



CITY OF BEDFORD

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**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
For the Fiscal Year Ending
September 30, 2013

City of Bedford, Texas
September 30, 2013

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September 30, 2013

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Introductory Section

CITY of BEDFORD

2000 FOREST RIDGE DRIVE, BEDFORD, TEXAS 76021-1895

February 21, 2014

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, 2013. 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, 12 miles from downtown Fort Worth and 20 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 six 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 and 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, current population estimates are projected to be 48,566 or 3.0% above the census results.

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 2.0% 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 2.8% or \$266,380.

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 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, 2012. 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 seventeenth 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 second 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.

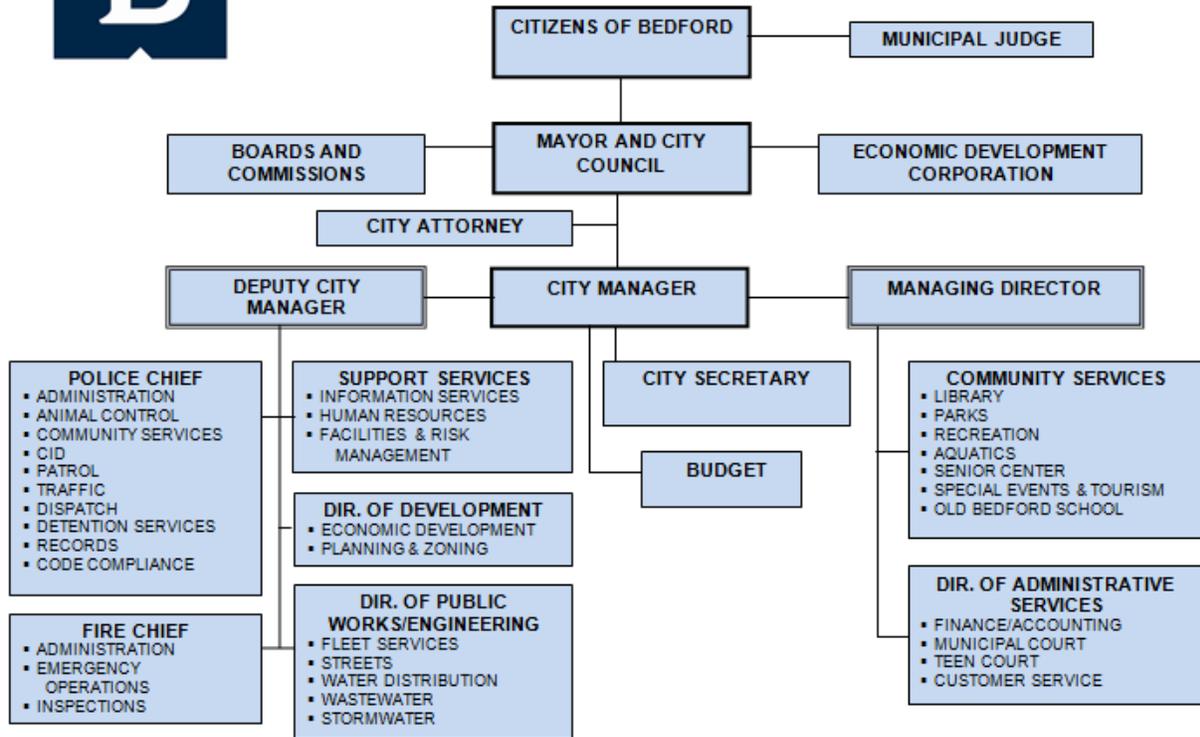
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Clifford Blackwell', written in a cursive style.

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, Council Member, Place 5

Ray Champney, Council Member, Place 3

Chris Brown, Mayor Pro Tem, 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

Thomas Hoover, P.E. Director of Public Works/Engineering

Mirenda McQuagge-Walden.....Managing Director

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, 2012

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. Moivell

President

Jeffrey R. Enen

Executive Director



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Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

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, Texas (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2013 the City adopted new accounting guidance, Governmental Accounting Standards Board statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Prior Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended September 30, 2012, from which the summarized information was derived.

Required Supplementary Information

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are 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.

Other Information

Our audit was performed for the purpose of forming opinions on 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

Dallas, Texas
February 21, 2014

City of Bedford
Management's Discussion and Analysis (Unaudited)
September 30, 2013

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, 2013. 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 \$54,743,996 (net position). Of this amount, \$10,787,362 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.

The City's net position decreased \$2,688,147 or 4.68%. The decrease is primarily due to a 14.69% decrease in capital assets, net of depreciation for governmental activities. In the prior year, the governmental activities added \$1,903,983 in capital assets that were offset by an \$8 million depreciation expense. This fiscal year, the capital asset addition is merely \$855,180, which is a decrease of 55.08%, offset by another \$8 million depreciation expense, thus declining the City's net position overall.

As of September 30, 2013, the City's governmental funds reported combined ending fund balances of \$15,421,695, an increase of \$2,500,894 in comparison with the prior fiscal year. Of this amount, \$5,751,658, or 37.3% of the total amount is unassigned.

As of September 30, 2013, the fund balance for the General Fund increased by \$551,436. Total General Fund balance was \$6,337,789. The increase in the General Fund balance was the result of 5.48% increase in the operating transfers in the fund, coupled with the proceeds of a lease purchase that has yet to be expensed. In addition, the operating revenues increased slightly by 0.83%, but were offset by a 2.79% increase in operating expenditures. Therefore, the outliers that mostly contributed to the increase in fund balances are the transfers and lease proceeds.

The City's total debt of \$56,553,872 increased by \$849,861 during the 2012/2013 fiscal year due to the following reasons: the City issued \$4,900,000 in certificates of obligation early in the 2012/2013 fiscal year, refunded \$3,700,000 in redeemable obligations and issued \$1,675,000 in new general obligation bonds at the end of year. This totals \$10,725,000 being added to the total debt, which is offset by \$9,653,509 in obligations being retired. Moreover, the City entered into a lease purchase agreement for \$228,370, which is added to the outstanding debt total by the end of the fiscal year, thus increasing debt from the \$55,704,411 reported in fiscal year 2011/2012.

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 position and statement of activities provide information about the activities of the City as 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 providing 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 position 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 position and changes in them. You can think of the City's net position (the difference between assets and deferred outflows, what the citizens own and liabilities and deferred inflows of resources, what the citizens owe) as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position 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 position 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 position 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 \$5,751,658 represents 20.25% (approximately 74 days) of next year's budgeted expenditures.

The Debt Service Fund has a total fund balance of \$1,060,593, all of which is reserved for the payment of debt. There was, however, a decrease in fund balance of \$48,076 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 \$1,832,971, all of which is reserved for street projects. There was an increase in fund balance of \$8,947 during the current year, due to interest income.

The Economic Development 4B Fund has a total fund balance of \$1,903,735, all of which is reserved for street infrastructure improvements and maintenance. There was an increase in fund balance of \$402,260 during the current year.

The City as a Whole

The City's combined net position changed from a year ago, decreasing from \$57,432,143 to \$54,743,996. Looking at the net position and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Net position of the City's governmental activities decreased from \$25,156,412, last fiscal year, to \$22,728,556 as of September 30, 2013, or 9.65%. In the business-type activities, the net position also decreased from \$32,275,731 to \$32,015,440, or .81%. The unrestricted net position of the City's governmental activities (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) decreased to a negative \$1,057,886. The primary reason for the decrease was due to the implementation of the GASB 65 pronouncement. As stated in "Note I: New Pronouncements," the City no longer has to record debt issuance cost as a deferred debt expense, which is capitalized and amortized over the life of the debt. As a result, a prior period adjustment was made to remove bond issuance costs of \$1,056,318, resulting in a change in beginning net position. The unrestricted net position of the business-type activities increased from \$7,136,012 to \$11,845,248 as of September 30, 2013, or 65.99%. The primary reason for the increase is in the unrestricted net position of the proprietary funds. The water and sewer fund increased \$4,423,307 or 69.24% and the stormwater fund increased \$285,929 or 38.25% in their unrestricted net positions.

Restricted net position, those restricted mainly for capital projects and debt service increased from \$5,213,292 to \$8,426,186 or 61.63%.

The largest portion of the City's net position (64.9%) 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 Position
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current	\$ 18,400	\$ 16,722	\$ 15,153	\$ 14,283	\$ 33,553	\$ 31,005
Other noncurrent assets	300	1,357	(300)	(300)	-	1,057
Capital assets	48,371	55,359	38,581	36,142	86,952	91,501
Total assets	67,071	73,438	53,434	50,125	120,505	123,563
Deferred outflows of resources	118	-	47	-	165	-
Current liabilities	8,530	8,991	3,790	4,028	12,320	13,019
Long-term liabilities	35,931	39,291	17,676	13,821	53,607	53,112
Total liabilities	44,461	48,282	21,466	17,849	65,927	66,131
Net position						
Invested in capital assets, net of related debt	14,323	18,908	20,170	25,140	34,493	44,048
Restricted	8,426	5,213	-	-	8,426	5,213
Unrestricted	(21)	1,035	11,845	7,136	11,824	8,171
Total net position	\$ 22,728	\$ 25,156	\$ 32,015	\$ 32,276	\$ 54,743	\$ 57,432

- **Governmental Activities** – Net position for Governmental Activities decreased by \$2,427,856. Due to a recent change in accounting principle (GASB 65), the net position is significantly impacted by the removal of the deferred bond issuance costs. In addition, a primary use of revenues (59.26%) relate directly to covering public safety functions. During the year, organizational changes were made that expanded the public safety function to include code compliance and inspections. Public safety (police, fire and EMS) program revenues less direct expenses totaled \$18,871,914 of total governmental activities.
- **Business-type Activities** – Revenues of the City's business-type activities totaled \$19,257,971 for the fiscal year ended September 30, 2013. Expenses for these activities were \$16,901,386, resulting in a net gain of \$2,356,585 from operations before transfers. The net position, after interfund transfers, of the business-type activities decreased by \$260,291. This is due primarily to implementation of GASB 65 and increased operating expenses in the Water and Sewer Fund by 11.94% coupled with a 4.74% decline in water and sewer operating revenues.

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

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 5,187	\$ 5,986	\$ 19,199	\$ 20,207	\$ 24,386	\$ 26,193
Operating grant and contributions	611	599	-	-	611	599
Capital grants and contributions	-	44	-	147	-	191
General revenue						
Property taxes	14,488	13,735	-	-	14,488	13,735
Other taxes	13,870	13,565	-	-	13,870	13,565
Interest and investment earnings	34	26	47	21	81	47
Other general revenues	535	595	11	4	546	599
Total revenues	34,725	34,550	19,257	20,379	53,982	54,929
Expenses						
Public safety	22,829	17,292	-	-	22,829	17,292
Leisure services	3,766	3,691	-	-	3,766	3,691
Community services	2,017	1,986	-	-	2,017	1,986
General government/administration	4,688	4,797	-	-	4,688	4,797
Public services	3,486	8,354	-	-	3,486	8,354
Interest on long-term debt	1,725	2,169	-	-	1,725	2,169
Water and sewer	-	-	15,646	15,112	15,646	15,112
Stormwater	-	-	1,256	1,336	1,256	1,336
Total expenses	38,511	38,289	16,902	16,448	55,413	54,737
Increase in Net Position Before Transfers	(3,786)	(3,739)	2,355	3,931	(1,431)	192
Transfers	2,414	2,377	(2,414)	(2,377)	-	-
Change in Net Position	(1,372)	(1,362)	(59)	1,554	(1,431)	192
Net Position, As Previously Reported*	25,156	26,518	32,276	30,722	57,432	57,240
Change in Accounting Principle	(1,056)	-	(202)	-	(1,258)	-
Net Position, Beginning of Year	24,100	26,518	32,074	30,722	56,174	57,240
Net Position, End of Year	\$ 22,728	\$ 25,156	\$ 32,015	\$ 32,276	\$ 54,743	\$ 57,432

*Net position as of September 1, 2012 has been restated for the effects of adopting GASB No. 65. The impact of this statement on 2012 is not shown.

General Fund Budgetary Highlights

Actual revenues exceeded budgetary expectations by \$1,030,205 and actual expenditures were \$243,170 less than budgetary projections. This combination of these instances resulted in a positive variance of \$787,035, which has helped contribute to the increase in fund balance. This is primarily related to tax revenues, along with other major revenue categories, exceeding budgetary expectations. Therefore, because of the positive variance, the General Fund finished the fiscal year with a \$551,436 net increase in fund balance.

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, 2013, and the amount and percentage of increases and decreases in relation to the prior year:

	General Revenues (in thousands)				
	2012	2013	2013 Percent of Total	Increase (Decrease) from 2012	Percent Increase (Decrease)
Taxes	\$ 27,951	\$ 28,279	82%	\$ 328	1%
Licenses and permits	864	457	1%	(407)	-47%
Charges for services	2,822	3,097	9%	275	10%
Fines and forfeitures	2,079	1,503	4%	(576)	-28%
Intergovernmental	655	661	2%	6	1%
Interest	26	34	0%	8	31%
Miscellaneous	558	623	2%	65	12%
Total	<u>\$ 34,955</u>	<u>\$ 34,654</u>	<u>100%</u>	<u>\$ (301)</u>	<u>-20%</u>

	General Expenditures (in thousands)				
	2012	2013	2013 Percent of Total	Increase (Decrease) from 2012	Percent Increase (Decrease)
General government	\$ 1,575	\$ 1,628	5%	\$ 53	3%
Community services	1,913	1,953	5%	40	2%
Public services	2,708	2,458	7%	(250)	-9%
Administrative services	2,082	1,947	5%	(135)	-6%
Public safety	16,127	16,798	46%	671	4%
Leisure services	3,662	3,752	10%	90	2%
Capital outlay	2,281	1,244	3%	(1,037)	-45%
Debt service	7,108	6,829	19%	(279)	-4%
Total	<u>\$ 37,456</u>	<u>\$ 36,609</u>	<u>100%</u>	<u>\$ (847)</u>	<u>-53%</u>

Capital Asset and Debt Administration

Capital Assets

As of September 30, 2013, the City had \$253,346,734 invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer, and stormwater facilities. This represents net increase of \$4,869,116 or 1.96% over last year. Capital assets net of depreciation decreased by approximately \$4,548,941 or 4.97%.

