



CITY OF  
**BEDFORD**  
TEXAS



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ending September 30, 2015

BEDFORD, TX

**City of Bedford, Texas**  
**September 30, 2015**

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**City of Bedford, Texas**  
**September 30, 2015**

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# City of Bedford, Texas

## September 30, 2015

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## **Introductory Section**

# CITY of BEDFORD

2000 FOREST RIDGE DRIVE, BEDFORD, TEXAS 76021-1895

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February 8, 2016

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 (City), for the fiscal year ended September 30, 2015. 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, organizational chart and a list of principal officials. The financial section includes the independent auditor's report, 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 multiyear 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, parks, 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 49,054 or 4.4% 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 3.0% 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 10.6% or \$1,063,090.

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 97% built out, significant planning initiatives are being considered to provide for re-development of certain aging corridors within the City.

During the past three years, the City witnessed the widening of State Highway 183 (Airport Freeway), which runs eastbound/westbound through the center of town. During this period, Bedford officials were highly successful in retaining existing and recruiting new businesses to the newly expanded highway corridor. In addition, the City is working diligently with property owners to maximize development opportunities as a result of the expansion. This includes creating incentive agreements between the City and the business community that creates jobs, enhancing the tax base and securing revenue 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 County 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, 2014. 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 19th 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 Crystal Segovia, 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 fourth 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.

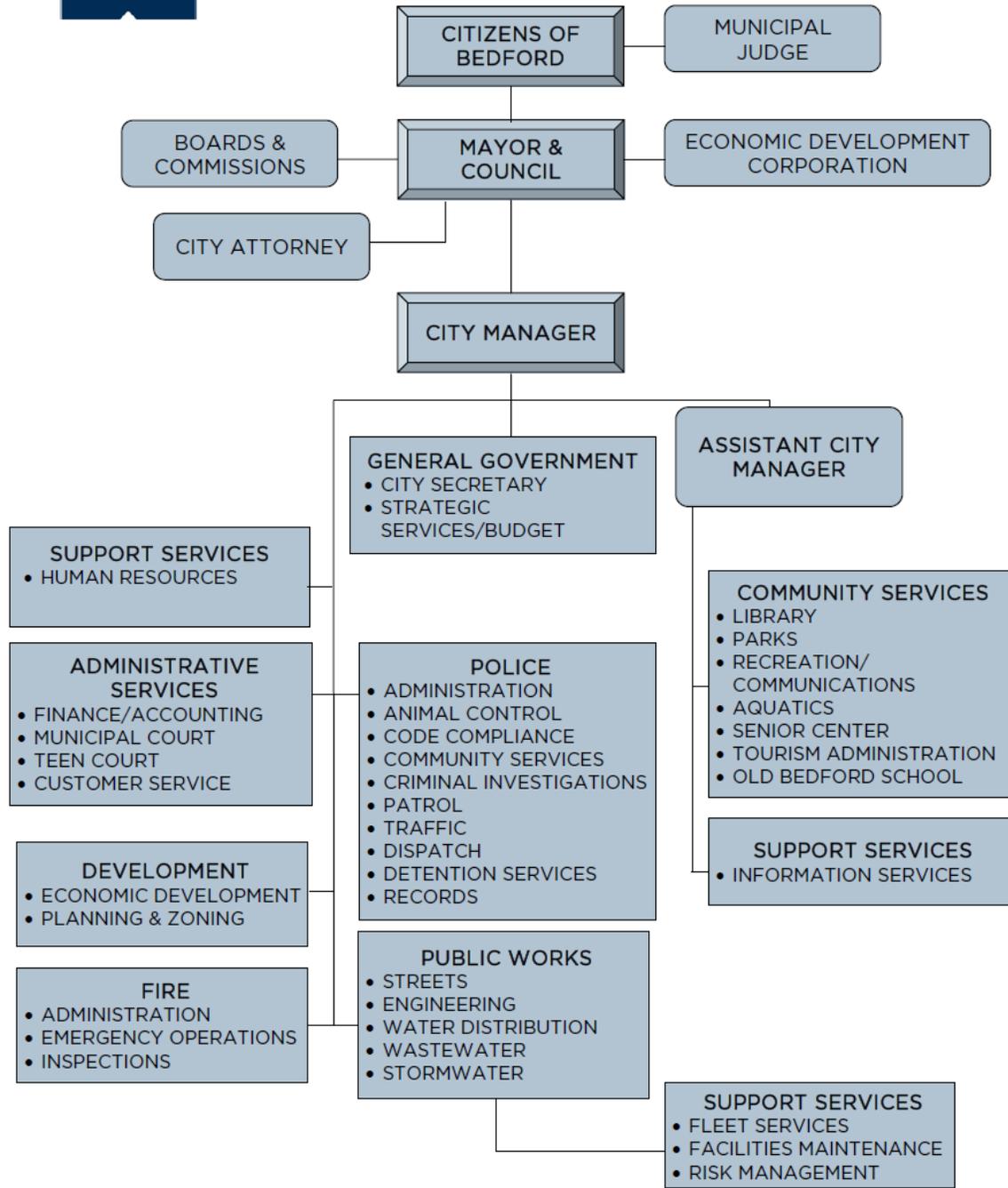
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. 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 2014 – 2015

### ELECTED

#### CITY COUNCIL

Jim Griffin – Mayor

Rusty Sartor, Council Member, Place 1

Steve Farco, Council Member, Place 4

Dave Gebhart, Council Member, Place 2

Dr. Roy Turner, Council Member, Place 5

Ray Champney, Council Member, Place 3

Roger Fisher, Mayor Pro Tem, Place 6

### SENIOR STAFF

Roger Gibson – City Manager

Kelli Agan.....Assistant City Manager

Michael Wells.....City Secretary

Jill McAdams.....Director of Human Resources

Jeff Gibson.....Police Chief

James Tindell..... Fire Chief

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

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, 2014

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. Enev*

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 (City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows, 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 2015, the City changed its method of accounting for pensions with the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended. Our opinions are not modified with respect to this matter.

### ***Prior Year Comparative Information***

The financial statements include certain 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 City's financial statements for the year ended September 30, 2014, from which the summarized information was derived.

### ***Other Matters***

#### ***Required Supplementary Information***

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory and statistical sections 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 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**BKD, LLP**

Dallas, Texas  
February 8, 2016

**City of Bedford, Texas**  
**Management's Discussion and Analysis (Unaudited)**  
**September 30, 2015**

The discussion and analysis of the City of Bedford's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the accompanying letter of transmittal and the City's basic financial statements.

***Financial Highlights***

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$54,190,996 (net position). Of this amount, \$975,495 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.

The City's net position increased \$2,508,687 or 4.9% from 2015 operations. The increase is primarily due to an increase in revenues from charges for services and sales tax revenues. During the current year, a prior period adjustment was made related entirely to the implementation of the new Governmental Accounting Standards Board (GASB) Statement No. 68, which requires local governments to recognize liabilities, deferred outflows/inflows of resources and expense/expenditures related to pensions provided by the City. Because of this new accounting standard, beginning of year net position was reduced by \$8,658,684 in order to recognize the prior period's net pension liability and deferred outflow of resources for employer (City) contributions subsequent to the pension's actuarial measurement date of December 31, 2013. This change resulted in a beginning of year net position of \$51,682,309 which is a 14.3% reduction to the previously reported net position at September 30, 2014. The increase in charges for services stems from general government, public services and water and sewer services. Primary government charges for services increased from \$6,229,413 to 6,899,400 for fiscal years 2014 to 2015, respectively, resulting in an increase of \$669,987 or 10.8%. A significant part of that increase is related to public services, in which the City of Bedford amended its fee ordinance to increase the multi-family inspection fees from \$0.75 to \$1.50 per unit. It also collected 35% more in permit fees than the previous year, primarily due to the increased development activity that has occurred post highway construction. Additionally, charges for water and sewer services increased from \$18,607,795 to \$19,102,535 for fiscal years 2014 to 2015, respectively; resulting in an increase of \$494,740 or 2.7%. This is due to water and sewer rate increases approved by the city council to match the rate increases passed on to the City by TRA. As a result of attracting several key businesses to Bedford, sales taxes have increased as well, from \$9,985,658 to \$11,048,748 for fiscal year 2014 to 2015, respectively, which is an increase of \$1,063,090 or 10.6 %.

As of September 30, 2015, the City's governmental funds reported combined ending fund balances of \$18,839,744, a decrease of \$2,409,985 in comparison with the prior fiscal year, due to reduction in the capital projects fund balance. The City completed the final phase of a residential street improvement and has begun constructing the initial phase of a major park improvement project. Therefore, the capital projects fund balance has decreased substantially from prior year. However, this has not impacted the unassigned portion of the combined ending fund balances, which reports at \$7,199,906, or 38% of the total.

As of September 30, 2015, the fund balance for the General Fund increased by \$150,659 to a grand total of \$7,526,852. The increase in the General Fund balance was the result of an \$842,494 or 3.2% increase in total revenues, primarily in the area of taxes and charges for services. Tax revenues increased from \$20,360,037 to \$20,673,816 for fiscal years 2014 to 2015, respectively, increasing \$313,779 or 1.5% with charges for services in the same period increasing from \$2,823,084 to \$3,188,436, increasing \$365,352 or 12.9%. As mentioned previously, the greater impact stems from the increased sales taxes generated by new business development within the City, and the charges for services increase stems from enhanced recreational activity within Leisure Services. The increase in total revenues was partially offset by a 4.9% increase in operating expenditures. Therefore, the outliers that mostly contributed to the increase in fund balance are taxes and charges for services.

The City's total debt of \$49,115,142 decreased by \$6,730,635 during the 2014/2015 fiscal year due to the scheduled repayments of principal.

### ***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, deferred outflows of resources, liabilities and deferred inflows of resources 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 of resources, 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. Taxes (property, sales, franchise, mixed beverage), licenses/permits, 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 and stormwater system 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 \$7,199,906 represents 23.7% (approximately 86 days) of next year's budgeted expenditures.

The Debt Service Fund has a total fund balance of \$936,907, all of which is reserved for the payment of debt. There was, however, a decrease in fund balance of \$40,502 during the current year, due to tax assessment income levels not reaching total debt service expended from the fund. The fund has been used to not only pay annual debt service requirements but it also covers contractual service costs for arbitrage calculations as well as a pro-rata share of investment advisory services. These expenditures contribute to the total payment from the Debt Service Fund. Therefore, as a result, the actual payment exceeded budgetary expectations for the year.

The Street Bond Capital Project Fund has a total fund balance of \$1,848,957, all of which is reserved for street projects. There was an increase in fund balance of \$9,356 during the current year, due to interest income.

The Economic Development 4B Fund has a total fund balance of \$3,713,371, all of which is reserved for street infrastructure improvements and maintenance. There was an increase in fund balance of \$1,015,481 during the current year primarily related to increased sales tax revenues.

The Capital Projects Fund has a total fund balance of \$3,207,349, all of which is reserved for capital acquisition and construction of the City. There was a decrease in fund balance of \$3,808,586 related to capital outlay during the current year as it pertains to a major street improvement as well as the initial phase of a park improvement project. This fund was created in the current year and resulted from a consolidation of all governmental capital projects funds in order to reorganize and consolidate governmental capital activities. This consolidation resulted in the fund achieving a major fund classification.

## ***The City as a Whole***

The City's combined net position changed from a year ago, increasing from \$51,682,309, as restated, to \$54,190,996. 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 and changes in net position of the City's governmental and business-type activities.

Net position of the City’s governmental activities increased from \$14,240,981, last fiscal year, to \$16,186,822 as of September 30, 2015, or 13.7%. In the business-type activities, the net position increased from \$37,441,328 to \$38,004,174, or 1.5%. 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 actuarial requirements, debt covenants, enabling legislation, or other legal requirements) decreased from \$5,653,694 to (\$3,086,535) as of September 30, 2015, or -154.6%. The primary reason for the decrease resulted from the implementation of GASB Statement No. 68, as previously noted, which resulted in a governmental activities net pension liability accrual amounting to \$10,014,612 among other corresponding deferred outflows of resources and deferred inflows of resources as of September 30, 2015. The unrestricted net position of the business-type activities decreased from \$5,256,555 to \$4,062,030 as of September 30, 2015, or -22.7%. The primary reasons for the decrease related to capital acquisition and the corresponding increase in the net investment in capital assets classification of net position and recognition of the net pension liability under GASB68.

Restricted net position of the City, those restricted mainly for economic development, capital projects and debt service increased from \$6,240,223 to \$6,583,532 or 5.5%.

The largest portion of the City’s net position (86.1%) 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.

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current	\$ 26,053	\$ 25,760	\$ 10,135	\$ 11,093	\$ 36,188	\$ 36,853
Internal balances	300	300	(300)	(300)	-	-
Capital assets	43,066	42,765	48,884	47,820	91,950	90,585
<b>Total assets</b>	<b>69,419</b>	<b>68,825</b>	<b>58,719</b>	<b>58,613</b>	<b>128,138</b>	<b>127,438</b>
Deferred outflows of resources	1,229	109	154	42	1,383	151
Current liabilities	13,992	10,854	4,028	3,693	18,020	14,547
Long-term liabilities	40,282	35,967	16,822	16,734	57,104	52,701
<b>Total liabilities</b>	<b>54,274</b>	<b>46,821</b>	<b>20,850</b>	<b>20,427</b>	<b>75,124</b>	<b>67,248</b>
Deferred inflows of resources	187	-	19	-	206	-
Net position						
Invested in capital assets, net of related debt	12,690	10,378	33,942	32,812	46,632	43,190
Restricted	6,584	6,081	-	159	6,584	6,240
Unrestricted	(3,087)	5,654	4,062	5,257	975	10,911
<b>Total net position</b>	<b>\$ 16,187</b>	<b>\$ 22,113</b>	<b>\$ 38,004</b>	<b>\$ 38,228</b>	<b>\$ 54,191</b>	<b>\$ 60,341</b>

- **Governmental Activities** – Net position for Governmental Activities increased by \$1,945,841. This was primarily caused by an increase in tax revenues of \$1,487,817 or 5.1% as well as a decrease in expenses of \$1,022,115 or 2.6%. This decrease resulted from a major capital asset being fully depreciated as of the prior fiscal year.

- **Business-type Activities** – Revenues of the City’s business-type activities totaled \$20,745,642 for the fiscal year ended September 30, 2015. Expenses for these activities were \$17,703,006, resulting in a net gain of \$3,042,636 from operations before transfers. The net position, after interfund transfers, of the business-type activities increased by \$562,846. This is primarily due to increased water and sewer rates as approved by the City Council for January 2015.

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 6,899	\$ 6,229	\$ 20,405	\$ 19,921	\$ 27,304	\$ 26,150
Operating grants and contributions	61	600	-	-	61	600
Capital grants and contributions	80	94	326	6,263	406	6,357
General revenue						
Property taxes	14,543	14,297	-	-	14,543	14,297
Other taxes	15,840	14,598	-	-	15,840	14,598
Interest and investment earnings	46	43	15	23	61	66
Other general revenues	425	467	-	-	425	467
Total revenues	<u>37,894</u>	<u>36,328</u>	<u>20,746</u>	<u>26,207</u>	<u>58,640</u>	<u>62,535</u>
<b>Expenses</b>						
Public safety	22,265	23,670	-	-	22,265	23,670
Leisure services	4,069	3,823	-	-	4,069	3,823
Community services	1,744	1,549	-	-	1,744	1,549
General government/administration	5,394	5,689	-	-	5,394	5,689
Public services	3,655	3,431	-	-	3,655	3,431
Interest on long-term debt	1,301	1,289	-	-	1,301	1,289
Water and sewer	-	-	16,746	16,561	16,746	16,561
Stormwater	-	-	957	926	957	926
Total expenses	<u>38,428</u>	<u>39,451</u>	<u>17,703</u>	<u>17,487</u>	<u>56,131</u>	<u>56,938</u>
<b>Increase (Decrease) in Net Position Before Transfers</b>						
	(534)	(3,123)	3,043	8,720	2,509	5,597
Transfers	<u>2,480</u>	<u>2,507</u>	<u>(2,480)</u>	<u>(2,507)</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>1,946</u>	<u>(616)</u>	<u>563</u>	<u>6,213</u>	<u>2,509</u>	<u>5,597</u>
<b>Net Position, As Previously Reported*</b>	22,113	22,729	38,228	32,015	60,341	54,744
<b>Change in Accounting Principle</b>	<u>(7,872)</u>	<u>-</u>	<u>(787)</u>	<u>-</u>	<u>(8,659)</u>	<u>-</u>
<b>Net Position, Beginning of Year</b>	<u>14,241</u>	<u>22,729</u>	<u>37,441</u>	<u>32,015</u>	<u>51,682</u>	<u>54,744</u>
<b>Net Position, End of Year</b>	<u>\$ 16,187</u>	<u>\$ 22,113</u>	<u>\$ 38,004</u>	<u>\$ 38,228</u>	<u>\$ 54,191</u>	<u>\$ 60,341</u>

\*Net position as of October 1, 2014, has been restated for the effects of adopting GASB No. 68.

