



Comprehensive Annual Financial Report

October 1, 2012 - September 30, 2013

City of Benbrook, Texas

PRESENTED TO

MAYOR

Jerry B. Dittrich

COUNCIL MEMBERS

Charlie Anderson

Dr. Larry Marshall

Rickie Allison

Jim Wilson

Mark Washburn

Ron Sauma

CITY MANAGER

Andy Wayman

PREPARED BY

Sherri Newhouse, Finance Director

Benbrook



T E X A S

Our Pride. Your Joy.

**CITY OF BENBROOK, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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INTRODUCTORY SECTION

Benbrook



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March 10, 2014

The Honorable

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

The Finance Department is pleased to submit the Comprehensive Annual Financial Report for the City of Benbrook, Texas for the fiscal year ended September 30, 2013. This report provides the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosure, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City. We also believe that all disclosure necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

THE REPORT

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

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

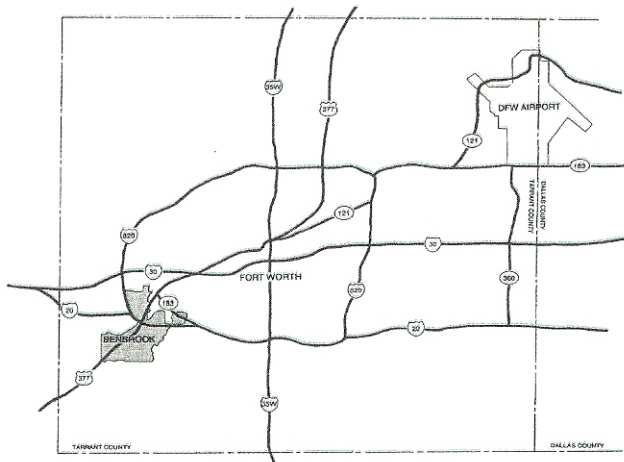
CITY PROFILE

Location

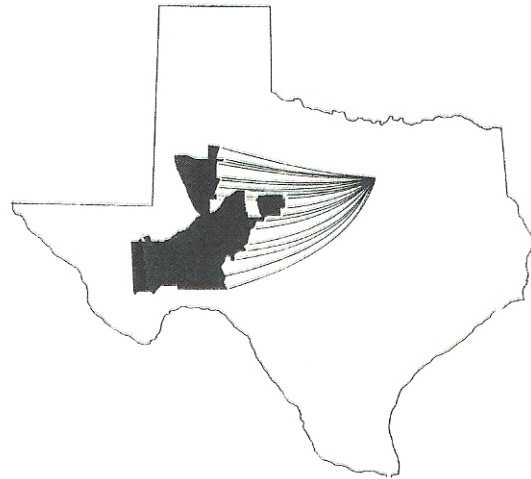
The City of Benbrook is located in Tarrant County, in the north central portion of the State of Texas. The City of Benbrook is located on the southwest side of the City of Fort Worth and is only thirty minutes from Dallas. The City covers approximately thirteen square miles. The 2000 Census set the population at 20,208 and the current (2014) estimate is 21,788.

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

Benbrook's location in Tarrant County



Benbrook's location in the State



Services Provided

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

This report includes the financial statements of the funds required to account for those activities, organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body. The criteria used by the City for including activities in preparing its financial statements are set forth by GASB. Based on these criteria, all municipal services listed are included in the City's 2012-2013 financial statements.

Accounting System and Budgetary Control

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

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

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

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

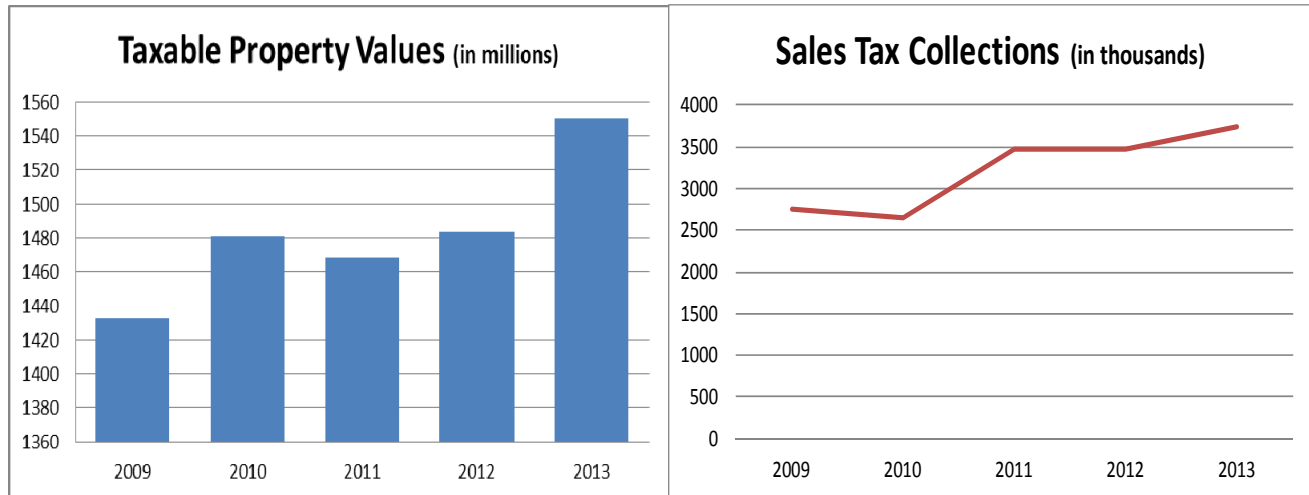
Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item. These reports are distributed monthly to City department and division managers. A financial summary is prepared for City Council to approve each month.

