



**Comprehensive Annual
Financial Report**
October 1, 2010 - September 30, 2011
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
David L. Ragsdale, Finance Director



City of Benbrook, Texas
Comprehensive Annual Financial Report

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INTRODUCTORY SECTION





February 29, 2012

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, 2011. 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.

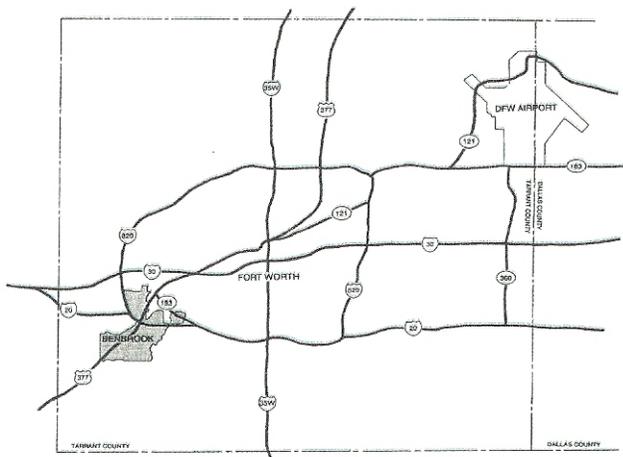
CITY PROFILE

Location

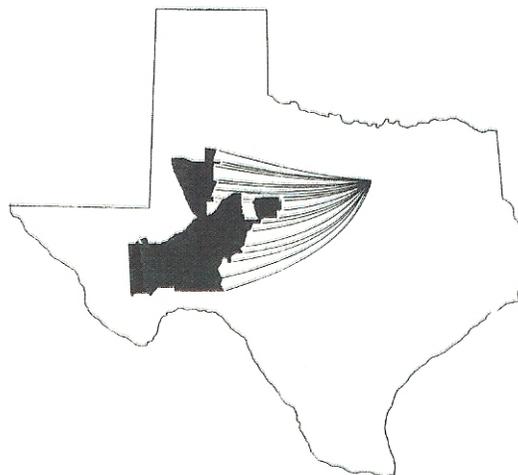
The City of Benbrook is located in Tarrant County, in the north central portion of the State of Texas. The City of Benbrook is located on the southwest side of the City of Fort Worth and is only thirty minutes from Dallas. The City covers approximately thirteen square miles. The 2000 Census set the population at 20,208, and the current estimate is 21,270.

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 annual budget and 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 2010-2011 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, and distributed monthly to City department and division managers. A financial summary is prepared for City Council to approve each month, with detail reports submitted once each quarter.

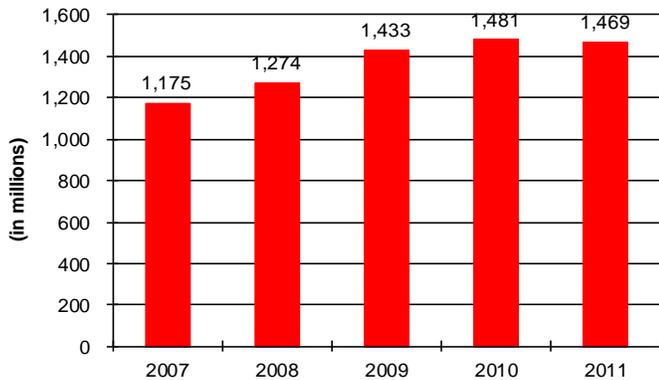
Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

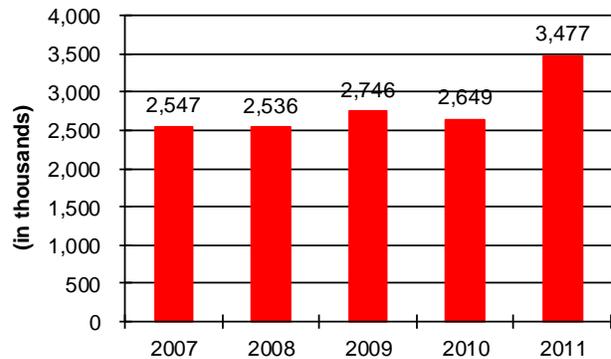
Summary of Local Economy

Although the national economy has slowed considerably, the State of Texas and particularly the Dallas/Fort Worth Metroplex has seen less of an impact. The City of Benbrook is located in southwest Tarrant County, where growth continued until this year. The City's tax base has grown an average of 7.3% 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 while residential construction has slowed in the last few years. While most area cities sales tax collections have declined at a double-digit rate over the last few years, Benbrook's sales tax increased 31.26% last year, among the best in the county.

Taxable Property Values



Sales Tax Collections



Economic Prospects for the Future

The City is currently in a commercial boom. Several new businesses opened last year and caused an immediate impact on the City as sales tax increased 31.26% from the prior year. Several more commercial developments are in the planning stage at this point and could open at some point in 2013 or 2014. The City also has several residential developments going at this time.

While the City's taxable property values decreased for the first time in many years, several positives could be found in the numbers. First, all but two Tarrant County cities saw their property values decrease last year. The City of Benbrook's value decreased less than 1%. Property values have bounced back and increased for the new year.

With the development that has already taken place and the planned new developments, we expect the City to be in an excellent position for the future.

Long-term Financial Planning

The City produces an award winning Comprehensive Capital Improvements Plan. The Plan 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 recently adopted Storm Drainage Fees. Other special projects will be taken on at the discretion of the City Council. These project will be financed by the Core Value Account (CVA) which gets 70% of new sales tax money and all money related to minerals. We do not expect any significant additional operating costs.

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 its investment policy in 1998. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral was held by either the City, its agent, or a financial institution's trust department in the City's name. 100% of the deposits and investments held by the City during the year and at September 30, 2011, 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 interest-bearing checking accounts (where permissible) with the City's depository.

Risk Management

The City partially self-insures for worker's compensation. Due to the size of the City, Council has chosen to purchase stop-loss policies. The maximum loss in any one-year period is \$500,000. In order to minimize this risk, City Council set up a reserve for Worker's Compensation. At year-end, the reserve balance was \$248,266. All other forms of risk are insured.

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, 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, 2010. This was the twenty-seventh 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, 2010. This award marked the twenty-third time the City has received this award. In order 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,

A handwritten signature in cursive script that reads "David L. Ragsdale". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

David L. Ragsdale
Finance Director

City of Benbrook, Texas
Principal Officials
September 30, 2011

ELECTED OFFICIALS

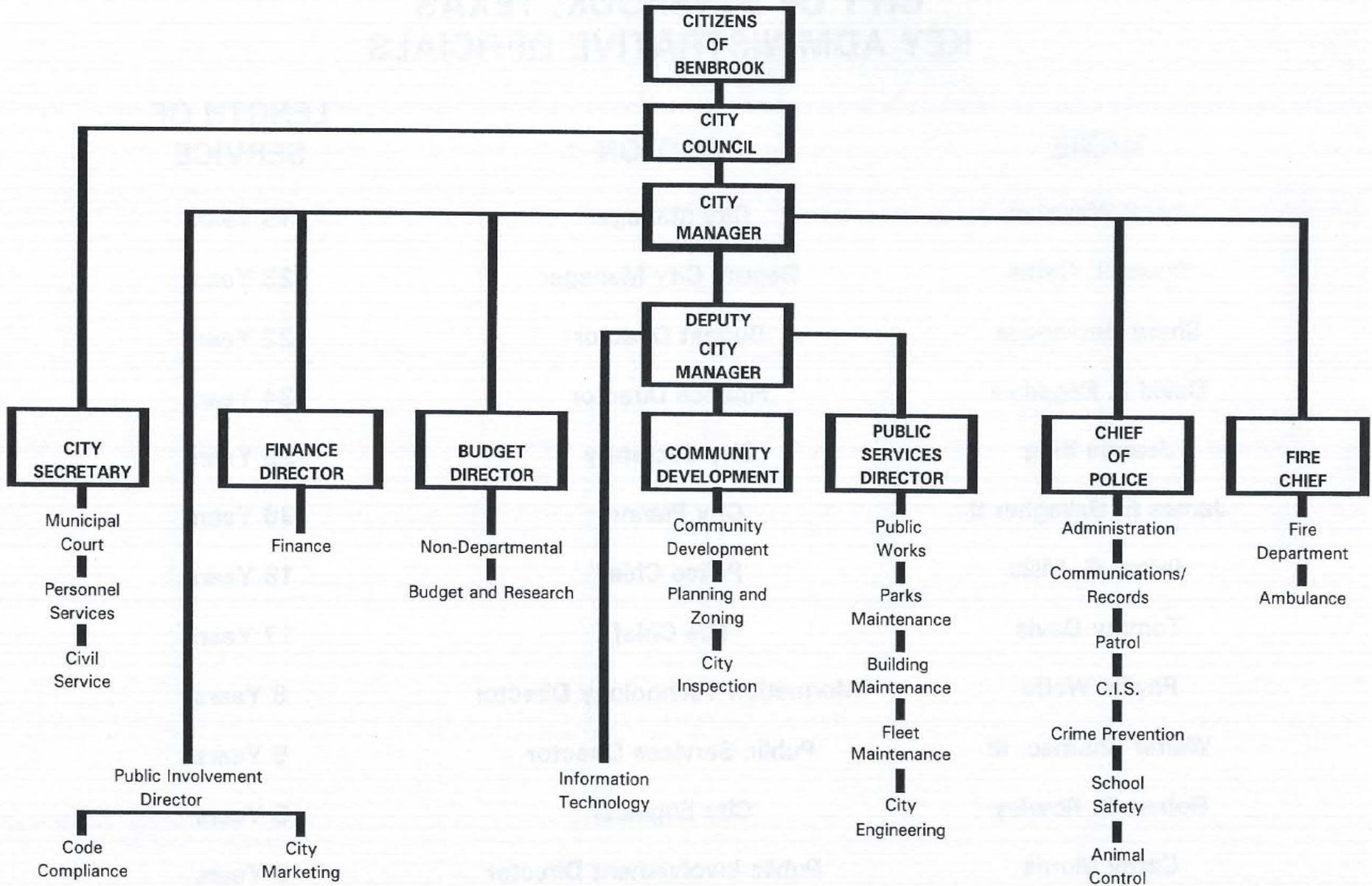
<u>Name of Individuals</u>	<u>Position</u>	<u>Term Expires (May)</u>	<u>Length of Service (in Years)</u>
Jerry B. Dittrich	Mayor Place 1	2013	19
Charlie Anderson	Councilman Place 2	2012	2
Dr. Larry Marshall	Councilman Place 3	2013	-
Rickie Allison	Mayor Pro Tem Place 4	2012	11
Jim Wilson	Councilman Place 5	2013	2
Mark Washburn	Councilman Place 6	2012	3
Ron Sauma	Councilman Place 7	2013	10

APPOINTED OFFICIALS

Andy Wayman	City Manager	15
Joanna King	City Secretary	37
James E. Gallagher	City Planner	35
David L. Ragsdale	Finance Director	34
David R. Gattis	Deputy City Manager	23
Sherri Newhouse	Budget Director	22
James G. Mills	Police Chief	18
Tommy Davis	Fire Chief	17
Ron Rainey	EDC Director	14
Phyllis Wolfe	Information Technology Director	7
Cathy Morris	Public Involvement Director	5
Walter Shumac	Public Services Director	4
Robert Rowley	City Engineer	4

CITY OF BENBROOK, TEXAS

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Benbrook
Texas

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

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



Linda C. Sandison

President

Jeffrey R. Evers

Executive Director



FINANCIAL SECTION





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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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 as of September 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the basic financial statements, the City implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

The Management's Discussion and Analysis and required supplementary information on pages 3 through 7 and 32 through 34, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 29, 2012

**CITY OF BENBROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2011
(Unaudited)**

As management of the City of Benbrook, we offer the readers of the City's financial statement this narrative overview of the financial activities of the City for the fiscal year ended September 30, 2011. 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 \$56,969,817 (net assets). Of this amount, \$12,546,736 (unrestricted net assets) 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 \$1,325,309 to \$47,961,120. The decrease was due to property that was sold by the EDC and normal depreciation.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,927,729. Over 43% of this total or \$9,412,401 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 \$9,612,401 or 68.76% of total general fund expenditures.
- Long-term debt decreased \$267,710.

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

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets 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.

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 twelve 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 - 31.

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 32 – 34.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. As of September 30, 2011 the City of Benbrook’s assets exceeded liabilities by \$56,969,817.

The largest portion of the City’s net assets (64.30%) 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 Assets

	<u>Governmental Activities</u>	
	2010	2011
Current and Other Assets	\$23,130,172	\$26,456,866
Capital Assets	49,286,429	47,961,120
Total Assets	72,416,601	74,417,986
Long-term Liabilities	16,656,384	16,388,674
Other Liabilities	529,831	1,059,495
Total Liabilities	17,186,215	17,448,169
Net Assets:		
Investment in Capital Assets (net of related debt)	36,601,171	36,615,411
Restricted	7,099,648	7,807,670
Unrestricted	11,529,567	12,546,736
Total Net Assets	\$55,230,386	\$56,969,817

An additional portion of the City’s net assets (14.21%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government’s ongoing obligations to citizens and creditors.