The City's capital plans for fiscal year 2014/2015 call for expenditures of approximately \$2.8 million for capital projects, primarily in the following categories: street improvements, drainage, and water and sewer distribution system and facilities. The estimated capital expenditure for street improvements is no more than \$50,000 to complete road and ramp improvements at several intersections throughout the City. The most significant capital improvement project tied to streets is a mill and overlay project for Bedford Road. However, this project will not take effect until the following year. The drainage projects are estimated at \$1,000,000 for channel improvements and erosion control throughout areas of the City in need of major enhancements to improve downstream water flow. Finally, the estimated capital improvement for water and sewer projects is \$1,775,000. The most notable of these projects are water main replacements for both Shady Brook and FM 157 totaling \$650,000. On the sewer side, the most notable projects include replacing trunk sewer lines along Pipeline Road and Bear Creek, totaling \$850,000. 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	
	2013	2012	2013	2012	2013	2012
Land	\$ 7,261	\$ 7,511	\$ 100	\$ 103	\$ 7,361	\$ 7,614
Buildings and structures	25,256	25,256	519	519	25,775	25,775
Other improvements	122,956	122,852	-	-	122,956	122,852
Equipment	26,419	25,668	3,307	3,204	29,726	28,872
Utility distribution	-	-	61,462	59,851	61,462	59,851
Construction in progress	603	350	5,464	3,164	6,067	3,514
Total	\$ 182,495	\$ 181,637	\$ 70,852	\$ 66,841	\$ 253,347	\$ 248,478

Debt

At year-end, the City had \$56,553,872 in General Obligation Bonds, Combination Tax and Revenue Certificates of Obligation, and capital lease obligations compared to \$55,704,011 at the end of the prior fiscal year, an increase of 1.53%. The City issued debt in fiscal year 2012/2013, partially offset by the retirement of such debt as well, thus rendering a slight increase in outstanding debt when compared to fiscal year ending 2011/2012.

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

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General obligations	\$ 37,800	\$ 41,023	\$ -	\$ -	\$ 37,800	\$ 41,023
Certificates of obligation	-	-	18,275	14,342	18,275	14,342
Tax notes	-	-	-	-	-	-
Capital lease	479	339	-	-	479	339
Total	\$ 38,279	\$ 41,362	\$ 18,275	\$ 14,342	\$ 56,554	\$ 55,704

Standard and Poor's (S&P) affirmed the City of Bedford's "AA" rating in conjunction with the City's issuance of the Series 2013 Refunding and Improvement General Obligation bonds. The City's rating outlook from S&P'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 the budget year of 2012 to 2014 at a rate of \$0.499115 per \$100 assessed valuation. 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 merit based increases to employee compensation and benefits.

In budget year 2013, the City Council also was able to fund one-time capital purchases that benefitted several departments. They funded a new medic unit, a vehicle lift, cargo van and a battalion chief vehicle. In addition, the City Council was able to fund additional personnel in marketing, fire inspections and the library, plus adding funds for a new code enforcement initiative.

Moreover, staff evaluated the water and sewer infrastructure as well as the wholesale services provided by the TRA and determined that an increase in rates was necessary. The primary reason was to build up the utility fund's working capital to functioning levels that will be used to invest in the City's water and sewer infrastructure without issuing additional debt. 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 Position
September 30, 2013 (with Comparative Totals for 2012)

	Primary Government		Totals	
	Governmental Activities	Business-type Activities	2013	2012
Assets				
Current assets				
Cash and cash equivalents	\$ 9,252,798	\$ 7,852,119	\$ 17,104,917	\$ 12,825,600
Investments	5,132,091	-	5,132,091	5,148,671
Receivables (net of allowance)	3,926,347	3,236,509	7,162,856	8,464,217
Internal balances	(39,220)	39,220	-	-
Due from other governments	99,423	-	99,423	76,593
Inventories and prepaid expenses	29,164	-	29,164	125,719
Restricted assets				
Investments	-	4,024,402	4,024,402	4,364,114
Total current assets	<u>18,400,603</u>	<u>15,152,250</u>	<u>33,552,853</u>	<u>31,004,914</u>
Noncurrent assets				
Internal balances	300,000	(300,000)	-	-
Bond issuance costs, net	-	-	-	1,056,318
Capital assets, not being depreciated	7,864,404	5,564,180	13,428,584	11,166,215
Capital assets, being depreciated, net	<u>40,506,669</u>	<u>33,017,027</u>	<u>73,523,696</u>	<u>80,335,006</u>
Total noncurrent assets	<u>48,671,073</u>	<u>38,281,207</u>	<u>86,952,280</u>	<u>92,557,539</u>
Total assets	<u>67,071,676</u>	<u>53,433,457</u>	<u>120,505,133</u>	<u>123,562,453</u>
Deferred Outflows of Resources				
Deferred charge on refunding	<u>117,977</u>	<u>47,456</u>	<u>165,433</u>	<u>-</u>
Total deferred outflows of resources	<u>117,977</u>	<u>47,456</u>	<u>165,433</u>	<u>-</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	1,646,433	1,936,868	3,583,301	4,023,689
Due to other governments	205,189	-	205,189	236,440
Escrow and unearned revenue	413,646	2,041	415,687	1,331,793
Customer deposits	-	851,164	851,164	828,669
Current portion of compensated absences	843,118	47,861	890,979	812,243
Current portion of long-term debt	<u>5,421,370</u>	<u>951,993</u>	<u>6,373,363</u>	<u>5,785,583</u>
Total current liabilities	<u>8,529,756</u>	<u>3,789,927</u>	<u>12,319,683</u>	<u>13,018,417</u>
Noncurrent liabilities				
Bonds payable	33,652,190	17,459,022	51,111,212	50,913,269
Capital leases	395,817	-	395,817	287,882
Compensated absences	1,686,236	95,722	1,781,958	1,624,507
Other post-employment benefits	<u>197,098</u>	<u>120,802</u>	<u>317,900</u>	<u>286,235</u>
Total noncurrent liabilities	<u>35,931,341</u>	<u>17,675,546</u>	<u>53,606,887</u>	<u>53,111,893</u>
Total liabilities	<u>44,461,097</u>	<u>21,465,473</u>	<u>65,926,570</u>	<u>66,130,310</u>
Net Position				
Net investment in capital assets	14,323,066	20,170,192	34,493,258	44,047,834
Restricted for				
Capital acquisition and construction	3,863,289	-	3,863,289	1,373,283
Debt service	1,060,593	-	1,060,593	1,108,669
Economic development	1,903,735	-	1,903,735	1,501,475
Other purposes	1,073,199	-	1,073,199	866,207
Public safety	476,461	-	476,461	308,698
Parks and beautification	48,909	-	48,909	54,960
Unrestricted	<u>(20,696)</u>	<u>11,845,248</u>	<u>11,824,552</u>	<u>8,171,017</u>
Total net position	<u>\$ 22,728,556</u>	<u>\$ 32,015,440</u>	<u>\$ 54,743,996</u>	<u>\$ 57,432,143</u>



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City of Bedford, Texas
Statement of Activities
Year Ended September 30, 2013 (with Comparative Totals for 2012)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government and administration	\$ 4,688,432	\$ 76,647	\$ 6,254	\$ -
Community services	2,017,011	358,167	-	-
Public services	3,486,148	218,646	-	-
Public safety	22,828,761	3,374,638	582,209	-
Leisure services	3,765,867	1,158,956	22,140	-
Interest expense	1,724,511	-	-	-
Total governmental activities	<u>38,510,730</u>	<u>5,187,054</u>	<u>610,603</u>	<u>-</u>
Business-type activities				
Water and sewer services	15,645,261	17,908,621	-	-
Stormwater collection and disposal	1,256,126	1,290,624	-	-
Total business-type activities	<u>16,901,387</u>	<u>19,199,245</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 55,412,117</u>	<u>\$ 24,386,299</u>	<u>\$ 610,603</u>	<u>\$ -</u>

General Revenues

Taxes
Property taxes, penalty and interest
Sales
Franchise
Occupancy
Other
Investment income (loss)
Gain on sale of assets
Miscellaneous
Transfers
Total general revenues, special item and transfers

Change in Net Position

Net Position, As Previously Reported

Change in Accounting Principle

Net Position, Beginning of Year

Net Position, End of Year

Net (Expense) Revenue and Changes in Net Position			
Primary Government		Totals	
Governmental Activities	Business-type Activities	2013	2012
\$ (4,605,531)	\$ -	\$ (4,605,531)	\$ (4,709,352)
(1,658,844)	-	(1,658,844)	(1,333,747)
(3,267,502)	-	(3,267,502)	(6,666,844)
(18,871,914)	-	(18,871,914)	(14,298,821)
(2,584,771)	-	(2,584,771)	(2,482,104)
<u>(1,724,511)</u>		<u>(1,724,511)</u>	<u>(2,169,120)</u>
<u>(32,713,073)</u>	<u>-</u>	<u>(32,713,073)</u>	<u>(31,659,988)</u>
-	2,263,360	2,263,360	3,950,245
-	34,498	34,498	(44,510)
-	2,297,858	2,297,858	3,905,735
<u>\$ (32,713,073)</u>	<u>\$ 2,297,858</u>	<u>\$ (30,415,215)</u>	<u>\$ (27,754,253)</u>
\$ 14,488,399	\$ -	\$ 14,488,399	\$ 13,735,255
9,629,427	-	9,629,427	9,363,047
3,338,307	-	3,338,307	3,325,941
749,612	-	749,612	723,745
152,344	-	152,344	152,093
33,521	47,321	80,842	47,510
77	11,406	11,483	223,457
535,397	-	535,397	374,992
<u>2,414,451</u>	<u>(2,414,451)</u>	<u>-</u>	<u>-</u>
<u>31,341,535</u>	<u>(2,355,724)</u>	<u>28,985,811</u>	<u>27,946,040</u>
(1,371,538)	(57,866)	(1,429,404)	191,787
25,156,412	32,275,731	57,432,143	57,240,356
<u>(1,056,318)</u>	<u>(202,425)</u>	<u>(1,258,743)</u>	<u>-</u>
<u>24,100,094</u>	<u>32,073,306</u>	<u>56,173,400</u>	<u>57,240,356</u>
<u>\$ 22,728,556</u>	<u>\$ 32,015,440</u>	<u>\$ 54,743,996</u>	<u>\$ 57,432,143</u>

City of Bedford, Texas
Balance Sheet – Governmental Funds
September 30, 2013 (with Comparative Totals for 2012)

	General	Debt Service	Street Bond
Assets			
Cash and cash equivalents	\$ 3,427,322	\$ 3,573	\$ 844,248
Investments	1,650,176	1,068,242	1,402,555
Receivables			
Taxes, less allowance for uncollectible	2,255,372	103,423	-
Accounts	420,815	-	-
Other	17,493	-	345,792
Due from other governments	99,423	-	-
Due from other funds	28,597	-	-
Inventories and prepaid expenditures	29,164	-	-
Advances to other funds	300,000	-	-
	<u>8,228,362</u>	<u>1,175,238</u>	<u>2,592,595</u>
Total assets	<u>\$ 8,228,362</u>	<u>\$ 1,175,238</u>	<u>\$ 2,592,595</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts and contracts payable	\$ 1,407,107	\$ 17,853	\$ -
Due to other funds	31,300	-	-
Escrow	59,739	-	413,646
Deferred revenue	-	-	-
	<u>1,498,146</u>	<u>17,853</u>	<u>413,646</u>
Total liabilities	<u>1,498,146</u>	<u>17,853</u>	<u>413,646</u>
Deferred inflows of resources	<u>392,427</u>	<u>96,792</u>	<u>345,978</u>
Fund balances			
Nonspendable			
Advances to other funds	328,597	-	-
Inventories and prepaids	29,164	-	-
Restricted for			
Debt service	-	1,060,593	-
Road improvements	-	-	1,832,971
Capital acquisition and construction	-	-	-
Economic development	-	-	-
Public safety	228,370	-	-
Parks and beautification	-	-	-
Other	-	-	-
Assigned	-	-	-
Unassigned	5,751,658	-	-
	<u>6,337,789</u>	<u>1,060,593</u>	<u>1,832,971</u>
Total fund balances	<u>6,337,789</u>	<u>1,060,593</u>	<u>1,832,971</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,228,362</u>	<u>\$ 1,175,238</u>	<u>\$ 2,592,595</u>

Economic Development 4B	Nonmajor Government	Totals	
		2013	2012
\$ 1,057,520	\$ 3,920,135	\$ 9,252,798	\$ 6,631,904
502,906	508,212	5,132,091	5,148,671
415,157	43,612	2,817,564	2,860,570
294	-	421,109	1,201,525
-	496	363,781	455,438
-	-	99,423	76,593
-	200	28,797	1,367
-	-	29,164	58,917
-	-	300,000	300,000
<u>\$ 1,975,877</u>	<u>\$ 4,472,655</u>	<u>\$ 18,444,727</u>	<u>\$ 16,734,985</u>
\$ 72,142	\$ 149,331	\$ 1,646,433	\$ 1,652,425
-	36,717	68,017	36,713
-	-	473,385	413,646
-	-	-	1,711,400
<u>72,142</u>	<u>186,048</u>	<u>2,187,835</u>	<u>3,814,184</u>
-	-	835,197	-
-	-	328,597	301,367
-	-	29,164	58,917
-	-	1,060,593	1,108,669
-	-	1,832,971	1,824,024
-	3,274,169	3,274,169	1,830,699
1,903,735	-	1,903,735	1,501,475
-	248,091	476,461	308,698
-	48,909	48,909	54,960
-	715,438	715,438	505,923
-	-	-	661,539
-	-	5,751,658	4,764,530
<u>1,903,735</u>	<u>4,286,607</u>	<u>15,421,695</u>	<u>12,920,801</u>
<u>\$ 1,975,877</u>	<u>\$ 4,472,655</u>	<u>\$ 18,444,727</u>	<u>\$ 16,734,985</u>