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

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

Summary of Local Economy

Although the national economy has slowed considerably, the State of Texas and particularly the Dallas/Fort Worth Metroplex has seen less of an impact. The City of Benbrook is located in southwest Tarrant County, where growth continued until this year. The City's tax base has grown an average of 5.2% annually for the past five years. We expect our growth rate to continue but at a slower pace over the next few years. Commercial growth has remained steady whereas residential construction has slowed in the last few years. Although sales tax collections have increased at an average of 6.45% over the past five years, last year the City experienced a slight decrease. Sales tax collections are projected to decrease in future years as a result of customer inconvenience created by the construction phase of the Benbrook Boulevard expansion project scheduled to begin in 2014.



Economic Prospects for the Future

Even though the City's taxable property values have been basically flat over the past three years, several positives could be found in the numbers. Most of the cities in the county have property tax decreases during the past few years. Benbrook's values have either increased or decreased by less than almost every other city in the county. Property values bounced back and increased by 2.53% for 2013.

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

Long-term Financial Planning

The City Council has adopted a reserve policy for the operating funds (General and Debt Service). The operating fund reserve policy states that the City will maintain a minimum reserve of \$5,500,000. The City had a total of \$9,384,847 at year-end, despite the use of more than \$2,000,000 for the expansion of the fire station. The Economic Development Corporation's (EDC) Board of Directors has also adopted a reserve policy. The policy states that the EDC will maintain a minimum reserve of \$1,000,000. The EDC had a total fund balance of \$5,616,422 at year end.

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

Cash Management

The City's cash management policy is adopted by City Council and strictly defines the types and amounts of investments made for the City. Section 5 of the Public Funds Investment Act prescribes that cities are to develop and maintain an investment policy to govern all investments. The City of Benbrook adopted its investment policy in 1998. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Collateral was held by either the City, its agent, or a financial institution's trust department in the City's name. One hundred percent of the deposits and investments held by the City during the year and at September 30, 2013, are classified in the category of the lowest credit risk as defined by the Governmental Accounting Standards Board. All deposits are held in interest-bearing accounts or in certificates of deposit.

The City has maintained all excess funds in TexPool, TexSTAR, or in interest-bearing checking accounts (where permissible) with the City's depository.

OTHER INFORMATION

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Benbrook for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles as well as all applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Benbrook has received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2012. This award marked the twenty-fifth time the City has received this award. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