As of September 30, 2011, the City is able to report positive balances in all categories of net assets.

Analysis of City Operations – The following table provides a summary of the City's operations for the year ended September 30, 2011. Overall the City had an increase in net assets of \$1,739,431. This increase resulted from new business development and the additional sales tax brought in by that development.

City of Benbrook's Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2011</u>
<u>Revenues</u>		
Program Revenues:		
Fees, Fines & Service Charges	\$1,539,042	\$1,481,892
Operating Grants & Contributions	240,007	381,097
General Revenues:		
Ad Valorem Taxes	9,713,421	10,357,516
Franchise Taxes	1,319,418	1,429,023
Sales & Other Taxes	2,752,740	3,595,387
Use of Money & Property	745,198	616,735
Miscellaneous	<u>2,898,505</u>	<u>1,314,106</u>
Total Revenues	19,208,331	19,175,756
<u>Expenses</u>		
General Government	1,549,545	2,090,595
Staff Services	651,803	723,541
Public Safety	7,866,069	8,212,215
Public Services	3,921,689	3,906,368
Community Development	2,195,596	1,852,989
Interest on Long-term Debt	<u>702,631</u>	<u>650,617</u>
Total Expenditures	16,887,333	17,436,325
Increase in Net Assets	2,320,998	1,739,431
Net Assets – October 1	<u>52,909,388</u>	<u>55,230,386</u>
Net Assets – September 30	<u>\$55,230,386</u>	<u>\$56,969,817</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, unreserved 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 combined ending fund balances of \$21,927,729.

Revenues – Fees, Fines and Service charges as well as Grant Contributions were all lower due to the economy and the corresponding decrease in building related fees.

General Fund Highlights – The General Fund balance increased \$666,422 to \$9,860,667. Most of this increase resulted from new construction and a decrease in the debt portion of the property taxes due to a decrease in debt requirements. Other taxes increased due to additional sales tax. The City's Department Heads contributed to the increased ending balance by returning \$335,256 of their budgets.

Economic Development - The ending balance increased \$1,074,022 due to the sale of property.

Capital Projects - The TIF increased \$402,978 due to increased property values. The CVA increased \$731,399 due to additional mineral interest. The Storm Water account increased due to another year of storm water fees.

CAPITAL ASSETS

The City of Benbrook's investment in capital assets for its governmental activities as of September 30, 2011 amounts to \$47,961,120 (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:

- Sale of land by the EDC (\$334,537)
- Continued construction on four storm water drainage projects (\$400,998)
- Equipment purchases (\$198,301)

Capital Assets at Year End (net of accumulated depreciation)

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2011</u>
Land	\$ 1,193,255	\$ 858,718
ROW	9,821,372	9,821,372
Buildings	8,007,041	8,007,041
Infrastructure	70,043,668	70,043,668
Equipment	4,563,027	4,712,552
Construction in Progress	4,190,844	4,571,842
Accumulated Depreciation	<u>(48,532,778)</u>	<u>(50,054,073)</u>
Total	<u>\$49,286,429</u>	<u>\$47,961,120</u>

Additional information on the City of Benbrook's capital assets can be found in Note 3 beginning on page 21.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had total long term debt of \$13,932,760. Of this amount, \$9,700,000 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 and a note payable.

Outstanding Debt at Year End Bonds and Notes Payable

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2011</u>
General Obligations Bonds	\$10,175,000	\$ 9,700,000
Certificates of Obligation	2,780,000	2,600,000
Notes Payable	1,842,807	1,758,928
Deferred Loss on Refunding	<u>(67,893)</u>	<u>(126,168)</u>
Total	<u>\$14,729,914</u>	<u>\$13,932,760</u>

During the year, the City's total debt decreased by \$797,154. This decrease was due to the following:

- Refunding the balance of the 2002 Bonds
- Normal debt payments

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

	<u>Moody's Investor Service</u>	<u>Standard & Poor's</u>
General Obligation Bonds	Aa3	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 22 - 24 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2011-2012 budget, General Fund revenues are budgeted to increase by 5.21% from the 2010-2011 budget year. Sales and Other Taxes are responsible for the increase due to additional business development in the City. Expenditures are budgeted to increase by 15.82%. Certified assessed valuations increased 1.37% over the preceding year. Although this will be the first decrease in property valuation in several years, it was one of the three smallest decreases county-wide. We expect property values to rebound and increase again next year due to commercial development.

LONG-TERM PLANNING

The City produces an Annual Budget with 10 year financial projections. These projections are updated and re-evaluated each year during the budget process. In addition to this 10 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.



BASIC FINANCIAL STATEMENTS



**CITY OF BENBROOK, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

	Primary Government Governmental Activities
	<hr/>
ASSETS	
Deposits & Investments	\$ 22,228,700
Receivables (net of allowance for uncollectibles)	
Property Tax	247,865
Sales Tax	263,367
Special Assessments	23,947
Accounts	138,518
Net Investment in Direct Financing Lease (DFL)	2,600,226
Deferred Charges	156,178
Investment in Joint Venture	798,065
Capital Assets	
Land	858,718
ROW	9,821,372
Buildings	8,007,041
Infrastructure	70,043,668
Equipment	4,712,552
Construction in progress	4,571,842
Accumulated depreciation	<u>(50,054,073)</u>
Total Assets	<u>\$ 74,417,986</u>
LIABILITIES	
Accounts Payable & Other Accrued Liabilities	\$ 589,445
Accrued Interest Payable	29,381
Deposits	146,979
Deferred Revenue	293,690
Noncurrent Liabilities	
Due Within One Year	1,122,765
Due in More Than One Year	<u>15,265,909</u>
Total Liabilities	17,448,169
NET ASSETS	
Invested in Capital Assets (net of related debt)	36,615,411
Restricted for	
Debt Service	1,032,834
Economic Development	6,774,836
Unrestricted	<u>12,546,736</u>
Total Net Assets	<u>\$ 56,969,817</u>

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

**CITY OF BENBROOK, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2011**

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets Primary Government
		Fees, Fines & Charges For Services	Operating Grants & Contributions	Capital Grant & Contributions	
Governmental Activities					
General Government	\$ 2,090,595	\$ -	\$ -	\$ -	\$ (2,090,595)
Staff Services	723,541	-	-	-	(723,541)
Public Safety	8,212,215	1,111,548	353,921	-	(6,746,746)
Public Services	3,906,368	132,731	-	-	(3,773,637)
Community Development	1,852,989	237,613	27,176	-	(1,588,200)
Interest on long-term debt	650,617	-	-	-	(650,617)
Total Governmental Activities	\$ 17,436,325	1,481,892	381,097	-	(15,573,336)
General Revenues					
Taxes					
Ad Valorem					10,357,516
Franchise					1,429,023
Sales & Other					3,595,387
Use of Money & Property					616,735
Miscellaneous					1,314,106
Total General Revenues					17,312,767
Changes in Net Assets					1,739,431
Net Assets – Beginning					55,230,386
Net Assets – Ending					<u>\$56,969,817</u>

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

**CITY OF BENBROOK, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	<u>General</u>	<u>Economic Development</u>	<u>Debt Service</u>	<u>Capital Projects TIF</u>	<u>Capital Projects CVA</u>	<u>Capital Projects Stormwater</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Deposits & Investments	\$ 9,703,338	\$ 4,536,030	\$ 1,058,431	\$ 986,493	\$ 2,560,971	\$ 1,746,130	\$ 1,637,307	\$ 22,228,700
Receivables (net of allowances for uncollectibles)								
Property Tax	244,081	-	3,784	-	-	-	-	247,865
Sales Tax	175,802	87,565	-	-	-	-	-	263,367
Special Assessments	-	-	-	-	-	-	23,947	23,947
Accounts	94,249	38,187	-	-	6,082	-	-	138,518
Net Investment in Direct Financing Lease	-	2,600,226	-	-	-	-	-	2,600,226
Due From Other Funds	403,993	-	-	-	-	-	-	403,993
TOTAL ASSETS	<u>\$ 10,621,463</u>	<u>\$ 7,262,008</u>	<u>\$ 1,062,215</u>	<u>\$ 986,493</u>	<u>\$ 2,567,053</u>	<u>\$ 1,746,130</u>	<u>\$ 1,661,254</u>	<u>\$ 25,906,616</u>
LIABILITIES & FUND BALANCES								
Liabilities								
Accounts Payable & Accrued Liabilities	\$ 440,482	\$ 14,166	\$ -	\$ -	\$ -	\$ 19,404	\$ 115,393	\$ 589,445
Advance Payments & Deposits	106,563	-	-	-	-	-	40,416	146,979
Due to Other Funds	-	179,316	-	-	-	-	224,677	403,993
Deferred Revenues	213,751	2,600,226	3,314	-	-	-	21,179	2,838,470
Total Liabilities	760,796	2,793,708	3,314	-	-	19,404	401,665	3,978,887
Fund Balances (Deficit)								
Restricted								
Debt Service	-	-	1,058,901	-	-	-	-	1,058,901
Economic Development	-	4,468,300	-	-	-	-	-	4,468,300
City Promotions	-	-	-	-	-	-	404,073	404,073
Public Safety	-	-	-	-	-	-	289,670	289,670
Capital Projects	-	-	-	986,493	-	1,726,726	765,846	3,479,065
Committed								
Capital Projects	-	-	-	-	2,567,053	-	-	2,567,053
Worker's Comp	248,266	-	-	-	-	-	-	248,266
Unassigned	9,612,401	-	-	-	-	-	(200,000)	9,412,401
Total Fund Balances (Deficit)	9,860,667	4,468,300	1,058,901	986,493	2,567,053	1,726,726	1,259,589	21,927,729
TOTAL LIABILITIES & FUND BALANCES (DEFICIT)	<u>\$ 10,621,463</u>	<u>\$ 7,262,008</u>	<u>\$ 1,062,215</u>	<u>\$ 986,493</u>	<u>\$ 2,567,053</u>	<u>\$ 1,746,130</u>	<u>\$ 1,661,254</u>	<u>\$ 25,906,616</u>

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

**CITY OF BENBROOK, TEXAS
RECONCILIATION OF GOVERNMENT FUNDS
BALANCE SHEET TO STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2011**

Total fund balances – governmental funds \$ 21,927,729

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

Investment in joint venture is not a current financial resource and therefore is not reported in the governmental funds balance sheet. 798,065

Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 47,961,120

Costs associated with the issuance of governmental long-term debt are expensed when incurred in the fund statements and capitalized and amortized over the life of the debt in the government-wide financial statements. 156,178

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. (29,381)

Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements. 2,544,780

Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the fund financial statements. (15,167,318)

Accrued sick and vacation time does not require current financial resources and is not included on the governmental funds balance sheet. (1,221,356)

