



CITY OF BEDFORD

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Comprehensive Annual Financial Report
For the Fiscal Year Ending
September 30, 2012

City of Bedford, Texas
September 30, 2012

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September 30, 2012

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Introductory Section

CITY of BEDFORD

2000 FOREST RIDGE DRIVE, BEDFORD, TEXAS 76021-1895

March 26, 2013

Citizens of Bedford, Honorable Mayor,
Members of the City Council, and City Manager:

The Administrative Services Department is pleased to submit the Comprehensive Annual Financial Report for the City of Bedford, Texas, for the fiscal year ended September 30, 2012. This report was prepared through the cooperative effort of the Administrative Services Department and the City's independent auditor. It is published to provide the City Council, staff, citizens, bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the City. We believe the data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and all disclosures necessary have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a list of principal officials and an organizational chart. The financial section includes the independent auditor's report, a Management's Discussion and Analysis (MD&A), basic financial statements and combining and individual fund statements and schedules. The statistical section includes a variety of financial and demographic information presented on a multi-year basis that is relevant to a financial statement reader. The financial section is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB).

CITY PROFILE

The City of Bedford is a predominately residential community located in Tarrant County, near several major transportation links between Dallas and Fort Worth. It is part of the "Metroplex" of North Central Texas, which includes the cities of Dallas and Fort Worth. The City of Bedford is bordered on the east and south by the City of Euless, on the west by the City of Hurst and on the north by the City of Colleyville. Bedford lies approximately five miles from the Dallas/Fort Worth International Airport, twelve miles from downtown Fort Worth and twenty miles from downtown Dallas. There are three State Highways (183, 121, 157) and two Interstate Highways (35, 30) serving the City with the nearest Interstate located 6 miles away.

The City was incorporated in 1953 under the general laws of the State of Texas and the voters approved the current charter in 1966. The City is a home rule city and operates under the Council/Manager form of government. The City Council is composed of a mayor and six council members elected at large every three years.

THE REPORTING ENTITY AND ITS SERVICES

Generally accepted accounting principles require that general-purpose financial statements present the City (the primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on this criterion, the following blended component unit is included. The City of Bedford Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as a Special Revenue Fund as if it were part of the primary government because its sole purpose is to operate, maintain, and finance the costs of the City's street improvements using sales taxes collected under Section 4B of the Development Corporation Act of 1979.

Services provided by the City under the general governmental functions include police and fire protection, emergency medical services, planning & zoning, code enforcement and inspections, street maintenance, park, recreation, library and senior citizen services. A Special Revenue Fund is used to account for revenues derived from hotel/motel taxes, with proceeds used to promote tourism. Water and sewer services are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. Drainage maintenance services are also provided under the enterprise fund concept, implemented in 1991 in accordance with amendments to Title 13 of the Texas Local Government Code.

The water supply for the City of Bedford is provided by the Trinity River Authority (TRA), which provides treated water to Bedford, Euless, Colleyville, Grapevine, and North Richland Hills pursuant to separate, but similar contracts dated January 21, 1972, and April 25, 1979. In October 1973, the Trinity River Authority (Central Regional Wastewater System) entered into a 50-year contract with numerous cities in the metroplex, including the City of Bedford for construction of a wastewater treatment plant to service all contracting parties.

The original 50- year duration of the contract is automatically extended through the latest maturity of any TRA outstanding debt issues.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements should be considered from the broad perspective of the specific environment within which the City operates.

In recent years, the City of Bedford, located in the heart of the Dallas-Fort Worth Metropolitan area (DFW), has experienced a significant slowdown in population growth. The 2010 census reflects a population of 46,979, which is approximately a 0.4% decrease from the census results of 2000. However, although the City's property tax base remains approximately 1.26% below its previous threshold in fiscal year 2010, it continues to increase by an average of 0.7% each year since.

Multiple light manufacturing firms are located in Bedford, as well as a variety of commercial establishments, restaurants, health care facilities, retail stores, shops and food stores. Several of the retail shopping centers in the city are undergoing renovation and expansion. Undeveloped property accounts for approximately 2% of the total area in the City.

The City is not financially dependent upon any one industry, or type of industry. The City recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the community.

The local economy, like the North Texas Region, has been impacted by the economic challenges experienced by the nation as a whole. However, the City of Bedford has experienced an upswing in its sales tax revenue from the previous year by 3.3% or \$302,751.

As a policy the City Council has set certain economic goals that are intended to attract high quality, visually appealing businesses, as well as revitalize and invest in areas that have seen some deterioration of economic activity. By emphasizing the need to be more business friendly, the goals of the City Council seek to provide the general direction for future land use plans and decisions for the City.

Current longer range financial planning primarily revolves around several major water/sewer system infrastructure projects as well as a significant improvements to our drainage system. In addition, as the City is approximately 98% built out, significant planning initiatives are being considered to provide for re-development of certain aging corridors within the City.

The state of Texas is currently widening State Highway 183 (Airport Freeway), which runs East/West through the center of the city. This major highway reconstruction project has significantly impacted the business activity along this corridor. The City is working on plans to minimize the possible negative impact by turning this capital improvement into a positive as it develops over the next several years. Additionally, the City is currently analyzing the magnitude of the financial impact that will result from the project in the short and longer term.

In addition, we have established a facility/utility maintenance fund and a computer/vehicle replacement fund, recognizing that a scheduled maintenance, repair and replacement program provides for the best utilization of financial resources.

To the extent that operations result in surplus funds, we will continue to fund various capital needs of a one-time nature from the surplus rather than issuing unnecessary debt.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. We believe the City's internal control structure is adequate to safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The budgetary process begins each year with the preparation of revenue estimates by the City's Administrative Services Department staff and expenditure estimates by each City department. Estimates are reviewed by the City Manager, and evaluated within the total financial framework. Budget proposals are recommended by the City Manager and reviewed extensively by the City Council, a process that includes a public hearing. After the conclusion of the public hearing, the City Council may make changes as deemed appropriate. The budget as amended is then adopted by ordinance, which also adopts the tax rate.

In addition, the annual budget also contains a capital improvement program which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition. The capital program includes a list of all capital improvements that are planned during the upcoming five fiscal years, cost estimates, time schedules and methods of financing for each improvement.

GENERAL GOVERNMENTAL FUNCTIONS

Property Taxes

All eligible property within the City is subject to assessment, levy, and collection of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under State law, the City is limited to a maximum tax rate of \$2.50 per \$100 assessed valuation.

In addition, the City's home rule charter limits the tax rate to a maximum of \$1.50 per \$100 assessed valuation.

The appraisal of property within the City is the responsibility of the Tarrant Appraisal District (TAD). The City of Bedford and other taxing jurisdictions in Tarrant County provide a pro rata share of the budgeted expenditures incurred by TAD based upon individual levy. The City contracts with the Tarrant County Tax Office for tax billing and collection services.

OTHER INFORMATION

Audit

The City Charter requires an annual audit of the books of accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants selected and engaged by the City Council. The Independent Auditor's report is included in the financial section of this report.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bedford for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended September 30, 2011. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement a government unit must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. In addition, an award winning CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the sixteenth consecutive year the City of Bedford has received the Certificate of Achievement. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA for their consideration.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Administrative Services Department. Many individuals devoted extra hours and exhibited dedicated effort in ensuring the accuracy and timeliness of this report. Appreciation is expressed to the City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. Special acknowledgment is extended to Paula McPartlin and the entire Accounting Staff, whose hard work and dedication was instrumental in the preparation of this report. Acknowledgment is also given to representatives of BKD, LLP for their assistance in producing the final product. This was the first year in which BKD conducted its audit of the City's financials and a considerable amount of time and effort has been given in order to ensure accuracy. Our appreciation is extended to the Mayor, the members of the City Council and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

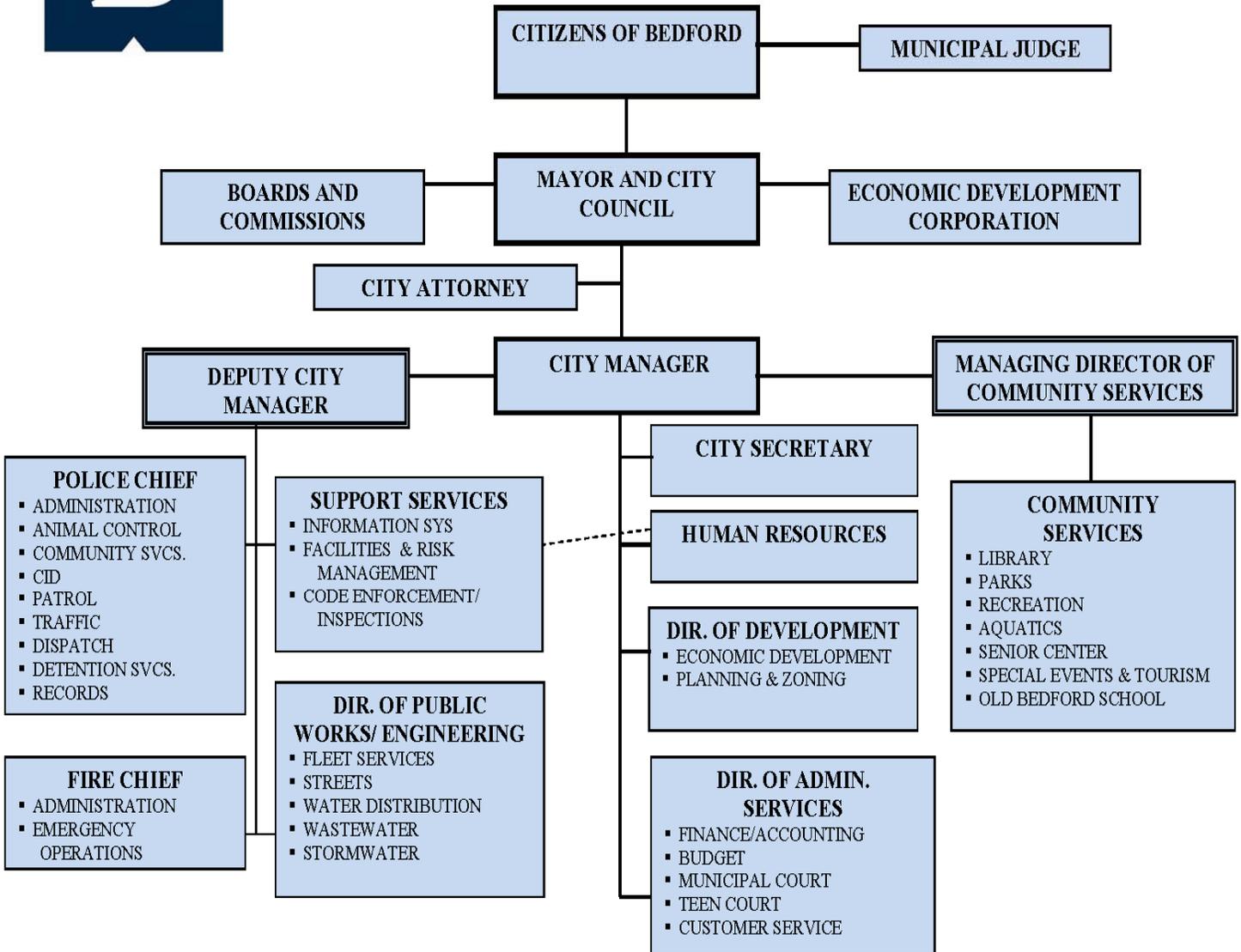
Respectfully submitted,



Clifford Blackwell, C.G.F.O.
Director of Administrative Services



**CITY OF BEDFORD
ORGANIZATIONAL CHART**



City of Bedford, Texas

Principal Officials Fiscal Year 2012 - 2013

ELECTED

CITY COUNCIL

Jim Griffin – Mayor

Michael Boyter, Council Member, Place 1

Patricia Nolan, Council Member, Place 4

Jim Davisson, Council Member, Place 2

Dr. Roy Turner, Mayor Pro Tem, Place 5

Sherri Olsen, Council Member, Place 3

Chris Brown, Council Member, Place 6

SENIOR STAFF

Beverly Queen Griffith – City Manager

David MillerDeputy City Manager

Michael WellsCity Secretary

Jill McAdamsDirector of Human Resources

Roger GibsonPolice Chief

James Tindell Fire Chief

John Kubala, P.E..... Director of Public Works/Engineering

Mirenda McQuagge-Walden.....Managing Director of Community Services

Clifford W. Blackwell, III..... Director of Administrative Services

Bill Syblon Director of Development

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Enos

Executive Director



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Financial Section

Independent Accountants' Report on Financial Statements and Supplementary Information

The Mayor and City Council
City of Bedford, Texas
Bedford, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford (the City), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2013 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund statements and schedules listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying information in the introductory and statistical sections as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

March 27, 2013

City of Bedford

Management's Discussion and Analysis (Unaudited)

September 30, 2012

The discussion and analysis of the City of Bedford's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2012. Please read it in conjunction with the accompanying transmittal letter and the City's basic financial statements.

Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$57,432,143 (net assets). Of this amount, \$8,171,017 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors.

The City's net assets increased \$191,790. The increase is primarily due to a 6.50% increase in the operating surplus of water and sewer revenues in excess of expenses. Operating revenue for the waterworks fund was down 4.52%; however, the operating expenses were down even more so by 7.31%, thus widening the surplus gap by \$259,635 or 6.50% over last year.

As of September 30, 2012, the City's governmental funds reported combined ending fund balances of \$12,920,801, an increase of \$475,520 in comparison with the prior fiscal year. Of this amount, \$4,764,530, or 36.9% of the total amount is unassigned.

As of September 30, 2012, the fund balance for the General Fund increased by \$1,372,386. Total General Fund balance was \$5,786,356. The increase in the General Fund balance was the result of decreased expenditures by \$1,828,614 or 6.36%, which was primarily due to some one-time capital expenditures made in the previous year towards the construction of the new library facility.

The City's total debt decreased by \$5,949,987 during the 2011/12 fiscal year due to the retirement of current principal obligations and no new debt was issued during this same time period. In the previous year, the total debt decrease was offset by a corresponding increase in debt due to new issuances/refundings.

Using This Annual Report

This discussion and analysis serves as an introduction to the City's basic financial statements. This annual report consists of a series of financial statements.

The statement of net assets and statement of activities provide information about the activities of the City a whole and presents a long-term view of the City's finances.

The next section is the fund financial statements. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by provide information about the City's most financially significant funds.

This report also includes other supplementary information in addition to the basic financial statements.

Reporting the City as a Whole

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets (the difference between assets, what the citizens own and liabilities, what the citizens owe) as one way to measure the City's financial health or financial position. Over time, increases or decrease in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base, and the condition of the City's capital assets (roads, buildings, water and sewer lines) to assess the overall health of the City.

In the statement of net assets and the statement of activities, the City is divided into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Property taxes, sales taxes, charges for services and fines/forfeitures finance most of these activities.
- **Business-type Activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system, and stormwater facilities are reported here.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain revenues.

The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (of differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in reconciliations.

Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Generally speaking, a City maintains two different types of proprietary funds to record charges for the full cost of the services it provides whether to outside customers or to other units of the City. These services are reported in either Enterprise Funds or Internal Service Funds.

- **Enterprise Funds** – are used to report the same function presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its Water and Sewer and Stormwater operations.
- **Internal Service Funds** – are an accounting device used to accumulate costs internally among various functions of the City. The City currently has no operations that qualify as an Internal Service Fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources would not be available to support the City's own programs. The City currently has no fiduciary funds.

Major Governmental Funds

As noted elsewhere in this report, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of governmental funds is to provide information on inflows, outflows and balances of spendable resources. Information such as unassigned fund balance serves as a useful measure of the City's ability to finance unforeseen upcoming obligations. As a measure of the General Fund's liquidity, year ending unassigned fund balance of \$4,764,530 represents 17.25% (63 days) of next year's budgeted expenditures.

The Debt Service Fund has a total fund balance of \$1,108,669, all of which is reserved for the payment of debt. There was, however, a decrease in fund balance of \$111,086 during the current year, due to tax assessment income levels not reaching total debt service expended from the fund.

The Street Bond Capital Project Fund has a total fund balance of \$1,824,024, all of which is reserved for street projects. There was an increase in fund balance of \$8,104 during the current year, due to interest income.

The Economic Development 4B Fund has a total fund balance of \$1,501,475, all of which is reserved for street infrastructure improvements and maintenance. There was an increase in fund balance of \$317,862 during the current year.

The City as a Whole

The City's combined net assets changed from a year ago, increasing from \$57,240,353 to \$57,432,143. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

Net assets of the City's governmental activities decreased from \$26,518,481 at September 30, 2011, to \$25,156,412 at September 30, 2012, or 5.1%. Unrestricted net assets (the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) decreased from \$8,343,691 at September 30, 2011, to \$8,171,017 at September 30, 2012, or 2.1%. Restricted net assets, those restricted mainly for capital projects and debt service increased from \$3,638,843 to \$5,213,292, or 43.3%.

The largest portion of the City's net assets (76.7%) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Resources needed to repay debt associated with acquisition of these assets must be provided from other sources, since the capital assets themselves cannot be used for this purpose.

City of Bedford's Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current	\$ 16,722	\$ 15,591	\$ 14,283	\$ 13,274	\$ 31,005	\$ 28,865
Other noncurrent assets	1,357	1,638	(300)	(73)	1,057	1,565
Capital assets	<u>55,359</u>	<u>61,175</u>	<u>36,142</u>	<u>34,724</u>	<u>91,501</u>	<u>95,899</u>
Total assets	<u>73,438</u>	<u>78,404</u>	<u>50,125</u>	<u>47,925</u>	<u>123,563</u>	<u>126,329</u>
Current liabilities	8,991	8,050	4,028	2,690	13,019	10,740
Long-term liabilities	<u>39,291</u>	<u>43,836</u>	<u>13,821</u>	<u>14,513</u>	<u>53,112</u>	<u>58,349</u>
Total liabilities	<u>48,282</u>	<u>51,886</u>	<u>17,849</u>	<u>17,203</u>	<u>66,131</u>	<u>69,089</u>
Net assets						
Invested in capital assets, net of related debt	18,908	18,342	25,140	26,916	44,048	45,258
Restricted	5,213	3,639	-	-	5,213	3,639
Unrestricted	<u>1,035</u>	<u>4,537</u>	<u>7,136</u>	<u>3,806</u>	<u>8,171</u>	<u>8,343</u>
Total net assets	<u>\$ 25,156</u>	<u>\$ 26,518</u>	<u>\$ 32,276</u>	<u>\$ 30,722</u>	<u>\$ 57,432</u>	<u>\$ 57,240</u>

- **Governmental Activities** – Net assets from Governmental Activities decreased by \$1,362,069. Primary uses of revenues (45.2%) relate directly to Public Safety functions. Public safety (Police, Fire and EMS) program revenues less direct expenses totaled \$(14,298,821) or (45.2%) of total governmental activities.
- **Business-type Activities** – Revenues of the City's business-type activities totaled approximately \$20,379,136 for the fiscal year ended September 30, 2012. Expenses for these activities were approximately \$16,448,616, resulting in a net gain of \$3,930,520 from operations before transfers. The net assets, after interfund transfers, of the business-type activities increased by \$1,553,856 due primarily to decreased operating expenses in the Water and Sewer fund by 7.31% coupled with an operating surplus of 6.50%.

