



**T E X A S**

*Our Pride. Your Joy.*

# Comprehensive Annual Financial Report

October 1, 2013 – September 30, 2014

## City of Benbrook, Texas

### **PRESENTED TO**

**MAYOR Jerry B.  
Dittrich**

### **COUNCIL MEMBERS**

**Charlie Anderson Dr.  
Larry Marshall Rickie  
Allison  
Jim Wilson  
Mark Washburn  
Ron Sauma**

### **CITY MANAGER**

**Andy Wayman**

### **PREPARED BY**

**Sherri Newhouse, Finance Director**

**Benbrook**



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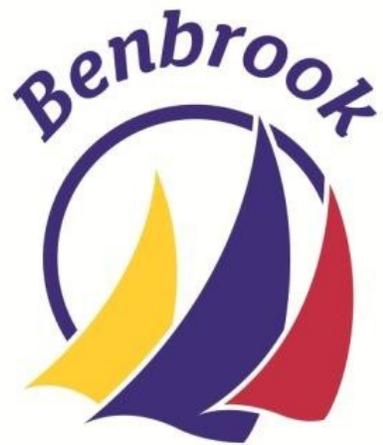
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**INTRODUCTORY SECTION**

**Benbrook**



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March 16, 2015

The Honorable

Mayor, Members of the City Council and City Manager  
City of Benbrook  
Benbrook, Texas

The Finance Department is pleased to submit the Comprehensive Annual Financial Report for the City of Benbrook, Texas for the fiscal year ended September 30, 2014. This report provides the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosure, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City. We also believe that all disclosure necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

## **THE REPORT**

The report is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, a listing of City Officials, an organizational chart, and the prior years GFOA Certificate for Financial Achievement. The Financial section includes a Management Discussion and Analysis (MD&A), basic financial statements, the opinion of the independent auditor, and supplementary information. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The Statistical section, through the use of tables, presents comparative economic and financial data to give the users of the report a perspective of the City's performance over a number of years.

The financial statements included in the report were prepared by the Finance Department in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The basic financial statements and related notes have been audited by an independent firm of Certified Public Accountants, Weaver and Tidwell, L.L.P., whose report is included herein.

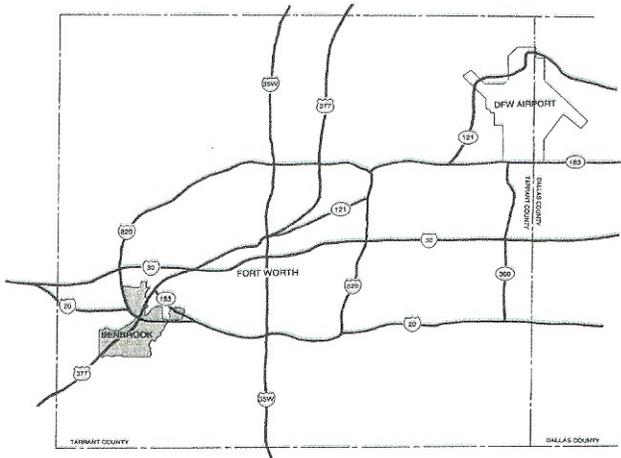
## **CITY PROFILE**

### **Location**

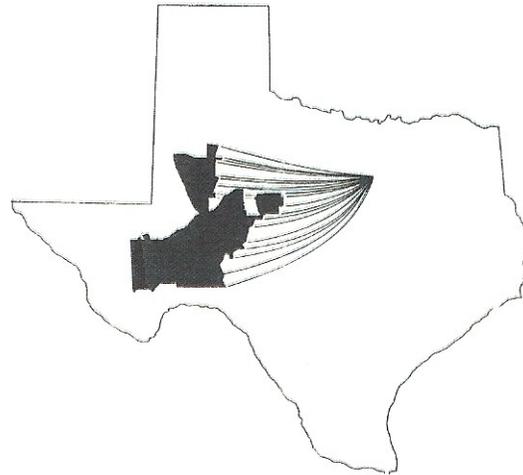
The City of Benbrook is located in Tarrant County, in the north central portion of the State of Texas. The City of Benbrook is located on the southwest side of the City of Fort Worth and is only thirty minutes from Dallas. The City covers approximately thirteen square miles. The 2000 Census set the population at 20,208 and the current (2014) estimate is 21,850.

The City was incorporated in 1947 and is operated under a charter adopted in 1983. The City has a Council-Manager form of government with the City Council comprised of a mayor and six council members. All City Council positions are elected by place number and run at large for two year staggered terms. The City Council is responsible for adopting ordinances and regulations governing the City, adopting the budget, determining policies and appointing the City Manager, City Attorney, City Secretary, Municipal Court Judge, as well as members of boards and commission. The City Manager is responsible to the City Council and appoints and supervises the employees that prepare and administer the comprehensive annual financial report (CAFR), the annual budget and the capital improvements program.

### Benbrook's location in Tarrant County



### Benbrook's location in the State



### Services Provided

The City provides a full range of municipal services including general government, police and fire protection, street maintenance, building inspection, recreation services, parks operation and maintenance, and maintenance of City-owned buildings. The Benbrook Economic Development Corporation (EDC) is responsible for the promotion and retention of business within the City. Solid waste collection has been contracted out to a private firm.

This report includes the financial statements of the funds required to account for those activities, organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body. The criteria used by the City for including activities in preparing its financial statements are set forth by GASB. Based on these criteria, all municipal services listed are included in the City's 2013-2014 financial statements.

### Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis. Under this method of accounting, expenditures are recognized when the services or goods are received and the liability is incurred.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the City Council shall adopt the annual budget prepared by the City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items and divisions within a fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

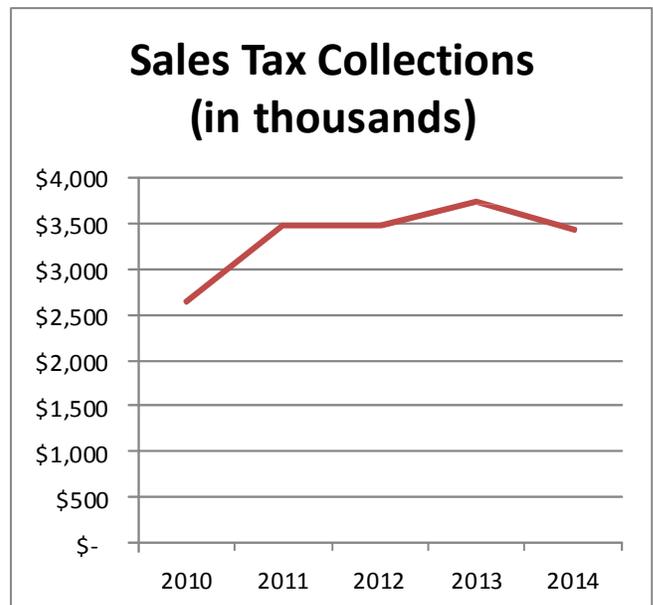
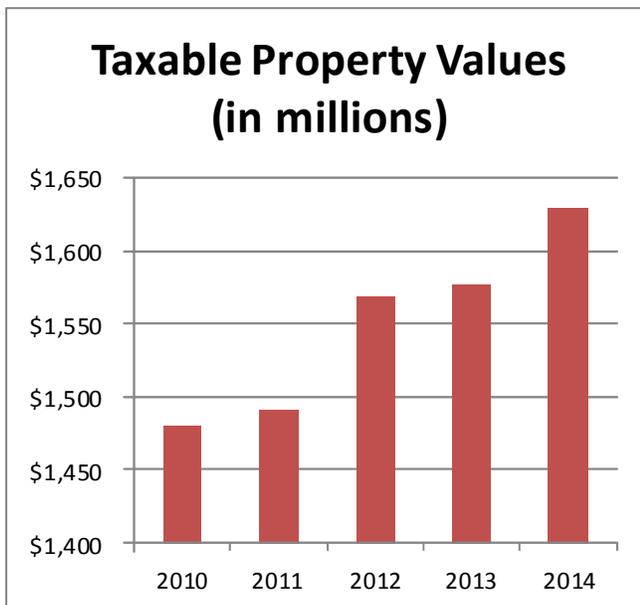
Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item. These reports are distributed monthly to City department and division managers. A financial summary is prepared for City Council to approve each month.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled by line item. Revenue budgets are reviewed monthly.

### ECONOMIC OUTLOOK AND FINANCIAL CONDITION

#### Summary of Local Economy

The City of Benbrook is located in southwest Tarrant County, which has seen a growth in population of at least 8% since 2000. The City’s tax base has grown an average of 5.2% annually for the past five years. We expect our growth rate to continue but at a slower pace over the next few years. Commercial growth has remained steady whereas residential construction has picked up in the last year or two. Although sales tax collections have increased at an average of 5.00% over the past five years, last year the City experienced a slight decrease. Sales tax collections are projected to decrease in future years as a result of customer inconvenience created by the construction phase of the Benbrook Boulevard expansion project that began in 2014.



#### Economic Prospects for the Future

Even though the City’s taxable property values have been basically flat over the past three years, several positives could be found in the numbers. Most of the cities in the county have property tax decreases during the past few years. Benbrook’s values have either increased or decreased by less than almost every other city in the county. Property values bounced back and increased by an average of 2.5% for the past five years.

The current Texas Department of Transportation (TxDOT) beautification project continues on U.S. 377 south of Winscott Road/Lakeway Drive. Initial work on the acquisition of right-of-way and moving of utilities is underway as the City readies for the widening of that road, north of Winscott Road/Lakeway Drive.

## **Long-term Financial Planning**

The City Council has adopted a reserve policy for the operating funds (General and Debt Service). The operating fund reserve policy states that the City will maintain a minimum reserve of \$5,500,000. The City had a total of \$8,580,080 of unassigned general fund balance at year-end. The Economic Development Corporation's (EDC) Board of Directors has also adopted a reserve policy. The policy states that the EDC will maintain a minimum reserve of \$1,000,000. The EDC had a total fund balance of \$5,601,174. at year end.

The City produces an award winning Comprehensive Capital Improvements Plan (CIP). The CIP includes an emphasis on the repair and maintenance of existing facilities and infrastructure. Planned project funding comes from current resources. Projects located in the TIF will be financed with the increase in value of property located within the TIF. Storm drainage projects will be funded from the storm water utility fees. Other special projects will be taken on at the discretion of the City Council. These projects will be financed by the Core Value Account (CVA) which receives a portion of new sales tax money and all money related to city-owned mineral interest.

## **Cash Management**

The City's cash management policy is adopted by City Council and strictly defines the types and amounts of investments made for the City. Section 5 of the Public Funds Investment Act prescribes that cities are to develop and maintain an investment policy to govern all investments. The City of Benbrook adopted a revised investment policy on August 21, 2014 to meet updates made to the Public Funds Investment Act. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Collateral was held by either the City, its agent, or a financial institution's trust department in the City's name. One hundred percent of the deposits and investments held by the City during the year and at September 30, 2014, are classified in the category of the lowest credit risk as defined by the Governmental Accounting Standards Board. All deposits are held in interest-bearing accounts or in certificates of deposit.

The City has maintained all excess funds in TexPool, TexSTAR, or in checking accounts with the City's depositories.

## **OTHER INFORMATION**

### **Independent Audit**

The City Charter requires an annual audit of the financial statements of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the audit firm of Weaver and Tidwell, L.L.P.'s report on the basic financial statements and required supplementary information is included in the financial section of this report.

### **Certificate of Achievement**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Benbrook for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the thirtieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles as well as all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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 City of Benbrook has received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2013. This award marked the thirtieth time the City has received this award. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

#### Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has my sincere appreciation for the contribution made in the preparation of this report.

In closing, without the leadership and support of the City Council and the City Manager, preparation of this report would not have been possible.

Respectfully submitted,

  
Sherri Newhouse  
Finance Director

**City of Benbrook, Texas**  
Principal Officials September 30,  
2014

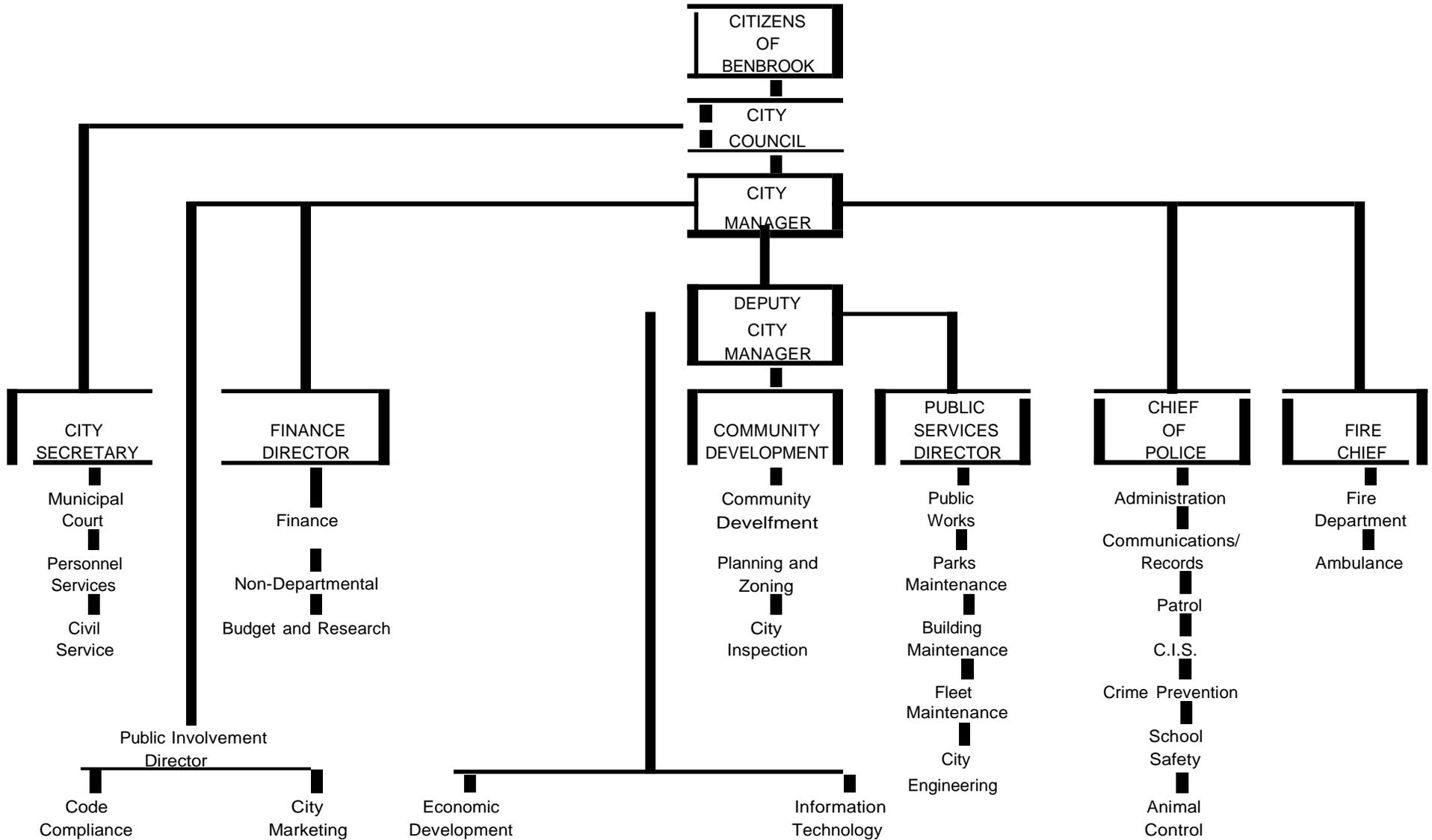
**ELECTED OFFICIALS**

<b><u>Name of Individuals</u></b>	<b><u>Position</u></b>	<b><u>Term Expires (Nov)</u></b>	<b><u>Length of Service (in Years)</u></b>
Jerry B. Dittrich	Mayor Place 1	2015	22
Charlie Anderson	Councilman Place 2	2014	5
Dr. Larry Marshall	Councilman Place 3	2015	3
Rickie Allison	Mayor Pro Tem Place 4	2014	14
Jim Wilson	Councilman Place 5	2015	5
Mark Washburn	Councilman Place 6	2014	6
Ron Sauma	Councilman Place 7	2015	13