Net Assets of Governmental Activities \$ 56,969,817

CITY OF BENBROOK, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>General</u>	<u>Economic Development</u>	<u>Debt Service</u>	<u>Capital Projects TIF</u>	<u>Capital Projects CVA</u>	<u>Capital Projects Stormwater</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES								
Taxes								
Property	\$ 9,337,283	\$ -	\$ 300,526	\$ 698,227	\$ -	\$ -	\$ -	\$ 10,336,036
Franchise	1,403,584	-	-	-	-	-	25,440	1,429,024
Sales & Other	2,321,638	1,159,140	-	-	-	-	114,609	3,595,387
Licenses, Permits & Filing Fees	286,802	-	-	-	-	-	-	286,802
Fines & Forfeitures	508,680	-	-	-	-	-	30,878	539,558
Use of Money & Property	375,513	67,222	-	437	159,782	1,145	12,636	616,735
Proceeds of Direct Financing Lease	-	216,736	-	-	-	-	-	216,736
Charges for Services	707,646	-	-	-	-	919,652	-	1,627,298
Proceeds from Sale of Asset	-	253,414	-	-	-	-	-	253,414
Other Revenues	356,071	-	-	-	-	-	398,441	754,512
Total Revenues	<u>\$ 15,297,217</u>	<u>\$ 1,696,512</u>	<u>\$ 300,526</u>	<u>\$ 698,664</u>	<u>\$ 159,782</u>	<u>\$ 920,797</u>	<u>\$ 582,004</u>	<u>\$ 19,655,502</u>
EXPENDITURES								
Current								
General Government	\$ 1,525,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,752	\$ 1,754,020
Staff Services	722,288	-	-	-	-	-	-	722,288
Public Safety	7,895,665	-	-	-	-	-	115,926	8,011,591
Public Service	2,590,163	-	-	-	-	-	-	2,590,163
Community Development	1,025,505	-	-	92,892	-	-	126,406	1,244,803
Economic Development	-	405,754	-	-	-	-	-	405,754
Debt Service								
Bond Issuance Cost	-	-	55,505	-	-	-	-	55,505
Principal	-	91,107	775,000	-	-	-	-	866,107
Interest & Other Fees	-	125,629	524,200	323	-	-	-	650,152
Capital Outlay	201,059	-	-	-	-	95,842	158,856	455,757
Total Expenditures	<u>13,959,948</u>	<u>622,490</u>	<u>1,354,705</u>	<u>93,215</u>	<u>-</u>	<u>95,842</u>	<u>629,940</u>	<u>16,756,140</u>
Excess of Revenues Over (Under) Expenditures	<u>1,337,269</u>	<u>1,074,022</u>	<u>(1,054,179)</u>	<u>605,449</u>	<u>159,782</u>	<u>824,955</u>	<u>(47,936)</u>	<u>2,899,362</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from Refunding bond (face)	-	-	2,755,000	-	-	-	-	2,755,000
Payment to Escrow Agent	-	-	(2,699,495)	-	-	-	-	(2,699,495)
Transfers In	-	-	829,736	-	571,617	-	99,230	1,500,583
Transfers Out	(670,847)	-	-	(202,471)	-	(627,265)	-	(1,500,583)
Total Other Financing Sources (Uses)	<u>(670,847)</u>	<u>-</u>	<u>885,241</u>	<u>(202,471)</u>	<u>571,617</u>	<u>(627,265)</u>	<u>99,230</u>	<u>55,505</u>
Net Change in Fund Balance	666,422	1,074,022	(168,938)	402,978	731,399	197,690	51,294	2,954,867
Fund Balances – Beginning	9,194,245	3,394,278	1,227,839	583,515	1,835,654	1,529,036	1,208,295	18,972,862
Fund Balances (Deficit) - Ending	<u>\$ 9,860,667</u>	<u>\$ 4,468,300</u>	<u>\$ 1,058,901</u>	<u>\$ 986,493</u>	<u>\$ 2,567,053</u>	<u>\$ 1,726,726</u>	<u>\$ 1,259,589</u>	<u>\$ 21,927,729</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 ASSETS
OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Net change in fund balances – total governmental funds	\$ 2,954,867
Investments in joint venture reported in the statement of net assets does not require the use of current financial resources; therefore the current year net income or loss in the investment is not reported in the governmental funds.	(31,071)
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.	599,308
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.	(1,553,598)
Net book value of capital assets disposed.	(371,019)
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount includes principal paid on long term debt and accreted interest.	843,167
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.	15,252
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.	(62,659)
Amount set aside to cover the liability for OPEB/TMRS Supplemental Death Benefits	(466,785)
Certain revenues reported in the governmental funds are not reported in the government-wide statement of activities.	<u>(188,031)</u>
Net Change in Net Assets of Governmental Activities	<u>\$ 1,739,431</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 maintenance and operation 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), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable).

B. Financial Reporting Entity

As required by accounting principals 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. Complete financial statements for the individual component units may be obtained at the City's office.

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. All board members are appointed by the City Council. 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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Financial Reporting Entity – continued

It is management's opinion (the staff, City attorney and the independent auditor) 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 assets 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:

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 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 a bond issue with additional funding from stormwater fees. The fund balance is restricted for major stormwater projects.

CITY OF BENBROOK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Basis of Presentation – continued

The **Capital Project - 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 Project - CVA** is used to account for proceeds from natural gas leases, mineral interest and 70% of new sales tax proceeds. These funds will be use 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 liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. 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 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 all funds except for some Special Revenue 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 and Cash Investments are 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.

CITY OF BENBROOK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Cash and Investments - continued

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 market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

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	40 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 while employees with more than 5 years service earn 15 vacation 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) for the year ending September 30, 2011. 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.

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

In accordance with GASB 54, the City classifies governmental fund balances effective with its financial statements ended September 30, 2011, and thereafter 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.
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 construction.
 1. The aggregate fund balance of the Special Revenue Funds is legally restricted by the enabling legislation that created these funds.
 2. The fund balances of the remaining Capital Projects Funds (Non-Major) is 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 action recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. Examples include, but not limited to, City Council action regarding construction and capital expenditures. City Council must take action to commit funds 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.
 - 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.
 - 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.

I. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of September 30, 2011 consist of the following:

Deposits with financial institutions	\$ 13,323,763
Investments	<u>8,904,937</u>
	<u>\$22,228,700</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.

As of September 30, 2011 the City had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>WAM</u>
TexPool	\$ 6,039,179	46
TexSTAR	<u>2,865,758</u>	49
	<u>\$ 8,904,937</u>	

As of September 30, 2011 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 is 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	\$ 6,039,179	AAAm
TexSTAR	<u>2,865,758</u>	AAAm
	<u>\$ 8,904,937</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.

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

NOTE 2 – CASH AND INVESTMENTS – CONTINUED

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 not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments other than the following provision for deposits.

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.

As of September 30, 2011 the carrying amount of the City's cash on hand was \$11,290,151 and the bank balance was \$11,350,434. Of the bank balance, \$1,083,865 was covered by depository insurance while the remaining \$10,276,569 was covered by collateral with a value of \$15,229,173. This 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, 2011 was as follows:

	<u>Balance October 1</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance September 30</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,193,255	\$ -	\$ 334,537	\$ 858,718
ROW	9,821,372	-	-	9,821,372
Construction in Progress	<u>4,190,844</u>	<u>400,998</u>	<u>20,000</u>	<u>4,571,842</u>
Total capital assets not being depreciated	<u>15,205,471</u>	<u>400,998</u>	<u>354,537</u>	<u>15,251,932</u>
Capital assets being depreciated				
Buildings	8,007,041	-	-	8,007,041
Infrastructure	70,043,668	-	-	70,043,668
Equipment	<u>4,563,027</u>	<u>198,310</u>	<u>48,785</u>	<u>4,712,552</u>
Total capital assets being depreciated	<u>82,613,736</u>	<u>198,310</u>	<u>48,785</u>	<u>82,763,261</u>
Less accumulated depreciation				
Buildings	4,020,521	225,537	-	4,246,058
Infrastructure	42,511,169	1,065,256	-	43,576,425
Equipment	<u>2,001,088</u>	<u>262,805</u>	<u>32,303</u>	<u>2,231,590</u>
Total accumulated depreciation	<u>48,532,778</u>	<u>1,553,598</u>	<u>32,303</u>	<u>50,054,073</u>
Total capital assets being depreciated, net	<u>34,080,958</u>	<u>(1,355,288)</u>	<u>16,482</u>	<u>32,709,188</u>
Governmental activities capital assets, net	<u>\$49,286,429</u>	<u>\$ (954,290)</u>	<u>\$ 371,019</u>	<u>\$47,961,120</u>

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

	<u>Amount</u>
Governmental Activities	
General Government	\$ 16,932
Public Safety	250,780
Public Services	1,279,900
Community Development	3,462
Economic Development	<u>2,524</u>
Total Depreciation Expense – Governmental Activities	<u>\$1,553,598</u>

The City has active construction projects as of September 30, 2011. Total commitments for ongoing capital projects are composed of the following:

Drainage Improvements	\$3,997,133
Streets	459,953
Parks	<u>114,756</u>
Total outstanding commitments	<u>\$4,571,842</u>

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

NOTE 4 – LONG-TERM DEBT

At September 30, 2011, the City's bonds payable consisted of the following:

	<u>Governmental</u>
2002 G.O. bonds dated April 15, 2002, for street & drainage improvements, due in annual installments through February 1, 2013, interest rates of 4.40% to 7.40%	\$ 105,000
2004 G.O. bonds dated May 15, 2004, issued for drainage improvements, due in annual installments through February 1, 2025, interest rates of 4.30% to 5%	3,025,000
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% to 7%	3,815,000
2005 TIF bonds dated August 4, 2005, issued to sewer line and street improvements, due in annual installments through February 1, 2021, interest rate of 3.49%.	1,720,000
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%	880,000
2011 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%	<u>2,755,000</u>
Total Bonds Payable	<u>\$ 12,300,000</u>

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2011:

	Balance October 1	Increases	Decreases	Balance September 30	Due Within One Year
Governmental Type Activities					
General Obligation Bonds	\$ 10,175,000	\$ 2,755,000	\$ 3,230,000	\$ 9,700,000	\$ 645,000
Certificate of Obligation	2,780,000	-	180,000	2,600,000	185,000
Long Term Notes Payable	1,842,807	-	83,879	1,758,928	97,030
Compensated Absences	1,158,697	158,001	95,342	1,221,356	208,369
Net Pension Obligation	767,773	466,785	-	1,234,558	-
Deferred Loss on Refunding	(67,893)	(65,000)	(6,725)	(126,168)	(12,634)
Total Governmental Activities	<u>\$ 16,656,384</u>	<u>\$ 3,314,786</u>	<u>\$ 3,582,496</u>	<u>\$ 16,388,674</u>	<u>\$ 1,122,765</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.

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

NOTE 4 – LONG-TERM DEBT – CONTINUED

Long-term Notes Payable

The EDC has one long-term note for a building and land outstanding with a principal balance of \$1,758,928.

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.

Refunding Bonds

On August 9, 2011 the City issued \$2,755,000 in general obligation refunding bonds with an interest rate of 2.39% to refund \$2,635,000 of the 2002 general obligation bonds with maturities through February 2022 and interest rates between 4.45% and 5.00%. The refunding was undertaken to reduce the City's total debt service payments over the next 11 years by approximately \$305,905 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$255,315.

Annual requirements to amortize all debts outstanding as of September 30, 2011, are as follows:

General Obligation Bonds

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2012	\$ 645,000	\$ 346,155	\$ 991,155
2013	675,000	321,456	996,456
2014	705,000	296,549	1,001,549
2015	730,000	270,243	1,000,243
2016	760,000	243,474	1,003,474
2017	795,000	215,369	1,010,369
2018	820,000	186,140	1,006,140
2019	860,000	155,638	1,015,638
2020	890,000	123,678	1,013,678
2021	975,000	90,980	1,065,980
2022	1,020,000	57,292	1,077,292
2023	260,000	33,707	293,707
2024	275,000	20,734	295,734
2025	290,000	7,033	297,033
	<u>\$ 9,700,000</u>	<u>\$ 2,368,448</u>	<u>\$ 12,068,448</u>

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

NOTE 4 – LONG-TERM DEBT – CONTINUED

Certificate of Obligations

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2012	\$ 185,000	\$ 92,242	\$ 277,242
2013	190,000	85,478	275,478
2014	200,000	78,439	278,439
2015	210,000	71,037	281,037
2016	215,000	63,373	278,373
2017	225,000	55,434	280,434
2018	230,000	47,219	277,219
2019	240,000	38,729	278,729
2020	250,000	29,876	279,876
2021	255,000	20,761	275,761
2022	60,000	14,948	74,948
2023	60,000	12,524	72,524
2024	65,000	9,999	74,999
2025	70,000	7,272	77,272
2026	70,000	4,444	74,444
2027	75,000	1,515	76,515
	<u>\$ 2,600,000</u>	<u>\$ 633,290</u>	<u>\$ 3,233,290</u>

Notes Payable

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2012	\$ 97,030	\$ 119,706	\$ 216,736
2013	104,318	112,418	216,736
2014	111,819	104,917	216,736
2015	119,858	96,878	216,736
2016	128,224	88,512	216,736
2017	137,695	79,041	216,736
2018	147,596	69,140	216,736
2019	158,208	58,528	216,736
2020	169,447	47,289	216,736
2021	181,766	34,970	216,736
2022	194,835	21,901	216,736
2023	208,132	7,998	216,130
	<u>\$ 1,758,928</u>	<u>\$ 841,298</u>	<u>\$ 2,600,226</u>

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 revenues 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 (\$171,644) for the General Fund and (\$2,661) for the Debt Service Fund). 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), one of 833 administered by 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.

Each of the 833 municipalities has an annual, individual actuarial valuation performed. All assumptions for the December 31, 2010 valuations are contained in the 2010 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.

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.

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

NOTE 6 – PENSION PLAN – CONTINUED

Plan provisions for the City were as follows:

Deposit rate	7%
Matching ratio (City to employee)	2-1
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 actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over funded) actuarial liability (asset) over the remainder of the plan's 25 year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly.

Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2010 valuation is effective for rates beginning January 2012)

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

Annual Required Contribution (ARC)	\$ 1,613,172
Interest on Net Pension Obligation	38,338
Adjustment to the ARC	<u>(31,721)</u>
 Annual pension cost (APC)	 1,619,789
Contributions Made	<u>1,242,754</u>
 Increase (decrease) in Net Pension Obligation	 377,035
Net Pension Obligation (Asset), beginning of year	<u>511,179</u>
 Net Pension Obligation (Asset), end of year	 <u>\$ 888,214</u>

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructuring of the TMRS fund. This legislation provided for actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May 2011 meeting. For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report.

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

NOTE 6 – PENSION PLAN – CONTINUED

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

Valuation Date	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010 - Restructured</u>
Actuarial Cost Method	Project Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	30 years closed period	28 years closed period	27.2 years closed period
Asset Valuation Method	Amortized Cost	10 year Smooth Market	10 year Smooth Market
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.5%	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)	Percentage of APC Contribution	Net Pension Obligation
2009	\$1,274,089	82.85%	\$218,574
2010	1,436,341	79.63%	511,179
2011	1,613,172	77.04%	888,214

The restructured funded status as of December 31, 2010, the most recent actuarial valuation date, 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
12/31/2010	\$ 28,492,939	\$ 36,389,302	78.3%	\$ 7,896,363	\$7,206,067	109.6%

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

NOTE 6 – PENSION PLAN – CONTINUED

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) know as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January.