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City of Bedford, Texas
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2013

Fund balances of governmental funds		\$ 15,421,695
Amounts reported for governmental activities in the statement of net position are different because:		
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.		48,371,073
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.		(205,189)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		894,936
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	37,800,000	
Premiums on bond debt	1,190,505	
Deferred outflows of resources	(117,977)	
Compensated absences	2,529,354	
OPEB liability	197,098	
Capital leases	478,872	(42,077,852)
Total net position of governmental activities		<u>\$ 22,728,556</u>

City of Bedford, Texas
Statement of Revenues, Expenditures and
Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2013 (with Comparative Totals for 2012)

	General	Debt Service	Street Bond
Revenues			
Taxes, penalty and interest	\$ 19,890,570	\$ 5,231,317	\$ -
Licenses and permits	456,761	-	-
Charges for services	2,731,965	-	-
Fines and forfeitures	1,239,093	-	-
Support from governmental entities	538,583	-	-
Interest	9,437	5,237	8,947
Miscellaneous	505,907	38,059	-
	<u>25,372,316</u>	<u>5,274,613</u>	<u>8,947</u>
Total revenues			
Expenditures			
Current			
General governmental	1,624,114	-	-
Community services	1,072,592	-	-
Public services	1,731,604	-	-
Administrative services	1,894,340	-	-
Public safety	16,797,850	-	-
Leisure services	3,744,074	-	-
Capital outlay	692,728	-	-
Debt service			
Principal retirement	88,509	4,978,379	-
Interest and fiscal agent fees	13,510	1,676,105	-
Bond issuance costs	-	72,818	-
	<u>27,659,321</u>	<u>6,727,302</u>	<u>-</u>
Total expenditures			
Excess (Deficiency) of Revenues			
Other Expenditures	<u>(2,287,005)</u>	<u>(1,452,689)</u>	<u>8,947</u>
Other Financing Sources (Uses)			
Transfers in	2,564,921	1,331,795	-
Transfers out	-	-	-
Issuance of debt	-	3,700,000	-
Premium on debt	-	55,085	-
Payment to refunded bond escrow agent	-	(3,682,267)	-
Lease purchase proceeds	228,370	-	-
Sale of capital assets	77	-	-
Insurance proceeds	45,073	-	-
	<u>2,838,441</u>	<u>1,404,613</u>	<u>-</u>
Total other financing sources (uses)			
Net Change in Fund Balances	551,436	(48,076)	8,947
Fund Balances, Beginning of Year	<u>5,786,353</u>	<u>1,108,669</u>	<u>1,824,024</u>
Fund Balances, End of Year	<u>\$ 6,337,789</u>	<u>\$ 1,060,593</u>	<u>\$ 1,832,971</u>

See Notes to Financial Statements

	Economic Development 4B	Nonmajor Governmental	Totals	
			2013	2012
\$	2,407,357	\$ 749,612	\$ 28,278,856	\$ 27,950,618
	-	-	456,761	863,709
	-	365,472	3,097,437	2,822,239
	-	263,644	1,502,737	2,078,895
	-	122,830	661,413	654,732
	4,291	5,609	33,521	26,459
	-	78,853	622,819	557,599
	<u>2,411,648</u>	<u>1,586,020</u>	<u>34,653,544</u>	<u>34,954,251</u>
	-	3,820	1,627,934	1,574,751
	-	880,822	1,953,414	1,912,686
	464,140	262,204	2,457,948	2,708,419
	-	52,193	1,946,533	2,081,900
	-	-	16,797,850	16,126,751
	-	7,514	3,751,588	3,661,546
	156,832	394,291	1,243,851	2,281,440
	-	-	5,066,888	5,186,621
	-	-	1,689,615	1,921,115
	-	-	72,818	-
	<u>620,972</u>	<u>1,600,844</u>	<u>36,608,439</u>	<u>37,455,229</u>
	<u>1,790,676</u>	<u>(14,824)</u>	<u>(1,954,895)</u>	<u>(2,500,978)</u>
	-	-	3,896,716	3,863,681
	(1,388,416)	(93,849)	(1,482,265)	(1,487,017)
	-	1,675,000	5,375,000	-
	-	20,000	75,085	-
	-	-	(3,682,267)	-
	-	-	228,370	339,011
	-	-	77	219,723
	-	-	45,073	41,100
	<u>(1,388,416)</u>	<u>1,601,151</u>	<u>4,455,789</u>	<u>2,976,498</u>
	402,260	1,586,327	2,500,894	475,520
	<u>1,501,475</u>	<u>2,700,280</u>	<u>12,920,801</u>	<u>12,445,281</u>
\$	<u>1,903,735</u>	<u>\$ 4,286,607</u>	<u>\$ 15,421,695</u>	<u>\$ 12,920,801</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, 2013

Net change in fund balances – total governmental funds		\$ 2,500,894
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.		1,243,851
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.		(7,846,705)
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		8,686,888
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:		
Issuance of debt	(5,375,000)	
Premium on debt issuance	(75,085)	
Deferred loss on refunding	62,267	
Capital lease	(228,370)	
Capital lease payments	37,380	
Amortization of refunding loss	(6,190)	
Amortization of bond premium/discount	<u>149,739</u>	(5,435,259)
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.		(190,064)
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.		31,251
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.		<u>(612,394)</u>
Change in net position of governmental activities		<u>\$ (1,371,538)</u>

City of Bedford, Texas
Statement of Net Position
Proprietary Funds
September 30, 2013 (with Comparative Totals for 2012)

	Water and Sewer	Stormwater Utility	Totals	
			2013	2012
Assets				
Current Assets				
Cash and cash equivalents	\$ 6,995,912	\$ 856,207	\$ 7,852,119	\$ 6,193,696
Accounts receivable less allowance for uncollectible of \$313,127	3,040,514	195,995	3,236,509	3,487,168
Prepays and inventories	-	-	-	66,802
Due from other funds	40,591	-	40,591	35,346
Deferred charges	-	-	-	135,623
Restricted assets – investments	3,396,147	628,255	4,024,402	4,364,114
Total current assets	13,473,164	1,680,457	15,153,621	14,282,749
Property, plant and equipment				
Land	100,255	-	100,255	102,755
Buildings and improvements	518,600	-	518,600	518,600
Utility distribution	52,961,192	11,807,275	64,768,467	63,054,973
Construction in progress	2,821,368	2,642,557	5,463,925	3,164,263
Total property, plant and equipment	56,401,415	14,449,832	70,851,247	66,840,591
Less accumulated depreciation and amortization	(26,142,561)	(6,127,479)	(32,270,040)	(30,698,689)
Total long-term assets	30,258,854	8,322,353	38,581,207	36,141,902
Total assets	43,732,018	10,002,810	53,734,828	50,424,651
Deferred Outflows of Resources	47,456	-	47,456	-
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	1,617,750	319,118	1,936,868	2,371,264
Compensated absences	44,968	2,893	47,861	39,031
Deferred revenue	-	2,041	2,041	2,041
Due to other funds	-	1,371	1,371	-
Advances from other funds	-	300,000	300,000	300,000
Current maturities of bonds	816,993	135,000	951,993	786,558
Customer deposits	851,164	-	851,164	828,669
Total current liabilities	3,330,875	760,423	4,091,298	4,327,563
Long-term liabilities				
Compensated absences	89,935	5,787	95,722	78,061
Bonds payable	14,383,701	3,075,321	17,459,022	13,634,527
Other post-employment benefits	104,951	15,851	120,802	108,769
Total long-term liabilities	14,578,587	3,096,959	17,675,546	13,821,357
Total liabilities	17,909,462	3,857,382	21,766,844	18,148,920
Net Position				
Net investment in capital assets	15,058,160	5,112,032	20,170,192	25,139,719
Unrestricted	10,811,852	1,033,396	11,845,248	7,136,012
Total net position	\$ 25,870,012	\$ 6,145,428	\$ 32,015,440	\$ 32,275,731

City of Bedford, Texas
Statement of Revenues, Expenses and
Changes in Fund Net Position – Proprietary Funds
Year Ended September 30, 2013 (with Comparative Totals for 2012)

	Water and Sewer	Stormwater Utility	Totals	
			2013	2012
Operating Revenues				
Water sales	\$ 11,739,641	\$ -	\$ 11,739,641	\$ 12,185,112
Charges for sewer services	5,930,354	-	5,930,354	5,995,840
Stormwater charges	-	1,260,624	1,260,624	1,261,856
Other	238,626	30,000	268,626	764,183
Total operating revenues	<u>17,908,621</u>	<u>1,290,624</u>	<u>19,199,245</u>	<u>20,206,991</u>
Operating Expenses				
Water supply and distribution	8,116,217	-	8,116,217	7,914,658
Wastewater collection and disposal	3,960,054	-	3,960,054	3,837,162
Billing and collection	1,218,968	880,496	2,099,464	2,133,813
Public services/engineering	605,250	-	605,250	566,978
Depreciation and amortization	1,309,435	261,917	1,571,352	1,522,888
Total operating expenses	<u>15,209,924</u>	<u>1,142,413</u>	<u>16,352,337</u>	<u>15,975,499</u>
Operating Income	<u>2,698,697</u>	<u>148,211</u>	<u>2,846,908</u>	<u>4,231,492</u>
Nonoperating Revenues (Expenses)				
Interest income	42,245	5,076	47,321	21,051
Gain on sale of capital assets	11,406	-	11,406	3,734
Interest expense and fiscal agent charges	(435,337)	(113,713)	(549,050)	(473,117)
Total nonoperating revenues (expenses)	<u>(381,686)</u>	<u>(108,637)</u>	<u>(490,323)</u>	<u>(448,332)</u>
Income Before Transfers	<u>2,317,011</u>	<u>39,574</u>	<u>2,356,585</u>	<u>3,783,160</u>
Capital Contributions	-	-	-	147,360
Transfers In	237,470	-	237,470	112,945
Transfers Out	<u>(2,205,526)</u>	<u>(446,395)</u>	<u>(2,651,921)</u>	<u>(2,489,609)</u>
Change in Net Position	348,955	(406,821)	(57,866)	1,553,856
Total Net Position, As Previously Reported	<u>25,656,680</u>	<u>6,619,051</u>	<u>32,275,731</u>	<u>30,721,875</u>
Change in Accounting Principle	(135,623)	(66,802)	(202,425)	-
Total Net Position, Beginning of Year	25,521,057	6,552,249	32,073,306	30,721,875
Total Net Position, End of Year	<u>\$ 25,870,012</u>	<u>\$ 6,145,428</u>	<u>\$ 32,015,440</u>	<u>\$ 32,275,731</u>

City of Bedford, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2013 (with Comparative Totals for 2012)

	Water and Sewer	Stormwater Utility	Totals	
			2013	2012
Operating Activities				
Receipts from customers and users	\$ 18,174,071	\$ 1,298,328	\$ 19,472,399	\$ 20,426,049
Receipts from other funds	(40,591)	35,346	(5,245)	(35,346)
Payments to suppliers	(12,215,792)	(650,585)	(12,866,377)	(10,970,572)
Payments to employees	(2,072,435)	(267,739)	(2,340,174)	(2,393,446)
Net cash provided by operating activities	<u>3,845,253</u>	<u>415,350</u>	<u>4,260,603</u>	<u>7,026,685</u>
Noncapital Financing Activities				
Transfers in	237,470	-	237,470	112,945
Transfers out	(2,205,526)	(445,024)	(2,650,550)	(2,489,609)
Net cash used by noncapital financing activities	<u>(1,968,056)</u>	<u>(445,024)</u>	<u>(2,413,080)</u>	<u>(2,376,664)</u>
Capital and Related Financing Activities				
Repayment of debt	-	(81,858)	(81,858)	(523,757)
Proceeds from capital related debt	4,048,753	-	4,048,753	-
Interest and fiscal agent fees	(430,064)	(113,713)	(543,777)	(473,113)
Proceeds from sale of property	13,906	-	13,906	-
Additions to property and equipment	(3,813,764)	(199,393)	(4,013,157)	(2,789,633)
Net cash used by capital and related financing activities	<u>(181,169)</u>	<u>(394,964)</u>	<u>(576,133)</u>	<u>(3,786,503)</u>
Investing Activities				
Interest on investments	42,245	5,076	47,321	21,051
Purchase of investments	-	-	-	(3,580,114)
Maturity on investments	317,652	22,060	339,712	-
Net cash provided by (used in) investing activities	<u>359,897</u>	<u>27,136</u>	<u>387,033</u>	<u>(3,559,063)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,055,925</u>	<u>(397,502)</u>	<u>1,658,423</u>	<u>(2,695,545)</u>
Cash and Cash Equivalents, Beginning of Year	<u>4,939,987</u>	<u>1,253,709</u>	<u>6,193,696</u>	<u>8,889,241</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,995,912</u>	<u>\$ 856,207</u>	<u>\$ 7,852,119</u>	<u>\$ 6,193,696</u>

City of Bedford, Texas
Statement of Cash Flows
Proprietary Funds (Continued)
Year Ended September 30, 2013 (with Comparative Totals for 2012)

	Water and Sewer	Stormwater Utility	Totals	
			2013	2012
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating income	\$ 2,698,697	\$ 148,211	\$ 2,846,908	\$ 4,231,492
Adjustment to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation	1,309,435	261,917	1,571,352	1,522,888
Change in				
Receivables	242,955	7,704	250,659	92,183
Due from other funds	(40,591)	35,346	(5,245)	(35,346)
Prepays and inventory	-	-	-	(44,952)
Accounts payable and accrued liabilities	(395,039)	(39,357)	(434,396)	1,219,505
Compensated absences	7,301	1,529	8,830	5,013
Customer deposits	22,495	-	22,495	35,902
Net cash provided by operating activities	<u>\$ 3,845,253</u>	<u>\$ 415,350</u>	<u>\$ 4,260,603</u>	<u>\$ 7,026,685</u>



Notes to Financial Statements

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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.

