>1,295,202</u>
	<u>\$ 7,032,744</u>

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

Year Ended September 30,	Principal	Interest
2011	\$ 483,455	270,827
2012	503,592	254,780
2013	518,583	237,979
2014	564,150	220,573
2015	583,388	201,440
2016 - 2020	2,594,899	702,037
2021 - 2025	1,474,351	210,597
2026 - 2028	<u>345,574</u>	<u>23,876</u>
	<u>\$ 7,067,992</u>	<u>2,122,109</u>

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

VII. 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, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 1,017,600	952,128	(1,045,178)	924,550	131,200
	<u>\$ 1,017,600</u>	<u>952,128</u>	<u>(1,045,178)</u>	<u>924,550</u>	<u>131,200</u>

Long-term debt of the Development Corporation at September 30, 2010, is comprised of the following general obligation bonds issued by the City for which the Development Corporation is legally obligated to repay:

\$952,178 Series 2009 general obligation refunding bonds due in annual installments of \$88,150 to \$145,550 through 2017; interest at 2% to 2.5%	\$ <u>924,550</u>
	\$ <u><u>924,550</u></u>

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

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 131,200	19,654
2012	137,350	17,030
2013	137,350	14,283
2014	141,450	11,536
2015	143,500	8,707
2016 - 2017	<u>233,700</u>	<u>7,683</u>
	<u>\$ 924,550</u>	<u>78,893</u>

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

VII. Long-Term Debt (continued)

During 2010, the City issued \$2,320,000 of general obligation refunding bonds for a current refunding of general obligation refunding bonds of \$2,235,000. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$40,283. This amount is being netted against the new debt and amortized over the new debt's life. The transaction also resulted in an economic gain of \$164,941 and a reduction of \$204,676 in future debt service payments.

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.

VIII. Interfund Transfers

Interfund transfers for 2010 are as follow:

		Transfer in	
		Other	
		Nonmajor	
	General	Governmental	Total
Transfer out:			
General	\$ -	217,135	217,135
Water and sewer	289,900	-	289,900
Drainage	-	256,000	256,000
Other nonmajor governmental	-	743,000	743,000
	\$ 289,900	1,216,135	1,506,035

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.

IX. Employee Benefits

Pension Plan

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

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

IX. Employee Benefits (continued)

Pension Plan (continued)

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

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

	<u>Plan Year 2009</u>	<u>Plan Year 2010</u>
Employee deposit rate	5%	5%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credits	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	30% of CPI Repeating	30% of CPI Repeating

Benefits – Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Contributions – Under the state law governing TMRS, the contribution rate is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year.

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

IX. Employee Benefits (continued)

Pension Plan (continued)

The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

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

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Actual</u> <u>Contribution</u> <u>Made</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2010	\$ 505,964	505,964	100%	\$ -
2009	426,145	426,145	100%	-
2008	392,287	392,287	100%	-

The required contribution rates for fiscal year 2010 were determined as part of the December 31, 2007 and 2008 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

<u>Valuation Date</u>	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Remaining amortization period	30 years; closed period	29 years; closed period	28 years; closed period
Asset valuation method	Amortized cost	Amortized cost	10-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.0%	7.5%	7.5%
Projected salary increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	0.9%	0.9%	0.9%

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

IX. Employee Benefits (continued)

Pension Plan (continued)

The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2009	\$ 6,983,507	9,187,335	76.0%	\$ 2,203,828	5,648,043	39.0%
12/31/2008	6,260,588	8,370,861	74.8%	2,110,273	5,414,750	39.0%
12/31/2007	5,899,718	8,024,566	73.5%	2,124,848	5,096,919	41.7%

Supplemental Death Benefits Plan

Plan Description – The City also participates in the cost-sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefits – The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage for retired employees is considered an “other postemployment benefit”, or OPEB.

Contributions – The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers. The City’s contributions to the SDBF for the years ended September 30, 2010, 2009, and 2008 were \$3,589, \$3,301, and \$3,719, respectively, which equaled the required contributions each year.

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

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

X. Risk Management (continued)

for liability, property, and workers' compensation coverage. The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will provide through commercial companies reinsurance contracts. The Pool agrees to handle all liability, property, and workers' compensation claims and provide any defense as is necessary. The Pool makes available to the City loss control services to assist the City in following a plan of loss control that may result in reduced losses. The City agrees that it will cooperate in instituting any and all reasonable loss control recommendations made by the Pool. The City also carries commercial insurance on all other risks of loss, including employee health and accident insurance.

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

XI. Commitments and Contingencies

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

In 1992, the City 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, 2010 was \$32,325.

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. The agreement remains in effect until all bonds of the District are repaid, currently 2018. Charges for water under the agreement for the year ended September 30, 2010 were \$1,107,642.

City of Belton, Texas
Notes to Financial Statements
September 30, 2010

XI. Commitments and Contingencies (continued)

Finally, the City entered into an agreement with the Brazos River Authority in 1971, whereby the Authority receives, treats and disposes of the City's sewage. The City is charged a monthly amount for sewer services based on the amount of sewage treated. The City's net expense for the year ended September 30, 2010 was \$578,307.

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

XIII. Related Party Transactions

During 2010, the Belton Economic Development Corporation, Inc. awarded a \$115,218 forgivable loan to Harvest Technologies, Ltd. Co. and Harvest Incorporated to encourage local expansion and creation of employment and investment within the City. A member of the City Council serves as general partner and President of Harvest Technologies, Ltd. Co. and Harvest Incorporated, respectively.

XIV. Authoritative Pronouncements Not Yet Effective

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

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (issued February 2009) – The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this new Statement are effective for financial statements for periods beginning after June 15, 2010.

**Combining and Individual Fund
Statements and Schedules**



Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

TDHCA Homebuyer Assistance Fund: This fund is used to account for the City's matching funds for a joint grant project with the Temple Housing Authority. The grant from Texas Department of Housing and Community Affairs HOME Program provides down payment assistance to qualified first-time home buyers within the City of Belton.

TDHCA Housing Rehabilitation Fund: This fund is used to account for the proceeds and expenditures for a Texas Department of Housing and Community Affairs grant. This HOME Program grant provides funding for the rehabilitation and replacement of dilapidated owner-occupied housing within the City of Belton.



Capital Projects Funds

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

General Capital Projects Fund: This fund accounts for construction of various 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 major capital equipment. Financing is provided primarily by the transfer of funds from the General Fund

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

2005 General Obligation Bond Fund: This fund accounts for acquisition, construction, improvement, and equipping of land, streets, and related drainage facilities for municipal parks and recreation facilities.

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

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

Central Avenue Fund: This fund accounts for the rebuilding of Central Avenue in downtown Belton.

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

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

City of Belton, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

	Special Revenue								
	Greathouse Public Trust	Revolving Loan Fund	Hotel/Motel Tax	TIRZ	Court Technology	Court Security	TDHCA Homebuyer Assistance	TDHCA Housing Rehab	Total
Assets									
Cash and cash equivalents	\$ 42,202	56,063	207,147	65,126	-	5,322	54,603	12,087	442,550
Receivables	-	-	40,717	-	-	-	-	-	40,717
Total assets	<u>\$ 42,202</u>	<u>56,063</u>	<u>247,864</u>	<u>65,126</u>	<u>-</u>	<u>5,322</u>	<u>54,603</u>	<u>12,087</u>	<u>483,267</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts and retainage payable	\$ -	-	-	-	-	-	177	-	177
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177</u>	<u>-</u>	<u>177</u>
Fund balances:									
Unreserved	42,202	56,063	247,864	65,126	-	5,322	54,426	12,087	483,090
Total fund balances	<u>42,202</u>	<u>56,063</u>	<u>247,864</u>	<u>65,126</u>	<u>-</u>	<u>5,322</u>	<u>54,426</u>	<u>12,087</u>	<u>483,090</u>
Total liabilities and fund balances	<u>\$ 42,202</u>	<u>56,063</u>	<u>247,864</u>	<u>65,126</u>	<u>-</u>	<u>5,322</u>	<u>54,603</u>	<u>12,087</u>	<u>483,267</u>

See accompanying independent auditors' report.