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 2010, 2009, 2008 were \$13,000, \$13,456, \$13,691, respectively, which equaled the required contributions each year.

NOTE 7 – COMMITMENTS

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 18.88 percent on residential and 10 percent on commercial collections.

NOTE 8 – INTERFUND ACTIVITY

Interfund receivables/payables consist of the following as of September 30, 2011.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Economic Development	\$ 179,316
General Fund	Other Governmental Funds	<u>224,677</u>
		<u>\$403,993</u>

Fund advances are primarily used as follows:

- The General Fund to Economic Development for payroll advances
- The General Fund to Other Governmental Funds for Rec Center construction and payroll advances

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

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.

The calculation of the Net OPEB Obligation as of September 30, 2011, is summarized below:

Annual Required Contribution (ARC)	\$ 89,750
Interest on Net Pension Obligation	-
Adjustments to the ARC	-
Annual Pension Cost (APC)	<u>89,750</u>
Contributions Made	<u>-</u>
Increase (decrease) in net pension obligation	89,750
Net Pension Obligation (Asset), beginning of year	<u>256,594</u>
 Net Pension Obligation (Asset), end of year	 <u>\$ 346,344</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, 2010 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Covered Payroll	AAL (UAAL)
12/31/2008	\$ -	\$128,297	0.0%	\$6,842,568	\$128,297
12/31/2009	-	256,594	0.0	7,099,462	256,594
12/31/2010	-	346,344	0.0	7,206,067	346,344

Since the insurance plan is essentially COBRA, the City does not believe any liability exists and therefore the City made no contributions and there is no separate report issued.

**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 includes 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	4.50%
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 – intermediate	9.00%
Inflation Rate	3.00%
Covered Payroll	\$7,206,067

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.

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 Limited Partnership 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 is responsible for the management and operation of the Partnership’s affairs.

The partnership agreement required the EDC to make a capital contribution of land valued at \$275,000. During 2011, the EDC voluntarily contributed an additional \$38,187 through the repayment of the partnership’s debt. The EDC may be required to contribute additional amounts to cover the partnership’s expenses but contributions are

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

NOTE 11 – JOINT VENTURE – CONTINUED

expected to decrease in the future as revenues increase. Complete financial statements can be obtained from the EDC at 911 Winscott Road, Benbrook, Texas.

The following is a summary of financial information of the joint venture at and for the year ended September 30, 2011:

Assets	\$ 1,092,125
Liabilities	<u>119,426</u>
Equity	<u>\$ 972,699</u>
Revenues	\$ -
Expenses	<u>38,622</u>
Net Loss	<u>\$ (38,622)</u>

NOTE 12 – INTERFUND TRANSFERS

All interfund transfers between various funds are approved supplements to the operations of those funds. Individual operating transfers for fiscal 2010 were as follows:

<u>Transfers-In</u>	<u>Transfers-Out</u>	<u>Purpose</u>	<u>Amount</u>
Debt Service	Capital Projects-Storm Water	Debt Repayment	\$627,265
Debt Service	Capital Projects-TIF	Debt Repayment	202,471
Capital Projects-CVA	General Fund	Special Projects	571,617
Capital Projects-Special Rev	General Fund	Special Projects	99,230

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>
12/31/2008	\$ 16,162,052	\$ 25,019,393	64.60%	\$ 8,857,341	\$ 6,842,568	129.44%
12/31/2009	18,522,260	27,874,592	66.45%	9,352,332	7,099,462	131.73%
12/31/2010	28,492,939	36,389,302	78.30%	7,896,363	7,206,067	109.60%

CITY OF BENBROOK, TEXAS
General Fund
Budgetary Comparison Schedule
Year Ended September 30, 2011

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,855,386	\$ 12,855,386	\$ 13,062,505	\$ 207,119
Licenses, Permits & Filing Fees	244,985	244,985	286,802	41,817
Fines & Forfeitures	380,500	380,500	508,680	128,180
Use of Money & Property	240,200	240,200	375,513	135,313
Charges for Services	703,280	703,280	707,646	4,366
Other Revenues	<u>301,520</u>	<u>301,520</u>	<u>356,071</u>	<u>54,551</u>
Total Revenues	\$ 14,725,871	\$ 14,725,871	\$ 15,297,217	\$ 571,346
Expenditures				
Current				
General Government	1,555,004	1,555,004	1,525,268	29,736
Staff Services	756,115	756,115	722,288	33,827
Public Safety	7,978,591	7,978,591	7,895,665	82,926
Public Services	2,754,571	2,754,571	2,590,163	164,408
Community Development	978,593	1,078,593	1,025,505	33,088
Capital Outlay	<u>131,380</u>	<u>192,330</u>	<u>201,059</u>	<u>(8,729)</u>
Total Expenditures	<u>14,154,254</u>	<u>14,315,204</u>	<u>13,959,948</u>	<u>335,256</u>
Excess of Revenues over (under) Expenditures	571,617	410,667	1,337,269	906,602
Other Financing Sources (Uses) Transfers Out	<u>(671,617)</u>	<u>(671,617)</u>	<u>(670,847)</u>	<u>20,770</u>
Excess of Revenues over (under) Expenditures & Other Financing Sources (Uses)	(100,000)	(260,950)	666,422	927,372
Fund Balance - Beginning	<u>9,194,245</u>	<u>9,194,245</u>	<u>9,194,245</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 9,094,245</u>	<u>\$ 8,933,295</u>	<u>\$ 9,860,667</u>	<u>\$ 927,372</u>

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 U. S. generally accepted accounting principles 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.

The Economic Development Corporation (EDC) is not required to legally adopt a budget. As a result, the budgetary comparison is not presented for the EDC.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS**

CITY OF BENBROOK, TEXAS
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2011

	Special Revenue Funds			Capital Projects Funds			Total Non-Major Governmental Funds	
	Hotel Motel Tax	PEG	Public Safety	Total Special Revenue	Buildings	Special Assessment		Total Capital Projects
Assets								
Deposits & Investments	\$ 445,537	\$ 27,277	\$ 289,590	\$ 762,404	\$ -	\$ 874,903	\$ 874,903	\$ 1,637,307
Receivables	2,688	-	80	2,768	-	21,179	21,179	23,947
Total Assets	\$ 448,225	\$ 27,277	\$ 289,670	\$ 765,172	\$ -	\$ 896,082	\$ 896,082	\$ 1,661,254
Liabilities & Fund Balances								
Liabilities								
Accounts Payable	\$ 46,752	\$ -	\$ -	\$ 46,752	\$ -	\$ 68,641	\$ 68,641	\$ 115,393
Advanced Payments & Deposits	-	-	-	-	-	40,416	40,416	40,416
Due to Other Funds	24,677	-	-	24,677	200,000	-	200,000	224,677
Deferred Revenues	-	-	-	-	-	21,179	21,179	21,179
Total Liabilities	71,429	-	-	71,429	200,000	130,236	330,236	401,665
Fund Balance								
Restricted								
City Promotions	376,796	27,277	-	404,073	-	-	-	404,073
Public Safety	-	-	289,670	289,670	-	-	-	289,670
Capital Projects	-	-	-	-	-	765,846	765,846	765,846
Unassigned								
Capital Projects	-	-	-	-	(200,000)	-	(200,000)	(200,000)
Total Fund Balances	376,796	27,277	289,670	693,743	(200,000)	765,846	565,846	1,259,589
Total Liabilities & Fund Balances	\$ 448,225	\$ 27,277	\$ 289,670	\$ 765,172	\$ -	\$ 896,082	\$ 896,082	\$ 1,661,254

CITY OF BENBROOK, TEXAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended September 30, 2011

	Special Revenue Funds				Capital Projects Funds			Total Non-Major Governmental Funds	
	Hotel Motel Tax	PEG	Public Safety	Total Special Revenue	Buildings	Special Assessment	Other		Total Capital Projects
Revenues									
Taxes	\$ 114,609	\$ 25,440	\$ -	\$ 140,049	\$ -	\$ -	\$ -	\$ -	\$ 140,049
Fines & Forfeitures	-	-	30,878	30,878	-	-	-	-	30,878
Use of Money & Property	10,886	-	1,750	12,636	-	-	-	-	12,636
Road Damage Assessment	-	-	-	-	-	108,684	-	108,684	108,684
Other Revenues	11,248	-	19,839	31,087	100,000	131,494	27,176	258,670	289,757
Total Revenues	<u>\$ 136,743</u>	<u>\$ 25,440</u>	<u>\$ 52,467</u>	<u>\$ 214,650</u>	<u>\$ 100,000</u>	<u>\$ 240,178</u>	<u>\$ 27,176</u>	<u>\$ 367,354</u>	<u>\$ 582,004</u>
Expenditures									
Current									
City Promotions	\$ 208,752	\$ 20,000	\$ -	\$ 228,752	\$ -	\$ -	\$ -	\$ -	\$ 228,752
Public Safety	-	-	115,926	115,926	-	-	-	-	115,926
Other	-	-	-	-	-	99,230	27,176	126,406	126,406
Capital Outlay	-	-	-	-	-	158,856	-	158,856	158,856
Total Expenditures	<u>208,752</u>	<u>20,000</u>	<u>115,926</u>	<u>344,678</u>	<u>-</u>	<u>258,086</u>	<u>27,176</u>	<u>285,262</u>	<u>629,940</u>
Excess of Revenues over (under) Expenditures	(72,009)	5,440	(63,459)	(130,028)	100,000	(17,908)	-	82,092	(47,936)
Other Financing Sources (Uses) Transfers In	-	-	-	-	-	99,230	-	99,230	99,230
Excess of Revenues & Other Sources Over (Under) Expenditures & Other (Uses)	(72,009)	5,440	(63,459)	(130,028)	100,000	81,322	-	181,322	51,294
Fund Balance - Beginning	448,805	21,837	353,129	823,771	(300,000)	684,524	-	384,524	1,208,295
Fund Balance - Ending	<u>\$ 376,796</u>	<u>\$ 27,277</u>	<u>\$ 289,670</u>	<u>\$ 693,743</u>	<u>\$ (200,000)</u>	<u>\$ 765,846</u>	<u>\$ -</u>	<u>\$ 565,846</u>	<u>\$ 1,259,589</u>



GENERAL FUND

Used to account for all revenues and expenditures except those required to be accounted for in another fund.

CITY OF BENBROOK, TEXAS
General Fund
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Deposits & investments		
Cash		
Cash	\$ 400	\$ 400
Super NOW accounts	3,112,628	2,441,651
Investments		
TEXPool	3,724,551	3,719,794
TexStar	2,865,759	2,862,044
Receivables		
Property taxes		
Real property	214,117	207,856
Penalty & interest	201,608	195,711
Uncollectible	(171,644)	(166,623)
Sales taxes	175,802	145,011
Accounts	94,249	18,007
Due from Other Funds		
EDC	179,316	19,864
CPF - Building Bonds	200,000	300,000
Special Revenue	24,677	20,641
	<u> </u>	<u> </u>
Total Assets	<u>\$ 10,621,463</u>	<u>\$ 9,764,356</u>
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts payable	\$ 424,602	\$ 282,984
Accrued liabilities		
Employee insurance	15,880	-
Advance payments & deposits		
Taxes	97,134	87,548
Other	9,429	9,742
Deferred revenue	213,751	189,837
	<u> </u>	<u> </u>
Total Liabilities	<u>760,796</u>	<u>570,111</u>
Fund Balances		
Committed		
For Worker's Compenation	248,266	296,192
Unassigned	9,612,401	8,898,053
	<u> </u>	<u> </u>
Total Fund Balances	<u>9,860,667</u>	<u>9,194,245</u>
	<u> </u>	<u> </u>
TOTAL LIABILITES & FUND BALANCES	<u>\$ 10,621,463</u>	<u>\$ 9,764,356</u>

CITY OF BENBROOK, TEXAS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Summary