**APPOINTED OFFICIALS**

Andy Wayman	City Manager	18
Joanna King	City Secretary	39
James E. Gallagher	Planning Director	39
David R. Gattis	Deputy City Manager	26
Sherry Newhouse	Budget Director	25
James G. Mills	Police Chief	21
Tommy Davis	Fire Chief	20
Ron Rainey	EDC Director	17
Phyllis Wolfe	Information Technology Director	10
Cathy Morris	Public Involvement Director	8
Bennett Howell	Public Services Director	0
David Corley	City Engineer	2

# CITY OF BENBROOK ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate  
Achievement  
for Excellence  
Financial  
Reporting**

Presented to

**City of Benbrook  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO



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**FINANCIAL SECTION**



TEXAS

*OurPride. YourJoy.*



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,  
City Council and City Manager  
City of Benbrook, Texas

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Benbrook, Texas, as of September 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor,  
City Council and City Manager  
City of Benbrook, Texas

### **Change in Accounting Principle**

As discussed in Note 14 to the financial statements, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of September 30, 2014. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress, and General Fund budgetary comparison schedule on pages 3 through 7 and 37 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
March 16, 2015

**CITY OF BENBROOK, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2014  
(Unaudited)**

As management of the City of Benbrook, we offer the readers of the City's financial statements this narrative overview of the financial activities of the City for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages i – v of this report.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$59,671,553 (net position). Of this amount, \$11,708,653 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total capital assets decreased by \$145,940 to \$49,517,142. The decrease was due to the sale of land previously capitalized.
- As of the close of the current fiscal year, the City's governmental funds reported total ending fund balances of \$23,353,723. Over 37% of this total or \$8,580,080 is unassigned and available for any use within the City's designation and policies.
- At the end of the current year, unassigned fund balance for the general fund was \$8,580,080 or 58% of total general fund expenditures.
- Long-term debt decreased \$1,381,688.

**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 the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when 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 flows in the future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the City include general government, staff services, public safety, public services, community development, economic development, and community promotions. The government-wide financial statements can be found on pages 8 - 9 of this report. The City did not have any business-type activities during the year ended September 30, 2014.

**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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Benbrook only has governmental 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 current sources and uses 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 financial requirements.

Because the focus of the 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 government’s near-term financing decisions. Both the governmental funds balance sheet and the governmental fund 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 ten governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Economic Development, Debt Service, and three Capital Projects funds. The remaining funds are aggregated in one column. The basic governmental funds financial statements can be found on pages 10 – 13.

**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 the fund financial statements. The notes to the financial statements can be found on pages 14 - 36.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information that can be found on pages 37 – 39.

### GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. As of September 30, 2014, the City of Benbrook’s assets exceeded liabilities by \$59,671,553.

The largest portion of the City’s net position (70%) reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service 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 resources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Benbrook’s Net Position

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$25,926,770	\$27,745,005
Capital Assets	<u>49,517,142</u>	<u>49,663,082</u>
Total Assets	75,443,912	77,408,087
Deferred Outflows of Resources	143,370	-
Long-term Liabilities	14,731,679	15,836,603
Other Liabilities	<u>1,184,050</u>	<u>1,152,427</u>
Total Liabilities	15,915,729	16,989,030
Net Position:		
Net Investment in Capital Assets	42,176,087	40,079,400
Restricted	5,786,813	7,560,464
Unrestricted	<u>11,708,653</u>	<u>12,779,193</u>
Total Net Position	\$59,671,553	\$60,419,057

An additional portion of the City's net position (10%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2014, the City is able to report positive balances in all categories of net position.

**Analysis of City Operations** – The following table provides a summary of the City's operations for the year ended September 30, 2014. Overall the City had an decrease in net position of \$592,309. This decrease is a result of costs related to the improvement of Highway 377.

**City of Benbrook's Changes in Net Position**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
<u>Revenues</u>		
Program Revenues:		
Fees, Fines & Service Charges	\$2,871,252	\$2,759,585
Operating Grants & Contributions	426,198	381,872
Capital Grants & Contributions	588,669	1,618,360
General Revenues:		
Ad Valorem Taxes	10,352,345	10,214,041
Franchise Taxes	1,648,597	1,535,138
Sales & Other Taxes	3,591,800	3,885,932
Use of Money & Property	453,796	422,238
Gain on Sale of Land	86,909	
Miscellaneous	<u>593,514</u>	<u>870,664</u>
Total Revenues	20,613,080	21,687,830
<u>Expenses</u>		
General Government	1,178,935	1,947,856
Staff Services	929,495	880,772
Public Safety	8,662,545	8,342,490
Public Services	6,945,037	4,831,947
Community Development	3,133,482	2,143,234
Interest on Long-term Debt	<u>476,713</u>	<u>602,673</u>
Total Expenditures	21,205,389	18,748,972
Change in Net Position	(592,309)	2,938,858
Net Position – October 1	<u>60,419,057</u>	<u>57,480,199</u>
Change in Accounting Principles (note 14)	(155,195)	
Net Position – October 1, restated	<u>60,263,862</u>	
Net Position – September 30	<u>\$59,671,553</u>	<u>\$57,480,199</u>

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental Funds** – The focus of the City of Benbrook's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal period. At the end of the current fiscal year, the City's governmental funds reported total ending fund balances of \$23,353,723.

**General Fund Highlights** – The General Fund balance decreased \$134,544 to \$8,805,202. The decrease can be contributed to small increases in the General Government and Staff Services cost. Additionally, the City replaced forty year old machinery for the Streets Services costing \$49,070.

**Economic Development** – The Fund balance remained substantially the same at \$5,601,174, with a .3% decrease in the current year.

**Capital Projects** – The TIF increased \$522,252 due to increased property values. The CVA fund balance decreased overall by \$876,059 due to the capital outlay for highway 377 improvement, although an offset was noted by the receipt of \$286,550 for the sale of land. The Storm Water account increased \$195,317 due to less outlay for capital projects than revenue received in the current year.

**CAPITAL ASSETS**

The City of Benbrook’s investment in capital assets for its governmental activities as of September 30, 2014 amount to \$49,517,142 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure and construction in progress.

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

- Drainage projects (\$855,975)
- Hawkin Center Street (\$522,198)
- Police Department vehicles (\$144,669)
- Machinery for the Streets Department (\$49,070)

**Capital Assets at Year End  
(net of accumulated depreciation)**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Land	\$ 748,201	\$ 947,842
ROW	9,821,372	9,821,372
Buildings	10,260,981	10,260,981
Infrastructure	77,978,924	76,776,390
Equipment	5,426,486	5,232,747
Construction in Progress	706,400	296,137
Accumulated Depreciation	<u>(55,425,222)</u>	<u>(53,672,387)</u>
Total	<u>\$49,517,142</u>	<u>\$49,663,082</u>

Additional information on the City of Benbrook’s capital assets can be found in Note 3 beginning on page 23.

**DEBT ADMINISTRATION**

At the end of the fiscal year, the City had total long term debt of \$14,731,679. Of this amount, \$7,700,000 comprises bonded debt backed by the full faith and credit of the government. The balance of the total long term debt is comprised of a certificate of obligation, refunding bonds, Compensated Absences, and Net Pension Obligation.

**Outstanding Debt at Year End  
Bonds and Notes Payable**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
General Obligations Bonds	\$ 7,700,000	\$ 8,380,000
Certificates of Obligation	4,245,000	3,390,000
Notes Payable	<u>0</u>	<u>1,556,688</u>
Total	<u>\$11,945,000</u>	<u>\$13,326,688</u>

During the year, the City’s total debt decreased by \$1,381,688. This decrease was due to the payoff of the Notes Payable.

The City of Benbrook has the following ratings on its long term debt:

	<u>Moody's Investor Service</u>	<u>Standard &amp; Poor's</u>
General Obligation Bonds	Aa2	AA +

Most of the City's Bonds are insured and thus have a Triple A credit rating by both Moody's and Standard & Poor's.

Additional information on the City of Benbrook's long term debt can be found in Note 4 on pages 24 – 26 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

In the 2014-2015 budget, General Fund revenues are budgeted to increase by \$79,490 from the 2013-2014 budget year. This increase results from the slight increase expected from the increase in property tax value causing revenue between the General Fund and the Debt Service Fund, to increase. Also, sales tax revenue is projected to remain the same while the Benbrook Boulevard expansion project is underway which began in 2014.

### **LONG-TERM PLANNING**

The City produces an Annual Budget with ten year financial projections. These projections are updated and re-evaluated each year during the budget process. In addition to this ten year financial projections included in the budget, the City also produces an award winning Comprehensive Capital Improvements Plan that projects long-term growth and capital improvements as well as the means of financing these projects. These reports are available to interested readers upon request or on the City's web site.

### **REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Director at P. O. Box 26569, Benbrook, Texas 76126, or call (817) 249-3000.

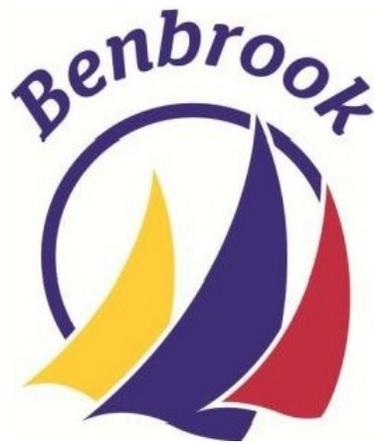


TEXAS

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## **BASIC FINANCIAL STATEMENTS**



TEXAS

*Our Pride. Your Joy.*



**CITY OF BENBROOK, TEXAS  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2014**

<b>Program Activities</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenue &amp; Changes in Net Position Primary Government</b>
		<b>Fees, Fines &amp; Charges For Services</b>	<b>Operating Grants &amp; Contributions</b>	<b>Capital Grant &amp; Contributions</b>	
Governmental Activities					
General Government	\$ 1,178,935	\$ -	\$ -	\$ 588,669	\$ (590,266)
Staff Services	929,495	-	-	-	(929,495)
Public Safety	8,662,545	1,427,145	426,198	-	(6,809,202)
Public Services	6,945,037	133,911	-	-	(6,811,126)
Community Development	3,012,664	1,310,196	-	-	(1,702,468)
Interest on long-term debt	476,713	-	-	-	(476,713)
<b>Total Governmental Activities</b>	<b>21,205,389</b>	<b>2,871,252</b>	<b>426,198</b>	<b>588,669</b>	<b>(17,319,270)</b>
General Revenues					
Taxes					
Ad Valorem					10,352,345
Franchise					1,648,597
Sales and other					3,591,800
Use of Money and Property					453,796
Gain on sale of land					86,909
Miscellaneous					593,514
<b>Total General Revenues</b>					<b>16,726,961</b>
Changes in Net Position					(592,309)
Net Position – Beginning, as previously reported					60,419,057
Change in Accounting Principle (Note 14)					(155,195)
Net Position – Beginning, as restated					60,263,862
Net Position – Ending					<b>\$ 59,671,553</b>

Notes to the financial statements  
are an integral part of this statement

**CITY OF BENBROOK, TEXAS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014**

	<u>General</u>	<u>Economic Development</u>	<u>Debt Service</u>	<u>Capital Projects TIF</u>	<u>Capital Projects CVA</u>	<u>Capital Projects Storm Water</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>								
Deposits and investments	\$ 8,686,077	\$ 6,025,073	\$ 224,188	\$ 2,411,469	\$ 2,205,819	\$ 2,049,106	\$ 2,107,409	\$ 23,709,141
Receivables (net of allowances for uncollectibles)								
Property tax	300,711	-	22,598	-	-	-	-	323,309
Sales tax	402,367	201,026	-	-	-	-	-	603,393
Special assessments	-	-	-	-	-	-	21,553	21,553
Accounts	102,220	700	-	-	-	-	48,469	151,389
Due from other funds	261,902	-	-	-	-	-	77	261,979
<b>TOTAL ASSETS</b>	<u>\$ 9,753,277</u>	<u>\$ 6,226,799</u>	<u>\$ 246,786</u>	<u>\$ 2,411,469</u>	<u>\$ 2,205,819</u>	<u>\$ 2,049,106</u>	<u>\$ 2,177,508</u>	<u>\$ 25,070,764</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 329,907	\$ 397,908	\$ -	\$ -	\$ -	\$ -	\$ 7,028	\$ 734,843
Accrued salaries and wages	182,770	-	-	-	-	-	-	182,770
Advance payments and deposits	146,274	-	-	-	-	-	59,016	205,290
Due to other funds	-	227,717	-	-	-	-	34,262	261,979
<b>TOTAL LIABILITIES</b>	658,951	625,625	-	-	-	-	100,306	1,384,882
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred property taxes	289,124	-	21,482	-	-	-	-	310,606
Other deferred inflows of resources	-	-	-	-	-	-	21,553	21,553
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	289,124	-	21,482	-	-	-	21,553	332,159
<b>FUND BALANCES</b>								
Restricted								
Debt Service	-	-	225,304	-	-	-	-	225,304
Economic Development	-	5,601,174	-	-	-	-	-	5,601,174
City Promotions	-	-	-	-	-	-	422,190	422,190
Capital Projects	-	-	-	2,411,469	-	2,049,106	1,264,420	5,724,995
Public Safety	-	-	-	-	-	-	369,039	369,039
Committed								
Worker's Comp	225,122	-	-	-	-	-	-	225,122
Capital Projects	-	-	-	-	2,205,819	-	-	2,205,819
Unassigned								
General	8,580,080	-	-	-	-	-	-	8,580,080
<b>TOTAL FUND BALANCES</b>	<u>8,805,202</u>	<u>5,601,174</u>	<u>225,304</u>	<u>2,411,469</u>	<u>2,205,819</u>	<u>2,049,106</u>	<u>2,055,649</u>	<u>23,353,723</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 9,753,277</u>	<u>\$ 6,226,799</u>	<u>\$ 246,786</u>	<u>\$ 2,411,469</u>	<u>\$ 2,205,819</u>	<u>\$ 2,049,106</u>	<u>\$ 2,177,508</u>	<u>\$ 25,070,764</u>