Acknowledgements

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

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

Respectfully submitted,

Sherri Newhouse
Finance Director

City of Benbrook, Texas
Principal Officials
September 30, 2013

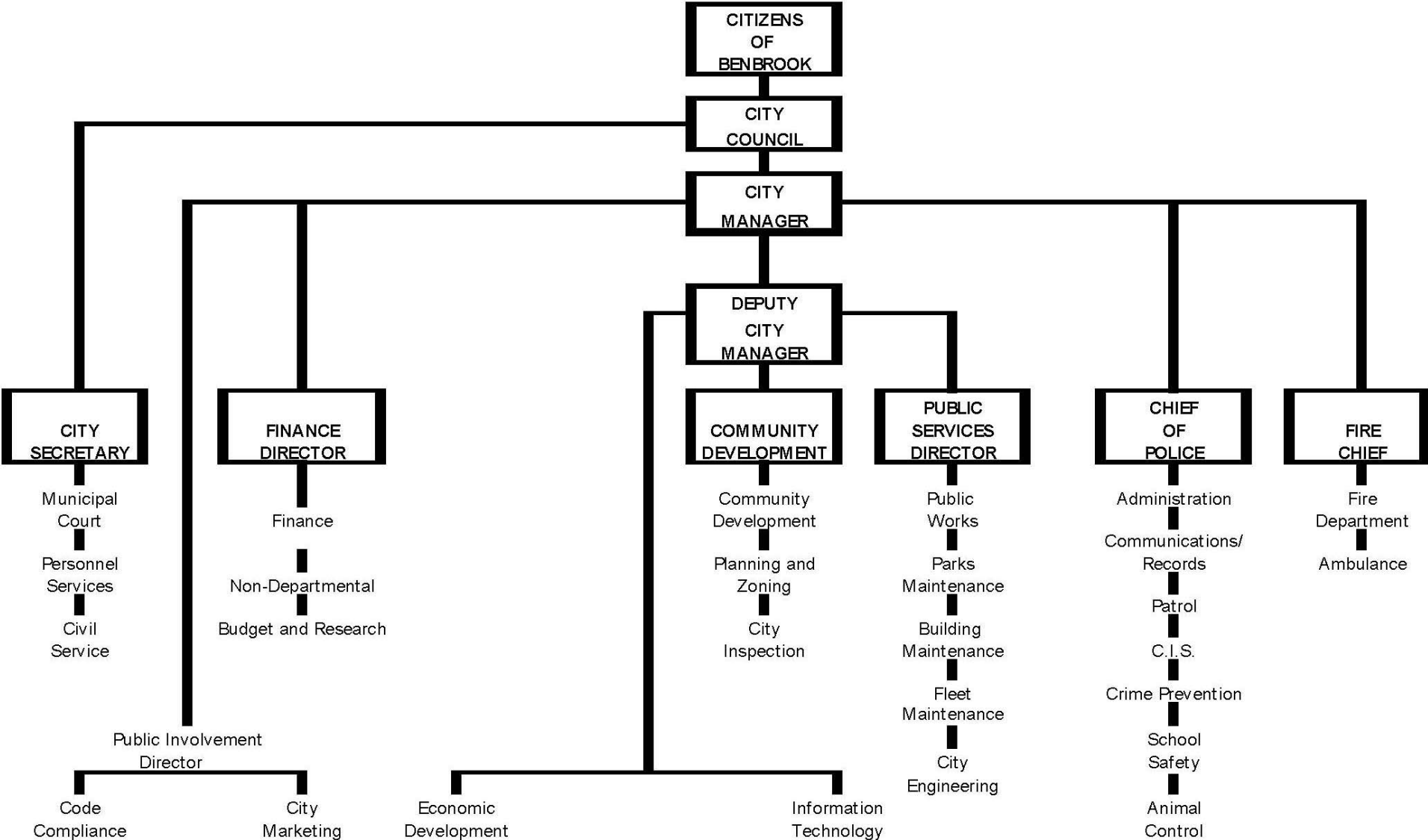
ELECTED OFFICIALS

<u>Name of Individuals</u>	<u>Position</u>	<u>Term Expires (Nov)</u>	<u>Length of Service (in Years)</u>
Jerry B. Dittrich	Mayor Place 1	2015	21
Charlie Anderson	Councilman Place 2	2014	4
Dr. Larry Marshall	Councilman Place 3	2015	2
Rickie Allison	Mayor Pro Tem Place 4	2014	13
Jim Wilson	Councilman Place 5	2015	4
Mark Washburn	Councilman Place 6	2014	5
Ron Sauma	Councilman Place 7	2015	12

APPOINTED OFFICIALS

Andy Wayman	City Manager	17
Joanna King	City Secretary	38
James E. Gallagher	Planning Director	38
David L. Ragsdale	Finance Director (retired 10/2013)	36
David R. Gattis	Deputy City Manager	25
Sherri Newhouse	Budget Director Finance Director (as of 10/2013)	
James G. Mills	Police Chief	20
Tommy Davis	Fire Chief	19
Ron Rainey	EDC Director	16
Phyllis Wolfe	Information Technology Director	9
Cathy Morris	Public Involvement Director	7
Walter Shumac III	Public Services Director	6
David Corley	City Engineer	1

CITY OF BENBROOK ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Benbrook
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO



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FINANCIAL SECTION

Benbrook



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Benbrook, Texas (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Benbrook, Texas, as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress, and budgetary comparison information on pages 3 through 7 and 36 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
March 10, 2014

**CITY OF BENBROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2013
(Unaudited)**

As management of the City of Benbrook, we offer the readers of the City's financial statement this narrative overview of the financial activities of the City for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages i – v of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$60,419,057 (net position). Of this amount, \$12,779,193 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total capital assets increased by \$2,291,737 to \$49,663,082. The increase was due to completion of a major infrastructure project that was capitalized.
- As of the close of the current fiscal year, the City's governmental funds reported total ending fund balances of \$23,532,679. Over 37% of this total or \$8,714,624 is unassigned and available for any use within the City's designation and policies.
- At the end of the current year, unassigned fund balance for the general fund was \$8,714,624 or 59% of total general fund expenditures.
- Long-term debt decreased \$1,071,979.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the City include general government, staff services, public safety, public services, community development, economic development, and community promotions. The government-wide financial statements can be found on pages 8 - 9 of this report. The City did not have any business-type activities during the year ended September 30, 2013.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Benbrook only has governmental funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financial requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Economic Development, Debt Service, and four Capital Projects funds. The remaining funds are aggregated in one column. The basic governmental funds financial statements can be found on pages 10 – 13.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 14 - 35.

Other Information – In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information that can be found on pages 36 – 38.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. As of September 30, 2013, the City of Benbrook’s assets exceeded liabilities by \$60,419,057.

The largest portion of the City’s net position (64.16%) reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Benbrook’s Net Position

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$27,745,005	\$27,979,253
Capital Assets	<u>49,663,082</u>	<u>47,371,345</u>
Total Assets	77,408,087	75,350,598
Long-term Liabilities	15,836,603	16,914,746
Other Liabilities	<u>1,152,427</u>	<u>955,653</u>
Total Liabilities	16,989,030	17,870,399
Net Position:		
Net Investment in Capital Assets	40,079,400	36,235,804
Restricted	7,560,464	7,700,845
Unrestricted	<u>12,779,193</u>	<u>13,543,550</u>
Total Net Position	\$60,419,057	\$57,480,199

An additional portion of the City’s net position (12.51%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government’s ongoing obligations to citizens and creditors.

As of September 30, 2013, the City is able to report positive balances in all categories of net position.

Analysis of City Operations – The following table provides a summary of the City’s operations for the year ended September 30, 2013. Overall the City had an increase in net position of \$2,938,858. This increase is a result of Capital Assets contributions of \$1,618,360 and decrease in community development.

City of Benbrook’s Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
<u>Revenues</u>		
Program Revenues:		
Fees, Fines & Service Charges	\$2,759,585	\$2,705,575
Operating Grants & Contributions	381,872	480,821
Capital Grants & Contributions	1,618,360	50,000
General Revenues:		
Ad Valorem Taxes	10,214,041	9,754,496
Franchise Taxes	1,535,138	1,503,002
Sales & Other Taxes	3,885,932	3,596,241
Use of Money & Property	422,238	325,123
Miscellaneous	<u>870,664</u>	<u>1,123,070</u>
Total Revenues	21,687,830	19,538,328
<u>Expenses</u>		
General Government	1,947,856	1,587,026
Staff Services	880,772	902,490
Public Safety	8,342,490	8,509,009
Public Services	4,831,947	1,598,830
Community Development	2,143,234	5,829,234
Interest on Long-term Debt	<u>602,673</u>	<u>601,357</u>
Total Expenditures	18,748,972	19,027,946
Increase in Net Position	2,938,858	510,382
Net Position – October 1	<u>57,480,199</u>	<u>56,969,817</u>
Net Position – September 30	<u>\$60,419,057</u>	<u>\$57,480,199</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

Governmental Funds – The focus of the City of Benbrook’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal period. At the end of the current fiscal year, the City’s governmental funds reported total ending fund balances of \$23,532,679.