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, 2013

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. 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. Primary revenue source is sales taxes, and a small amount of interest.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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.

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.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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.

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.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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

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 and a useful life greater than one-year.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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 Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The net position of the Tourism Development Fund and the Economic Development 4B Fund are restricted by enabling legislation as indicated on the statement of net position.

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

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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.
- **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.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **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.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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, 2012, from which the summarized information was derived. The City's 2012 net position has not been restated for the effects of adopting GASB No. 65.

New Pronouncements

During the current year ending September 30, 2013, the City has implemented 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, *Basic 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.

Additionally, the City has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement redefines certain financial elements previously reported as assets and liabilities as deferred outflows and deferred inflows of resources. In addition, the statement changes the method of reporting debt issuance costs. Prior to implementation of GASB Statement No. 65, the City reported debt issuance costs, including costs related to bond insurance, as deferred debt expense which was capitalized and amortized over the life of the debt. Deferred debt expense was reported as an asset on the statement of net position. In GASB Statement No. 65, bond issuance costs, excluding bond insurance costs, which should never be treated as a prepaid asset, are to be recognized in the period of the debt issue. Implementation of GASB Statement No. 65 resulted in a restatement of previously reported net position.

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 position.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

Reclassifications

Certain reclassifications have been made to the 2012 financial statements to conform to the 2013 financial statement presentation. These reclassifications had no effect on change in net position/fund balance.

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, 2013, the City invested in TexCLASS, TexStar, Texas DAILY and Lone Star, which 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.

Investments at year-end are shown below:

Investment Type	Fair Value	Weighted-Average Maturity
TexCLASS	\$ 201,939	1 day
TexStar	7,026,535	1 day
Texas DAILY	1,185,989	1 day
Lone Star investment public pool	83,739	1 day
Money market funds	<u>630,000</u>	1 day
Total	<u><u>\$ 9,128,202</u></u>	

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

The City’s investments at September 30, 2013, are held by the following investment pools:

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

- **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.
- **Custodial Credit Risk – Investments** – In accordance with its investment policy, the City minimizes custodial credit risk by limiting investments to the safest types of investment vehicles, prequalifying the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Currently, all investments are registered in the City’s name.
- **Custodial Credit Risk – Deposits** – The City’s deposits do not have any exposure to credit risk because all deposits in financial institutions are fully collateralized by U.S. government obligations or obligations of the state of Texas and its agencies that have a value of not less than the principal amount of the deposits. The collateral is held by a third party custodial bank as the City’s agent.
- **Concentration of Credit Risk** – The City limits investments to avoid concentration in securities from a specific issuer or business sector (where appropriate). As noted above, the City’s investments are distributed into a variety of allowable investment vehicles. Management does not believe there is a significant risk of loss due to the credit rating and nature of the investments.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

Summary of Deposit and Investment Balances

Following is a reconciliation of the City's deposit and investment balances as of September 30, 13:

	Totals
Investments	\$ 9,128,202
Deposits and cash on hand	17,133,208
	\$ 26,261,410
Government-wide	
Statement of	
Net Position	
Cash and cash equivalents	\$ 17,104,917
Investments	5,132,091
Restricted Assets:	
Investments	4,024,402
	\$ 26,261,410

Note 3: Receivables

Receivables as of September 30, 2013, for the City's individual major funds and nonmajor funds, 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	\$ 204,633	\$ 125,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,850
Sales taxes	1,245,472	-	-	415,157	-	-	-	1,660,629
Franchise	795,746	-	-	-	-	-	-	795,746
Other	45,080	-	-	-	-	-	-	45,080
Accounts	420,815	-	-	294	43,612	3,423,733	195,995	4,084,449
Other	116,916	-	345,792	-	496	-	-	463,204
Gross receivables	2,828,662	125,217	345,792	415,451	44,108	3,423,733	195,995	7,378,958
Less allowance for uncollectibles	(35,559)	(21,794)	-	-	-	(383,219)	-	(440,572)
Net total receivables	\$ 2,793,103	\$ 103,423	\$ 345,792	\$ 415,451	\$ 44,108	\$ 3,040,514	\$ 195,995	\$ 6,938,386

Governmental funds report deferred outflows in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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

	Unavailable
Delinquent property taxes receivable (General Fund)	\$ 157,924
Delinquent property taxes receivable (Debt Service Fund)	96,792
Delinquent ambulance receivable (General Fund)	234,503
Street and drainage assessments receivable (Street Bond)	345,978
Total deferred outflows for governmental funds	\$ 835,197

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 2013 levy was based was \$2,961,094,384. 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, 2013, was \$.499115 per \$100 of assessed valuation.

Taxes are due by January 31 following the levy date. Current tax collection for the year ended September 30, 2013, 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.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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, 2013, were:

	Transfer In			Total
	General	Debt Service	Water and Sewer	
Transfers out				
Economic Development 4B	\$ -	\$ 1,331,795	\$ 56,621	\$ 1,388,416
Nonmajor governmental	80,000	-	13,849	93,849
Water and sewer	2,205,526	-	-	2,205,526
Stormwater utility	279,395	-	167,000	446,395
	<u>2,564,921</u>	<u>1,331,795</u>	<u>237,470</u>	<u>4,134,186</u>
Total transfers out	<u>\$ 2,564,921</u>	<u>\$ 1,331,795</u>	<u>\$ 237,470</u>	<u>\$ 4,134,186</u>

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, 2013, 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, 2013

Note 7: Capital Assets

The following tables summarize changes in capital assets during the year ended September 30, 2013:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 7,511,343	\$ -	\$ (250,000)	\$ -	\$ 7,261,343
Construction in progress	349,782	253,279	-	-	603,061
Total assets not being depreciated	<u>7,861,125</u>	<u>253,279</u>	<u>(250,000)</u>	<u>-</u>	<u>7,864,404</u>
Capital assets, being depreciated					
Buildings	25,255,790	-	-	-	25,255,790
Equipment	25,667,787	751,318	-	-	26,419,105
Improvements other than buildings	122,852,325	103,862	-	-	122,956,187
Total capital assets being depreciated	<u>173,775,902</u>	<u>855,180</u>	<u>-</u>	<u>-</u>	<u>174,631,082</u>
Less accumulated depreciation					
Buildings	(9,749,873)	(827,947)	-	-	(10,577,820)
Equipment	(21,259,805)	(1,221,304)	-	-	(22,481,109)
Improvement other than buildings	(95,268,030)	(5,797,454)	-	-	(101,065,484)
Total accumulated depreciation	<u>(126,277,708)</u>	<u>(7,846,705)</u>	<u>-</u>	<u>-</u>	<u>(134,124,413)</u>
Total capital assets being depreciated, net	<u>47,498,194</u>	<u>(6,991,525)</u>	<u>-</u>	<u>-</u>	<u>40,506,669</u>
Governmental activities capital assets, net	<u>\$ 55,359,319</u>	<u>\$ (6,738,246)</u>	<u>\$ (250,000)</u>	<u>\$ -</u>	<u>\$ 48,371,073</u>
Business-type Activities					
Capital assets, not being depreciated					
Land	\$ 102,755	\$ -	\$ (2,500)	\$ -	\$ 100,255
Construction in progress	3,164,263	2,477,672	-	(178,010)	5,463,925
Total assets not being depreciated	<u>3,267,018</u>	<u>2,477,672</u>	<u>(2,500)</u>	<u>(178,010)</u>	<u>5,564,180</u>
Capital assets, being depreciated					
Buildings	518,600	-	-	-	518,600
Equipment	3,203,710	102,861	-	-	3,306,571
Utility distributions	59,851,263	1,432,624	-	178,010	61,461,897
Total capital assets being depreciated	<u>63,573,573</u>	<u>1,535,485</u>	<u>-</u>	<u>178,010</u>	<u>65,287,068</u>
Less accumulated depreciation					
Buildings	(518,600)	-	-	-	(518,600)
Equipment	(2,941,231)	(123,912)	-	-	(3,065,143)
Utility distributions	(27,238,858)	(1,447,440)	-	-	(28,686,298)
Total accumulated depreciation	<u>(30,698,689)</u>	<u>(1,571,352)</u>	<u>-</u>	<u>-</u>	<u>(32,270,041)</u>
Total capital assets being depreciated, net	<u>32,874,884</u>	<u>(35,867)</u>	<u>-</u>	<u>178,010</u>	<u>33,017,027</u>
Business-type activities capital assets, net	<u>\$ 36,141,902</u>	<u>\$ 2,441,805</u>	<u>\$ (2,500)</u>	<u>\$ -</u>	<u>\$ 38,581,207</u>

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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

Governmental Activities	
General government	\$ 162,421
Community services	63,597
Public services	1,028,200
Public safety	5,626,664
Leisure services	951,544
Administrative services	<u>14,279</u>
 Total depreciation expense – governmental activities	 <u><u>\$ 7,846,705</u></u>
Business-type Activities	
Water and sewer	\$ 1,309,435
Stormwater collection and disposal	<u>261,917</u>
 Total depreciation expense – business-type activities	 <u><u>\$ 1,571,352</u></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, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One-Year</u>
Governmental Activities					
General obligation bonds	\$ 41,023,379	\$ 5,375,000	\$ (8,598,379)	\$ 37,800,000	\$ 5,185,000
Premium on debt	1,265,159	75,085	(149,739)	1,190,505	153,315
Deferred loss on refunding	(61,900)	(62,267)	6,190	(117,977)	(9,155)
Capital lease	339,011	228,370	(88,509)	478,872	83,055
Compensated absences	2,319,658	1,692,969	(1,483,273)	2,529,354	843,118
Other post-employment benefits	<u>177,466</u>	<u>-</u>	<u>19,632</u>	<u>197,098</u>	<u>-</u>
Governmental activities long-term liabilities	<u><u>\$ 45,062,773</u></u>	<u><u>\$ 7,309,157</u></u>	<u><u>\$ (10,294,078)</u></u>	<u><u>\$ 42,077,852</u></u>	<u><u>\$ 6,255,333</u></u>
Business-type Activities					
Certificates of obligation	\$ 14,341,621	\$ 4,900,000	\$ (966,621)	\$ 18,275,000	\$ 940,000
Premiums on debt	132,193	20,803	(16,981)	136,015	11,993
Deferred loss on refunding	(52,729)	-	5,273	(47,456)	(5,273)
Compensated absences	117,092	156,918	(130,427)	143,583	47,861
Other post-employment benefits	<u>108,769</u>	<u>-</u>	<u>12,033</u>	<u>120,802</u>	<u>-</u>
Business-type activities long-term liabilities	<u><u>\$ 14,646,946</u></u>	<u><u>\$ 5,077,721</u></u>	<u><u>\$ (1,096,723)</u></u>	<u><u>\$ 18,627,944</u></u>	<u><u>\$ 994,581</u></u>

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

Governmental long-term debt consists of the following individual issues at September 30, 2013:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2004 General Obligation Refunding Bonds	12,350,000	2.4% – 5.0%	\$ 3,115,000
Series 2005 General Obligation Refunding Bonds	28,600,000	3.25% – 5.0%	16,205,000
Series 2007 General Obligation Bonds	4,000,000	3.875% – 5.0%	3,130,000
Series 2010 General Obligation Bonds	4,885,000	2.0% – 5.0%	4,535,000
Series 2011 General Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	3,320,000
Series 2011 General Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	2,120,000
Series 2013 General Obligation Refunding and Improvement Bonds	5,375,000	2.0% – 4.0%	<u>5,375,000</u>
Total General Obligation Bonds			<u>\$ 37,800,000</u>

Business-type long-term debt consists of the following individual issues at September 30, 2013:

Series	Original Issue	Interest Rate	Debt Outstanding
Certificates of Obligation			
Series 2007 Certificates of Obligation	\$ 4,975,000	3.875% – 4.25%	\$ 3,895,000
Series 2010 Certificates of Obligation	2,035,000	3.0% – 4.125%	1,890,000
Series 2011 Certificates of Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	3,945,000
Series 2011 Combination Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	3,845,000
Series 2012 Combination Tax and Revenue Certificates of Obligation	630,000	0.09% – 1.4%	600,000
Series 2012 Combination Tax and Revenue Certificates of Obligation	4,270,000	1.0% – 2.75%	<u>4,100,000</u>
Total Certificates of Obligation			<u>\$ 18,275,000</u>

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

The annual debt service requirement to amortize the bonds, certificates of obligation, and capital lease obligations outstanding at September 30, 2013, follows:

Governmental Activities:

Year Ending September 30,	General Obligation Bonds	Capital Lease	Interest	Total
2014	\$ 5,185,000	\$ 83,055	\$ 1,436,622	\$ 6,704,677
2015	5,375,000	85,675	1,204,041	6,664,716
2016	5,285,000	88,767	970,605	6,344,372
2017	5,185,000	91,973	740,268	6,017,241
2018	3,970,000	95,297	538,297	4,603,594
2019 – 2023	7,415,000	34,105	1,602,538	9,051,643
2024 – 2028	3,805,000	-	677,352	4,482,352
2029 – 2033	1,580,000	-	107,340	1,687,340
	<u>\$ 37,800,000</u>	<u>\$ 478,872</u>	<u>\$ 7,277,063</u>	<u>\$ 45,555,935</u>

Business-type Activities:

Year Ending September 30,	Certificate of Obligations	Interest	Total
2014	\$ 940,000	\$ 568,651	\$ 1,508,651
2015	955,000	546,313	1,501,313
2016	990,000	523,076	1,513,076
2017	1,020,000	496,488	1,516,488
2018	1,065,000	466,785	1,531,785
2019 – 2023	5,035,000	1,889,619	6,924,619
2024 – 2028	5,575,000	944,458	6,519,458
2029 – 2033	2,695,000	153,950	2,848,950
	<u>\$ 18,275,000</u>	<u>\$ 5,589,340</u>	<u>\$ 23,864,340</u>

Current Refunding and New Bond Issuance

In October 2012 the City issued \$4,900,000 Combination Tax and Revenue Certificates of Obligation Bonds, Series 2012 (Certificates), with interest rates ranging from 1.00% to 2.25%. The proceeds from the sale of the Certificates will be used for the purpose of paying various public improvements. The Certificates were issued at a premium of \$20,803 and incurred issuance cost of \$63,655. The proceeds are kept in the Water and Sewer Funds.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

Current Refunding and New Bond Issuance

In September 2013 the City issued \$5,375,000 General Obligation Refunding and Improvement Bonds, Series 2013 (Bonds), with interest rates from 2.50% to 4.00%. The Bonds were issued at a premium of \$75,250 and incurred issuance costs of \$72,818. \$1,695,000 of the proceeds of the sale of the Bonds will be used for the purpose of street improvements. The remaining \$3,682,432 of the proceeds was used to current refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The refunding portion of the Bonds refunded \$3,620,000 of outstanding debt. As a result of the current refunding, the City decreased total debt service requirements by \$329,878, which resulted in an accounting loss of \$62,267 and an economic gain of \$281,729, or an 8.084% savings on the refunded bonds.