Capital Projects										Total Nonmajor Governmental Funds
General Capital Projects	General Capital Equipment	Park Donation	2005 G O Bonds	2007 Certificates of Obligation	2008 Certificates of Obligation	Central Avenue	Commerce Drive Extension	9th Avenue Extension	Total	
635,541	306,315	4,125	18,513	787,877	934,934	718,300	580,637	394,900	4,381,142	4,823,692
-	-	-	-	-	-	-	-	-	-	40,717
<u>635,541</u>	<u>306,315</u>	<u>4,125</u>	<u>18,513</u>	<u>787,877</u>	<u>934,934</u>	<u>718,300</u>	<u>580,637</u>	<u>394,900</u>	<u>4,381,142</u>	<u>4,864,409</u>
86,423	5,541	-	-	-	28,890	72,765	625	-	194,244	194,421
<u>86,423</u>	<u>5,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,890</u>	<u>72,765</u>	<u>625</u>	<u>-</u>	<u>194,244</u>	<u>194,421</u>
549,118	300,774	4,125	18,513	787,877	906,044	645,535	580,012	394,900	4,186,898	4,669,988
<u>549,118</u>	<u>300,774</u>	<u>4,125</u>	<u>18,513</u>	<u>787,877</u>	<u>906,044</u>	<u>645,535</u>	<u>580,012</u>	<u>394,900</u>	<u>4,186,898</u>	<u>4,669,988</u>
<u>635,541</u>	<u>306,315</u>	<u>4,125</u>	<u>18,513</u>	<u>787,877</u>	<u>934,934</u>	<u>718,300</u>	<u>580,637</u>	<u>394,900</u>	<u>4,381,142</u>	<u>4,864,409</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, 2010

	Special Revenue								Total
	Greathouse Public Trust	Revolving Loan Fund	Hotel/ Motel Tax	TIRZ	Court Technology	Court Security	TDHCA Homebuyer Assistance	TDHCA Housing Rehab	
Revenues:									
Ad valorem taxes	\$ -	-	-	330,596	-	-	-	-	330,596
Hotel/motel taxes	-	-	151,197	-	-	-	-	-	151,197
Intergovernmental	-	-	-	189,280	-	-	-	1,600	190,880
Fines	-	-	-	-	5,992	3,785	-	-	9,777
Interest	73	107	431	242	-	6	116	23	998
Contributions and donations	-	-	-	-	-	-	-	-	-
Total revenues	73	107	151,628	520,118	5,992	3,791	116	1,623	683,448
Expenditures:									
Current:									
General government	-	-	-	-	6,523	-	-	-	6,523
Public safety	112,896	-	-	-	-	-	-	-	112,896
Economic development	-	-	178,034	17,850	-	-	8,039	1,652	205,575
Debt service:									
Principal	-	-	-	90,000	-	-	-	-	90,000
Interest and fiscal charges	-	-	-	63,988	-	-	-	-	63,988
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	112,896	-	178,034	171,838	6,523	-	8,039	1,652	478,982
Excess (deficiency) of revenues over (under) expenditures	(112,823)	107	(26,406)	348,280	(531)	3,791	(7,923)	(29)	204,466
Other financing sources (uses):									
Transfers in	27,619	-	-	-	-	-	-	-	27,619
Transfers out	-	-	-	(343,000)	-	-	-	-	(343,000)
Total other financing sources (uses)	27,619	-	-	(343,000)	-	-	-	-	(315,381)
Net change in fund balances	(85,204)	107	(26,406)	5,280	(531)	3,791	(7,923)	(29)	(110,915)
Fund balances, October 1	127,406	55,956	274,270	59,846	531	1,531	62,349	12,116	594,005
Fund balances, September 30	\$ 42,202	56,063	247,864	65,126	-	5,322	54,426	12,087	483,090

See accompanying independent auditors' report.

Capital Projects										
General Capital Projects	General Capital Equipment	Park Donation	2005 G O Bonds	2007	2008	Central Avenue	Commerce Drive Extension	9th Avenue Extension	Total	Total Nonmajor Governmental Funds
				Certificates of Obligation	Certificates of Obligation					
-	-	-	-	-	-	-	-	-	-	330,596
-	-	-	-	-	-	-	-	-	-	151,197
-	-	-	-	-	-	-	-	-	-	190,880
-	-	-	-	-	-	-	-	-	-	9,777
1,260	512	-	35	2,226	2,131	2,059	674	-	8,897	9,895
-	-	4,000	-	-	50,000	-	500,000	-	554,000	554,000
<u>1,260</u>	<u>512</u>	<u>4,000</u>	<u>35</u>	<u>2,226</u>	<u>52,131</u>	<u>2,059</u>	<u>500,674</u>	<u>-</u>	<u>562,897</u>	<u>1,246,345</u>
-	-	-	-	-	-	-	-	-	-	6,523
-	-	-	-	-	-	-	-	-	-	112,896
-	-	-	-	-	-	-	-	-	-	205,575
-	-	-	-	-	-	-	-	-	-	90,000
-	-	-	-	-	-	-	-	-	-	63,988
412,996	266,638	-	-	69,089	414,901	723,357	298,662	5,100	2,190,743	2,190,743
<u>412,996</u>	<u>266,638</u>	<u>-</u>	<u>-</u>	<u>69,089</u>	<u>414,901</u>	<u>723,357</u>	<u>298,662</u>	<u>5,100</u>	<u>2,190,743</u>	<u>2,669,725</u>
<u>(411,736)</u>	<u>(266,126)</u>	<u>4,000</u>	<u>35</u>	<u>(66,863)</u>	<u>(362,770)</u>	<u>(721,298)</u>	<u>202,012</u>	<u>(5,100)</u>	<u>(1,627,846)</u>	<u>(1,423,380)</u>
169,750	140,766	-	-	-	-	100,000	378,000	400,000	1,188,516	1,216,135
-	-	-	-	(400,000)	-	-	-	-	(400,000)	(743,000)
<u>169,750</u>	<u>140,766</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>100,000</u>	<u>378,000</u>	<u>400,000</u>	<u>788,516</u>	<u>473,135</u>
(241,986)	(125,360)	4,000	35	(466,863)	(362,770)	(621,298)	580,012	394,900	(839,330)	(950,245)
791,104	426,134	125	18,478	1,254,740	1,268,814	1,266,833	-	-	5,026,228	5,620,233
<u>549,118</u>	<u>300,774</u>	<u>4,125</u>	<u>18,513</u>	<u>787,877</u>	<u>906,044</u>	<u>645,535</u>	<u>580,012</u>	<u>394,900</u>	<u>4,186,898</u>	<u>4,669,988</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, 2010

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/motel taxes	\$ 150,000	150,000	151,197	1,197
Interest	600	600	431	(169)
Total revenues	<u>150,600</u>	<u>150,600</u>	<u>151,628</u>	<u>1,028</u>
Expenditures:				
Economic development	173,850	178,050	178,034	16
Total expenditures	<u>173,850</u>	<u>178,050</u>	<u>178,034</u>	<u>16</u>
Net change in fund balance	(23,250)	(27,450)	(26,406)	1,044
Fund balance, October 1	<u>274,270</u>	<u>274,270</u>	<u>274,270</u>	<u>-</u>
Fund balance, September 30	<u>\$ 251,020</u>	<u>246,820</u>	<u>247,864</u>	<u>1,044</u>

See accompanying independent auditors' report.