Revenues – Ad Valorem Taxes as well as Grant Contributions were all higher. Most of the increase was due to the contribution of capital assets.

General Fund Highlights – The General Fund balance decreased \$864,596 to \$8,939,746. All of this decrease resulted from City Council’s decision to fund construction projects with current money rather than issuing debt. This decision resulted in transfers to other funds increasing almost \$900,000.

Economic Development – The Fund balance increased \$715,468, resulting in an ending Fund balance of \$5,616,422.

Capital Projects – The TIF increased \$504,279 due to increased property values. The CVA increased \$11,100 from mineral interest revenue. The Storm Water account decreased \$37,032 due to another year of capital outlay for projects. The Capital Projects Building Fund accounted for the construction of the Fire Department expansion. Fund balance at year end was zero.

CAPITAL ASSETS

The City of Benbrook's investment in capital assets for its governmental activities as of September 30, 2013 amounts to \$49,663,082 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure and construction in progress.

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

- Contribution of Town Crossing Infrastructure (\$1,618,360)
- Completion of fire department expansion (\$2,059,637)
- Drainage projects (\$274,662)
- Sidewalk additions (\$112,008)
- Police Department vehicles (\$140,500)

Capital Assets at Year End (net of accumulated depreciation)

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Land	\$ 947,842	\$ 947,842
ROW	9,821,372	9,821,372
Buildings	10,260,981	8,007,041
Infrastructure	76,776,390	74,883,801
Equipment	5,232,747	5,027,071
Construction in Progress	296,137	339,985
Accumulated Depreciation	<u>(53,672,387)</u>	<u>(51,655,767)</u>
Total	<u>\$49,663,082</u>	<u>\$47,371,345</u>

Additional information on the City of Benbrook's capital assets can be found in Note 3 beginning on page 22.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had total long term debt of \$13,225,788. Of this amount, \$8,380,000 comprises bonded debt backed by the full faith and credit of the government. The balance of the total long term debt is comprised of a certificate of obligation, refunding bonds and a note payable.

Outstanding Debt at Year End Bonds and Notes Payable

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
General Obligations Bonds	\$ 8,380,000	\$ 9,055,000
Certificates of Obligation	3,390,000	3,695,000
Notes Payable	1,556,688	1,661,301
Deferred Loss on Refunding	<u>(100,900)</u>	<u>(113,534)</u>
Total	<u>\$13,225,788</u>	<u>\$14,297,767</u>

During the year, the City's total debt decreased by \$1,071,979. This decrease was due to normal debt payments.

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

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

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

Additional information on the City of Benbrook's long term debt can be found in Note 4 on pages 23 – 26 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2013-2014 budget, General Fund revenues are budgeted to decrease by 0.63% from the 2012-2013 budget year. This decrease results from the reallocation of property tax revenue between the General Fund and the Debt Service Fund. Also, sales tax revenue is projected to decrease when the Benbrook Boulevard expansion project begins. Expenditures are budgeted to increase by 2.72%

LONG-TERM PLANNING

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

REQUEST FOR INFORMATION

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

Benbrook



T E X A S

Our Pride. Your Joy.



BASIC FINANCIAL STATEMENTS

Benbrook



T E X A S

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**CITY OF BENBROOK, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	Primary Government Governmental Activities
	<hr/>
ASSETS	
Deposits and investments	\$ 23,499,965
Receivables (net of allowance for uncollectibles)	
Property Tax	284,896
Sales Tax	581,057
Special Assessments	21,553
Accounts	141,728
Note	400,000
Net Investment in Direct Financing Lease (DFL)	1,930,111
Deferred Charges	155,195
Investment in Joint Venture	730,500
Capital Assets	
Land	947,842
ROW	9,821,372
Buildings	10,260,981
Infrastructure	76,776,390
Equipment	5,232,747
Construction in progress	296,137
Accumulated depreciation	<u>(53,672,387)</u>
Total Assets	\$ 77,408,087
	<hr/> <hr/>
LIABILITIES	
Accounts Payable and Other Accrued Liabilities	\$ 660,242
Accrued Interest Payable	65,798
Deposits	53,880
Unearned Revenue	372,507
Noncurrent Liabilities	
Due Within One Year	1,714,380
Due in More Than One Year	<u>14,122,223</u>
Total Liabilities	16,989,030
	<hr/>
NET POSITION	
Net Investment in Capital Assets	40,079,400
Restricted for	
Debt Service	386,438
Economic Development	7,174,026
Unrestricted	<u>12,779,193</u>
Total Net Position	\$ 60,419,057
	<hr/> <hr/>

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

**CITY OF BENBROOK, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2013**

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Position Primary Government
		Fees, Fines & Charges For Services	Operating Grants & Contributions	Capital Grant & Contributions	
Governmental Activities					
General Government	\$ 1,947,856	\$ -	\$ -	\$ -	\$ (1,947,856)
Staff Services	880,772	-	-	-	(880,772)
Public Safety	8,342,490	1,433,182	381,872	1,618,360	(4,909,076)
Public Services	4,831,947	121,267	-	-	(4,710,680)
Community Development	2,143,234	1,205,136	-	-	(938,098)
Interest on long-term debt	602,673	-	-	-	(602,673)
Total Governmental Activities	18,748,972	2,759,585	381,872	1,618,360	(13,989,155)
General Revenues					
Taxes					
Ad Valorem					10,214,041
Franchise					1,535,138
Sales & Other					3,885,932
Use of Money & Property					422,238
Miscellaneous					870,664
Total General Revenues					16,928,013
Changes in Net Position					2,938,858
Net Position – Beginning					57,480,199
Net Position – Ending					\$ 60,419,057