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 a self-contained breathing apparatus valued at \$228,370 of which \$228,370 was financed. The equipment has a seven-year estimated useful life. 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 TMRS. 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.

City of Bedford, Texas
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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,	
	2013	2012
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

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 \$938,027 or 4.88% of the covered payroll of \$19,221,865 as required by the actuarial valuation.

City of Bedford, Texas
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September 30, 2013

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, 2012, TMRS Comprehensive Annual Financial Report (CAFR).

Actuarial valuations are based on long-term assumptions, and actual results in a specific year can, and almost certainly will, differ as actual experience deviates from the assumptions. The following table provides a detailed breakdown of changes in the retirement portion of the City of Bedford's contribution rate. This analysis reconciles the change in the retirement portion the City's contribution from 2013 to 2014, but will not reflect any change in the cost of the supplemental death benefit. The City of Bedford does not participate in that benefit.

Change in Full Retirement Rate

Full rate from December 31, 2011 valuation (PY 2013 rate)		4.88%
Benefit changes	0.00%	
Return on actuarial value of assets	(0.01)	
Contribution lag	0.03	
Payroll growth	0.11	
Normal cost	0.38	
Liability growth	(0.08)	
Total change	0.43%	
Full rate from December 31, 2012 valuation (PY 2014 rate)		5.31%

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

Annual City pension cost and related information for the last three years is as follows:

	December 31,			
	2012	2011	2010 – Prior to Restructuring	2010 Restructured
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	22.1 years-closed period	23.1 years-closed period	24 years-closed period	24.1 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%	7.0%	7.5%	7.0%
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	12/31/2012	12/31/2011	12/31/2010	12/31/2010
Actuarial value of assets	\$ 6,694,752	\$ 4,713,345	\$ 2,378,268	\$ 2,424,829
Actuarial accrued liability	\$ 17,582,830	\$ 15,748,320	\$ 11,372,548	\$ 13,872,080
Unfunded (overfund) Actuarial Accrued Liability (UAAL)	\$ 10,888,078	\$ 11,034,975	\$ 8,994,280	\$ 11,447,251
Funded ratio	38%	30%	21%	17%
Annual covered payroll	\$ 18,597,171	\$ 18,649,701	\$ 18,787,516	\$ 18,787,516
UAAL as a percentage of covered payroll	59%	59%	48%	61%

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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, 2013, 2012 and 2011, is calculated as follows:

Actuarial Valuation Date	2013	December 31, 2012	2011
NPO, beginning of year	\$ -	\$ -	\$ -
Annual required contribution (ARC)	938,027	844,310	1,262,583
Contributions made	<u>938,027</u>	<u>844,310</u>	<u>1,262,583</u>
NPO, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</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: Post-employment 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 another post-employment benefit.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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.

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.

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

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 within 30 days of retirement. Anyone electing this coverage must meet all of the eligibility rules of the plan.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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.

- 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.

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.

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.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

- 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, the dependent 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.
- 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.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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.

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.
- 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:

- The retiree must have been covered for medical benefits under the City health plan as an employee immediately prior to termination of employment.
- 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
- Enroll for retiree health coverage within 30 days of the date of termination.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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.

Annual OPEB Costs

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, 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:

	2013	September 30, 2012	2011
Annual required contribution	\$ 97,796	\$ 97,796	\$ 181,392
Interest on prior year net OPEB obligation	12,881	10,989	6,960
Adjustment to annual required contribution	<u>(18,882)</u>	<u>(16,109)</u>	<u>(6,448)</u>
Annual OPEB cost	91,795	92,676	181,904
Contributions made	<u>(60,130)</u>	<u>(50,649)</u>	<u>(92,358)</u>
Increase in net OPEB obligation	31,665	42,027	89,546
Net obligation, beginning of year	<u>286,235</u>	<u>244,208</u>	<u>154,662</u>
Net obligation, end of year	<u><u>\$ 317,900</u></u>	<u><u>\$ 286,235</u></u>	<u><u>\$ 244,208</u></u>
Percentage of OPEB costs contributed	19%	18%	38%

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 are calculated using a 4.5% discount rate, and the Projected Unit Credit Cost method.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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		27,970
Unfunded actuarial accrued liability	\$	1,110,100
Funded ratio		2.46%
Covered payroll	\$	3,596,883
Unfunded actuarial accrued liability as a percentage of covered payroll		30.9%

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 9.0% initially, reduced by decrements to an ultimate rate of 4.5% after a number of years. Both rates include a 3.0% 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.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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, 2013, 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 TRA 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.

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 2013 were approximately \$6,989,200.

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 \$3,244,883 were made in fiscal year 2013. Additionally, \$322,767 was spent with the City of Hurst for the transportation, treatment and disposal of sanitary sewage as well.

City of Bedford, Texas
Notes to Financial Statements
September 30, 2013

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

Subsequent events have been evaluated through February 21, 2014, which is the date the financial statements were available to be issued.



Required Supplementary Information

City of Bedford, Texas
Schedule of Funding Progress
September 30, 2013

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%
12/31/2012	TMRS	6,694,752	17,582,830	38.1%	10,888,078	18,597,171	58.5%
11/30/2010	OPEB	-	2,467,613	0.0%	2,467,613	16,465,708	15%
12/31/2011	OPEB	27,970	1,138,070	2.5%	1,110,100	3,596,883	31%

* 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%.

City of Bedford, Texas
Schedule of Funding Progress
September 30, 2013

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.



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City of Bedford, Texas
Budgetary Comparison Schedule General Fund
September 30, 2013

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes, penalty and interest	\$ 19,396,146	\$ 19,396,146	\$ 19,890,570	\$ 494,424
Licenses and permits	751,203	751,203	456,761	(294,442)
Charges for services	2,026,442	2,026,442	2,731,965	705,523
Fines and forfeits	1,455,000	1,455,000	1,239,093	(215,907)
Support from other governmental entities	529,420	529,420	538,583	9,163
Interest	17,900	17,900	9,437	(8,463)
Miscellaneous	166,000	166,000	505,907	339,907
	<u>24,342,111</u>	<u>24,342,111</u>	<u>25,372,316</u>	<u>1,030,205</u>
Expenditures				
General government				
City council	105,770	105,770	101,282	4,488
City manager	410,880	410,880	413,527	(2,647)
City secretary	222,755	222,755	210,745	12,010
Information systems	664,171	664,171	579,850	84,321
Human resources	300,479	300,479	318,710	(18,231)
	<u>1,704,055</u>	<u>1,704,055</u>	<u>1,624,114</u>	<u>79,941</u>
Community services				
Economic development	161,860	161,860	245,656	(83,796)
Planning and zoning	353,381	353,381	364,164	(10,783)
Inspections	700,774	700,774	462,772	238,002
	<u>1,216,015</u>	<u>1,216,015</u>	<u>1,072,592</u>	<u>143,423</u>
Public services				
Facilities maintenance	581,149	581,149	416,953	164,196
Maintenance services	259,240	259,240	252,624	6,616
Streets	1,028,469	1,028,469	1,062,027	(33,558)
	<u>1,868,858</u>	<u>1,868,858</u>	<u>1,731,604</u>	<u>137,254</u>
Administrative services				
Finance	561,342	561,342	558,374	2,968
Nondepartmental	820,107	820,107	629,122	190,985
Municipal court	568,081	568,081	548,613	19,468
Teen court	167,771	167,771	158,231	9,540
	<u>2,117,301</u>	<u>2,117,301</u>	<u>1,894,340</u>	<u>222,961</u>

City of Bedford, Texas
Budgetary Comparison Schedule General Fund (Continued)
September 30, 2013

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures				
Public safety				
Administration	\$ 818,818	\$ 818,818	\$ 822,640	\$ (3,822)
Animal control	363,786	363,786	366,645	(2,859)
Criminal investigation division	1,532,281	1,532,281	1,509,594	22,687
Community services	678,243	678,243	665,057	13,186
Code compliance	-	-	76,331	(76,331)
SWAT	19,805	19,805	16,014	3,791
Patrol	4,385,220	4,385,220	4,379,401	5,819
Traffic	587,694	587,694	455,065	132,629
Dispatch	688,943	688,943	646,381	42,562
Jail	841,231	841,231	797,257	43,974
Records	600,422	600,422	572,015	28,407
Fire operations	6,488,316	6,488,316	6,491,450	(3,134)
Total public safety	<u>17,004,759</u>	<u>17,004,759</u>	<u>16,797,850</u>	<u>206,909</u>
Leisure services				
Library	1,290,910	1,290,910	1,235,054	55,856
Parks	1,265,148	1,265,148	1,198,091	67,057
Recreation	804,122	804,122	738,849	65,273
Senior citizens	220,125	220,125	202,191	17,934
Splash	411,198	411,198	369,889	41,309
Total leisure services	<u>3,991,503</u>	<u>3,991,503</u>	<u>3,744,074</u>	<u>247,429</u>
Capital outlay	-	-	692,728	(692,728)
Debt service	-	-	102,019	(102,019)
Total expenditures	<u>27,902,491</u>	<u>27,902,491</u>	<u>27,659,321</u>	<u>243,170</u>
Excess (deficiency) of revenues over expenditures	<u>(3,560,380)</u>	<u>(3,560,380)</u>	<u>(2,287,005)</u>	<u>787,035</u>
Other Financing Sources (Uses)				
Transfers in	2,564,921	2,564,921	2,564,921	-
Sale of capital asset	-	-	77	77
Lease purchase proceeds	-	-	228,370	228,370
Insurance proceeds	-	-	45,073	45,073
Total other financing sources (uses)	<u>2,564,921</u>	<u>2,564,921</u>	<u>2,838,441</u>	<u>273,520</u>
Net Changes in Fund Balance	(995,459)	(995,459)	551,436	1,060,555
Fund Balance, Beginning of Year	<u>5,786,353</u>	<u>5,786,353</u>	<u>5,786,353</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,790,894</u>	<u>\$ 4,790,894</u>	<u>\$ 6,337,789</u>	<u>\$ 1,546,895</u>

City of Bedford, Texas
Budgetary Comparison Schedule
Economic Development 4B Fund
Year Ended September 30, 2013

	<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	\$ 2,407,357	\$ 107,357
Interest	<u>10,000</u>	<u>10,000</u>	<u>4,291</u>	<u>(5,709)</u>
Total revenues	<u>2,310,000</u>	<u>2,310,000</u>	<u>2,411,648</u>	<u>101,648</u>
Expenditures				
Current				
Public services	561,120	561,120	464,140	96,980
Capital outlay	<u>157,000</u>	<u>157,000</u>	<u>156,832</u>	<u>168</u>
Total expenditures	<u>718,120</u>	<u>718,120</u>	<u>620,972</u>	<u>97,148</u>
Excess (deficiency) of revenues over expenditures	<u>1,591,880</u>	<u>1,591,880</u>	<u>1,790,676</u>	<u>198,796</u>
Other Financing Sources (Uses)	<u>(1,388,416)</u>	<u>(1,388,416)</u>	<u>(1,388,416)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,388,416)</u>	<u>(1,388,416)</u>	<u>(1,388,416)</u>	<u>-</u>
Net Changes in Fund Balance	203,464	203,464	402,260	198,796
Fund Balance, Beginning of Year	<u>1,501,475</u>	<u>1,501,475</u>	<u>1,501,475</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,704,939</u>	<u>\$ 1,704,939</u>	<u>\$ 1,903,735</u>	<u>\$ 198,796</u>

City of Bedford, Texas
Notes to Required Supplementary Information
September 30, 2013

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.