### **General Fund Budgetary Highlights**

Actual revenues exceeded budgetary expectations by \$415,765 and actual expenditures were \$54,086 more than budgetary projections. Total operating revenues were \$27,377,286, while total operating expenditures were \$29,848,671. This resulted in a deficiency of \$2,471,385, which was \$361,679 better than budgetary expectations. This is primarily related to increased tax revenues, along with other major revenue categories, exceeding budgetary expectations. Coupled with other financing sources that totaled \$2,622,044, the General Fund completed the fiscal year with a positive variance that resulted in a \$150,659 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, 2015 and the amount and percentage of increases and decreases in relation to the prior year:

	General Revenues (in thousands)				
	2014	2015	2015 Percent of Total	Increase (Decrease) from 2014	Percent Increase (Decrease)
Taxes	\$ 29,073	\$ 30,730	80%	\$ 1,657	6%
Licenses and permits	629	871	2%	242	38%
Charges for services	3,177	3,591	9%	414	13%
Fines and forfeitures	2,221	1,949	5%	(272)	-12%
Intergovernmental	690	648	2%	(42)	-6%
Interest	43	46	0%	3	7%
Miscellaneous	426	486	1%	60	14%
<b>Total</b>	<b>\$ 36,259</b>	<b>\$ 38,321</b>	<b>100%</b>	<b>\$ 2,062</b>	<b>61%</b>

	General Expenditures (in thousands)				
	2014	2015	2015 Percent of Total	Increase (Decrease) from 2014	Percent Increase (Decrease)
General government	\$ 1,792	\$ 2,229	6%	\$ 437	24%
Community services	1,489	1,682	4%	193	13%
Public services	2,453	2,623	6%	170	7%
Administrative services	2,262	2,058	5%	(204)	-9%
Public safety	18,052	18,346	42%	294	2%
Leisure services	3,804	4,046	9%	242	6%
Capital outlay	2,114	5,155	12%	3,041	144%
Debt service	6,827	7,134	16%	307	4%
<b>Total</b>	<b>\$ 38,793</b>	<b>\$ 43,273</b>	<b>100%</b>	<b>\$ 4,480</b>	<b>192%</b>

## Capital Asset and Debt Administration

### Capital Assets

As of September 30, 2015, the City had \$274,490,957 invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer, and stormwater facilities. This represents net increase of \$8,243,892 or 3.1% over last year. Capital assets net of depreciation increased by approximately \$1,366,000 or 1.5%. The City's capital plans for fiscal year 2015/2016 call for expenditures of approximately \$13 million for capital projects, primarily in the following categories: drainage and water and sewer distribution system. The estimated capital expenditure for drainage improvements is approximately \$2,332,000 to improve a major drainage channel including adding a culvert and bridge as well as implementing erosion control at various channels throughout the City.

The estimated capital improvement for water and sewer projects is \$11,000,000. The most notable of these projects the City's participation in the State Water Implementation Fund for Texas (SWIFT) program. Within this new program, the City of Bedford has been awarded \$90 million in SWIFT funds to promote water conservation. This program will allow the City to benefit from discounted interest rates on a loan that will help replace hundreds of miles of aged water mains that have been fully depreciated in the City's water distribution system. Therefore, Bedford officials have authorized staff to take advantage of the SWIFT loan by borrowing \$30 million in the first year of the four-year program. With this funding, staff will began replacing aged water mains along Brown Trail, Red Oak Lane and Eagle Drive. In addition, staff will fund the construction of the Bedford automated meter reading system (AMR). This new system, will allow for utility meters to be electronically read more frequently using cellular technology. This project is estimated at \$9 million that will be divided over two years at \$4.5 million each.

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

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 7,261	\$ 7,261	\$ 100	\$ 100	\$ 7,361	\$ 7,361
Buildings and structures	25,567	25,525	547	519	26,114	26,044
Other improvements	124,394	123,027	-	-	124,394	123,027
Equipment	29,330	26,595	3,914	3,357	33,244	29,952
Utility distribution	-	-	77,611	72,254	77,611	72,254
Construction in progress	2,906	1,924	2,862	5,686	5,768	7,610
<b>Total</b>	<b>\$ 189,458</b>	<b>\$ 184,332</b>	<b>\$ 85,034</b>	<b>\$ 81,916</b>	<b>\$ 274,492</b>	<b>\$ 266,248</b>

**Debt**

At year-end, the City had \$49,115,142 in General Obligation Bonds, Combination Tax and Revenue Certificates of Obligation, and capital lease obligations compared to \$55,845,817 at the end of the prior fiscal year, a decrease of 12.05%. During fiscal year 2014/2015 the City issued no new debt; current changes resulted from principal retirement.

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

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligations	\$ 32,425	\$ 38,115	\$ -	\$ -	\$ 32,425	\$ 38,115
Certificates of obligation	-	-	16,380	17,335	16,380	17,335
Capital lease	310	396	-	-	310	396
<b>Total</b>	<b>\$ 32,735</b>	<b>\$ 38,511</b>	<b>\$ 16,380</b>	<b>\$ 17,335</b>	<b>\$ 49,115</b>	<b>\$ 55,846</b>

The City of Bedford maintains an "AA" rating as it pertains to general obligation bond issuances. 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. In their opinion, the City budgetary flexibility remains very strong with reserves above 20% of expenditures. 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. 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 growth in sales tax collections, coupled with moderate increases in taxable property values enabled the City Council to maintain a stable tax rate of \$0.4948303 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 2016, the City Council continued its goal to fund a compensation plan in order for employees to meet current market levels. In addition, the City Council authorized a few additional changes in personnel that include adding a grants coordinator within the City Manager's Office, an additional multi-family inspector in Inspections program as well as adding a recruiter position for Human Resources.

Moreover, in an effort to keep up with increased wholesale water and wastewater costs, the City Council authorized pass-through rate increases for both areas. The City conducted a rate study and found that in addition to keeping up with increased wholesale water and wastewater costs, the study found it necessary to also approve rate increases that covered additional operational costs facing the water fund. The most substantial increase in the fund's operational costs stems from the impact of issuing a \$30 million debt from the SWIFT program. The impact of issuing this much debt increases the annual debt service requirement that the operations would be responsible to cover. The SWIFT program will meet the City Council's goal of replacing the aging water infrastructure throughout the City thus reducing the effect of water loss.

## ***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**



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**City of Bedford, Texas**  
**Statement of Net Position**  
**September 30, 2015**  
**(with Summarized Financial Information for 2014)**

	Primary Government		Totals	
	Governmental Activities	Business-type Activities	2015	2014
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 15,121,199	\$ 4,537,577	\$ 19,658,776	\$ 19,547,640
Investments	5,585,770	-	5,585,770	6,172,076
Receivables (net of allowance)	5,319,146	3,992,884	9,312,030	8,385,448
Due from other governments	-	-	-	87,530
Inventories and prepaid expenses	26,676	-	26,676	24,037
Restricted assets				
Investments	-	1,604,455	1,604,455	2,636,714
Total current assets	<u>26,052,791</u>	<u>10,134,916</u>	<u>36,187,707</u>	<u>36,853,445</u>
Noncurrent assets				
Internal balances	300,000	(300,000)	-	-
Capital assets, not being depreciated	10,166,929	2,962,261	13,129,190	14,971,465
Capital assets, being depreciated, net	<u>32,898,579</u>	<u>45,922,032</u>	<u>78,820,611</u>	<u>75,612,501</u>
Total noncurrent assets	<u>43,365,508</u>	<u>48,584,293</u>	<u>91,949,801</u>	<u>90,583,966</u>
Total assets	<u>69,418,299</u>	<u>58,719,209</u>	<u>128,137,508</u>	<u>127,437,411</u>
<b>Deferred Outflows of Resources</b>				
Employer contributions – Pensions	1,044,438	108,570	1,153,008	-
Investment return difference – Pensions	84,778	8,813	93,591	-
Deferred charges on refundings	<u>99,667</u>	<u>36,910</u>	<u>136,577</u>	<u>151,005</u>
Total deferred outflows of resources	<u>1,228,883</u>	<u>154,293</u>	<u>1,383,176</u>	<u>151,005</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable and accrued liabilities	5,953,244	2,045,296	7,998,540	4,963,223
Escrow and unearned revenue	1,113,841	2,041	1,115,882	706,833
Customer deposits	-	912,983	912,983	882,002
Current portion of compensated absences	1,069,147	66,602	1,135,749	1,096,274
Current portion of bonds payable and capital leases	<u>5,855,240</u>	<u>1,001,062</u>	<u>6,856,302</u>	<u>6,898,210</u>
Total current liabilities	<u>13,991,472</u>	<u>4,027,984</u>	<u>18,019,456</u>	<u>14,546,542</u>
Noncurrent liabilities				
Net pension liability	10,014,612	1,009,244	11,023,856	-
Bonds payable	27,601,192	15,491,898	43,093,090	49,860,625
Capital leases	221,375	-	221,375	310,142
Compensated absences	2,138,292	133,203	2,271,495	2,192,550
Other post-employment benefits	<u>305,936</u>	<u>187,510</u>	<u>493,446</u>	<u>337,564</u>
Total noncurrent liabilities	<u>40,281,407</u>	<u>16,821,855</u>	<u>57,103,262</u>	<u>52,700,881</u>
Total liabilities	<u>54,272,879</u>	<u>20,849,839</u>	<u>75,122,718</u>	<u>67,247,423</u>
<b>Deferred Inflows of Resources</b>				
Experience difference – Pensions	<u>187,481</u>	<u>19,489</u>	<u>206,970</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	12,689,825	33,942,144	46,631,969	43,190,521
Restricted for				
Capital acquisition and construction	-	-	-	158,872
Debt service	936,907	-	936,907	977,409
Economic development	3,713,371	-	3,713,371	2,697,890
Other purposes	1,561,111	-	1,561,111	1,854,632
Public safety	277,111	-	277,111	475,830
Parks and beautification	95,032	-	95,032	75,590
Unrestricted	<u>(3,086,535)</u>	<u>4,062,030</u>	<u>975,495</u>	<u>10,910,249</u>
Total net position	<u>\$ 16,186,822</u>	<u>\$ 38,004,174</u>	<u>\$ 54,190,996</u>	<u>\$ 60,340,993</u>

**City of Bedford, Texas**  
**Statement of Activities**  
**Year Ended September 30, 2015**  
**(with Summarized Financial Information for the Year Ended September 30, 2014)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government and administration	\$ 5,393,564	\$ 159,473	\$ 15,842	\$ -
Community services	1,744,633	274,561	-	-
Public services	3,655,287	1,111,453	40,997	-
Public safety	22,264,933	4,227,029	4,228	79,783
Leisure services	4,068,948	1,126,884	-	-
Interest expense	1,301,208	-	-	-
Total governmental activities	<u>38,428,573</u>	<u>6,899,400</u>	<u>61,067</u>	<u>79,783</u>
Business-type activities				
Water and sewer services	16,746,182	19,102,535	-	325,496
Stormwater collection and disposal	956,824	1,302,656	-	-
Total business-type activities	<u>17,703,006</u>	<u>20,405,191</u>	<u>-</u>	<u>325,496</u>
Total primary government	<u>\$ 56,131,579</u>	<u>\$ 27,304,591</u>	<u>\$ 61,067</u>	<u>\$ 405,279</u>

**General Revenues**

Taxes
Property taxes, penalty and interest
Sales
Franchise
Occupancy
Other
Investment earnings
Gain on sale of assets
Miscellaneous
Transfers
Total general revenues and transfers

**Change in Net Position**

**Net Position, Beginning of Year, As Previously Reported**

**Change in Accounting Principle**

**Net Position, Beginning of Year, As Restated**

**Net Position, End of Year**

<b>Net (Expenses) Revenues and Changes in Net Position</b>			
<b>Primary Government</b>		<b>Totals</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>2015</b>	<b>2014</b>
\$ (5,218,249)	\$ -	\$ (5,218,249)	\$ (5,596,403)
(1,470,072)	-	(1,470,072)	(962,626)
(2,502,837)	-	(2,502,837)	(3,169,537)
(17,953,893)	-	(17,953,893)	(18,920,098)
(2,942,064)	-	(2,942,064)	(2,590,400)
(1,301,208)	-	(1,301,208)	(1,288,725)
<u>(31,388,323)</u>	<u>-</u>	<u>(31,388,323)</u>	<u>(32,527,789)</u>
-	2,681,849	2,681,849	8,309,930
-	345,832	345,832	386,674
<u>-</u>	<u>3,027,681</u>	<u>3,027,681</u>	<u>8,696,604</u>
<u>\$ (31,388,323)</u>	<u>\$ 3,027,681</u>	<u>\$ (28,360,642)</u>	<u>\$ (23,831,185)</u>
\$ 14,543,198	\$ -	\$ 14,543,198	\$ 14,297,275
11,048,748	-	11,048,748	9,985,658
3,555,243	-	3,555,243	3,584,311
1,027,473	-	1,027,473	840,119
208,846	-	208,846	188,328
45,552	14,955	60,507	65,814
35,550	-	35,550	40,764
389,764	-	389,764	425,913
2,479,790	(2,479,790)	-	-
<u>33,334,164</u>	<u>(2,464,835)</u>	<u>30,869,329</u>	<u>29,428,182</u>
<u>1,945,841</u>	<u>562,846</u>	<u>2,508,687</u>	<u>5,596,997</u>
22,113,131	38,227,862	60,340,993	54,743,996
<u>(7,872,150)</u>	<u>(786,534)</u>	<u>(8,658,684)</u>	<u>-</u>
<u>14,240,981</u>	<u>37,441,328</u>	<u>51,682,309</u>	<u>54,743,996</u>
<u>\$ 16,186,822</u>	<u>\$ 38,004,174</u>	<u>\$ 54,190,996</u>	<u>\$ 60,340,993</u>

**City of Bedford, Texas**  
**Balance Sheet – Governmental Funds**  
**September 30, 2015**  
**(with Summarized Financial Information for 2014)**

	<b>General</b>	<b>Debt Service</b>	<b>Street Bond</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,517,129	\$ 5,693	\$ 831,197
Investments	2,750,000	928,699	1,432,398
Receivables			
Taxes, less allowance for uncollectible	3,151,053	120,818	-
Accounts	502,665	-	8
Other	67,521	-	345,978
Due from other governments	-	-	-
Due from other funds	-	-	-
Inventories and prepaid expenditures	26,676	-	-
Advances to other funds	300,000	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 13,315,044</u>	<u>\$ 1,055,210</u>	<u>\$ 2,609,581</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 5,280,726	\$ 747	\$ -
Due to other funds	-	-	-
Escrow	60,627	-	414,646
Unearned revenue	-	-	345,978
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>5,341,353</u>	<u>747</u>	<u>760,624</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	447,109	117,556	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Fund balances</b>			
<b>Nonspendable</b>			
Advances to other funds	300,000	-	-
Inventories and prepaids	26,676	-	-
<b>Restricted for</b>			
Debt service	-	936,907	-
Road improvements	-	-	1,848,957
Capital acquisition and construction	-	-	-
Economic development	-	-	-
Public safety	-	-	-
Parks and beautification	-	-	-
Other	-	-	-
Assigned – capital acquisition	-	-	-
Unassigned	7,199,906	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>7,526,582</u>	<u>936,907</u>	<u>1,848,957</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,315,044</u>	<u>\$ 1,055,210</u>	<u>\$ 2,609,581</u>

See Notes to Financial Statements

Economic Development 4B	Capital Projects	Nonmajor Government	Totals	
			2015	2014
\$ 2,824,027	\$ 3,357,581	\$ 1,585,572	\$ 15,121,199	\$ 14,318,593
250,000	174,673	50,000	5,585,770	6,172,076
670,279	-	-	3,942,150	3,592,901
-	-	107,578	610,251	516,614
-	-	29,353	442,852	527,682
-	-	-	-	87,530
-	-	-	-	260,173
-	-	-	26,676	24,037
-	-	-	300,000	300,000
<u>\$ 3,744,306</u>	<u>\$ 3,532,254</u>	<u>\$ 1,772,503</u>	<u>\$ 26,028,898</u>	<u>\$ 25,799,606</u>
\$ 30,935	\$ 324,905	\$ 146,885	\$ 5,784,198	\$ 3,098,089
-	-	-	-	63,470
-	-	-	475,273	477,810
-	-	19,040	365,018	16,824
<u>30,935</u>	<u>324,905</u>	<u>165,925</u>	<u>6,624,489</u>	<u>3,656,193</u>
-	-	-	564,665	893,684
-	-	-	300,000	560,173
-	-	-	26,676	24,037
-	-	-	936,907	977,409
-	-	-	1,848,957	1,839,601
-	3,207,349	-	3,207,349	7,015,936
3,713,371	-	-	3,713,371	2,697,890
-	-	277,111	277,111	475,830
-	-	95,032	95,032	75,590
-	-	1,234,435	1,234,435	1,270,422
-	-	-	-	140,000
-	-	-	7,199,906	6,172,841
<u>3,713,371</u>	<u>3,207,349</u>	<u>1,606,578</u>	<u>18,839,744</u>	<u>21,249,729</u>
<u>\$ 3,744,306</u>	<u>\$ 3,532,254</u>	<u>\$ 1,772,503</u>	<u>\$ 26,028,898</u>	<u>\$ 25,799,606</u>



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**City of Bedford, Texas**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**September 30, 2015**