City of Bedford's Changes in Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues						
Charges for services	5,986	6,183	20,207	21,102	26,193	27,285
Operating grant and contributions	599	712	-	-	599	712
Capital grants and contributions	44	1,695	147	26	191	1,721
General revenue						
Property taxes	13,735	13,969	-	-	13,735	13,969
Other taxes	13,565	13,338	-	-	13,565	13,338
Interest and investment earnings	26	132	21	56	47	188
Other general revenues	595	531	4	4	599	535
Total revenues	34,550	36,560	20,379	21,188	54,929	57,748
Expenses						
Public safety	17,292	18,358	-	-	17,292	18,358
Leisure services	3,691	4,754	-	-	3,691	4,754
Community services	1,986	1,849	-	-	1,986	1,849
General government/administration	4,797	3,906	-	-	4,797	3,906
Public services	8,354	8,876	-	-	8,354	8,876
Interest on long-term debt	2,169	2,213	-	-	2,169	2,213
Water and sewer	-	-	15,112	16,295	15,112	16,295
Storm water	-	-	1,336	951	1,336	951
Total expenses	38,289	39,956	16,448	17,246	54,737	57,202
Increase in Net Assets Before Transfers	(3,739)	(3,396)	3,931	3,942	192	546
Transfers	2,377	2,337	(2,377)	(2,337)	-	-
Change in Net Assets	(1,362)	(1,059)	1,554	1,605	192	546
Net Assets, Beginning	26,518	29,741	30,722	29,117	57,240	58,858
Prior Period Adjustment	-	(2,164)	-	-	-	(2,164)
Net Assets, Beginning of Year (As Restated)	26,518	27,577	30,722	29,117	57,240	56,694
Net Assets, End of Year	\$ 25,156	\$ 26,518	\$ 32,276	\$ 30,722	\$ 57,432	\$ 57,240

General Fund Budgetary Highlights

Actual revenues exceeded the final budgeted revenues by \$842,182 and actual expenditures exceeded the final budgeted by \$647,361. This resulted in a variance between budgeted and actual change in fund balance of \$194,821 (before the net effect of operating transfers and other financing sources). This primarily related to the unbudgeted capital outlays.

The City's Funds

The following tables present a summary of General, Special Revenue, Capital Projects and Debt Service Fund revenues and expenditures for the fiscal year ended September 30, 2012, and the amount and percentage of increases and decreases in relation to the prior year:

	General Revenues (in thousands)				
	2011	2012	2012 Percent of Total	Increase (Decrease) from 2011	Percent Increase (Decrease)
Taxes	\$ 27,323	\$ 27,951	80%	\$ 628	2%
Licenses and permits	521	864	2%	343	66%
Charges for services	2,817	2,822	8%	5	0%
Fines and forfeitures	2,109	2,079	6%	(30)	-1%
Intergovernmental	2,329	655	2%	(1,674)	-72%
Interest	132	26	0%	(106)	-80%
Miscellaneous	577	558	2%	(19)	-3%
Total	\$ 35,808	\$ 34,955	100%	\$ (853)	-89%

	General Expenditures (in thousands)				
	2011	2012	2012 Percent of Total	Increase (Decrease) from 2011	Percent Increase (Decrease)
General government	\$ 1,638	\$ 1,575	4%	\$ (63)	-4%
Community services	1,780	1,913	5%	133	7%
Public services	3,497	2,708	7%	(789)	-23%
Administrative services	1,903	2,082	6%	179	9%
Public safety	16,986	16,127	43%	(859)	-5%
Leisure services	3,783	3,662	10%	(121)	-3%
Capital outlay	5,273	2,281	6%	(2,992)	-57%
Debt service	6,875	7,108	19%	233	3%
Total	\$ 41,735	\$ 37,456	100%	\$ (4,279)	-71%

Capital Asset and Debt Administration

Capital Assets

At September 30, 2012, the City had \$248,477,618 invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer, and storm water facilities. This represents net increase of \$4,509,667, or 1.85% over last year. Capital assets net of depreciation decreased by approximately \$(4,435,812) or 4.63%.

The City's capital plans for FY 2012/13 call for expenditures of approximately \$6.57 million for capital projects, primarily in the following categories: street improvements, drainage, and water/sewer distribution system and facilities. The estimated capital expenditure for street improvements is \$1,300,000 to complete a roadway reconstruction project that was originally part of the 2005 Bond Program. The drainage projects are estimated at \$370,000 for channel improvements and erosion control throughout areas of the City in need of major enhancements to improve downstream water flow. And finally, the estimated capital improvement for water and sewer projects is \$4,900,000. The most notable of these projects are the completion of an elevated tank well site for \$1,600,000 and improvements to the northwest pressure plane for \$2,100,000. Additional information on capital asset activity can be found in Note 7 of this report.

**Capital Assets at Year-end
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 7,511	\$ 7,511	\$ 103	\$ 88	\$ 7,614	\$ 7,599
Buildings and structures	25,256	25,256	519	519	25,775	25,775
Other improvements	122,852	121,174	-	-	122,852	121,174
Equipment	25,668	23,507	-	-	25,668	23,507
Utility distribution	-	-	63,055	62,779	63,055	62,779
Construction in progress	350	2,548	3,164	549	3,514	3,097
Total	\$ 181,637	\$ 179,996	\$ 66,841	\$ 63,935	\$ 248,478	\$ 243,931

Debt

At year-end, the City had \$55,704,011 in General Obligation Bonds, Combination Tax and Revenue Certificates of Obligation, and capital lease obligations compared to \$61,170,000 at the end of the prior fiscal year, a decrease of 8.94%. Normally the City would issue new debt within the same year which would offset the decline in outstanding debt. However, this year, new debt was not issued until the following fiscal year (October 2012); therefore, the decline in outstanding debt primarily due to paying down current debt obligations.

**Outstanding Debt at Year-end
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
General obligations	\$ 41,023	\$ 46,020	\$ -	\$ -	\$ 41,023	\$ 46,020
Certificates of obligation	-	-	14,342	14,960	14,342	14,960
Tax notes	-	190	-	-	-	190
Capital lease	339	-	-	-	339	-
Total	\$ 41,362	\$ 46,210	\$ 14,342	\$ 14,960	\$ 55,704	\$ 61,170

During the fiscal year, Moody's downgraded the City of Bedford's outstanding General Obligation and Certificates of Obligation bond ratings to Aa3 from Aa2. Subsequent to the Moody's downgrade, Standard and Poor's (S&P) affirmed the City of Bedford's 'AA' rating in conjunction with the City's issuance of the 2012 Certificates of Obligation. The City's rating outlook from Standard and Poor's is "Stable." S&P's rating reflects their view of the City's strong wealth and income levels, its historically strong financial performance and reserves, and its moderate debt burden. The General Obligation bonds are secured by an ad valorem tax levied against all taxable property within the City, within the limits prescribed by Law. The Certificates of Obligation are also secured by a limited pledge of net revenues of the City's water and sewer system. Additional information regarding the City's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

Continued strength in sales tax collections and a moderate increase in property tax values enabled the City Council to slightly reduce the property tax rate from budget year 2011. The tax rate provides the City with the ability to continue to provide the high level quality of services the citizens of Bedford deserve and have come to expect, while providing for both a one-time flat rate and an overall 1% adjustment to employee compensation and benefits.

In budget year 2012, the City Council also was able to continue to fund various “Equipment Maintenance and Replacement Funds” in recognition of the reality that certain technology and infrastructure items have a more rapid obsolescence rate than they have had in the past and will require major expenditures over the next several years. In addition, the City Council was able to fund one-time capital purchases that benefit both Public Safety and Public Works.

We are analyzing the performance of the Water/Sewer Utility and will be evaluating the need to increase rates in the coming year. The Utility’s performance has recovered many resources after experiencing one of the driest seasons in history and thus built up its working capital to functioning levels. There will be continued need to re-evaluate the rate structure as the City moves towards more conservation measures to preserve its water resources.

Contacting The City’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Division at 2000 Forest Ridge Drive, Bedford, Texas 76021.



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Basic Financial Statements

City of Bedford, Texas
Statement of Net Assets
September 30, 2012 (with Comparative Totals for 2011)

	Primary Government		Totals	
	Governmental Activities	Business-type Activities	2012	2011
Assets				
Current assets				
Cash and cash equivalents	\$ 6,631,904	\$ 6,193,696	\$ 12,825,600	\$ 17,097,329
Investments	5,148,671	-	5,148,671	2,216,000
Receivables (net of allowance)	4,841,426	3,622,791	8,464,217	8,292,657
Internal balances	(35,346)	35,346	-	-
Due from other governments	76,593	-	76,593	-
Inventories and prepaid expenses	58,917	66,802	125,719	48,657
Restricted assets				
Investments	-	4,364,114	4,364,114	1,210,885
Total current assets	<u>16,722,165</u>	<u>14,282,749</u>	<u>31,004,914</u>	<u>28,865,528</u>
Noncurrent assets				
Internal balances	300,000	(300,000)	-	-
Bond issuance costs, net	1,056,318	-	1,056,318	1,564,788
Capital assets, not being depreciated	7,899,197	3,267,018	11,166,215	10,695,758
Capital assets, being depreciated, net	<u>47,460,122</u>	<u>32,874,884</u>	<u>80,335,006</u>	<u>85,203,203</u>
Total noncurrent assets	<u>56,715,637</u>	<u>35,841,902</u>	<u>92,557,539</u>	<u>97,463,749</u>
Total assets	<u>\$ 73,437,802</u>	<u>\$ 50,124,651</u>	<u>\$ 123,562,453</u>	<u>\$ 126,329,277</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$ 1,652,425	\$ 2,371,264	\$ 4,023,689	\$ 2,788,458
Due to other governments	236,440	-	236,440	5,150
Escrow and unearned revenue	1,329,752	2,041	1,331,793	475,783
Customer deposits	-	828,669	828,669	792,767
Current portion of compensated absences	773,212	39,031	812,243	728,282
Current portion of long-term debt	<u>4,999,025</u>	<u>786,558</u>	<u>5,785,583</u>	<u>5,949,295</u>
Total current liabilities	<u>8,990,854</u>	<u>4,027,563</u>	<u>13,018,417</u>	<u>10,739,735</u>
Noncurrent liabilities				
Bonds payable	36,163,322	13,508,298	49,671,620	55,245,098
Capital leases	287,882	-	287,882	-
Compensated absences	1,546,446	78,061	1,624,507	1,456,567
Premium on bonds payable	1,115,420	126,229	1,241,649	1,403,316
Other post employment benefits	<u>177,466</u>	<u>108,769</u>	<u>286,235</u>	<u>244,208</u>
Total noncurrent liabilities	<u>39,290,536</u>	<u>13,821,357</u>	<u>53,111,893</u>	<u>58,349,189</u>
Total liabilities	<u>48,281,390</u>	<u>17,848,920</u>	<u>66,130,310</u>	<u>69,088,924</u>
Net Assets				
Invested in capital assets, net of related debt	18,908,115	25,139,719	44,047,834	45,257,819
Restricted for				
Capital acquisition and construction	1,373,283	-	1,373,283	473,998
Debt service	1,108,669	-	1,108,669	1,219,755
Economic development	1,501,475	-	1,501,475	1,183,613
Other purposes	866,207	-	866,207	52,482
Public safety	308,698	-	308,698	625,514
Parks and beautification	54,960	-	54,960	83,481
Unrestricted	<u>1,035,005</u>	<u>7,136,012</u>	<u>8,171,017</u>	<u>8,343,691</u>
Total net assets	<u>25,156,412</u>	<u>32,275,731</u>	<u>57,432,143</u>	<u>57,240,353</u>
Total liabilities and net assets	<u>\$ 73,437,802</u>	<u>\$ 50,124,651</u>	<u>\$ 123,562,453</u>	<u>\$ 126,329,277</u>

City of Bedford, Texas
Statement of Activities
Year Ended September 30, 2012 (with Comparative Totals for 2011)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government and administration	\$ 4,796,677	\$ 84,733	\$ 2,592	\$ -
Community services	1,986,123	652,376	-	-
Public services	8,354,007	1,687,163	-	-
Public safety	17,292,190	2,386,756	562,511	44,102
Leisure services	3,690,814	1,174,702	34,008	-
Interest expense	2,169,120	-	-	-
Total governmental activities	<u>38,288,931</u>	<u>5,985,730</u>	<u>599,111</u>	<u>44,102</u>
Business-type activities				
Water and sewer services	15,112,250	18,915,135	-	147,360
Storm water collection and disposal	<u>1,336,366</u>	<u>1,291,856</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>16,448,616</u>	<u>20,206,991</u>	<u>-</u>	<u>147,360</u>
Total primary government	<u>\$ 54,737,547</u>	<u>\$ 26,192,721</u>	<u>\$ 599,111</u>	<u>\$ 191,462</u>

General Revenues

Taxes
Property taxes, penalty and interest
Sales
Franchise
Occupancy
Other
Investment income (loss)
Contributions not restricted to specific programs
Gain on sale of assets
Miscellaneous
Transfers
Total general revenues, special item and transfers

Change in Net Assets

Net Assets, Beginning

Prior Period Adjustment

Net Assets, Beginning of Year (As Restated)

Net Assets, End of Year

Net (Expense) Revenue and Changes in Net Assets			
Primary Government		Totals	
Governmental Activities	Business-type Activities	2012	2011
\$ (4,709,352)	\$ -	\$ (4,709,352)	\$ (3,812,776)
(1,333,747)	-	(1,333,747)	(787,482)
(6,666,844)	-	(6,666,844)	(7,513,540)
(14,298,821)	-	(14,298,821)	(13,492,396)
(2,482,104)	-	(2,482,104)	(3,546,833)
<u>(2,169,120)</u>		<u>(2,169,120)</u>	<u>(2,213,384)</u>
<u>(31,659,988)</u>	<u>-</u>	<u>(31,659,988)</u>	<u>(31,366,411)</u>
-	3,950,245	3,950,245	3,542,894
<u>-</u>	<u>(44,510)</u>	<u>(44,510)</u>	<u>339,525</u>
<u>-</u>	<u>3,905,735</u>	<u>3,905,735</u>	<u>3,882,419</u>
<u>\$ (31,659,988)</u>	<u>\$ 3,905,735</u>	<u>\$ (27,754,253)</u>	<u>\$ (27,483,992)</u>
\$ 13,735,255	\$ -	\$ 13,735,255	\$ 13,968,871
9,363,047	-	9,363,047	9,060,295
3,325,941	-	3,325,941	3,405,709
723,745	-	723,745	663,291
152,093	-	152,093	211,364
26,459	21,051	47,510	187,068
-	-	-	34,355
219,723	3,734	223,457	48,114
374,992	-	374,992	451,896
<u>2,376,664</u>	<u>(2,376,664)</u>	<u>-</u>	<u>-</u>
<u>30,297,919</u>	<u>(2,351,879)</u>	<u>27,946,040</u>	<u>28,030,963</u>
(1,362,069)	1,553,856	191,787	546,971
26,518,481	30,721,875	57,240,356	58,857,693
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,164,311)</u>
<u>26,518,481</u>	<u>30,721,875</u>	<u>57,240,356</u>	<u>56,693,382</u>
<u>\$ 25,156,412</u>	<u>\$ 32,275,731</u>	<u>\$ 57,432,143</u>	<u>\$ 57,240,353</u>

City of Bedford, Texas
Balance Sheets – Governmental Funds
September 30, 2012 (with Comparative Totals for 2011)

	<u>General</u>	<u>Debt Service</u>	<u>Street Bond</u>
Assets			
Cash and cash equivalents	\$ 3,179,852	\$ 147,475	\$ 208,952
Investments	1,171,991	943,032	2,028,606
Receivables			
Taxes, less allowance for uncollectible	2,325,950	112,253	-
Accounts	1,201,030	217	112
Other	56,503	-	345,978
Due from other governments	76,593	-	-
Due from other funds	1,367	-	-
Inventories and prepaid expenditures	58,917	-	-
Advances to other funds	300,000	-	-
	<u>8,372,203</u>	<u>1,202,977</u>	<u>2,583,648</u>
Total assets	<u>\$ 8,372,203</u>	<u>\$ 1,202,977</u>	<u>\$ 2,583,648</u>
Liabilities and Fund Balances			
Liabilities			
Accounts and contracts payable	\$ 1,321,586	\$ -	\$ -
Accrued liabilities	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	1,264,264	94,308	759,624
	<u>2,585,850</u>	<u>94,308</u>	<u>759,624</u>
Total liabilities	<u>2,585,850</u>	<u>94,308</u>	<u>759,624</u>
Fund balances			
Nonspendable			
Advances to other funds	301,367	-	-
Inventories and prepaids	58,917	-	-
Restricted for			
Debt service	-	1,108,669	-
Road improvements	-	-	1,824,024
Capital acquisition and construction	-	-	-
Economic development	-	-	-
Public safety	-	-	-
Parks and beautification	-	-	-
Other	-	-	-
Assigned	661,539	-	-
Unassigned	4,764,530	-	-
	<u>5,786,353</u>	<u>1,108,669</u>	<u>1,824,024</u>
Total fund balances	<u>5,786,353</u>	<u>1,108,669</u>	<u>1,824,024</u>
Total liabilities and fund balances	<u>\$ 8,372,203</u>	<u>\$ 1,202,977</u>	<u>\$ 2,583,648</u>

Economic Development 4B	Nonmajor Government	Totals	
		2012	2011
\$ 621,909	\$ 2,473,716	\$ 6,631,904	\$ 7,424,088
500,000	505,042	5,148,671	2,216,000
416,344	6,023	2,860,570	2,944,415
166		1,201,525	943,388
-	52,957	455,438	501,610
-	-	76,593	1,210,885
-	-	1,367	1,078,547
-	-	58,917	26,807
-	-	300,000	300,000
<u>\$ 1,538,419</u>	<u>\$ 3,037,738</u>	<u>\$ 16,734,985</u>	<u>\$ 16,645,740</u>
\$ 36,944	\$ 293,895	\$ 1,652,425	\$ 1,182,850
-	-	-	5,150
-	-	-	1,078,547
-	36,713	36,713	-
-	6,850	2,125,046	1,933,912
<u>36,944</u>	<u>337,458</u>	<u>3,814,184</u>	<u>4,200,459</u>
-	-	301,367	300,000
-	-	58,917	26,807
-	-	1,108,669	1,219,755
-	-	1,824,024	1,815,920
-	1,830,699	1,830,699	3,254,958
1,501,475	-	1,501,475	1,183,613
-	308,698	308,698	625,514
-	54,960	54,960	83,481
-	505,923	505,923	52,482
-	-	661,539	-
-	-	4,764,530	3,882,751
<u>1,501,475</u>	<u>2,700,280</u>	<u>12,920,801</u>	<u>12,445,281</u>
<u>\$ 1,538,419</u>	<u>\$ 3,037,738</u>	<u>\$ 16,734,985</u>	<u>\$ 16,645,740</u>

City of Bedford, Texas
Reconciliation of the Governmental Funds
Balance Sheets to the Statement of Net Assets
September 30, 2012

Fund balances of governmental funds		\$ 12,920,801
Amounts reported for governmental activities in the statement of net assets are different because		
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 statements.		1,056,318
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.		55,359,319
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.		(236,440)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		795,294
Receivables not measureable and available within 60 days of year-end, and therefore are entirely deferred in the fund financial statements.		323,893
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. Long-term liabilities at year-end consist of:		
General obligation bonds	41,023,379	
Premiums on bond debt	1,265,159	
Deferred loss on refunding	(61,900)	
Compensated absences	2,319,658	
OPEB liability	177,466	
Capital leases	339,011	(45,062,773)
Total net assets of governmental activities		\$ 25,156,412

City of Bedford, Texas
Statement of Revenues, Expenditures and
Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2012 (with Comparative Totals for 2011)