Notes to the financial statements  
are an integral part of this statement

**CITY OF BENBROOK, TEXAS  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014**

Total fund balances – governmental funds	\$ 23,353,723
Amounts reported for governmental activities in the statement of activities are different because:	
Notes receivable are not a current financial resource and, therefore, are not reported in the governmental funds balance sheet.	266,667
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	49,517,142
Land held for sale is not a current financial resource and therefore is not reported in the governmental funds balance sheet.	851,318
Losses on refunding are not current financial resources and therefore are not reporting in the governmental funds balance sheet.	143,370
Interest payable on long term debt does not require current financial resources; therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(61,147)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	332,159
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	(13,247,804)
Accrued sick and vacation time does not require current financial resources and is not included on the governmental funds balance sheet.	<u>(1,483,875)</u>
Net Position of Governmental Activities	<u><u>\$ 59,671,553</u></u>

Notes to the financial statements  
are an integral part of this statement

**CITY OF BENBROOK, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>General</u>	<u>Economic Development</u>	<u>Debt Service</u>	<u>Capital Project TIF</u>	<u>Capital Project CVA</u>	<u>Capital Project Storm Water</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>								
Taxes								
Property	\$ 10,064,783	\$ -	\$ 237,801	\$ -	\$ -	\$ -	\$ -	\$ 10,302,584
Franchise	1,596,602	-	-	-	-	-	51,995	1,648,597
Sales and other	2,291,227	1,139,823	-	-	-	-	160,750	3,591,800
Licenses, permits and filing fees	316,355	-	-	-	-	-	-	316,355
Fines and forfeitures	675,477	-	-	-	-	-	62,087	737,564
Use of money and property	176,548	102,176	-	260	173,720	260	832	453,796
Proceeds of direct financing lease	-	181,067	-	-	-	-	-	181,067
Charges for services	823,492	-	-	1,195,485	-	968,147	-	2,987,124
Proceeds from sale of assets	-	-	-	-	286,550	-	-	286,550
Other revenues	432,252	153,452	2,253	-	-	-	28,325	616,282
<b>Total Revenues</b>	<u>16,376,736</u>	<u>1,576,518</u>	<u>240,054</u>	<u>1,195,745</u>	<u>460,270</u>	<u>968,407</u>	<u>303,989</u>	<u>21,121,719</u>
<b>EXPENDITURES</b>								
Current								
General Government	1,942,429	-	-	-	-	-	-	1,942,429
Staff Services	922,443	-	-	-	-	-	-	922,443
Public Safety	8,089,280	-	-	-	-	-	15,626	8,104,906
Public Service	2,587,807	-	-	-	-	-	400	2,588,207
Community Development	1,069,873	-	-	1,478,728	-	-	138,840	2,687,441
Economic Development	-	503,408	-	-	-	-	-	503,408
Community Promotions	-	-	-	-	-	-	-	-
Debt service								
Bond issuance costs	-	-	46,226	27,964	-	-	-	74,190
Principal	-	121,885	3,635,000	-	-	-	-	3,756,885
Interest and other fees	-	75,703	315,167	-	-	-	-	390,870
Capital outlay	199,448	890,770	-	-	2,836,329	154,575	-	4,081,122
<b>Total Expenditures</b>	<u>14,811,280</u>	<u>1,591,766</u>	<u>3,996,393</u>	<u>1,506,692</u>	<u>2,836,329</u>	<u>154,575</u>	<u>154,866</u>	<u>25,051,901</u>
Excess of Revenues Over (Under) Expenditures	<u>1,565,456</u>	<u>(15,248)</u>	<u>(3,756,339)</u>	<u>(310,947)</u>	<u>(2,376,059)</u>	<u>813,832</u>	<u>149,123</u>	<u>(3,930,182)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from bond issuance	-	-	-	1,175,000	-	-	-	1,175,000
Issuance of refunding debt	-	-	2,635,000	-	-	-	-	2,635,000
Payment to refunding escrow agent	-	-	(58,774)	-	-	-	-	(58,774)
Transfers in	-	-	960,316	-	1,500,000	-	200,000	2,660,316
Transfers out	(1,700,000)	-	-	(341,801)	-	(618,515)	-	(2,660,316)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,700,000)</u>	<u>-</u>	<u>3,536,542</u>	<u>833,199</u>	<u>1,500,000</u>	<u>(618,515)</u>	<u>200,000</u>	<u>3,751,226</u>
Net Change in Fund Balance	(134,544)	(15,248)	(219,797)	522,252	(876,059)	195,317	349,123	(178,956)
Fund Balances – Beginning	8,939,746	5,616,422	445,101	1,889,217	3,081,878	1,853,789	1,706,526	23,532,679
<b>Fund Balances - Ending</b>	<u>\$ 8,805,202</u>	<u>\$ 5,601,174</u>	<u>\$ 225,304</u>	<u>\$ 2,411,469</u>	<u>\$ 2,205,819</u>	<u>\$ 2,049,106</u>	<u>\$ 2,055,649</u>	<u>\$ 23,353,723</u>

Notes to the financial statements  
are an integral part of this statement

**CITY OF BENBROOK, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE NET CHANGE IN NET POSITION  
OF GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balances - total governmental funds	\$ (178,956)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	1,217,867
Depreciation expense on capital assets is reported in the statement of activities, and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(1,752,835)
Net book value of capital assets disposed.	(199,641)
Contributions of capital assets are not recorded as revenues in the governmental funds.	588,669
The issuance of long term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. The effect of these items is an increase in net position.	16,678
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	4,651
The expense for compensated absences reported in the statement of activities does not require the use of current financial resources, therefore, the expense is not reported as expenditures in the governmental funds.	(352,575)
Amount set aside to cover the liability for OPEB/TMRS SDB.	176,711
Amortization of deferred losses on refunding is not recorded in the governmental funds.	(16,304)
Certain revenues reported in the governmental funds are not reported in the government-wide statement of activities. Conversely, some revenues reported in the government-wide statement of activities are not reported in the governmental funds.	(96,574)
Net Change in Net Position of Governmental Activities	<u>\$ (592,309)</u>

Notes to the financial statements  
are an integral part of this statement

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General Statement**

The City of Benbrook (the City) was incorporated in 1947. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: general government, police and fire protection, street maintenance, building inspection services, recreation, parks operation and maintenance, and operation and maintenance of City-owned buildings.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB).

**B. Financial Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Some organizations are included as component units because of their fiscal dependency on the primary government.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**B. Financial Reporting Entity – Continued**

The following entity was found to be a component unit of the City and is included in the combined financial statements:

Blended Component Unit – The Benbrook Economic Development Corporation (EDC) was created for the purpose of promoting economic development within the City. The Board of Directors is substantively the same as that of the City Council since all board members are appointed by the City Council. Management of the City has operational responsibility for the EDC. The EDC is authorized to sell bonds or other forms of indebtedness. Upon dissolution of the EDC, the assets of the EDC shall be distributed to the City. The EDC provides services to the City and its residents.

It is management's opinion (the staff and City Attorney) that a blended presentation should be used to report the financial information of the component unit. Financial information for the component unit can be obtained from the entity's administrative office at 911 Winscott Road, Benbrook, Texas 76126.

**C. Basis of Presentation**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately. However, interfund services provided and used are not eliminated in the process of consolidation

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

*Fund Financial Statements*

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column. Governmental funds are those funds through which most governmental functions typically are financed. The City has presented the following major governmental funds:

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. Basis of Presentation – Continued**

*Fund Financial Statements – Continued*

The **General Fund** is the main operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The **Economic Development Fund** accounts for the half cent sales tax collected to fund the activities of the Benbrook Economic Development Corporation. The fund balance is restricted for development and improvements that will promote economic growth in the City.

The **Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

The **Capital Projects – Stormwater** is used to account for funds received and expended for the construction and renovation of major drainage improvements. Initial funding came from bond issues with additional funding from stormwater fees. The fund balance is restricted for major stormwater projects.

The **Capital Projects - TIF** is used to account for funds received and expended for the construction of major improvements that must be financed over several years. The fund balance is restricted for projects within the TIF boundaries.

The **Capital Projects - CVA** is used to account for proceeds from natural gas leases, mineral interest revenue and 70% of new sales tax proceeds. These funds will be used for special major improvement projects to be determined by a super majority of the City Council and therefore the fund balance is committed.

**D. Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and deferred outflows and liabilities and deferred inflows (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred. Governmental fund financial statements are reported using the

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Measurement Focus and Basis of Accounting – Continued**

current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

**E. Cash and Investments**

Cash of most funds, including restricted cash, is pooled into common accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund’s pooled cash is available upon demand and are considered to be “cash equivalents” when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered “cash equivalents”. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

State statutes authorize the City to invest in obligations of the U.S. Government or its agencies; obligations of the State of Texas or its agencies; and certain other obligations, repurchase agreements, money market mutual funds and certificates of deposits within established criterion.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**F. Capital Assets – Continued**

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	30 Years
Infrastructure	10-50 Years
Equipment	5-20 Years

**G. Accumulated Vacation, Compensated Time and Sick Leave**

City policy allows civil service employees to accumulate 120 hours of sick leave per year and accrue it on an unlimited basis. Civil service employees with one full year of employment are entitled to be paid up to 90 days for unused sick leave upon termination. Non-civil service employees may accrue up to 480 hours of unused sick leave. Non-civil service employees may be paid up to 20 days for unused sick time based on years of service and certain other criteria. Employees with less than 5 years of service earn 10 vacation days whereas employees with more than 5 years of service earn 15 vacations days per year. Non-civil service employees may accumulate two times the current number of vacation days earned per year, up to a maximum of 30 days. All earned vacation leave not taken within one year of its accumulation will be forfeited by civil service employees.

**H. Nature and Purpose of Designations of Fund Equity**

The City has implemented Government Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). 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 resources reported in governmental funds. The objective of this statement is to enhance the usefulness of fund balance information by providing clear fund balance classifications that can be more consistently applied and by clarifying governmental fund type definitions. Fund balance categories under GASB 54 are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity as to the level of restriction placed upon fund balance.

In accordance with GASB 54, the City classifies governmental fund balances as follows:

1. Nonspendable Fund Balance – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and prepaid/deferred items.

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**H. Nature and Purpose of Designations of Fund Equity – Continued**

2. Spendable Fund Balance

- a. *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples would include federal and state grant programs, retirement of long-term debt, and capital projects.
  1. The aggregate fund balance of the Special Revenue Funds and EDC are legally restricted by the enabling legislation that created these funds.
  2. The fund balances of the Debt Service Fund and the remaining Capital Projects Funds (Non-Major) are legally restricted by enabling legislation, bond covenants, or other governmental entities.
  
- b. *Committed Fund Balance* – includes amounts that can be used only for the specific purposes as determined by the governing body by formal resolution recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body by formal resolution. Examples include, but not limited to, City Council action regarding construction and capital expenditures. City Council must take action to commit funds by passing a formal resolution for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.
  1. The Capital Projects – CVA funds are considered committed by the City Council action to create that fund.
  2. The Workers' Comp amounts were committed when City Council authorized the City to partially self-insure worker's comp.
  
- c. *Assigned Fund Balance* – includes amounts intended to be used by the City for a specific purpose. Pursuant to GASB 54, this intent can be expressed by an official or body to which the governing body delegates that authority. The City has delegated the City Manager to determine and define amounts of those components of fund balance that are classified as Assigned. Examples take on similar appearance as funds designated as committed fund balance, including the appropriation of existing fund balance to eliminate a deficit in the next budget year. Assignments may be authorized by City policy initiated by the City Manager, formal resolution or ordinance.
  
- d. *Unassigned Fund Balance* – includes the residual classification of the General Fund and includes all amounts not contained in other classifications. By accounting for amounts in other funds, the City has implicitly assigned the funds for the purpose of those particular funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be extended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and finally unassigned fund balance.

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is effective for periods beginning after December 15, 2012. The statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows or inflows of resources, and recognizes these items as outflows or inflows of resources. This Statement applies to all state and local governmental entities. The City has retroactively implemented this change.

The statement of net position includes a separate section, in addition to assets, for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position/fund balance that applies to a future period and therefore will not be recognized as an expense until that time. As a result of implementation, the deferred loss on refunding, will be recognized as a deferred outflow of resources or a deferred inflow of resources and amortized to interest expense over the life of the bond and bond issuance costs will be expensed in the current period.

The governmental funds balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as revenue until that time. As a result of implementation, amounts, such as property taxes, received after the sixty day period are not considered available and, therefore, recorded as a deferred inflow of resources

If a balance previously reported as an asset or liability does not meet the definition of an asset, deferred outflow, liability, or deferred inflow, then it must actually be reported as a current inflow or outflow of resources (revenue, expense, or expenditure).

**NOTE 2. CASH AND INVESTMENTS**

Cash and investments as of September 30, 2014 consist of the following:

Deposits with financial institutions	\$ 14,782,409
Investments	<u>8,926,732</u>
	<u>\$ 23,709,141</u>

*Disclosure Relating to Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing in investment pools which purchase a combination of shorter term investments with an average maturity of less than 30 days, thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity (WAM) of its portfolio. The City has no specific limitations with respect to this metric.

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

*Disclosure Relating to Interest Rate Risk - Continued*

As of September 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>WAM</u>
TexPool	\$ 6,053,819	51
TexSTAR	<u>2,872,913</u>	50
	<u>\$ 8,926,732</u>	

As of September 30, 2014, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

*Disclosure Relating to Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating firm. Presented below are the minimum rating required by the Public Funds Investment Act (where applicable), the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Rating</u>
TexPool	\$ 6,053,819	AAAm
TexSTAR	<u>2,872,913</u>	AAAm
	<u>\$ 8,926,732</u>	

*Concentration of Credit Risk*

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. At year end, other than external investment pools, the City did not have 5% or more of its investments with one issuer.

*Custodial Credit Risk*

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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the City's investment policy do contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments by the following provision for deposits.