City of Belton, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 840,468	840,468	846,548	6,080
Interest	2,500	2,500	1,147	(1,353)
Total revenues	<u>842,968</u>	<u>842,968</u>	<u>847,695</u>	<u>4,727</u>
Expenditures:				
Principal	430,345	430,345	430,345	-
Interest and fiscal charges	370,974	386,374	390,520	(4,146)
Total expenditures	<u>801,319</u>	<u>816,719</u>	<u>820,865</u>	<u>(4,146)</u>
Net change in fund balance	41,649	26,249	26,830	581
Fund balance, October 1	<u>206,456</u>	<u>206,456</u>	<u>206,456</u>	<u>-</u>
Fund balance, September 30	<u>\$ 248,105</u>	<u>232,705</u>	<u>233,286</u>	<u>581</u>

See accompanying independent auditors' report.

City of Belton, Texas
TIRZ Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 322,314	322,314	330,596	8,282
Intergovernmental	184,974	184,974	189,280	4,306
Interest	1,000	1,000	242	(758)
Total revenues	<u>508,288</u>	<u>508,288</u>	<u>520,118</u>	<u>11,830</u>
Expenditures:				
Current:				
Economic development	50,000	50,000	17,850	32,150
Debt service:				
Principal	90,000	90,000	90,000	-
Interest and fiscal charges	63,189	63,189	63,988	(799)
Total expenditures	<u>203,189</u>	<u>203,189</u>	<u>171,838</u>	<u>31,351</u>
Excess of revenues over expenditures	<u>305,099</u>	<u>305,099</u>	<u>348,280</u>	<u>43,181</u>
Other financing sources (uses):				
Transfers out	<u>(343,000)</u>	<u>(343,000)</u>	<u>(343,000)</u>	<u>-</u>
Net change in fund balance	(37,901)	(37,901)	5,280	43,181
Fund balance, October 1	<u>59,846</u>	<u>59,846</u>	<u>59,846</u>	<u>-</u>
Fund balance, September 30	<u>\$ 21,945</u>	<u>21,945</u>	<u>65,126</u>	<u>43,181</u>

See accompanying independent auditors' report.

Enterprise Funds

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

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

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

City of Belton, Texas
Water and Sewer Fund
Schedule of Revenues and Expenses –
Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2010

	Original Budget	Final Budget	(Budgetary Basis)	Variance with Final Budget
Operating revenue:				
Water service	\$ 2,671,320	2,671,320	2,959,211	287,891
Sewer service	1,868,062	1,868,062	1,790,603	(77,459)
Reconnect and late fees	98,000	98,000	105,620	7,620
Tap fees	37,000	37,000	73,139	36,139
Other	24,500	24,500	31,625	7,125
Total operating revenue	<u>4,698,882</u>	<u>4,698,882</u>	<u>4,960,198</u>	<u>261,316</u>
Operating expenses:				
Salaries and wages	902,724	899,691	868,580	31,111
Employee benefits	277,256	280,289	251,660	28,629
Supplies	95,503	89,577	81,096	8,481
Repairs and maintenance	116,001	125,721	120,449	5,272
Water, sewage treatment, and other charges	2,438,431	2,430,337	2,268,514	161,823
Capital outlay	138,000	205,240	219,154	(13,914)
Total operating expenses	<u>3,967,915</u>	<u>4,030,855</u>	<u>3,809,453</u>	<u>221,402</u>
Operating income	730,967	668,027	1,150,745	482,718
Nonoperating revenue (expenses):				
Interest revenue	10,000	10,000	8,103	(1,897)
Contributions from developers and others	-	-	95,631	95,631
Payments to fiduciary for debt service	<u>(737,966)</u>	<u>(737,966)</u>	<u>(746,512)</u>	<u>(8,546)</u>
Total nonoperating revenue (expenses)	<u>(727,966)</u>	<u>(727,966)</u>	<u>(642,778)</u>	<u>85,188</u>
Net income (loss)	<u>\$ 3,001</u>	<u>(59,939)</u>	<u>507,967</u>	<u>567,906</u>

See accompanying independent auditors' report.

City of Belton, Texas
Water and Sewer Fund
Schedule of Operating Expenses by Department –
Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2010

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Administration:				
Salaries and wages	\$ 560,029	554,582	531,842	22,740
Employee benefits	151,897	154,460	133,160	21,300
Supplies	32,625	33,370	33,422	(52)
Repairs and maintenance	22,055	22,055	25,138	(3,083)
Other charges	190,522	185,577	138,576	47,001
Capital outlay	18,000	20,800	20,951	(151)
Total administration	<u>975,128</u>	<u>970,844</u>	<u>883,089</u>	<u>87,755</u>
Water:				
Salaries and wages	209,116	210,816	216,726	(5,910)
Employee benefits	76,095	76,433	74,606	1,827
Supplies	27,377	23,117	21,485	1,632
Repairs and maintenance	60,672	68,092	59,373	8,719
Other charges	234,847	233,787	243,430	(9,643)
Cost of water	1,215,588	1,213,388	1,149,345	64,043
Capital outlay	67,500	78,130	88,083	(9,953)
Total water	<u>1,891,195</u>	<u>1,903,763</u>	<u>1,853,048</u>	<u>50,715</u>
Sanitary sewer gathering system:				
Salaries and wages	103,351	103,786	89,922	13,864
Employee benefits	38,718	38,798	33,620	5,178
Supplies	24,114	21,703	17,428	4,275
Repairs and maintenance	19,490	21,790	22,899	(1,109)
Other charges	118,096	118,207	119,124	(917)
Capital outlay	52,500	106,310	110,120	(3,810)
Total sanitary sewer gathering system	<u>356,269</u>	<u>410,594</u>	<u>393,113</u>	<u>17,481</u>
Sewage treatment and disposal:				
Salaries and wages	30,228	30,507	30,090	417
Employee benefits	10,546	10,598	10,274	324
Supplies	11,387	11,387	8,761	2,626
Repairs and maintenance	13,784	13,784	13,039	745
Other charges	95,650	95,650	39,732	55,918
Charges for sewage treatment	583,728	583,728	578,307	5,421
Total sewage treatment and disposal	<u>745,323</u>	<u>745,654</u>	<u>680,203</u>	<u>65,451</u>
	<u>\$ 3,967,915</u>	<u>4,030,855</u>	<u>3,809,453</u>	<u>221,402</u>

See accompanying independent auditors' report.

City of Belton, Texas
Water and Sewer Fund
Schedule of Cash Receipts and Disbursements of Restricted
Cash and Cash Equivalents for Project Construction
For the Fiscal Year Ended
September 30, 2010

	<u>Bond Proceeds</u>	<u>Contributions and Donations</u>	<u>Grant Proceeds</u>	<u>Total</u>
Balance, October 1	\$ 1,101,139	912,262	(1,778)	2,011,623
Receipts:				
Transfer from other funds	-	-	123,228	123,228
Grant receipts	-	-	64,313	64,313
Interest income	1,918	399	-	2,317
Total receipts	<u>1,918</u>	<u>399</u>	<u>187,541</u>	<u>189,858</u>
Disbursements:				
Construction progress payments	324,064	586,451	151,890	1,062,405
Other charges	-	-	683	683
Transfers to other projects	73,228	-	-	73,228
Total disbursements	<u>397,292</u>	<u>586,451</u>	<u>152,573</u>	<u>1,136,316</u>
Balance, September 30	<u>\$ 705,765</u>	<u>326,210</u>	<u>33,190</u>	<u>1,065,165</u>

See accompanying independent auditors' report.