	General	Debt Service	Street Bond
Revenues			
Taxes, penalty and interest	\$ 19,371,190	\$ 5,514,114	\$ -
Licenses and permits	863,709	-	-
Charges for services	2,494,185	-	-
Fines and forfeitures	1,595,887	-	-
Support from governmental entities	517,289	-	-
Interest	6,783	5,562	8,104
Miscellaneous	399,578	45,053	-
	<u>25,248,621</u>	<u>5,564,729</u>	<u>8,104</u>
Total revenues			
Expenditures			
Current			
General governmental	1,571,140	-	-
Community services	1,097,378	-	-
Public services	1,703,614	-	-
Administrative services	2,037,224	-	-
Public safety	16,126,751	-	-
Leisure services	3,649,483	-	-
Capital outlay	722,242	-	-
Debt service			
Principal retirement	-	5,186,621	-
Interest and fiscal agent fees	-	1,921,115	-
Bond issuance costs	-	-	-
	<u>26,907,832</u>	<u>7,107,736</u>	<u>-</u>
Total expenditures			
Excess (Deficiency) of Revenues			
Other Expenditures	<u>(1,659,211)</u>	<u>(1,543,007)</u>	<u>8,104</u>
Other Financing Sources (Uses)			
Transfers in	2,431,760	1,431,921	-
Transfers out	-	-	-
Issuance of debt	-	-	-
Premium on debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
Lease purchase proceeds	339,011	-	-
Sale of capital assets	219,723	-	-
Insurance proceeds	41,100	-	-
	<u>3,031,594</u>	<u>1,431,921</u>	<u>-</u>
Total other financing sources (uses)			
Net Change in Fund Balances	1,372,383	(111,086)	8,104
Fund Balances, Beginning of Year	<u>4,413,970</u>	<u>1,219,755</u>	<u>1,815,920</u>
Fund Balances, End of Year	<u>\$ 5,786,353</u>	<u>\$ 1,108,669</u>	<u>\$ 1,824,024</u>

See Notes to Financial Statements

	Economic Development 4B	Nonmajor Governmental	Totals	
			2012	2011
\$	2,340,759	\$ 724,555	\$ 27,950,618	\$ 27,322,766
	-	-	863,709	521,463
	-	328,054	2,822,239	2,817,269
	-	483,008	2,078,895	2,109,088
	-	137,443	654,732	2,329,053
	2,268	3,742	26,459	131,541
	-	112,968	557,599	577,387
	<u>2,343,027</u>	<u>1,789,770</u>	<u>34,954,251</u>	<u>35,808,567</u>
	-	3,611	1,574,751	1,637,817
	-	815,308	1,912,686	1,780,483
	626,294	378,511	2,708,419	3,497,327
	-	44,676	2,081,900	1,903,157
	-	-	16,126,751	16,986,248
	-	12,063	3,661,546	3,782,933
	23,571	1,535,627	2,281,440	5,272,761
	-	-	5,186,621	4,610,000
	-	-	1,921,115	2,137,463
	-	-	-	127,627
	<u>649,865</u>	<u>2,789,796</u>	<u>37,455,229</u>	<u>41,735,816</u>
	<u>1,693,162</u>	<u>(1,000,026)</u>	<u>(2,500,978)</u>	<u>(5,927,249)</u>
	-	-	3,863,681	3,909,807
	(1,375,300)	(111,717)	(1,487,017)	(1,573,176)
	-	-	-	6,115,000
	-	-	-	97,085
	-	-	-	(3,313,090)
	-	-	339,011	-
	-	-	219,723	44,797
	-	-	41,100	10,288
	<u>(1,375,300)</u>	<u>(111,717)</u>	<u>2,976,498</u>	<u>5,290,711</u>
	317,862	(1,111,743)	475,520	(636,538)
	<u>1,183,613</u>	<u>3,812,023</u>	<u>12,445,281</u>	<u>13,081,819</u>
\$	<u>1,501,475</u>	<u>\$ 2,700,280</u>	<u>\$ 12,920,801</u>	<u>\$ 12,445,281</u>

City of Bedford, Texas
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2012

Net change in fund balances – total governmental funds		\$ 475,520
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those 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.		
		2,281,440
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		
		(8,097,019)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:		
General and certificates of obligation bonds		5,186,621
The issuance of long-term debt, such as bonds and capital leases, are shown as “Other Sources” and “Other Uses” in the governmental funds, but are shown on the statement of net assets with related costs amortized over the life of the bonds. Differences consist of the following:		
Capital lease	(339,011)	
Amortization of bond issuance costs	(281,874)	
Amortization of refunding loss	(6,190)	
Amortization of bond premium/discount	150,485	(476,590)
Current year change in long-term liability for compensated absences and OPEB liability do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		
		(193,601)
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.		
		126,436
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year.		
		(664,876)
Change in net assets of governmental activities		\$ (1,362,069)

City of Bedford, Texas
Statement of Net Assets
Proprietary Funds
September 30, 2012 (with Comparative Totals for 2011)

	Water and Sewer	Stormwater Utility	Totals	
			2012	2011
Assets				
Current Assets				
Cash and cash equivalents	\$ 4,939,987	\$ 1,253,709	\$ 6,193,696	\$ 8,889,241
Accounts receivable less allowance for uncollectible of \$313,127	3,283,469	203,699	3,487,168	3,579,351
Prepays and inventories	-	66,802	66,802	21,850
Due from other funds	-	35,346	35,346	-
Deferred charges	135,623	-	135,623	226,596
Restricted assets – investments	3,713,799	650,315	4,364,114	784,000
Total current assets	<u>12,072,878</u>	<u>2,209,871</u>	<u>14,282,749</u>	<u>13,501,038</u>
Property, plant and equipment				
Land	102,755	-	102,755	87,663
Buildings and improvements	518,600	-	518,600	518,600
Utility distribution	51,247,698	11,807,275	63,054,973	62,779,464
Construction in progress	721,098	2,443,165	3,164,263	549,249
Total property, plant and equipment	<u>52,590,151</u>	<u>14,250,440</u>	<u>66,840,591</u>	<u>63,934,976</u>
Less accumulated depreciation and amortization	<u>(24,833,126)</u>	<u>(5,865,563)</u>	<u>(30,698,689)</u>	<u>(29,210,913)</u>
Total long-term assets	<u>27,757,025</u>	<u>8,384,877</u>	<u>36,141,902</u>	<u>34,724,063</u>
Total assets	<u>\$ 39,829,903</u>	<u>\$ 10,594,748</u>	<u>\$ 50,424,651</u>	<u>\$ 48,225,101</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 2,012,789	\$ 358,475	\$ 2,371,264	\$ 1,242,732
Compensated absences	37,667	1,364	39,031	34,017
Deferred revenue	-	2,041	2,041	2,041
Advances from other funds	-	300,000	300,000	300,000
Current maturities of bonds	455,958	330,600	786,558	618,394
Customer deposits	828,669	-	828,669	792,767
Total current liabilities	<u>3,335,083</u>	<u>992,480</u>	<u>4,327,563</u>	<u>2,989,951</u>
Long-term liabilities				
Compensated absences	75,334	2,727	78,061	68,036
Bonds payable	10,595,218	2,913,080	13,508,298	14,283,604
Premium on bonds payable	73,091	53,138	126,229	138,157
Other post employment benefits	94,497	14,272	108,769	23,481
Total long-term liabilities	<u>10,838,140</u>	<u>2,983,217</u>	<u>13,821,357</u>	<u>14,513,278</u>
Total liabilities	<u>14,173,223</u>	<u>3,975,697</u>	<u>18,148,920</u>	<u>17,503,229</u>
Net Assets				
Invested in capital assets, net of related debt	19,268,135	5,871,584	25,139,719	26,915,595
Unrestricted	6,388,545	747,467	7,136,012	3,806,277
Total net assets	<u>25,656,680</u>	<u>6,619,051</u>	<u>32,275,731</u>	<u>30,721,872</u>
Total liabilities and net assets	<u>\$ 39,829,903</u>	<u>\$ 10,594,748</u>	<u>\$ 50,424,651</u>	<u>\$ 48,225,101</u>

City of Bedford, Texas
Statement of Revenues, Expenses and
Changes In Fund Net Assets – Proprietary Funds
Year Ended September 30, 2012 (with Comparative Totals for 2011)

	Water and Sewer	Stormwater Utility	Totals	
			2012	2011
Operating Revenues				
Water sales	\$ 12,185,112	\$ -	\$ 12,185,112	\$ 12,943,929
Charges for sewer services	5,995,840	-	5,995,840	5,884,928
Stormwater charges	-	1,261,856	1,261,856	1,260,285
Other	734,183	30,000	764,183	1,012,398
Total operating revenues	<u>18,915,135</u>	<u>1,291,856</u>	<u>20,206,991</u>	<u>21,101,540</u>
Operating Expenses				
Water supply and distribution	7,914,658	-	7,914,658	9,102,950
Wastewater collection and disposal	3,837,162	-	3,837,162	3,744,916
Billing and collection	1,155,188	978,625	2,133,813	1,808,792
Public services/engineering	566,978	-	566,978	554,722
Depreciation and amortization	1,260,972	261,916	1,522,888	1,530,437
Total operating expenses	<u>14,734,958</u>	<u>1,240,541</u>	<u>15,975,499</u>	<u>16,741,817</u>
Operating Income	<u>4,180,177</u>	<u>51,315</u>	<u>4,231,492</u>	<u>4,359,723</u>
Nonoperating Revenues (Expenses)				
Interest income	15,816	5,235	21,051	55,527
Gain on sale of capital assets	3,734	-	3,734	3,317
Interest expense and fiscal agent charges	(377,292)	(95,825)	(473,117)	(503,750)
Total nonoperating revenues (expenses)	<u>(357,742)</u>	<u>(90,590)</u>	<u>(448,332)</u>	<u>(444,906)</u>
Income Before Transfers	<u>3,822,435</u>	<u>(39,275)</u>	<u>3,783,160</u>	<u>3,914,817</u>
Capital Contributions	147,360	-	147,360	26,446
Transfers In	112,945	-	112,945	112,945
Transfers Out	<u>(2,147,258)</u>	<u>(342,351)</u>	<u>(2,489,609)</u>	<u>(2,449,576)</u>
Change in Net Assets	1,935,482	(381,626)	1,553,856	1,604,632
Total Net Assets, Beginning of Year	<u>23,721,198</u>	<u>7,000,677</u>	<u>30,721,875</u>	<u>29,117,240</u>
Total Net Assets, End of Year	<u>\$ 25,656,680</u>	<u>\$ 6,619,051</u>	<u>\$ 32,275,731</u>	<u>\$ 30,721,872</u>

City of Bedford, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2012 (with Comparative Totals for 2011)

	Water and Sewer	Stormwater Utility	Totals	
			2012	2011
Operating Activities				
Receipts from customers and users	\$ 19,032,101	\$ 1,393,948	\$ 20,426,049	\$ 20,812,838
Receipts from other funds	-	(35,346)	(35,346)	
Payments to suppliers	(10,452,739)	(517,833)	(10,970,572)	(13,006,031)
Payments to employees	(2,098,491)	(294,955)	(2,393,446)	(2,333,004)
Net cash provided by operating activities	6,480,871	545,814	7,026,685	5,473,803
Noncapital Financing Activities				
Transfers in	112,945	-	112,945	112,945
Transfers out	(2,147,258)	(342,351)	(2,489,609)	(2,449,576)
Net cash used by noncapital financing activities	(2,034,313)	(342,351)	(2,376,664)	(2,336,631)
Capital and Related Financing Activities				
Repayment of debt	(358,552)	(165,205)	(523,757)	(929,816)
Premium on debt	-	-	-	134,338
Payment to refunding agent	-	-	-	(2,567,553)
Proceeds from capital related debt	-	-	-	8,660,000
Interest and fiscal agent fees	(377,292)	(95,821)	(473,113)	(674,046)
Additions to property and equipment	(350,659)	(2,438,974)	(2,789,633)	(1,654,789)
Net cash provided (used) by capital and related financing activities	(1,086,503)	(2,700,000)	(3,786,503)	2,968,134
Investing Activities				
Interest on investments	15,816	5,235	21,051	55,527
Purchase of investments	(3,229,799)	(350,315)	(3,580,114)	(784,000)
Maturity on investments	-	-	-	687,996
Net cash provided by investing activities	(3,213,983)	(345,080)	(3,559,063)	(40,477)
Net Increase (Decrease) in Cash and Cash Equivalents	146,072	(2,841,617)	(2,695,545)	6,064,829
Cash and Cash Equivalents, Beginning of Year	4,793,915	4,095,326	8,889,241	2,824,412
Cash and Cash Equivalents, End of Year	\$ 4,939,987	\$ 1,253,709	\$ 6,193,696	\$ 8,889,241

City of Bedford, Texas
Statement of Cash Flows
Proprietary Funds (Continued)
Year Ended September 30, 2012 (with Comparative Totals for 2011)

	Water and Sewer	Stormwater Utility	Totals	
			2012	2011
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income	\$ 4,180,177	\$ 51,315	\$ 4,231,492	\$ 4,359,723
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	1,260,972	261,916	1,522,888	1,530,437
Change in				
Receivables	61,882	30,301	92,183	(301,049)
Due from other funds	-	(35,346)	(35,346)	-
Prepays and inventory	21,850	(66,802)	(44,952)	(428)
Accounts payable and accrued liabilities	915,038	304,467	1,219,505	(135,303)
Compensated absences	5,050	(37)	5,013	8,076
Customer deposits	35,902	-	35,902	12,347
	<u>\$ 6,480,871</u>	<u>\$ 545,814</u>	<u>\$ 7,026,685</u>	<u>\$ 5,473,803</u>
Net cash provided by operating activities				



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Notes to Financial Statements

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Note 1: Summary of Significant Accounting Policies

The City of Bedford, Texas (the City) Home Rule Charter was adopted September 24, 1966. The City operates under a Council-Manager form of government and provides the following services by its charter: public safety, public works, health, culture, recreation, community development, water and sewer utilities.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures and expenses. Actual results could vary from the estimates that are used. Significant policies of the City are described below.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and Proprietary Fund financial statements to the extent that those standards do not conflict with, or contradict the guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Funds, subject to the same limitation. The City's policy is to apply all Financial Accounting Standards Board standards to its proprietary funds unless they conflict with GASB guidance.

Financial Reporting Entity

Generally accepted accounting principles require that financial statements present the City (the primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The accompanying general purpose financial statements comply with the provisions of the GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on these criteria, the following blended component unit is included in the accompanying financial statements. Blended component units, although legally separate entities are, in substance, part of the City's operations.

The City Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as if it were part of the primary government because its sole purpose is to operate, maintain, and finance the costs of the City's street improvements using taxes collected under Section 4B of the Development Corporation Act of 1979. Separate financial statements are not available.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Basis of Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The primary effect of internal activity has been eliminated from the government-wide financial statements. However, interfund service provided and used is not eliminated in the process of consolidation on the government-wide statement of activities.

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

- **General Fund** – is the City’s primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Debt Service Fund** – is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.
- **Street Bond Capital Projects Fund** – is used to account for construction of improvements to streets, street related drainage and sidewalks.
- **Economic Development 4B Fund** – is used to account for revenues and expenses associated with the operation, maintenance and financing of the costs of the City’s street improvements.

All proprietary funds account for operations that are primarily financed by user charges.

The City reports the following proprietary funds:

- **Water and Sewer Fund** – accounts for providing water and sewer services to residential and commercial users in the City.
- **Stormwater Utility Fund** – accounts for the storm drainage runoff service provided to the residential and commercial users of the City.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services (except for sanitation services), fines and forfeits and rents and concessions are recorded as revenues when received in cash because they are generally not measurable until actually received. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all unrestricted cash and certificates of deposit with an original maturity date of three months or less.

Investments

Investments maturing within one year of date of purchase are reported at cost or amortized cost; all other investments are reported at fair value except for positions in Investment Pools. In accordance with state law, these pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as a 2a7-like pool and are reported at the net asset value per share (which approximates fair value) even though they are calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Comptroller of Public Accounts although it is not registered with the SEC.

Accounts Receivable

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of individual accounts. The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts and other specific information known to management that may affect collectibility.

Inventories

Inventories in the general and proprietary fund types are carried at cost (first-in, first-out method). The City uses the consumption method for determining cost; inventories are recognized as expenditures when consumed.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure such as roads, bridges, drainage systems and lighting systems, are reported at historical cost. Contributed assets are recorded at their estimated fair value as of the date received. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. Estimated useful lives of major categories of property are:

Buildings	20 – 40
Infrastructure	20 – 30
Water and sewer system	50
Improvements	10 – 20
Machinery and equipment	3 – 10

Interest expense is capitalized on contracts with durations over one year in the proprietary funds. The minimum capitalization threshold is any item with a total cost greater than \$5,000.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service from the City.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay only if the compensated absences have matured with unused reimbursable leave outstanding following an employee's resignation or retirement. Vested or accumulated vacation leave within proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Interfund Transactions

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. There is no interest charged between funds for these advances.

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 legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The net assets of the Tourism Development Fund and the Economic Development 4B Fund are restricted by enabling legislation as indicated on the statement of net assets.

The City's policy is to use restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Assigned** – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- **Unassigned** – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

Prior Year Comparative Information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements as of and for the year ended September 30, 2011, from which the summarized information was derived.

New Pronouncements

During the year ending September 30, 2013, the City will implement GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This statement introduces and defines those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period. This statement amends the net asset reporting requirements in Statement No. 34, *Basis Financial Statements and Management's Discussion and Analysis-for Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. During the year ending September 30, 2014, the City will implement GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

The statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statements No. 63 and No. 65 is expected to significantly change the presentation of the statements.

During the year ending September 30, 2015, the City will implement GASB Statements No. 68, *Accounting and Financial Reporting for Pensions* – an Amendment of GASB Statement No. 27. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The effects of implementing this statement is unknown, but is expected to have a material effect on net assets.

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 financial statement presentation. These reclassifications had no effect on net earnings.

Note 2: Deposits and Investments

The deposit and investment policies of the City are governed by State Statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be FDIC-insured institutions, and depositories must fully collateralize all deposits in excess of FDIC insurance limits.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agency securities, repurchase agreements and municipal pools.

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

During the year ended September 30, 2012, the City invested in TexPool, TexStar, TexDaily and Lone Star are investment pools authorized by the Texas Legislature. The Texas Treasury Safekeeping Trust Company is the trustee and is a limited purpose trust company authorized pursuant to Texas Government Code. The pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pools use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of the pools shares. The pools are rated as an AAA money market fund by Standard and Poor's and Moody's.

City of Bedford, Texas
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Investments at year-end are shown below:

Investment Type	Fair Value	Weighted-Average Maturity
TexPool	\$ 143,582	1
TexStar	5,993,898	1
Texas DAILY	1,298,270	1
Lone Star investment public pool	<u>95,313</u>	1
Total	<u>\$ 7,531,063</u>	

The City's investments at September 30, 2012, are held by the following investment pools:

Investment Type	Standard & Poor's Credit Rating
TexPool	AAAm
TexStar	AAAm
Texas DAILY	AAAm
Lone Star investment public pool	AAAm

All of the pools are chartered by the state of Texas. Portfolios consist only of those investments that are authorized by the State of Texas Public Funds Investment Act and the City's investment policy. Although there is no regulatory oversight over TexStar and TexasDAILY, advisory boards consisting of participants and their designees maintain oversight responsibility for the investment pools. Assets held in the investment pools are carried at amortized cost, which is the same as the value of the pool shares of the external investment pools.