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governments by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

At September 30, 2014, the City had deposits at two financial institutions. Each financial institution was covered by depository insurance in the amount \$250,000. The remaining bank balance in the EDC of \$5,218,555 was fully collateralized at September 30, 2014 with a value of collateral equal to \$5,673,101. The remaining funds' bank balance of \$8,705,785 was fully covered by collateral with a value of \$13,682,514. Collateral is held by the Federal Reserve Bank of Dallas in the City's name under joint safekeeping agreements with the pledging institutions.

*Investment in State Investment Pools*

The City of Benbrook is a voluntary participant in TexPool and TexSTAR, two external investment pools.

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in the pools and other persons who do not have a business relationship with the pools.

TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors that includes participants in the pool as well as other persons. J P Morgan Asset Management and First Southwest Asset Management act as co-administrators, providing investment management services, participant services and marketing. The pool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pool uses amortized cost rather than market value to report net assets to compute share price. Accordingly, the fair value of the position in the pool is the same as the value of the pool shares.

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 3. CAPITAL ASSETS**

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

	Balance October 1	Additions/ Completions	Transfers	Retirements/ Adjustments	Balance September 30
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 947,842	\$ -	\$ -	\$ 199,641	\$ 748,201
ROW	9,821,372	-	-	-	9,821,372
Construction in progress	296,137	855,975	(445,712)	-	706,400
Total capital assets not being depreciated	<u>11,065,351</u>	<u>855,975</u>	<u>(445,712)</u>	199,641	<u>11,275,973</u>
Capital assets being depreciated					
Buildings	10,260,981	-	-	-	10,260,981
Infrastructure	76,776,390	756,822	445,712	-	77,978,924
Equipment	5,232,747	193,739	-	-	5,426,486
Total capital assets being depreciated	<u>92,270,118</u>	<u>950,561</u>	<u>445,712</u>	-	93,666,391
Less accumulated depreciation					
Buildings	4,851,783	300,573	-	-	5,152,356
Infrastructure	46,038,885	1,146,232	-	-	47,185,117
Equipment	2,781,719	306,030	-	-	3,087,749
Total accumulated depreciation	<u>53,672,387</u>	<u>1,752,835</u>	<u>-</u>	-	55,425,222
Total capital assets being depreciated, net	<u>38,597,731</u>	<u>(802,274)</u>	<u>445,712</u>	-	38,241,169
Governmental activities capital assets, net	<u>\$ 49,663,082</u>	<u>\$ 53,701</u>	\$ -	\$ 199,641	\$ 49,517,142

Included in capital asset additions are \$588,669 of contributed capital reflected as capital grants and contributions in the statement of activities.

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

Governmental Activities	
General Government	\$ 19,968
Public Safety	240,322
Public Works	1,482,998
Community Development	5,391
Economic Development	4,156
Total Depreciation Expense-Governmental Activities	<u>\$ 1,752,835</u>

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 4. LONG-TERM DEBT**

At September 30, 2014, the City's bonds payable consisted of the following:

2005 G.O. bonds dated August 2, 2005, issued for drainage improvements, due in annual installments through February 1, 2020, interest rates of 3.49% (1.85% effective February 1, 2015) to 7%	\$ 2,680,000
2005 TIF C.O. bonds dated August 4, 2005, issued for sewer line and street improvements, due in annual installments through February 1, 2021, interest rate of 3.49% (2.15% effective February 1, 2015)	1,270,000
2008 Storm Water C.O. bonds dated December 1, 2007 for storm water improvements, due in annual installments through February 1, 2027, interest rate of 4.04%.	755,000
2011 G.O. Refunding bonds dated August 9, 2011 issued to refund the remaining balance of the 2002 G.O. bonds, due in annual installments through February 1, 2022, interest rate of 2.93%	2,465,000
2012 C.O. Refunding bonds dated April 15, 2012 issued to reimburse TIF developer, due in annual installments through February 1, 2022, interest rate of 1.79%.	1,045,000
2013 G.O. Refunding Bonds dated December 10, 2013, issued to refund the remaining balance of the 2004 G.O. bonds, due in annual installments through February 1, 2025, interest rate of 2.19%.	2,555,000
2014 TIF Combination Tax and Revenue C.O. bonds dated June 17, 2014, issued for sewer line improvements, street improvements and construction projects, due in annual installments through February 1, 2022, interest rate of 1.72%.	1,175,000
Total bonds payable	<u>\$ 11,945,000</u>

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 4. LONG-TERM DEBT – CONTINUED**

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2014:

	Balance October 1	Increases	Decreases	Balance September 30	Due Within One Year
Governmental Type Activities					
General Obligation Bonds	\$ 8,380,000	\$ 2,635,000	\$ 3,315,000	\$ 7,700,000	\$ 755,000
Certificate of Obligation	3,390,000	1,175,000	320,000	4,245,000	470,000
Long Term Notes Payable	1,556,688	-	1,556,688	-	-
Compensated Absences	1,131,300	352,575	-	1,483,875	-
Net Pension Obligation	1,479,515	-	176,711	1,302,804	-
Total Governmental Activities	<u>\$ 15,937,503</u>	<u>\$ 4,162,575</u>	<u>\$ 5,368,399</u>	<u>\$ 14,731,679</u>	<u>\$ 1,225,000</u>

**General Obligation Bonds and Certificates of Obligation**

The City issues general obligation bonds and certificates of obligation. General obligation bonds and certificates of obligation are direct obligations of the City and pledge the full faith and credit of the City.

**Bond Issuance**

In fiscal year 2014, the City executed a current refunding in the amount of \$2,530,000 of series 2004 general obligation bonds. The bonds were refunded with a single issue of \$2,635,000 series 2013 general obligation refunding bonds dated December 2013 bearing an interest rate of 2.19%. Proceeds from the refunding issue provided sufficient resources for reduction in total debt service payments over the next ten years by \$372,044 and to obtain an economic gain of \$318,482.

The City also issued \$1,175,000 in TIF Combination Tax and Revenue Certificates of Obligation, Series 2014, payable from an annual ad valorem tax. Payment of principal and interest is due in annual installments through 2022, with an interest rate of 1.72%. The proceeds from the bonds will be used to provide funds for (i) constructing streets & roads; (ii) storm drainage improvements; (iii) new water and sewer lines; (iv) sidewalk improvements; and (v) payment of professional services rendered in connection with the acquisition, construction and financing of such projects.

All defeased debt has been redeemed.

**Compensated Absences**

Compensated absences represent the estimated liability for employee's accrued vacation and sick leave for which employees are entitled to be paid upon termination. The retirement of this liability is from the General Fund.

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 4. LONG-TERM DEBT – CONTINUED**

Annual requirements to amortize all debts outstanding as of September 30, 2014, are as follows:

**General Obligation Bonds**

General Obligation Bonds Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2015	\$ 755,000	\$ 210,275	\$ 965,275
2016	780,000	187,013	967,013
2017	815,000	162,829	977,829
2018	835,000	137,793	972,793
2019	870,000	111,871	981,871
2020-2024	3,385,000	196,015	3,581,015
2025	260,000	2,847	262,847
	\$ 7,700,000	\$ 1,008,643	\$ 8,708,643

**Certificate of Obligations**

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2015	\$ 470,000	\$ 110,143	\$ 580,143
2016	480,000	95,406	575,406
2017	495,000	82,779	577,779
2018	505,000	69,788	574,788
2019	520,000	56,433	576,433
2020-2024	1,560,000	139,316	1,699,316
2025-2027	215,000	13,231	228,231
	\$ 4,245,000	\$ 567,096	\$ 4,812,096

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 5. PROPERTY TAX**

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1, each year. Penalties and interest are included for any payment received after January 31. Penalties start at 6% of the outstanding balance, respectively and increase to 12% for payments received after July 1. Interest increases 1% for each month the balance is outstanding after January 31.

Property taxes at the fund level are recorded as receivables and deferred inflows of resources at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual have been recognized as revenue. Property taxes are recorded net of the allowance for uncollectible taxes in the amount of \$211,467 and \$15,892 for the General Fund and Debt Service Fund, respectively. The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five year statute of limitations.

**NOTE 6. PENSION PLAN**

**Plan Description**

The City of Benbrook 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. Benefits depend upon the sum of the employee's contributions to the plan, with interest, and 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 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 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 the 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. The net pension obligation will be liquidated from the General Fund.

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6. PENSION PLAN – CONTINUED**

**Plan Description – Continued**

Each municipal participant has an annual, individual actuarial valuation performed. All assumptions for the December 31, 2013 valuations are contained in the 2013 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on the TMRS website at [www.TMRS.com](http://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 and within the actuarial constraints also in the statutes.

Plan provisions for the City were as follows:

Deposit rate	7%
Matching ratio (City to employee)	2 to 1
A member is vested after	5 years
Update service credit	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the city are 5 years at 60 years of age, or 20 years at any age.

**Contributions**

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

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6. PENSION PLAN – CONTINUED**

**Contributions – Continued**

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 is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2013 valuation is effective for rates beginning January 2015).

The following is a schedule of actuarial liabilities and funding progress:

Annual Required Contribution (ARC)	\$	1,427,830
Interest on Net Pension Obligation		66,757
Adjustment to the ARC		(57,384)
		1,437,203
Annual pension cost (APC)		1,437,203
Contributions Made		(1,425,203)
		12,000
Increase in Net Pension Obligation		12,000
Net Pension Obligation, beginning of year		953,671
		965,671
Net Pension Obligation, end of year	\$	965,671

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6. PENSION PLAN – CONTINUED**

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR). The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, is as follows:

Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization Period for new Gain/Losses	30 years	30 years	30 years
Remaining Amortization Period	26.2 years closed period	25.2 years closed period	25.0 years closed period
Asset Valuation Method	10 year Smoothed Market	10 year Smoothed Market	10 year Smoothed Market
Actuarial Assumptions			
Investment Rate of Return*	7.0%	7.0%	7.0%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes Inflation at	3.0%	3.0%	3.0%
Cost of living adjustment	2.1%	2.1%	2.1%

Trend information for the past three years for TMRS is as follows:

Fiscal Year	Annual Pension Cost(APC)	Actual Contribution Made	Percentage of APC Contribution	Net Pension Obligation
2012	\$ 1,422,524	1,383,739	97.27%	\$ 927,229
2013	1,469,212	1,436,217	97.75%	953,671
2014	1,437,203	1,425,203	99.17%	965,671

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6. PENSION PLAN – CONTINUED**

The funded status as of December 31, 2013, is as follows:

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
12/31/2013	36,569,728	44,776,343	81.67%	8,206,615	7,803,416	105.17%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, 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 of benefits.

The City also participates in the cost sharing multiple-employer defined group-term life insurance plan operated by the Texas Municipal Retirement System (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 1st of any year to be effective the following January.

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 is an "other post employment benefit" or OPEB.

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 the adequate resources are available to meet all death benefits payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during the employees' entire careers.

The City contributions to the TMRS SDBF for the three years ended 2014, 2013 and 2012 were \$11,716, \$11,652 and \$11,639, respectively, which equaled the required contributions each year.

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 7. COMMITMENTS AND CONTINGENCIES**

In January 1983, the City entered into a contract for garbage disposal collection with a third party. Under the terms of the agreement, the City receives a franchise fee of 9 percent on residential and 10 percent on commercial collections.

**NOTE 8. INTERFUND ACTIVITY**

Interfund receivables/payables consist of the following as of September 30, 2014.

Receivable Fund	Payable Fund	Amount
General Fund	Economic Development	\$ 227,717
General Fund	Other Governmental Funds	34,185
Other Governmental Funds	Other Governmental Funds	77
		\$ 261,979

**NOTE 9. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City insures its buildings and contents, law enforcement liability, public officials' liability, general liability and auto liability under a renewable one year policy with the Texas Municipal League. The City insures its workers compensation risk by participating in the Texas Municipal League Intergovernmental Risk Pool, which is a self-insurance policy mechanism for political subdivisions in Texas. Rates are set by the State Insurance Board. Each participant's contribution to the pool is adjusted based on its workers' compensation history. The City is responsible only to the extent of premiums paid and contributions made to Texas Municipal League and the Intergovernmental Risk Pool. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

**NOTE 10. POSTEMPLOYMENT BENEFITS**

Employees who retire from the City are eligible to continue health insurance (a single-employer) coverage through the City's group plan after their federal COBRA benefits expire. The retiree must continue with no break in coverage. If a retiree declines coverage, then the retiree is not eligible for coverage at some future date. If the retiree drops coverage, then the retiree may not re-enroll at a later date. As far as health insurance benefits are concerned, retirees are treated the same as active employees with one major exception, the retiree must prepay the monthly insurance premium. If a retiree includes a dependent coverage, the dependent must have been covered prior to the retiree's retirement. The retirees pay the same amount for dependent coverage as an active employee; the City's subsidy applies toward dependent coverage for the retiree only. The other postretirement employment benefits for eligible retirees were funded on a pay-as-you-go basis.

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 10. POSTEMPLOYMENT BENEFITS – CONTINUED**

The calculation of the Net OPEB Obligation as of September 30, 2014, is summarized below:

Annual Required Contribution (ARC)	\$ 97,612
Interest on Net Pension Obligation	23,663
Adjustments to the ARC	<u>(21,924)</u>
Annual Pension Cost (APC)	99,351
Contributions Made	<u>(288,062)</u>
Decrease in net pension obligation	(188,711)
Net Pension Obligation, beginning of year	<u>525,844</u>
Net Pension Obligation, end of year	<u><u>\$ 337,133</u></u>

**Funding Status and Funding Progress**

The funded status of the City's retiree health care plan, under GASB Statement No. 45 as of December 31, 2013 is as follows:

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll
12/31/2011	\$ -	\$ 436,094	0.00%	\$ 436,094	\$ 7,703,758
12/31/2012	-	525,844	0.00	525,844	7,943,959
12/31/2013	-	337,133	0.00	337,133	7,803,416

Trend information for the past three years is as follows:

Fiscal Year	Annual Pension Cost(APC)	Actual Contribution Made	Percentage of APC Contribution	Net Pension Obligation
2012	\$ 89,750	\$ -	0.00%	\$ 436,094
2013	89,750	-	0.00%	525,844
2014	97,612	288,062	295.11%	337,133

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 10. POSTEMPLOYMENT BENEFITS – CONTINUED**

**Actuarial Methods and Assumptions**

The Projected Unit Credit Cost Method was used in the valuation to calculate the Annual Required Contribution (ARC) for the City’s retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. Projections of health benefits are based on the plan as understood by the City and include the type of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

Investment rate of return	4.5%
Actuarial cost method	Projected unit credit cost method
Amortization method	Level percent of payroll
Amortization period	30 years, open
Salary growth	3.0% per annum
Health care trend rate	7.50%
Inflation rate	3.00%
Covered payroll	\$7,803,416

Actuarial valuations involve estimates of the report amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

**CITY OF BENBROOK, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 11. JOINT VENTURE**

The Benbrook Economic Development Corporation (EDC) acquired a 55.03% ownership interest in a limited partnership in 2007 and increased its ownership to 80.45% in 2010. The partnership agreement required the EDC to make a capital contribution of land valued at \$275,000 and was created primarily to manufacture, purchase or otherwise acquire, invest in, own, mortgage, pledge, sell, assign, and transfer or otherwise dispose of, trade, deal in and with goods, service, merchandise and personal property of every class and description. The EDC was responsible for the management and operation of the Partnership's affairs.