City of Belton, Texas
Drainage Fund
Schedule of Revenue and Expenses –
Budget and Actual – Budgetary Basis
For the Fiscal Year Ended
September 30, 2010

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Operating revenue:				
Storm drainage fee	\$ 340,800	340,800	342,930	2,130
Total operating revenue	<u>340,800</u>	<u>340,800</u>	<u>342,930</u>	<u>2,130</u>
Operating expenses:				
Salaries and wages	66,372	54,325	51,350	2,975
Employee benefits	11,667	23,159	20,348	2,811
Supplies	5,125	5,680	6,032	(352)
Repairs and maintenance	11,235	11,235	2,745	8,490
Other charges	31,600	31,600	3,594	28,006
Capital outlay	395,000	139,000	127,824	11,176
Total operating expenses	<u>520,999</u>	<u>264,999</u>	<u>211,893</u>	<u>53,106</u>
Operating income	(180,199)	75,801	131,037	55,236
Nonoperating revenue (expenses):				
Interest revenue	1,000	1,000	682	(318)
Contributions from developers and others	-	-	17,052	17,052
Payment for capital lease	(39,104)	(39,104)	(39,104)	-
Payments to fiduciary for debt service	(25,235)	(25,235)	(23,541)	1,694
Transfers out	-	(256,000)	(256,000)	-
Total nonoperating revenue (expenses)	<u>(63,339)</u>	<u>(319,339)</u>	<u>(300,911)</u>	<u>18,428</u>
Net income (loss)	\$ <u>(243,538)</u>	<u>(243,538)</u>	<u>(169,874)</u>	<u>73,664</u>

See accompanying independent auditors' report.

City of Belton, Texas
Drainage Fund
Schedule of Cash Receipts and Disbursements of Restricted
Cash and Cash Equivalents for Project Construction
For the Fiscal Year Ended
September 30, 2010

	<u>Bond Proceeds</u>	<u>Total</u>
Balance, October 1	\$ <u>327,244</u>	<u>327,244</u>
Receipts:		
Transactions from operating cash	74,000	74,000
Developer/owner contributions	34,192	34,192
Interest income	<u>505</u>	<u>505</u>
Total receipts	<u>108,697</u>	<u>108,697</u>
Disbursements:		
Construction progress payments	<u>244,613</u>	<u>244,613</u>
Total disbursements	<u>244,613</u>	<u>244,613</u>
Balance, September 30	\$ <u><u>191,328</u></u>	<u><u>191,328</u></u>

See accompanying independent auditors' report.

City of Belton, Texas Statistical Section

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	76
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	86
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	90
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	100
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	103

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

Note: City of Belton first applied GASB Statement No. 34 in fiscal year 2004; therefore, government-wide financial information for years prior to fiscal year 2004 is not available.

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

	<u>2004</u>	<u>2005</u>
Governmental activities		
Invested in capital assets, net of related debt	\$ 9,907,261	7,403,580
Restricted	393,201	905,502
Unrestricted	<u>3,907,266</u>	<u>7,744,370</u>
Total governmental activities net assets	<u>\$ 14,207,728</u>	<u>16,053,452</u>
Business-type activities		
Invested in capital assets, net of related debt	\$ 13,168,867	11,826,016
Restricted	-	-
Unrestricted	<u>1,654,725</u>	<u>4,322,295</u>
Total business-type activities net assets	<u>\$ 14,823,592</u>	<u>16,148,311</u>
Primary government		
Invested in capital assets, net of related debt	\$ 23,076,128	19,229,596
Restricted	393,201	905,502
Unrestricted	<u>5,561,991</u>	<u>12,066,665</u>
Total primary government net assets	<u>\$ 29,031,320</u>	<u>32,201,763</u>

Table I

Fiscal Year				
2006	2007	2008	2009	2010
12,380,934	11,074,215	10,933,815	12,587,025	12,714,726
573,420	742,489	1,345,488	2,163,662	1,885,924
<u>6,112,785</u>	<u>9,773,013</u>	<u>9,085,035</u>	<u>5,878,901</u>	<u>6,552,962</u>
<u>19,067,139</u>	<u>21,589,717</u>	<u>21,364,338</u>	<u>20,629,588</u>	<u>21,153,612</u>
14,564,542	14,637,860	14,406,422	17,596,575	16,942,659
-	-	-	909,824	438,059
<u>2,858,501</u>	<u>3,530,011</u>	<u>4,708,259</u>	<u>3,165,834</u>	<u>4,343,054</u>
<u>17,423,043</u>	<u>18,167,871</u>	<u>19,114,681</u>	<u>21,672,233</u>	<u>21,723,772</u>
26,945,476	25,712,075	25,340,237	30,183,600	29,657,385
573,420	742,489	1,345,488	3,073,486	2,323,983
<u>8,971,286</u>	<u>13,303,024</u>	<u>13,793,294</u>	<u>9,044,735</u>	<u>10,896,016</u>
<u>36,490,182</u>	<u>39,757,588</u>	<u>40,479,019</u>	<u>42,301,821</u>	<u>42,877,384</u>