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

**CITY OF BENBROOK, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	<u>General</u>	<u>Economic Development</u>	<u>Debt Service</u>	<u>Capital Projects TIF</u>	<u>Capital Projects CVA</u>	<u>Capital Projects Storm Water</u>	<u>Capital Projects Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS									
Deposits and Investments	\$ 8,906,004	\$ 5,448,000	\$ 444,728	\$ 1,889,217	\$ 3,079,259	\$ 1,926,244	\$ -	\$ 1,806,513	\$ 23,499,965
Receivables (net of allowances for uncollectibles)									
Property Tax	277,388	-	7,508	-	-	-	-	-	284,896
Sales Tax	387,371	193,686	-	-	-	-	-	-	581,057
Special Assessments	-	-	-	-	-	-	-	21,553	21,553
Accounts	18,199	120,870	-	-	2,619	-	-	40	141,728
Net Investment in Direct Financing Lease	-	1,930,111	-	-	-	-	-	-	1,930,111
Due From Other Funds	150,721	-	-	-	-	-	-	4,710	155,431
TOTAL ASSETS	<u>\$ 9,739,683</u>	<u>\$ 7,692,667</u>	<u>\$ 452,236</u>	<u>\$ 1,889,217</u>	<u>\$ 3,081,878</u>	<u>\$ 1,926,244</u>	<u>\$ -</u>	<u>\$ 1,832,816</u>	<u>\$ 26,614,741</u>
LIABILITIES & FUND BALANCES									
Liabilities									
Accounts Payable	\$ 387,415	\$ 18,669	\$ -	\$ -	\$ -	\$ 72,455	\$ -	\$ 33,284	\$ 511,823
Accrued Salaries and Wages	147,348	-	-	-	-	-	-	1,071	148,419
Advance Payments & Deposits	11,464	-	-	-	-	-	-	42,416	53,880
Due to Other Funds	-	127,465	-	-	-	-	-	27,966	155,431
Unearned Revenues	253,710	1,930,111	7,135	-	-	-	-	21,553	2,212,509
Total Liabilities	799,937	2,076,245	7,135	-	-	72,455	-	126,290	3,082,062
Fund Balances									
Restricted									
Debt Service	-	-	445,101	-	-	-	-	-	445,101
Economic Development	-	5,616,422	-	-	-	-	-	-	5,616,422
City Promotions	-	-	-	-	-	-	-	339,049	339,049
Capital Projects	-	-	-	1,889,217	-	1,853,789	-	1,044,958	4,787,964
Public Safety	-	-	-	-	-	-	-	322,519	322,519
Committed									
Worker's Comp	225,122	-	-	-	-	-	-	-	225,122
Capital Projects	-	-	-	-	3,081,878	-	-	-	3,081,878
Unassigned									
General	8,714,624	-	-	-	-	-	-	-	8,714,624
Total Fund Balances	<u>8,939,746</u>	<u>5,616,422</u>	<u>445,101</u>	<u>1,889,217</u>	<u>3,081,878</u>	<u>1,853,789</u>	<u>-</u>	<u>1,706,526</u>	<u>23,532,679</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,739,683</u>	<u>\$ 7,692,667</u>	<u>\$ 452,236</u>	<u>\$ 1,889,217</u>	<u>\$ 3,081,878</u>	<u>\$ 1,926,244</u>	<u>\$ -</u>	<u>\$ 1,832,816</u>	<u>\$ 26,614,741</u>

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

**CITY OF BENBROOK, TEXAS
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

Total fund balances – governmental funds	\$ 23,532,679
Amounts reported for governmental activities in the statement of activities are different because:	
Investment in joint venture is not a current financial resource and, therefore, is not reported in the governmental funds balance sheet.	730,500
Notes receivable are not a current financial resource and, therefore, are not reported in the governmental funds balance sheet.	400,000
Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	49,663,082
Costs associated with the issuance of governmental long-term debt are expensed when incurred in the fund statements but capitalized and amortized over the life of the debt in the government-wide financial statements.	155,195
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.	(65,798)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	1,840,002
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	(14,705,303)
Accrued sick and vacation time does not require current financial resources and is not included on the governmental funds balance sheet.	<u>(1,131,300)</u>
Net Position of Governmental Activities	<u><u>\$ 60,419,057</u></u>