In October 2013, the partnership was dissolved, and all assets of the partnership were conveyed to the EDC. Assets consisted of land which is classified as land-held for sale on the statement of net position.

**NOTE 12. INTERFUND TRANSFERS**

All interfund transfers between various funds are approved supplements to the operations of those funds. Individual operating transfers for year ended September 30, 2014 were as follows:

Transfers-in	Transfers-out	Purpose	Amount
Debt Service	Capital Projects - Storm Water	Debt Reypayment	\$ 618,515
Debt Service	Capital Projects - TIF	Debt Reypayment	341,801
Other Governmental	General Fund	Special Projects	200,000
Capital Projects - CVA	General Fund	Capital Projects	<u>1,500,000</u>
			<u><u>\$ 2,660,316</u></u>

**NOTE 13. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

As of September 30, 2014, the debt service fund had an excess of expenditures over legally adopted appropriations of \$2,988,843.

As noted on "Schedule of Revenues, Expenditures and Changes in Fund Balance" for the Debt Service Fund on page 42, of the \$2,988,843 expended over appropriation, \$2,930,000 was the principle amount for a bond that was reissued for \$2,635,000 at a lower interest rate. The bond issuance fee of \$46,226 was the cost of the said transaction, totaling in \$2,976,226 of the \$2,988,843 over expenditure.

**CITY OF BENBROOK, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE**

In accordance with Governmental Accounting Standards Board No. 65, *Items Previously Reported as Assets and Liabilities*, assets or liabilities that no longer meet the definition of an asset, deferred outflow, liability or deferred inflow should be reported as current outflow or inflow of resources. Debt issuance costs, previously reported as an asset, no longer meet that definition and will be reported as expenses in the current period. In accordance with GASB 65, the City has retroactively implemented the changed which resulted in a restatement of beginning net position as of September 30, 2014. The effect of the restatement is a decrease in beginning net position of \$155,195.

**NOTE 15. CONTRACT ON LAND**

In November 2013, The City entered into a contract with a Company to transfer title of two tracts of land and a right-of-way to the City in exchange for development work to be completed in accordance with the applicable contractual requirements. Title will transfer to the City if the related development work is completed and accepted within 48 months from the date of the deed. In accordance with this deed restriction, the City has not recorded these properties valued at \$880,000.

**NOTE 16. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which will be effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to all state and governmental entities and replaces Statements 27 and 50. The City will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB also issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which was effective simultaneously with GASB 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BENBROOK, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR PARTICIPANTS  
IN TEXAS MUNICIPAL RETIREMENT SYSTEM**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Percentage Funded</u>	<u>Unfunded (UAAL)</u>	<u>Annual Covered Payroll (ACP)</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
12/31/2011	\$ 31,182,753	\$ 38,870,254	80.22%	\$ 7,687,501	\$ 7,458,722	103.07%
12/31/2012	34,098,398	41,300,845	82.56%	7,202,447	7,759,430	92.82%
12/31/2013	36,569,728	44,776,343	81.67%	8,206,615	7,803,416	105.17%

**CITY OF BENBROOK, TEXAS  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED SEPTEMBER 30, 2014**

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 13,612,721	\$ 13,612,721	\$ 13,952,612	\$ 339,891
Licenses, permits and filing fees	305,300	305,300	316,355	11,055
Fines and forfeitures	668,000	668,000	675,477	7,477
Use of money and property	100,000	100,000	176,548	76,548
Charges for services	796,200	796,200	823,492	27,292
Other revenues	387,500	387,500	432,252	44,752
<b>Total Revenues</b>	<b>15,869,721</b>	<b>15,869,721</b>	<b>16,376,736</b>	<b>507,015</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	1,868,037	1,868,037	1,942,429	(74,392)
Staff Services	908,240	908,240	922,443	(14,203)
Public Safety	9,103,966	9,103,966	8,089,280	1,014,686
Public Services	3,172,793	3,172,793	2,587,807	584,986
Community Development	785,644	785,644	1,069,873	(284,229)
Capital Outlay	-	-	199,448	(199,448)
<b>Total Expenditures</b>	<b>15,838,680</b>	<b>15,838,680</b>	<b>14,811,280</b>	<b>1,027,400</b>
<b>Excess of Revenues over Expenditures</b>	<b>31,041</b>	<b>31,041</b>	<b>1,565,456</b>	<b>1,534,415</b>
<b>Other Financing Uses</b>				
Transfers Out	(1,750,000)	(1,750,000)	(1,700,000)	50,000
<b>Excess of Revenues over Expenditures and Other Financing Uses</b>	<b>(1,718,959)</b>	<b>(1,718,959)</b>	<b>(134,544)</b>	<b>1,584,415</b>
Fund Balance - Beginning	8,939,746	8,939,746	8,939,746	-
<b>Fund Balance - Ending</b>	<b>\$ 7,220,787</b>	<b>\$ 7,220,787</b>	<b>\$ 8,805,202</b>	<b>\$ 1,584,415</b>

**CITY OF BENBROOK, TEXAS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 1. BUDGETARY CONTROLS**

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

1. Prior to September 1, the City Manager submits a proposed operating budget to the City Council for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. Encumbrances for goods or purchased services are documented by purchase order or contract. Encumbered amounts lapse at the year end. At year end, encumbrances are cancelled or reappropriated as part of the following budget.

Annual appropriated budgets are consistent with accounting principles generally accepted in the United States of America and are legally adopted for the general and debt service fund.

All appropriations lapse on September 30 of the fiscal year.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were adopted.

Annual budgets are legally adopted for the General Fund and Debt Service Fund. The Economic Development Corporation (EDC) is legally not required to adopt a budget. As a result, a budgetary comparison is not presented for the EDC.

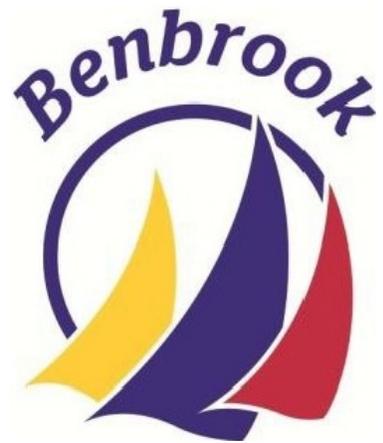
**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULE**

**CITY OF BENBROOK, TEXAS  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2014**

	Special Revenue Funds			Total Special Revenue	Capital Projects Fund		Total Non-Major Governmental Funds
	Hotel Motel Tax	PEG	Public Safety		Special Assessment	Total Capital Projects	
<b>Assets</b>							
Deposits and investments	\$ 334,961	\$ 79,950	\$ 369,062	\$ 783,973	\$ 1,323,436	\$ 1,323,436	\$ 2,107,409
Receivables	39,592	8,877	-	48,469	21,553	21,553	70,022
Due from other funds	-	-	77	77	-	-	77
<b>Total Assets</b>	<b>\$ 374,553</b>	<b>\$ 88,827</b>	<b>\$ 369,139</b>	<b>\$ 832,519</b>	<b>\$ 1,344,989</b>	<b>\$ 1,344,989</b>	<b>\$ 2,177,508</b>
<b>Liabilities &amp; Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 6,928	\$ -	\$ 100	\$ 7,028	\$ -	\$ -	\$ 7,028
Accrued salaries and wages	-	-	-	-	-	-	-
Advanced payments and deposits	-	-	-	-	59,016	59,016	59,016
Due to other funds	34,262	-	-	34,262	-	-	34,262
<b>Total Liabilities</b>	<b>41,190</b>	<b>-</b>	<b>100</b>	<b>41,290</b>	<b>59,016</b>	<b>59,016</b>	<b>100,306</b>
Deferred inflows of resources	-	-	-	-	21,553	21,553	21,553
<b>Fund Balance</b>							
<b>Restricted</b>							
City Promotions	333,363	88,827	-	422,190	-	-	422,190
Public Safety	-	-	369,039	369,039	-	-	369,039
Capital Projects	-	-	-	-	1,264,420	1,264,420	1,264,420
<b>Total Fund Balances</b>	<b>333,363</b>	<b>88,827</b>	<b>369,039</b>	<b>791,229</b>	<b>1,264,420</b>	<b>1,264,420</b>	<b>2,055,649</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 374,553</b>	<b>\$ 88,827</b>	<b>\$ 369,139</b>	<b>\$ 832,519</b>	<b>\$ 1,344,989</b>	<b>\$ 1,344,989</b>	<b>\$ 2,177,508</b>

**CITY OF BENBROOK, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2014**

	Special Revenue Funds			Total Special Revenue	Capital Projects Fund		Total Non-Major Governmental Funds
	Hotel Motel Tax	PEG	Public Safety		Special Assessment	Total Capital Projects	
Revenues							
Taxes	\$ 160,750	\$ 51,995	\$ -	\$ 212,745	\$ -	\$ -	\$ 212,745
Fines and forfeitures	-	-	62,087	62,087	-	-	62,087
Use of money and property	773	-	59	832	-	-	832
Road damage assessment	-	-	-	-	-	-	-
Other revenues	8,463	-	-	8,463	19,862	19,862	28,325
Total Revenues	<u>\$ 169,986</u>	<u>\$ 51,995</u>	<u>\$ 62,146</u>	<u>\$ 284,127</u>	<u>\$ 19,862</u>	<u>\$ 19,862</u>	<u>\$ 303,989</u>
Expenditures							
Current							
Community Development	\$ 138,840	\$ -	\$ -	\$ 138,840	\$ -	\$ -	\$ 138,840
Public Safety	-	-	15,626	15,626	-	-	15,626
Public Service	-	-	-	-	400	400	400
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	<u>138,840</u>	<u>-</u>	<u>15,626</u>	<u>154,466</u>	<u>400</u>	<u>400</u>	<u>154,866</u>
Excess of Revenues over Expenditures	31,146	51,995	46,520	129,661	19,462	19,462	149,123
Other Financing Sources							
Transfers In	-	-	-	-	200,000	200,000	200,000
Excess of Revenues & Other Sources Over Expenditures	31,146	51,995	46,520	129,661	219,462	219,462	349,123
Fund Balance - Beginning	302,217	36,832	322,519	661,568	1,044,958	1,044,958	1,706,526
Fund Balance - Ending	<u>\$ 333,363</u>	<u>\$ 88,827</u>	<u>\$ 369,039</u>	<u>\$ 791,229</u>	<u>\$ 1,264,420</u>	<u>\$ 1,264,420</u>	<u>\$ 2,055,649</u>



TEXAS

*Our Pride. Your Joy.*

## **DEBT SERVICE FUND**

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, including long-term notes and lease purchase agreements.

**CITY OF BENBROOK, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenues				
Property taxes				
Current property tax	\$ 238,828	\$ 238,828	\$ 234,739	\$ (4,089)
Delinquent property tax	-	-	1,972	1,972
Penalty and interest	-	-	1,090	1,090
Other revenues	-	-	2,253	2,253
Total Revenues	238,828	238,828	240,054	1,226
Expenditures				
Principal	705,000	705,000	3,635,000	(2,930,000)
Interest	296,550	296,550	314,867	(18,317)
Bond issuance	-	-	46,226	(46,226)
Other	6,000	6,000	300	5,700
Total Expenditures	1,007,550	1,007,550	3,996,393	(2,988,843)
Excess of revenues under Expenditures	(768,722)	(768,722)	(3,756,339)	(2,987,617)
Other Financing Sources (Uses)				
Issuance of Refunding Debt	-	-	2,635,000	2,635,000
Payment to Escrow Agent	-	-	(58,774)	(58,774)
Transfers In	542,104	542,104	960,316	418,212
Total Other Financing Sources (Uses)	542,104	542,104	3,536,542	2,994,438
Net Changes in Fund Balance	(226,618)	(226,618)	(219,797)	6,821
Fund Balance - Beginning	445,101	445,101	445,101	-
Fund Balance - Ending	\$ 218,483	\$ 218,483	\$ 225,304	\$ 6,821

**Benbrook**



**T E X A S**

*Our Pride. Your Joy.*

# STATISTICAL SECTION

## (Unaudited)

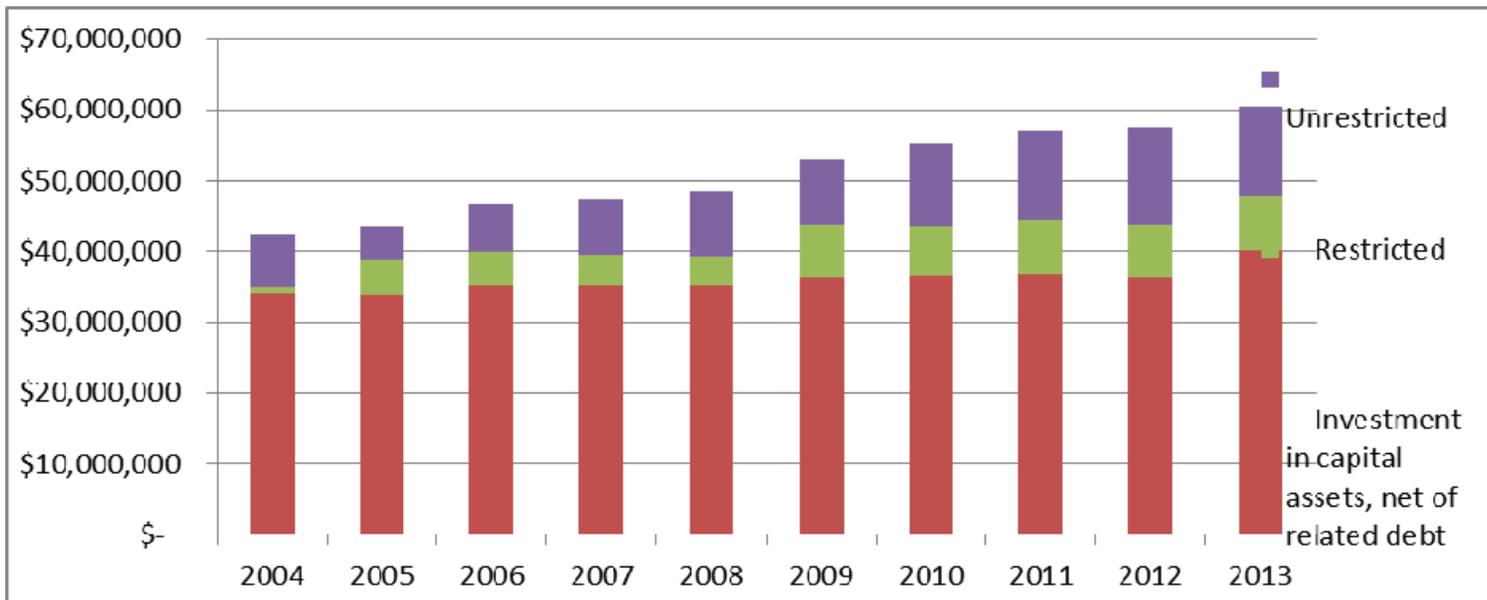
The City of Benbrook's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