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

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
General government	\$ 752,377	729,634	754,745	796,507	898,581	1,083,294	1,155,582
Public safety	3,228,500	3,750,732	4,158,479	4,365,643	4,707,210	4,767,516	5,174,535
Highways and streets	1,048,679	1,127,558	1,430,432	1,419,572	1,713,940	2,044,341	1,709,400
Development services	216,454	245,482	310,782	346,087	450,248	416,116	426,329
Culture and recreation	652,828	715,176	847,167	1,299,129	1,457,177	1,566,358	1,610,093
Solid waste	593,704	607,668	646,508	717,398	734,724	767,769	872,479
Economic development	95,759	630,911	217,824	117,828	187,144	521,490	218,463
Maintenance	248,752	247,712	245,430	265,857	295,254	322,557	314,162
Interest on long-term debt	251,490	112,486	280,277	285,339	399,128	446,281	458,092
Total governmental activities expenses	<u>7,088,543</u>	<u>8,167,359</u>	<u>8,891,644</u>	<u>9,613,360</u>	<u>10,843,406</u>	<u>11,935,722</u>	<u>11,939,135</u>
Business-type activities:							
Water and sewer	3,331,276	3,186,511	3,737,110	4,072,535	4,508,443	4,753,013	5,253,218
Drainage	-	-	-	-	36,456	72,372	152,197
Total business-type activities expenses	<u>3,331,276</u>	<u>3,186,511</u>	<u>3,737,110</u>	<u>4,072,535</u>	<u>4,544,899</u>	<u>4,825,385</u>	<u>5,405,415</u>
Total primary government expenses	\$ <u>10,419,819</u>	<u>11,353,870</u>	<u>12,628,754</u>	<u>13,685,895</u>	<u>15,388,305</u>	<u>16,761,107</u>	<u>17,344,550</u>
Program Revenues							
Governmental activities:							
Charges for services:							
Public safety	\$ 1,026,338	989,758	1,131,522	1,126,432	1,273,551	1,297,267	1,307,580
Development services	124,731	190,462	145,097	162,914	129,943	132,353	150,787
Culture and recreation	-	-	-	-	-	-	26,823
Solid waste	645,905	664,842	714,942	757,531	806,446	839,311	1,013,460
Operating grants and contributions	41,196	136,560	227,310	274,889	275,047	294,691	631,493
Capital grants and contributions	337,676	1,858,959	2,269,098	2,041,342	180,517	957,519	643,356
Total governmental activities program revenues	<u>2,175,846</u>	<u>3,840,581</u>	<u>4,487,969</u>	<u>4,363,108</u>	<u>2,665,504</u>	<u>3,521,141</u>	<u>3,773,499</u>
Business-type activities:							
Charges for services:							
Water and sewer	3,387,512	3,733,067	4,190,262	3,985,697	4,657,551	5,304,072	4,960,198
Drainage	-	-	-	-	222,107	333,178	342,930
Capital grants and contributions	69,484	932,057	968,544	1,038,513	104,623	1,290,398	687,091
Total business-type activities program revenues	<u>3,456,996</u>	<u>4,665,124</u>	<u>5,158,806</u>	<u>5,024,210</u>	<u>4,984,281</u>	<u>6,927,648</u>	<u>5,990,219</u>
Total primary government program revenues	\$ <u>5,632,842</u>	<u>8,505,705</u>	<u>9,646,775</u>	<u>9,387,318</u>	<u>7,649,785</u>	<u>10,448,789</u>	<u>9,763,718</u>
Net (expense)/revenue							
Governmental activities	\$ (4,912,697)	(4,326,778)	(4,403,675)	(5,250,252)	(8,177,902)	(8,414,581)	(8,165,636)
Business-type activities	125,720	1,478,613	1,421,696	951,675	439,382	2,102,263	584,804
Total primary government net expense	\$ <u>(4,786,977)</u>	<u>(2,848,165)</u>	<u>(2,981,979)</u>	<u>(4,298,577)</u>	<u>(7,738,520)</u>	<u>(6,312,318)</u>	<u>(7,580,832)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 2,925,631	3,075,583	3,403,788	3,810,255	4,080,884	4,494,474	4,655,052
Sales taxes	1,298,594	1,537,164	1,830,944	1,987,095	2,170,770	2,178,236	2,223,209
Franchise taxes	757,657	833,188	1,053,573	928,508	1,008,428	1,028,577	1,038,259
Hotel/motel taxes	79,075	91,638	119,568	163,749	177,646	151,765	151,197
Alcoholic beverage taxes	7,734	9,059	12,324	9,859	12,633	23,529	28,620
Unrestricted investment earnings	71,641	208,202	386,911	407,083	364,677	98,506	22,117
Miscellaneous	225,438	135,668	277,764	119,256	278,504	122,250	91,609
Gain on sale of capital assets	78,908	-	36,490	21,132	-	4,326	(66,303)
Transfers	225,895	282,000	296,000	246,000	(141,019)	(421,832)	545,900
Total governmental activities	<u>5,670,573</u>	<u>6,172,502</u>	<u>7,417,362</u>	<u>7,692,937</u>	<u>7,952,523</u>	<u>7,679,831</u>	<u>8,689,660</u>
Business-type activities:							
Unrestricted investment earnings	71,424	123,648	144,074	119,046	111,409	33,457	12,635
Gain on sale of capital assets	-	4,458	4,962	-	-	-	-
Transfers	(225,895)	(282,000)	(296,000)	(246,000)	396,019	421,832	(545,900)
Total business-type activities	<u>(154,471)</u>	<u>(153,894)</u>	<u>(146,964)</u>	<u>(126,954)</u>	<u>507,428</u>	<u>455,289</u>	<u>(533,265)</u>
Total primary government	\$ <u>5,516,102</u>	<u>6,018,608</u>	<u>7,270,398</u>	<u>7,565,983</u>	<u>8,459,951</u>	<u>8,135,120</u>	<u>8,156,395</u>
Change in Net Assets							
Governmental activities	\$ 757,876	1,845,724	3,013,687	2,442,685	(225,379)	(734,750)	524,024
Business-type activities	(28,751)	1,324,719	1,274,732	824,721	946,810	2,557,552	51,539
Total primary government	\$ <u>729,125</u>	<u>3,170,443</u>	<u>4,288,419</u>	<u>3,267,406</u>	<u>721,431</u>	<u>1,822,802</u>	<u>575,563</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General fund				
Reserved	\$ -	-	-	-
Unreserved, designated	220,326	252,809	293,934	326,635
Unreserved, undesignated	<u>2,585,944</u>	<u>2,464,504</u>	<u>2,492,906</u>	<u>2,999,535</u>
Total general fund	<u>\$ 2,806,270</u>	<u>2,717,313</u>	<u>2,786,840</u>	<u>3,326,170</u>
All other governmental funds				
Reserved	\$ 157,891	164,641	172,472	45,184
Unreserved, reported in:				
Special revenue funds	352,374	442,086	397,376	318,393
Capital projects funds	<u>1,073,772</u>	<u>562,175</u>	<u>3,111,964</u>	<u>940,580</u>
Total all other governmental funds	<u>\$ 1,584,037</u>	<u>1,168,902</u>	<u>3,681,812</u>	<u>1,304,157</u>

Table III

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
-	-	-	14,783	40,857	95,659
388,136	407,058	463,626	504,405	558,885	591,114
<u>3,000,253</u>	<u>3,311,499</u>	<u>3,536,554</u>	<u>3,722,852</u>	<u>4,007,365</u>	<u>4,475,221</u>
<u><u>3,388,389</u></u>	<u><u>3,718,557</u></u>	<u><u>4,000,180</u></u>	<u><u>4,242,040</u></u>	<u><u>4,607,107</u></u>	<u><u>5,161,994</u></u>
48,606	57,334	117,140	168,444	206,456	233,286
442,297	544,650	625,813	532,616	534,159	483,090
<u>4,745,998</u>	<u>2,330,205</u>	<u>5,526,120</u>	<u>6,299,642</u>	<u>5,086,074</u>	<u>4,186,898</u>
<u><u>5,236,901</u></u>	<u><u>2,932,189</u></u>	<u><u>6,269,073</u></u>	<u><u>7,000,702</u></u>	<u><u>5,826,689</u></u>	<u><u>4,903,274</u></u>

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

	2001	2002	2003	2004
Revenues				
Taxes	\$ 4,118,756	4,288,108	4,520,933	5,049,654
Licenses and permits	46,390	41,880	97,191	124,731
Intergovernmental	264,655	574,853	719,146	374,328
Charges for services	1,068,598	1,095,404	1,044,037	1,186,509
Fines	425,479	292,584	427,546	388,831
Interest	238,980	93,338	82,977	71,641
Contributions and donations	38,013	8,012	50,556	11,690
Payments in lieu of taxes	-	-	-	15,564
Miscellaneous	133,868	113,289	73,789	126,238
Total revenues	<u>6,334,739</u>	<u>6,507,468</u>	<u>7,016,175</u>	<u>7,349,186</u>
Expenditures				
General government	436,299	486,032	521,860	600,650
Public safety	2,744,189	2,798,983	2,877,405	3,255,153
Highways and streets	748,273	823,179	742,422	527,707
Development services	-	-	-	227,286
Culture and recreation	455,990	490,860	479,072	437,582
Solid waste	541,054	563,877	581,560	593,704
Economic development	84,148	111,391	616,366	95,759
Maintenance	123,089	101,451	220,047	235,121
Debt service				
Principal	607,635	621,560	631,517	638,939
Interest and fiscal charges	214,747	180,731	204,334	203,090
Capital outlay	453,178	1,132,020	549,568	2,595,465
Total expenditures	<u>6,408,602</u>	<u>7,310,084</u>	<u>7,424,151</u>	<u>9,410,456</u>
Excess of revenues over (under) expenditures	(73,863)	(802,616)	(407,976)	(2,061,270)
Other financing sources (uses)				
Insurance proceeds	31,560	7,354	5,606	25,891
Sale of capital assets	-	-	-	103,349
Transfers in	631,178	682,469	713,674	463,737
Transfers out	(345,737)	(391,299)	(384,568)	(237,842)
Issuance of debt	-	-	4,452,910	-
Payments to escrow agents	-	-	(621,757)	-
Other uses	-	-	-	(132,190)
Total other financing sources (uses)	<u>317,001</u>	<u>298,524</u>	<u>4,165,865</u>	<u>222,945</u>
Net change in fund balances	<u>\$ 243,138</u>	<u>(504,092)</u>	<u>3,757,889</u>	<u>(1,838,325)</u>
Debt service as a percentage of noncapital expenditures	13.81%	12.99%	12.16%	12.89%