Combining Fund Statements and Schedules

City of Bedford, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 631,741	\$ 3,288,394	\$ 3,920,135
Investments	508,212	-	508,212
Receivables			
Accounts	43,612	-	43,612
Other	496	-	496
Due from other funds	<u>200</u>	<u>-</u>	<u>200</u>
Total assets	<u>\$ 1,184,261</u>	<u>\$ 3,288,394</u>	<u>\$ 4,472,655</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 135,106	\$ 14,225	\$ 149,331
Due to other funds	<u>36,717</u>	<u>-</u>	<u>36,717</u>
Total liabilities	<u>171,823</u>	<u>14,225</u>	<u>186,048</u>
Fund balances			
Restricted for			
Public safety	248,091	-	248,091
Parks and beautification	48,909	-	48,909
Other	715,438	-	715,438
Capital acquisition and construction	<u>-</u>	<u>3,274,169</u>	<u>3,274,169</u>
Total fund balances	<u>1,012,438</u>	<u>3,274,169</u>	<u>4,286,607</u>
Total liabilities and fund balances	<u>\$ 1,184,261</u>	<u>\$ 3,288,394</u>	<u>\$ 4,472,655</u>

City of Bedford, Texas
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2013

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes, penalty and interest	\$ 749,612	\$ -	\$ 749,612
Charges for service	365,472	-	365,472
Fines and forfeitures	263,644	-	263,644
Support from governmental entities	122,830	-	122,830
Interest	3,859	1,750	5,609
Miscellaneous	78,853	-	78,853
	<u>1,584,270</u>	<u>1,750</u>	<u>1,586,020</u>
Expenditures			
Current			
General government	3,820	-	3,820
Community services	880,822	-	880,822
Public safety	253,953	8,251	262,204
Administrative services	52,193	-	52,193
Leisure	7,514	-	7,514
Capital outlay	163,111	231,180	394,291
	<u>1,361,413</u>	<u>239,431</u>	<u>1,600,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>222,857</u>	<u>(237,681)</u>	<u>(14,824)</u>
Other Financing Sources (Uses)			
Issuance of debt	-	1,675,000	1,675,000
Premium on debt	-	20,000	20,000
Transfers out	(80,000)	(13,849)	(93,849)
	<u>(80,000)</u>	<u>1,681,151</u>	<u>1,601,151</u>
Net Change in Fund Balances	142,857	1,443,470	1,586,327
Fund Balances, Beginning of Year	<u>869,581</u>	<u>1,830,699</u>	<u>2,700,280</u>
Fund Balances, End of Year	<u>\$ 1,012,438</u>	<u>\$ 3,274,169</u>	<u>\$ 4,286,607</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 Sheet
Nonmajor Special Revenue Funds
September 30, 2013

	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Bedford Beautification
Assets						
Cash and cash equivalents	\$ 19,347	\$ (4,723)	\$ 25,127	\$ (8,521)	\$ 12,712	\$ 4,100
Investments	217,429	11,073	81,471	56,371	58,384	33,218
Receivables						
Accounts	144	7	-	436	39	22
Other	-	-	23	-	-	-
Due from other funds	200	-	-	-	-	-
	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 237,120</u>	<u>\$ 6,357</u>	<u>\$ 106,621</u>	<u>\$ 48,286</u>	<u>\$ 71,135</u>	<u>\$ 37,340</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 10,431	\$ -	\$ 364	\$ -	\$ -	\$ -
Due to other funds	-	-	-	36,717	-	-
	<u>10,431</u>	<u>-</u>	<u>364</u>	<u>36,717</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>10,431</u>	<u>-</u>	<u>364</u>	<u>36,717</u>	<u>-</u>	<u>-</u>
Fund balances	<u>226,689</u>	<u>6,357</u>	<u>106,257</u>	<u>11,569</u>	<u>71,135</u>	<u>37,340</u>
Total liabilities and fund balances	<u>\$ 237,120</u>	<u>\$ 6,357</u>	<u>\$ 106,621</u>	<u>\$ 48,286</u>	<u>\$ 71,135</u>	<u>\$ 37,340</u>

Police Training	Tourism Development	Local Law Enforcement Block Grant	Regional Fire Grant	Red Light Camera	NETCO/Motorola Rebanding	Various Grants	Total Nonmajor Governmental Funds
\$ 12,820	\$ 284,746	\$ 1,117	\$ 5,028	\$ 22,234	\$ 3,767	\$ 253,987	\$ 631,741
-	-	-	-	50,266	-	-	508,212
-	42,964	-	-	-	-	-	43,612
-	430	-	-	43	-	-	496
-	-	-	-	-	-	-	200
<u>\$ 12,820</u>	<u>\$ 328,140</u>	<u>\$ 1,117</u>	<u>\$ 5,028</u>	<u>\$ 72,543</u>	<u>\$ 3,767</u>	<u>\$ 253,987</u>	<u>\$ 1,184,261</u>
\$ -	\$ 96,734	\$ -	\$ -	\$ 27,166	\$ -	\$ 411	\$ 135,106
-	-	-	-	-	-	-	36,717
-	96,734	-	-	27,166	-	411	171,823
12,820	231,406	1,117	5,028	45,377	3,767	253,576	1,012,438
<u>\$ 12,820</u>	<u>\$ 328,140</u>	<u>\$ 1,117</u>	<u>\$ 5,028</u>	<u>\$ 72,543</u>	<u>\$ 3,767</u>	<u>\$ 253,987</u>	<u>\$ 1,184,261</u>

City of Bedford, Texas
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2013

	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Bedford Beautification
Revenues						
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-	-	-
Fines and forfeitures	-	28,643	38,051	-	-	-
Support from governmental entities	-	-	-	-	18,632	-
Interest	1,503	76	460	387	401	229
Miscellaneous	45,660	-	-	16,136	-	10,425
Total revenues	47,163	28,719	38,511	16,523	19,033	10,654
Expenditures						
Current						
General government	3,820	-	-	-	-	-
Community services	11,414	-	-	-	-	-
Public safety	-	-	-	25,714	7,160	-
Administrative services	33,912	-	18,281	-	-	-
Leisure services	-	-	-	-	-	7,514
Capital outlay	-	-	-	-	-	-
Total Expenditures	49,146	-	18,281	25,714	7,160	7,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,983)	28,719	20,230	(9,191)	11,873	3,140
Other Financing Sources (Uses)						
Transfers out	-	(35,000)	-	-	-	-
Total other financing sources (uses)	-	(35,000)	-	-	-	-
Net Change in Fund Balances	(1,983)	(6,281)	20,230	(9,191)	11,873	3,140
Fund Balances, Beginning of Year	228,672	12,638	86,027	20,760	59,262	34,200
Fund Balances, End of Year	\$ 226,689	\$ 6,357	\$ 106,257	\$ 11,569	\$ 71,135	\$ 37,340

	Police Training	Tourism Development	Local Law Enforcement Block Grant	Regional Fire Grant	Red Light Cameras	NETCO/Motorola Rebanding	Various Grants	Total Nonmajor Governmental Funds
\$	-	\$ 749,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,612
	-	365,472	-	-	-	-	-	365,472
	-	-	-	-	196,950	-	-	263,644
	-	-	-	-	-	-	104,198	122,830
	4	57	-	-	315	-	427	3,859
	-	6,632	-	-	-	-	-	78,853
	<u>4</u>	<u>1,121,773</u>	<u>-</u>	<u>-</u>	<u>197,265</u>	<u>-</u>	<u>104,625</u>	<u>1,584,270</u>
	-	-	-	-	-	-	-	3,820
	-	869,408	-	-	-	-	-	880,822
	-	-	-	-	171,486	-	49,593	253,953
	-	-	-	-	-	-	-	52,193
	-	-	-	-	-	-	-	7,514
	-	-	-	-	112,212	-	50,899	163,111
	-	869,408	-	-	283,698	-	100,492	1,361,413
	<u>4</u>	<u>252,365</u>	<u>-</u>	<u>-</u>	<u>(86,433)</u>	<u>-</u>	<u>4,133</u>	<u>222,857</u>
	-	(45,000)	-	-	-	-	-	(80,000)
	-	(45,000)	-	-	-	-	-	(80,000)
	4	207,365	-	-	(86,433)	-	4,133	142,857
	<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>\$</u>	<u>12,820</u>	<u>\$ 231,406</u>	<u>\$ 1,117</u>	<u>\$ 5,028</u>	<u>\$ 45,377</u>	<u>\$ 3,767</u>	<u>\$ 253,576</u>	<u>\$ 1,012,438</u>

City of Bedford, Texas
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended September 30, 2013

	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	28,643	(2,937)
Support from governmental entities	-	-	-	-
Interest	-	-	76	76
Miscellaneous	-	-	-	-
Total revenues	<u>31,580</u>	<u>31,580</u>	<u>28,719</u>	<u>(2,861)</u>
Expenditures				
Current				
General government	-	-	-	-
Administrative services	-	-	-	-
Community services	-	-	-	-
Public services	-	-	-	-
Leisure	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31,580</u>	<u>31,580</u>	<u>28,719</u>	<u>(2,861)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Net Change in Fund Balances	(3,420)	(3,420)	(6,281)	(2,861)
Fund Balances, Beginning	<u>12,638</u>	<u>12,638</u>	<u>12,638</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 9,218</u>	<u>\$ 9,218</u>	<u>\$ 6,357</u>	<u>\$ (2,861)</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	38,051	(6,949)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	460	460	-	-	387	387
-	-	-	-	10,000	10,000	16,136	6,136
<u>45,000</u>	<u>45,000</u>	<u>38,511</u>	<u>(6,489)</u>	<u>10,000</u>	<u>10,000</u>	<u>16,523</u>	<u>6,523</u>
-	-	-	-	-	-	-	-
19,555	19,555	18,281	1,274	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	21,000	21,000	25,714	(4,714)
-	-	-	-	-	-	-	-
35,140	35,140	-	35,140	-	-	-	-
<u>54,695</u>	<u>54,695</u>	<u>18,281</u>	<u>36,414</u>	<u>21,000</u>	<u>21,000</u>	<u>25,714</u>	<u>(4,714)</u>
(9,695)	(9,695)	20,230	29,925	(11,000)	(11,000)	(9,191)	1,809
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(9,695)	(9,695)	20,230	29,925	(11,000)	(11,000)	(9,191)	1,809
86,027	86,027	86,027	-	20,760	20,760	20,760	-
<u>\$ 76,332</u>	<u>\$ 76,332</u>	<u>\$ 106,257</u>	<u>\$ 29,925</u>	<u>\$ 9,760</u>	<u>\$ 9,760</u>	<u>\$ 11,569</u>	<u>\$ 1,809</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, 2013

	Drug Forfeiture			
	Original Budget	Final Budget	Actual	Variance from Budget
Revenues				
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Fines and forfeitures	-	-	-	-
Support from governmental entities	25,000	25,000	18,632	(6,368)
Interest	-	-	401	401
Miscellaneous	-	-	-	-
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>19,033</u>	<u>(5,967)</u>
Expenditures				
Current				
General government	-	-	-	-
Administrative services	-	-	-	-
Community services	-	-	-	-
Public services	10,000	10,000	7,160	2,840
Leisure	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,160</u>	<u>2,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,000</u>	<u>15,000</u>	<u>11,873</u>	<u>(3,127)</u>
Other Financing Sources (Uses)				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	15,000	15,000	11,873	(3,127)
Fund Balances, Beginning	<u>59,262</u>	<u>59,262</u>	<u>59,262</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 74,262</u>	<u>\$ 74,262</u>	<u>\$ 71,135</u>	<u>\$ (3,127)</u>

Bedford Beautification

Police Training

Bedford Beautification				Police Training			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	229	229	-	-	4	4
10,000	10,000	10,425	425	-	-	-	-
<u>10,000</u>	<u>10,000</u>	<u>10,654</u>	<u>654</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,000	10,000	7,514	2,486	-	-	-	-
-	-	-	-	-	-	-	-
<u>10,000</u>	<u>10,000</u>	<u>7,514</u>	<u>2,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	3,140	3,140	-	-	4	4
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,140	3,140	-	-	4	4
34,200	34,200	34,200	-	12,816	12,816	12,816	-
<u>\$ 34,200</u>	<u>\$ 34,200</u>	<u>\$ 37,340</u>	<u>\$ 3,140</u>	<u>\$ 12,816</u>	<u>\$ 12,816</u>	<u>\$ 12,820</u>	<u>\$ 4</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, 2013

	Tourism Development			Variance from Budget
	Original Budget	Final Budget	Actual	
Revenues				
Taxes, penalty and interest	\$ 750,000	\$ 750,000	\$ 749,612	\$ (388)
Charges for service	371,150	371,150	365,472	(5,678)
Fines and forfeitures	-	-	-	-
Support from governmental entities	-	-	-	-
Interest	325	325	57	(268)
Miscellaneous	800	800	6,632	5,832
Total revenues	<u>1,122,275</u>	<u>1,122,275</u>	<u>1,121,773</u>	<u>(502)</u>
Expenditures				
Current				
General government	-	-	-	-
Administrative services	-	-	-	-
Community services	883,627	883,627	869,408	14,219
Public services	-	-	-	-
Leisure	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>883,627</u>	<u>883,627</u>	<u>869,408</u>	<u>14,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>238,648</u>	<u>238,648</u>	<u>252,365</u>	<u>13,717</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(45,000)	(45,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>(45,000)</u>
Net Change in Fund Balances	238,648	238,648	207,365	(31,283)
Fund Balances, Beginning	<u>24,041</u>	<u>24,041</u>	<u>24,041</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 262,689</u>	<u>\$ 262,689</u>	<u>\$ 231,406</u>	<u>\$ (31,283)</u>