CITY OF BENBROOK, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>General</u>	<u>Economic Development</u>	<u>Debt Service</u>	<u>Capital Project TIF</u>	<u>Capital Project CVA</u>	<u>Capital Project Storm Water</u>	<u>Capital Project Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES									
Taxes									
Property	\$ 10,008,642	\$ -	\$ 156,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,165,031
Franchise	1,498,012	-	-	-	-	-	-	37,126	1,535,138
Sales & Other	2,499,156	1,247,089	-	-	-	-	-	139,687	3,885,932
Licenses, Permits & Filing Fees	273,945	-	-	-	-	-	-	-	273,945
Fines & Forfeitures	682,919	-	-	-	-	-	-	43,497	726,416
Use of Money & Property	191,896	113,882	-	330	114,205	857	-	1,068	422,238
Proceeds of Direct Financing Lease	-	216,736	-	-	-	-	-	-	216,736
Charges for Services	802,120	-	-	1,082,248	-	966,805	-	-	2,851,173
Other Revenues	400,042	5,450	-	-	-	-	100,000	14,319	519,811
Total Revenues	<u>16,356,732</u>	<u>1,583,157</u>	<u>156,389</u>	<u>1,082,578</u>	<u>114,205</u>	<u>967,662</u>	<u>100,000</u>	<u>235,697</u>	<u>20,596,420</u>
EXPENDITURES									
Current									
General Government	1,811,138	-	-	-	-	-	-	-	1,811,138
Staff Services	883,219	-	-	-	-	-	-	-	883,219
Public Safety	8,155,172	-	-	-	-	-	-	20,949	8,176,121
Public Service	2,662,030	-	-	-	-	-	-	4,100	2,666,130
Community Development	1,045,545	-	-	234,749	-	-	-	204,675	1,484,969
Economic Development	-	650,953	-	-	-	-	-	-	650,953
Community Promotions	-	-	-	-	-	-	-	-	-
Debt Service									
Principal	-	104,613	980,000	-	-	-	-	-	1,084,613
Interest and Other Fees	-	112,123	437,933	-	-	-	-	-	550,056
Capital Outlay	145,950	-	-	-	456,475	391,648	2,164,904	-	3,158,977
Total Expenditures	<u>14,703,054</u>	<u>867,689</u>	<u>1,417,933</u>	<u>234,749</u>	<u>456,475</u>	<u>391,648</u>	<u>2,164,904</u>	<u>229,724</u>	<u>20,466,176</u>
Excess of Revenues Over (Under) Expenditures	<u>1,653,678</u>	<u>715,468</u>	<u>(1,261,544)</u>	<u>847,829</u>	<u>(342,270)</u>	<u>576,014</u>	<u>(2,064,904)</u>	<u>5,973</u>	<u>130,244</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	956,596	-	353,370	-	2,164,904	-	3,474,870
Transfers out	(2,518,274)	-	-	(343,550)	-	(613,046)	-	-	(3,474,870)
Total Other Financing Sources (Uses)	<u>(2,518,274)</u>	<u>-</u>	<u>956,596</u>	<u>(343,550)</u>	<u>353,370</u>	<u>(613,046)</u>	<u>2,164,904</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(864,596)	715,468	(304,948)	504,279	11,100	(37,032)	100,000	5,973	130,244
Fund Balances – Beginning	9,804,342	4,900,954	750,049	1,384,938	3,070,778	1,890,821	(100,000)	1,700,553	23,402,435
Fund Balances (Deficit) - Ending	<u>\$ 8,939,746</u>	<u>\$ 5,616,422</u>	<u>\$ 445,101</u>	<u>\$ 1,889,217</u>	<u>\$ 3,081,878</u>	<u>\$ 1,853,789</u>	<u>\$ -</u>	<u>\$ 1,706,526</u>	<u>\$ 23,532,679</u>

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

**CITY OF BENBROOK, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE NET CHANGE IN NET POSITION
OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Net change in fund balances - total governmental funds	\$ 130,244
Amounts reported for governmental activities in the statement of activities are different because:	
Investment in joint venture reported in the statement of net position does not require the use of current financial resources; therefore, the current year net income or loss in the investment is not reported in the governmental funds.	(38,470)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	4,314,025
Depreciation expense on capital assets is reported in the statement of activities, and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(2,016,620)
Net book assets of capital assets disposed.	(5,668)
The issuance of long term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount includes principal paid on long term debt and accreted interest.	1,054,988
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.	(22,992)
The expense for compensated absences reported in the statement of activities does not require the use of current financial resources, therefore, the expense is not reported as expenditures in the governmental funds.	122,356
Amount set aside to cover the liability for OPEB/TMRS SDB	(116,192)
Certain revenues reported in the governmental funds are not reported in the government-wide statement of activities.	<u>(482,813)</u>
Net Change in Net Position of Governmental Activities	<u><u>\$ 2,938,858</u></u>

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

CITY OF BENBROOK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

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

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable).

B. Financial Reporting Entity

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

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

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

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. Complete financial statements for the individual component units may be obtained at the City's office.

CITY OF BENBROOK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Financial Reporting Entity – Continued

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

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

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

C. Basis of Presentation

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

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

Fund Financial Statements:

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

CITY OF BENBROOK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Basis of Presentation – Continued

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

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

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

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

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

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

The **Capital Projects – Building** is used to account for funds received and expended for the construction of and renovation of buildings of the City.

D. Measurement Focus and Basis of Accounting

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

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

CITY OF BENBROOK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus and Basis of Accounting – Continued

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

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

E. Cash and Investments

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

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

F. Capital Assets

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

CITY OF BENBROOK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Capital Assets – Continued

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

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

G. Accumulated Vacation, Compensated Time and Sick Leave

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

H. Nature and Purpose of Designations of Fund Equity

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

2. Spendable Fund Balance

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

I. Net Position

Net position, as adapted by GASB in June 2011 as part of GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, approved represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 2. CASH AND INVESTMENTS

Cash and investments as of September 30, 2013 consist of the following:

Deposits with financial institutions	\$	14,579,159
Investments		8,920,806
	\$	23,499,965

Disclosure Relating to Interest Rate Risk

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

As of September 30, 2013, the City had the following investments:

Investment Type	Amount	WAM
TexPool	\$ 6,051,781	55
TexSTAR	2,869,025	52
	\$ 8,920,806	

As of September 30, 2013, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

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

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Disclosure Relating to Credit Risk

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

<u>Investment Type</u>	<u>Amount</u>	<u>Rating</u>
TexPool	\$ 6,051,781	AAAm
TexSTAR	<u>2,869,025</u>	AAAm
	<u>\$ 8,920,806</u>	

Concentration of Credit Risk

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

Custodial Credit Risk

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

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

As of September 30, 2013, the carrying amount of the City’s cash on hand was \$14,579,159 and the bank balances were \$14,716,214. At September 30, 2013, the City had deposits at two financial institutions. Each financial institution was covered by depository insurance in the amount \$250,000. The remaining bank balance in the EDC of \$5,198,000 was undercollateralized by \$102,869 at September 30, 2013 with a value of collateral equal to \$5,095,131. The remaining funds bank balance of \$9,017,388 was fully covered by collateral with a value of \$11,620,873. This collateral is held by the Federal Reserve Bank of Dallas in the City’s name under joint safekeeping agreements with the pledging institutions.