- **Interest Rate Risk** – In accordance with its investment policy, the City manages its exposure to declines in fair market values by investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools. Furthermore, unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three years from the date of purchase.
- **Credit Risk** – It is the City's policy to follow statutes, which authorize the City to invest in obligations of the U. S. Treasury agencies and instrumentalities, obligations of the State of Texas and related agencies, obligations of states, agencies, counties, cities and other political subdivisions of any state rated "A" or above by Standard & Poor's Corporation or Moody's, repurchase agreements and designated investment pools. The City's assets in investment pools meet this requirement as noted above.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Note 3: Receivables

Receivables as of September 30, 2012, for the City's individual major funds and nonmajor, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Enterprise Funds			Total
	General	Debt Service	Street Bond	Economic Development	Nonmajor Governmental	Water and Sewer	Stormwater Utility	
Receivables								
Taxes								
Delinquent property taxes	\$ 214,537	\$ 131,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,028
Sales taxes	1,278,558	-	-	416,344	-	-	-	1,694,902
Franchise	823,362	-	-	-	-	-	-	823,362
Other	35,618	-	-	-	-	-	-	35,618
Accounts	1,201,030	217	112	166	6,023	3,596,596	203,699	5,007,843
Other	138,359	-	345,978	-	52,957	-	-	537,294
Gross receivables	3,691,464	131,708	346,090	416,510	58,980	3,596,596	203,699	8,445,047
Less allowance for uncollectibles	(31,388)	(19,238)	-	-	-	(313,127)	-	(363,753)
Net total receivables	\$ 3,660,076	\$ 112,470	\$ 346,090	\$ 416,510	\$ 58,980	\$ 3,283,469	\$ 203,699	\$ 8,081,294

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

At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Delinquent property taxes receivable (General Fund)	\$ 200,403	\$ -	\$ 200,403
Delinquent property taxes receivable (Debt Service Fund)	94,308	-	94,308
Delinquent ambulance receivable (General Fund)	1,015,810	-	1,015,810
Street and drainage assessments receivable (Street Bond)	345,978	-	345,978
Escrow (General Fund)	-	27,162	27,162
Escrow (Street Bond)	-	413,646	413,646
Cash bonds – deferred adjudication (General Fund)	-	20,889	20,889
Rental fees (Nonmajor Governmental)	-	6,850	6,850
Total deferred/unearned revenue for governmental funds	\$ 1,656,499	\$ 468,547	\$ 2,125,046

Note 4: Property Tax

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real property and personal business property located in the City. The assessed value upon which the fiscal 2012 levy was based was \$2,965,988,327. The appraisal function is performed by the Tarrant County Appraisal District.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation and by Home Rule Charter to \$1.50 per \$100 of assessed valuation for general governmental services and payment of principal and interest on long-term debt. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2012, was \$.50 per \$100 of assessed valuation.

City of Bedford, Texas
Notes to Financial Statements
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Taxes are due by January 31 following the levy date. Current tax collection for the year ended September 30, 2012, was 99% of the tax levy.

Uncollected property taxes levied for the current fiscal year are recognized as receivables, and are deemed collectible in full.

Note 5: Interfund Transfers

Interfund transfers are payments between funds that are designed to cover various operating and overhead expenses and to allocate charges for services performed by one fund on behalf of another fund.

Individual fund transfers for the year ended September 30, 2012, were:

	Transfer In			Total
	General	Debt Service	Stormwater Utility	
Transfers out				
Economic development 4B	\$ -	\$ 1,375,300	\$ -	\$ 1,375,300
Nonmajor governmental	111,717	-	-	111,717
Water and sewer	2,034,313	-	112,945	2,147,258
Stormwater utility	285,730	56,621	-	342,351
	<u>\$ 2,431,760</u>	<u>\$ 1,431,921</u>	<u>\$ 112,945</u>	<u>\$ 3,976,626</u>
Total transfers out				

Note 6: Interfund Assets/Liabilities

Interfund balances reflect payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period. Amounts due to and from other funds will be settled within the next accounting period. Management has no current intention of repaying the advance to the Stormwater Utility Fund in the immediate future.

Individual fund interfund receivable and payable balances at September 30, 2012, were:

	Advances to Other Funds	Advances from Other Funds
Advances		
General Fund	\$ 300,000	\$ -
Stormwater utility fund	-	300,000
	<u>\$ 300,000</u>	<u>\$ 300,000</u>

The advances between the General Fund and Stormwater Utility Fund are the result of the General Fund lending funds to cover start-up operating costs to the Stormwater Utility Fund.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Note 7: Capital Assets

The following tables summarize changes in capital assets during the year ended September 30, 2012:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 7,511,343	\$ -	\$ -	\$ -	\$ 7,511,343
Construction in progress	2,547,503	377,457	-	(2,575,178)	349,782
Total assets not being depreciated	<u>10,058,846</u>	<u>377,457</u>	<u>-</u>	<u>(2,575,178)</u>	<u>7,861,125</u>
Capital assets, being depreciated					
Buildings	25,255,790	-	-	-	25,255,790
Equipment	23,506,706	1,853,911	(515,316)	822,486	25,667,787
Improvements other than buildings	121,173,561	50,072	(124,000)	1,752,692	122,852,325
Total capital assets being depreciated	<u>169,936,057</u>	<u>1,903,983</u>	<u>(639,316)</u>	<u>2,575,178</u>	<u>173,775,902</u>
Less accumulated depreciation					
Buildings	(8,915,239)	(834,634)	-	-	(9,749,873)
Equipment	(20,429,662)	(1,345,459)	515,316	-	(21,259,805)
Improvement other than buildings	(89,475,104)	(5,916,926)	124,000	-	(95,268,030)
Total accumulated depreciation	<u>(118,820,005)</u>	<u>(8,097,019)</u>	<u>639,316</u>	<u>-</u>	<u>(126,277,708)</u>
Total capital assets being depreciated, net	<u>51,116,052</u>	<u>(6,193,036)</u>	<u>-</u>	<u>2,575,178</u>	<u>47,498,194</u>
Governmental activities capital assets, net	<u>\$ 61,174,898</u>	<u>\$ (5,815,579)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,359,319</u>
Business-type Activities					
Capital assets, not being depreciated					
Land	\$ 87,663	\$ 15,092	\$ -	\$ -	\$ 102,755
Construction in progress	549,249	2,741,935	-	(126,921)	3,164,263
Total assets not being depreciated	<u>636,912</u>	<u>2,757,027</u>	<u>-</u>	<u>(126,921)</u>	<u>3,267,018</u>
Capital assets, being depreciated					
Buildings	518,600	-	-	-	518,600
Utility distributions	62,779,464	183,700	(35,112)	126,921	63,054,973
Total capital assets being depreciated	<u>63,298,064</u>	<u>183,700</u>	<u>(35,112)</u>	<u>126,921</u>	<u>63,573,573</u>
Less accumulated depreciation					
Buildings	(518,601)	(57,860)	-	-	(576,461)
Utility distributions	(28,692,312)	(1,465,028)	35,112	-	(30,122,228)
Total accumulated depreciation	<u>(29,210,913)</u>	<u>(1,522,888)</u>	<u>35,112</u>	<u>-</u>	<u>(30,698,689)</u>
Total capital assets being depreciated, net	<u>34,087,151</u>	<u>(1,339,188)</u>	<u>-</u>	<u>126,921</u>	<u>32,874,884</u>
Business-type activities capital assets, net	<u>\$ 34,724,063</u>	<u>\$ 1,417,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,141,902</u>

City of Bedford, Texas
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government	\$ 229,453
Community services	73,437
Public services	1,165,439
Public safety	5,645,588
Leisure services	953,834
Administrative services	<u>29,268</u>
Total depreciation expense – governmental activities	<u>\$ 8,097,019</u>
Business-type Activities	
Water and sewer	\$ 1,260,972
Stormwater collection and disposal	<u>261,916</u>
Total depreciation expense – business-type activities	<u>\$ 1,522,888</u>

Note 8: Long-term Liabilities

The following is a summary of the long-term liabilities of the City for the year ended September 30, 2012:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One-Year
Governmental Activities					
General obligation bonds	\$ 46,020,000	\$ -	\$ (4,996,621)	\$ 41,023,379	\$ 4,804,347
Premium on debt	1,415,644	-	(150,485)	1,265,159	149,739
Deferred loss on refunding	(68,090)	-	6,190	(61,900)	(6,190)
Tax notes	190,000	-	(190,000)	-	-
Capital lease	-	339,011	-	339,011	51,129
Compensated absences	2,082,796	236,862	-	2,319,658	773,212
Other post-employment benefits	<u>220,727</u>	<u>-</u>	<u>(43,261)</u>	<u>177,466</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 49,861,077</u>	<u>\$ 575,873</u>	<u>\$ (5,374,177)</u>	<u>\$ 45,062,773</u>	<u>\$ 5,772,237</u>
Business-type Activities					
Certificates of obligation	\$ 14,960,000	\$ -	\$ (618,379)	\$ 14,341,621	\$ 785,867
Premiums on debt	138,158	-	(5,965)	132,193	5,964
Deferred loss on refunding	(58,002)	-	5,273	(52,729)	(5,273)
Compensated absences	102,052	15,040	-	117,092	39,031
Other post-employment benefits	<u>23,481</u>	<u>85,288</u>	<u>-</u>	<u>108,769</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 15,165,689</u>	<u>\$ 100,328</u>	<u>\$ (619,071)</u>	<u>\$ 14,646,946</u>	<u>\$ 825,589</u>

City of Bedford, Texas
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Governmental long-term debt consists of the following individual issues at September 30, 2012:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2002 General Obligation Refunding Bonds (issue in conjunction with business-type debt)	\$ 9,265,000	3.5% – 5.0%	\$ 1,100,000
Series 2003 General Obligation Refunding Bonds (issue in conjunction with business-type debt)	5,765,000	2.0% – 3.7%	570,000
Series 2004 General Obligation Refunding Bonds	12,350,000	2.4% – 5.0%	6,370,000
Series 2005 General Obligation Refunding Bonds	28,600,000	3.25% – 5.0%	19,130,000
Series 2007 General Obligation Bonds	4,000,000	3.875% – 5.0%	3,290,000
Series 2010 General Obligation Bonds	4,885,000	2.0% – 5.0%	4,705,000
Series 2011 General Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	3,531,320
Series 2011 General Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	<u>2,327,059</u>
Total General Obligation Bonds			<u><u>\$ 41,023,379</u></u>

Business-type long-term debt consists of the following individual issues at September 30, 2012:

Series	Original Issue	Interest Rate	Debt Outstanding
Certificates of Obligation			
Series 2007 Certificates of Obligation	\$ 4,975,000	3.875% – 4.25%	\$ 4,090,000
Series 2010 Certificates of Obligation	2,035,000	3.0% – 4.125%	1,960,000
Series 2011 Certificates of Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	4,333,680
Series 2011 Combination Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	<u>3,957,941</u>
Total Certificates of Obligation			<u><u>\$ 14,341,621</u></u>

City of Bedford, Texas
Notes to Financial Statements
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The annual debt service requirements to amortize the bonds, certificates of obligation, and capital lease obligations and outstanding at September 30, 2012, follows:

Governmental Activities:

Year Ending September 30,	General Obligation Bonds	Capital Lease	Interest	Total
2013	\$ 4,804,347	\$ 51,129	\$ 1,680,286	\$ 6,535,762
2014	5,000,186	55,285	1,466,988	6,522,459
2015	5,192,431	57,489	1,230,624	6,480,544
2016	5,108,262	59,779	994,804	6,162,845
2017	5,005,945	115,329	759,642	5,880,916
2018 – 2022	9,417,853	-	1,992,694	11,410,547
2023 – 2027	4,499,992	-	826,594	5,326,586
2028 – 2032	1,994,363	-	138,809	2,133,172
	<u>\$ 41,023,379</u>	<u>\$ 339,011</u>	<u>\$ 9,090,441</u>	<u>\$ 50,452,831</u>

Business-type Activities:

Year Ending September 30,	Certificate of Obligations	Interest	Total
2013	\$ 785,867	\$ 418,040	\$ 1,203,907
2014	829,815	398,721	1,228,536
2015	842,015	378,882	1,220,897
2016	871,738	358,229	1,229,967
2017	904,055	334,026	1,238,081
2018 – 2022	4,567,148	1,263,820	5,830,968
2023 – 2027	3,890,008	599,867	4,489,875
2028 – 2032	1,650,975	105,610	1,756,585
	<u>\$ 14,341,621</u>	<u>\$ 3,857,195</u>	<u>\$ 18,198,816</u>

City of Bedford, Texas
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The General Fund and Tourism Fund have been used to liquidate the governmental fund liability for compensated absences. This year, the government entered into a lease agreement as lessee for financing the acquisition of new software valued at \$569,937 of which \$330,011 was financed. The equipment has a seven-year estimated useful life. During the current fiscal year, \$81,420 was recorded in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

Note 9: Retirement Plan

Plan Description

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

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

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

	December 31,	
	2012	2011
Deposit rate	5.0%	5.0%
Matching ratio (City to employee)	2 – 1	2 – 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	0%	0%
Annuity increase (to retirees)	0% of CPI	0% of CPI

City of Bedford, Texas
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Contributions

Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

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

Annual Pension Cost

Contributions by the City were \$1,262,583, or 6.76% of the covered payroll of \$18,649,701 as required by the actuarial valuation.

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the 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 (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). 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, 2011, TMRS Comprehensive Annual Financial Report (CAFR).

City of Bedford, Texas
Notes to Financial Statements
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Annual City pension cost and related information for the last three years is as follows:

	December 31,			
	2011	2010 – Prior to Restructuring	2010 Restructured	2009
Actuarial Information				
Actuarial cost method	Project Unit Credit	Project Unit Credit	Project Unit Credit	Project Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	23.1 years-closed period	24 years-closed period	24.1 years-closed period	25.1 years-closed period
Amortization period for new gains/losses	25 years	25 years	25 years	25 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions				
Investment rate of return	7.0%	7.5%	7.0%	7.5%
Projected salary increases	Varies by age and services	Varies by age and services	Varies by age and services	Varies by age and services
Inflation	3.0%	3.0%	3.0%	3.0%
Cost of living adjustment	0.0%	0.0%	0.0%	0.0%
City specific assumptions				
Payroll growth assumption	3.00%	3.00%	3.00%	3.00%
Schedule of Funding Information				
Actuarial valuation date	12/31/2011	12/31/2010	12/31/2010	12/31/2009
Actuarial value of assets	\$ 4,713,345	\$ 2,378,268	\$ 2,424,829	\$ 320,805
Actuarial accrued liability	\$ 15,748,320	\$ 11,372,548	\$ 13,872,080	\$ 8,653,917
Unfunded (overfund) Actuarial Accrued Liability (UAAL)	\$ 11,034,975	\$ 8,994,280	\$ 11,447,251	\$ 8,333,112
Funded ratio	30%	21%	17%	4%
Annual covered payroll	\$ 18,649,701	\$ 18,787,516	\$ 18,787,516	\$ 2,866,929
UAAL as a percentage of covered payroll	59%	48%	61%	291%

City of Bedford, Texas
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The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

The City’s net pension obligation (NPO) for TMRS at December 31, 2011, 2010 and 2009, is calculated as follows:

	December 31,		
	2011	2010	2009
Actuarial valuation date			
NPO, beginning of year	\$ -	\$ -	\$ -
Annual required contribution (ARC)	1,262,583	1,282,457	1,024,167
Contributions made	<u>1,262,583</u>	<u>1,282,457</u>	<u>1,024,167</u>
NPO, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Note 10: Postemployment Health Care Plan

Plan Description and Funding Policy

Starting January 1, 2010, the City began requiring participants who are active employees with less than 20 years of service or 60 years or more of age with less than 5 years of service to contribute an age-based full-cost premium if they choose to remain on the City’s health care plan upon retirement. In return, the City will make scheduled annual contributions into a Retiree Health Savings Plan in the name of each eligible employee who has 10 years of service or more. Employees are 50% vested at 20 years of service and 100% vested at 30 years of service.

Under provisions of GASB Statement 45, employees who will be required to contribute the full age based cost of coverage for the City’s Health Plan do not receive an Other Postemployment Benefit.

Retiring employees will pay either age based or blended premiums depending on their status as “grandfathered” or “non-grandfathered.” Blended premiums blend the cost of providing health coverage to both active employees and retirees, and will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

City of Bedford, Texas
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September 30, 2012

a. Grandfathered Employees

As of January 1, 2010, employees that have 20 years of continuous service with the City or employees having 5 years of continuous service and have reached the age of 60 will be eligible to purchase City health benefits at blended rates upon the date of their retirement if they are less than age 65. Employees who meet the requirements to stay on the plan will continue to pay both employee and employer required contributions for the retiree health plan chosen for themselves and eligible dependents. Employer and employee required contributions are determined annually by plan as part of the City's annual budget. If the spouse or eligible dependents are on the plan at the time of the employee's retirement, they can remain on the plan, until which time they are no longer eligible.

b. Non-Grandfathered Employees

Employees who do not meet the eligibility requirements to stay on the plan will pay age based premiums for the retiree health plan chosen for themselves and eligible dependents. These employees will participate in the City's Retiree Health Savings plan.

Policy Information

a. Retiree Health Plan Benefit Eligibility

To be eligible for retiree health benefits employees must meet the following criteria:

- Any employee who is covered under the City's health plan at the effective date of (the employee's) retirement, who is less than age 65, and who meets the "retiree" definition (as described below) may elect to continue health insurance coverage under the plan.
- Employees who are eligible and elect to stay on the plan will be required to begin paying monthly premiums immediately upon retirement.
- Employees eligible for retiree health insurance may also continue coverage for any dependents following the employee's retirement, provided the dependents were covered under the employee's health insurance as of the effective date of the employee's retirement and the appropriate enrollment forms are completed with 30 days of retirement. Anyone electing this coverage must meet all of the eligibility rules of the plan.

NOTE: When a covered retiree's spouse is employed at the time the City of Bedford employee retires, an exception to this policy may be made. The spouse may elect coverage under the City's health plan if the spouse's employment ends or the spouse's employer discontinues coverage.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

- Dependents who are covered under the retiree's health insurance at the time of the retiree's death may continue coverage as follows: (a) The spouse may continue coverage following the death of the retiree until such time as the spouse remarries, dies or reaches age 65, (b) any other eligible dependent(s), as defined by the City's self-funded plan, may continue to be covered under retiree health insurance as long as all eligibility requirements of the City's plan are met.

b. Retiree Health Plan Benefit Coverage

Retirees are able to maintain retiree coverage through the City until they reach age 65 (see section below). Retirees cannot drop the City's plan and re-elect retiree benefits at a later date unless they become re-employed by the City. If this is the case, they must re-enroll into the City's retiree insurance program within 30 days of the termination from the City's re-employment.

- Retirees are able to choose from and elect the same plans offered to active employees during open enrollment each year until they reach age 65.
- Retirees who decide to elect the City's retiree health benefits will pay either age based on blended premiums depending on their status as "grandfathered" or "non-grandfathered."
- Blended premiums blend the cost of providing health coverage to both active employees and retirees, will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

c. Retirees Age 65 or Older

Effective January 1, 2010, retirees who are Medicare eligible or age 65 or older will have access to a more cost effective and comparable Medicare Supplement or Medicare Advantage Plan and will no longer have access to the City's health plan. Retirees will continue to have access to the City's dental plan.

- Retirees who choose to obtain coverage elsewhere may later elect one of the City's Medicare Supplement or Medicare Advantage plans when they become eligible for Medicare.
- Retirees' dependents who are under 65 years of age will be able to maintain coverage through the City's health plan. Once a dependent reaches age 65, she will no longer be able to access the City's health plan, but will be able to select either the Medicare Supplement or Medicare Advantage plan which is less expensive than the current retiree premiums and is comparable to or offers a richer benefit than the City's health plan.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

- If the employee is 65 years of age or older, but is not Medicare eligible, the City will evaluate the cost of Medicare Part A premiums each year and determine whether the City will reimburse the employee for the purchase of Medicare Part A (on behalf of the retiree or whether to allow the retiree to pay the premium to stay on the City's health plan). Retirees in this situation will be notified of this determination at the end of each year for the following plan year.

Applicability

This policy applies to all regular full-time employees.

Definitions

Retiree – is defined as an employee who has effected retirement with the City and is eligible to retire according to the City's pension plan guidelines.

Policy Authority

The City Council authorizes this policy. The City's management team and Human Resources are responsible for interpreting and enforcing this policy.

Implementation Procedures

Employees eligible for retiree health insurance will be given written notification from Human Resources explaining their eligibility to elect retiree health insurance, the applicable premium rates for the type of coverage(s) they are eligible to continue, and the procedures the employee must follow in order to elect retiree health insurance. They will also be given an election form on which to make their health insurance elections.