		Pages
Financial Trends	These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	43-46
Revenue Capacity	These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	47-50
Debt Capacity	These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.	51-53
Demographic & Indicators	These schedules offer demographic and economic indicators to help the Economic reader understand the environment within which the government's financial activities takes place.	54-56
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	57-58
Additional Information	Additional information the government has included to help give the reader a better understanding of the government.	59

**CITY OF BENBROOK, TEXAS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 1**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities Investment in capital assets, net of related debt	\$ 33,940,524	\$ 35,131,149	\$ 35,105,138	\$ 35,121,433	\$ 36,378,744	\$ 36,601,171	\$ 36,615,411	\$ 36,235,804	\$ 40,079,400	\$ 42,176,087
Restricted	4,827,009	4,852,363	4,485,176	4,174,179	7,397,473	7,099,648	7,807,670	7,700,845	7,560,464	5,786,813
Unrestricted	4,831,580	6,596,515	7,696,661	9,247,627	9,133,171	11,529,567	12,546,736	13,543,550	12,779,193	11,708,653
Total government activities net position \$	43,599,113	\$ 46,580,027	\$ 47,286,975	\$ 48,543,239	\$ 52,909,388	\$ 55,230,386	\$ 56,969,817	\$ 57,480,199	\$ 60,419,057	\$ 59,671,553



**CITY OF BENBROOK, TEXAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

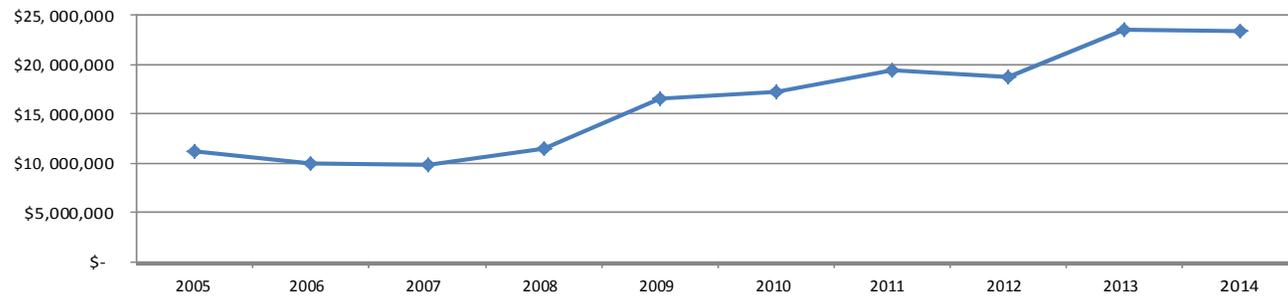
**TABLE 2**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities										
General Government	\$ 951,947	\$ 1,254,037	\$ 1,305,755	\$ 1,284,710	\$ 1,464,082	\$ 1,549,545	\$ 2,090,595	\$ 1,587,026	\$ 1,947,856	\$ 1,178,935
Staff Services	533,457	601,865	594,771	560,179	643,154	651,803	723,541	902,490	880,772	929,495
Public Safety	5,883,163	6,115,876	6,350,463	7,060,466	7,270,397	7,866,069	8,212,215	8,509,009	8,342,490	8,662,545
Public Services	3,380,073	3,517,751	3,375,662	3,936,346	3,972,265	3,921,689	3,906,368	1,598,830	4,831,947	6,945,037
Community Development	1,212,669	1,319,432	4,752,683	1,860,807	1,795,642	2,195,596	1,852,989	5,829,234	2,143,235	3,012,664
Interest on long-term debt	950,646	1,087,712	1,074,998	986,769	801,940	702,631	650,617	601,357	602,673	476,713
<b>Total Government Activities Expenses</b>	<b>\$ 12,911,955</b>	<b>\$ 13,896,673</b>	<b>\$ 17,454,332</b>	<b>\$ 15,689,277</b>	<b>\$ 15,947,480</b>	<b>\$ 16,887,333</b>	<b>\$ 17,436,325</b>	<b>\$ 19,027,946</b>	<b>\$ 18,748,973</b>	<b>\$ 21,205,389</b>
<b>Program Revenues</b>										
Governmental activities										
Fees, Fines and Service Charges										
Public Safety	\$ 648,982	\$ 687,244	\$ 886,089	\$ 1,073,810	\$ 1,019,741	\$ 1,063,768	\$ 1,111,548	\$ 1,350,782	\$ 1,433,182	\$ 1,427,145
Public Services	77,607	107,986	74,327	85,344	113,704	84,503	132,731	137,908	121,267	133,911
Community Development	488,802	448,695	328,988	305,281	196,081	390,771	237,613	1,216,885	1,205,136	1,310,196
Operating Grants and Contributions										
Public Safety	169,482	262,250	696,743	426,790	281,905	240,007	353,921	480,821	381,872	426,198
Community Development	-	-	-	-	-	-	27,176	-	-	-
Capital Grants and Contributions										
Public Service	824,198	1,120,002	2,194,428	10,500	150,393	-	-	50,000	-	-
General Government	-	-	-	-	-	-	-	-	-	588,669
Community Development	116,276	-	-	-	-	-	-	-	1,618,360	-
<b>Total Government Activities Program Revenues</b>	<b>2,325,347</b>	<b>2,626,177</b>	<b>4,180,575</b>	<b>1,901,725</b>	<b>1,761,824</b>	<b>1,779,049</b>	<b>1,862,989</b>	<b>3,236,396</b>	<b>4,759,817</b>	<b>3,886,119</b>
<b>Net Expenses Revenues</b>	<b>10,586,608</b>	<b>11,270,496</b>	<b>13,273,757</b>	<b>13,787,552</b>	<b>14,185,656</b>	<b>15,108,284</b>	<b>15,573,336</b>	<b>15,791,550</b>	<b>13,989,156</b>	<b>17,319,270</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes										
Ad Valorem	7,961,943	8,222,631	8,520,241	8,893,298	9,709,863	9,713,421	10,357,516	9,754,496	10,214,041	10,352,345
Franchise	1,208,004	1,295,434	1,284,974	1,382,773	1,371,366	1,319,418	1,429,023	1,503,002	1,535,138	1,648,597
Sales and Other	2,062,344	2,218,043	2,717,593	2,678,083	2,890,977	2,752,740	3,595,387	3,596,241	3,885,932	3,591,800
Use of Money and Proper	405,291	1,915,891	956,266	738,482	1,357,007	745,198	616,735	325,123	422,238	453,796
Miscellaneous	179,158	599,411	501,631	1,351,180	1,700,020	2,898,505	1,314,106	1,123,070	870,663	593,514
Gain on Sale of Property	-	-	-	-	1,522,572	-	-	-	-	86,909
<b>Total Governmental Activities</b>	<b>11,816,740</b>	<b>14,251,410</b>	<b>13,980,705</b>	<b>15,043,816</b>	<b>18,551,805</b>	<b>17,429,282</b>	<b>17,312,767</b>	<b>16,301,932</b>	<b>16,928,012</b>	<b>16,726,961</b>
<b>Changes in Net Position</b>	<b>\$ 1,230,132</b>	<b>\$ 2,980,914</b>	<b>\$ 706,948</b>	<b>\$ 1,256,264</b>	<b>\$ 4,366,149</b>	<b>\$ 2,320,998</b>	<b>\$ 1,739,431</b>	<b>\$ 510,382</b>	<b>\$ 2,938,856</b>	<b>\$ (592,309)</b>

**CITY OF BENBROOK, TEXAS  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 3**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Committed	\$ 291,143	\$ 286,906	\$ 258,047	\$ 260,915	\$ 280,285	\$ 296,192	\$ 248,266	\$ 225,122	\$ 225,122	\$ 225,122
Unassigned	4,556,216	5,268,507	6,109,484	7,078,989	8,336,815	8,898,053	9,612,401	9,579,220	8,714,624	8,580,080
Total General Fund	4,847,359	5,555,413	6,367,531	7,339,904	8,617,100	9,194,245	9,860,667	9,804,342	8,939,746	8,805,202
All Other Governmental Funds										
Restricted for										
Debt Service	225,184	302,468	532,877	756,371	1,244,091	1,227,839	1,058,901	750,049	445,101	225,304
Economic Development	841,058	1,187,808	845,105	523,715	3,465,716	3,394,278	4,468,300	4,900,954	5,616,422	5,601,174
City Promotions	224,213	275,622	348,632	429,188	480,199	470,642	404,073	362,809	339,049	422,190
Capital Projects	4,955,287	2,491,884	1,612,418	2,141,309	2,432,728	2,497,075	3,279,065	2,828,656	7,869,842	7,930,814
Public Safety	137,959	164,593	176,056	264,473	243,256	353,129	289,670		322,519	369,039
Total All Other Governmental Funds	6,383,701	4,422,375	3,515,088	4,115,056	7,865,990	7,942,963	9,500,009	8,842,468	14,592,933	14,548,521
Total Governmental Funds	\$ 11,231,060	\$ 9,977,788	\$ 9,882,619	\$ 11,454,960	\$ 16,483,090	\$ 17,137,208	\$ 19,360,676	\$ 18,646,810	\$ 23,532,679	\$ 23,353,723



**CITY OF BENBROOK, TEXAS  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

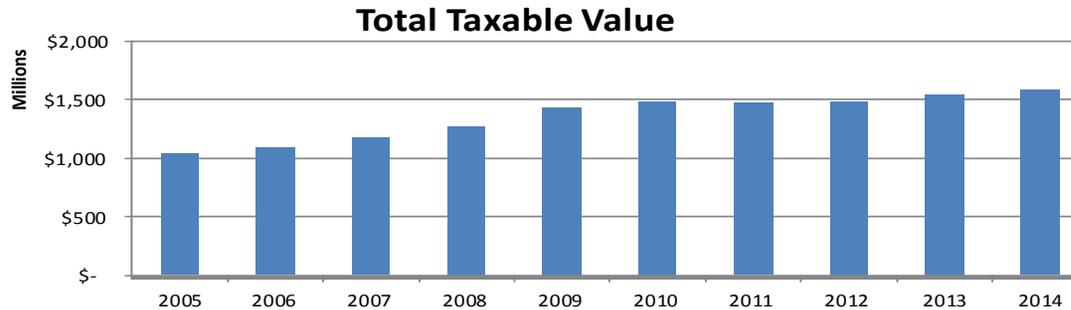
**TABLE 4**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes										
Property	\$ 7,953,643	\$ 8,221,572	\$ 8,497,777	\$ 8,932,091	\$ 9,695,791	\$ 9,718,302	\$ 10,336,036	\$ 9,759,726	\$ 10,165,031	\$ 10,302,584
Franchise	1,208,004	1,295,434	1,300,921	1,382,773	1,371,366	1,319,418	1,429,024	1,503,002	1,535,138	1,648,597
Sales & Other	2,062,344	2,218,043	2,701,646	2,678,083	2,890,977	2,752,740	3,595,387	3,596,241	3,885,932	3,591,800
Licenses, Permits & Filing Fees	488,408	457,800	342,494	305,281	232,347	417,846	286,802	307,408	273,945	316,355
Fines & Forfeitures	330,297	337,957	355,440	1,289,624	383,949	569,942	539,558	692,134	726,416	737,564
Use of Money & Property	412,746	1,923,856	1,011,348	738,482	1,357,007	745,198	616,735	325,123	422,238	453,796
Proceeds of Direct Financing Lease	196,651	196,651	196,651	196,651	216,736	216,736	216,736	216,736	216,736	181,067
Charges for Services	440,034	500,499	443,190	702,204	1,674,699	1,653,898	1,627,298	2,587,945	2,851,173	2,987,124
Proceeds for Sale of Assets	-	-	-	-	-	-	253,414	-	-	286,550
Other Revenues	1,050,197	1,216,755	1,341,404	1,043,206	6,856,518	1,423,107	754,512	1,054,488	519,811	616,282
Total General Fund	14,142,324	16,368,567	16,190,871	17,268,395	24,679,390	18,817,187	19,655,502	20,042,803	20,596,420	21,121,719
Expenditures										
Current										
General Government	913,863	1,097,214	1,201,745	1,264,919	1,424,706	1,503,778	1,754,020	1,568,134	1,811,138	1,942,429
Staff Services	527,709	596,116	594,771	558,139	626,836	630,154	722,288	901,844	883,219	922,443
Public Safety	5,681,172	5,864,454	6,116,359	6,658,770	6,822,906	7,300,123	8,011,591	8,131,574	8,176,121	8,104,906
Public Services	2,099,810	2,317,104	2,246,005	2,591,314	2,561,488	2,531,803	2,590,163	2,569,047	2,666,130	2,588,207
Community Development	674,942	737,509	1,006,407	1,062,249	1,066,595	1,107,774	1,244,803	2,701,481	1,484,970	2,687,441
Economic Development	336,887	451,418	590,356	767,868	613,041	1,024,493	405,754	760,978	650,953	503,408
Debt Service										
Principal	934,703	979,239	698,678	778,019	4,632,513	961,049	866,107	927,627	1,084,612	3,756,885
Interest & Other Fees	1,134,433	1,081,220	1,054,556	968,941	813,743	698,220	650,152	561,306	550,056	390,870
Debt Issuance Cost	-	-	-	35,000	-	-	55,505	30,000	-	74,190
Capital Outlay	2,819,233	3,809,395	2,777,163	1,876,422	1,037,122	2,019,914	455,757	1,696,106	3,158,977	4,081,122
Total Expenditures	15,122,752	16,933,669	16,286,040	16,561,641	19,598,950	17,777,308	16,756,140	19,848,097	20,466,176	25,051,901
Excess (deficiency) of Revenues Over Expenditures	(980,428)	(565,102)	(95,169)	706,754	5,080,440	1,039,879	2,899,362	194,706	130,244	(3,930,182)
Other Financing Sources (Uses)										
Issuance of Debt	2,500,000	540,000	-	1,035,000	-	-	-	-	-	1,175,000
Issuance of Refunding	5,840,000	-	-	-	-	-	2,755,000	1,280,000	-	2,635,000
Payments to Escrow Agent	(5,770,643)	-	-	-	-	-	(2,699,495)	-	-	(58,774)
Transfers-In	371,919	-	-	-	531,451	1,344,709	1,500,583	2,450,308	3,474,870	2,660,316
Transfers-out	(371,919)	-	-	-	(531,451)	(1,344,709)	(1,500,583)	(2,450,308)	(3,474,870)	(2,660,316)
Total Other Financing Sources (Uses)	2,569,357	540,000	-	1,035,000	-	-	55,505	1,280,000	-	3,751,226
Net Change in Fund Balance	1,588,929	(25,102)	(95,169)	1,741,754	5,080,440	1,039,879	2,954,867	1,474,706	130,244	(178,956)
Fund Balance – Beginning	9,642,131	11,231,060	11,205,958	11,110,789	12,852,543	17,932,983	18,972,862	21,927,729	23,402,435	23,532,679
Fund Balance – Ending	\$ 11,231,060	\$ 11,205,958	\$ 11,110,789	\$ 12,852,543	\$ 17,932,983	\$ 18,972,862	\$ 21,927,729	\$ 23,402,435	\$ 23,532,679	\$ 23,353,723
Debt Service as a percent of noncapital expenditures	16.82%	15.70%	12.98%	12.13%	29.34%	10.53%	9.64%	8.37%	9.45%	20.13%