For the Year Ended September 30, 2011

With Comparative Actual Amounts for September 30, 2010

	2011			Variance with Final Budget Positive or (Negative)	2010
	Budget Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues					
Taxes					
Property Taxes	\$9,344,751	\$9,344,751	\$ 9,337,283	\$ (7,468)	\$9,096,282
Franchise Taxes	1,307,000	1,307,000	1,403,584	96,584	1,296,232
Sales & Other Taxes	2,203,635	2,203,635	2,321,638	118,003	1,770,405
Licenses, Permits & Filing Fees					
Licenses	29,175	29,175	32,476	3,301	34,151
Permits & Filing Fees	215,810	215,810	254,326	38,516	383,695
Fines & Forfeitures	380,500	380,500	508,680	128,180	447,463
Use of Money & Property	240,200	240,200	375,513	135,313	407,070
Charges for Services					
Citizen Services	645,800	645,800	642,072	(3,728)	618,768
Recreation Services	44,760	44,760	48,283	3,523	49,418
Sale of Goods	12,720	12,720	17,291	4,571	8,740
Other Revenues	301,520	301,520	356,071	54,551	262,298
Total Revenues	14,725,871	14,725,871	15,297,217	571,346	14,374,522
Expenditures					
Current					
General Government	1,555,004	1,555,004	1,525,268	29,736	1,456,585
Staff Services	756,115	756,115	722,288	33,827	630,154
Public Safety	7,978,591	7,978,591	7,895,665	82,926	7,285,603
Public Services	2,754,571	2,754,571	2,590,163	164,408	2,531,803
Community Development	978,593	1,078,593	1,025,505	53,088	947,756
Capital Outlay	131,380	192,330	201,059	(8,729)	129,883
Total Expenditures	14,154,254	14,315,204	13,959,948	355,256	12,981,784
Excess of Revenues over (under)					
Expenditures	571,617	410,667	1,337,269	926,602	1,392,738
Other Financing Sources					
Transfers out	(671,617)	(671,617)	(670,847)	770	(815,593)
Total Other Financing Source Use:	(671,617)	(671,617)	(670,847)	770	(815,593)
Net Changes in Fund Balance	(100,000)	(260,950)	666,422	927,372	577,145
Fund Balance – Beginning	9,194,245	9,194,245	9,194,245	-	8,617,100
Fund Balance – Ending	\$9,094,245	\$8,933,295	\$ 9,860,667	\$ 927,372	\$9,194,245

CITY OF BENBROOK, TEXAS

(1 of 3)

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual – Detail**

For the Year Ended September 30, 2011

With Comparative Actual Amounts for September 30, 2010

	2011			Variance with Final Budget Positive or (Negative)	2010
	Budget Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues					
Current Property Taxes	\$9,304,751	\$9,304,751	\$9,271,314	\$ (33,437)	\$9,009,263
Delinquent Property Taxes	25,000	25,000	23,767	(1,233)	42,035
Penalty & Interest	15,000	15,000	42,202	27,202	44,984
Property Taxes	9,344,751	9,344,751	9,337,283	(7,468)	9,096,282
Electrical Franchise Tax	710,000	710,000	797,636	87,636	698,669
Gas Franchise Tax	62,000	62,000	64,534	2,534	71,274
Telephone Franchise Tax	135,000	135,000	115,664	(19,336)	135,657
Sanitation Franchise Tax	250,000	250,000	238,761	(11,239)	233,232
Cable Television Tax	150,000	150,000	186,989	36,989	157,400
Franchise Taxes	1,307,000	1,307,000	1,403,584	96,584	1,296,232
City Sales	2,200,000	2,200,000	2,318,281	118,281	1,766,241
Mixed Drinks Tax	3,500	3,500	3,302	(198)	3,986
Other	135	135	55	(80)	178
Sale & Other Taxes	2,203,635	2,203,635	2,321,638	118,003	1,770,405
Electrical	4,200	4,200	2,593	(1,607)	4,630
Plumbing	8,550	8,550	8,024	(526)	9,906
Other	16,425	16,425	21,859	5,434	19,615
Licenses	29,175	29,175	32,476	3,301	34,151
Building Permits	150,000	150,000	184,091	34,091	306,826
Alarm Permits	25,000	25,000	27,330	2,330	26,130
Electrical Permits	8,400	8,400	11,453	3,053	9,695
Plumbing Permits	14,250	14,250	15,963	1,713	17,017
Development Fee	11,200	11,200	150	(11,050)	11,180
Subdivision Filing Fees	1,600	1,600	2,314	714	2,469
Other	5,360	5,360	13,025	7,665	10,378
Permits & Filing Fees	215,810	215,810	254,326	38,516	383,695
Court Fines	200,000	200,000	265,860	65,860	226,776
Warrant Fees	20,500	20,500	14,670	(5,830)	20,565
Arrest Fee	20,000	20,000	22,180	2,180	22,731
Special Expense Fee	110,000	110,000	170,666	60,666	139,821
Other	30,000	30,000	35,304	5,304	37,570
Use of Money & Property	380,500	380,500	508,680	128,180	447,463
Interest on Investment	165,000	165,000	218,198	53,198	227,893
Other	75,200	75,200	157,315	82,115	179,177
Use of Money & Property	240,200	240,200	375,513	135,313	407,070
Ambulance Fee	600,600	600,600	569,172	(31,428)	585,338
Street Cut Charges	40,200	40,200	65,900	25,700	28,698
Other	5,000	5,000	7,000	2,000	4,732
Citizen Services	645,800	645,800	642,072	(3,728)	618,768

CITY OF BENBROOK, TEXAS

(2 of 3)

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual – Detail**

For the Year Ended September 30, 2011

With Comparative Actual Amounts for September 30, 2010

	2011			Variance with Final Budget Positive or (Negative)	2010
	Budget Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues					
Park Leases Fees	\$ 13,230	\$ 13,230	\$ 15,586	\$ 2,356	\$ 16,228
Park Usage Fees	31,530	31,530	32,697	1,167	33,190
Recreation Services	44,760	44,760	48,283	3,523	49,418
Certificates	2,600	2,600	3,717	1,117	3,073
Sale of Equipment	6,000	6,000	9,985	3,985	1,487
Other	4,120	4,120	3,589	(531)	4,180
Sale of Goods	12,720	12,720	17,291	4,571	8,740
Police Contract	33,000	33,000	62,473	29,473	53,989
Fire Service Contracts	150,000	150,000	226,291	76,291	185,468
Revenue from Other Agencies	100,550	100,550	12,690	(87,860)	550
Insurance Refunds	11,000	11,000	29,637	18,637	19,090
Other	6,970	6,970	24,980	18,010	3,201
Other Revenue	301,520	301,520	356,071	54,551	262,298
Total Revenues	\$ 14,725,871	\$ 14,725,871	\$ 15,297,217	\$ 571,346	\$ 14,374,522
Expenditures					
Current					
City Council	23,026	23,026	22,325	701	19,474
City Manager	327,882	327,882	340,007	(12,125)	310,031
City Secretary	375,741	375,741	370,048	5,693	306,111
Non-Departmental	828,355	828,355	792,888	35,467	820,969
General Government	1,555,004	1,555,004	1,525,268	29,736	1,456,585
Finance					
Accounting & Tax	302,809	302,809	281,747	21,062	265,015
Customer Services	66,064	66,064	62,133	3,931	57,143
Information Services	199,645	199,645	201,387	(1,742)	156,895
Personnel	29,000	29,000	29,717	(717)	13,760
Budget & Research	158,597	158,597	147,304	11,293	137,341
Staff Services	756,115	756,115	722,288	33,827	630,154
Police					
Administration	286,661	286,661	285,304	1,357	268,115
Services	810,161	810,161	760,624	49,537	780,386
Patrol	3,366,998	3,366,998	3,368,598	(1,600)	3,028,831
CIS	698,256	698,256	689,694	8,562	645,878
Crime Prevention	94,166	94,166	88,931	5,235	83,707
School Safety	30,149	30,149	28,966	1,183	26,587
Animal Control	117,297	117,297	134,575	(17,278)	109,903
Fire					
Fire Fighting	2,213,533	2,213,533	2,177,579	35,954	1,991,076
Ambulance	95,400	95,400	95,335	65	81,562
Municipal Court	184,253	184,253	181,995	2,258	171,745
City Compliance	81,717	81,717	84,064	(2,347)	97,813
Public Safety	7,978,591	7,978,591	7,895,665	82,926	7,285,603

CITY OF BENBROOK, TEXAS

(3 of 3)

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Detail**

For the Year Ended September 30, 2011

With Comparative Actual Amounts for September 30, 2010

	2011			Variance with Final Budget Positive or (Negative)	2010
	Budget Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Expenditures					
Administration	171,862	171,862	169,059	2,803	163,400
Street Maintenance	1,338,967	1,338,967	1,241,539	97,428	1,215,894
Park Maintenance	773,632	773,632	746,383	27,249	706,796
Support Services				-	
Garage	210,856	210,856	195,121	15,735	219,705
Building Maintenance	259,254	259,254	238,061	21,193	226,008
Public Services	2,754,571	2,754,571	2,590,163	164,408	2,531,803
Administration	225,315	325,315	322,150	3,165	257,509
Planning & Zoning	220,530	220,530	205,820	14,710	205,224
City Inspection	278,574	278,574	263,349	15,225	262,287
Engineering Services	254,174	254,174	234,186	19,988	222,736
Community Development	978,593	1,078,593	1,025,505	53,088	947,756
Capital Outlay	131,380	192,330	201,059	(8,729)	129,883
Total Expenditures	14,154,254	14,315,204	13,959,948	355,256	12,981,784
Excess of Revenues over (under) Expenditures	571,617	410,667	1,337,269	926,602	1,392,738
Other Financing Sources (Uses)					
Transfers Out	(671,617)	(671,617)	(670,847)	770	(815,593)
Total Other Financing Sources (Uses)	(671,617)	(671,617)	(670,847)	770	(815,593)
Net Changes in Fund Balance	(100,000)	(260,950)	666,422	927,372	577,145
Fund Balance - Beginning	9,194,245	9,194,245	9,194,245	-	8,617,100
Fund Balance - Ending	\$ 9,094,245	\$ 8,933,295	\$ 9,860,667	\$ 927,372	\$ 9,194,245

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
Debt Service Fund
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Deposits & investments		
Super NOW account	\$ 1,058,431	\$ 1,226,320
Receivables		
Property taxes		
Real Property	3,319	6,701
Penalty & Interest	3,126	6,312
Uncollectible	(2,661)	(5,374)
Due from Capital Projects - TIF	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,062,215</u>	<u>\$ 1,233,959</u>
LIABILITIES & FUND BALANCES		
Liabilities		
Deferred Revenue	<u>3,314</u>	<u>6,120</u>
Total Liabilities	<u>3,314</u>	<u>6,120</u>
Fund Balances		
Restricted		
For Debt Service	<u>1,058,901</u>	<u>1,227,839</u>
Total Fund Balances	<u>1,058,901</u>	<u>1,227,839</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 1,062,215</u>	<u>\$ 1,233,959</u>

CITY OF BENBROOK, TEXAS

Debt Service

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual**

For the Year Ended September 30, 2011

With Comparative Actual Amounts for September 30, 2010

	2011			Variance with Final Budget Positive or (Negative)	2010
	Budget Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues					
Property Taxes					
Current Property Tax	\$ 300,000	\$ 300,000	\$ 298,169	\$ (1,831)	\$ 609,104
Delinquent Property Tax	-	-	1,018	1,018	10,191
Penalty & Interest	-	-	1,339	1,339	2,725
Total Revenues	300,000	300,000	300,526	526	622,020
Expenditures					
Principal					
General Obligation Bonds	245,000	245,000	245,000	-	230,000
Certificate of Obligation	530,000	530,000	530,000	-	340,000
Long-term Notes	3,880	3,880	-	3,880	136,026
Principal	778,880	778,880	775,000	3,880	706,026
Interest					
General Obligation Bonds	282,318	282,318	282,318	-	294,807
Certificate of Obligation	238,082	238,082	238,082	-	152,301
Long-term Notes	8,300	13,524	-	13,524	10,131
Interest	528,700	533,924	520,400	13,524	457,239
Other					
Bond Issuance Cost	-	55,505	55,505	-	152,301
Fiscal Changes	5,100	5,100	3,800	1,300	4,123
Other	5,100	60,605	59,305	1,300	156,424
Total Expenditures	1,312,680	1,373,409	1,354,705	18,704	1,167,388
Excess of Revenues over (under) Expenditures	(1,012,680)	(1,073,409)	(1,054,179)	19,230	(545,368)
Other Financing Sources (Uses)					
Proceeds from Refunding	-	2,755,000	2,755,000	-	294,807
Payments to Refunding Escrow	-	(2,699,495)	(2,699,495)	-	152,301
Transfers In	553,953	553,953	829,736	275,783	529,116
Total Other Financing Sources (Uses)	553,953	609,458	885,241	275,783	529,116
Net Changes in Fund Balance	(458,727)	(463,951)	(168,938)	295,013	(16,252)
Fund Balance - Beginning	1,227,839	1,227,839	1,227,839	-	1,244,091
Fund Balance - Ending	\$ 769,112	\$ 763,888	\$ 1,058,901	\$ 295,013	\$ 1,227,839



STATISTICAL SECTION

(Unaudited)