Employees eligible for retiree health insurance must complete the retiree health insurance election form and remit the appropriate premium payment as outlined in the retiree medical information packet within 30 days following the effective date of the employee's retirement; otherwise, the retiree will automatically forfeit his/her right to continue health insurance under this policy, except as provided by federal law.

Retirees who are not age 65 and who are eligible for and elect retiree coverage through the City will receive notification from the City's Human Resources Department of the discontinuation of their retiree coverage along with enrollment information for the Medicare Supplement and Medicare Advantage plans upon turning age 65.

a. Termination of Retiree Health Plan Coverage

Retiree health insurance will automatically terminate for the retiree and/or covered dependents upon the earliest of the following occurrences:

- The City ceases to provide group health insurance

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

- Retiree/retiree's dependent(s) fail to remit the monthly premium payment to the City's Human Resources Department by the last day of each month.
- The retiree returns to active employment status with the City and becomes covered under a City sponsored health plan.
- Dependent(s) of the retiree cease to meet the eligibility requirements of the City's medical plan.

Note 11: Other Post-Employment Benefits

Plan Description

The City provides post-employment medical care (OPEB) for employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage an employee must qualify under all three of the following:

1. The retiree must have been covered for medical benefits under the City Health Plan as an employee immediately prior to termination of employment.
2. Apply for pension benefits from TMRS in accordance with their requirements and deadlines, but in no event later than 90 days from termination of employment and
3. Enroll for retiree Health coverage within 30 days of the date of termination.

Annual Funding Policy

The plan's premium rates are determined annually by City management and approved by the City Council as part of the annual budget. Members receiving PPO medical benefits contribute 50% – 80% per month for retiree-only coverage, 50% – 80% per month for retiree and spouse and 50% – 80% per month for retiree and family.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Annual OPEB Costs

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City's annual OPEB cost for the past three years and the related information is listed below:

	2012	September 30, 2011	2010
Annual required contribution	\$ 97,796	\$ 181,392	\$ 176,109
Interest on prior year net OPEB obligation	10,989	6,960	-
Adjustment to annual required contribution	<u>(16,109)</u>	<u>(6,448)</u>	<u>-</u>
Annual OPEB cost	92,676	181,904	176,109
Contributions made	<u>(50,649)</u>	<u>(92,358)</u>	<u>(21,447)</u>
Increase in net OPEB obligation	42,027	89,546	154,662
Net obligation, beginning of year	<u>244,208</u>	<u>154,662</u>	<u>-</u>
Net obligation, end of year	<u>\$ 286,235</u>	<u>\$ 244,208</u>	<u>\$ 154,662</u>
Percentage of OPEB costs contributed	18%	38%	14%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year (4.5% discount rate, and Projected Unit Credit Cost method).

Funded Status and Funding Progress

The funded status of the plan as of actuarial measurement date of December 31, 2011, was as follows:

Actuarial accrued liability	\$ 1,138,070
Actuarial value of plan assets	<u>27,970</u>
Unfunded actuarial accrued liability	<u>\$ 1,110,100</u>
Funded ratio	2.52%
Covered payroll	\$ 18,649,701
Unfunded actuarial accrued liability as a percentage of covered payroll	6.1%

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011, actuarial valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 4.5% after a number of years. Both rates include a 3% inflation assumption. The actuarial value of the plan's assets was set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities valued at 4.5%. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2011, was 25 years.

Note 12: Commitments and Contingencies

Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Texas Municipal League Intergovernmental Risk Pool (the Risk Pool) to provide insurance for workers' compensation benefits, liability and property coverage.

At September 30, 2012, the Risk Pool was self-sustaining based on premiums charged, so that total contributions plus compounded earnings on these contributions will be sufficient to satisfy claims and liabilities and other expenses. Premiums are assessed based on the rates set by the Texas State Board of Insurance and may be adjusted, on an annual basis, by the Risk Pool's Board of Trustees for each participating political subdivision's experience. The City is not liable for payments beyond the annual contributions.

The Risk Pool has purchased stop-loss coverage to protect the assets of the pool from catastrophic losses. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage during the current year.

Trinity River Authority of Texas

In 1972, the City entered into a contract with the Trinity River Authority (TRA) for the purchase of water. The contract is in effect for a period of 35 years from the date the Authority began receiving water from the Tarrant Water District (which was in 1974) and shall continue in effect until all bonds, including refunding bonds, have been paid.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2012

Under the terms of the contract, the City is obligated to pay its proportional share of operating and maintenance expenses and debt service charges by the TRA based on the ratio of estimated water usage for the ensuing year to the total estimated water usage. Total purchases during fiscal year 2012 were approximately \$6,709,130.

In 1973, the City entered into a 50-year contract with the TRA for the transportation, treatment, and disposal of sanitary sewage actually discharged and to share in the cost of operation and maintenance of the system. Total payments of approximately \$3,030,828 were made in fiscal year 2012. Additionally, \$314,823 was spent with the City of Hurst for the transportation, treatment and disposal of sanitary sewage as well.

Litigation

Various claims and lawsuits are pending against the City. In the opinion of the City's legal counsel and management, the potential loss on all claims after insurance will not be significant to the City's financial statements.

State and Federal Programs

The City has received federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the City, disallowed costs, if any, should not be material.

Note 13: Subsequent Events

On September 11, 2012, the City commenced issuance of \$4,270,000 in Combination Tax and Revenue Certification of Obligation, Series 2012A (Series 2012A) bonds to improve and extend the City's combined Waterworks and Sewer system along with associated legal, fiscal and engineering costs. Delivery of the funds occurred on October 16, 2012. The Series 2012A bonds will be payable February 1 and August 1 of each year until maturity or prior redemption, commencing February 1, 2013.

On October 16, 2012, the Texas Water Development Board issued \$630,000 in Combination Tax Revenue Certificates of Obligation, Series 2012 (Series 2012), on behalf of the City. The funds are maintained in a separate escrow account for the City to make withdraws. The Series 2012 were issued for the purpose of improving and extending the City's sewer system, including the acquisition of land and rights-of-way.

The cost of issuance of the loans to be paid by the City from the funds on hand and the proceeds of the sale will be included in a separate construction fund.

Subsequent events have been evaluated through March 27, 2013, which is the date the financial statements were available to be issued.



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Required Supplementary Information

City of Bedford, Texas
Schedule of Funding Progress
September 30, 2012

Actuarial Valuation Date	Plan	Actuarial Value of Assets [1]	Actuarial Accrual Liability (AAL) [2]	Funded Ratio [3] [1]/[2]	Unfunded AAL (UAAL) [4] [2]-[1]	Covered Payroll [5]	UAAL as a Percentage of Covered Payroll [6] [4]/[5]
12/31/2009	TMRS	\$ 320,805	\$ 8,653,917	3.7%	\$ 8,333,112	\$ 2,866,929	290.7%
12/31/2010	TMRS *	2,378,268	11,372,548	20.9%	8,994,280	18,787,516	47.9%
12/31/2010	TMRS **	2,424,829	13,872,080	17.5%	11,447,251	18,787,516	60.9%
12/31/2011	TMRS	4,713,345	15,748,320	29.9%	11,034,975	18,649,701	59.2%
12/31/2011	OPEB	27,970	1,138,070	2.5%	1,110,100	3,596,883	31%
11/30/2010	OPEB	-	2,467,613	0.0%	2,467,613	16,465,708	15%

* Actuarial valuation performed under original fund structure

** Actuarial valuation performed under the new fund structure

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the 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 (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects of TMRS city rates and funding ratios, please see the December 31, 2010, TMRS Comprehensive Annual Financial Report (CAFR).

Under the reporting parameters, the City's retiree health care plan is 2.46% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,110,100 at December 31, 2011. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 30.9%.

The Projected Unit Credit actuarial cost method is used to calculate the GASB 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 recognition of the cost of 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.

City of Bedford, Texas
Budgetary Comparison Schedule General Fund
September 30, 2012

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes, penalty and interest	\$ 19,221,961	\$ 19,221,961	\$ 19,371,190	\$ 149,229
Licenses and permits	594,250	594,250	863,709	269,459
Charges for services	2,307,300	2,307,300	2,494,185	186,885
Fines and forfeits	1,298,500	1,298,500	1,595,887	297,387
Support from other governmental entities	546,428	546,428	517,289	(29,139)
Interest	30,000	30,000	6,783	(23,217)
Miscellaneous	408,000	408,000	399,578	(8,422)
	<u>24,406,439</u>	<u>24,406,439</u>	<u>25,248,621</u>	<u>842,182</u>
Expenditures				
General government				
City council	103,675	103,675	107,272	(3,597)
City manager	404,884	404,884	428,350	(23,466)
City secretary	210,118	210,118	210,538	(420)
Information systems	655,812	655,812	546,834	108,978
Human resources	284,264	284,264	278,146	6,118
	<u>1,658,753</u>	<u>1,658,753</u>	<u>1,571,140</u>	<u>87,613</u>
Total general government				
	<u>1,658,753</u>	<u>1,658,753</u>	<u>1,571,140</u>	<u>87,613</u>
Community services				
Economic development	151,016	151,016	193,430	(42,414)
Planning and zoning	357,178	357,178	338,817	18,361
Inspections	547,455	547,455	565,131	(17,676)
	<u>1,055,649</u>	<u>1,055,649</u>	<u>1,097,378</u>	<u>(41,729)</u>
Total community services				
	<u>1,055,649</u>	<u>1,055,649</u>	<u>1,097,378</u>	<u>(41,729)</u>
Public services				
Facilities maintenance	637,419	637,419	438,197	199,222
Maintenance services	245,592	245,592	239,841	5,751
Streets	1,007,815	1,007,815	1,025,576	(17,761)
	<u>1,890,826</u>	<u>1,890,826</u>	<u>1,703,614</u>	<u>187,212</u>
Total public services				
	<u>1,890,826</u>	<u>1,890,826</u>	<u>1,703,614</u>	<u>187,212</u>
Administrative services				
Finance	545,239	545,239	556,388	(11,149)
Nondepartmental	791,366	791,366	767,976	23,390
Municipal court	539,690	539,690	559,280	(19,590)
Teen court	162,886	162,886	153,580	9,306
	<u>2,039,181</u>	<u>2,039,181</u>	<u>2,037,224</u>	<u>1,957</u>
Total administrative services				
	<u>2,039,181</u>	<u>2,039,181</u>	<u>2,037,224</u>	<u>1,957</u>

City of Bedford, Texas
Budgetary Comparison Schedule General Fund (Continued)
September 30, 2012

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures				
Public safety				
Administration	\$ 802,826	\$ 802,826	\$ 813,117	\$ (10,291)
Animal control	337,963	337,963	351,536	(13,573)
Criminal investigation division	1,437,867	1,437,867	1,465,650	(27,783)
Community services	792,550	792,550	742,807	49,743
SWAT	17,805	17,805	15,793	2,012
Patrol	4,376,949	4,376,949	4,122,612	254,337
Traffic	589,513	589,513	544,874	44,639
Dispatch	663,741	663,741	667,880	(4,139)
Jail	814,284	814,284	757,500	56,784
Records	366,919	366,919	373,583	(6,664)
Fire operations	<u>6,210,653</u>	<u>6,210,653</u>	<u>6,271,399</u>	<u>(60,746)</u>
Total public safety	<u>16,411,070</u>	<u>16,411,070</u>	<u>16,126,751</u>	<u>284,319</u>
Leisure services				
Library	1,148,623	1,148,623	1,119,609	29,014
Parks	1,182,691	1,182,691	1,150,753	31,938
Recreation	813,388	813,388	746,124	67,264
Senior citizens	222,285	222,285	198,279	24,006
Splash	<u>410,485</u>	<u>410,485</u>	<u>434,718</u>	<u>(24,233)</u>
Total leisure services	<u>3,777,472</u>	<u>3,777,472</u>	<u>3,649,483</u>	<u>127,989</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>722,242</u>	<u>-</u>
Total expenditures	<u>26,832,951</u>	<u>26,832,951</u>	<u>26,907,832</u>	<u>647,361</u>
Excess (deficiency) of revenues over expenditures	<u>(2,426,512)</u>	<u>(2,426,512)</u>	<u>(1,659,211)</u>	<u>194,821</u>
Other Financing Sources (Uses)				
Transfers in	2,621,631	2,621,631	2,636,763	15,132
Transfers out	(205,000)	(205,000)	(205,000)	-
Sale of capital asset	-	-	219,723	219,723
Lease purchase proceeds	-	-	339,011	339,011
Insurance proceeds	<u>-</u>	<u>-</u>	<u>41,100</u>	<u>41,100</u>
Total other financing sources (uses)	<u>2,416,631</u>	<u>2,416,631</u>	<u>3,031,597</u>	<u>614,966</u>
Net Changes in Fund Balance	(9,881)	(9,881)	1,372,386	809,787
Fund Balance, Beginning of Year	<u>4,413,970</u>	<u>4,413,970</u>	<u>4,413,970</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 4,404,089</u></u>	<u><u>\$ 4,404,089</u></u>	<u><u>\$ 5,786,356</u></u>	<u><u>\$ 1,382,267</u></u>

City of Bedford, Texas
Budgetary Comparison Schedule
Economic Development 4B Fund
Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes, penalty and interest	\$ 2,300,000	\$ 2,300,000	\$ 2,340,759	\$ 40,759
Interest	12,500	12,500	2,268	(10,232)
Total revenues	<u>2,312,500</u>	<u>2,312,500</u>	<u>2,343,027</u>	<u>30,527</u>
Expenditures				
Current				
Public services	681,010	681,010	626,294	54,716
Capital outlay	20,000	20,000	23,571	(3,571)
Total expenditures	<u>701,010</u>	<u>701,010</u>	<u>649,865</u>	<u>51,145</u>
Excess (deficiency) of revenues over expenditures	<u>1,611,490</u>	<u>1,611,490</u>	<u>1,693,162</u>	<u>(20,618)</u>
Other Financing Sources (Uses)	<u>(1,375,300)</u>	<u>(1,375,300)</u>	<u>(1,375,300)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,375,300)</u>	<u>(1,375,300)</u>	<u>(1,375,300)</u>	<u>-</u>
Net Changes in Fund Balance	236,190	236,190	317,862	(20,618)
Fund Balance, Beginning of Year	<u>1,183,613</u>	<u>1,183,613</u>	<u>1,183,613</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,419,803</u>	<u>\$ 1,419,803</u>	<u>\$ 1,501,475</u>	<u>\$ 81,672</u>

City of Bedford, Texas
Notes to Required Supplementary Information
September 30, 2012

Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted for the General, Debt Service, Court Security, Drug Forfeiture, Tourism Development, Park Donation, Beautification Commission, Economic Development and Police Training funds using the modified accrual basis of accounting.

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

- Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City council after public hearings.
- All unexpended appropriations lapse at year-end.



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**Combining and Individual Fund
Statements and Schedule**

City of Bedford, Texas
Combining Balance Sheets
Nonmajor Governmental Funds
September 30, 2012

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 601,470	\$ 1,872,246	\$ 2,473,716
Investments	505,042	-	505,042
Receivables			
Accounts	6,023	-	6,023
Other	52,957	-	52,957
	<u>\$ 1,165,492</u>	<u>\$ 1,872,246</u>	<u>\$ 3,037,738</u>
Total assets	<u>\$ 1,165,492</u>	<u>\$ 1,872,246</u>	<u>\$ 3,037,738</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 252,348	\$ 41,547	\$ 293,895
Deferred revenues	6,850	-	6,850
Due to other funds	36,713	-	36,713
	<u>295,911</u>	<u>41,547</u>	<u>337,458</u>
Total liabilities	<u>295,911</u>	<u>41,547</u>	<u>337,458</u>
 Fund balances			
Restricted for			
Public safety	308,698	-	308,698
Parks and beautification	54,960	-	54,960
Other	505,923	-	505,923
Capital acquisition and construction	-	1,830,699	1,830,699
	<u>869,581</u>	<u>1,830,699</u>	<u>2,700,280</u>
Total fund balances	<u>869,581</u>	<u>1,830,699</u>	<u>2,700,280</u>
Total liabilities and fund balances	<u>\$ 1,165,492</u>	<u>\$ 1,872,246</u>	<u>\$ 3,037,738</u>

City of Bedford, Texas
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2012

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes, penalty and interest	\$ 724,555	\$ -	\$ 724,555
Charges for service	328,054	-	328,054
Fines and forfeitures	483,008	-	483,008
Support from governmental entities	137,443	-	137,443
Interest	791	2,951	3,742
Miscellaneous	112,968	-	112,968
	<u>1,786,819</u>	<u>2,951</u>	<u>1,789,770</u>
Expenditures			
Current			
General government	3,611	-	3,611
Community services	815,308	-	815,308
Public safety	378,511	-	378,511
Administrative services	44,676	-	44,676
Leisure	12,063	-	12,063
Capital outlay	108,417	1,427,210	1,535,627
	<u>1,362,586</u>	<u>1,427,210</u>	<u>2,789,796</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>424,233</u>	<u>(1,424,259)</u>	<u>(1,000,026)</u>
Other Financing Sources (Uses)			
Transfers out	<u>(111,717)</u>	<u>-</u>	<u>(111,717)</u>
Total other financing sources (uses)	<u>(111,717)</u>	<u>-</u>	<u>(111,717)</u>
Net Change in Fund Balances	312,516	(1,424,259)	(1,111,743)
Fund Balances, Beginning of Year	<u>557,065</u>	<u>3,254,958</u>	<u>3,812,023</u>
Fund Balances, End of Year	<u>\$ 869,581</u>	<u>\$ 1,830,699</u>	<u>\$ 2,700,280</u>

Special Revenue Funds

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

Miscellaneous Donations Fund – This fund is used to account for miscellaneous designated contributions from citizens and other governments.

Court Security Fund – This fund accounts for monies collected under State Statute designated to provide security for the Municipal Court facilities.

Court Technology Fund – This fund is used for monies collected under State Statute designed to provide increased technology for the Municipal Court facilities.

Park Donation Fund – This fund is used for contributions from citizens designated for park improvements.

Drug Forfeiture Fund – This fund accounts for monies received from participation in federal drug enforcement activities.

Bedford Beautification Fund – This fund accounts for revenue and expenditures related to various citywide beautification programs proposed by the City's Beautification Commission.

Police Training Fund – This fund accounts for funds received from state surplus to be used for police training.

Tourism Development Fund – This fund accounts for hotel/motel taxes received.

Local Law Enforcement Block Grant Fund – This fund accounts for revenue and expenditures of funds provided by the state for the purchase of various qualifying law enforcement related equipment.

Regional Fire Grant Fund – This fund is used to account for the revenues and expenditures related to the regional fire grants.

Red Light Cameras Fund – This fund accounts for revenues generated from red light camera fines.

NETCO/Motorola Rebanding – This fund accounts for The City's portion of proceeds received from Motorola for Northeast Tarrant County Trunked Radio Consortium (NETCO). Resolution No. 07-53.

Various Grants – This fund accounts for revenues and expenditures from multiple grants, the majority of which pertain to energy conservation.