Red Light Cameras				Totals			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ 749,612	\$ (388)
-	-	-	-	371,150	371,150	365,472	(5,678)
500,000	500,000	196,950	(303,050)	576,580	576,580	263,644	(312,936)
-	-	-	-	25,000	25,000	18,632	(6,368)
-	-	315	315	325	325	1,929	1,604
-	-	-	-	20,800	20,800	33,193	12,393
<u>500,000</u>	<u>500,000</u>	<u>197,265</u>	<u>(302,735)</u>	<u>1,743,855</u>	<u>1,743,855</u>	<u>1,432,482</u>	<u>(311,373)</u>
-	-	-	-	-	-	-	-
-	-	-	-	19,555	19,555	18,281	1,274
-	-	-	-	883,627	883,627	869,408	14,219
504,427	504,427	171,486	332,941	535,427	535,427	204,360	331,067
-	-	-	-	10,000	10,000	7,514	2,486
113,294	113,294	112,212	1,082	148,434	148,434	112,212	36,222
<u>617,721</u>	<u>617,721</u>	<u>283,698</u>	<u>334,023</u>	<u>1,597,043</u>	<u>1,597,043</u>	<u>1,211,775</u>	<u>385,268</u>
(117,721)	(117,721)	(86,433)	31,288	146,812	146,812	220,707	73,895
-	-	-	-	(35,000)	(35,000)	(80,000)	(45,000)
-	-	-	-	(35,000)	(35,000)	(80,000)	(45,000)
(117,721)	(117,721)	(86,433)	31,288	111,812	111,812	140,707	28,895
131,810	131,810	131,810	-	381,554	381,554	381,554	-
<u>\$ 14,089</u>	<u>\$ 14,089</u>	<u>\$ 45,377</u>	<u>\$ 31,288</u>	<u>\$ 493,366</u>	<u>\$ 493,366</u>	<u>\$ 522,261</u>	<u>\$ 28,895</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
Debt Service Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes, penalty and interest	\$ 5,222,199	\$ 5,222,199	\$ 5,231,317	\$ 9,118
Interest	9,000	9,000	5,237	(3,763)
Miscellaneous	37,629	37,629	38,059	430
Total revenues	5,268,828	5,268,828	5,274,613	5,785
Expenditures				
Principal on debt	5,035,000	5,035,000	4,978,379	56,621
Interest and fiscal agent fees	1,679,080	1,679,080	1,676,105	2,975
Bond issuance costs	-	-	72,818	(72,818)
Total expenditures	6,714,080	6,714,080	6,727,302	(13,222)
Excess (deficiency) of revenues over expenditures	(1,445,252)	(1,445,252)	(1,452,689)	(7,437)
Other Financing Sources (Uses)				
Issuance of debt	-	-	3,700,000	3,700,000
Premium on debt	-	-	55,085	55,085
Payment to refunded bond escrow agent	-	-	(3,682,267)	(3,682,267)
Transfers in	1,388,416	1,388,416	1,331,795	(56,621)
Total other financing sources (uses)	1,388,416	1,388,416	1,404,613	16,197
Net Changes in Fund Balance	(56,836)	(56,836)	(48,076)	8,760
Fund Balance, Beginning of Year	1,108,669	1,108,669	1,108,669	-
Fund Balance, End of Year	\$ 1,051,833	\$ 1,051,833	\$ 1,060,593	\$ 8,760

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

Series 2013 – to account for construction projects authorized for the General Obligation Series 2013 bond issue.

City of Bedford, Texas
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2013

	Series 2002	Series 2003	Series 2004	Series 2007	Series 2011	Series 2013	Totals
Assets							
Cash and cash equivalents	\$ 194,546	\$ 3,643	\$ 137,993	\$ 297,502	\$ 959,710	\$ 1,695,000	\$ 3,288,394
Due to other funds	-	-	(148,199)	-	148,199	-	-
Total assets	<u>\$ 194,546</u>	<u>\$ 3,643</u>	<u>\$ (10,206)</u>	<u>\$ 297,502</u>	<u>\$ 1,107,909</u>	<u>\$ 1,695,000</u>	<u>\$ 3,288,394</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	-	-	-	-	14,225	-	14,225
Total liabilities	-	-	-	-	14,225	-	14,225
Fund balances	194,546	3,643	(10,206)	297,502	1,093,684	1,695,000	3,274,169
Total liabilities and fund balances	<u>\$ 194,546</u>	<u>\$ 3,643</u>	<u>\$ (10,206)</u>	<u>\$ 297,502</u>	<u>\$ 1,107,909</u>	<u>\$ 1,695,000</u>	<u>\$ 3,288,394</u>

City of Bedford, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
September 30, 2013

	Series 2002	Series 2003	Series 2004	Series 2007	Series 2011	Series 2013	Totals
Revenues							
Interest	\$ 123	\$ -	\$ 140	\$ 277	\$ 1,210	\$ -	\$ 1,750
Total revenues	<u>123</u>	<u>-</u>	<u>140</u>	<u>277</u>	<u>1,210</u>	<u>-</u>	<u>1,750</u>
Expenditures							
Public safety	-	-	8,251	-	-	-	8,251
Capital outlay	-	-	6,500	-	224,680	-	231,180
Total Expenditures	<u>-</u>	<u>-</u>	<u>14,751</u>	<u>-</u>	<u>224,680</u>	<u>-</u>	<u>239,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>123</u>	<u>-</u>	<u>(14,611)</u>	<u>277</u>	<u>(223,470)</u>	<u>-</u>	<u>(237,681)</u>
Other Financing Sources (Uses)							
Issuance of debt	-	-	-	-	-	1,675,000	1,675,000
Premium on debt	-	-	-	-	-	20,000	20,000
Transfers out	<u>(13,849)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,849)</u>
Total other financing sources (uses)	<u>(13,849)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,695,000</u>	<u>1,681,151</u>
Net Change in Fund Balances	(13,726)	-	(14,611)	277	(223,470)	1,695,000	1,443,470
Fund Balances, Beginning of Year	<u>208,272</u>	<u>3,643</u>	<u>4,405</u>	<u>297,225</u>	<u>1,317,154</u>	<u>-</u>	<u>1,830,699</u>
Fund Balances, End of Year	<u>\$ 194,546</u>	<u>\$ 3,643</u>	<u>\$ (10,206)</u>	<u>\$ 297,502</u>	<u>\$ 1,093,684</u>	<u>\$ 1,695,000</u>	<u>\$ 3,274,169</u>



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Statistical Section (Unaudited)

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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Demographic and Economic Information

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Operating Information

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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 Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 14,323,066
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	8,426,186
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	(20,696)
Total governmental activities net position	<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>	<u>\$ 22,728,556</u>
Business-type Activities										
Net investment in capital assets	\$ 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	\$ 20,170,192
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	11,845,248
Total business-type activities, net position	<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>	<u>\$ 32,015,440</u>
Primary Government										
Net investment in capital assets	\$ 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	\$ 34,493,258
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	8,426,186
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	11,824,552
Total primary government net position	<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>	<u>\$ 54,743,996</u>

City of Bedford, Texas
Changes in Net Position
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
	<u>33,690,216</u>	<u>31,977,445</u>	<u>34,134,958</u>	<u>36,847,673</u>
Total governmental activities expense				
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
	<u>13,193,284</u>	<u>12,120,783</u>	<u>12,847,487</u>	<u>12,622,149</u>
Total business-type activities expenses				
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
	<u>6,856,614</u>	<u>6,337,436</u>	<u>5,483,600</u>	<u>5,865,461</u>
Total governmental activities program revenues				
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	-	-	-	-
	<u>13,390,423</u>	<u>14,176,655</u>	<u>15,103,454</u>	<u>13,295,967</u>
Total business-type activities program revenues				
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	2013				
\$	3,824,933	\$	4,184,723	\$	4,117,515	\$	3,906,050	\$	4,796,677	\$	4,688,432
	1,847,222		2,270,248		1,883,752		1,848,795		1,986,123		2,017,011
	10,375,836		8,185,269		9,038,955		8,876,104		8,354,007		3,486,148
	17,811,789		19,499,698		18,500,766		18,358,228		17,292,190		22,828,761
	4,181,914		4,191,990		4,100,548		4,754,190		3,690,814		3,765,867
	2,415,600		2,254,217		2,140,046		2,213,384		2,169,120		1,724,511
	<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>		<u>38,510,730</u>
	14,178,331		13,999,365		15,094,351		16,294,807		15,112,250		15,645,261
	722,489		716,601		731,109		950,760		1,336,366		1,256,126
	<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>16,901,387</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>	\$	<u>55,412,117</u>
\$	123,753	\$	98,178	\$	90,428	\$	88,135	\$	84,733	\$	76,647
	613,936		266,293		405,255		1,061,313		652,376		358,167
	154,155		180,998		210,354		1,362,564		1,687,163		218,646
	3,868,960		3,314,907		3,472,196		2,541,942		2,386,756		3,374,638
	898,200		1,105,972		1,001,728		1,129,453		1,174,702		1,158,956
	666,150		735,473		3,092,958		711,749		599,111		610,603
	-		-		-		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>		<u>5,797,657</u>
	13,250,970		14,539,710		16,104,703		19,811,255		18,915,135		17,908,621
	1,308,828		1,291,800		1,291,249		1,290,285		1,291,856		1,290,624
	-		-		-		-		-		-
	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>19,199,245</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>	\$	<u>24,996,902</u>

City of Bedford, Texas
Changes in Net Position
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 Position				
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 Position				
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)

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ (34,132,140)	\$ (34,884,324)	\$ (31,508,663)	\$ (31,366,411)	\$ (31,659,988)	\$ (32,713,073)
(40,374)	1,187,030	1,837,961	3,882,419	3,905,735	2,297,858
<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>	<u>(30,415,215)</u>
13,227,183	13,486,685	13,714,212	13,968,871	13,735,255	14,488,399
9,691,349	9,360,239	9,531,017	9,060,295	9,363,047	9,629,427
3,195,320	3,407,455	3,278,385	3,405,709	3,325,941	3,338,307
866,468	753,160	869,071	919,452	875,838	901,956
33,737	35,973	34,631	34,355	-	-
793,585	344,023	151,108	131,541	26,459	33,521
407,004	423,658	229,001	451,896	594,715	535,474
2,033,117	2,051,924	2,086,467	2,336,631	2,376,664	2,414,451
<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>	<u>31,341,535</u>
226,378	46,935	17,046	55,527	21,051	47,321
-	-	112,282	3,317	3,734	11,406
<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>(2,414,451)</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>(2,355,724)</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>	<u>28,985,811</u>
(3,884,377)	(5,021,207)	(1,614,771)	(1,057,661)	(1,362,069)	(1,371,538)
<u>(1,847,113)</u>	<u>(817,959)</u>	<u>(119,178)</u>	<u>1,604,632</u>	<u>1,553,856</u>	<u>(57,866)</u>
<u>\$ (5,731,490)</u>	<u>\$ (5,839,166)</u>	<u>\$ (1,733,949)</u>	<u>\$ 546,971</u>	<u>\$ 191,787</u>	<u>\$ (1,429,404)</u>



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

Table 3

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
General Fund										
Reserved/nonspendable	\$ 425,318	\$ 468,200	\$ 627,581	\$ 534,232	\$ 445,045	\$ 431,320	\$ 336,227	\$ 326,807	\$ 360,284	\$ 357,761
Unassigned	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	5,751,658
Total general fund	<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>	<u>\$ 6,109,419</u>
All Other Governmental Funds										
Reserved/nonspendable	\$ 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	1,060,593
Road improvements	-	-	-	-	-	-	-	1,815,920	1,824,024	1,832,971
Capital acquisition	-	-	-	-	-	-	-	3,254,958	1,830,699	3,274,169
Economic development	-	-	-	-	-	-	-	1,183,613	1,501,475	1,903,735
Public safety	-	-	-	-	-	-	-	625,514	308,698	248,091
Parks and beautification	-	-	-	-	-	-	-	83,481	505,923	715,438
Other	-	-	-	-	-	-	-	52,482	54,960	48,909
Assigned										
Unreserved, reported in										
Special revenue funds	3,692,131	4,707,096	5,201,608	6,530,516	3,763,105	3,564,887	2,781,166	-	-	-
Capital projects	5,794,871	4,120,310	3,260,321	2,412,100	4,199,046	3,363,128	3,057,292	-	-	-
Unassigned	-	-	-	-	-	-	-	(204,412)	-	-
Total all other governmental funds	<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>	<u>\$ 9,083,906</u>

* GASB Statement No. 54 was implemented in fiscal Year 2011

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

Table 4

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 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	\$ 28,278,856
Administrative overhead	1,600,000	-	-	-	-	-	-	-	-	-
Licenses and permits	856,941	952,837	802,733	1,014,223	802,498	614,126	710,722	521,463	863,709	456,761
Charges for services	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	3,097,437
Fines and forfeitures	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	1,502,737
Support from governmental entities	968,372	2,637,224	902,951	1,025,420	752,157	923,368	3,034,152	2,329,053	654,732	661,413
Interest	205,268	507,130	868,272	1,062,939	793,585	344,023	151,108	131,541	26,459	33,521
Miscellaneous	709,294	852,034	566,909	972,943	705,769	396,980	300,394	577,387	557,599	622,819
Total revenues	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	34,653,544
Expenditures										
General government	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	1,627,934
Community services	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	1,953,414
Public services	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	2,457,948
Administrative services	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	1,946,533
Public safety	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	16,797,850
Leisure services	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	3,751,588
Capital outlay	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	1,243,851
Debt service										
Interest	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	5,066,888
Principal	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	1,689,615
Bond issuance costs	-	-	-	-	-	-	-	-	-	72,818
Total expenditures	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	36,608,439