Fund balances of governmental funds		\$ 18,839,744
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.		43,065,508
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.		(78,753)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		524,715
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:		
Employer contributions	1,044,438	
Investment return difference (GASB 68)	84,778	
Deferred charges on refundings	99,667	
Experience difference (GASB 68)	<u>(187,481)</u>	<u>1,041,402</u>
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 and contractual obligation bonds	(32,425,000)	
Bond premium	(942,665)	
Net pension liability	(10,014,612)	
Compensated absences	(3,207,439)	
OPEB liability	(305,936)	
Capital leases	<u>(310,142)</u>	<u>(47,205,794)</u>
Total net position of governmental activities		<u><u>\$ 16,186,822</u></u>

**City of Bedford, Texas**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Governmental Funds**  
**Year Ended September 30, 2015**  
**(with Summarized Financial Information for the Year Ended September 30, 2014)**

	<b>General</b>	<b>Debt Service</b>	<b>Street Bond</b>
<b>Revenues</b>			
Taxes, penalty and interest	\$ 20,673,816	\$ 5,602,614	\$ -
Licenses and permits	871,081	-	-
Charges for services	3,188,436	-	-
Fines and forfeitures	1,740,987	-	-
Support from governmental entities	547,727	-	-
Interest	14,328	5,323	9,356
Miscellaneous	340,911	-	-
	<u>27,377,286</u>	<u>5,607,937</u>	<u>9,356</u>
<b>Expenditures</b>			
Current			
General governmental	2,229,137	-	-
Community services	524,466	-	-
Public services	1,766,250	-	-
Administrative services	2,029,620	-	-
Public safety	18,125,471	-	-
Leisure services	3,996,196	-	-
Capital outlay	1,077,790	-	-
Debt service			
Principal retirement	85,675	5,690,000	-
Interest and fiscal agent fees	14,066	1,344,167	-
Bond issuance costs	-	-	-
	<u>29,848,671</u>	<u>7,034,167</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(2,471,385)</u>	<u>(1,426,230)</u>	<u>9,356</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	2,564,790	1,385,728	-
Transfers out	(5,781)	-	-
Issuance of debt	-	-	-
Premium on debt	-	-	-
Lease purchase proceeds	-	-	-
Proceeds from sale of capital assets	35,550	-	-
Insurance proceeds	27,485	-	-
	<u>2,622,044</u>	<u>1,385,728</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	150,659	(40,502)	9,356
<b>Fund Balances, Beginning of Year</b>	<u>7,375,923</u>	<u>977,409</u>	<u>1,839,601</u>
<b>Fund Balances, End of Year</b>	<u>\$ 7,526,582</u>	<u>\$ 936,907</u>	<u>\$ 1,848,957</u>

See Notes to Financial Statements

	Economic Development 4B	Capital Projects	Nonmajor Governmental	Totals	
				2015	2014
\$	3,425,613	\$ -	\$ 1,027,473	\$ 30,729,516	\$ 29,072,928
	-	-	-	871,081	628,484
	-	-	402,699	3,591,135	3,177,429
	-	-	208,019	1,949,006	2,220,906
	-	-	100,219	647,946	689,840
	3,612	10,183	2,750	45,552	43,393
	-	-	145,499	486,410	425,913
	<u>3,429,225</u>	<u>10,183</u>	<u>1,886,659</u>	<u>38,320,646</u>	<u>36,258,893</u>
	-	-	-	2,229,137	1,791,511
	-	-	1,157,860	1,682,326	1,488,981
	856,727	-	-	2,622,977	2,452,901
	-	-	27,920	2,057,540	2,261,952
	-	-	220,934	18,346,405	18,051,735
	-	-	50,155	4,046,351	3,804,071
	174,279	3,815,779	86,964	5,154,812	2,114,252
	-	-	-	5,775,675	5,268,055
	-	-	-	1,358,233	1,462,845
	-	-	-	-	96,476
	<u>1,031,006</u>	<u>3,815,779</u>	<u>1,543,833</u>	<u>43,273,456</u>	<u>38,792,779</u>
	<u>2,398,219</u>	<u>(3,805,596)</u>	<u>342,826</u>	<u>(4,952,810)</u>	<u>(2,533,886)</u>
	-	-	5,781	3,956,299	3,999,750
	(1,382,738)	(2,990)	(85,000)	(1,476,509)	(1,493,147)
	-	-	-	-	5,500,000
	-	-	-	-	61,948
	-	-	-	-	221,936
	-	-	-	35,550	40,764
	-	-	-	27,485	30,669
	<u>(1,382,738)</u>	<u>(2,990)</u>	<u>(79,219)</u>	<u>2,542,825</u>	<u>8,361,920</u>
	1,015,481	(3,808,586)	263,607	(2,409,985)	5,828,034
	<u>2,697,890</u>	<u>7,015,935</u>	<u>1,342,971</u>	<u>21,249,729</u>	<u>15,421,695</u>
\$	<u><u>3,713,371</u></u>	<u><u>\$ 3,207,349</u></u>	<u><u>\$ 1,606,578</u></u>	<u><u>\$ 18,839,744</u></u>	<u><u>\$ 21,249,729</u></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, 2015**

Net change in fund balances – total governmental funds		\$ (2,409,985)
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.		5,154,812
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.		(4,853,840)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:		
General and certificates of obligation bonds		5,775,675
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 position with related costs amortized over the life of the bonds. Differences consist of the following:		
Amortization of refunding loss	(9,155)	
Amortization of bond premium	<u>156,473</u>	147,318
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.		(1,325,543)
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.		(184,709)
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.		(11,540)
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>(346,347)</u>
Change in net position of governmental activities		<u><u>\$ 1,945,841</u></u>

**City of Bedford, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2015**  
**(with Summarized Financial Information for 2014)**

	Water and Sewer	Stormwater Utility	Totals	
			2015	2014
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 3,504,343	\$ 1,033,234	\$ 4,537,577	\$ 5,229,047
Accounts receivable, net	3,780,047	212,837	3,992,884	3,424,358
Restricted assets – investments	1,354,455	250,000	1,604,455	2,636,714
Total current assets	<u>8,638,845</u>	<u>1,496,071</u>	<u>10,134,916</u>	<u>11,290,119</u>
Property, plant and equipment				
Land	100,255	-	100,255	100,255
Equipment	3,679,244	233,289	3,912,533	3,356,771
Buildings and improvements	547,442	-	547,442	518,600
Utility distribution	63,003,437	14,607,512	77,610,949	72,254,015
Construction in progress	2,862,006	-	2,862,006	5,685,915
Total property, plant and equipment	<u>70,192,384</u>	<u>14,840,801</u>	<u>85,033,185</u>	<u>81,915,556</u>
Less accumulated depreciation and amortization	<u>(29,387,959)</u>	<u>(6,760,933)</u>	<u>(36,148,892)</u>	<u>(34,096,126)</u>
Total long-term assets	<u>40,804,425</u>	<u>8,079,868</u>	<u>48,884,293</u>	<u>47,819,430</u>
Total assets	<u>49,443,270</u>	<u>9,575,939</u>	<u>59,019,209</u>	<u>59,109,549</u>
<b>Deferred Outflows of Resources</b>				
Employer contributions	94,947	13,623	108,570	-
Investment return difference	7,707	1,106	8,813	-
Deferred charges on refundings	36,910	-	36,910	42,183
Total deferred outflows of resources	<u>139,564</u>	<u>14,729</u>	<u>154,293</u>	<u>42,183</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts payable and accrued liabilities	1,982,899	62,397	2,045,296	1,786,381
Compensated absences	59,648	6,954	66,602	56,482
Unearned revenue	-	2,041	2,041	2,041
Due to other funds	-	-	-	196,703
Advances from other funds	-	300,000	300,000	300,000
Current maturities of bonds	857,153	143,909	1,001,062	966,062
Customer deposits	912,983	-	912,983	882,002
Total current liabilities	<u>3,812,683</u>	<u>515,301</u>	<u>4,327,984</u>	<u>4,189,671</u>
Long-term liabilities				
Net pension liability	877,812	131,432	1,009,244	-
Compensated absences	119,295	13,908	133,203	112,965
Bonds payable	12,703,304	2,788,594	15,491,898	16,492,960
Other post-employment benefits	162,978	24,532	187,510	128,274
Total long-term liabilities	<u>13,863,389</u>	<u>2,958,466</u>	<u>16,821,855</u>	<u>16,734,199</u>
Total liabilities	<u>17,676,072</u>	<u>3,473,767</u>	<u>21,149,839</u>	<u>20,923,870</u>
<b>Deferred Inflows of Resources</b>				
Experience difference	17,044	2,445	19,489	-
<b>Net Position</b>				
Net investment in capital assets	28,210,441	5,731,703	33,942,144	32,812,435
Restricted for				
Capital acquisition and construction	-	-	-	158,872
Unrestricted	3,679,277	382,753	4,062,030	5,256,555
Total net position	<u>\$ 31,889,718</u>	<u>\$ 6,114,456</u>	<u>\$ 38,004,174</u>	<u>\$ 38,227,862</u>

**City of Bedford, Texas**  
**Statement of Revenues, Expenses and**  
**Changes in Fund Net Position – Proprietary Funds**  
**Year Ended September 30, 2015**

**(with Summarized Financial Information for the Year Ended September 30, 2014)**

	Water and Sewer	Stormwater Utility	Totals	
			2015	2014
<b>Operating Revenues</b>				
Water sales	\$ 12,358,671	\$ -	\$ 12,358,671	\$ 11,917,187
Charges for sewer services	6,609,881	-	6,609,881	6,516,659
Stormwater charges	-	1,272,656	1,272,656	1,282,819
Other	133,983	30,000	163,983	204,062
Total operating revenues	<u>19,102,535</u>	<u>1,302,656</u>	<u>20,405,191</u>	<u>19,920,727</u>
<b>Operating Expenses</b>				
Water supply and distribution	8,549,400	-	8,549,400	8,448,973
Wastewater collection and disposal	4,126,824	-	4,126,824	4,320,847
Billing and collection	1,320,972	514,619	1,835,591	1,702,345
Public services/engineering	626,086	-	626,086	610,256
Depreciation	1,719,243	338,569	2,057,812	1,848,332
Total operating expenses	<u>16,342,525</u>	<u>853,188</u>	<u>17,195,713</u>	<u>16,930,753</u>
<b>Operating Income</b>	<u>2,760,010</u>	<u>449,468</u>	<u>3,209,478</u>	<u>2,989,974</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest income	12,946	2,009	14,955	22,421
Gain on sale of capital assets	-	-	-	-
Interest expense and fiscal agent charges	(403,657)	(103,636)	(507,293)	(556,414)
Total nonoperating revenues (expenses)	<u>(390,711)</u>	<u>(101,627)</u>	<u>(492,338)</u>	<u>(533,993)</u>
<b>Income Before Transfers</b>	<u>2,369,299</u>	<u>347,841</u>	<u>2,717,140</u>	<u>2,455,981</u>
<b>Capital Contributions</b>	142,216	183,280	325,496	6,263,044
<b>Transfers In</b>	129,957	-	129,957	123,497
<b>Transfers Out</b>	<u>(2,177,046)</u>	<u>(432,701)</u>	<u>(2,609,747)</u>	<u>(2,630,100)</u>
<b>Change in Net Position</b>	<u>464,426</u>	<u>98,420</u>	<u>562,846</u>	<u>6,212,422</u>
<b>Net Position, Beginning of Year, As Previously Reported</b>	32,108,338	6,119,524	38,227,862	32,015,440
<b>Change in Accounting Principle</b>	<u>(683,046)</u>	<u>(103,488)</u>	<u>(786,534)</u>	<u>-</u>
<b>Net Position, Beginning of Year, As Restated</b>	<u>31,425,292</u>	<u>6,016,036</u>	<u>37,441,328</u>	<u>32,015,440</u>
<b>Net Position, End of Year</b>	<u>\$ 31,889,718</u>	<u>\$ 6,114,456</u>	<u>\$ 38,004,174</u>	<u>\$ 38,227,862</u>

**City of Bedford, Texas**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended September 30, 2015**  
**(with Summarized Financial Information for the Year Ended September 30, 2014)**

	Water and Sewer	Stormwater Utility	Totals	
			2015	2014
<b>Operating Activities</b>				
Receipts from customers and users	\$ 18,570,896	\$ 1,296,750	\$ 19,867,646	\$ 19,763,716
Receipts from other funds	(168,057)	-	(168,057)	208,648
Payments to suppliers	(11,993,302)	(236,569)	(12,229,871)	(13,067,283)
Payments to or on behalf of employees for services	(2,227,748)	(286,431)	(2,514,179)	(2,157,004)
Net cash provided by operating activities	<u>4,181,789</u>	<u>773,750</u>	<u>4,955,539</u>	<u>4,748,077</u>
<b>Noncapital Financing Activities</b>				
Transfers in	129,957	-	129,957	123,497
Transfers out	(2,177,046)	(461,347)	(2,638,393)	(2,602,825)
Net cash used in noncapital financing activities	<u>(2,047,089)</u>	<u>(461,347)</u>	<u>(2,508,436)</u>	<u>(2,479,328)</u>
<b>Capital and Related Financing Activities</b>				
Repayment of debt	(754,383)	(132,205)	(886,588)	(927,278)
Interest and fiscal agent fees	(398,384)	(103,636)	(502,020)	(551,141)
Additions to property and equipment	(2,758,726)	(38,453)	(2,797,179)	(4,823,511)
Net cash used in capital and related financing activities	<u>(3,911,493)</u>	<u>(274,294)</u>	<u>(4,185,787)</u>	<u>(6,301,930)</u>
<b>Investing Activities</b>				
Interest on investments	12,946	2,009	14,955	22,421
Sale of investments, net	653,894	378,365	1,032,259	1,387,688
Net cash provided by investing activities	<u>666,840</u>	<u>380,374</u>	<u>1,047,214</u>	<u>1,410,109</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(1,109,953)</u>	<u>418,483</u>	<u>(691,470)</u>	<u>(2,623,072)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>4,614,296</u>	<u>614,751</u>	<u>5,229,047</u>	<u>7,852,119</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 3,504,343</u>	<u>\$ 1,033,234</u>	<u>\$ 4,537,577</u>	<u>\$ 5,229,047</u>

**City of Bedford, Texas**  
**Statement of Cash Flows – Proprietary Funds (Continued)**  
**Year Ended September 30, 2015**  
**(with Summarized Financial Information for the Year Ended September 30, 2014)**

	Water and Sewer	Stormwater Utility	Totals	
			2015	2014
<b>Reconciliation of Operating Income to Net Cash</b>				
<b>Provided by Operating Activities</b>				
Operating income	\$ 2,760,010	\$ 449,468	\$ 3,209,478	\$ 2,989,974
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	1,719,243	338,569	2,057,812	1,848,332
Changes in				
Receivables	(562,620)	(5,906)	(568,526)	(187,849)
Due to and advances from other funds	(168,057)	-	(168,057)	208,648
Employer contributions	(32,902)	(4,223)	(37,125)	-
Accounts payable and accrued liabilities	424,516	(3,660)	420,856	(150,487)
Compensated absences	10,618	(498)	10,120	8,621
Customer deposits	30,981	-	30,981	30,838
	<u>\$ 4,181,789</u>	<u>\$ 773,750</u>	<u>\$ 4,955,539</u>	<u>\$ 4,748,077</u>
Net cash provided by operating activities				
<b>Supplemental Disclosure of Noncash Capital and Related Financing Activities</b>				
Capital Contributions	\$ 142,216	\$ 183,280	\$ 325,496	\$ 6,263,044



## **Notes to Financial Statements**

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

**Note 1: Summary of Significant Accounting Policies**

The City of Bedford, Texas (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, deferred outflows of resources, liabilities and deferred inflows of resources, 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. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable or those which would be misleading to exclude. 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, 2015**

***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.
- **Capital Projects** – to account for construction projects authorized for the General and Contractual Obligation Series 2014 bond issues.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

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.

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.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

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.

***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.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

***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.

***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.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

***Defined Benefit Pension Plans***

For purposes of measuring the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense, City specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's fiduciary net position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

***Defined Contribution and Deferred Compensation Pension Plans***

The City offers its employees both a defined contribution and deferred compensation plan created in accordance with Internal Revenue Code Section 401 (a) and 457 (b), respectively, which are administered by the International City Management Association Retirement Corporation (ICMA-RC). Since the City does not administer either plan through a trust or equivalent arrangement as defined by the standards of GASB Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, neither is included in the financial statements of the City. Effective April 1, 2015 the 401 (a) account was closed through City of Bedford City Council resolution; and as such, all TMRS eligible employees of the City have fully transferred to the TMRS defined benefit plan.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
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- Employer Contributions – Pensions – These contributions are those made after the measurement date through the fiscal year end (January 1st – September 30th) resulting in a cash outlay not yet recognized under GASB 68. This amount is deferred and recognized in the following fiscal year.
- Investment difference – Pensions – These amounts represent the difference in projected and actual earnings on pension plan assets. These differences are deferred and amortized over a closed five year period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 that time. The City has the following items that qualify for reporting in this category.

- Experience difference – Pensions – These amounts represent the difference in expected and actual pension experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Unavailable revenue – This amount represents uncollected property taxes. This amount is deferred and recognized once payments are made in the following fiscal year.

***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, 2015**

***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. Balances include items not expected to be converted to cash including inventories and prepaid amounts.
- **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, 2015**

***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, 2014, from which the summarized information was derived.

***New Pronouncements***

The City has adopted and implemented the following GASB statements which have become effective for the fiscal year 2015:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, as amended.