City of Bedford, Texas
Combining Balance Sheets
Nonmajor Special Revenue Funds
September 30, 2012

	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Beautification Commission
Assets						
Cash and cash equivalents	\$ 14,372	\$ 1,634	\$ 5,183	\$ 1,103	\$ 2,835	\$ 1,188
Investments	216,000	11,000	81,021	56,000	58,000	33,000
Receivables						
Accounts	81	4	-	370	22	12
Other	-	-	16	-	-	-
Total assets	<u>\$ 230,453</u>	<u>\$ 12,638</u>	<u>\$ 86,220</u>	<u>\$ 57,473</u>	<u>\$ 60,857</u>	<u>\$ 34,200</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 1,781	\$ -	\$ 193	\$ -	\$ 1,595	\$ -
Due to other funds				36,713		
Deferred revenues	-	-	-	-	-	-
Total liabilities	<u>1,781</u>	<u>-</u>	<u>193</u>	<u>36,713</u>	<u>1,595</u>	<u>-</u>
Fund balances	<u>228,672</u>	<u>12,638</u>	<u>86,027</u>	<u>20,760</u>	<u>59,262</u>	<u>34,200</u>
Total liabilities and fund balances	<u>\$ 230,453</u>	<u>\$ 12,638</u>	<u>\$ 86,220</u>	<u>\$ 57,473</u>	<u>\$ 60,857</u>	<u>\$ 34,200</u>

Police Training	Tourism Development	Local Law Enforcement Grant	Regional Fire Grant	Red Light	NETCO Motorola	Various Grants	Total Nonmajor Governmental Funds
\$ 12,816	\$ 79,842	\$ 1,117	\$ 5,028	\$ 223,142 50,021	\$ 3,767	\$ 249,443	\$ 601,470 505,042
-	5,534	-	-	-	-	-	6,023
-	<u>72,624</u>	-	-	<u>(19,683)</u>	-	-	<u>52,957</u>
<u>\$ 12,816</u>	<u>\$ 158,000</u>	<u>\$ 1,117</u>	<u>\$ 5,028</u>	<u>\$ 253,480</u>	<u>\$ 3,767</u>	<u>\$ 249,443</u>	<u>\$ 1,165,492</u>
\$ -	\$ 127,109	\$ -	\$ -	\$ 121,670	\$ -	\$ -	\$ 252,348 36,713
-	6,850	-	-	-	-	-	6,850
-	<u>133,959</u>	-	-	<u>121,670</u>	-	-	<u>295,911</u>
<u>12,816</u>	<u>24,041</u>	<u>1,117</u>	<u>5,028</u>	<u>131,810</u>	<u>3,767</u>	<u>249,443</u>	<u>869,581</u>
<u>\$ 12,816</u>	<u>\$ 158,000</u>	<u>\$ 1,117</u>	<u>\$ 5,028</u>	<u>\$ 253,480</u>	<u>\$ 3,767</u>	<u>\$ 249,443</u>	<u>\$ 1,165,492</u>

City of Bedford, Texas
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2012

	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Beautification Commission
Revenues						
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-	-	-
Fines and forfeitures	-	36,705	48,782	-	-	-
Support from governmental entities	-	-	-	-	35,048	-
Interest	285	10	107	70	60	47
Miscellaneous	61,577	-	-	9,892	-	10,250
Total revenues	<u>61,862</u>	<u>36,715</u>	<u>48,889</u>	<u>9,962</u>	<u>35,108</u>	<u>10,297</u>
Expenditures						
Current						
General government	3,611	-	-	-	-	-
Community services	4,903	-	-	-	-	-
Public safety	-	-	-	-	3,849	-
Administrative services	27,824	-	16,852	-	-	-
Leisure services	-	-	-	-	-	12,063
Capital outlay	-	-	18,375	-	-	-
Total Expenditures	<u>36,338</u>	<u>-</u>	<u>35,227</u>	<u>-</u>	<u>3,849</u>	<u>12,063</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,524</u>	<u>36,715</u>	<u>13,662</u>	<u>9,962</u>	<u>31,259</u>	<u>(1,766)</u>
Other Financing Sources (Uses)						
Transfers out	-	(30,000)	-	(36,717)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(36,717)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	25,524	6,715	13,662	(26,755)	31,259	(1,766)
Fund Balances, Beginning of Year	<u>203,148</u>	<u>5,923</u>	<u>72,365</u>	<u>47,515</u>	<u>28,003</u>	<u>35,966</u>
Fund Balances, End of Year	<u>\$ 228,672</u>	<u>\$ 12,638</u>	<u>\$ 86,027</u>	<u>\$ 20,760</u>	<u>\$ 59,262</u>	<u>\$ 34,200</u>

Police Training	Tourism Development	Local Law Enforcement Grant	Regional Fire Grant	Red Light	NETCO Motorola	Various Grants	Total Nonmajor Governmental Funds
\$ -	\$ 724,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 724,555
-	328,054	-	-	-	-	-	328,054
-	-	-	-	397,521	-	-	483,008
-	-	-	-	-	-	102,395	137,443
10	-	-	2	181	-	19	791
-	31,249	-	-	-	-	-	112,968
<u>10</u>	<u>1,083,858</u>	<u>-</u>	<u>2</u>	<u>397,702</u>	<u>-</u>	<u>102,414</u>	<u>1,786,819</u>
-	-	-	-	-	-	-	3,611
-	810,405	-	-	-	-	-	815,308
910	-	-	-	368,669	509	4,574	378,511
-	-	-	-	-	-	-	44,676
-	-	-	-	-	-	-	12,063
-	-	-	-	42,250	-	47,792	108,417
<u>910</u>	<u>810,405</u>	<u>-</u>	<u>-</u>	<u>410,919</u>	<u>509</u>	<u>52,366</u>	<u>1,362,586</u>
<u>(900)</u>	<u>273,453</u>	<u>-</u>	<u>2</u>	<u>(13,217)</u>	<u>(509)</u>	<u>50,048</u>	<u>424,233</u>
<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,717)</u>
<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,717)</u>
(900)	228,453	-	2	(13,217)	(509)	50,048	312,516
<u>13,716</u>	<u>(204,412)</u>	<u>1,117</u>	<u>5,026</u>	<u>145,027</u>	<u>4,276</u>	<u>199,395</u>	<u>557,065</u>
<u>\$ 12,816</u>	<u>\$ 24,041</u>	<u>\$ 1,117</u>	<u>\$ 5,028</u>	<u>\$ 131,810</u>	<u>\$ 3,767</u>	<u>\$ 249,443</u>	<u>\$ 869,581</u>

City of Bedford, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended September 30, 2012

	Court Security			
	Original Budget	Final Budget	Actual	Variance from Budget
Revenues				
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Fines and forfeitures	31,580	31,580	36,705	5,125
Support from governmental entities	-	-	-	-
Interest	100	100	10	(90)
Miscellaneous	-	-	-	-
Total revenues	<u>31,680</u>	<u>31,680</u>	<u>36,715</u>	<u>5,035</u>
Expenditures				
Current				
General government	-	-	-	-
Administrative services	-	-	-	-
Community services	-	-	-	-
Public safety	30,000	30,000	-	30,000
Leisure	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,680</u>	<u>1,680</u>	<u>36,715</u>	<u>(24,965)</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(30,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balances	1,680	1,680	6,715	(24,965)
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>5,923</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,680</u>	<u>\$ 1,680</u>	<u>\$ 12,638</u>	<u>\$ (24,965)</u>

Court Technology				Park Donation			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
45,000	45,000	48,782	3,782	-	-	-	-
-	-	-	-	-	-	-	-
870	870	107	(763)	-	-	70	70
-	-	-	-	9,000	9,000	9,892	892
<u>45,870</u>	<u>45,870</u>	<u>48,889</u>	<u>3,019</u>	<u>9,000</u>	<u>9,000</u>	<u>9,962</u>	<u>962</u>
-	-	-	-	-	-	-	-
17,540	17,540	16,852	688	-	-	-	-
-	-	-	-	21,000	21,000	-	21,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
35,140	35,140	18,375	16,765	-	-	-	-
<u>52,680</u>	<u>52,680</u>	<u>35,227</u>	<u>17,453</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>	<u>21,000</u>
<u>(6,810)</u>	<u>(6,810)</u>	<u>13,662</u>	<u>(14,434)</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>9,962</u>	<u>(20,038)</u>
-	-	-	-	-	-	(36,717)	-
-	-	-	-	-	-	<u>(36,717)</u>	-
(6,810)	(6,810)	13,662	(14,434)	(12,000)	(12,000)	(26,755)	(20,038)
-	-	72,365	-	-	-	47,515	-
<u>\$ (6,810)</u>	<u>\$ (6,810)</u>	<u>\$ 86,027</u>	<u>\$ (14,434)</u>	<u>\$ (12,000)</u>	<u>\$ (12,000)</u>	<u>\$ 20,760</u>	<u>\$ (20,038)</u>

City of Bedford, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds (Continued)
Year Ended September 30, 2012

	Drug Forfeiture			Variance from Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Fines and forfeitures	-	-	-	-
Support from governmental entities	-	-	35,048	35,048
Interest	1,000	1,000	60	(940)
Miscellaneous	-	-	-	-
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>35,108</u>	<u>34,108</u>
Expenditures				
Current				
General government	-	-	-	-
Administrative services	-	-	-	-
Community services	-	-	-	-
Public services	1,000	1,000	3,849	(2,849)
Leisure	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>3,849</u>	<u>(2,849)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>31,259</u>	<u>36,957</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	31,259	36,957
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>28,003</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,262</u>	<u>\$ 36,957</u>

Beautification Commission				Police Training			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	47	47	-	-	10	10
10,000	10,000	10,250	250	-	-	-	-
10,000	10,000	10,297	297	-	-	10	10
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	10,000	12,063	(2,063)	5,900	5,900	910	4,990
-	-	-	-	-	-	-	-
-	10,000	12,063	(2,063)	5,900	5,900	910	4,990
10,000	-	(1,766)	2,360	(5,900)	(5,900)	(900)	(4,980)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,000	-	(1,766)	2,360	(5,900)	(5,900)	(900)	(4,980)
-	-	35,966	-	-	-	13,716	-
\$ 10,000	\$ -	\$ 34,200	\$ 2,360	\$ (5,900)	\$ (5,900)	\$ 12,816	\$ (4,980)

City of Bedford, Texas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds (Continued)
Year Ended September 30, 2012

	Tourism Development			Variance from Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes, penalty and interest	\$ 750,000	\$ 750,000	\$ 724,555	\$ (25,445)
Charges for service	332,650	332,650	328,054	(4,596)
Fines and forfeitures	-	-	-	-
Support from governmental entities	-	-	-	-
Interest	1,500	1,500	-	(1,500)
Miscellaneous	800	800	31,249	30,449
Total revenues	<u>1,084,950</u>	<u>1,084,950</u>	<u>1,083,858</u>	<u>(1,092)</u>
Expenditures				
Current				
General government	-	-	-	-
Administrative services	-	-	-	-
Community services	873,519	873,519	810,405	63,114
Public services	-	-	-	-
Leisure	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>873,519</u>	<u>873,519</u>	<u>810,405</u>	<u>63,114</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>211,431</u>	<u>211,431</u>	<u>273,453</u>	<u>(64,206)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	(45,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>-</u>
Net Change in Fund Balances	211,431	211,431	228,453	(64,206)
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>(204,412)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 211,431</u>	<u>\$ 211,431</u>	<u>\$ 24,041</u>	<u>\$ (64,206)</u>

Red Light				Totals			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ 724,555	\$ (25,445)
-	-	-	-	332,650	332,650	328,054	(4,596)
650,000	650,000	397,521	(252,479)	726,580	726,580	483,008	(243,572)
-	-	-	-	-	-	35,048	35,048
-	-	181	181	3,470	3,470	485	(2,985)
-	-	-	-	19,800	19,800	51,391	31,591
<u>650,000</u>	<u>650,000</u>	<u>397,702</u>	<u>(252,298)</u>	<u>1,832,500</u>	<u>1,832,500</u>	<u>1,622,541</u>	<u>(209,959)</u>
-	-	-	-	-	-	-	-
-	-	-	-	17,540	17,540	16,852	688
-	-	-	-	894,519	894,519	810,405	84,114
546,818	546,818	368,669	178,149	583,718	583,718	373,428	210,290
-	-	-	-	-	10,000	12,063	(2,063)
-	-	42,250	(42,250)	35,140	35,140	60,625	(25,485)
<u>546,818</u>	<u>546,818</u>	<u>410,919</u>	<u>135,899</u>	<u>1,530,917</u>	<u>1,540,917</u>	<u>1,273,373</u>	<u>267,544</u>
<u>103,182</u>	<u>103,182</u>	<u>(13,217)</u>	<u>(388,197)</u>	<u>301,583</u>	<u>291,583</u>	<u>349,168</u>	<u>(477,503)</u>
-	-	-	-	-	-	(111,717)	-
-	-	-	-	-	-	(111,717)	-
103,182	103,182	(13,217)	(388,197)	301,583	291,583	237,451	(477,503)
-	-	145,027	-	-	-	144,103	-
<u>\$ 103,182</u>	<u>\$ 103,182</u>	<u>\$ 131,810</u>	<u>\$ (388,197)</u>	<u>\$ 301,583</u>	<u>\$ 291,583</u>	<u>\$ 381,554</u>	<u>\$ (477,503)</u>

Debt Service Fund

The Debt Service Fund – is used to account for the accumulation of resources for the repayment of long-term debt.

City of Bedford, Texas
Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
Nonmajor Debt Service Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes, penalty and interest	\$ 5,526,251	\$ 5,526,251	5,514,114	\$ (12,137)
Interest	20,000	20,000	5,562	(14,438)
Miscellaneous	37,629	37,629	45,053	7,424
Total revenues	<u>5,583,880</u>	<u>5,583,880</u>	<u>5,564,729</u>	<u>(26,575)</u>
Expenditures				
Principal on debt	4,770,000	4,770,000	5,186,621	(416,621)
Interest and fiscal agent fees	1,868,879	1,868,879	1,921,115	(52,236)
Total expenditures	<u>6,638,879</u>	<u>6,638,879</u>	<u>7,107,736</u>	<u>(468,857)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,054,999)</u>	<u>(1,054,999)</u>	<u>(1,543,007)</u>	<u>(495,432)</u>
Other Financing Sources (Uses)				
Transfers in	<u>1,375,300</u>	<u>1,375,300</u>	<u>1,431,921</u>	<u>(56,621)</u>
Total other financing sources (uses)	<u>1,375,300</u>	<u>1,375,300</u>	<u>1,431,921</u>	<u>(56,621)</u>
Net Changes in Fund Balance	320,301	320,301	(111,086)	(552,053)
Fund Balance, Beginning of Year	<u>1,219,755</u>	<u>1,219,755</u>	<u>1,219,755</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,540,056</u>	<u>\$ 1,540,056</u>	<u>\$ 1,108,669</u>	<u>\$ (431,387)</u>

Capital Projects Funds

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

Series 2002 – to account for construction projects authorized for the General Obligation 2002 bond issue.

Series 2003 – to account for construction projects authorized for the General Obligation Series 2003 bond issue.

Series 2004 – to account for construction projects authorized for the General Obligation Series 2004 refunding and improvement bond issue.

Series 2007 – to account for construction projects authorized for the General Obligation Series 2007 bond issue.

Series 2010 – to account for construction projects authorized for the General Obligation Series 2010 bond issue.

Series 2011 – to account for construction projects authorized for the General Obligation Series 2011 bond issue.

City of Bedford, Texas
Combining Balance Sheets
Nonmajor Capital Projects Funds
September 30, 2012

	Series 2002	Series 2003	Series 2004	Series 2007	Series 2011	Totals
Assets						
Cash and cash equivalents	\$ 208,272	\$ 3,643	\$ 152,604	\$ 297,225	\$ 1,210,502	\$ 1,872,246
Due to other funds	-	-	(148,199)	-	148,199	-
Total assets	<u>\$ 208,272</u>	<u>\$ 3,643</u>	<u>\$ 4,405</u>	<u>\$ 297,225</u>	<u>\$ 1,358,701</u>	<u>\$ 1,872,246</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 41,547	\$ 41,547
Total liabilities	-	-	-	-	41,547	41,547
Fund balances	<u>208,272</u>	<u>3,643</u>	<u>4,405</u>	<u>297,225</u>	<u>1,317,154</u>	<u>1,830,699</u>
Total liabilities and fund balances	<u>\$ 208,272</u>	<u>\$ 3,643</u>	<u>\$ 4,405</u>	<u>\$ 297,225</u>	<u>\$ 1,358,701</u>	<u>\$ 1,872,246</u>

City of Bedford, Texas
Combining Statements of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Capital Projects Funds
September 30, 2012

	Series 2002	Series 2003	Series 2004	Series 2007	Series 2011	Totals
Revenues						
Interest	\$ 213	\$ -	\$ 160	\$ 312	\$ 2,266	\$ 2,951
Total revenues	<u>213</u>	<u>-</u>	<u>160</u>	<u>312</u>	<u>2,266</u>	<u>2,951</u>
Expenditures						
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,427,210</u>	<u>1,427,210</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,427,210</u>	<u>1,427,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>213</u>	<u>-</u>	<u>160</u>	<u>312</u>	<u>(1,424,944)</u>	<u>(1,424,259)</u>
Net Change in Fund Balances	213	-	160	312	(1,424,944)	(1,424,259)
Fund Balances, Beginning of Year	<u>208,059</u>	<u>3,643</u>	<u>4,245</u>	<u>296,913</u>	<u>2,742,098</u>	<u>3,254,958</u>
Fund Balances, End of Year	<u>\$ 208,272</u>	<u>\$ 3,643</u>	<u>\$ 4,405</u>	<u>\$ 297,225</u>	<u>\$ 1,317,154</u>	<u>\$ 1,830,699</u>



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Statistical Section

Statistical Section

This part of the City of Bedford’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health. The tables herein, are unaudited.