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

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Investment in State Investment Pools

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

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

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

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	Balance October 1	Additions/ Completions	Transfers	Retirements/ Adjustments	Balance September 30
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 947,842	\$ -	\$ -	\$ -	\$ 947,842
ROW	9,821,372	-	-	-	9,821,372
Construction in progress	339,985	2,321,990	(2,365,838)	-	296,137
Total capital assets not being depreciated	11,109,199	2,321,990	(2,365,838)	-	11,065,351
Capital assets being depreciated					
Buildings	8,007,041	-	2,259,608	5,668	10,260,981
Infrastructure	74,883,801	1,786,359	106,230	-	76,776,390
Equipment	5,027,071	205,676	-	-	5,232,747
Total capital assets being depreciated	87,917,913	1,992,035	2,365,838	5,668	92,270,118
Less accumulated depreciation					
Buildings	4,501,485	350,298	-	-	4,851,783
Infrastructure	44,652,934	1,385,951	-	-	46,038,885
Equipment	2,501,348	280,371	-	-	2,781,719
Total accumulated depreciation	51,655,767	2,016,620	-	-	53,672,387
Total capital assets being depreciated, net	36,262,146	(24,585)	2,365,838	5,668	38,597,731
Governmental activities capital assets, net	<u>\$ 47,371,345</u>	<u>\$ 2,297,405</u>	<u>\$ -</u>	<u>\$ 5,668</u>	<u>\$ 49,663,082</u>

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

NOTE 3. CAPITAL ASSETS – CONTINUED

Included in capital asset additions are approximately \$1,618,000 of contributed capital reflected as capital grants and contributions in the statement of activities.

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

Governmental Activities	
General Government	\$ 22,973
Public Safety	276,489
Public Services	1,706,175
Community Development	6,202
Economic Development	4,781
	<hr/>
Total Depreciation Expense-Governmental Activities	<u><u>\$ 2,016,620</u></u>

NOTE 4. LONG-TERM DEBT

At September 30, 2013, the City's bonds payable consisted of the following:

2004 G.O. bonds dated May 15, 2004, issued for drainage improvements, due in annual installments through February 1, 2025, interest rates of 4.30% to 5%	\$ 2,705,000
2005 G.O. bonds dated August 2, 2005, issued for drainage improvements, due in annual installments through February 1, 2020, interest rates of 3.49% to 7%	3,075,000
2005 TIF C.O. bonds dated August 4, 2005, issued for sewer line and street improvements, due in annual installments through February 1, 2021, interest rate of 3.49%.	1,425,000
2008 Storm Water C.O. bonds dated December 1, 2007 for storm water improvements, due in annual installments through February 1, 2027, interest rate of 4.04%	800,000
2011 C.O. Refunding bonds dated August 9, 2011 issued to refund the remaining balance of the 2002 G.O. bonds, due in annual installments through February 1, 2022, interest rate of 2.93%	2,600,000
2012 C.O. Refunding bonds dated April 15, 2012 issued to reimburse TIF developer, due in annual installments through February 1, 2022, interest rate of 1.79%.	1,165,000
	<hr/>
Total bonds payable	<u><u>\$ 11,770,000</u></u>

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

NOTE 4. LONG-TERM DEBT – CONTINUED

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2013:

	Balance October 1	Increases	Decreases	Balance September 30	Due Within One Year
Governmental Type Activities					
General Obligation Bonds	\$ 9,055,000	\$ -	\$ 675,000	\$ 8,380,000	\$ 705,000
Certificate of Obligation	3,695,000	-	305,000	3,390,000	320,000
Long Term Notes Payable	1,661,301	-	104,613	1,556,688	142,120
Compensated Absences	1,253,656	437,538	559,894	1,131,300	559,894
Net Pension Obligation	1,363,323	116,192	-	1,479,515	-
Deferred Loss on Refunding	(113,534)	-	(12,634)	(100,900)	(12,634)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities	<u>\$ 16,914,746</u>	<u>\$ 553,730</u>	<u>\$ 1,631,873</u>	<u>\$ 15,836,603</u>	<u>\$ 1,714,380</u>

General Obligation Bonds and Certificates of Obligation

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

Long-term Notes Payable

The EDC has one long-term note for a building and land outstanding with a principal balance of \$1,556,688.

Compensated Absences

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

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

NOTE 4. LONG-TERM DEBT – CONTINUED

Annual requirements to amortize all debts outstanding as of September 30, 2013, are as follows:

General Obligation Bonds

General Obligation Bonds Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2014	\$ 705,000	\$ 296,549	\$ 1,001,549
2015	730,000	270,243	1,000,243
2016	760,000	243,474	1,003,474
2017	795,000	215,369	1,010,369
2018	820,000	186,140	1,006,140
2019-2023	4,005,000	461,295	4,466,295
2024-2025	565,000	27,767	592,767
	<u>\$ 8,380,000</u>	<u>\$ 1,700,837</u>	<u>\$ 10,080,837</u>

Certificate of Obligations

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2014	\$ 320,000	\$ 98,218	\$ 418,218
2015	335,000	88,624	423,624
2016	340,000	78,722	418,722
2017	350,000	68,546	418,546
2018	360,000	58,049	418,049
2019-2023	1,405,000	164,594	1,569,594
2024-2027	280,000	23,230	303,230
	<u>\$ 3,390,000</u>	<u>\$ 579,983</u>	<u>\$ 3,969,983</u>

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

NOTE 4. LONG-TERM DEBT – CONTINUED

Notes Payable

Notes Payable Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2014	\$ 142,120	\$ 74,616	\$ 216,736
2015	149,389	67,347	216,736
2016	156,860	59,876	216,736
2017	165,052	51,684	216,736
2018	173,494	43,242	216,736
2019-2023	769,773	75,742	845,515
	<u>\$ 1,556,688</u>	<u>\$ 372,507</u>	<u>\$ 1,929,195</u>

NOTE 5. PROPERTY TAX

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

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

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual have been recognized as revenue. Property taxes are recorded net of the allowance for uncollectible taxes (\$184,469) for the General Fund and (\$15,876) for the Debt Service Fund. The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five year statute of limitations.