- This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer’s financial statements for any actuarially unfunded portion of pension benefits earned to date.
- The adoption of this standard resulted in a restatement of governmental and business-type activities beginning net position balances through recognition of the beginning net pension liability and the beginning deferred outflow of resources for employer contributions made after the measurement date. Adoption of GASB 68 resulted in the following adjustments to net position at October 1, 2014:

	<b>Government-wide Statement of Activities</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net position at September 30, 2014 as previously reported	\$ 22,113,131	\$ 38,227,862
Recording of net pension liability as of September 30, 2014	(8,587,220)	(857,979)
Deferral for pension contributions made after the measurement date	715,070	71,445
Net position at September 30, 2014, as restated	\$ 14,240,981	\$ 37,441,328

**City of Bedford, Texas**  
**Notes to Financial Statements**  
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GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.*

- This statement requires, on adoption of GASB Statement No. 68, the deferral of employer contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the City's fiscal year.

***Reclassifications***

Certain reclassifications have been made to the summarized 2014 financial information to conform to the 2015 financial statement presentation.

**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, 2015, 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.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

Investments at year-end are shown below:

Investment Type	Fair Value	Weighted-Average Maturity
TexCLASS	\$ 202,394	1 day
TexSTAR	1,387,719	1 day
Texas DAILY	486,325	1 day
Lone Star investment public pool	173,362	1 day
Certificates of deposit	<u>7,015,553</u>	351 days
Total	<u>\$ 9,265,353</u>	

The City's investments at September 30, 2015, 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.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

- **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.

***Summary of Deposit and Investment Balances***

Following is a reconciliation of the City’s deposit and investment balances as of September 30, 2015:

	<b>Totals</b>
Investments	\$ 9,265,353
Deposits and cash on hand	17,583,648
	\$ 26,849,001
<b>Government-wide Statement of Net Position</b>	
	<b>Government-wide Statement of Net Position</b>
Cash and cash equivalents	\$ 19,658,776
Investments	5,585,770
Restricted Assets:	
Investments	1,604,455
	\$ 26,849,001

**City of Bedford, Texas**  
**Notes to Financial Statements**  
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**Note 3: Receivables**

Receivables, including amounts due from other governments, as of September 30, 2015, 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	\$ 225,886	\$ 145,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371,714
Sales taxes	2,010,838	-	-	670,279	-	-	-	2,681,117
Franchise	895,823	-	-	-	-	-	-	895,823
Other	58,088	-	-	-	-	-	-	58,088
Accounts	502,665	-	8	-	107,578	4,101,063	212,837	4,924,151
Other	67,521	-	345,978	-	29,353	-	-	442,852
Gross receivables	<u>3,760,821</u>	<u>145,828</u>	<u>345,986</u>	<u>670,279</u>	<u>136,931</u>	<u>4,101,063</u>	<u>212,837</u>	<u>9,373,745</u>
Less allowance for uncollectibles	<u>(39,582)</u>	<u>(25,010)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(321,016)</u>	<u>-</u>	<u>(385,608)</u>
Net total receivables	<u>\$ 3,721,239</u>	<u>\$ 120,818</u>	<u>\$ 345,986</u>	<u>\$ 670,279</u>	<u>\$ 136,931</u>	<u>\$ 3,780,047</u>	<u>\$ 212,837</u>	<u>\$ 8,988,137</u>

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.

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

	<u>Unavailable</u>
Delinquent property taxes receivable (General Fund)	\$ 181,142
Delinquent property taxes receivable (Debt Service Fund)	117,556
Delinquent ambulance receivable (General Fund)	<u>265,967</u>
Total deferred inflows for governmental funds	<u>\$ 564,665</u>

**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 2014 levy was based was \$3,544,790,086. 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, 2015, was \$.4948303 per \$100 of assessed valuation.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
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Taxes are due by January 31 following the levy date. Current tax collection for the year ended September 30, 2015, was 98.3% of the tax levy.

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

**Note 5: Interfund Transfers**

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

Individual fund transfers for the year ended September 30, 2015, were:

	Transfer In				Total
	General	Debt Service	Nonmajor Governmental	Water and Sewer	
Transfers out					
General Fund	\$ -	\$ -	\$ 5,781	\$ -	\$ 5,781
Economic Development 4B	-	1,382,738	-	-	1,382,738
Capital Projects	-	2,990	-	-	2,990
Nonmajor governmental	85,000	-	-	-	85,000
Water and Sewer	2,177,046	-	-	-	2,177,046
Stormwater Utility	302,744	-	-	129,957	432,701
Total transfers out	<u>\$ 2,564,790</u>	<u>\$ 1,385,728</u>	<u>\$ 5,781</u>	<u>\$ 129,957</u>	<u>\$ 4,086,256</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. As of September 30, 2015 the only interfund balances outstanding were between the General and Stormwater Utility funds as follows:

	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, 2015**

**Note 7: Capital Assets**

The following tables summarize changes in capital assets during the year ended September 30, 2015:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 7,261,343	\$ -	\$ -	\$ -	\$ 7,261,343
Construction in progress	1,923,952	2,201,910	-	(1,220,276)	2,905,586
Total assets not being depreciated	<u>9,185,295</u>	<u>2,201,910</u>	<u>-</u>	<u>(1,220,276)</u>	<u>10,166,929</u>
Capital assets, being depreciated					
Buildings	25,524,278	43,000	-	-	25,567,278
Equipment	26,595,088	2,763,157	(28,600)	-	29,329,645
Improvements other than buildings	123,026,898	146,745	-	1,220,276	124,393,919
Total capital assets being depreciated	<u>175,146,264</u>	<u>2,952,902</u>	<u>(28,600)</u>	<u>1,220,276</u>	<u>179,290,842</u>
Less accumulated depreciation					
Buildings	(11,354,908)	(756,754)	-	-	(12,111,662)
Equipment	(23,375,197)	(1,157,508)	28,600	-	(24,504,105)
Improvement other than buildings	(106,836,918)	(2,939,578)	-	-	(109,776,496)
Total accumulated depreciation	<u>(141,567,023)</u>	<u>(4,853,840)</u>	<u>28,600</u>	<u>-</u>	<u>(146,392,263)</u>
Total capital assets being depreciated, net	<u>33,579,241</u>	<u>(1,900,938)</u>	<u>-</u>	<u>1,220,276</u>	<u>32,898,579</u>
Governmental activities capital assets, net	<u>\$ 42,764,536</u>	<u>\$ 300,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,065,508</u>
<b>Business-type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 100,255	\$ -	\$ -	\$ -	\$ 100,255
Construction in progress	5,685,915	2,177,133	-	(5,001,042)	2,862,006
Total assets not being depreciated	<u>5,786,170</u>	<u>2,177,133</u>	<u>-</u>	<u>(5,001,042)</u>	<u>2,962,261</u>
Capital assets, being depreciated					
Buildings	518,600	28,842	-	-	547,442
Equipment	3,356,771	560,807	(5,045)	-	3,912,533
Utility distributions	72,254,015	355,893	-	5,001,042	77,610,950
Total capital assets being depreciated	<u>76,129,386</u>	<u>945,542</u>	<u>(5,045)</u>	<u>5,001,042</u>	<u>82,070,925</u>
Less accumulated depreciation					
Buildings	(518,600)	(5,768)	-	-	(524,368)
Equipment	(3,169,435)	(187,216)	5,045	-	(3,351,606)
Utility distributions	(30,408,091)	(1,864,828)	-	-	(32,272,919)
Total accumulated depreciation	<u>(34,096,126)</u>	<u>(2,057,812)</u>	<u>5,045</u>	<u>-</u>	<u>(36,148,893)</u>
Total capital assets being depreciated, net	<u>42,033,260</u>	<u>(1,112,270)</u>	<u>-</u>	<u>5,001,042</u>	<u>45,922,032</u>
Business-type activities capital assets, net	<u>\$ 47,819,430</u>	<u>\$ 1,064,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,884,293</u>

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

**Governmental Activities**

General government	\$ 122,323
Community services	62,307
Public services	2,717,801
Public safety	1,032,310
Leisure services	896,502
Administrative services	<u>22,597</u>

Total depreciation expense – governmental activities \$ 4,853,840

**Business-type Activities**

Water and sewer	\$ 1,719,243
Stormwater collection and disposal	<u>338,569</u>

Total depreciation expense – business-type activities \$ 2,057,812

**Note 8: Long-term Liabilities**

The following is a summary of the long-term liabilities of the City for the year ended September 30, 2015:

	Beginning Balance (Restated)	Additions	Retirements	Ending Balance	Amounts Due Within One-Year
<b>Governmental Activities</b>					
General/Contractual obligation bonds	\$ 38,115,000	\$ -	\$ (5,690,000)	\$ 32,425,000	\$ 5,610,000
Premium on debt	1,099,138	-	(156,473)	942,665	156,473
Capital lease	395,817	-	(85,675)	310,142	88,767
Compensated absences	3,119,377	2,061,081	(1,973,019)	3,207,439	1,069,147
Net pension liability	8,587,220	1,427,392	-	10,014,612	-
Other post-employment benefits	<u>209,290</u>	<u>96,646</u>	<u>-</u>	<u>305,936</u>	<u>-</u>
Governmental activities long-term liabilities	<u><u>\$ 51,525,842</u></u>	<u><u>\$ 3,585,119</u></u>	<u><u>\$ (7,905,167)</u></u>	<u><u>\$ 47,205,794</u></u>	<u><u>\$ 6,924,387</u></u>
<b>Business-type Activities</b>					
Certificates of obligation	\$ 17,335,000	\$ -	\$ (955,000)	\$ 16,380,000	\$ 990,000
Premiums on debt	124,022	-	(11,062)	112,960	11,062
Compensated absences	169,447	211,540	(181,182)	199,805	66,602
Net pension liability	857,979	151,265	-	1,009,244	-
Other post-employment benefits	<u>128,274</u>	<u>59,236</u>	<u>-</u>	<u>187,510</u>	<u>-</u>
Business-type activities long-term liabilities	<u><u>\$ 18,614,722</u></u>	<u><u>\$ 422,041</u></u>	<u><u>\$ (1,147,244)</u></u>	<u><u>\$ 17,889,519</u></u>	<u><u>\$ 1,067,664</u></u>

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Governmental long-term debt consists of the following individual issues at September 30, 2015:

Series	Original Issue	Interest Rate	Debt Outstanding
<b>General Obligation and Contractual Bonds</b>			
Series 2004 General Obligation Refunding Bonds	\$ 12,350,000	2.4% – 5.0%	\$ 930,000
Series 2005 General Obligation Refunding Bonds	28,600,000	3.25% – 5.0%	10,070,000
Series 2007 General Obligation Bonds	4,000,000	3.875% – 5.0%	2,795,000
Series 2010 General Obligation Bonds	4,885,000	2.0% – 5.0%	4,170,000
Series 2011 General Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	2,685,000
Series 2011 General Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	1,780,000
Series 2013 General Obligation Refunding and Improvement Bonds	5,375,000	2.0% – 4.0%	4,810,000
Series 2014 General Obligation Bonds	3,200,000	2.0% – 4.0%	3,095,000
Series 2014 Public Property Finance Contractual Obligations	2,300,000	1.0% – 2.5%	<u>2,090,000</u>
Total General Obligation and Contractual Bonds			<u>\$ 32,425,000</u>

Business-type long-term debt consists of the following individual issues at September 30, 2015:

Series	Original Issue	Interest Rate	Debt Outstanding
<b>Certificates of Obligation</b>			
Series 2007 Certificates of Obligation	\$ 4,975,000	3.875% – 4.25%	\$ 3,475,000
Series 2010 Certificates of Obligation	2,035,000	3.0% – 4.125%	1,740,000
Series 2011 Certificates of Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	3,345,000
Series 2011 Combination Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	3,515,000
Series 2012 Combination Tax and Revenue Certificates of Obligation	630,000	0.09% – 1.4%	540,000
Series 2012A Combination Tax and Revenue Certificates of Obligation	4,270,000	1.0% – 2.75%	<u>3,765,000</u>
Total Certificates of Obligation			<u>\$ 16,380,000</u>

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The annual debt service requirement to amortize the bonds, certificates of obligation and capital lease obligations outstanding at September 30, 2015, follows:

Governmental Activities:

Year Ending September 30,	General Obligation Bonds	Capital Lease	Interest	Total
2016	\$ 5,610,000	\$ 88,767	\$ 1,094,238	\$ 6,793,005
2017	5,520,000	91,973	862,406	6,474,379
2018	4,310,000	95,297	658,384	5,063,681
2019	2,135,000	34,105	539,867	2,708,972
2020	2,160,000	-	476,784	2,636,784
2021 – 2025	7,250,000	-	1,600,961	8,850,961
2026 – 2030	4,140,000	-	651,652	4,791,652
2031 – 2034	1,300,000	-	93,398	1,393,398
	<u>\$ 32,425,000</u>	<u>\$ 310,142</u>	<u>\$ 5,977,690</u>	<u>\$ 38,712,832</u>

Business-type Activities:

Year Ending September 30,	Certificate of Obligations	Interest	Total
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	935,000	438,296	1,373,296
2020	965,000	438,296	1,403,296
2021 – 2025	5,440,000	1,724,376	7,164,376
2026 – 2030	4,940,000	750,831	5,690,831
2031 – 2032	1,025,000	74,524	1,099,524
	<u>\$ 16,380,000</u>	<u>\$ 4,912,672</u>	<u>\$ 21,292,672</u>

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**Note 9: Retirement Plan**

***Plan Description***

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. The plan provisions as 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](http://www.TMRS.com).

All eligible employees of the City are required to participate in TMRS.

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:

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

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Membership in the Plan by membership class at December 31, 2014, (measurement date), is as follows:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not receiving benefits	72
Active employees	327
 Total	 432

**Contributions**

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees are required to contribute 5% of their annual gross earnings during the fiscal year. 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.

During plan year 2015 the City passed an ordinance increasing the employee contribution rate from 5% to 7%. This plan change resulted in a 1.81% increase in the overall employer contribution rate as included in the 2016 employer contribution rate letter. This effect among other smaller adjustments brought the employer contribution rate from 6.19% to 8.02% from plan years 2015 to 2016, respectively.

Contributions to the Plan by the City for the year ended September 30, 2015, were \$1,399,303.

**Net Pension Liability**

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

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Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
Total	100.00%	

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**Discount Rate:** The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the total pension liability, plan fiduciary net position and the net pension liability through the year ended September 30, 2015, were as follows:

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability(a) - (b)</b>
Balances as of 9/30/2014	\$ 18,629,880	\$ 9,184,681	\$ 9,445,199
Changes for the year:			
Service cost	1,588,982	-	1,588,982
Interest on total pension liability	1,439,551	-	1,439,551
Effect of plan changes	1,308,563	-	1,308,563
Effect of difference in expected and actual experience	(233,110)	-	(233,110)
Benefit payments	(335,835)	(335,835)	-
Administrative expenses	-	(5,486)	5,486
Member contributions	-	972,517	(972,517)
Net investment income	-	525,939	(525,939)
Employer contributions	-	1,032,810	(1,032,810)
Other	-	(451)	451
Net changes	<u>3,768,151</u>	<u>2,189,494</u>	<u>1,578,657</u>
Balances as of 9/30/15	<u>\$ 22,398,031</u>	<u>\$ 11,374,175</u>	<u>\$ 11,023,856</u>

**Sensitivity to Interest Rate Changes:** The following presents the net pension liability of the City calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Single Rate Assumption (7.00%)</b>	<b>1% Increase (8.00%)</b>
City's net pension liability	<u>\$ 14,048,980</u>	<u>\$ 11,023,856</u>	<u>\$ 8,382,098</u>

**Pension Plan Fiduciary Net Position:** Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** For the year ended September 30, 2015, the City recognized pension expense, as measured in accordance with GASB Statement No. 68, of \$2,724,846, and at September 30, 2015, reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (206,970)
Difference between projected and actual earnings on pension plan investments	93,591	-
Contributions subsequent to the measurement date	1,153,008	-
	\$ 1,246,599	\$ (206,970)

For the year ended September 30, 2015, the City reported \$1,153,008 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date and prior to year-end. This amount will be recognized as a reduction in the net pension liability at September 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

<b>Year Ending September 30</b>		
2016	\$	(2,742)
2017		(2,742)
2018		(2,742)
2019		(2,743)
2020		(26,140)
Thereafter		(76,270)
	\$	(113,379)

**Subsequent event:** Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long-term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be a large as originally projected.

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While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change. Accordingly, the City has included in its approved fiscal year 2016 budget to continue to fund pension contributions above the required ADC which will help smooth impacts of any increases in the required ADC for fiscal year 2017.

**Note 10: Defined Contribution Plan**

***Plan Description***

The City participates in a money purchase defined contribution plan (401 (a) Plan) administered by ICMA-RC which is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. Contributions to the plan on behalf of employees are tax deferred until time of withdrawal and are established through ordinance of the City.

For fiscal year 2015, the employer contribution rate was 4% of participating employee payroll. Vesting is attained after 7 years of service and eligible employees at the age of 55 may seek retirement benefits. Pension expense, as recognized by the City for fiscal year 2015 under the 401 (a) Plan was \$233,566 which included forfeitures of \$26,847. For the fiscal year ended September 30, 2015, no related pension liability was outstanding.

**Note 11: 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 No. 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.

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.

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*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.

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.

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- 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.
- 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.

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

***Applicability***

This policy applies to all regular full-time employees.