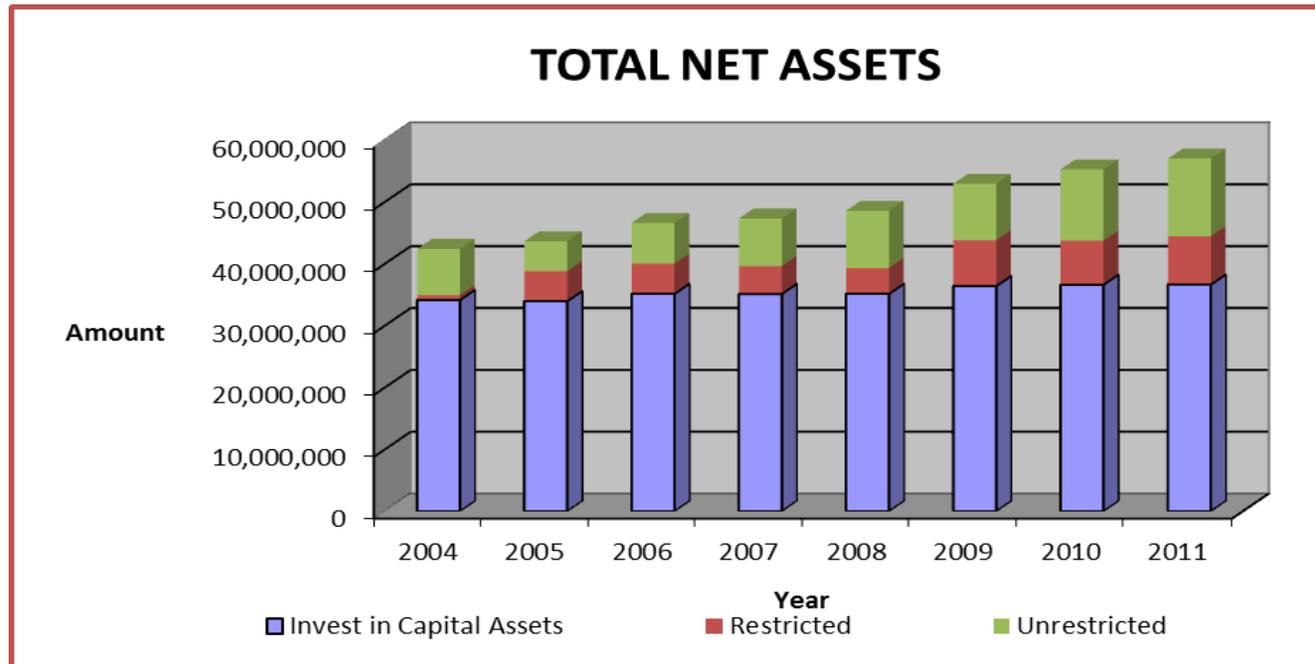
The City of Benbrook's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

		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.	44-47
Revenue Capacity	These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	48-51
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.	52-55
Demographic & Economic Indicators	These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities takes place.	56-58
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.	59-60
Additional Information	Additional information the government has included to help give the reader a better understanding of the government.	61

CITY OF BENBROOK, TEXAS
Net Assets by Component
Last Eight Fiscal Years
(Unaudited)

Table 1

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Investment in capital assets (net of related debt)	\$ 34,123,227	\$ 33,940,524	\$ 35,131,149	\$ 35,105,138	\$ 35,121,433	\$ 36,378,744	\$ 36,601,171	\$ 36,615,411
Restricted	770,966	4,827,009	4,852,363	4,485,176	4,174,179	7,397,473	7,099,648	7,807,670
Unrestricted	7,474,788	4,831,580	6,596,515	7,696,661	9,247,627	9,133,171	11,529,567	12,546,736
Total government activities net assets	<u>\$ 42,368,981</u>	<u>\$ 43,599,113</u>	<u>\$ 46,580,027</u>	<u>\$ 47,286,975</u>	<u>\$ 48,543,239</u>	<u>\$ 52,909,388</u>	<u>\$ 55,230,386</u>	<u>\$ 56,969,817</u>



(1) The City first applied GASB 34 in the fiscal year ended 9/30/04; therefore government-wide financial information for years prior are not available

CITY OF BENBROOK, TEXAS
Changes in Net Assets
Last Eight Fiscal Years
(Unaudited)

Table 2

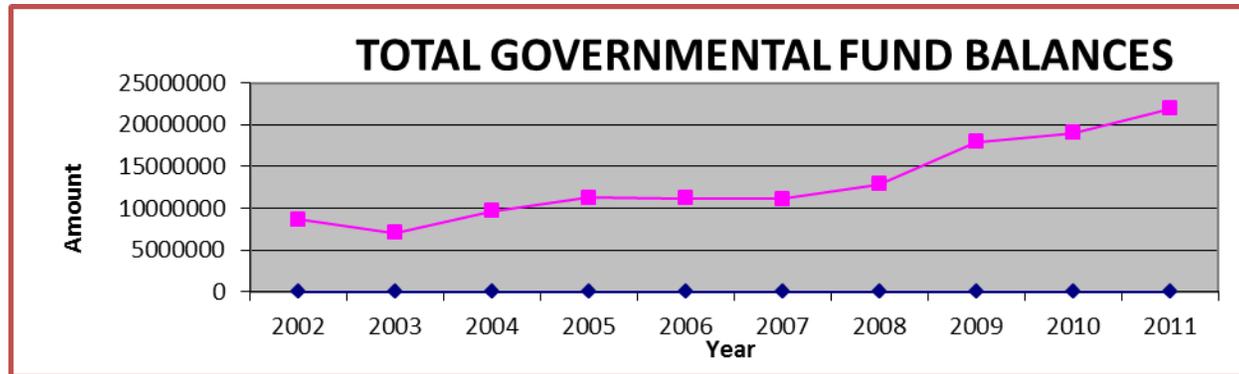
	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities								
General Government	\$ 862,934	\$ 951,947	\$ 1,254,037	\$ 1,305,755	\$ 1,284,710	\$ 1,464,082	\$ 1,549,545	\$ 2,090,595
Staff Services	509,277	533,457	601,865	594,771	560,179	643,154	651,803	723,541
Public Safety	5,517,531	5,883,163	6,115,876	6,350,463	7,060,466	7,270,397	7,866,069	8,212,215
Public Services	3,350,771	3,380,073	3,517,751	3,375,662	3,936,346	3,972,265	3,921,689	3,906,368
Community Development	1,149,374	1,212,669	1,319,432	4,752,683	1,860,807	1,795,642	2,195,596	1,852,989
Interest on long-term debt	807,449	950,646	1,087,712	1,074,998	986,769	801,940	702,631	650,617
Total Government Activities Expenses	<u>\$12,197,336</u>	<u>\$12,911,955</u>	<u>\$13,896,673</u>	<u>\$17,454,332</u>	<u>\$15,689,277</u>	<u>\$15,947,480</u>	<u>\$16,887,333</u>	<u>\$17,436,325</u>
Program Revenues								
Governmental activities								
Fees, Fines & Service Charges								
Public Safety	627,462	648,982	687,244	886,089	1,073,810	1,019,741	1,063,768	1,111,548
Public Services	70,692	77,607	107,986	74,327	85,344	113,704	84,503	132,731
Community Development	489,906	488,802	448,695	328,988	305,281	196,081	390,771	237,613
Operating Grants/Contributions								
Public Safety	132,709	169,482	262,250	696,743	426,790	281,905	240,007	353,921
Community Development	-	-	-	-	-	-	-	27,176
Capital Grants/Contributions								
Public Service	1,685,264	824,198	1,120,002	2,194,428	10,500	150,393	-	-
Community Development	95,900	116,276	-	-	-	-	-	-
Total Government Activities Program Revenues	<u>3,101,933</u>	<u>2,325,347</u>	<u>2,626,177</u>	<u>4,180,575</u>	<u>1,901,725</u>	<u>1,761,824</u>	<u>1,779,049</u>	<u>1,862,989</u>
Net Expenses over Revenues	<u>9,095,403</u>	<u>10,586,608</u>	<u>11,270,496</u>	<u>13,273,757</u>	<u>13,787,552</u>	<u>14,185,656</u>	<u>15,108,284</u>	<u>15,573,336</u>
General Revenues & Other Changes in Net Assets								
Governmental Activities								
Taxes								
Ad Valorem	7,381,749	7,961,943	8,222,631	8,520,241	8,893,298	9,709,863	9,713,421	10,357,516
Franchise	1,307,969	1,208,004	1,295,434	1,284,974	1,382,773	1,371,366	1,319,418	1,429,023
Sales & Other	1,920,511	2,062,344	2,218,043	2,717,593	2,678,083	2,890,977	2,752,740	3,595,387
Use of Money & Proper	209,339	405,291	1,915,891	956,266	738,482	1,357,007	745,198	616,735
Miscellaneous	72,795	179,158	599,411	501,631	1,351,180	1,700,020	2,898,505	1,314,106
Gain on Sale of Property	-	-	-	-	-	1,522,572	-	-
Total Governmental Activities	<u>10,892,363</u>	<u>11,816,740</u>	<u>14,251,410</u>	<u>13,980,705</u>	<u>15,043,816</u>	<u>18,551,805</u>	<u>17,429,282</u>	<u>17,312,767</u>
Changes in Net Assets	<u>\$ 1,796,960</u>	<u>\$ 1,230,132</u>	<u>\$ 2,980,914</u>	<u>\$ 706,948</u>	<u>\$ 1,256,264</u>	<u>\$ 4,366,149</u>	<u>\$ 2,320,998</u>	<u>\$ 1,739,431</u>

(1) The City first applied GASB 34 in the fiscal year ended 9/30/04; therefore government-wide financial information for years prior are not available

CITY OF BENBROOK, TEXAS
Fund Balances – Governmental Funds
Last Ten Fiscal Years
(Unaudited)

Table 3

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Committed										
Workers Compensation	\$ 295,394	\$ 324,816	\$ 305,830	\$ 291,143	\$ 286,906	\$ 258,047	\$ 260,915	\$ 280,285	\$ 296,192	\$ 248,266
Capital Projects	-	-	-	-	1,228,170	1,228,170	1,397,581	1,449,893	1,835,654	2,567,053
Unassigned	<u>3,557,801</u>	<u>3,658,409</u>	<u>4,029,061</u>	<u>4,556,216</u>	<u>5,268,507</u>	<u>6,109,484</u>	<u>7,078,989</u>	<u>8,336,815</u>	<u>8,898,053</u>	<u>9,612,401</u>
Total General Fund	<u>3,853,195</u>	<u>3,983,225</u>	<u>4,334,891</u>	<u>4,847,359</u>	<u>6,783,583</u>	<u>7,595,701</u>	<u>8,737,485</u>	<u>10,066,993</u>	<u>11,029,899</u>	<u>12,427,720</u>
All Other Governmental Funds										
Restricted										
Debt Service	141,997	170,447	199,187	225,184	302,468	532,877	756,371	1,244,091	1,227,839	1,058,901
Economic Development	632,205	781,695	309,979	841,058	1,187,808	845,105	523,715	3,465,716	3,394,278	4,468,300
City Promotions	69,236	100,485	163,577	224,213	275,622	348,632	429,188	480,199	470,642	404,073
Capital Projects	3,932,522	1,918,610	4,523,677	4,955,287	2,491,884	1,612,418	2,141,309	2,432,728	2,497,075	3,279,065
Public Safety	56,592	86,473	110,820	137,959	164,593	176,056	264,473	243,256	353,129	289,670
Total All Other Governmental Funds	<u>4,832,552</u>	<u>3,057,710</u>	<u>5,307,240</u>	<u>6,383,701</u>	<u>4,422,375</u>	<u>3,515,088</u>	<u>4,115,056</u>	<u>7,865,990</u>	<u>7,942,963</u>	<u>9,500,009</u>
Total Governmental Funds	<u>\$8,685,747</u>	<u>\$7,040,935</u>	<u>\$9,642,131</u>	<u>\$11,231,060</u>	<u>\$11,205,958</u>	<u>\$11,110,789</u>	<u>\$12,852,541</u>	<u>\$17,932,983</u>	<u>\$18,972,862</u>	<u>\$21,927,729</u>



CITY OF BENBROOK, TEXAS
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years
(Unaudited)