Table IV

Fiscal Years					
2005	2006	2007	2008	2009	2010
5,533,566	6,378,070	6,820,214	7,424,082	7,874,666	8,097,197
190,462	145,097	162,914	129,943	132,353	150,787
800,929	1,879,511	500,057	342,302	591,139	615,690
1,254,321	1,474,050	1,559,209	1,712,363	1,789,522	2,039,346
400,278	339,026	287,180	363,060	384,936	265,143
208,202	386,911	407,083	364,677	98,506	22,117
219,988	206,147	208,558	113,262	499,822	571,403
4,108	-	3,276	4,201	4,855	5,540
61,767	132,426	98,874	230,558	116,713	103,339
<u>8,673,621</u>	<u>10,941,238</u>	<u>10,047,365</u>	<u>10,684,448</u>	<u>11,492,512</u>	<u>11,870,562</u>
684,170	730,039	797,183	877,023	1,051,967	1,070,111
3,630,982	4,013,361	4,232,039	4,553,429	4,575,968	4,949,082
620,867	827,482	687,365	861,999	1,151,697	874,660
253,577	310,022	337,046	435,020	403,582	390,325
498,003	603,387	809,258	897,662	991,191	989,906
607,668	646,508	717,398	734,724	767,769	861,083
630,911	217,824	117,828	187,144	521,490	187,725
222,244	241,290	250,138	284,312	305,203	301,741
907,129	343,370	353,370	458,370	509,057	520,345
195,797	282,435	263,575	389,682	448,477	454,508
<u>1,165,578</u>	<u>5,068,664</u>	<u>2,050,969</u>	<u>2,125,018</u>	<u>1,885,289</u>	<u>2,208,593</u>
<u>9,416,926</u>	<u>13,284,382</u>	<u>10,616,169</u>	<u>11,804,383</u>	<u>12,611,690</u>	<u>12,808,079</u>
(743,305)	(2,343,144)	(568,804)	(1,119,935)	(1,119,178)	(937,517)
7,645	30,735	17,106	43,745	682	9,553
8,623	41,865	24,205	12,145	25,550	13,536
581,514	1,306,753	1,081,464	1,056,406	2,265,486	1,506,035
(299,514)	(1,010,753)	(835,464)	(555,406)	(1,981,486)	(960,135)
4,500,000	-	3,945,000	1,485,000	-	-
(60,000)	-	(45,000)	(28,359)	-	-
-	-	-	-	-	-
<u>4,738,268</u>	<u>368,600</u>	<u>4,187,311</u>	<u>2,013,531</u>	<u>310,232</u>	<u>568,989</u>
<u>3,994,963</u>	<u>(1,974,544)</u>	<u>3,618,507</u>	<u>893,596</u>	<u>(808,946)</u>	<u>(368,528)</u>
13.94%	7.86%	7.36%	8.98%	9.11%	9.20%



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

Fiscal Year	Property Tax (1)	Sales Tax	Franchise Tax	Hotel/Motel Occupancy Tax	Alcoholic Beverage Tax	Total
2001	\$ 2,187,414	\$ 1,129,271	\$ 714,837	\$ 79,992	\$ 7,242	\$ 4,118,756
2002	2,280,829	1,173,536	741,040	81,526	11,177	4,288,108
2003	2,443,807	1,226,076	762,796	72,417	15,837	4,520,933
2004	2,906,594	1,298,594	757,657	79,075	7,734	5,049,654
2005	3,062,517	1,537,164	833,188	91,638	9,059	5,533,566
2006	3,361,661	1,830,944	1,053,573	119,568	12,324	6,378,070
2007	3,731,003	1,987,095	928,508	163,749	9,859	6,820,214
2008	4,054,605	2,170,770	1,008,428	177,646	12,633	7,424,082
2009	4,492,559	2,178,236	1,028,577	151,765	23,529	7,874,666
2010	4,655,912	2,223,209	1,038,259	151,197	28,620	8,097,197

(1) Includes penalty and interest on delinquent taxes

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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2001	\$ 364,093,502	64,591,333	112,451,360	316,233,475	0.6975	\$ 428,684,835	73.77
2002	381,203,916	66,183,791	117,435,877	329,951,830	0.6975	447,387,707	73.75
2003	450,302,668	70,875,419	155,182,434	365,995,653	0.6750	521,178,087	70.22
2004	489,178,392	70,961,490	160,225,967	399,913,915	0.7350	560,139,882	71.40
2005	534,291,271	77,875,459	172,579,784	439,586,946	0.7050	612,166,730	71.81
2006	597,022,523	84,484,247	179,521,260	501,985,510	0.6750	681,506,770	73.66
2007	652,059,373	97,845,476	180,391,394	569,513,455	0.6550	749,904,849	75.94
2008	720,502,875	102,090,376	195,028,176	627,565,075	0.6550	822,593,251	76.29
2009	776,426,292	109,116,917	190,958,759	694,584,450	0.6550	885,543,209	78.44
2010	856,135,785	113,872,404	247,294,087	722,714,102	0.6550	970,008,189	74.51

Source: Bell County Appraisal District

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

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

Fiscal Year	City of Belton			Overlapping Rates			Total Direct and Overlapping Rates
	Operating Rate	Debt Service Rate	Total Rate	Bell County	Belton I.S.D.	Clear Water Underground Water Cons. District	
TAX RATES (Per \$100 assessed value)							
2001	\$ 0.5154	0.1821	0.6975	0.3651	1.6481	0.0059	2.7166
2002	0.5239	0.1736	0.6975	0.3651	1.6668	0.0059	2.7353
2003	0.5158	0.1592	0.6750	0.3651	1.6810	0.0052	2.7263
2004	0.5810	0.1540	0.7350	0.3650	1.6640	0.0049	2.7689
2005	0.5653	0.1397	0.7050	0.3610	1.7400	0.0048	2.8108
2006	0.5517	0.1233	0.6750	0.3760	1.6685	0.0044	2.7239
2007	0.5456	0.1094	0.6550	0.4110	1.6685	0.0040	2.7385
2008	0.5377	0.1173	0.6550	0.4090	1.2870	0.0040	2.3550
2009	0.5394	0.1156	0.6550	0.4074	1.4110	0.0040	2.4774
2010	0.5360	0.1190	0.6550	0.4054	1.4110	0.0040	2.4754

Source: Bell County Appraisal District

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

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart	\$ 14,822,941	1	2.05 %	\$ 2,077,970	10	0.65 %
Fleetwood Homes of Texas	13,476,840	2	1.86	5,937,392	1	1.85
Turtle Creek Investments	12,992,057	3	1.80	4,338,252	6	1.35
Oncor Electric Delivery Co., LLC	9,951,215	4	1.38	5,568,820	3	1.74
Chappell Hill Equity III Ltd.	5,906,656	5	0.82	3,608,019	7	1.13
JSJ Seating Corporation	4,548,684	6	0.63	-		-
Tarco of Texas, Inc.	4,027,230	7	0.56	-		-
Custom Printing II Ltd.	3,842,310	8	0.53	4,946,558	5	1.54
Southwestern Bell Telephone Co.	3,792,728	9	0.52	5,357,379	4	1.67
H.E.B. Grocery Co.	3,670,192	10	0.51	2,676,330	8	0.83
Superior Chaircraft Corp.	-		-	5,707,958	2	1.78
Belco Manufacturing Co.	-		-	2,081,587	9	0.65
Totals	\$ 77,030,853		10.66 %	\$ 42,300,265		13.19 %