***Definitions***

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

***Policy Authority***

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

***Implementation Procedures***

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

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

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

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*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 12: 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.
- Enroll for retiree health coverage within 30 days of the date of termination.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

***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 No. 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:

	<b>September 30,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Annual required contribution	\$ 243,772	\$ 97,796	\$ 97,796
Interest on prior year net OPEB obligation	15,190	14,306	12,881
Adjustment to annual required contribution	<u>(23,954)</u>	<u>(20,970)</u>	<u>(18,882)</u>
Annual OPEB cost	235,008	91,132	91,795
Contributions made	<u>(79,126)</u>	<u>(71,468)</u>	<u>(60,130)</u>
Increase in net OPEB obligation	155,882	19,664	31,665
Net obligation, beginning of year	<u>337,564</u>	<u>317,900</u>	<u>286,235</u>
Net obligation, end of year	<u><u>\$ 493,446</u></u>	<u><u>\$ 337,564</u></u>	<u><u>\$ 317,900</u></u>
Percentage of OPEB costs contributed	16%	21%	19%

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, 2015**

***Funded Status and Funding Progress***

The funded status of the plan as of actuarial measurement date of December 31, 2014, was as follows:

Actuarial accrued liability	\$ 2,827,600
Actuarial value of plan assets	<u>32,933</u>
Unfunded actuarial accrued liability	<u>\$ 2,794,667</u>
Funded ratio	1.16%
Covered payroll	\$ 2,717,304
Unfunded actuarial accrued liability as a percentage of covered payroll	102.8%

***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, 2014, 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, 2014, was 25 years.

**City of Bedford, Texas**  
**Notes to Financial Statements**  
**September 30, 2015**

**Note 13: 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 (Risk Pool) to provide insurance for workers' compensation benefits, liability and property coverage.

At September 30, 2015, 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 shall remain 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 2015 were approximately \$7,300,000.

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 \$3,704,482 were made in fiscal year 2015. Additionally, \$332,195 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, 2015**

***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 14: Subsequent Events**

On November 10, 2015 City Council unanimously approved issuance of the Series 2015 Combination Tax and Surplus Revenue Certificates of Obligation for the principal amount of \$30,000,000. This issuance is supported by the Water & Sewer fund of the City.

This issuance is offered through the Texas Water Development Board (TWDB) and supported by the assets of SWIFT which was provided to the City in effort to improve water conservation through automatic meter reading and the replacement of water distribution systems.

Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change. Accordingly, the city has included in its approved fiscal year 2016 budget to continue to fund pension contributions above the required ADC which will help smooth impacts of any increases in the required ADC for fiscal year 2017.



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**Required Supplementary Information**

**City of Bedford, Texas**  
**Schedule of Funding Progress**  
**Post-employment Health Care Plan**  
**September 30, 2015**

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]
12/31/2011	OPEB	27,970	\$ 1,138,070	2.5%	\$ 1,110,100	\$ 3,596,883	31%
12/31/2014	OPEB	32,933	2,827,600	1.2%	2,794,667	2,717,304	103%

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.

Under the reporting parameters, the City's retiree health care plan is 1.2% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$2,794,667 at December 31, 2014. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 103%.

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

**City of Bedford, Texas**  
**Schedule of Changes in the City's Net Pension Liability and Related Ratios**

	<b>2014</b>
<b>Total Pension Liability:</b>	
Service cost	\$ 1,588,982
Interest (on the Total Pension Liability)	1,439,551
Changes in benefit terms	1,308,563
Differences between expected and actual experience	(233,110)
Benefit payments, including refunds of employee contributions	(335,835)
Net change in total pension liability	3,768,151
Total pension liability – Beginning	18,629,880
Total pension liability – Ending (a)	\$ 22,398,031
 <b>Plan Fiduciary Net Position:</b>	
Contributions – employer	\$ 1,032,810
Contributions – employee	972,517
Net investment income	525,939
Benefit payments, including refunds of employee contributions	(335,835)
Administrative expense	(5,486)
Other	(451)
Net change in plan fiduciary net position	2,189,494
Plan fiduciary net position – Beginning	9,184,681
Plan fiduciary net position – Ending (b)	\$ 11,374,175
City's net pension liability – Ending (a) – (b)	\$ 11,023,856
Plan fiduciary net position as a percentage of the total pension liability	50.78%
Covered employee payroll	\$ 19,450,346
City's net pension liability as a percentage of covered employee payroll	56.68%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

**City of Bedford, Texas**  
**Schedule of City Contributions**  
**September 30, 2015**

Actuarially determined contribution	\$	1,203,976
Contributions in relation to the actuarially determined contribution		<u>1,399,303</u>
Contribution deficiency (excess)		<u>\$ (195,327)</u>
Covered-employee payroll	\$	19,450,346
Contributions as a percentage of covered-payroll		7.19%

**Note to schedule:**

**Valuation Date:**

Actuarial determined contribution rates are calculated as of December 31<sup>st</sup> each year and become effective in January, 12 months and a day later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 – 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

**Other Information:**

There were no benefit changes during the year.

The information in this schedule has been determined as of the City's most recent fiscal year-end and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

**City of Bedford, Texas**  
**Budgetary Comparison Schedule General Fund**  
**Year Ended September 30, 2015**

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes, penalty and interest	\$ 20,558,071	\$ 20,558,071	\$ 20,673,816	\$ 115,745
Licenses and permits	800,800	800,800	871,081	70,281
Charges for services	2,981,600	2,981,600	3,188,436	206,836
Fines and forfeits	1,743,950	1,743,950	1,740,987	(2,963)
Support from other governmental entities	638,500	638,500	547,727	(90,773)
Interest	8,000	8,000	14,328	6,328
Miscellaneous	205,600	230,600	340,911	110,311
	<u>26,936,521</u>	<u>26,961,521</u>	<u>27,377,286</u>	<u>415,765</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
General government				
City Council	123,092	159,592	108,933	50,659
City Manager	516,748	516,748	804,156	(287,408)
City Secretary	245,103	245,103	229,767	15,336
Information systems	572,187	611,687	771,972	(160,285)
Human Resources	333,114	333,114	314,309	18,805
	<u>1,790,244</u>	<u>1,866,244</u>	<u>2,229,137</u>	<u>(362,893)</u>
<b>Total general government</b>				
Community services				
Economic development	105,701	103,701	154,558	(50,857)
Planning and zoning	353,813	353,813	369,908	(16,095)
	<u>459,514</u>	<u>457,514</u>	<u>524,466</u>	<u>(66,952)</u>
<b>Total community services</b>				
Public services				
Facilities maintenance	575,610	575,610	501,360	74,250
Maintenance services	288,846	288,846	249,176	39,670
Streets	1,118,287	1,118,287	1,015,714	102,573
	<u>1,982,743</u>	<u>1,982,743</u>	<u>1,766,250</u>	<u>216,493</u>
<b>Total public services</b>				
Administrative services				
Finance	522,596	522,596	325,335	197,261
Nondepartmental	1,332,350	1,332,350	976,461	355,889
Municipal court	583,982	583,982	604,664	(20,682)
Teen court	167,704	167,704	123,160	44,544
	<u>2,606,632</u>	<u>2,606,632</u>	<u>2,029,620</u>	<u>577,012</u>
<b>Total administrative services</b>				

**City of Bedford, Texas**  
**Budgetary Comparison Schedule General Fund (Continued)**  
**Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Public safety				
Administration	\$ 889,155	\$ 889,155	\$ 750,276	\$ 138,879
Animal control	372,458	372,458	358,442	14,016
Criminal investigation division	1,557,185	1,557,185	1,605,365	(48,180)
Community services	739,094	739,094	725,641	13,453
Code compliance	481,824	481,824	405,738	76,086
SWAT	19,140	19,140	30,313	(11,173)
Patrol	4,303,952	4,303,952	4,210,171	93,781
Traffic	584,912	584,912	554,942	29,970
Dispatch	699,554	669,554	682,832	(13,278)
Jail	842,690	842,690	816,339	26,351
Records	580,730	580,730	555,764	24,966
Fire operations	<u>6,897,753</u>	<u>6,897,753</u>	<u>7,429,648</u>	<u>(531,895)</u>
Total public safety	<u>17,968,447</u>	<u>17,938,447</u>	<u>18,125,471</u>	<u>(187,024)</u>
Leisure services				
Library	1,341,604	1,341,604	1,332,449	9,155
Parks	1,185,001	1,185,001	1,171,379	13,622
Recreation	807,227	807,227	847,779	(40,552)
Senior citizens	219,341	219,341	225,036	(5,695)
Splash	<u>401,142</u>	<u>401,142</u>	<u>419,553</u>	<u>(18,411)</u>
Total leisure services	<u>3,954,315</u>	<u>3,954,315</u>	<u>3,996,196</u>	<u>(41,881)</u>
Capital outlay	536,534	888,949	1,077,790	(188,841)
Debt service	<u>99,741</u>	<u>99,741</u>	<u>99,741</u>	<u>-</u>
Total expenditures	<u>29,398,170</u>	<u>29,794,585</u>	<u>29,848,671</u>	<u>(54,086)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,461,649)</u>	<u>(2,833,064)</u>	<u>(2,471,385)</u>	<u>361,679</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,564,789	2,564,789	2,564,790	1
Transfer out	(340,000)	(340,000)	(5,781)	334,219
Proceeds from sale of capital asset	-	-	35,550	35,550
Insurance proceeds	<u>-</u>	<u>-</u>	<u>27,485</u>	<u>27,485</u>
Total other financing sources (uses)	<u>2,224,789</u>	<u>2,224,789</u>	<u>2,622,044</u>	<u>397,255</u>
<b>Net Changes in Fund Balance</b>	(236,860)	(608,275)	150,659	758,934
<b>Fund Balance, Beginning of Year</b>	<u>7,375,923</u>	<u>7,375,923</u>	<u>7,375,923</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 7,139,063</u>	<u>\$ 6,767,648</u>	<u>\$ 7,526,582</u>	<u>\$ 758,934</u>

**City of Bedford, Texas**  
**Budgetary Comparison Schedule**  
**Economic Development 4B Fund**  
**Year Ended September 30, 2015**

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes, penalty and interest	\$ 2,625,000	\$ 2,625,000	\$ 3,425,613	\$ 800,613
Interest	3,000	3,000	3,612	612
Total revenues	<u>2,628,000</u>	<u>2,628,000</u>	<u>3,429,225</u>	<u>801,225</u>
<b>Expenditures</b>				
Current				
Public services	2,199,580	2,199,580	856,727	1,342,853
Capital outlay	180,800	180,800	174,279	6,521
Total expenditures	<u>2,380,380</u>	<u>2,380,380</u>	<u>1,031,006</u>	<u>1,349,374</u>
Excess (deficiency) of revenues over expenditures	247,620	247,620	2,398,219	2,150,599
<b>Other Financing Sources (Uses)</b>				
Transfers out	(1,382,738)	(1,382,738)	(1,382,738)	30,257
<b>Net Changes in Fund Balance</b>	(1,135,118)	(1,135,118)	1,015,481	2,180,856
<b>Fund Balance, Beginning of Year</b>	<u>2,697,890</u>	<u>2,697,890</u>	<u>2,697,890</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,562,772</u>	<u>\$ 1,562,772</u>	<u>\$ 3,713,371</u>	<u>\$ 2,150,599</u>



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**City of Bedford, Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2015**

**Stewardship, Compliance and Accountability**

***Budgetary Information***

Annual budgets are adopted for the General, Debt Service, Court Security, Court Technology, Drug Forfeiture, Tourism Development, Park Donation, Bedford Beautification, Economic Development, Red Light Cameras and Public Safety Training funds using the modified accrual basis of accounting.

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

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



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## **Combining Fund Statements and Schedules**



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## **Special Revenue Funds**

**Special Revenue Funds** are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City's nonmajor special revenue funds are as follows:

**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.

**Library Technology Fund** – This fund is used for monies collected under state statute designed to provide increased technology for the Bedford Public Library.

**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.

**Public Safety 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, 2015**

	<b>Miscellaneous Donation</b>	<b>Court Security</b>	<b>Court Technology</b>	<b>Library Technology</b>	<b>Park Donation</b>	<b>Drug Forfeiture</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 242,872	\$ 6,022	\$ 87,081	\$ 35,027	\$ 43,524	\$ 73,787
Investments	-	-	50,000	-	-	-
Receivables						
Accounts	258	-	-	-	603	10,152
Other	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 243,130</u>	<u>\$ 6,022</u>	<u>\$ 137,081</u>	<u>\$ 35,027</u>	<u>\$ 44,127</u>	<u>\$ 83,939</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts and contract payable	\$ 4,418	\$ -	\$ 218	\$ -	\$ -	\$ 2,639
Unearned revenue	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,418</u>	<u>-</u>	<u>218</u>	<u>-</u>	<u>-</u>	<u>2,639</u>
<b>Fund balances – Restricted for:</b>						
Public Safety	-	6,022	136,863	-	-	81,300
Parks and beautification	-	-	-	-	44,127	-
Other	238,712	-	-	35,027	-	-
	<u>238,712</u>	<u>-</u>	<u>-</u>	<u>35,027</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>238,712</u>	<u>6,022</u>	<u>136,863</u>	<u>35,027</u>	<u>44,127</u>	<u>81,300</u>
Total liabilities and fund balances	<u>\$ 243,130</u>	<u>\$ 6,022</u>	<u>\$ 137,081</u>	<u>\$ 35,027</u>	<u>\$ 44,127</u>	<u>\$ 83,939</u>

<b>Bedford Beautification</b>	<b>Public Safety Training</b>	<b>Tourism Development</b>	<b>Local Law Enforcement Block Grant</b>	<b>Regional Fire Grant</b>	<b>Red Light Cameras</b>	<b>NETCO/ Motorola Rebanding</b>	<b>Various Grants</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 50,925	\$ 24,470	\$ 743,286	\$ 1,117	\$ 5,032	\$ 19,494	\$ 3,769	\$ 249,166	\$ 1,585,572
-	-	-	-	-	-	-	-	50,000
-	-	96,565	-	-	-	-	-	107,578
-	-	-	-	-	9,684	-	19,669	29,353
<u>\$ 50,925</u>	<u>\$ 24,470</u>	<u>\$ 839,851</u>	<u>\$ 1,117</u>	<u>\$ 5,032</u>	<u>\$ 29,178</u>	<u>\$ 3,769</u>	<u>\$ 268,835</u>	<u>\$ 1,772,503</u>
\$ 20	\$ -	\$ 127,704	\$ -	\$ -	\$ 6,871	\$ -	\$ 5,015	\$ 146,885
-	-	19,040	-	-	-	-	-	19,040
<u>20</u>	<u>-</u>	<u>146,744</u>	<u>-</u>	<u>-</u>	<u>6,871</u>	<u>-</u>	<u>5,015</u>	<u>165,925</u>
-	24,470	-	1,117	5,032	22,307	-	-	277,111
50,905	-	-	-	-	-	-	-	95,032
-	-	693,107	-	-	-	3,769	263,820	1,234,435
<u>50,905</u>	<u>24,470</u>	<u>693,107</u>	<u>1,117</u>	<u>5,032</u>	<u>22,307</u>	<u>3,769</u>	<u>263,820</u>	<u>1,606,578</u>
<u>\$ 50,925</u>	<u>\$ 24,470</u>	<u>\$ 839,851</u>	<u>\$ 1,117</u>	<u>\$ 5,032</u>	<u>\$ 29,178</u>	<u>\$ 3,769</u>	<u>\$ 268,835</u>	<u>\$ 1,772,503</u>

**City of Bedford, Texas**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended September 30, 2015**

	Miscellaneous Donation	Court Security	Court Technology	Library Technology	Park Donation	Drug Forfeiture
<b>Revenues</b>						
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-	-	-
Fines and forfeitures	-	41,390	55,187	-	-	-
Support from governmental entities	-	-	-	-	-	32,064
Interest	910	52	270	27	166	275
Miscellaneous	115,199	-	-	-	14,233	-
<b>Total revenues</b>	<b>116,109</b>	<b>41,442</b>	<b>55,457</b>	<b>27</b>	<b>14,399</b>	<b>32,339</b>
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	-
Community services	30,464	-	-	-	-	-
Public safety	-	-	-	-	2,066	21,117
Administrative services	2,607	9,551	15,762	-	-	-
Leisure services	47,097	-	-	-	-	-
Capital outlay	-	-	43,964	-	-	-
<b>Total Expenditures</b>	<b>80,168</b>	<b>9,551</b>	<b>59,726</b>	<b>-</b>	<b>2,066</b>	<b>21,117</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>35,941</b>	<b>31,891</b>	<b>(4,269)</b>	<b>27</b>	<b>12,333</b>	<b>11,222</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	5,781
Transfers out	-	(40,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(40,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,781</b>
<b>Net Change in Fund Balances</b>	<b>35,941</b>	<b>(8,109)</b>	<b>(4,269)</b>	<b>27</b>	<b>12,333</b>	<b>17,003</b>
<b>Fund Balances, Beginning of Year</b>	<b>202,771</b>	<b>14,131</b>	<b>141,132</b>	<b>35,000</b>	<b>31,794</b>	<b>64,297</b>
<b>Fund Balances, End of Year</b>	<b>\$ 238,712</b>	<b>\$ 6,022</b>	<b>\$ 136,863</b>	<b>\$ 35,027</b>	<b>\$ 44,127</b>	<b>\$ 81,300</b>