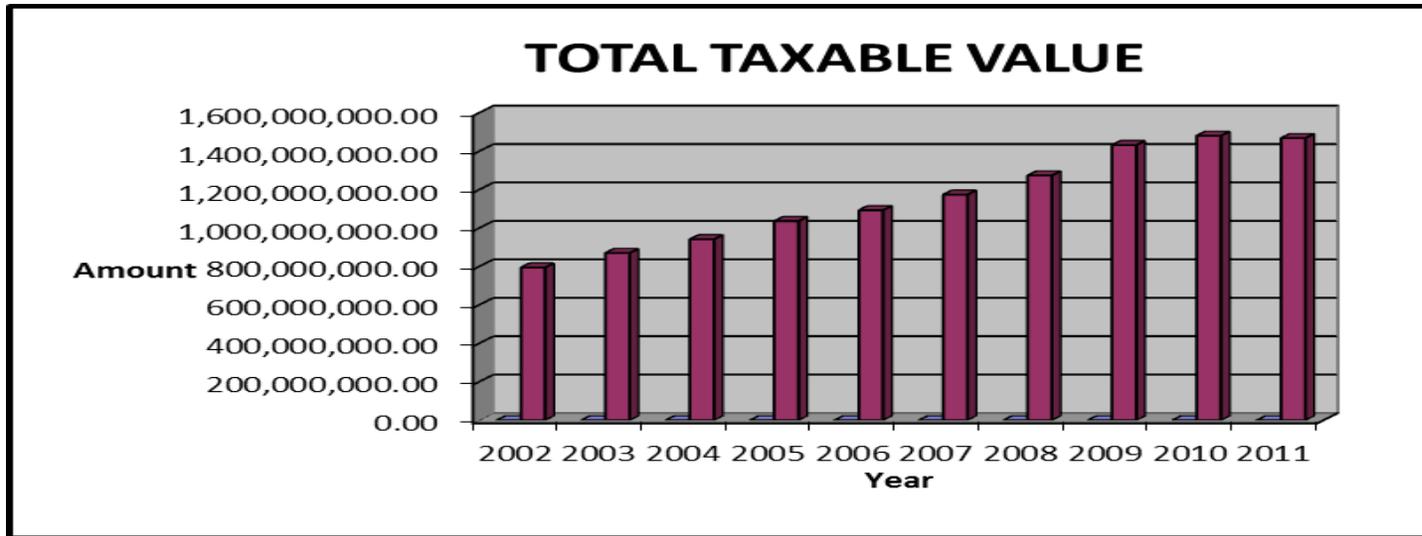
Table 4

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes										
Property	\$6,187,190	\$6,806,789	\$7,375,230	\$7,953,643	\$8,221,572	\$8,497,777	\$8,932,091	\$9,695,791	\$9,718,302	\$10,336,036
Franchise	1,354,591	1,201,944	1,307,969	1,208,004	1,295,434	1,300,921	1,382,773	1,371,366	1,319,418	1,429,024
Sales & Other	1,932,010	1,777,447	1,920,511	2,062,344	2,218,043	2,701,646	2,678,083	2,890,977	2,752,740	3,595,387
Licenses, Permits & Filing Fees	247,683	351,415	435,697	488,408	457,800	342,494	305,281	232,347	417,846	286,802
Fines & Forfeitures	281,664	339,408	305,445	330,297	337,957	355,440	1,289,624	383,949	569,942	539,558
Use of Money & Property	502,786	209,387	253,681	412,746	1,923,856	1,011,348	738,482	1,357,007	745,198	616,735
Proceeds of Direct Financing Lease	-	-	196,651	196,651	196,651	196,651	196,651	216,736	216,736	216,736
Charges for Services	905,216	485,400	359,701	440,034	500,499	443,190	702,204	1,674,699	1,653,898	1,627,298
Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	253,414
Other Revenues	370,719	458,273	479,911	1,049,801	1,216,755	1,341,404	1,043,204	6,856,518	1,423,107	754,512
Total General Fund	11,781,859	11,630,063	12,634,796	14,141,928	16,368,567	16,190,871	17,268,393	24,679,390	18,817,187	19,655,502
Expenditures										
Current										
General Government	760,176	721,488	799,754	913,863	1,097,214	1,201,745	1,264,919	1,424,706	1,503,778	1,754,020
Staff Services	366,909	400,879	503,528	527,709	596,116	594,771	558,139	626,836	630,154	722,288
Public Safety	4,482,713	5,009,883	5,299,692	5,681,172	5,864,454	6,116,359	6,658,770	6,822,906	7,300,123	8,011,591
Public Services	1,923,656	2,069,286	1,994,054	2,099,810	2,317,104	2,246,005	2,591,314	2,561,488	2,531,803	2,590,163
Community Development	1,453,193	2,871,235	605,201	674,942	737,509	1,006,407	1,062,249	1,066,595	1,107,774	1,244,803
Economic Development	718,261	429,084	506,260	336,887	451,418	590,356	767,868	613,041	1,024,493	405,754
Debt Service										
Principal	413,089	302,221	394,442	934,703	979,239	698,678	778,019	4,632,513	961,049	866,107
Interest & Other Fees	1,228,208	1,138,839	1,310,815	1,134,433	1,081,220	1,054,556	968,941	813,743	698,220	650,152
Debt Issuance Cost	-	-	-	-	-	-	35,000	-	-	55,505
Capital Outlay	432,222	2,731,958	5,669,856	2,819,233	3,809,395	2,777,163	1,876,422	1,037,122	2,019,914	455,757
Total Expenditures	11,778,427	15,674,873	17,083,602	15,122,752	16,933,669	16,286,040	16,561,641	19,598,950	17,777,308	16,756,140
Excess (deficiency) of Revenues Over Expenditures	3,432	(4,044,810)	(4,448,806)	(980,824)	(565,102)	(95,169)	706,752	5,080,440	1,039,879	2,899,362
Other Financing Sources (Uses)										
Issuance of Debt	3,160,000	2,400,000	7,050,000	2,500,000	540,000	-	1,035,000	-	-	-
Issuance of Refunding	-	-	-	5,840,000	-	-	-	-	-	2,755,000
Payments to Escrow Agent	-	-	-	(5,770,643)	-	-	-	-	-	(2,699,495)
Transfers-In	-	-	-	371,919	-	-	1,657	531,451	1,344,709	1,500,583
Transfers-out	-	-	-	(371,919)	-	-	(1,657)	(531,451)	(1,344,709)	(1,500,583)
Total Other Financing Sources (Uses)	3,160,000	2,400,000	7,050,000	2,569,357	540,000	-	1,035,000	-	-	55,505
Net Change in Fund Balance	3,163,432	(1,644,810)	2,601,194	1,588,533	(25,102)	(95,169)	1,741,752	5,080,440	1,039,879	2,954,867
Fund Balance – Beginning	5,522,315	8,685,747	7,040,937	9,642,131	11,231,060	11,205,958	11,110,789	12,852,543	17,932,983	18,972,863
Fund Balance – Ending	\$8,685,747	\$7,040,937	\$9,642,131	\$11,230,664	\$11,205,958	\$11,110,789	\$12,852,541	\$17,932,983	\$18,972,862	\$21,927,730
Debt Service as a percent Of noncapital expenditures	16.91%	12.53%	17.56%	20.22%	18.62%	14.91%	13.72%	29.34%	10.53%	9.63%

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			
2002	\$ 821,094,563	\$ 65,129,222	\$ 90,859,255	\$ 795,364,530	0.7725
2003	895,546,468	67,983,069	92,881,382	870,648,155	0.7725
2004	952,524,428	84,402,115	94,391,030	942,535,513	0.7625
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

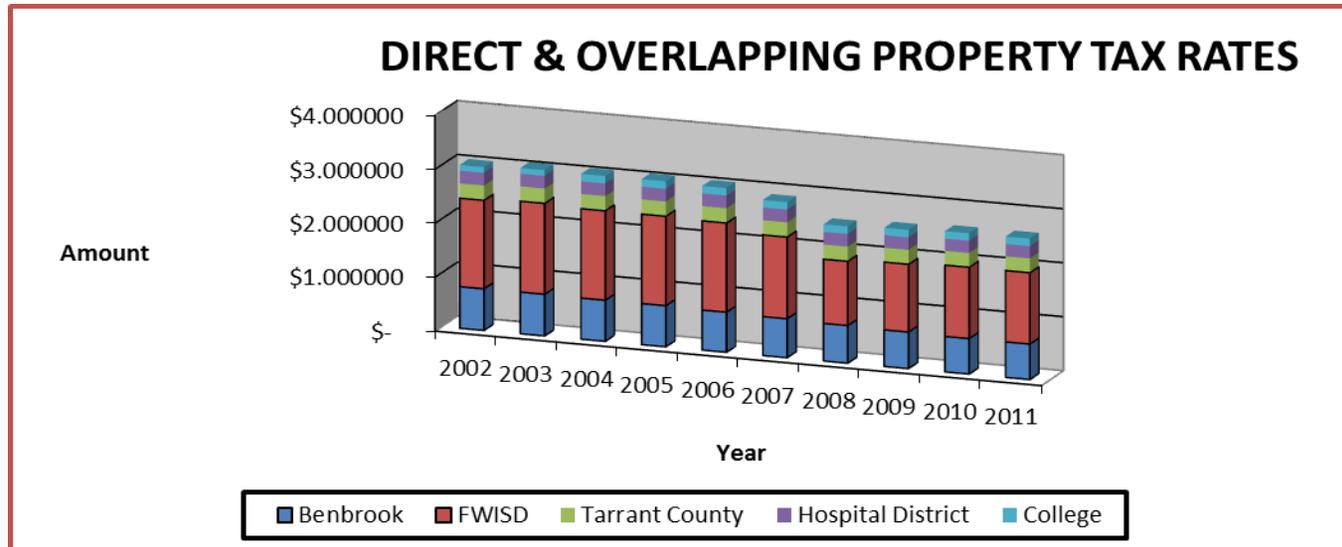


(1) Values taken from the certified tax roll prepared by the Tarrant Appraisal District
(2) Assessed Value is 100% of Estimated Market Value

CITY OF BENBROOK, TEXAS
Direct and Overlapping Property Tax Rates
(per \$100 of assessed value)
Last Ten Fiscal Years
(Unaudited)

Table 6

Fiscal Year Ended	City of Benbrook			Overlapping Rates					Totals
	General Fund	Debt Service Fund	Total	Ft. Worth School District	Tarrant County	Hospital District	College		
2002	\$ 0.600840	\$ 0.171660	\$ 0.772500	\$ 1.641100	\$ 0.274785	\$ 0.234070	\$ 0.106410	\$ 3.028865	
2003	0.605672	0.166828	0.772500	1.685800	0.272500	0.232400	0.139380	3.102580	
2004	0.617600	0.144900	0.762500	1.658000	0.272500	0.235397	0.139380	3.067777	
2005	0.608285	0.154215	0.762500	1.658000	0.272500	0.235397	0.139380	3.067777	
2006	0.614196	0.128304	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	0.615200	0.042300	0.657500	1.322000	0.264000	0.227897	0.137640	2.609037	
2011	0.636964	0.020536	0.657500	1.322000	0.264000	0.227897	0.137640	2.609037	



(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

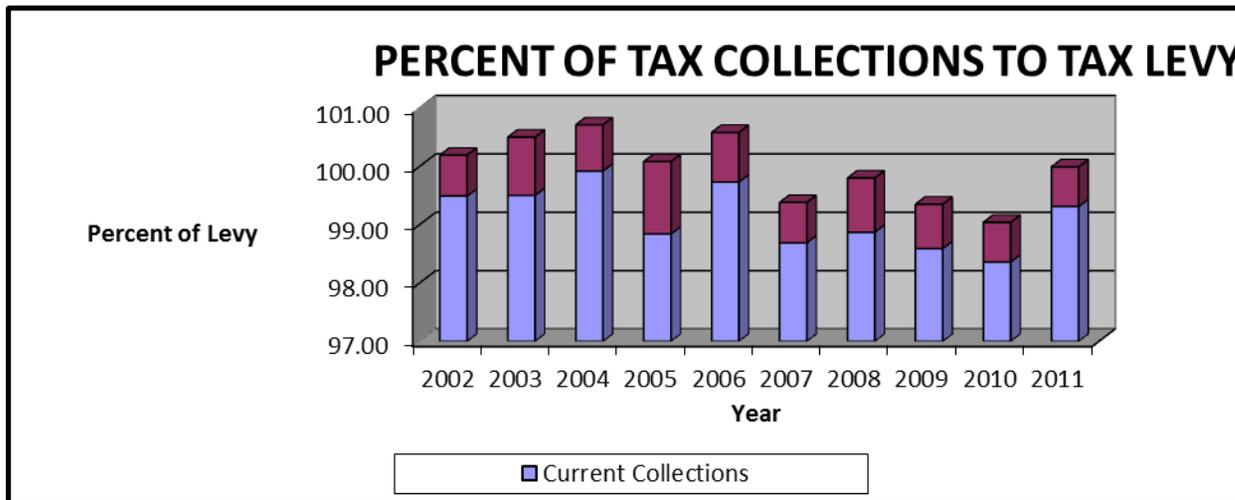
2011			2002		
Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation
Precision Energy Services	\$ 83,545,851	5.69%	Computalog Wireline Service	\$ 14,631,567	1.84%
Encana Oil & Gas	26,332,210	1.79%	Apple Residential Income Trust	8,747,286	1.10%
SW Highland LLC	19,568,700	1.33%	Highland Park Partners	8,205,442	1.03%
Oncor Utilities	14,715,041	1.00%	Albertsons Incorporated	7,859,280	0.99%
Cordiel Victorian Quarters Etal	14,200,000	0.97%	Pacific Realty Corporation	7,666,573	0.96%
XTO Energy Inc	12,848,540	0.87%	Zangan & Associates	7,593,176	0.95%
Computalog Wireline Service	10,983,169	0.75%	Texas Utilities	6,678,290	0.84%
MB Copper Crossing LP	9,659,086	0.66%	Southwestern Bell Telephone	6,232,600	78.00%
Eastwood Ranch LP	9,174,490	0.62%	Heritage Greenwood Creek	6,098,350	0.77%
M & L Fort Worth Partners LTD	8,000,000	0.54%	M&L Fort Worth Partnership	5,942,300	0.75%
Centrui Johnson Partners LP	7,374,935	0.50%	HCRI Texas Properties	5,893,679	0.74%
RP Partners	6,175,347	0.42%	Whitestone Ranch LTD	4,850,000	0.61%
Smallwood Clover Ridge	6,161,874	0.42%	SIE	4,616,236	0.58%
TCG Mirabella LLC	6,016,000	0.41%	Baron Investments LTD	4,615,000	0.58%
	<u>\$ 234,755,243</u>	<u>15.98%</u>		<u>\$ 99,629,779</u>	<u>12.53%</u>