**CITY OF BENBROOK, TEXAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

**TABLE 5**

Fiscal Year Ended	Estimated Market Value		Less Tax-Exempt Property	Total Taxable Value	Total Direct Tax Rate
	Real Property	Personal Property			
2005	\$ 1,044,181,883	\$ 87,693,914	\$ 95,044,191	\$ 1,036,831,606	0.7625 %
2006	1,112,371,077	88,059,934	107,273,421	1,093,157,590	0.7425
2007	1,252,140,342	93,038,620	170,436,568	1,174,742,394	0.7225
2008	1,314,118,549	129,433,797	169,308,770	1,274,243,576	0.6975
2009	1,429,118,940	175,230,858	171,547,624	1,432,802,174	0.6775
2010	1,470,752,176	188,524,973	178,309,881	1,480,967,268	0.6575
2011	1,430,861,362	216,248,075	178,304,105	1,468,805,332	0.6575
2012	1,445,176,355	216,061,202	176,678,326	1,484,559,051	0.6575
2013	1,470,898,772	261,120,194	180,578,931	1,551,440,035	0.6575
2014	1,500,773,950	265,059,132	183,991,663	1,582,702,196	0.6575

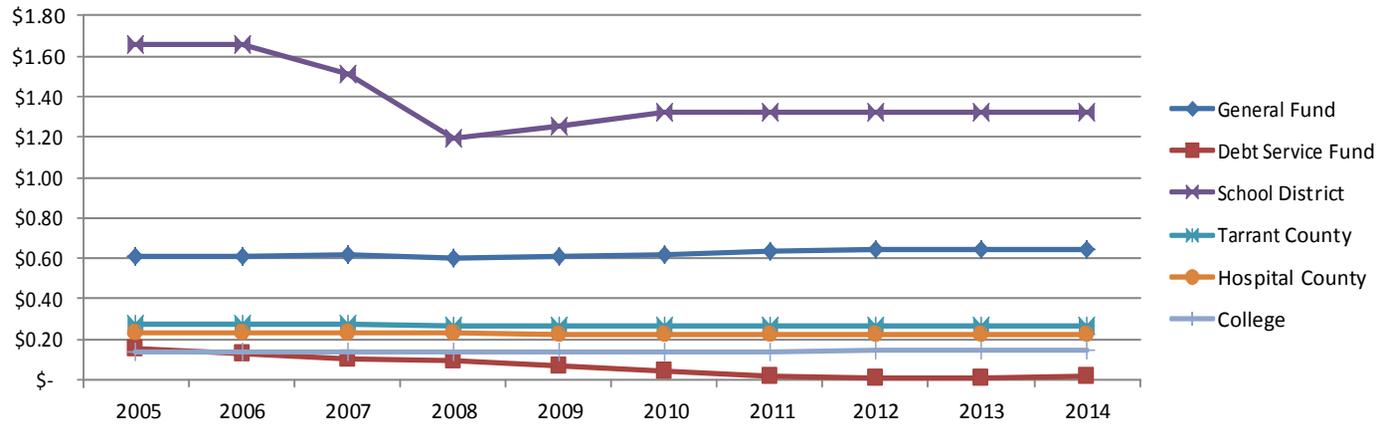


(1) Values taken from the certified tax roll prepared by the Tarrant Appraisal District  
 (2) Assessed Value is 100% of Estimated Market Value

**CITY OF BENBROOK, TEXAS  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 (PER \$100 OF ASSESSED VALUE)  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

**TABLE**

Fiscal Year Ended	City of Benbrook			Overlapping Rates				Totals
	General Fund	Debt Service Fund	City Total	Fort Worth School District	Tarrant County	Hospital County	College	
2005	\$ 0.608285	\$ 0.154215	\$ 0.762500	\$ 1.658000	\$ 0.272500	\$ 0.235397	\$ 0.139380	\$ 3.067777
2006	0.614180	0.128320	0.742500	1.654000	0.272500	0.235397	0.139380	3.043777
2007	0.615346	0.107154	0.722500	1.514000	0.271500	0.235397	0.139380	2.882777
2008	0.599070	0.098430	0.697500	1.190000	0.266500	0.230397	0.139380	2.523777
2009	0.608100	0.069400	0.677500	1.257000	0.264000	0.227897	0.137960	2.564357
2010	0.615165	0.042335	0.657500	1.322000	0.264000	0.227897	0.137670	2.609067
2011	0.636964	0.020536	0.657500	1.322000	0.264000	0.227897	0.137640	2.609037
2012	0.647500	0.010000	0.657500	1.322000	0.264000	0.227897	0.148970	2.620367
2013	0.647500	0.010000	0.657500	1.322000	0.264000	0.227897	0.148970	2.620367
2014	0.642500	0.015000	0.657500	1.322000	0.264000	0.227897	0.149500	2.620897



(1) Ft. Worth Independent School district serves the City  
 (2) Rates provided by the Tarrant Appraisal District

**CITY OF BENBROOK, TEXAS  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)**

**TABLE 7**

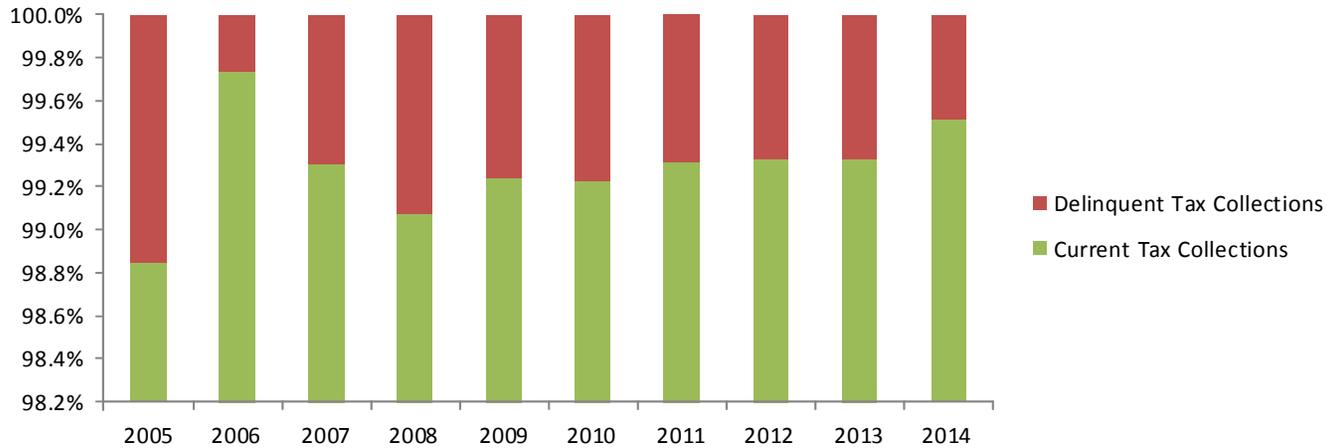
2014			2005		
Individual Accounts Taxpayer	Total Taxable Amount	Percent of Total Taxable Amount	Individual Accounts Taxpayer	Total Taxable Amount	Percent of Total Taxable Amount
Precision Energy Services Inc	\$ 77,503,234	4.90%	Precision Energy Services	\$ 35,611,141	3.43%
XTO Energy Inc	30,835,800	1.95%	Hsad Villas At Team Ranch	12,947,713	1.25%
SW Highland LLC	26,200,000	1.66%	Smallwood Summit Partners	12,071,376	1.16%
Weatherford US LP	25,110,495	1.59%	Apple Reit Limited Partnership	10,474,489	1.01%
Cordiel Victorian Quarters Etal	22,900,000	1.45%	TXU Electric Delivery	9,932,874	0.96%
Wal-mart Real Estate Bus Trust/St	19,688,622	1.24%	Highland Park Partners	9,245,428	0.89%
Gardner Denver Inc	16,651,054	1.05%	Pacific Reality Corp	8,804,572	0.85%
Oncor Electric Delivery Co LLC	15,368,721	0.97%	Heritage Greenwood Creek	6,910,868	0.67%
MB Copper Crossing LP	14,000,000	0.88%	Century Johnson Partners Lp	6,891,775	0.66%
Computalog USA Inc	11,206,039	0.71%	Texas Bay Bellaire Square Lp	6,857,200	0.66%
	\$ 259,463,965	16.39%		\$ 119,747,436	11.55%

(1) All information provided by the Tarrant Appraisal District

**CITY OF BENBROOK, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 8**

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Delinquent Tax Outstanding	Percent of Delinquent Tax To Tax Levy
2005	\$ 7,905,841	\$ 7,814,469	98.84%	\$ 91,372	\$ 7,905,841	100.00%	\$ 197,784	2.50%
2006	8,116,695	8,095,015	99.73%	21,680	8,095,015	100.00%	206,370	2.54%
2007	8,487,514	8,376,430	98.69%	58,824	8,435,254	99.38%	229,169	2.70%
2008	8,887,849	8,787,765	98.87%	82,263	8,870,028	99.80%	233,505	2.63%
2009	9,707,235	9,570,682	98.59%	73,410	9,644,092	99.35%	203,004	2.09%
2010	9,737,360	9,577,733	98.36%	75,047	9,652,780	99.13%	214,557	2.20%
2011	9,605,837	9,540,029	99.31%	66,198	9,606,227	100.00%	217,437	2.26%
2012	9,760,976	9,638,240	98.74%	64,599	9,702,839	99.40%	204,932	2.10%
2013	10,200,718	10,039,826	98.42%	67,327	10,107,153	99.08%	249,921	2.45%
2014	10,336,584	10,214,680	98.82%	49,501	10,264,181	99.30%	283,619	2.74%

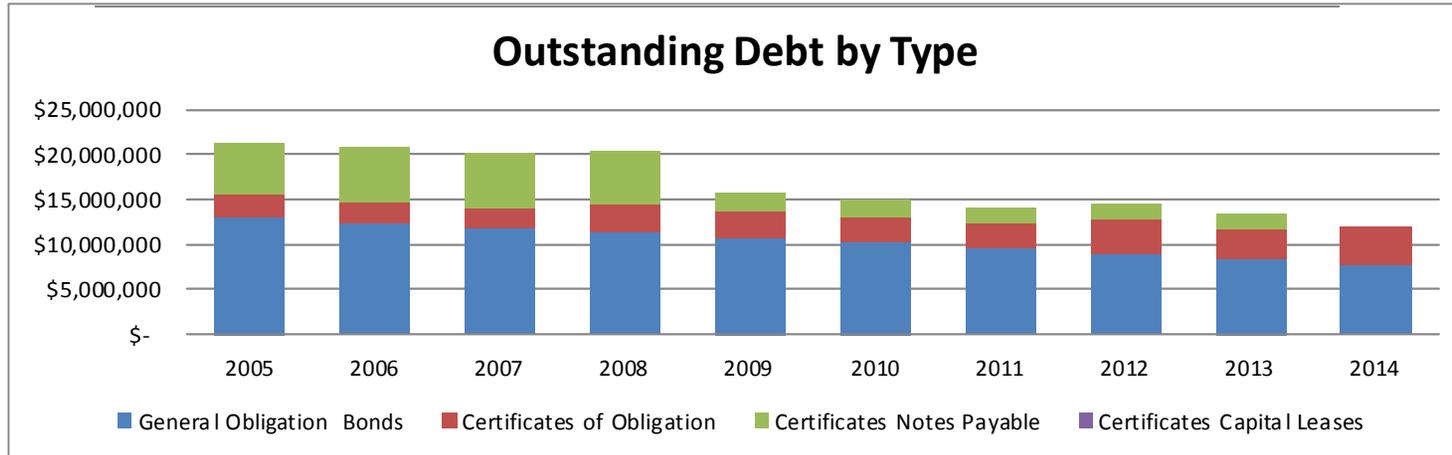


(1) All information from the Tarrant County Tax Assessor-Collector

**CITY OF BENBROOK, TEXAS  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 9**

Fiscal Year Ended	Governmental Activities				Percentage of Actual Taxable Value of Property	Percentage of Personal Income
	General Obligation Bonds	Certificates of Obligation	Notes Payable	Capital Leases		
2005	\$ 13,015,000	\$ 2,560,000	\$ 5,708,050	-	2.07%	3.06%
2006	12,300,000	2,375,000	6,168,782	-	2.05%	2.76%
2007	11,810,000	2,250,000	6,085,105	-	1.91%	2.43%
2008	11,290,000	3,115,000	5,997,086	-	1.71%	2.32%
2009	10,745,000	2,950,000	2,063,856	-	1.60%	1.63%
2010	10,175,000	2,780,000	1,842,807	-	1.10%	1.62%
2011	9,700,000	2,600,000	1,758,928	-	0.96%	1.46%
2012	9,055,000	3,695,000	1,661,301	-	0.97%	1.37%
2013	8,380,000	3,390,000	1,556,688	-	0.86%	1.20%
2014	7,700,000	4,245,000	-	-	0.77%	1.00%



- (1) Details on the City's outstanding debt can be found in the notes to the financial statements
- (2) Taxable property and population data is available in Table 5 and Table 13 respectively
- (3) Personal Income is from the BEA and is for the State of Texas

**CITY OF BENBROOK, TEXAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES – DEBT  
SEPTEMBER 30, 2014  
(UNAUDITED)**

**TABLE 10**

Jurisdiction	Debt Outstanding	Applicable to the City of Benbrook (f)	Estimated Share of Overlapping Debt
Fort Worth Independent School District (a) ( e)	\$ 751,435,072	5.43%	\$ 40,793,487
Tarrant County (b)	317,820,000	1.13%	3,455,859
Tarrant County Hospital District (c)	25,400,000	1.13%	871,019
Tarrant County College District (d)	15,485,000	1.13%	680,466
Overlapping Debt	1,110,140,072		45,800,831
City Direct Debt	7,700,000	100.00%	7,700,000
Direct & Overlapping Bonded Debt	<u>\$ 1,117,840,072</u>		<u>\$ 53,500,831</u>
Ratio of Overlapping Bonded Debt to Taxable Assessed Valuation		<u>4.13%</u>	
Per Capita Overlapping Bonded Debt		<u>\$ 2,448.55</u>	

(a) FWISD outstanding debt as of 6/30/2014 CAFR, footnote 9. See link on [http://www.fwisd.org/files/7CB6C/f84753792494c9413745a49013852ec4/Comprehensive Annual Financial Report Jun 2014.pdf](http://www.fwisd.org/files/7CB6C/f84753792494c9413745a49013852ec4/Comprehensive%20Annual%20Financial%20Report%20Jun%202014.pdf)

(b) Is the Total Outstanding Bonded Debt report in the "Tarrant County, Texas Notes to combined financial statements for the one (1) month ended 08/31/2014" as reported on [http://tcweb.tarrantcounty.com/eauditor/lib/eauditor/Financials\\_August\\_2014.pdf](http://tcweb.tarrantcounty.com/eauditor/lib/eauditor/Financials_August_2014.pdf) on 2/25/2015

(c) As reported in "The Local Government Annual Report 2013 by the Texas Bond Review Board for Fiscal Year Ended August 31, 2013" on page 75, table 8.3.