Bedford Beautification	Public Safety Training	Tourism Development	Local Law Enforcement Block Grant	Regional Fire Grant	Red Light Cameras	NETCO/ Motorola Rebanding	Various Grants	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,027,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,027,473
-	-	402,699	-	-	-	-	-	402,699
-	-	-	-	-	111,442	-	-	208,019
-	-	-	-	-	-	-	68,155	100,219
167	16	585	-	4	70	2	206	2,750
10,000	5,708	359	-	-	-	-	-	145,499
<u>10,167</u>	<u>5,724</u>	<u>1,431,116</u>	<u>-</u>	<u>4</u>	<u>111,512</u>	<u>2</u>	<u>68,361</u>	<u>1,886,659</u>
-	-	-	-	-	-	-	-	-
-	-	1,127,396	-	-	-	-	-	1,157,860
-	-	-	-	-	129,594	-	68,157	220,934
-	-	-	-	-	-	-	-	27,920
3,058	-	-	-	-	-	-	-	50,155
-	-	43,000	-	-	-	-	-	86,964
<u>3,058</u>	<u>-</u>	<u>1,170,396</u>	<u>-</u>	<u>-</u>	<u>129,594</u>	<u>-</u>	<u>68,157</u>	<u>1,543,833</u>
<u>7,109</u>	<u>5,724</u>	<u>260,720</u>	<u>-</u>	<u>4</u>	<u>(18,082)</u>	<u>2</u>	<u>204</u>	<u>342,826</u>
-	-	-	-	-	-	-	-	5,781
-	-	(45,000)	-	-	-	-	-	(85,000)
-	-	(45,000)	-	-	-	-	-	(79,219)
7,109	5,724	215,720	-	4	(18,082)	2	204	263,607
43,796	18,746	477,387	1,117	5,028	40,389	3,767	263,616	1,342,971
<u>\$ 50,905</u>	<u>\$ 24,470</u>	<u>\$ 693,107</u>	<u>\$ 1,117</u>	<u>\$ 5,032</u>	<u>\$ 22,307</u>	<u>\$ 3,769</u>	<u>\$ 263,820</u>	<u>\$ 1,606,578</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, 2015**

	<b>Court Security</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Budget</b>
<b>Revenues</b>				
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Fines and forfeitures	40,000	40,000	41,390	1,390
Support from governmental entities	-	-	-	-
Interest	-	-	52	52
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>40,000</u>	<u>40,000</u>	<u>41,442</u>	<u>1,442</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	-
Administrative services	-	-	9,551	(9,551)
Community services	-	-	-	-
Public safety	-	-	-	-
Public service	-	-	-	-
Leisure	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>9,551</u>	<u>(9,551)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>40,000</u>	<u>40,000</u>	<u>31,891</u>	<u>10,993</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(40,000)	(40,000)	(40,000)	-
<b>Total other financing sources (uses)</b>	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	-	(8,109)	10,993
<b>Fund Balances, Beginning of Year</b>	<u>14,131</u>	<u>14,131</u>	<u>14,131</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 14,131</u>	<u>\$ 14,131</u>	<u>\$ 6,022</u>	<u>\$ 10,993</u>

Court Technology				Park Donation			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
65,000	65,000	55,187	(9,813)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	270	270	-	-	166	166
-	-	-	-	12,050	12,050	14,233	2,183
<u>65,000</u>	<u>65,000</u>	<u>55,457</u>	<u>(9,543)</u>	<u>12,050</u>	<u>12,050</u>	<u>14,399</u>	<u>2,349</u>
-	-	-	-	-	-	-	-
29,310	29,310	15,762	13,548	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	25,000	25,000	-	25,000
-	-	-	-	-	-	2,066	(2,066)
<u>50,475</u>	<u>50,475</u>	<u>43,964</u>	<u>6,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>79,785</u>	<u>79,785</u>	<u>59,726</u>	<u>20,059</u>	<u>25,000</u>	<u>25,000</u>	<u>2,066</u>	<u>22,934</u>
<u>(14,785)</u>	<u>(14,785)</u>	<u>(4,269)</u>	<u>10,516</u>	<u>(12,950)</u>	<u>(12,950)</u>	<u>12,333</u>	<u>25,283</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(14,785)</u>	<u>(14,785)</u>	<u>(4,269)</u>	<u>10,516</u>	<u>(12,950)</u>	<u>(12,950)</u>	<u>12,333</u>	<u>25,283</u>
<u>141,132</u>	<u>141,132</u>	<u>141,132</u>	<u>-</u>	<u>31,794</u>	<u>31,794</u>	<u>31,794</u>	<u>-</u>
<u>\$ 126,347</u>	<u>\$ 126,347</u>	<u>\$ 136,863</u>	<u>\$ 10,516</u>	<u>\$ 18,844</u>	<u>\$ 18,844</u>	<u>\$ 44,127</u>	<u>\$ 25,283</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, 2015**

	Drug Forfeiture			
	Original Budget	Final Budget	Actual	Variance from Budget
<b>Revenues</b>				
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Fines and forfeitures	-	-	-	-
Support from governmental entities	40,000	40,000	32,064	(7,936)
Interest	-	-	275	275
Miscellaneous	-	-	-	-
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>32,339</u>	<u>(7,661)</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Administrative services	-	-	-	-
Community services	-	-	-	-
Public safety	5,000	5,000	21,117	(16,117)
Public services	-	-	-	-
Leisure	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>21,117</u>	<u>(16,117)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>35,000</u>	<u>35,000</u>	<u>11,222</u>	<u>(23,778)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	5,781	5,781
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,781</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	35,000	35,000	17,003	(23,778)
<b>Fund Balances, Beginning of year</b>	<u>64,297</u>	<u>64,297</u>	<u>64,297</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 99,297</u>	<u>\$ 99,297</u>	<u>\$ 81,300</u>	<u>\$ (23,778)</u>

Bedford Beautification				Public Safety Training			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	167	167	-	-	16	16
10,000	10,000	10,000	-	-	-	5,708	5,708
<u>10,000</u>	<u>10,000</u>	<u>10,167</u>	<u>167</u>	<u>-</u>	<u>-</u>	<u>5,724</u>	<u>5,724</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,000	10,000	3,058	6,942	-	-	-	-
-	-	-	-	-	-	-	-
<u>10,000</u>	<u>10,000</u>	<u>3,058</u>	<u>6,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	7,109	7,109	-	-	5,724	5,724
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	7,109	7,109	-	-	5,724	5,724
43,796	43,796	43,796	-	18,746	18,746	18,746	-
<u>\$ 43,796</u>	<u>\$ 43,796</u>	<u>\$ 50,905</u>	<u>\$ 7,109</u>	<u>\$ 18,746</u>	<u>\$ 18,746</u>	<u>\$ 24,470</u>	<u>\$ 5,724</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, 2015**

	Tourism Development			Variance from Budget
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Taxes, penalty and interest	\$ 750,000	\$ 750,000	\$ 1,027,473	\$ 277,473
Charges for service	374,600	374,600	402,699	28,099
Fines and forfeitures	-	-	-	-
Support from governmental entities	-	-	-	-
Interest	325	325	585	260
Miscellaneous	800	800	359	(441)
Total revenues	<u>1,125,725</u>	<u>1,125,725</u>	<u>1,431,116</u>	<u>305,391</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Administrative services	-	-	-	-
Community services	1,113,953	1,166,853	1,127,396	39,457
Public safety	-	-	-	-
Public services	-	-	-	-
Leisure	-	-	-	-
Capital outlay	-	-	43,000	(43,000)
Total Expenditures	<u>1,113,953</u>	<u>1,166,853</u>	<u>1,170,396</u>	<u>(3,543)</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>11,772</u>	<u>(41,128)</u>	<u>260,720</u>	<u>301,848</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(45,000)	(45,000)	(45,000)	-
Total other financing sources (uses)	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(33,228)	(86,128)	215,720	301,848
<b>Fund Balances, Beginning of Year</b>	<u>477,387</u>	<u>477,387</u>	<u>477,387</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 444,159</u>	<u>\$ 391,259</u>	<u>\$ 693,107</u>	<u>\$ 301,848</u>

Red Light Cameras

Totals

Red Light Cameras				Totals			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ 1,027,473	\$ 277,473
-	-	-	-	374,600	374,600	402,699	28,099
200,000	200,000	111,442	(88,558)	305,000	305,000	208,019	(96,981)
-	-	-	-	40,000	40,000	32,064	(7,936)
-	-	70	70	325	325	1,601	1,276
-	-	-	-	22,850	22,850	30,300	7,450
<u>200,000</u>	<u>200,000</u>	<u>111,512</u>	<u>(88,488)</u>	<u>1,492,775</u>	<u>1,492,775</u>	<u>1,702,156</u>	<u>209,381</u>
-	-	-	-	-	-	-	-
-	-	-	-	29,310	29,310	25,313	3,997
-	-	-	-	1,113,953	1,166,853	1,127,396	39,457
261,962	261,962	129,594	132,368	266,962	291,962	150,711	141,251
-	-	-	-	-	25,000	-	25,000
-	-	-	-	10,000	10,000	5,124	4,876
63,400	63,400	-	63,400	113,875	113,875	86,964	26,911
<u>325,362</u>	<u>325,362</u>	<u>129,594</u>	<u>195,768</u>	<u>1,534,100</u>	<u>1,637,000</u>	<u>1,395,508</u>	<u>241,492</u>
<u>(125,362)</u>	<u>(125,362)</u>	<u>(18,082)</u>	<u>107,280</u>	<u>(41,325)</u>	<u>(144,225)</u>	<u>306,648</u>	<u>450,873</u>
-	-	-	-	-	-	5,781	5,781
-	-	-	-	(85,000)	(85,000)	(85,000)	-
-	-	-	-	(85,000)	(85,000)	(79,219)	5,781
(125,362)	(125,362)	(18,082)	107,280	(126,325)	(229,225)	227,429	456,654
40,389	40,389	40,389	-	831,672	831,672	831,672	-
<u>\$ (84,973)</u>	<u>\$ (84,973)</u>	<u>\$ 22,307</u>	<u>\$ 107,280</u>	<u>\$ 705,347</u>	<u>\$ 602,447</u>	<u>\$ 1,059,101</u>	<u>\$ 456,654</u>



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## **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, 2015**

	<u>Budgeted Amounts</u>		<b>Actual GAAP Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes, penalty and interest	\$ 5,627,869	\$ 5,627,869	\$ 5,602,614	\$ (25,255)
Interest	15,000	15,000	5,323	(9,677)
Miscellaneous	-	-	-	-
Total revenues	<u>5,642,869</u>	<u>5,642,869</u>	<u>5,607,937</u>	<u>(34,932)</u>
<b>Expenditures</b>				
Principal retirement	5,690,000	5,690,000	5,690,000	-
Interest and fiscal agent fees	1,353,258	1,353,258	1,344,167	9,091
Total expenditures	<u>7,043,258</u>	<u>7,043,258</u>	<u>7,034,167</u>	<u>9,091</u>
Excess (deficiency) of revenues over expenditures	<u>(1,400,389)</u>	<u>(1,400,389)</u>	<u>(1,426,230)</u>	<u>(25,841)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,382,738	1,382,739	1,385,728	2,989
Total other financing sources (uses)	<u>1,382,738</u>	<u>1,382,739</u>	<u>1,385,728</u>	<u>2,989</u>
<b>Net Change in Fund Balance</b>	(17,651)	(17,650)	(40,502)	(22,852)
<b>Fund Balance, Beginning of Year</b>	<u>977,409</u>	<u>977,409</u>	<u>977,409</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 959,758</u>	<u>\$ 959,759</u>	<u>\$ 936,907</u>	<u>\$ (22,852)</u>



**Statistical Section (Unaudited)**



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## 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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#### **Debt Capacity**

These schedules contain trend information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.....80

#### **Demographic and Economic Information**

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#### **Operating Information**

The schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs .....88

Sources: Unless otherwise noted, the information in these schedules are derived from Comprehensive Annual Financial Reports for the relevant year.



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## **Financial Trends**



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

**Table 1**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 20,152,043	\$ 18,066,323	\$ 14,984,593	\$ 15,746,263	\$ 15,639,418	\$ 18,342,224	\$ 18,908,115	\$ 14,323,066	\$ 10,378,086	\$ 12,689,825
Restricted	10,170,951	10,684,040	9,252,835	8,175,954	7,306,010	3,638,843	5,213,292	8,426,186	6,081,351	6,583,532
Unrestricted	8,718,258	10,515,405	11,143,963	6,437,967	6,795,025	4,537,414	1,035,005	(20,696)	5,653,694	(3,086,535)
Total governmental activities net position	<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>	<u>\$ 22,113,131</u>	<u>\$ 16,186,822</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 27,720,235	\$ 28,252,592	\$ 25,633,370	\$ 27,674,312	\$ 26,993,812	\$ 26,915,595	\$ 25,139,719	\$ 20,170,192	\$ 32,812,435	\$ 33,942,144
Restricted	633,948	775,601	574,491	576,397	576,397	-	-	-	158,872	-
Unrestricted	4,368,465	2,873,279	3,846,498	985,709	1,547,031	3,806,277	7,136,012	11,845,248	5,256,555	4,062,030
Total business-type activities, net position	<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>	<u>\$ 38,227,862</u>	<u>\$ 38,004,174</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 47,872,278	\$ 46,318,915	\$ 40,617,963	\$ 43,420,575	\$ 42,633,230	\$ 45,257,819	\$ 44,047,834	\$ 34,493,258	\$ 43,190,521	\$ 46,631,969
Restricted	10,804,899	11,459,641	9,827,326	8,752,351	7,882,407	3,638,843	5,213,292	8,426,186	6,240,223	6,583,532
Unrestricted	13,086,723	13,388,684	14,990,461	7,423,676	8,342,056	8,343,691	8,171,017	11,824,552	10,910,249	975,495
Total primary government net position	<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>	<u>\$ 60,340,993</u>	<u>\$ 54,190,996</u>

\*Amounts for 2015 were restated from the effects of GASB Statement No. 68 implementation.

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

	Fiscal Year			
	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities				
General government and administration	\$ 3,445,079	\$ 3,837,032	\$ 3,824,933	\$ 4,184,723
Community services	1,393,991	1,549,822	1,847,222	2,270,248
Public services	7,914,908	7,636,447	10,375,836	8,185,269
Public safety	15,393,011	17,342,223	17,811,789	19,499,698
Leisure services	3,579,489	4,077,063	4,181,914	4,191,990
Interest expense	2,408,480	2,405,086	2,415,600	2,254,217
Total governmental activities expense	<u>34,134,958</u>	<u>36,847,673</u>	<u>40,457,294</u>	<u>40,586,145</u>
Business-type activities				
Water and sewer services	12,217,772	12,025,510	14,178,331	13,999,365
Stormwater collection and disposal	629,715	596,639	722,489	716,601
Total business-type activities expenses	<u>12,847,487</u>	<u>12,622,149</u>	<u>14,900,820</u>	<u>14,715,966</u>
Total primary government program expenses	<u>\$ 46,982,445</u>	<u>\$ 49,469,822</u>	<u>\$ 55,358,114</u>	<u>\$ 55,302,111</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government and administration	\$ 102,348	\$ 119,222	\$ 123,753	\$ 98,178
Community services	613,869	827,940	613,936	266,293
Public services	165,123	150,074	154,155	180,998
Public safety	3,094,688	3,045,090	3,868,960	3,314,907
Leisure services	734,938	749,525	898,200	1,105,972
Operating grants and contributions	655,952	633,460	666,150	735,473
Capital grants and contributions	116,682	340,150	-	-
Total governmental activities program revenues	<u>5,483,600</u>	<u>5,865,461</u>	<u>6,325,154</u>	<u>5,701,821</u>
Business-type activities				
Charges for services				
Water and sewer services	13,786,141	11,969,357	13,250,970	14,539,710
Stormwater collection and disposal	1,317,313	1,326,610	1,308,828	1,291,800
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	300,648	71,486
Total business-type activities program revenues	<u>15,103,454</u>	<u>13,295,967</u>	<u>14,860,446</u>	<u>15,902,996</u>
Total primary government program revenues	<u>\$ 20,587,054</u>	<u>\$ 19,161,428</u>	<u>\$ 21,185,600</u>	<u>\$ 21,604,817</u>