Source: Bell County Appraisal District

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 2,205,728	\$ 2,143,266	97.17 %	\$ 52,719	\$ 2,195,985	99.56 %
2002	2,301,414	2,230,104	96.90	53,340	2,283,444	99.22
2003	2,470,471	2,397,861	97.06	45,721	2,443,582	98.91
2004	2,939,169	2,879,699	97.98	59,430	2,939,129	100.00
2005	3,099,088	3,015,229	97.29	71,692	3,086,921	99.61
2006	3,388,414	3,300,813	97.41	63,668	3,364,481	99.29
2007	3,730,314	3,647,857	97.79	57,341	3,705,198	99.33
2008	4,110,551	4,023,508	97.88	55,989	4,079,497	99.24
2009	4,549,528	4,455,311	97.93	39,815	4,495,126	98.80
2010	4,733,777	4,629,436	97.80	-	4,629,436	97.80

Source: Finance Department, City of Belton, Texas

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

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds with Revenue Pledge	Capital Leases			
2001	\$ 2,361,867	\$ 5,747,674	\$ -	\$ 8,109,541	2.18 %	\$ 553
2002	1,891,535	5,198,148	-	7,089,683	1.88	482
2003	1,395,285	9,126,610	-	10,521,895	2.70	713
2004	3,086,300	8,389,775	-	11,476,075	2.66	757
2005	7,136,970	7,691,322	-	14,828,292	2.99	932
2006	6,793,600	6,941,827	-	13,735,427	2.54	845
2007	10,385,230	7,803,505	-	18,188,735	3.15	1,085
2008	11,411,860	7,926,204	-	19,338,064	2.98	1,123
2009	10,902,803	7,489,597	109,974	18,502,374	2.55	1,053
2010	10,382,458	7,067,992	74,499	17,524,949	2.13	962

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

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Taxable Value (1) of Property	Per Capita (2)
2001	\$ 2,361,867	\$ 157,891	\$ 2,203,976	0.70 %	\$ 150
2002	1,891,535	164,641	1,726,894	0.52	117
2003	1,395,285	172,472	1,222,813	0.33	83
2004	3,086,300	45,184	3,041,116	0.76	201
2005	7,136,970	48,606	7,088,364	1.61	445
2006	6,793,600	57,334	6,736,266	1.34	415
2007	10,385,230	117,140	10,268,090	1.80	613
2008	11,411,860	168,444	11,243,416	1.79	653
2009	10,902,803	206,456	10,696,347	1.54	609
2010	10,382,458	233,286	10,149,172	1.40	557

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

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

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

City of Belton, Texas
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds
September 30, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Belton	\$ <u>10,382,458</u> (1)	100.00 %	\$ <u>10,382,458</u>
Total direct	<u>10,382,458</u>		<u>10,382,458</u>
Overlapping:			
Belton Economic Development Corp.	924,550	100.00	924,550
Belton Independent School District	89,174,991	37.75	33,663,559
Bell County	<u>130,835,000</u>	5.57	<u>7,287,510</u>
Total overlapping	<u>220,934,541</u>		<u>41,875,619</u>
Total direct and overlapping debt	<u>\$ 231,316,999</u>		<u>\$ 52,258,077</u>

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

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

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

City of Belton, Texas
Computation of Maximum Debt Margin
September 30, 2010

The City of Belton has no legal debt limit established by its charter or ordinances. Article XI, Section 5, of the Texas Constitution is applicable to the City and limits the maximum ad valorem tax rate to \$2.50 per \$100 Assessed Valuation (for all City purposes). The City operates under a Home Rule Charter that limits its tax rate to \$1.90 per \$100 Assessed Valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.25 of the maximum tax rate for general obligation debt service.

Assessed value, fiscal year 2010 tax roll	\$ 722,714,102
Limit on amount designated for debt service	<u>1.25%</u>
Legal debt limit	<u>\$ 9,033,926</u>
Actual amount expended for general obligation debt service during the year ended September 30, 2010	<u>\$ 974,853</u>



City of Belton, Texas
Pledged Revenue Coverage
 Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2001	\$ 3,392,699	\$ 2,173,398	\$ 1,219,301	\$ 476,126	\$ 276,791	\$ 752,917	1.62
2002	3,352,499	2,203,367	1,149,132	549,526	269,802	819,328	1.40
2003	3,703,295	2,267,085	1,436,210	458,537	326,074	784,611	1.83
2004	3,458,936	2,379,094	1,079,842	736,835	378,612	1,115,447	0.97
2005	3,856,715	2,242,446	1,614,269	725,390	337,237	1,062,627	1.52
2006	4,334,336	2,645,121	1,689,215	749,495	317,848	1,067,343	1.58
2007	4,104,743	2,874,206	1,230,537	558,322	295,083	853,405	1.44
2008	4,991,067	3,240,356	1,750,711	392,301	329,112	721,413	2.43
2009	5,670,707	3,429,668	2,241,039	436,607	333,210	769,817	2.91
2010	5,315,763	3,411,263	1,904,500	507,203	288,286	795,489	2.39

Source: Finance Department, City of Belton, Texas

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

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Operating and Nonoperating Revenue:				
Water and Sewer System	\$ 3,180,869	3,279,823	3,598,358	3,363,939
Miscellaneous	37,059	12,028	17,340	23,573
Interest	<u>174,771</u>	<u>60,648</u>	<u>87,597</u>	<u>71,424</u>
Total	<u>\$ 3,392,699</u>	<u>3,352,499</u>	<u>3,703,295</u>	<u>3,458,936</u>
Operating Expense:				
Water and Sewer System (1)	<u>\$ 2,173,398</u>	<u>2,203,367</u>	<u>2,267,085</u>	<u>2,379,094</u>

(1) Excludes depreciation expense

Table XV

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
3,714,215	4,166,704	3,962,341	4,635,948	5,275,863	4,928,573
18,852	23,558	23,356	21,603	28,209	31,625
<u>123,648</u>	<u>144,074</u>	<u>119,046</u>	<u>109,993</u>	<u>30,220</u>	<u>11,452</u>
<u><u>3,856,715</u></u>	<u><u>4,334,336</u></u>	<u><u>4,104,743</u></u>	<u><u>4,767,544</u></u>	<u><u>5,334,292</u></u>	<u><u>4,971,650</u></u>
<u><u>2,242,446</u></u>	<u><u>2,645,121</u></u>	<u><u>2,874,206</u></u>	<u><u>3,224,696</u></u>	<u><u>3,399,581</u></u>	<u><u>3,326,903</u></u>

City of Belton, Texas
Top Ten Water Customers

Customer	Customer Type
University of Mary Hardin Baylor	Higher Education
Bell County	County Government
Belton ISD	Public Education
Turtle Creek Village	Multi-Family Housing
Belle Oaks Apartments	Multi-Family Housing
College View Apartments	Multi-Family Housing
Belton Housing Authority	Government Housing
Montrose II Apartments	Multi-Family Housing
Bell County Expo Center	Exposition Center
Wal Mart Stores, Inc.	Retail Store
Chappel Oaks	Multi-Family Housing
Totals	