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



Financial Trends

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

Table 1

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities									
Invested in capital assets, net of related debt	\$ 21,399,758	\$ 22,052,609	\$ 20,152,043	\$ 18,066,323	\$ 14,984,593	\$ 15,746,263	\$ 15,639,418	\$ 18,342,224	\$ 18,908,115
Restricted	7,470,270	10,479,326	10,170,951	10,684,040	9,252,835	8,175,954	7,306,010	3,638,843	5,213,292
Unrestricted	9,308,365	6,289,258	8,718,258	10,515,405	11,143,963	6,437,967	6,795,025	4,537,414	1,035,005
Total governmental activities net assets	<u>\$ 38,178,393</u>	<u>\$ 38,821,193</u>	<u>\$ 39,041,252</u>	<u>\$ 39,265,768</u>	<u>\$ 35,381,391</u>	<u>\$ 30,360,184</u>	<u>\$ 29,740,453</u>	<u>\$ 26,518,481</u>	<u>\$ 25,156,412</u>
Business-type Activities									
Invested in capital assets, net of related debt	\$ 26,638,461	\$ 27,281,585	\$ 27,720,235	\$ 28,252,592	\$ 25,633,370	\$ 27,674,312	\$ 26,993,812	\$ 26,915,595	\$ 25,139,719
Restricted	479,614	660,668	633,948	775,601	574,491	576,397	576,397	-	-
Unrestricted	4,926,531	4,192,650	4,368,465	2,873,279	3,846,498	985,709	1,547,031	3,806,277	7,136,012
Total business-type activities, net assets	<u>\$ 32,044,606</u>	<u>\$ 32,134,903</u>	<u>\$ 32,722,648</u>	<u>\$ 31,901,472</u>	<u>\$ 30,054,359</u>	<u>\$ 29,236,418</u>	<u>\$ 29,117,240</u>	<u>\$ 30,721,872</u>	<u>\$ 32,275,731</u>
Primary Government									
Invested in capital assets, net of related debt	\$ 48,038,219	\$ 49,334,194	\$ 47,872,278	\$ 46,318,915	\$ 40,617,963	\$ 43,420,575	\$ 42,633,230	\$ 45,257,819	\$ 44,047,834
Restricted	7,949,884	11,139,994	10,804,899	11,459,641	9,827,326	8,752,351	7,882,407	3,638,843	5,213,292
Unrestricted	14,234,896	10,481,908	13,086,723	13,388,684	14,990,461	7,423,676	8,342,056	8,343,691	8,171,017
Total primary government net assets	<u>\$ 70,222,999</u>	<u>\$ 70,956,096</u>	<u>\$ 71,763,900</u>	<u>\$ 71,167,240</u>	<u>\$ 65,435,750</u>	<u>\$ 59,596,602</u>	<u>\$ 58,857,693</u>	<u>\$ 57,240,353</u>	<u>\$ 57,432,143</u>

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

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental activities				
General government and administration	\$ 3,522,415	\$ 3,508,689	\$ 3,445,079	\$ 3,837,032
Community services	1,389,664	1,171,199	1,393,991	1,549,822
Public services	7,741,427	7,160,271	7,914,908	7,636,447
Public safety	14,304,884	14,736,575	15,393,011	17,342,223
Leisure services	3,856,045	3,168,021	3,579,489	4,077,063
Interest on long-term debt	2,875,781	2,232,690	2,408,480	2,405,086
Total governmental activities expense	<u>33,690,216</u>	<u>31,977,445</u>	<u>34,134,958</u>	<u>36,847,673</u>
Business-type activities				
Water and sewer	12,528,401	11,512,181	12,217,772	12,025,510
Stormwater collection and disposal	664,883	608,602	629,715	596,639
Total business-type activities expenses	<u>13,193,284</u>	<u>12,120,783</u>	<u>12,847,487</u>	<u>12,622,149</u>
Total primary government program expenses	<u>\$ 46,883,500</u>	<u>\$ 44,098,228</u>	<u>\$ 46,982,445</u>	<u>\$ 49,469,822</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 1,668,352	\$ 72,339	\$ 102,348	\$ 119,222
Community services	820,417	791,041	613,869	827,940
Public services	102,917	142,295	165,123	150,074
Public safety	2,460,452	2,358,206	3,094,688	3,045,090
Leisure services	754,757	526,822	734,938	749,525
Operating grants and contributions	738,079	579,295	655,952	633,460
Capital grants and contributions	311,640	1,867,438	116,682	340,150
Total governmental activities program revenues	<u>6,856,614</u>	<u>6,337,436</u>	<u>5,483,600</u>	<u>5,865,461</u>
Business-type activities				
Charges for services				
Water and sewer	12,115,682	12,886,431	13,786,141	11,969,357
Stormwater collection and disposal	1,267,241	1,263,409	1,317,313	1,326,610
Operating grants and contributions	7,500	26,815	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>13,390,423</u>	<u>14,176,655</u>	<u>15,103,454</u>	<u>13,295,967</u>
Total primary government program revenues	<u>\$ 20,247,037</u>	<u>\$ 20,514,091</u>	<u>\$ 20,587,054</u>	<u>\$ 19,161,428</u>

Table 2

		Fiscal Year				
2008	2009	2010	2011	2012		
\$ 3,824,933	\$ 4,184,723	\$ 4,117,515	\$ 3,906,050	\$ 4,796,677		
1,847,222	2,270,248	1,883,752	1,848,795	1,986,123		
10,375,836	8,185,269	9,038,955	8,876,104	8,354,007		
17,811,789	19,499,698	18,500,766	18,358,228	17,292,190		
4,181,914	4,191,990	4,100,548	4,754,190	3,690,814		
2,415,600	2,254,217	2,140,046	2,213,384	2,169,120		
<u>40,457,294</u>	<u>40,586,145</u>	<u>39,781,582</u>	<u>39,956,751</u>	<u>38,288,931</u>		
14,178,331	13,999,365	15,094,351	16,294,807	15,112,250		
722,489	716,601	731,109	950,760	1,336,366		
<u>14,900,820</u>	<u>14,715,966</u>	<u>15,825,460</u>	<u>17,245,567</u>	<u>16,448,616</u>		
<u>\$ 55,358,114</u>	<u>\$ 55,302,111</u>	<u>\$ 55,607,042</u>	<u>\$ 57,202,318</u>	<u>\$ 54,737,547</u>		
\$ 123,753	\$ 98,178	\$ 90,428	\$ 88,135	\$ 84,733		
613,936	266,293	405,255	1,061,313	652,376		
154,155	180,998	210,354	1,362,564	1,687,163		
3,868,960	3,314,907	3,472,196	2,541,942	2,386,756		
898,200	1,105,972	1,001,728	1,129,453	1,174,702		
666,150	735,473	3,092,958	711,749	599,111		
-	-	-	1,695,184	44,102		
<u>6,325,154</u>	<u>5,701,821</u>	<u>8,272,919</u>	<u>8,590,340</u>	<u>6,628,943</u>		
13,250,970	14,539,710	16,104,703	19,811,255	18,915,135		
1,308,828	1,291,800	1,291,249	1,290,285	1,291,856		
-	-	-	-	-		
300,648	71,486	267,469	26,446	147,360		
<u>14,860,446</u>	<u>15,902,996</u>	<u>17,663,421</u>	<u>21,127,986</u>	<u>20,354,351</u>		
<u>\$ 21,185,600</u>	<u>\$ 21,604,817</u>	<u>\$ 25,936,340</u>	<u>\$ 29,718,326</u>	<u>\$ 26,983,294</u>		

City of Bedford, Texas
Change In Net Assets
Last Ten Fiscal Years (Continued)
(Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
Net (Expense) Revenues				
Governmental activities	\$ (26,833,602)	\$ (25,640,009)	\$ (28,651,358)	\$ (30,982,212)
Business-type activities	197,139	2,055,872	2,255,967	673,818
Total primary government net expense	<u>(26,636,463)</u>	<u>(23,584,137)</u>	<u>(26,395,391)</u>	<u>(30,308,394)</u>
General revenues and other changes in net assets				
Governmental activities				
Taxes				
Property	10,723,394	10,981,392	12,482,435	12,716,071
Sales	8,021,755	8,229,218	8,949,089	9,263,121
Franchise	2,916,291	2,894,912	3,229,578	4,481,280
Other	721,636	684,834	719,393	1,199,052
Unrestricted grants and contributions	25,949	405,220	58,434	26,818
Investment earnings	205,295	507,131	868,272	1,062,938
Miscellaneous	308,165	311,360	265,286	424,331
Transfers	215,000	2,438,537	1,929,925	2,033,117
Total governmental activities	<u>23,137,485</u>	<u>26,452,604</u>	<u>28,502,412</u>	<u>31,206,728</u>
Business-type activities				
Investment earnings	55,993	127,403	254,588	252,283
Miscellaneous	-	-	-	-
Transfers	(215,000)	(2,438,537)	(1,929,925)	(20,331,117)
Total business-type activities	<u>(159,007)</u>	<u>(2,311,134)</u>	<u>(1,675,337)</u>	<u>(20,078,834)</u>
Total primary government	<u>22,978,478</u>	<u>24,141,470</u>	<u>26,827,075</u>	<u>11,127,894</u>
Change in net assets				
Government activities	(3,696,117)	812,595	(148,946)	224,516
Business-type activities	38,132	(255,262)	580,630	(19,405,016)
Total primary government	<u>\$ (3,657,985)</u>	<u>\$ 557,333</u>	<u>\$ 431,684</u>	<u>\$ (19,180,500)</u>

Table 2 (Continued)

2008	2009	Fiscal Year 2010	2011	2012
\$ (34,132,140)	\$ (34,884,324)	\$ (31,508,663)	\$ (31,366,411)	\$ (31,659,988)
<u>(40,374)</u>	<u>1,187,030</u>	<u>1,837,961</u>	<u>3,882,419</u>	<u>3,905,735</u>
<u>(34,172,514)</u>	<u>(33,697,294)</u>	<u>(29,670,702)</u>	<u>(27,483,992)</u>	<u>(27,754,253)</u>
13,227,183	13,486,685	13,714,212	13,968,871	13,735,255
9,691,349	9,360,239	9,531,017	9,060,295	9,363,047
3,195,320	3,407,455	3,278,385	3,405,709	3,325,941
866,468	753,160	869,071	919,452	875,838
33,737	35,973	34,631	34,355	-
793,585	344,023	151,108	131,541	26,459
407,004	423,658	229,001	451,896	594,715
<u>2,033,117</u>	<u>2,051,924</u>	<u>2,086,467</u>	<u>2,336,631</u>	<u>2,376,664</u>
<u>30,247,763</u>	<u>29,863,117</u>	<u>29,893,892</u>	<u>30,308,750</u>	<u>30,297,919</u>
226,378	46,935	17,046	55,527	21,051
-	-	112,282	3,317	3,734
<u>(2,033,117)</u>	<u>(2,051,924)</u>	<u>(2,086,467)</u>	<u>(2,336,631)</u>	<u>(2,376,664)</u>
<u>(1,806,739)</u>	<u>(2,004,989)</u>	<u>(1,957,139)</u>	<u>(2,277,787)</u>	<u>(2,351,879)</u>
<u>28,441,024</u>	<u>27,858,128</u>	<u>27,936,753</u>	<u>28,030,963</u>	<u>27,946,040</u>
(3,884,377)	(5,021,207)	(1,614,771)	(1,057,661)	(1,362,069)
<u>(1,847,113)</u>	<u>(817,959)</u>	<u>(119,178)</u>	<u>1,604,632</u>	<u>1,553,856</u>
<u>\$ (5,731,490)</u>	<u>\$ (5,839,166)</u>	<u>\$ (1,733,949)</u>	<u>\$ 546,971</u>	<u>\$ 191,787</u>

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

Table 3

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved/nonspendable	\$ 429,235	\$ 425,318	\$ 468,200	\$ 627,581	\$ 534,232	\$ 445,045	\$ 431,320	\$ 336,227	\$ 326,807	\$ 360,284
Unassigned	4,698,471	4,965,862	5,957,453	7,603,569	9,902,948	9,225,455	7,258,376	5,666,237	4,087,163	4,764,530
Total general fund	<u>\$ 5,127,706</u>	<u>\$ 5,391,180</u>	<u>\$ 6,425,653</u>	<u>\$ 8,231,150</u>	<u>\$ 10,437,180</u>	<u>\$ 9,670,500</u>	<u>\$ 7,689,696</u>	<u>\$ 6,002,464</u>	<u>\$ 4,413,970</u>	<u>\$ 5,124,814</u>
All Other Governmental Funds										
Reserved/nonspendable	\$ 1,601,216	\$ 1,675,399	\$ 1,651,920	\$ 1,709,022	\$ 1,741,424	\$ 1,290,684	\$ 1,247,939	\$ 1,240,869	\$ -	\$ -
Restricted for										
Debt service	-	-	-	-	-	-	-	-	1,219,755	1,108,669
Road improvements	-	-	-	-	-	-	-	-	1,815,920	1,824,024
Capital acquisition	-	-	-	-	-	-	-	-	3,254,958	1,830,699
Economic development	-	-	-	-	-	-	-	-	1,183,613	1,501,475
Public safety	-	-	-	-	-	-	-	-	625,514	308,698
Parks and beautification	-	-	-	-	-	-	-	-	83,481	505,923
Other	-	-	-	-	-	-	-	-	52,482	54,960
Assigned										
Unreserved, reported in										
Special revenue funds	4,244,597	3,692,131	4,707,096	5,201,608	6,530,516	3,763,105	3,564,887	2,781,166	-	-
Capital projects	3,174,600	5,794,871	4,120,310	3,260,321	2,412,100	4,199,046	3,363,128	3,057,292	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(204,412)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 9,020,413</u>	<u>\$ 11,162,401</u>	<u>\$ 10,479,326</u>	<u>\$ 10,170,951</u>	<u>\$ 10,684,040</u>	<u>\$ 9,252,835</u>	<u>\$ 8,175,954</u>	<u>\$ 7,079,327</u>	<u>\$ 8,031,311</u>	<u>\$ 7,134,448</u>

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

Table 4

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 22,005,932	\$ 22,369,519	\$ 22,771,161	\$ 25,322,653	\$ 27,693,033	\$ 26,844,636	\$ 26,881,888	\$ 27,283,735	\$ 27,322,766	\$ 27,950,618
Administrative overhead	1,556,804	1,600,000	-	-	-	-	-	-	-	-
Licenses and permits	745,265	856,941	952,837	802,733	1,014,223	802,498	614,126	710,722	521,463	863,709
Charges for services	1,451,482	1,434,694	1,548,615	1,947,486	2,295,407	2,579,188	2,725,039	2,522,870	2,817,269	2,822,239
Fines and forfeitures	1,632,629	1,522,254	929,944	1,038,739	1,142,100	1,353,458	1,515,851	1,920,400	2,109,088	2,078,895
Support from governmental entities	1,088,400	968,372	2,637,224	902,951	1,025,420	752,157	923,368	3,034,152	2,329,053	654,732
Interest	241,272	205,268	507,130	868,272	1,062,939	793,585	344,023	151,108	131,541	26,459
Miscellaneous	619,402	709,294	852,034	566,909	972,943	705,769	396,980	300,394	577,387	557,599
Total revenues	29,341,186	29,666,342	30,198,945	31,449,743	35,206,065	33,831,291	33,401,275	35,923,381	35,808,567	34,954,251
Expenditures										
General government	1,390,724	1,420,361	1,497,535	1,609,684	1,975,517	1,884,640	1,865,968	1,881,419	1,637,817	1,574,751
Community services	1,852,209	1,613,795	1,068,241	1,295,893	1,469,188	1,741,022	2,113,053	1,814,002	1,780,483	1,912,686
Public services	2,687,525	2,862,536	2,094,947	2,751,676	2,280,339	5,165,407	2,808,318	3,678,797	3,497,327	2,708,419
Administrative services	2,016,552	1,944,802	1,901,101	1,853,739	1,810,950	1,810,273	1,837,426	1,946,935	1,903,157	2,081,900
Public safety	12,394,972	12,798,996	15,386,754	14,380,728	16,120,214	16,444,533	17,179,678	17,144,215	16,986,248	16,126,751
Leisure services	3,128,844	3,188,335	2,553,264	2,977,194	3,525,025	3,538,133	3,605,545	3,666,662	3,782,933	3,661,546
Capital outlay	7,511,420	1,365,727	2,840,037	1,063,196	1,239,719	4,677,674	2,793,519	9,192,117	5,272,761	2,281,440
Debt service										
Interest	3,275,974	3,002,663	2,711,746	2,330,436	2,324,110	2,326,809	2,168,905	2,047,707	2,265,090	5,186,621
Principal	3,137,145	3,517,145	3,340,000	3,620,000	3,775,000	4,110,000	4,245,000	4,405,000	4,610,000	1,921,115
Total expenditures	37,395,365	31,714,360	33,393,625	31,882,546	34,520,062	41,698,491	38,617,412	45,776,854	41,735,816	37,455,229

City of Bedford, Texas
Changes In Fund Balances Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 4 (Continued)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Excess of Revenues Over (Under)										
Expenditures	\$ (8,054,179)	\$ (2,048,018)	\$ (3,194,680)	\$ (432,803)	\$ 686,003	\$ (7,867,200)	\$ (5,216,137)	\$ (9,853,473)	\$ (5,927,249)	\$ (2,500,978)
Other Financing Sources (Uses)										
Proceeds from borrowing	525,000	8,671,277	2,872,222	-	-	4,002,129	-	4,885,000	6,115,000	339,011
Proceeds from sale of capital assets	-	-	-	-	-	26,972	5,265	43,152	44,797	219,723
Premium on debt	-	-	-	-	-	-	-	-	97,085	-
Proceeds from refunding	6,383,845	4,065,000	28,600,000	-	-	-	-	-	-	-
Payments to escrow account	(6,400,688)	(8,497,797)	(30,364,682)	-	-	-	-	-	(3,313,090)	-
Proceeds from insurance	-	-	-	-	-	-	101,263	55,023	10,288	41,100
Transfers in	2,126,612	2,554,048	4,525,479	3,818,155	3,647,499	3,638,901	3,648,823	4,803,148	3,909,807	3,863,681
Transfers out	(1,912,053)	(2,339,048)	(2,086,941)	(1,888,230)	(1,614,383)	(1,605,784)	(1,596,899)	(2,616,681)	(1,573,176)	(1,487,017)
Total other financing sources (uses)	<u>722,716</u>	<u>4,453,480</u>	<u>3,546,078</u>	<u>1,929,925</u>	<u>2,033,116</u>	<u>6,062,218</u>	<u>2,158,452</u>	<u>7,169,642</u>	<u>5,290,711</u>	<u>2,976,498</u>
Net Change in Fund Balances	<u>\$ (7,331,463)</u>	<u>\$ 2,405,462</u>	<u>\$ 351,398</u>	<u>\$ 1,497,122</u>	<u>\$ 2,719,119</u>	<u>\$ (1,804,982)</u>	<u>\$ (3,057,685)</u>	<u>\$ (2,683,831)</u>	<u>\$ (636,538)</u>	<u>\$ 475,520</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>21.5%</u>	<u>21.5%</u>	<u>19.8%</u>	<u>19.3%</u>	<u>18.3%</u>	<u>17.4%</u>	<u>17.9%</u>	<u>17.6%</u>	<u>18.9%</u>	<u>20.2%</u>



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Revenue Capacity

City of Bedford, Texas
Tax Revenues By Source – Governmental Funds
Last Ten Fiscal Years

Table 5

Fiscal Years Ended	Ad Valorem	Hotel/Motel	Franchise	Sales	Total
2003	\$ 10,171,889	\$ 588,240	\$ 2,998,954	\$ 8,246,849	\$ 22,005,932
2004	10,681,231	644,056	3,022,477	8,021,755	22,369,519
2005	10,943,466	591,240	3,007,237	8,229,218	22,771,161
2006	12,437,659	584,414	3,231,178	9,069,402	25,322,653
2007	12,665,245	1,006,541	4,518,607	9,502,640	27,693,033
2008	13,010,378	665,255	3,195,320	9,691,349	26,562,302
2009	13,459,108	434,495	3,407,455	9,360,239	26,661,297
2010	13,693,999	557,129	3,278,385	9,531,017	27,060,530
2011	13,968,871	663,291	3,405,709	9,060,295	27,098,166
2012	13,735,255	723,745	3,325,941	9,363,047	27,147,988

City of Bedford, Texas
Water Revenue
Last Ten Fiscal Years

Table 6

Fiscal Years Ended	Number of Customers	Gallons Billed (000's)	Water Revenue	Revenue Per Customer	Revenue Per 1,000 Gallons
2003	22,566	2,827,719	\$ 8,272,334	\$ 367	\$ 2.93
2004	22,662	2,635,211	7,763,547	343	2.95
2005	22,775	2,753,677	8,374,020	368	3.04
2006	22,892	3,361,159	8,253,726	404	2.75
2007	22,974	2,499,179	7,559,401	329	3.02
2008	23,113	2,804,199	8,460,437	366	3.02
2009	23,100	2,667,852	9,245,489	400	3.47
2010	23,085	2,486,470	10,038,233	435	4.04
2011	23,090	2,945,337	12,673,013	549	4.30
2012	23,035	2,229,120	12,185,112	529	4.51

City of Bedford, Texas
Principal Water Customers
Fiscal Year Ended September 30, 2012

Table 7

Customer Name	Gallons Consumed (000's)	Percent Total	Amount Billed	Total Percent
Harris HEB Hospital	44,422	1.99%	\$ 136,494	1.12%
City of Bedford	21,910	0.98%	128,993	1.06%
The Creek on Park Place	14,931	0.67%	48,442	0.40%
The Courts of Bedford	12,257	0.55%	38,245	0.31%
Walden Residential Property Management	11,708	0.53%	36,658	0.30%
Heartland of Bedford, HCR Manorcare	11,226	0.50%	36,677	0.30%
Waters Park Apartments	10,267	0.46%	32,494	0.27%
Shenandoah Village Apartments	9,912	0.44%	31,468	0.26%
Telesis/DBA Parkwood Healthcare	8,147	0.37%	27,779	0.23%
Speedway Car Wash	8,145	0.37%	24,950	0.20%
Top ten total	152,925	6.86%	542,200	4.45%
City total	2,229,120	100%	\$ 12,185,112	100%