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

Table 4 (Continued)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess of Revenues Over (Under)										
Expenditures	\$ (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)	\$ (1,954,895)
Other Financing Sources (Uses)										
Proceeds from borrowing	8,671,277	2,872,222	-	-	4,002,129	-	4,885,000	6,115,000	-	5,375,000
Lease purchase proceeds	-	-	-	-	-	-	-	-	339,011	228,370
Proceeds from sale of capital assets	-	-	-	-	26,972	5,265	43,152	44,797	219,723	77
Premium on debt	-	-	-	-	-	-	-	97,085	-	75,085
Proceeds from refunding	4,065,000	28,600,000	-	-	-	-	-	-	-	-
Payments to escrow account	(8,497,797)	(30,364,682)	-	-	-	-	-	(3,313,090)	-	(3,682,267)
Proceeds from insurance	-	-	-	-	-	101,263	55,023	10,288	41,100	45,073
Transfers in	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	3,896,716
Transfers out	(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	(1,482,265)
Total other financing sources (uses)	<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>5,950,532</u>	<u>4,455,789</u>
Net Change in Fund Balances	<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>\$ 3,449,554</u>	<u>\$ 2,500,894</u>
Debt Service as a Percentage of Noncapital Expenditures	<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>	<u>19.3%</u>



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
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
2013	14,411,722	749,612	3,338,307	9,629,427	28,129,068

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
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	2.46
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	5.47
2013	23,024	2,511,415	11,739,641	514	4.67

City of Bedford, Texas
Principal Water Customers
Fiscal Year Ended September 30, 2013

Table 7

Customer Name	Gallons Consumed (000's)	Percent Total	Amount Billed	Total Percent
Harris HEB Hospital	43,134	1.72%	\$ 131,360	1.12%
City of Bedford	19,820	0.79%	123,663	1.05%
The Creek on Park Place	13,917	0.55%	45,512	0.39%
The Courts of Bedford	12,230	0.49%	38,617	0.33%
Walden Residential Property Management	13,169	0.52%	40,881	0.35%
Telesis/DBA Parkwood Healthcare	8,281	0.33%	28,166	0.24%
3005 West Airport Freeway, Inc.	8,081	0.32%	39,231	0.33%
Heartland of Bedford, HCR Manorcare	7,795	0.31%	26,761	0.23%
Austin Bridge & Road LP	6,813	0.27%	22,025	0.19%
Park Place Independent County	6,642	0.26%	20,606	0.18%
Top ten total	139,882	5.56%	516,822	4.41%
City total	2,511,415	100%	\$ 11,739,641	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
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
2013	3,202,304,589	161,052,296	3,363,356,885	402,262,501	2,961,094,384	0.499115	2,961,094,384

Source: Tarrant Country Appraisal District (Reports)

*TAD revised format of reports

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

Table 9

Taxpayer	2013		2004	
	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	1.02%
CWS Bartons-Shoal Creek	-	0.00%	25,000,000	0.96%
121 Airport Central II, L.P.	-	0.00%	24,243,710	0.93%
Dallas SMSA, L.P.	-	0.00%	23,669,495	0.91%
TSCA, L.P.	-	0.00%	23,278,910	0.90%
Wal Mart Stores, Inc	-	0.00%	21,658,932	0.83%
Marconi Communications, Inc	-	0.00%	19,928,258	0.77%
Shops at Central, L.P.	-	0.00%	19,669,000	0.76%
Team Bank	-	0.00%	18,491,002	0.71%
Oncor Electric Delivery Co.	-	0.00%	18,147,591	0.70%
CMF 15 Portfolio, L.L.C.	73,470,000	2.48%	-	0.00%
Wal Mart Stores, Inc	26,927,484	0.91%	-	0.00%
Oncor Electric Delivery Co., L.L.C.	20,504,250	0.69%	-	0.00%
Pem 121 Airport S, L.P.	18,678,384	0.63%	-	0.00%
Parc Plaza Homes, L.P.	17,115,295	0.58%	-	0.00%
Paramount Villages, L.L.P.	15,033,000	0.51%	-	0.00%
Wdop Sub I & II, L.P.	14,881,240	0.50%	-	0.00%
Arc RRBDFTX001, L.L.C.	13,655,895	0.46%	-	0.00%
CRP/TPG Harwood Hills LP	13,323,820	0.45%	-	0.00%
State National Ins Co Inc	13,165,257	0.44%	-	0.00%
Total	\$ 226,754,625	7.65%	\$ 220,511,920	8.49%
 Total Taxable Assessed Value	 \$ 2,961,094,384		 \$ 2,595,260,022	

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
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%	66,419	10,920,920	99.79%
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%
2013	14,437,257	14,263,591	98.80%	51,369	14,314,960	99.15%

Source: Tarrant County Appraisal District (Entity Reports)



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			
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
2013	37,800,000	-	-	-	480,000	-	-	18,275,000	56,555,000	3.50%	1,043

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 County 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			
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
2013	54,575,000	1,070,702	12,075,000	41,429,298	1.41%	853

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, 2013

Table 13

Taxing Jurisdiction	Taxable Assessed Value (000's) 2013/2014	Total G. O. Debt Outstanding 9/30/2013	Estimated Percentage Applicable	Overlapping G. O. Debt 9/30/2013
Hurst-Eules-Bedford Independent School District	\$ 8,941,327	\$ 289,657,568	31.62%	\$ 91,589,723
Tarrant County	126,858,702	301,585,000	2.36%	7,117,406
Tarrant County College District	127,454,201	15,485,000	2.36%	365,446
Tarrant County Hospital District	127,015,708	<u>25,375,000</u>	2.36%	<u>598,850</u>
Subtotal overlapping debt		632,102,568		99,671,425
City of Bedford	2,997,108	<u>38,280,000</u>	100.00%	<u>38,280,000</u>
Total direct and overlapping debt		<u>\$ 670,382,568</u>		<u>\$ 137,951,425</u>

Sources: Debt outstanding data provided by each governmental unit.

Note: 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	0.213251	0.23777	0.288185	0.288052	0.297623	0.285847	0.299096	0.309075	0.311257	0.306043
Debt Service Fund – I & S Rate	0.176173	0.162987	0.158697	0.15883	0.149259	0.161035	0.164252	0.182534	0.193072	0.193072
Total assessed City Rate	0.389424	0.400757	0.446882	0.446882	0.446882	0.446882	0.463348	0.491609	0.504329	0.499115
Net available City Rate	\$ 1.110576	\$ 1.099243	\$ 1.053118	\$ 1.053118	\$ 1.053118	\$ 1.053118	\$ 1.036652	\$ 1.008391	\$ 0.995671	\$ 1.000885
Percentage of rate assessed as a percentage of tax rate limit	25.96%	26.72%	29.79%	29.79%	29.79%	29.79%	30.89%	32.77%	33.62%	33.27%

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				
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	
2013	17,908,621	14,086,044	3,822,577	-	-	-	818,412	4.67	

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
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%
2013	48,566	1,615,499	33,264	78,521	40.4	21,814	5.3%

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 Seven Years Ago

Table 17

Employer	2013		2006	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Harris Methodist HEB	1,700	6.02%	1,800	6.20%
Carter Blood Care	865	3.06%	600	2.07%
Walmart Supercenter	410	1.45%	318	1.10%
Warrantech	415	1.47%	550	1.90%
The Beryl Companies	330	1.17%	251	0.87%
State National Insurance	350	1.24%	-	-
City of Bedford	373	1.32%	359	1.24%
Transamerica Insurance	308	1.09%	-	-
HEB ISD (Administrative Office)	250	0.89%	-	-
Daystar Television Network	266	0.94%	-	-
Grubb's Nissan	113	0.40%	155	0.53%
Heartland of Bedford	110	0.39%	110	0.38%
Albertson's	85	0.30%	175	0.60%
Kroger Foods, Inc.	80	0.28%	105	0.36%
Citigroup	-	-	540	1.86%
Nuvell Credit & Finance	-	-	154	0.53%
Park Place Motocars	-	-	150	0.52%
	<u>28,229</u>	<u>20.03%</u>	<u>29,011</u>	<u>18.16%</u>

Source: Total City Employment information can be found in the 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 Governmental Employees by Function/Program
Last Ten Fiscal Years

Table 18

Function/Program	Full-time Equivalent Employees as of June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Management and communication	8.0	8.0	8.0	8.0	8.0	8.0	6.0	6.0	6.0	6.0
Finance	15.0	15.0	15.0	14.5	14.0	14.0	13.0	12.0	12.0	12.5
Municipal Court and Teen Court	11.0	11.0	10.0	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	13.5	15.0	18.0	12.8	12.8	6.0
Library	21.5	21.5	16.4	16.4	16.4	16.4	16.4	16.4	17.2	19.7
Support services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	11.0	10.0	10.0
Police										
Officers	79.4	87.4	84.9	84.9	82.0	82.0	83.0	86.3	84.3	80.0
Civilians	44.0	44.0	45.0	47.0	47.0	47.0	51.7	48.6	49.6	55.0
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	64.0	64.0	64.0	64.0	64.0	64.0	63.0	63.0
Civilians	0.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	8.0
Parks and recreation										
Management and comm.	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	2.0	2.0
Parks and recreation	47.0	46.2	41.9	41.9	42.8	42.8	41.3	37.8	36.4	37.5
Senior Citizens Center	3.6	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.5	3.5
Tourism and special events	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	3.5	4.4
Public works										
Engineering	5.0	5.0	4.0	4.0	5.0	5.0	6.1	6.0	6.0	5.5
Water	12.0	12.0	12.6	12.6	12.6	12.6	12.0	15.0	13.0	13.8
Wastewater	11.0	11.0	11.0	11.0	10.0	10.0	10.0	8.0	7.0	7.0
Stormwater	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
Streets	12.0	12.0	11.0	11.0	11.0	11.0	11.0	10.0	11.0	10.0
Fleet maintenance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Total	368.5	377.1	362.8	364.3	365.3	366.8	372.5	369.4	365.3	369.9

Source: City budget office

City of Bedford, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 19

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Community services										
Building permits issued	150	155	89	6,051	4,925	917	762	800	297	761
Estimated cost	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	19,951,220
Police										
Physical arrests	2,754	2,624	2,730	2,692	2,986	2,368	2,607	3,490	3,285	2,715
Parking violations	6,083	3,797	3,917	3,874	4,115	91	114	150	207	135
Traffic violations	19,550	9,547	12,520	12,628	14,664	11,225	14,740	15,945	15,929	11,848
Fire										
Emergency responses	5,397	5,996	6,679	7,203	7,345	7,291	7,312	7,550	8,218	8,114
Patients transported	2,102	2,112	2,208	2,444	2,474	2,478	2,462	2,628	2,989	3,015
Fires extinguished	202	250	251	237	206	132	88	145	90	103
Inspections	1,658	1,531	1,310	1,878	2,480	2,189	2,705	2,438	2,901	2,835
Culture and recreation										
Parks and recreation										
Athletic league spring team	91	34	22	8	15	42	39	12	8	-
Athletic league fall team	42	5	19	21	16	13	13	10	-	-
Community center registration	3,721	1,663	3,166	3,593	3,562	4,154	3,666	3,633	3,945	4,040
Annual recreation revenue	235,842	121,900	152,796	178,490	209,346	268,871	267,648	281,047	306,587	289,285
Library										
Population service	48,378	48,417	48,600	49,050	49,450	49,700	49,700	46,979	47,001	48,566
Number of library visits	239,342	162,423	178,319	226,092	252,319	271,764	256,674	279,991	279,991	252,506
Volumes in collection	108,380	107,807	106,068	105,389	101,935	101,179	99,104	101,395	101,395	112,644
Total volumes borrowed	393,156	292,827	344,529	460,782	496,144	511,186	252,401	552,737	552,737	579,572
Turnover rate	3.60%	2.70%	3.30%	4.40%	4.90%	5.10%	5.80%	5.50%	-	5
Total operating expenditures	1,007,366	799,751	904,536	985,787	1,015,766	1,037,121	1,141,421	1,089,441	1,089,441	1,249,419
Cost per population served	20.82	16.52	18.61	20.1	20.54	20.87	22.96	21.92	22	26
Total paid staff (FTE)	21.53	21.53	16.38	16.38	16.38	16.38	16.38	16.38	16	20
Public works										
Street repair – asphalt sq. yard	512	1,779	2,020	2,018	1,494	2,150	3,055	40,988	36,004	21,850
Street repair – concrete sq. yard	299	195	249	782	73	311	602	22,661	3,693	3,655
Sidewalk installation/repairs – sq. yard	5,611	6,996	4,252	15,555	22,483	32,913	4,947	1,684	10,503	5,630
Water and sewer										
New connections – water	129	93	91	65	127	(23)	(31)	36	14	(14)
New connections – sewer	117	57	111	60	3	27	(14)	63	5	6
Water main breaks	18	42	57	31	20	21	24	39	67	46
Stated in thousands of gallons										
Average daily consumption	7,220	7,544	9,209	7,313	8,592	8,194	7,600	8,988	7,329	6,881
Peak daily consumption	14,580	12,107	16,300	14,529	16,476	14,168	12,932	16,232	12,375	10,141

Source: Various City departments

Notes: 1999 through 2004 are estimates based on 2005 before rollback.

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

Table 20

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	15	15	15	17
Other units: CID-SWAT-PSO	47	47	47	47	47	47	58	58	58	50
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	2	11	11	11	11	11	11	11	11	0
Other public works										
Streets (miles) ^a	428	454	460	460	460	460	460	460	460	455
Streetlights ^a	1675	1700	1725	1725	1735	1737	1738	1738	1738	1738
Traffic signals	23	24	24	24	24	24	24	24	24	25
Parks and recreation										
Park acreage	150	150	150	150	150	150	150	150	150	150
Playgrounds	12	12	12	17	17	17	17	17	17	17
Swimming pools	2	2	2	3	3	3	3	3	3	4
Soccer/football fields	6	6	6	6	6	6	6	6	6	11
Community centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	146	147	147	147	147	147	147	147	147	148
Fire hydrants ^a	1350	1380	1400	1425	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	5250	5250	5250	5250
Stormwater										
Storm sewers (miles)	91	91	91	91	91	91	91	91	91	92

Source: Various City departments

Note: ^aYear 2004 is an estimate



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