Source: Finance Department, City of Belton, Texas

Table XVI

2010			2001		
<u>Annual Sales</u>	<u>Rank</u>	<u>Percentage of Total Sales</u>	<u>Annual Sales</u>	<u>Rank</u>	<u>Percentage of Total Sales</u>
\$ 184,136	1	6.22 %	\$ 140,678	1	7.07 %
88,334	2	2.99	44,914	4	2.26
84,447	3	2.85	55,530	2	2.79
75,432	4	2.55	19,246	8	0.97
48,594	5	1.64	27,027	6	1.36
39,983	6	1.35	28,784	5	1.45
37,728	7	1.27	50,167	3	2.52
27,412	8	0.93	22,599	7	1.14
25,018	9	0.85	13,774	9	0.69
18,537	10	0.63	1,206	128	0.06
-		-	12,093	10	0.61
<u>\$ 629,621</u>		<u>21.28 %</u>	<u>\$ 416,018</u>		<u>20.92 %</u>

Table XVII

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income**</u>	<u>Per Capita Income</u>	<u>Median Age #</u>	<u>School Enrollment *</u>	<u>Unemployment Rate **</u>
2001	14,670 @	\$ 372,559,320	\$ 25,396	28	6,602	4.0 %
2002	14,717 @	376,475,577	25,581	28	6,726	5.0
2003	14,764 @	389,946,768	26,412	28	6,950	5.4
2004	15,159 !	431,182,596	28,444	28	7,171	4.4
2005	15,912 !	495,483,768	31,139	28	7,149	5.3
2006	16,249 @	539,824,278	33,222	28	7,994	5.3
2007	16,761 @	576,813,054	34,414	28	7,995	4.6
2008	17,227 @	649,147,814	37,682	28	8,314	4.6
2009	17,578 @	725,274,146	41,260	28	8,476	6.1
2010	18,216 #	822,971,024	45,178	28	9,278	7.3

Data Sources:

* Belton Independent School District

** Texas Workforce Commission

@ City of Belton

U.S. Census Bureau

! Texas State Data Center

Table XVIII

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

Employer	2010			2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Belton Independent School District	1,342	1	18.15 %	876	2	15.51 %
Bell County	1,074	2	14.53	900	1	15.93
Super Wal-Mart	400	3	5.41	-	-	-
University of Mary Hardin Baylor	377	4	5.10	278	3	4.92
Trendsetter Homes	282	5	3.81	-	-	-
Custom Printing	225	6	3.04	263	4	4.66
Belco Manufacturing	160	7	2.16	-	-	-
City of Belton	150	8	2.03	113	10	2.00
Cedar Crest Hospital & Clinic	150	9	2.03	-	-	-
Central Texas Council of Govt.	125	10	1.69	-	-	-
United Parcel Service	120	11	1.62	120	9	2.12
HEB Grocery	115	12	1.56	157	7	2.78
Fleetwood Homes of Texas	-	-	-	125	8	2.21
Superior Chaircraft	-	-	-	172	6	3.05
Odell Geer Construction	-	-	-	200	5	3.54
Total	4,520		61.13 %	3,204		56.72 %

Source: Belton Economic Development Corporation.



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

Function	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General government	11	11	12	12	12	13	13	13	14	14
Public safety:										
Police:										
Officers	24	24	24	24	27	27	28	28	28	29
Civilians	9	9	9	9	9	9	9	9	9	9
Fire:										
Firefighters and officers	19	19	20	26	26	26	26	26	26	32
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and streets	9	8	8	8	10	10	11	11	11	10
Development services	4	4	4	4	5	5	5	6	6	6
Culture and recreation	12	12	12	12	12	13	16	16	16	16
Solid waste	-	-	-	-	-	-	-	-	-	1
Maintenance	6	7	6	6	6	6	6	6	7	7
Water and sewer	17	17	19	20	20	20	20	20	19	20
Economic development	2	2	2	2	2	2	2	2	3	3
Drainage	-	-	-	-	-	-	-	-	1	2
Total	<u>114</u>	<u>114</u>	<u>117</u>	<u>124</u>	<u>130</u>	<u>132</u>	<u>137</u>	<u>138</u>	<u>141</u>	<u>150</u>

Source: Finance Department, City of Belton, Texas

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

Function	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Police:				
Citations issued	10,443	8,500	9,800	6,766
Alarms responded to	737	757	765	600
Disturbance calls	958	1,046	1,100	488
Animal control citations issued	7	16	7	10
Fire:				
Fires	188	194	150	114
Inspections	308	206	169	268
Investigations	14	15	8	5
Highways and streets:				
Signs erected	153	95	187	100
Development Services:				
Permits issued	1,127	973	1,157	1,070
Inspections	1,101	1,226	2,074	1,561
Abatement of junk vehicle	73	168	164	200
Abatement of weedy lots	87	152	234	325
Dilapidated structures	4	11	25	40
Culture and recreation:				
Library circulation	31,828	30,929	31,931	52,423
Maintenance:				
Work orders completed	1,343	1,509	1,654	1,495
Water:				
New connections	68	77	109	69
Water main breaks	20	19	20	12
Average daily water consumption (millions of gallons)	1.72	2.01	2.01	2.01
Sewer:				
Average daily sewage treatment (millions of gallons)	1.9	1.65	1.65	1.62

Sources: Various city departments.

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

Table XX

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
5,288	3,412	4,307	3,954	4,085	4,050
695	651	898	924	1,029	1,100
429	575	640	1,187	1,359	1,150
-	-	-	-	37	24
182	200	123	105	147	101
420	329	460	480	499	505
12	17	28	22	16	20
149	65	90	121	925	900
1,515	1,585	1,413	1,462	1,414	1,438
1,735	1,905	2,848	2,549	2,436	1,668
300	300	384	328	302	356
500	500	1,651	1,527	1,339	2,129
25	25	30	20	15	16
43,306	43,132	38,878	37,194	46,631	49,242
1,025	980	1,390	1,370	1,640	1,150
133	214	159	145	109	106
12	15	6	4	16	26
1.66	1.31	1.61	2.45	2.51	2.00
1.64	1.04	1.56	1.13	1.12	1.46

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

Function	2001	2002	2003	2004
Public safety:				
Police:				
Stations	1	1	1	1
Substations	-	-	-	1
Patrol units	9	9	12	12
Fire stations	1	1	1	2
Highways and streets:				
Streets (miles)	96	96	96	96
Culture and recreation:				
Parks acreage	137.58	137.58	156.9	168.7
Playgrounds	5	5	8	13
Ball fields	15	15	13	13
Sports courts	8	8	8	8
Pavilions	5	5	5	5
Amphitheaters	1	1	1	1
Trails (miles)	1.95	1.95	1.95	2.2
Water:				
Service connections	4,449	4,526	4,635	4,704
Water mains (miles)	100	100	102	104
Water pump stations	2	2	2	2
Fire hydrants	610	612	614	617
Plant Capacity (millions of gallons)	6.57	6.57	6.57	6.57
Sewer:				
Service connections	3,513	3,556	3,634	3,689
Sanitary sewers (miles)	90.5	90.5	91	92
Number of lift stations	18	18	18	18
Treatment plant capacity (millions of gallons)	2.5	2.5	2.5	2.5

Sources: Various city departments.

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

Table XXI

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
1	1	1	1	1	1
1	1	1	1	1	1
12	12	12	12	12	12
2	2	2	2	2	2
101	103	115	116	118	119
168.7	175.2	177	184	184	189
13	13	14	16	16	16
13	13	14	14	14	14
8	8	8	11	11	11
5	5	6	6	6	7
1	1	1	1	1	1
2.2	2.2	3.5	4.25	4.25	4.25
4,837	5,051	5,210	5,355	5,464	5,663
106	108.5	112	114	115	116
2	2	2	2	2	2
656	684	702	742	752	840
6.57	6.57	6.57	6.57	6.57	6.57
3,797	3,895	4,016	4,115	4,192	4,245
102	103	103	104	106	107
18	18	17	17	17	16
2.5	2.5	2.5	2.5	2.5	2.5