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

Table 8

Fiscal Years Ended	Real Property	Personal Property	Total Market Value	Less Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	
2003	*	\$ 2,540,202,432	\$ 182,637,601	\$ 2,722,840,033	\$ 228,120,443	\$ 2,494,719,590	\$ 0.384051	\$ 2,494,719,590
2004		2,633,549,517	251,455,398	2,885,004,915	289,744,893	2,595,260,022	0.389424	2,595,260,022
2005		2,669,430,145	230,013,805	2,899,443,950	286,451,113	2,612,922,837	0.400757	2,612,992,837
2006		2,760,812,235	208,984,999	2,969,797,234	214,560,155	2,755,237,079	0.446882	2,755,237,079
2007		2,842,614,223	196,258,668	3,038,872,891	241,756,607	2,797,116,284	0.446882	2,797,116,284
2008	*	3,087,588,896	191,415,397	2,379,004,293	365,023,177	2,913,981,116	0.446882	2,913,981,116
2009		3,091,012,419	190,186,408	3,281,198,827	346,224,096	2,934,974,731	0.446882	2,934,974,731
2010		2,986,569,350	179,267,541	3,165,836,891	363,395,164	2,802,441,727	0.463348	2,802,441,727
2011		3,095,960,546	168,619,714	3,264,580,260	387,551,829	2,877,028,431	0.491609	2,877,028,431
2012		3,235,990,575	159,315,402	3,395,305,977	429,317,650	2,965,988,327	0.504329	2,970,991,006

Source: Tarrant County Appraisal District (Reports)

*Note: TAD revised format of reports

http://www.tad.org/ftp_data/reports/tot200_20110901.pdf

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

Table 9

Taxpayer	2012		2003	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
California State Teachers Ret	\$ -	0.00%	\$ 26,425,022	1.06%
CWS Bartons-Shoal Creek	-	0.00%	25,000,000	1.00%
121 Airport Central II, L.P.	-	0.00%	24,243,710	0.97%
Dallas SMSA, L.P.	-	0.00%	23,669,495	0.95%
TSCA, L.P.	-	0.00%	23,278,910	0.93%
Wal Mart Stores, Inc	-	0.00%	21,658,932	0.87%
Marconi Communications, Inc	-	0.00%	19,928,258	0.80%
Shops at Central, L.P.	-	0.00%	19,669,000	0.79%
Team Bank	-	0.00%	18,491,002	0.74%
Oncor Electric Delivery Co.	-	0.00%	18,147,591	0.73%
CMF 15 Portfolio, L.L.C.	68,671,000	2.32%	-	0.00%
Wal Mart Stores, Inc	26,946,603	0.91%	-	0.00%
Wdop Sub I & II, L.P.	22,185,965	0.75%	-	0.00%
Oncor Electric Delivery Co., L.L.C.	19,287,940	0.65%	-	0.00%
Pem 121 Airport S, L.P.	18,678,384	0.63%	-	0.00%
Paramount Villages, L.L.P.	15,825,000	0.53%	-	0.00%
Shops Dunhill Ratel, L.L.C.	14,000,000	0.47%	-	0.00%
Arc RRBDFTX001, L.L.C.	13,701,831	0.46%	-	0.00%
2007 Amherst Etal	12,500,000	0.42%	-	0.00%
Parc Plaza Homes, L.P.	12,207,893	0.41%	-	0.00%
Total	\$ 224,004,616	7.55%	\$ 220,511,920	8.84%
Total Taxable Assessed Value	\$ 2,965,988,327		\$ 2,494,719,590	

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

Table 10

Fiscal Years Ended	Taxes Levied for the Fiscal Year	Collected With the Fiscal Year of the Levy		Collections in Subsequent Years	Collected With the Fiscal Year of the Levy	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 10,171,889	\$ 10,089,495	99.19%	\$ 67,405	\$ 10,156,900	99.85%
2004	10,681,231	10,594,677	99.19%	69,470	10,664,147	99.84%
2005	10,943,466	10,854,501	99.19%	6,419	10,860,920	99.25%
2006	12,437,659	12,331,514	99.15%	82,589	12,414,103	99.81%
2007	12,665,246	12,576,174	99.30%	66,825	12,642,999	99.82%
2008	13,032,220	12,951,575	99.38%	54,027	13,005,602	99.80%
2009	13,584,386	13,447,636	98.99%	49,500	13,497,136	99.36%
2010	13,688,110	13,563,573	99.09%	23,959	13,587,532	99.27%
2011	13,897,299	13,799,107	99.29%	93,624	13,892,731	99.97%
2012	14,374,422	14,244,589	99.10%	63,935	14,308,524	99.54%

Source: Tarrant County Appraisal District (Entity Reports)



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Debt Capacity

City of Bedford, Texas
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 11

Fiscal Years Ended	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Contractual Obligations	Certificates of Obligation	Tax Notes	Capital Leases	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation			
2003	\$ 44,535,000	\$ 1,260,000	\$ 15,037,145	\$ -	\$ -	\$ 5,450,000	\$ 2,895,000	\$ 42,855	\$ 69,220,000	4.69%	1,450
2004	46,430,000	1,080,000	14,260,000	-	-	4,960,000	2,525,000	-	69,255,000	4.67%	1,443
2005	54,945,000	900,000	2,350,000	1,025,000	-	4,520,000	2,100,000	-	65,840,000	4.66%	1,370
2006	52,340,000	720,000	1,605,000	935,000	-	4,235,000	1,670,000	-	61,505,000	4.12%	1,266
2007	49,620,000	540,000	825,000	840,000	-	4,000,000	1,245,000	-	57,070,000	4.13%	1,164
2008	50,635,000	360,000	-	720,000	-	3,760,000	820,000	4,790,000	61,085,000	3.85%	1,235
2009	46,740,000	180,000	-	550,000	-	2,580,000	390,000	4,625,000	55,065,000	3.44%	1,128
2010	47,575,000	-	-	375,000	-	3,395,000	-	6,490,000	57,835,000	3.68%	1,231
2011	46,020,000	-	-	190,000	-	4,150,000	-	10,810,000	61,170,000	3.77%	1,302
2012	41,023,000	-	-	-	339,000	-	-	14,342,000	55,704,000	3.39%	1,185

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Personal income and population information can be found at Tarrant Appraisal District

City of Bedford, Texas
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 12

Fiscal Years Ended	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property	Per Capita
	Gross Bonded Debt	Less Debt Service	Less Debt Payable from Enterprise			
2003	\$ 62,510,000	\$ 1,601,216	\$ 2,567,855	\$ 58,340,929	2.24%	1,222
2004	63,215,000	1,675,399	2,525,000	59,014,601	2.17%	1,229
2005	59,395,000	1,651,920	2,100,000	55,643,080	2.05%	1,158
2006	57,270,000	1,709,022	1,670,000	53,890,978	1.92%	1,109
2007	53,070,000	1,597,012	1,245,000	50,227,988	1.76%	1,024
2008	57,325,000	1,290,684	5,610,000	50,424,316	1.70%	1,020
2009	56,065,000	1,247,939	5,015,000	49,802,061	1.71%	1,002
2010	57,835,000	1,240,869	6,490,000	50,104,131	1.79%	1,067
2011	59,550,000	1,219,755	13,340,000	44,990,245	1.56%	958
2012	58,705,000	1,108,669	12,725,000	44,871,331	1.50%	949

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

Property value data can be found in Table 8

Population data can be found in Table 16

City of Bedford, Texas
Direct and Overlapping
Governmental Activities Debt
September 30, 2012

Table 13

Taxing Jurisdiction	Taxable Assessed Value (000's) 2012/2013	Total G. O. Debt Outstanding 9/30/2012	Estimated Percentage Applicable	Overlapping G. O. Debt 9/30/2012
Hurst-Eules-Bedford Independent School District	\$ 8,649,491	\$ 330,852,675	34.59%	\$ 114,441,940
Tarrant County	124,676,098	315,898,924	2.50%	7,897,473
Tarrant County College District	125,092,633	20,765,026	2.50%	519,126
Tarrant County Hospital District	124,838,781	<u>56,385,000</u>	2.50%	<u>1,409,625</u>
Subtotal overlapping debt		723,901,625		124,268,164
City of Bedford	2,949,559	<u>55,704,000</u>	100.00%	<u>55,704,000</u>
Total direct and overlapping debt		<u>\$ 779,605,625</u>		<u>\$ 179,972,164</u>

Sources: Debt outstanding data provided by each governmental unit.

*The percentage of overlapping debt applicable is estimated using the estimated population of the city divided by the estimated population of the other governmental entity that is within the district's boundaries

City of Bedford, Texas
Legal Debt Margin Information
Last Ten Fiscal Years

Table 14

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Maximum State Rate	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
Maximum City Rate	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5
Less										
General Fund – M & O Rate	0.200481	0.213251	0.23777	0.288185	0.288052	0.297623	0.285847	0.299096	0.309075	0.311257
Debt Service Fund – I & S Rate	0.18357	0.176173	0.162987	0.158697	0.15883	0.149259	0.161035	0.164252	0.182534	0.193072
Total assessed City Rate	0.384051	0.389424	0.400757	0.446882	0.446882	0.446882	0.446882	0.463348	0.491609	0.504329
Net available City Rate	\$ 1.115949	\$ 1.110576	\$ 1.099243	\$ 1.053118	\$ 1.053118	\$ 1.053118	\$ 1.053118	\$ 1.036652	\$ 1.008391	\$ 0.995671
Percentage of rate assessed as a percentage of tax rate limit	25.60%	25.96%	26.72%	29.79%	29.79%	29.79%	29.79%	30.89%	32.77%	33.62%

City of Bedford, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years

Table 15

Fiscal Years Ended	Water Revenue Bonds							Average Annual Debt Service	Average Requirements
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage			
				Principal	Interest				
2003	11,823,433	10,305,682	1,517,751	510,000	342,049	1.78	342,354	4.43	
2004	12,296,285	9,719,158	2,577,127	490,000	248,769	3.49	325,118	7.93	
2005	13,146,374	9,859,396	3,286,978	440,000	227,633	4.92	309,550	10.62	
2006	14,165,690	10,953,539	3,212,151	285,000	210,814	6.48	300,680	10.68	
2007	12,333,536	10,672,129	1,661,407	235,000	198,400	3.83	309,519	5.37	
2008	13,451,782	12,620,031	831,751	240,000	187,049	1.95	287,053	2.90	
2009	14,539,710	12,539,272	2,000,438	180,000	176,895	5.61	286,163	7.06	
2010	16,104,703	13,518,776	2,585,927	185,000	167,908	7.33	283,163	9.13	
2011	19,811,255	14,552,568	5,258,687	195,000	1,585,533	2.95	316,165	16.63	
2012	18,915,135	13,397,242	5,517,893	-	-	-	775,338 *	7.12	

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

Operating expenses do not include interest, depreciation or amortization expenses.

* 2012 - Annual Debt Service Variance is due to the city refunded its 1998 and 2002 revenue bonds, so no longer own revenue bonds which impact the calculation.



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**Demographic and
Economic Information**

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

Table 16

Calendar Years	Population	Personal Income	Per Capita Personal Income	Average Household Income	Median Age	School Enrollment	Unemployment Rate
2003	47,750	1,476,191	30,915	72,168	37.5	19,506	3.9%
2004	48,000	1,481,520	30,865	70,953	37.5	19,461	3.4%
2005	48,050	1,412,622	29,399	69,000	37.6	19,962	4.3%
2006	48,600	1,558,894	32,076	72,397	37.7	20,248	4.4%
2007	49,050	1,381,493	28,165	66,120	37.9	20,350	3.7%
2008	49,450	1,587,542	32,104	75,508	38.2	21,000	3.6%
2009	49,700	1,628,072	32,758	76,000	38.4	20,653	6.0%
2010	49,979	1,573,186	33,487	81,109	38.9	50,537	6.8%
2011	46,979	1,620,682	34,498	75,462	34.2	20,898	6.8%
2012	47,001	1,677,950	34,926	61,584	39.5	20,762	5.2%

Sources: DemographicsNow
North Central Texas Council of Governments
US Census Bureau
City-data.com
hebisd.edu/insideheb/facts_figure.asp

City of Bedford, Texas
Principal Employers
Current Year and Six Years Ago

Table 17

Employer	2012		2006	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Harris Methodist HEB	1,600	5.67%	1,800	6.20%
Carter Blood Care	1,100	3.90%	600	2.07%
Wal-Mart supercenter	435	1.54%	318	1.10%
Warrantech	415	1.47%	550	1.90%
The Beryl Companies	400	1.42%	251	0.87%
State National Insurance	400	1.42%	-	-
City of Bedford	369	1.31%	359	1.24%
Transamerica Insurance	300	1.06%	-	-
HEB ISD (Administrative Office)	250	0.89%	-	-
Daystar Television Network	200	0.71%	-	-
Citigroup	-	-	540	1.86%
Albertson's	-	-	175	0.60%
Grubb's Nissan	-	-	155	0.53%
Nuvell Credit & Finance	-	-	154	0.53%
Park Place Motocars	-	-	150	0.52%
Heartland of Bedford	-	-	110	0.38%
Kroger Foods, Inc.	-	-	105	0.36%
	<u>28,229</u>	<u>19.37%</u>	<u>29,011</u>	<u>18.16%</u>

Source: Total City Employment information can be found Texas Workforce Commission Website via (<http://www.tracer2.com/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE>)
City of Bedford, Economic Development Department - Demographics data



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Operating Information

City of Bedford, Texas
Full-time Equivalent City Government Employees
By Function/Program
Last Ten Fiscal Years

Table 18

Function/Program	Full-time Equivalent Employees as of June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Management and communication	8.0	8.0	8.0	8.0	8.0	8.0	8.0	6.0	6.0	6.0
Finance	11.0	15.0	15.0	15.0	14.5	14.0	14.0	13.0	12.0	12.0
Municipal Court and Teen Court	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Development and planning	12.0	12.0	12.0	12.0	12.0	13.5	15.0	18.0	12.8	12.8
Library	21.5	21.5	21.5	16.4	16.4	16.4	16.4	16.4	16.4	17.2
Support services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	11.0	10.0
Police										
Officers	76.7	79.4	87.4	84.9	84.9	82.0	82.0	83.0	86.3	84.3
Civilians	46.0	44.0	44.0	45.0	47.0	47.0	47.0	51.7	48.6	49.6
Animal Control	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Fire										
Firefighters and officers	65.0	65.0	65.0	64.0	64.0	64.0	64.0	64.0	64.0	63.0
Civilians	1.0	0.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Parks and recreation										
Management and comm.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	2.0
Parks and recreation	42.4	47.0	46.2	41.9	41.9	42.8	42.8	41.3	37.8	36.4
Senior Citizens Center	3.6	3.6	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.5
Tourism and special events	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	3.5
Public works										
Engineering	4.0	5.0	5.0	4.0	4.0	5.0	5.0	6.1	6.0	6.0
Water	14.0	12.0	12.0	12.6	12.6	12.6	12.6	12.0	15.0	13.0
Wastewater	11.0	11.0	11.0	11.0	11.0	10.0	10.0	10.0	8.0	7.0
Stormwater	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Streets	13.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	10.0	11.0
Fleet maintenance	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Total	363.2	368.5	377.1	362.8	364.3	365.3	366.8	372.5	369.4	365.2

Source: City budget office

City of Bedford, Texas

Operating Indicators By Function/Program

Last Ten Fiscal Years

Table 19

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Community services										
Building permits issued	187	150	155	89	6,051	4,925	917	762	800	297
Estimated cost	25,171,235	20,405,916	31,398,670	19,962,590	33,101,399	23,921,329	15,326,556	27,144,564	10,216,130	41,282,146
Police										
Physical arrests	2,696	2,754	2,624	2,730	2,692	2,986	2,368	2,607	3,490	3,285
Parking violations	6,613	6,083	3,797	3,917	3,874	4,115	91	114	150	207
Traffic violations	21,584	19,550	9,547	12,520	12,628	14,664	11,225	14,740	15,945	15,929
Fire										
Emergency responses	4,858	5,397	5,996	6,679	7,203	7,345	7,291	7,312	7,550	8,218
Patients transported	1,892	2,102	2,112	2,208	2,444	2,474	2,478	2,462	2,628	2,989
Fires extinguished	201	202	250	251	237	206	132	88	145	90
Inspections	1,725	1,658	1,531	1,310	1,878	2,480	2,189	2,705	2,438	2,901
Culture and recreation										
Parks and recreation										
Athletic league spring team	92	91	34	22	8	15	42	39	12	8
Athletic league fall team	43	42	5	19	21	16	13	13	10	-
Community center registration	3,773	3,721	1,663	3,166	3,593	3,562	4,154	3,666	3,633	3,945
Annual recreation revenue	239,133	235,842	121,900	152,796	178,490	209,346	268,871	267,648	281,047	306,587
Library										
Population service	48,378	48,378	48,417	48,600	49,050	49,450	49,700	49,700	46,979	47,001
Number of library visits	219,227	239,342	162,423	178,319	226,092	252,319	271,764	256,674	279,991	279,991
Volumes in collection	132,078	108,380	107,807	106,068	105,389	101,935	101,179	99,104	101,395	101,395
Total volumes borrowed	377,468	393,156	292,827	344,529	460,782	496,144	511,186	252,401	552,737	552,737
Turnover rate	2.90%	3.60%	2.70%	3.30%	4.40%	4.90%	5.10%	5.80%	5.50%	5.45%
Total operating expenditures	979,966	1,007,366	799,751	904,536	985,787	1,015,766	1,037,121	1,141,421	1,089,441	1,089,441
Cost per population served	20.26	20.82	16.52	18.61	20.1	20.54	20.87	22.96	21.92	22
Total paid staff (FTE)	21.53	21.53	21.53	16.38	16.38	16.38	16.38	16.38	16.38	16
Public works										
Street repair – asphalt sq. yard	2,037	512	1,779	2,020	2,018	1,494	2,150	3,055	40,988	36,004
Street repair – concrete sq. yard	33	299	195	249	782	73	311	602	22,661	3,693
Sidewalk installation/repairs – sq. yard	5,302	5,611	6,996	4,252	15,555	22,483	32,913	4,947	1,684	10,503
Water and sewer										
New connections – water	111	129	93	91	65	127	(23)	(31)	36	14
New connections – sewer	130	117	57	111	60	3	27	(14)	63	5
Water main breaks	12	18	42	57	31	20	21	24	39	67
Stated in thousands of gallons										
Average daily consumption	7,747	7,220	7,544	9,209	7,313	8,592	8,194	7,600	8,988	7,329
Peak daily consumption	17,482	14,580	12,107	16,300	14,529	16,476	14,168	12,932	16,232	12,375

Source: Various City departments

Notes: a - 1999 through 2000 are estimates based on subsequent history.

b - 1999 through 2004 are estimates based on 2005 before rollback.

c - 1999 through 2002 are estimates.

City of Bedford, Texas
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

Table 20

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	9	15	15	15
Other units: CID-SWAT-PSO	47	47	47	47	47	47	47	58	58	58
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire equipment units	5	5	5	5	5	5	5	5	5	5
EMS units	4	4	4	4	4	4	4	4	4	4
Other units	11	11	11	11	11	11	11	11	11	11
Regional grant units – Homeland Security	0	2	11	11	11	11	11	11	11	11
Other public works										
Streets (miles) ^a	417	428	454	460	460	460	460	460	460	460
Streetlights ^a	1645	1675	1700	1725	1725	1735	1737	1738	1738	1738
Traffic signals	23	23	24	24	24	24	24	24	24	24
Parks and recreation										
Park acreage	150	150	150	150	150	150	150	150	150	150
Playgrounds	12	12	12	12	17	17	17	17	17	17
Swimming pools	2	2	2	2	3	3	3	3	3	3
Soccer/football fields	6	6	6	6	6	6	6	6	6	6
Community centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	146	146	147	147	147	147	147	147	147	147
Fire hydrants ^a	1315	1350	1380	1400	1425	1425	1425	1425	1425	1425
Storage capacity (one ground well – 250,000 gallons) (elevated storage – 5 million gallons)	6225	6225	6225	6225	6225	6225	6225	5250	5250	5250
Stormwater										
Storm sewers (miles)	10	10	10	10	10	10	10	10	10	10

Source: Various City departments
Note a – Years 2003 and 2004 are estimates



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