(d) Subtotal for the General Obligation Refunding bonds, Series 2001, 2004, and 2005 as listed in the Tarrant County College District, Texas CAFR For the Fiscal Years Ended August 31, 2014 and 2013 footnote 6, page 21 reported <http://www.tccd.edu/documents/Financial%20Information/2014%20CAFR.pdf>

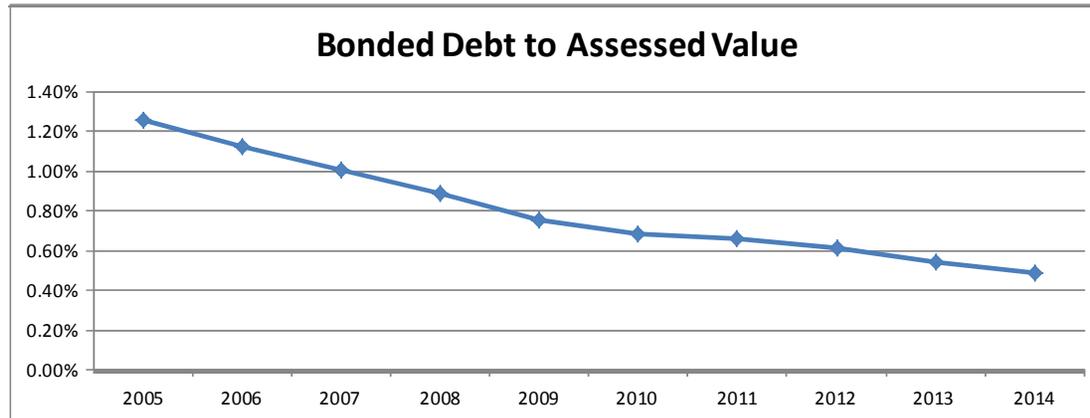
(e) Total number of students ending the 2013/2014 in the FWISD as reported by the Fort Worth Business Press at <http://fwbusinesspress.com/fwbp/article/1/6688/News-Categories-Education-and-Training/FWISD-opening-day-enrollment-higher-than-last-year.aspx>

(f) Benbrook's 4583 enrolled students and 21,850 population as reported "Benbrook, Texas...in brief" by the Community Development Department for June 2014. And Tarrant County population estimated to be 1,930,000 in 2014.

**CITY OF BENBROOK, TEXAS  
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 11**

Fiscal Year Ended	Estimated Population	Assessed Value	General Bonded Debt	Bonded Debt to Assessed Value	Bonded Debt per Capita
2005	20640	1,036,831,606	13,015,000	1.26%	631
2006	20727	1,093,157,590	12,300,000	1.13%	593
2007	20821	1,174,742,394	11,810,000	1.01%	567
2008	20925	1,274,243,576	11,290,000	0.89%	540
2009	21030	1,432,802,174	10,745,000	0.75%	511
2010	21234	1,480,967,268	10,175,000	0.69%	479
2011	21270	1,468,804,732	9,700,000	0.66%	456
2012	21360	1,484,559,051	9,055,000	0.61%	424
2013	21530	1,551,440,035	8,380,000	0.54%	389
2014	21850	1,582,702,196	7,700,000	0.49%	352



(1) Bonded debt includes only General Obligation bonded debt for each agency listed

(2) Percentage based on Benbrook's share of the county population and the share of the FWISD enrollment

(3) Personal Income is from the BEA and is for the State of Texas

NOTE: As a home rules city, the City of Benbrook is not limited on the amount of debt it may issue. The City Charter does not set a limit on the amount of property tax the City may levy.

**CITY OF BENBROOK, TEXAS  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

**TABLE 12**

Fiscal Year Ended	Estimated Population	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate
2005	20,640	\$ 35,690	4430	5.20%
2006	20,727	37,872	4502	4.60%
2007	20,821	40,303	4423	4.30%
2008	20,925	41,598	4592	5.00%
2009	21,030	43,820	4425	8.20%
2010	21,234	40,485	4430	8.00%
2011	21,270	41,462	4502	8.10%
2012	21,360	44,628	4423	6.10%
2013	21,530	46,136	4476	5.90%
2014	21,850	46,989	4583	5.90%

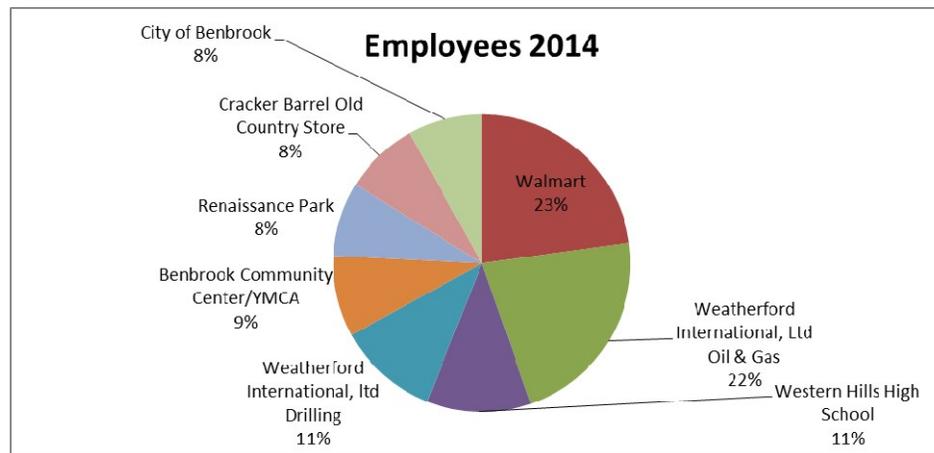
(1) Disposable Personal Income for Dallas-Fort Worth-Arlington Metro Area from Bureau of Labor Statistics  
 (2) School enrollment provided by the FWISD for Benbrook area schools only  
 (3) All information provided by the NCTCOG unless otherwise noted

**CITY OF BENBROOK, TEXAS  
PRINCIPAL EMPLOYERS  
SEPTEMBER 30, 2014  
(UNAUDITED)**

**TABLE 13**

2014			2005		
Employer	Employees	Percent of Total City Employment	Employer	Employees	Percent of Total City Employment
Walmart	311	5.40%	Fort Worth School District	370	8.15%
Weatherford International, Ltd Oil & Gas	298	5.18%	Computalog	208	4.58%
Western Hills High School	155	2.69%	RGIS	112	2.47%
Weatherford International, ltd Drilling	150	2.61%	Renaissance Park	110	2.42%
Benbrook Community Center/YMCA	120	2.08%	City of Benbrook	107	2.36%
Renaissance Park	110	1.91%	Albertson's Inc	100	2.20%
Cracker Barrel Old Country Store	110	1.91%	IHS of Benbrook	95	2.09%
City of Benbrook	110	1.91%	Benbrook Community Center/YMCA	70	1.54%
<b>Total</b>	<b>1,364</b>	<b>23.69%</b>		<b>1,172</b>	<b>25.81%</b>

(1) Local information provided by the various employers  
(2) Employers with multiple locations



**CITY OF BENBROOK, TEXAS  
LOCAL EMPLOYMENT INFORMATION  
SEPTEMBER 30, 2014  
(UNAUDITED)**

**TABLE 14**

Fiscal Year Ended	Ag	Construction	Manufacturing	Transportation & Storage	Wholesale	Retail	Services & Informatio n	Finance, Insurance, Real Estate	Oil/Gas & Utilities	Public Adm	TOTALS
<b>Establishments</b>											
2005	1	33	19	4	19	104	264	60	3	3	510
2006	1	35	20	3	19	89	282	59	5	3	516
2007	1	34	21	4	20	89	286	59	6	3	523
2008	1	31	24	5	17	87	285	62	7	3	522
2009	1	31	25	5	19	88	285	62	8	3	527
2010	1	30	25	6	19	72	282	61	7	3	506
2011	-	24	13	4	15	67	241	60	6	3	433
2012	1	27	38	7	15	72	286	67	6	4	523
2013	1	32	17	7	16	78	315	67	9	4	546
2014	1	33	16	7	16	87	334	71	10	4	579
<b>Levels</b>											
2005	2	187	385	41	171	508	2,562	408	129	147	4,540
2006	2	210	389	39	176	477	2,708	412	139	142	4,694
2007	2	197	393	40	178	478	2,788	407	141	142	4,766
2008	2	186	417	42	172	470	2,777	436	146	142	4,790
2009	2	157	415	41	177	489	2,752	436	151	142	4,762
2010	2	144	548	45	204	508	2,681	363	283	155	4,933
2011	-	188	501	39	118	497	3,128	354	119	159	5,103
2012	3	200	509	50	145	420	3,359	362	120	163	5,331
2013	3	229	505	41	146	412	3,491	349	419	163	5,758
2014	3	231	475	41	150	763	3,264	348	339	163	5,777

(1) Information provided by the survey of local employment

**CITY OF BENBROOK, TEXAS  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

**TABLE 15**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Function/Program</b>										
<b>General Government</b>										
City Manager	2	2	2	2	2	2	2	2	2	2
City Secretary	2	2	2	3	3	3	3	3	3	3
<b>Staff Services</b>										
Finance	3	3	3	2	2	2	2	2	2	3
Information Services	1	1	1	1	1	1	1	1	1	1
Budget & Research	1	1	1	1	1	1	1	1	1	-
<b>Public Safety</b>										
Police	49	49	49	53	52	52	52	52	52	52
Fire	12	12	16	16	16	16	16	16	16	16
Municipal Court	2	2	2	2	2	2	2	2	2	2
Code Compliance	-	-	-	-	1	1	1	1	1	1
<b>Public Services</b>										
Public Services	1	1	1	1	1	1	1	1	1	1
Public Works	9	9	9	8	8	8	8	8	8	8
Parks & Recreation	7	7	7	8	8	8	8	8	8	8
Support Services	4	4	4	4	4	4	4	4	4	4
City Engineering			1	2	2	2	2	2	2	2
<b>Community Development</b>										
Administration	1	1	1	1	1	1	1	1	1	1
Planning Services	2	2	2	2	2	2	2	2	2	2
City Inspection	4	4	4	3	3	3	3	3	3	3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>105</b>	<b>109</b>						

Source: City Budgets

**CITY OF BENBROOK, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 16**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Function/Program</b>										
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Licensed Officers	36	36	37	42	42	42	43	43	43	43
Police Reservist	3	3	3	3	3	3	3	3	3	3
Emergency Warning Sirens	6	6	6	6	6	6	6	6	6	6
<b>Fire (1)</b>										
Stations	3	1	1	1	1	1	1	1	1	1
Firefighters	36	36	36	36	36	36	38	38	38	38
Paramedics/EMT's	34	39	39	39	39	39	37	37	37	37
City Fire Support Unit Staff	21	21	21	21	21	21	21	21	21	21
Emergency Vehicles	19	19	19	19	19	20	16	16	16	16
<b>Public Works</b>										
Miles of Street	105	105	107	107	107	107	107	107	107	107
Number of Street Lights	914	1,156	1,210	1,210	1,210	1,213	1,213	1,213	1,213	1,213
<b>Parks &amp; Recreation</b>										
Parks	5	5	5	5	5	5	5	6	6	6
Acreage	272	272	272	272	272	272	272	272	272	272
Playgrounds	2	2	2	2	2	2	2	2	2	2
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Golf Courses	4	4	4	4	4	4	4	4	4	4
Lakes	1	1	1	1	1	1	1	1	1	1

Source: City Budgets

**CITY OF BENBROOK, TEXAS  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

**TABLE 17**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Fiscal Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio (1/2)	Unfunded Actuarial Liability (UAAL)	Annual Covered Payroll	UAAL as a Percentage of ACP (4/5)	City Contributions	Average City Funding Rate (7/5)
2005	\$ 12,977,206	\$ 16,738,637	77.53%	\$ 3,761,431	\$ 5,184,936	72.55%	\$ 788,533	15.21%
2006	13,749,491	18,212,572	75.49%	4,463,081	5,642,683	79.10%	827,431	14.66%
2007	15,059,570	20,049,353	75.11%	4,989,783	5,712,998	87.34%	815,429	14.27%
2008	14,320,124	22,747,235	62.95%	8,427,111	5,965,049	141.27%	894,959	15.00%
2009	16,162,052	25,019,393	64.60%	8,857,341	6,842,568	129.44%	1,055,515	15.43%
2010	18,522,260	27,874,592	66.45%	9,352,332	7,099,462	131.73%	1,297,750	18.28%
2011	28,492,939	36,389,302	78.30%	7,896,363	7,206,067	109.58%	1,242,754	17.25%
2012	31,182,753	38,870,254	80.22%	7,687,501	7,458,722	103.07%	1,383,739	18.55%
2013	34,098,398	41,300,845	82.56%	7,202,447	7,759,430	92.82%	1,436,217	18.51%
2014	36,569,728	44,776,343	81.67%	8,206,615	7,779,296	105.49%	1,425,203	18.32%

(1) Information provided by TMRS