(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

<u>Fiscal Year Ended</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Outstanding</u>	<u>Percent of Delinquent Tax To Tax Levy</u>
2002	6,144,191	6,112,941	99.49	43,199	6,156,140	99.59	162,812	2.65
2003	6,725,757	6,692,014	99.50	67,289	6,759,303	100.19	180,424	2.68
2004	7,186,940	7,181,281	99.92	56,492	7,237,773	100.50	198,026	2.76
2005	7,905,841	7,814,469	98.84	97,739	7,912,208	100.71	197,784	2.50
2006	8,116,695	8,095,015	99.73	68,935	8,163,950	100.08	206,370	2.53
2007	8,487,514	8,376,430	98.69	58,824	8,435,254	100.58	229,169	2.70
2008	8,887,849	8,787,765	98.87	82,263	8,870,028	99.38	233,505	2.63
2009	9,707,235	9,570,682	98.59	73,410	9,644,092	99.80	203,004	2.09
2010	9,737,360	9,577,733	98.36	75,047	9,652,780	99.35	214,557	2.20
2011	9,605,837	9,540,029	99.31	66,198	9,606,227	100.00	217,437	2.26



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

CITY OF BENBROOK, TEXAS
Ratio of Outstanding Debt by Type
Last Ten Fiscal Periods
(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		
2002	9,366,656	1,230,000	156,345	46,416	1.12	1.82%
2003	9,115,758	1,210,000	2,553,932	17,505	1.36	2.13%
2004	12,570,000	1,195,000	5,783,141	4,613	1.48	2.94%
2005	13,015,000	2,560,000	5,708,050	-	2.07	2.90%
2006	12,300,000	2,375,000	6,168,782	-	2.05	2.58%
2007	11,810,000	2,250,000	6,085,105	-	1.91	2.33%
2008	11,290,000	3,115,000	5,997,086	-	1.71	2.24%
2009	10,745,000	2,950,000	2,063,856	-	1.60	1.69%
2010	10,175,000	2,780,000	1,842,807	-	1.10	1.56%
2011	9,700,000	2,600,000	1,758,928	-	0.96	1.47%

(1) Details on the City's outstanding debt can be found in the notes to the financial statements

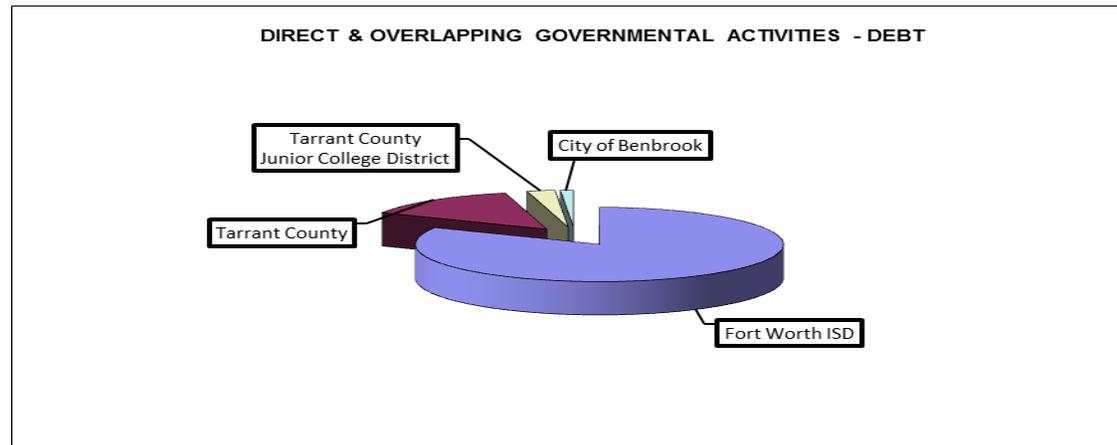
(2) Taxable property and population data is available in Table 5 and Table 13 respectively

(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, 2011
(Unaudited)

Table 10

Jurisdiction	Debt Outstanding	Applicable to the City of Benbrook	Estimated Share of Overlapping Debt
Fort Worth Independent School District	\$ 756,286,565	3.42%	\$ 25,865,001
Tarrant County	333,568,000	1.32%	\$ 4,403,098
Tarrant County Hospital District	58,565,000	1.32%	\$ 773,058
Tarrant County Junior College District	27,327,139	1.32%	\$ 360,718
Benbrook Water & Authority	-	100.00	-
Overlapping Debt	1,175,746,704		31,401,874
City Direct Debt	9,700,000	100.00%	9,700,000
Direct & Overlapping Bonded Debt	<u>\$1,185,446,704</u>		<u>\$ 41,101,874</u>
Ratio of Overlapping Bonded Debt to Taxable assessed Valuation		<u>2.79%</u>	
Per Capita		<u>\$47.07</u>	



- (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

CITY OF BENBROOK, TEXAS
Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt per Capita
Last Ten Fiscal Periods
(Unaudited)

Table 11

<u>Fiscal Year Ended</u>	<u>Estimated Population</u>	<u>Assessed Value</u>	<u>General Bonded Debt</u>	<u>Bonded Debt to Assessed Value</u>	<u>Bonded Debt per Capita</u>
2002	20,309	795,364,530	9,366,656	1.18	458
2003	20,450	870,648,155	9,115,758	1.05	443
2004	20,512	942,535,513	12,570,000	1.33	607
2005	20,640	1,036,831,606	13,015,000	1.26	604
2006	20,727	1,093,157,590	12,300,000	1.13	550
2007	20,821	1,174,742,394	11,810,000	1.01	517
2008	20,925	1,274,243,576	11,290,000	0.88	481
2009	21,030	1,432,802,174	10,745,000	0.74	450
2010	21,234	1,480,967,268	10,175,000	0.69	424
2011	21,270	1,468,805,332	9,700,000	0.66	456

CITY OF BENBROOK, TEXAS
Legal Debt Margin
September 30, 2011
(Unaudited)

Table 12

Article XI, Section 5 of the State of Texas Constitution states in part:

“...no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.”

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 Council may levy.

The rate for fiscal 2011 was established at \$0.6575 per \$100 of assessed valuation.

CITY OF BENBROOK, TEXAS
Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Table 13

<u>Fiscal Year Ended</u>	<u>Estimated Population</u>	<u>Personal Income</u>	<u>School Enrollment</u>	<u>County Unemployment Rate</u>
2002	20,309	\$ 593,847,550	4,059	5.8%
2003	20,450	593,847,550	4,592	6.6
2004	20,512	602,478,464	4,425	5.0
2005	20,640	663,576,000	4,430	5.2
2006	20,727	705,775,077	4,502	4.6
2007	20,821	753,345,422	4,423	4.3
2008	20,925	792,722,700	4,429	5.0
2009	21,030	818,445,540	4,700	8.2
2010	21,234	826,384,812	4,192	8.0
2011	21,270	839,356,740	3,698	8.1

(1) *Personal Income Data is for the State of Texas and is from BEA*
(2) *School enrollment provided by the FWISD*
(3) *All information provided by the NCTCOG unless otherwise noted*

CITY OF BENBROOK, TEXAS
Principal Employers
September 30, 2011
(Unaudited)

Table 14

2011			2002		
Employer	Employees	Percent of Total City Employment	Employer	Employees	Percent of Total City Employment
Walmart	300	6.30%	Fort Worth School District	236	5.15%
Weatherford International	259	5.44%	Computalog	176	3.84%
Oncor Electric Delivery	234	4.91%	IHS of Benbrook	108	2.36%
Western Hills High School	181	3.80%	Albertson's Inc	101	2.21%
Benbrook YMCA	120	2.52%	Renaissance Park	100	2.18%
City of Benbrook	110	2.31%	RGIS	100	2.18%
Renaissance Park	110	2.31%	Lockheed	96	2.10%
Q-Max of America	101	2.12%	Cracker Barrel Old Country Store	95	2.07%
Albertson's Inc	95	1.99%	City of Benbrook	93	2.03%
Benbrook Nursing & Rehabilitation	<u>90</u>	1.89%	Winn-Dixie	<u>70</u>	1.53%
Total	<u><u>1,600</u></u>	<u><u>33.60%</u></u>	Total	<u><u>1,175</u></u>	<u><u>25.66%</u></u>

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

CITY OF BENBROOK, TEXAS
Local Employment Information
September 30, 2011
(Unaudited)

Table 15

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Ag</u>	<u>Construction</u>	<u>Manufacturing</u>	<u>Transportation</u> <u>& Storage</u>	<u>Wholesale</u>	<u>Retail</u>	<u>Services</u>	<u>Finance</u> <u>Insurance &</u> <u>Real Estate</u>	<u>Other</u>	<u>TOTALS</u>
Number of Establishments										
2002	1	47	29	5	18	163	285	68	16	632
2003	1	43	25	4	20	145	260	62	12	572
2004	1	35	20	3	20	144	260	61	11	555
2005	1	33	19	4	19	104	258	60	12	510
2006	1	35	20	3	19	89	278	59	12	516
2007	1	34	21	4	20	89	282	59	13	523
2008	1	31	24	5	17	87	282	62	13	522
2009	1	31	25	5	19	88	282	62	14	527
2010	1	30	25	6	19	72	270	61	22	506
2011	-	24	13	4	15	67	236	60	14	433
Employment Levels										
2002	2	257	432	39	130	597	2,512	413	197	4,579
2003	2	228	409	37	143	564	2,371	401	215	4,370
2004	2	163	392	31	168	574	2,961	392	181	4,864
2005	2	187	385	41	131	508	2,501	408	537	4,700
2006	2	210	389	39	176	477	2,690	412	299	4,694
2007	2	197	393	40	178	478	2,771	407	300	4,766
2008	2	186	417	42	172	470	2,762	436	303	4,790
2009	2	157	415	41	177	489	2,737	436	308	4,762
2010	2	144	548	45	204	508	2,768	363	351	4,933
2011	-	188	501	39	118	497	3,104	354	302	5,103

(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 16

Function/Program	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
City Manager	2	2	2	2	2	2	2	2	2	2
City Secretary	2	2	2	2	2	3	3	3	3	3
Staff Services										
Finance	3	3	3	3	3	2	2	2	2	2
Information Services	-	-	-	1	1	1	1	1	1	1
Budget & Research	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	46	48	47	49	49	49	53	52	52	53
Fire	9	12	12	12	12	16	16	16	16	16
Municipal Court	2	2	2	2	2	2	2	2	2	2
Code Enforcement	-	-	-	-	-	-	-	1	1	1
Public Services										
Administration	1	1	1	1	1	1	1	1	1	1
Public Works	9	9	9	9	9	9	8	8	8	8
Parks & Recreation	7	8	7	7	7	7	8	8	8	8
Services	4	4	4	4	4	4	4	4	4	4
Community Development										
Administration	1	1	1	1	1	1	1	1	1	1
Planning	1	1	2	2	2	2	2	2	2	2
City Inspection	4	4	4	3	4	5	5	5	5	5
Economic Development										
Administration	1	1	2	2	2	2	2	2	2	2
Total	<u>93</u>	<u>99</u>	<u>99</u>	<u>101</u>	<u>102</u>	<u>107</u>	<u>111</u>	<u>111</u>	<u>111</u>	<u>112</u>

Source: City Budgets

CITY OF BENBROOK, TEXAS
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

Table 17

Function/Program	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Licensed Officers	36	36	36	36	36	37	42	42	42	43
Police Reservist	5	5	5	3	3	3	3	3	3	3
Emergency Warning Sirens	7	7	7	6	6	6	6	6	6	6
Fire (1)										
Stations	3	3	3	3	3	3	3	3	3	3
Firefighters	33	33	36	36	36	36	36	36	36	38
Paramedics/EMT's	33	33	34	34	39	39	39	39	39	37
City Fire Support Unit Staff	21	21	21	21	21	21	21	21	21	21
Emergency Vehicles	19	19	19	19	19	19	19	19	20	16
Public Works										
Miles of Street	103	103	105	105	105	107	107	107	107	107
Number of Street Lights	749	756	771	914	1,156	1,210	1,210	1,210	1,213	1,213
Parks & Recreation										
Parks	5	5	5	5	5	5	5	5	5	5
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	3	3	3	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 18

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Fiscal Year Ended</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio (1/2)</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of ACP (4/5)</u>	<u>City Contributions</u>	<u>Average City Rate (7/5)</u>
2002	10,847,524	13,541,763	80.10	2,694,239	4,120,397	65.39	574,672	13.95%
2003	12,411,221	15,309,033	81.10	2,897,412	4,627,709	62.61	699,595	15.12%
2004	12,885,583	16,329,394	78.91	3,443,811	4,763,760	72.29	720,288	15.12%
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	7,197,724	131.73	1,297,750	18.03%
2011	28,492,939	36,389,302	78.30	7,896,363	7,206,067	109.60	1,242,754	17.25%

(1) Information provided by TMRS