Table 2

		Fiscal Year					
		2010	2011	2012	2013	2014	2015
\$	4,117,515	\$ 3,906,050	\$ 4,796,677	\$ 4,688,432	\$ 5,688,961	\$ 5,393,564	
	1,883,752	1,848,795	1,986,123	2,017,011	1,549,075	1,744,633	
	9,038,955	8,876,104	8,354,007	3,486,148	3,431,383	3,655,287	
	18,500,766	18,358,228	17,292,190	22,828,761	23,669,141	22,264,933	
	4,100,548	4,754,190	3,690,814	3,765,867	3,823,403	4,068,948	
	2,140,046	2,213,384	2,169,120	1,724,511	1,288,725	1,301,208	
	<u>39,781,582</u>	<u>39,956,751</u>	<u>38,288,931</u>	<u>38,510,730</u>	<u>39,450,688</u>	<u>38,428,573</u>	
	15,094,351	16,294,807	15,112,250	15,645,261	16,560,909	16,746,182	
	731,109	950,760	1,336,366	1,256,126	926,258	956,824	
	<u>15,825,460</u>	<u>17,245,567</u>	<u>16,448,616</u>	<u>16,901,387</u>	<u>17,487,167</u>	<u>17,703,006</u>	
\$	<u>55,607,042</u>	<u>57,202,318</u>	<u>54,737,547</u>	<u>55,412,117</u>	<u>56,937,855</u>	<u>56,131,579</u>	
\$	90,428	\$ 88,135	\$ 84,733	\$ 76,647	\$ 86,874	\$ 159,473	
	405,255	1,061,313	652,376	358,167	586,449	274,561	
	210,354	1,362,564	1,687,163	218,646	261,846	1,111,453	
	3,472,196	2,541,942	2,386,756	3,374,638	4,083,939	4,227,029	
	1,001,728	1,129,453	1,174,702	1,158,956	1,210,305	1,126,884	
	3,092,958	711,749	599,111	610,603	599,930	61,067	
	-	1,695,184	44,102	-	93,556	79,783	
	<u>8,272,919</u>	<u>8,590,340</u>	<u>6,628,943</u>	<u>5,797,657</u>	<u>6,922,899</u>	<u>7,040,250</u>	
	16,104,703	19,811,255	18,915,135	17,908,621	18,607,795	19,102,535	
	1,291,249	1,290,285	1,291,856	1,290,624	1,312,932	1,302,656	
	-	-	-	-	-	-	
	267,469	26,446	147,360	-	6,263,044	325,496	
	<u>17,663,421</u>	<u>21,127,986</u>	<u>20,354,351</u>	<u>19,199,245</u>	<u>26,183,771</u>	<u>20,730,687</u>	
\$	<u>25,936,340</u>	<u>29,718,326</u>	<u>26,983,294</u>	<u>24,996,902</u>	<u>33,106,670</u>	<u>27,770,937</u>	

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

	Fiscal Year			
	2006	2007	2008	2009
<b>Net (Expense) Revenues</b>				
Governmental activities	\$ (28,651,358)	\$ (30,982,212)	\$ (34,132,140)	\$ (34,884,324)
Business-type activities	2,255,967	673,818	(40,374)	1,187,030
	<u>(26,395,391)</u>	<u>(30,308,394)</u>	<u>(34,172,514)</u>	<u>(33,697,294)</u>
<b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Governmental activities				
Taxes				
Property	12,482,435	12,716,071	13,227,183	13,486,685
Sales	8,949,089	9,263,121	9,691,349	9,360,239
Franchise	3,229,578	4,481,280	3,195,320	3,407,455
Other	719,393	1,199,052	866,468	753,160
Unrestricted grants and contributions	58,434	26,818	33,737	35,973
Investment earnings	868,272	1,062,938	793,585	344,023
Miscellaneous	265,286	424,331	407,004	423,658
Transfers	1,929,925	2,033,117	2,033,117	2,051,924
	<u>28,502,412</u>	<u>31,206,728</u>	<u>30,247,763</u>	<u>29,863,117</u>
Business-type activities				
Investment earnings	254,588	252,283	226,378	46,935
Miscellaneous	-	-	-	-
Transfers	(1,929,925)	(20,331,117)	(2,033,117)	(2,051,924)
	<u>(1,675,337)</u>	<u>(20,078,834)</u>	<u>(1,806,739)</u>	<u>(2,004,989)</u>
	<u>26,827,075</u>	<u>11,127,894</u>	<u>28,441,024</u>	<u>27,858,128</u>
<b>Change in Net Position</b>				
Government activities	(148,946)	224,516	(3,884,377)	(5,021,207)
Business-type activities	580,630	(19,405,016)	(1,847,113)	(817,959)
	<u>\$ 431,684</u>	<u>\$ (19,180,500)</u>	<u>\$ (5,731,490)</u>	<u>\$ (5,839,166)</u>

Table 2 (Continued)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ (31,508,663)	\$ (31,366,411)	\$ (31,659,988)	\$ (32,713,073)	\$ (32,527,789)	\$ (31,388,323)
<u>1,837,961</u>	<u>3,882,419</u>	<u>3,905,735</u>	<u>2,297,858</u>	<u>8,696,604</u>	<u>3,027,681</u>
<u>(29,670,702)</u>	<u>(27,483,992)</u>	<u>(27,754,253)</u>	<u>(30,415,215)</u>	<u>(23,831,185)</u>	<u>(28,360,642)</u>
13,714,212	13,968,871	13,735,255	14,488,399	14,297,275	14,543,198
9,531,017	9,060,295	9,363,047	9,629,427	9,985,658	11,048,748
3,278,385	3,405,709	3,325,941	3,338,307	3,584,311	3,555,243
869,071	919,452	875,838	901,956	1,028,447	1,236,319
34,631	34,355	-	-	-	-
151,108	131,541	26,459	33,521	43,393	45,552
229,001	451,896	594,715	535,474	466,677	425,314
<u>2,086,467</u>	<u>2,336,631</u>	<u>2,376,664</u>	<u>2,414,451</u>	<u>2,506,603</u>	<u>2,479,790</u>
<u>29,893,892</u>	<u>30,308,750</u>	<u>30,297,919</u>	<u>31,341,535</u>	<u>31,912,364</u>	<u>33,334,164</u>
17,046	55,527	21,051	47,321	22,421	14,955
112,282	3,317	3,734	11,406	-	-
<u>(2,086,467)</u>	<u>(2,336,631)</u>	<u>(2,376,664)</u>	<u>(2,414,451)</u>	<u>(2,506,603)</u>	<u>(2,479,790)</u>
<u>(1,957,139)</u>	<u>(2,277,787)</u>	<u>(2,351,879)</u>	<u>(2,355,724)</u>	<u>(2,484,182)</u>	<u>(2,464,835)</u>
<u>27,936,753</u>	<u>28,030,963</u>	<u>27,946,040</u>	<u>28,985,811</u>	<u>29,428,182</u>	<u>30,869,329</u>
(1,614,771)	(1,057,661)	(1,362,069)	(1,371,538)	(615,425)	1,945,841
<u>(119,178)</u>	<u>1,604,632</u>	<u>1,553,856</u>	<u>(57,866)</u>	<u>6,212,422</u>	<u>562,846</u>
<u>\$ (1,733,949)</u>	<u>\$ 546,971</u>	<u>\$ 191,787</u>	<u>\$ (1,429,404)</u>	<u>\$ 5,596,997</u>	<u>\$ 2,508,687</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									
	2006	2007	2008	2009	2010	2011	2011*	2013	2014	2015
<b>General Fund</b>										
Reserved/nonspendable	\$ 627,581	\$ 534,232	\$ 445,045	\$ 431,320	\$ 336,227	\$ 326,807	\$ 360,284	\$ 357,761	\$ 724,210	\$ 326,676
Restricted	-	-	-	-	-	-	-	-	478,872	-
Unassigned	7,603,569	9,902,948	9,225,455	7,258,376	5,666,237	4,087,163	4,764,530	5,751,658	6,172,841	7,199,906
<b>Total general fund</b>	<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>	<u>\$ 7,375,923</u>	<u>\$ 7,526,582</u>
<b>All Other Governmental Funds</b>										
Reserved/nonspendable	\$ 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	977,409	936,907
Road improvements	-	-	-	-	-	1,815,920	1,824,024	1,832,971	1,839,601	1,848,957
Capital acquisition and construction	-	-	-	-	-	3,254,958	1,830,699	3,274,169	7,015,936	3,207,349
Economic development	-	-	-	-	-	1,183,613	1,501,475	1,903,735	2,697,890	3,713,371
Public safety	-	-	-	-	-	625,514	308,698	248,091	284,840	277,111
Parks and beautification	-	-	-	-	-	83,481	505,923	715,438	982,540	1,234,435
Other	-	-	-	-	-	52,482	54,960	48,909	75,590	95,032
<b>Assigned</b>										
Unreserved, reported in										
Special revenue funds	5,201,608	6,530,516	3,763,105	3,564,887	2,781,166	-	-	-	-	-
Capital projects	3,260,321	2,412,100	4,199,046	3,363,128	3,057,292	-	-	-	-	-
<b>Unassigned</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(204,412)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total all other governmental funds</b>	<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>	<u>\$ 13,873,806</u>	<u>\$ 11,313,162</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes, penalties and interest	\$ 25,322,653	\$ 27,693,033	\$ 26,844,636	\$ 26,881,888	\$ 27,283,735	\$ 27,322,766	\$ 27,950,618	\$ 28,278,856	\$ 29,072,928	\$ 30,729,516
Licenses and permits	802,733	1,014,223	802,498	614,126	710,722	521,463	863,709	456,761	628,484	871,081
Charges for services	1,947,486	2,295,407	2,579,188	2,725,039	2,522,870	2,817,269	2,822,239	3,097,437	3,177,429	3,591,135
Fines and forfeitures	1,038,739	1,142,100	1,353,458	1,515,851	1,920,400	2,109,088	2,078,895	1,502,737	2,220,906	1,949,006
Support from governmental entities	902,951	1,025,420	752,157	923,368	3,034,152	2,329,053	654,732	661,413	689,840	647,946
Interest	868,272	1,062,939	793,585	344,023	151,108	131,541	26,459	33,521	43,393	45,552
Miscellaneous	566,909	972,943	705,769	396,980	300,394	577,387	557,599	622,819	425,913	486,410
<b>Total revenues</b>	<b>31,449,743</b>	<b>35,206,065</b>	<b>33,831,291</b>	<b>33,401,275</b>	<b>35,923,381</b>	<b>35,808,567</b>	<b>34,954,251</b>	<b>34,653,544</b>	<b>36,258,893</b>	<b>38,320,646</b>
<b>Expenditures</b>										
General government	1,609,684	1,975,517	1,884,640	1,865,968	1,881,419	1,637,817	1,574,751	1,627,934	1,791,511	2,229,137
Community services	1,295,893	1,469,188	1,741,022	2,113,053	1,814,002	1,780,483	1,912,686	1,953,414	1,488,981	1,682,326
Public services	2,751,676	2,280,339	5,165,407	2,808,318	3,678,797	3,497,327	2,708,419	2,457,948	2,452,901	2,622,977
Administrative services	1,853,739	1,810,950	1,810,273	1,837,426	1,946,935	1,903,157	2,081,900	1,946,533	2,261,952	2,057,540
Public safety	14,380,728	16,120,214	16,444,533	17,179,678	17,144,215	16,986,248	16,126,751	16,797,850	18,051,735	18,346,405
Leisure services	2,977,194	3,525,025	3,538,133	3,605,545	3,666,662	3,782,933	3,661,546	3,751,588	3,804,071	4,046,351
Capital outlay	1,063,196	1,239,719	4,677,674	2,793,519	9,192,117	5,272,761	2,281,440	1,243,851	2,114,252	5,154,812
Debt service										
Interest and fiscal agent fees	2,330,436	2,324,110	2,326,809	2,168,905	2,047,707	2,265,090	1,921,115	1,689,615	1,462,845	1,358,233
Principal retirement	3,620,000	3,775,000	4,110,000	4,245,000	4,405,000	4,610,000	5,186,621	5,066,888	5,268,055	5,775,675
Bond issuance costs	-	-	-	-	-	-	-	72,818	96,476	-
<b>Total expenditures</b>	<b>31,882,546</b>	<b>34,520,062</b>	<b>41,698,491</b>	<b>38,617,412</b>	<b>45,776,854</b>	<b>41,735,816</b>	<b>37,455,229</b>	<b>36,608,439</b>	<b>38,792,779</b>	<b>43,273,456</b>

**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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (432,803)	\$ 686,003	\$ (7,867,200)	\$ (5,216,137)	\$ (9,853,473)	\$ (5,927,249)	\$ (2,500,978)	\$ (1,954,895)	\$ (2,533,886)	\$ (4,952,810)
<b>Other Financing Sources (Uses)</b>										
Issuance of debt	-	-	4,002,129	-	4,885,000	6,115,000	-	5,375,000	5,500,000	-
Lease purchase proceeds	-	-	-	-	-	-	339,011	228,370	221,936	-
Proceeds from sale of capital assets	-	-	26,972	5,265	43,152	44,797	219,723	77	40,764	35,550
Premium on debt	-	-	-	-	-	97,085	-	75,085	61,948	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow account	-	-	-	-	-	(3,313,090)	-	(3,682,267)	-	-
Insurance proceeds	-	-	-	101,263	55,023	10,288	41,100	45,073	30,669	27,485
Transfers in	3,818,155	3,647,499	3,638,901	3,648,823	4,803,148	3,909,807	3,863,681	3,896,716	3,999,750	3,956,299
Transfers out	(1,888,230)	(1,614,383)	(1,605,784)	(1,596,899)	(2,616,681)	(1,573,176)	1,487,017	(1,482,265)	(1,493,147)	(1,476,509)
Total other financing sources (uses)	<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>	<u>8,361,920</u>	<u>2,542,825</u>
<b>Net Change in Fund Balances</b>	<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>	<u>\$ 5,828,034</u>	<u>\$ (2,409,985)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<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>	<u>18.6%</u>	<u>18.7%</u>



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**Revenue Capacity**

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

**Table 5**

<b>Fiscal Years Ended</b>	<b>Ad Valorem</b>	<b>Hotel/Motel</b>	<b>Franchise</b>	<b>Sales</b>	<b>Total</b>
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
2014	14,474,874	840,119	3,584,311	9,985,658	28,884,962
2015	14,543,198	1,027,473	3,555,243	11,048,748	30,174,662

**City of Bedford, Texas**  
**Water Revenue**  
**Last Ten Fiscal Years**

**Table 6**

<b>Fiscal Years Ended</b>	<b>Number of Customers</b>	<b>Gallons Billed (000's)</b>	<b>Water Revenue</b>	<b>Revenue Per Customer</b>	<b>Revenue Per 1,000 Gallons</b>
2006	22,892	3,361,159	\$ 8,253,726	\$ 361	\$ 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	23,018	2,511,415	11,739,641	510	4.67
2014	23,041	2,337,171	11,917,187	517	5.10
2015	23,116	2,235,456	12,358,671	535	5.53

**City of Bedford, Texas**  
**Principal Water Customers**  
**Fiscal Year Ended September 30, 2015**

Table 7

Customer Name	Gallons Consumed (000's)	Percent Total	Amount Billed	Total Percent
Texas Health Resources-HEB Hospital	\$ 39,004	1.74%	\$ 135,813	1.10%
City of Bedford	16,321	0.73%	120,942	0.98%
Walden Residential Property Apartments	15,556	0.70%	55,994	0.45%
Gardens of Bedford Apartments	14,178	0.63%	50,580	0.41%
The Courts of Bedford Apartments	13,471	0.60%	47,554	0.38%
The Creek on Park Place Apartments	12,308	0.55%	46,275	0.37%
Shenadoah Apartments	11,165	0.50%	39,818	0.32%
Telesis dba Parkwood Healthcare	9,429	0.42%	35,488	0.29%
Holiday Inn-3005 West Airport, LLC	8,294	0.37%	43,827	0.35%
Linbrook Apartments	7,552	0.34%	27,876	0.23%
Top ten total	<u>147,278</u>	<u>6.58%</u>	<u>604,167</u>	<u>4.88%</u>
City total	<u><u>2,235,456</u></u>	<u><u>100%</u></u>	<u><u>\$ 12,358,671</u></u>	<u><u>100%</u></u>

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

**Table 8**

<b>Fiscal Years Ended</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Market Value</b>	<b>Less Tax-exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>
2006	\$ 2,760,812,235	\$ 208,984,999	\$ 2,969,797,234	\$ 214,560,155	\$ 2,755,237,079	0.4468820	\$ 2,755,237,079
2007	2,842,614,223	196,258,668	3,038,872,891	241,756,607	2,797,116,284	0.4468820	2,797,116,284
2008	3,087,588,896	191,415,397	3,279,004,293	365,023,177	2,913,981,116	0.4468820	2,913,981,116
2009	* 3,091,012,419	190,186,408	3,281,198,827	346,224,096	2,934,974,731	0.4468820	2,934,974,731
2010	2,986,569,350	179,267,541	3,165,836,891	363,395,164	2,802,441,727	0.4633480	2,802,441,727
2011	3,095,960,546	168,619,714	3,264,580,260	387,551,829	2,877,028,431	0.4916090	2,877,028,431
2012	3,235,990,575	159,315,402	3,395,305,977	429,317,650	2,965,988,327	0.5043290	2,970,991,006
2013	3,202,304,589	161,052,296	3,363,356,885	402,262,501	2,961,094,384	0.4991150	2,961,094,384
2014	3,372,021,008	165,181,254	3,537,202,262	416,018,615	3,121,183,647	0.4948303	3,121,183,647
2015	3,359,873,966	168,488,758	3,528,362,724	451,210,531	3,077,152,193	0.4948303	3,192,632,438

Source: Tarrant County Appraisal District (Reports)

\*Note: Total Taxable Assessed Value and Estimated Actual Taxable Value Columns are based on the July Certified Appraisal roles with the exception of 2011. 2011 Total Taxable Assessed Value and Estimated Actual Taxable Value columns are based on the September Certified Appraisal roles due to the timing of re-evaluation of properties. If the July role would have been used, the taxable value would have been materially understated.

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

Table 9

Taxpayer	2015		2006	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Meridian Hill LP	\$ -	0%	\$ 30,640,000	1.11%
Tellabs-Bedford, Inc.	-	0%	26,797,392	0.97%
CWS Barton-Shoal Creek Apartments	-	0%	25,902,144	0.94%
121 Airport Centre II LP	-	0%	25,804,180	0.94%
TXU Electric Delivery Co.	-	0%	18,182,122	0.66%
Shops/Dunhill at Central Park	-	0%	16,500,000	0.60%
TSCA-227 LP	-	0%	11,322,985	0.41%
CMF 15 Portfolio, L.L.C.	77,732,000	2.43%	-	0%
WDOP Sub II LP/ WDOP SUB I LP	29,137,961	0.91%	12,622,096	0.46%
1611 Oak Creek Lane LP	27,129,045	0.85%	-	0%
Wal Mart Real Estate Bus Trust/Stores TX	26,763,292	0.84%	23,550,499	0.85%
Oncor Electric Delivery Co., L.L.C.	21,166,300	0.66%	-	0%
Pem 121 Airport S, L.P.	20,344,608	0.64%	-	0%
Point Loma Woods Dallas LLC	18,600,000	0.58%	18,486,879	0.67%
CRP/TBG Harwood Hills LP	17,931,565	0.56%	-	0%
Paramount Villages, LLC	17,500,000	0.55%	-	0%
Parc Plaza Homes, L.P.	16,795,789	0.53%	-	0%
<b>Total</b>	<b>\$ 273,100,560</b>	<b>8.55%</b>	<b>\$ 209,808,297</b>	<b>7.61%</b>
 Total Taxable Assessed Value	 \$ 3,077,152,193		 \$ 2,755,237,079	

**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
2006	\$ 12,437,659	\$ 12,331,514	99.15%	\$ 39,744	\$ 12,371,258	99.47%
2007	12,665,246	12,576,174	99.30%	85,749	12,661,923	99.97%
2008	13,032,220	12,951,575	99.38%	71,900	13,023,475	99.93%
2009	13,584,386	13,447,636	98.99%	48,001	13,495,637	99.35%
2010	13,688,110	13,563,573	99.09%	55,547	13,619,120	99.50%
2011	13,897,299	13,799,107	99.29%	93,693	13,892,800	99.97%
2012	14,374,422	14,244,589	99.10%	63,934	14,308,523	99.54%
2013	14,437,257	14,263,591	98.80%	51,369	14,314,960	99.15%
2014	14,524,393	14,423,256	99.30%	15,728	14,438,984	99.41%
2015	15,079,653	14,817,417	98.26%	33,488	14,850,905	98.48%

Source: Tarrant County Tax Office (YTD Summary - Section A,B,C)



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**Debt Capacity**

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

**Table 11**

Fiscal Years Ended	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Contractual Obligations	Certificates of Obligation	Tax Notes	Capital Leases	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation			
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	38,583,000	2,440,000	-	-	339,000	-	4,510,000	9,832,000	55,704,000	3.39%	1,185
2013	35,680,000	2,120,000	-	-	478,872	-	3,945,000	14,330,000	56,553,872	3.50%	1,164
2014*	34,926,852	4,287,286	-	-	395,817	-	3,703,018	13,756,004	57,068,977	3.32%	1,171
2015	29,462,885	3,904,780	-	-	310,142	-	3,395,766	13,097,194	50,170,767	2.83%	1,023

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.

\* Beginning fiscal year 2014, balances are net of bond premiums/discounts.

**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			
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	1.40%	853
2014*	56,673,160	977,409	17,459,022	38,236,729	1.23%	785
2015	49,860,625	936,908	16,492,960	32,430,757	1.02%	661

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

\* Beginning fiscal year 2014, balances are net of bond premiums/discounts.

**City of Bedford, Texas**  
**Direct and Overlapping**  
**Governmental Activities Debt**  
**September 30, 2015**

Table 13

Taxing Jurisdiction	Taxable Assessed Value (000's) 2014/2015	Total G. O. Debt Outstanding 9/30/2015	Estimated Percentage Applicable*	Overlapping G. O. Debt 9/30/2015
Hurst-Eules-Bedford Independent School District	\$ 9,225,685	\$ 274,883,170	31.75%	\$ 87,275,406
Tarrant County	133,178,882	361,420,000	2.35%	8,493,370
Tarrant County College District	133,908,851	-	2.35%	-
Tarrant County Hospital District	133,254,244	<u>23,440,000</u>	2.35%	<u>550,840</u>
Subtotal overlapping debt		659,743,170		96,319,616
City of Bedford	3,120,591	<u>32,425,000</u>	100.00%	<u>32,425,000</u>
Total direct and overlapping debt		<u>\$ 692,168,170</u>		<u>\$ 128,744,616</u>

Sources: Debt outstanding data provided by each governmental unit.

GO Debt Outstanding, %, and Overlapping Debt provided by the Municipal Advisory of Texas (Texas MAC)

\*The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

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

Table 14

<b>Fiscal Year</b>	<b>Total Taxable Assessed Value (AV)</b>	<b>Debt Limit 2.5% of Assessed Value (AV)</b>	<b>Total Net Debt Applicable to the Limit</b>	<b>Legal Debt Margin</b>	<b>Total Net Debt Applicable to the Limit as a % of Taxable AV</b>	<b>% of Debt Limit Available</b>
2006	\$2,755,237,079	\$ 68,880,927	\$ 57,270,000	\$ 11,610,927	2.1%	16.9%
2007	2,797,116,284	69,927,907	53,070,000	16,857,907	1.9%	24.1%
2008	2,913,981,116	72,849,528	57,325,000	15,524,528	2.0%	21.3%
2009	2,934,974,731	73,374,368	56,065,000	17,309,368	1.9%	23.6%
2010	2,802,441,727	70,061,043	57,835,000	12,226,043	2.1%	17.5%
2011	2,877,028,431	71,925,711	59,550,000	12,375,711	2.1%	17.2%
2012	2,965,988,327	74,149,708	58,705,000	15,444,708	2.0%	20.8%
2013	2,961,094,384	74,027,360	54,575,000	19,452,360	1.8%	26.3%
2014	3,121,183,647	78,029,591	56,673,160	21,356,431	1.8%	27.4%
2015	3,077,152,193	76,928,805	49,860,625	27,068,180	1.6%	35.2%

Note: The City of Bedford does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 provide that a maximum tax rate of \$2.50 per \$100 assessed valuation may be imposed for any one year. Additionally, no debt shall be created by any city, unless at the same time provision be made to assess and collect annually a sufficient sum to pay the interest thereon and creating an interest and sinking fund of at least 2% thereon.

Although Section 6.01 of the Bedford City Charter states a maximum tax rate of \$1.50 per \$100 assessed valuation, this particular table will address the City of Bedford's legal debt limit by using Article XI, Section 5 of the State Constitution because the City does not officially have a legal debt limit for general obligation bonds as well as certificate of obligations.

**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				
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	13,531,696	2,573,007	185,000	167,908	7.29	283,163	9.09	
2011	19,811,255	14,552,568	5,258,687	195,000	158,533	2.95	316,165	16.63	
2012	18,915,135	13,473,986	5,441,149	-	-	-	- *	0.00	
2013	17,908,621	13,900,489	4,008,132	-	-	-	-	0.00	
2014	18,607,795	14,575,557	4,032,238	-	-	-	-	0.00	
2015	20,241,208	17,195,713	3,045,495	-	-	-	-	0.00	

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 City refunding of its 1998 and 2002 revenue bonds.



## **Demographic and Economic Information**

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

Table 16

<b>Calendar Years</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Average Household Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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	1,641,557	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%
2014	48,721	1,719,705	35,297	78,372	40.6	22,138	4.7%
2015	49,054	1,773,155	36,147	80,275	40.6	22,180	4.6%

Sources: Population: North Central Texas Council of Governments (NCTOG)  
Per Capita Personal Income and Average Household Income: Demographics Now  
Median Age and Unemployment Rate: Demographics Now  
School Enrollment: [hebisd.edu/insideheb/facts\\_figure.asp](http://hebisd.edu/insideheb/facts_figure.asp)  
Unemployment Rate: Texas Labor Market and Career Information (TWC)

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

Table 17

Employer	2015		2006	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Texas Health Resources	1,600	5.48%	1,800	6.20%
Carter Blood Care	844	2.89%	600	2.07%
Wal-Mart Supercenter	485	1.66%	318	1.10%
Warrantech	422	1.44%	550	1.90%
City of Bedford	377	1.29%	359	1.24%
The Beryl Companies	373	1.28%	251	0.87%
State National Companies	350	1.20%	-	0.00%
HEB ISD (Administrative Office)	283	0.97%	-	0.00%
Daystar Television Network	175	0.60%	-	0.00%
Grubb's Nissan	133	0.46%	155	0.53%
Citigroup	-	0.00%	540	1.86%
Albertson's	-	0.00%	175	0.60%
Nuvell Credit & Finance	-	0.00%	154	0.53%
	5,042	17.26%	4,902	16.90%
	24,168	82.74%	24,109	83.10%
Total	29,210	100.00%	29,011	100.00%

Sources: Total City Employment information can be found Texas Workforce Commission Website via (<http://www.tracer2.com/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE>)

City of Bedford, Economic Development Department – Demographics data

**City of Bedford, Texas**  
**Direct and Overlapping Tax Rates**  
**Last Ten Fiscal Years**

Table 18

Fiscal Year	City Direct Rates			Overlapping Rates			
	Operating / General Rate	General Obligation Debt Service	Total Direct Rate	Hurst-Eules-Bedford ISD	Tarrant County	Tarrant County Hospital District	Tarrant County Community College
2006	0.2882	0.1587	0.4469	1.7230	0.2725	0.2354	0.1394
2007	0.2881	0.1588	0.4469	1.5975	0.2715	0.2354	0.1394
2008	0.2976	0.1493	0.4469	1.3004	0.2665	0.2304	0.1394
2009	0.2858	0.1610	0.4469	1.2950	0.2640	0.2279	0.1380
2010	0.2991	0.1643	0.4633	1.2955	0.2640	0.2280	0.1377
2011	0.3091	0.1825	0.4916	1.2882	0.2640	0.2279	0.1376
2012	0.3113	0.1931	0.5043	1.4140	0.2640	0.2280	0.1490
2013	0.3060	0.1931	0.4991	1.4075	0.2640	0.2279	0.1490
2014	0.3032	0.1916	0.4948	1.3875	0.2640	0.2279	0.1490
2015	0.2899	0.2049	0.4948	1.3500	0.2640	0.2279	0.1495

Sources: City of Bedford Budget Office, Tarrant Appraisal District



## **Operating Information**

**City of Bedford, Texas**  
**Full-time Equivalent City Governmental Employees by Function/Program**  
**Last Ten Fiscal Years**

**Table 19**

Function/Program	Full-time Equivalent Employees as of June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Management and communication	8.0	8.0	8.0	8.0	6.0	6.0	6.0	6.0	7.5	7.5
Finance	15.0	14.5	14.0	14.0	13.0	12.0	12.0	12.5	11.5	11.5
Municipal Court and Teen Court	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Development and planning	12.0	12.0	13.5	15.0	18.0	12.8	12.8	6.0	6.0	6.0
Library	16.4	16.4	16.4	16.4	16.4	16.4	17.2	19.7	19.6	19.6
Support services	7.0	7.0	7.0	7.0	7.0	11.0	10.0	10.0	11.0	11.0
Police										
Officers	84.9	84.9	82.0	82.0	83.0	86.3	84.3	80.0	80.0	80.0
Civilians	45.0	47.0	47.0	47.0	51.7	48.6	49.6	55.0	53.0	56.0
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	64.0	64.0	64.0	64.0	64.0	64.0	63.0	63.0	63.0	63.0
Civilians	1.0	1.0	2.0	2.0	2.0	2.0	2.0	8.0	8.0	9.0
Parks and recreation										
Management and comm.	0.0	0.0	0.0	0.0	1.0	1.0	2.0	2.0	2.0	2.0
Parks and recreation	41.9	41.9	42.8	42.8	41.3	37.8	36.4	37.5	37.6	37.1
Senior Citizens Center	4.0	4.0	4.0	4.0	4.0	3.0	3.5	3.5	3.5	3.5
Tourism and special events	0.0	0.0	0.0	0.0	0.0	3.5	3.5	4.4	4.5	5.5
Public works										
Engineering	4.0	4.0	5.0	5.0	6.1	6.0	6.0	5.5	5.5	8.0
Water	12.6	12.6	12.6	12.6	12.0	15.0	13.0	13.8	12.5	12.5
Wastewater	11.0	11.0	10.0	10.0	10.0	8.0	7.0	7.0	7.5	7.5
Stormwater	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Streets	11.0	11.0	11.0	11.0	11.0	10.0	11.0	10.0	10.0	10.0
Fleet maintenance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Total</b>	<b>362.8</b>	<b>364.3</b>	<b>365.3</b>	<b>366.8</b>	<b>372.5</b>	<b>369.4</b>	<b>365.3</b>	<b>369.9</b>	<b>368.6</b>	<b>375.7</b>

Source: City Finance - Position Control Report

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

**Table 20**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Community services										
Building permits issued	89	6,051	4,925	917	762	800	297	761	778	535
Estimated cost	19,962,590	33,101,399	23,921,329	15,326,556	27,144,564	10,216,130	41,282,146	19,951,220	29,646,601	37,315,837
Police										
Physical arrests	2,730	2,692	2,986	2,368	2,607	3,490	3,285	2,715	2,534	1,982
Parking violations	3,917	3,874	4,115	91	114	150	207	135	47	90
Traffic violations	12,520	12,628	14,664	11,225	14,740	15,945	15,929	11,848	19,807	16,056
Fire										
Emergency responses	6,679	7,203	7,345	7,291	7,312	7,550	8,218	8,114	8,155	8,042
Patients transported	2,208	2,444	2,474	2,478	2,462	2,628	2,989	3,015	3,038	3,198
Fires extinguished	251	237	206	132	88	145	90	103	106	199
Inspections	1,310	1,878	2,480	2,189	2,705	2,438	2,901	2,835	3,096	3,152
Culture and recreation										
Parks and recreation										
Athletic league spring team	22	8	15	42	39	12	8	-	-	-
Athletic league fall team	19	21	16	13	13	10	-	-	-	-
Community center registration	3,166	3,593	3,562	4,154	3,666	3,633	3,945	4,040	4,112	4,795
Annual recreation revenue	152,796	178,490	209,346	268,871	267,648	281,047	306,587	289,285	332,189	508,903
Library										
Population service	48,600	49,050	49,450	49,700	49,700	46,979	47,001	48,566	48,721	49,054
Number of library visits	178,319	226,092	252,319	271,764	256,674	279,991	279,991	252,506	244,388	221,177
Volumes in collection	106,068	105,389	101,935	101,179	99,104	101,395	101,395	112,644	118,095	114,573
Total volumes borrowed	344,529	460,782	496,144	511,186	252,401	552,737	552,737	579,572	584,917	567,290
Turnover rate	3.30%	4.40%	4.90%	5.10%	5.80%	5.50%	5.45%	514.52%	514.52%	362.00%
Total operating expenditures	904,536	985,787	1,015,766	1,037,121	1,141,421	1,089,441	1,089,441	1,249,419	1,309,275	1,320,502
Cost per population served	18.61	20.1	20.54	20.87	22.96	21.92	22	26	27	27
Total paid staff (FTE)	16.38	16.38	16.38	16.38	16.38	16.38	16	20	20	19
Public works										
Street repair – asphalt sq. yard	2,020	2,018	1,494	2,150	3,055	40,988	36,004	21,850	26,425	27,186
Street repair – concrete sq. yard	249	782	73	311	602	22,661	3,693	3,655	311	6,216
Sidewalk installation/repairs – sq. yard	4,252	15,555	22,483	32,913	4,947	1,684	10,503	5,630	5,950	6,500
Water and sewer										
Water main breaks	57	31	20	21	24	39	67	46	46	62
Stated in thousands of gallons										
Average daily consumption	9,209	7,313	8,592	8,194	7,600	8,988	7,329	6,881	6,403	6,125
Peak daily consumption	16,300	14,529	16,476	14,168	12,932	16,232	12,375	10,141	9,588	14,133

Source: Various City departments

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

**Table 21**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	15	15	15	17	17	17
Other units: CID-SWAT-PSO	47	47	47	47	58	58	58	50	59	63
<b>Fire</b>										
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	11	11	11	11	11	11	11	-	-	-
<b>Other public works</b>										
Streets (miles)	460	460	460	460	460	460	460	455	456	456
Streetlights	1,725	1,725	1,735	1,737	1,738	1,738	1,738	1,738	1,738	1,738
Traffic signals	24	24	24	24	24	24	24	25	25	26
<b>Parks and recreation</b>										
Park acreage	150	150	150	150	150	150	150	150	150	155
Playgrounds	12	17	17	17	17	17	17	17	17	16
Swimming pools	2	3	3	3	3	3	3	4	4	4
Soccer/football fields	6	6	6	6	6	6	6	11	11	11
Community centers	3	3	3	3	3	3	3	3	3	3
<b>Water</b>										
Water mains (miles)	147	147	147	147	147	147	147	148	149	165
Fire hydrants	1,400	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,800	1,800
Storage capacity										
(one ground well – 250,000 gallons)	6,225	6,225	6,225	6,225	5,250	5,250	5,250	5,250	5,250	5,250
(elevated storage – 5 million gallons)										
<b>Stormwater</b>										
Storm sewers (miles)	91	91	91	91	91	91	91	92	92	93

Source: Various City departments



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