CITY OF BENBROOK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN

Plan Description

The City of Benbrook provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. Benefits depend upon the sum of the employee's contributions to the plan, with interest, and City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions. In addition, the City can grant as often as annually another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and the City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity. The net pension obligation will be liquidated from the General Fund.

Each municipal participant has an annual, individual actuarial valuation performed. All assumptions for the December 31, 2012 valuations are contained in the 2012 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on the TMRS website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the City were as follows:

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

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

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

NOTE 6. PENSION PLAN – CONTINUED

Contributions

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

Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2012 valuation is effective for rates beginning January 2014).

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

Annual Required Contribution (ARC)	\$ 1,460,099
Interest on Net Pension Obligation	64,906
Adjustment to the ARC	<u>(62,346)</u>
Annual pension cost (APC)	1,462,659
Contributions Made	<u>(1,436,217)</u>
Increase (decrease) in Net Pension Obligation	26,442
Net Pension Obligation (Asset), beginning of year	<u>927,229</u>
Net Pension Obligation (Asset), end of year	<u><u>\$ 953,671</u></u>

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

NOTE 6. PENSION PLAN – CONTINUED

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, is as follows:

Valuation Date	12/31/2010	12/31/2011	12/31/2012
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization Period for new Gain/Losses	30 years	30 years	30 years
Remaining Amortization Period	27.2 years closed period	26.2 years closed period	26.2 years closed period
Asset Valuation Method	10 year Smoothed Market	10 year Smoothed Market	10 year Smoothed Market
Actuarial Assumptions			
Investment Rate of Return*	7.0%	7.0%	7.0%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes Inflation at	3.0%	3.0%	3.0%
Cost of living adjustment	2.1%	2.1%	2.1%

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

Fiscal Year	Annual Pension Cost(APC)	Percentage of APC Contribution	Net Pension Obligation
2011	\$ 1,613,172	79.63%	\$ 888,214
2012	1,422,524	97.27%	927,229
2013	1,469,212	119.13%	953,671

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

NOTE 6. PENSION PLAN – CONTINUED

The restructured funded status as of December 31, 2012, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ 34,098,398	\$ 41,300,845	82.56%	\$ 7,202,447	\$ 7,943,959	90.67%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

The City also participates in the cost sharing multiple-employer defined group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1st of any year to be effective the following January.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other post employment benefit” or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure the adequate resources are available to meet all death benefits payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during the employees’ entire careers.

The City contributions to the TMRS SDBF for the three years ended 2013, 2012 and 2011 were \$11,652, \$11,639 and \$11,194, respectively, which equaled the required contributions each year.

NOTE 7. COMMITMENTS

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

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

NOTE 8. INTERFUND ACTIVITY

Interfund receivables/payables consist of the following as of September 30, 2013.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Economic Development	\$ 127,465
General Fund	Other Governmental Funds	23,256
Other Governmental Funds	Other Governmental Funds	<u>4,710</u>
		<u><u>\$ 155,431</u></u>

NOTE 9. RISK MANAGEMENT

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

NOTE 10. POSTEMPLOYMENT BENEFITS

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

The other postretirement employment benefits for eligible retirees were funded on a pay-as-you-go basis.

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

NOTE 10. POSTEMPLOYMENT BENEFITS – CONTINUED

The calculation of the Net OPEB Obligation as of September 30, 2013, is summarized below:

Annual Required Contribution (ARC)	\$	89,750
Interest on Net Pension Obligation		-
Adjustments to the ARC		-
		-
Annual Pension Cost (APC)		89,750
Contributions Made		-
		-
Increase (decrease) in net pension obligation		89,750
Net Pension Obligation (Asset), beginning of year		436,094
		436,094
Net Pension Obligation (Asset), end of year	\$	525,844

Funding Status and Funding Progress

The funded status of the City's retiree health care plan, under GASB Statement No. 45 as of December 31, 2012 is as follows:

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll
12/31/2010	\$ -	\$ 346,344	0.00 %	\$ 346,344	\$ 7,206,067
12/31/2011	-	436,094	0.00	436,094	7,753,969
12/31/2012	-	525,844	0.00	525,844	7,943,959

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

NOTE 10. POSTEMPLOYMENT BENEFITS – CONTINUED

Actuarial Methods and Assumptions

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

Investment rate of return	4.5%
Actuarial cost method	Projected unit credit cost method
Amortization method	Level percent of payroll
Amortization period	30 years, open
Salary growth	3.0% per annum
Health care trend rate - intermediate	9.00%
Inflation rate	3.00%
Covered payroll	\$7,943,959

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

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

NOTE 11. JOINT VENTURE

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

The partnership agreement required the EDC to make a capital contribution of land valued at \$275,000. During 2013, the EDC voluntarily contributed an additional \$47,819 through the payment of the partnership's expenses. The EDC may be required to contribute additional amounts to cover the partnership's expenses but contributions are expected to decrease in the future as revenues increase. Complete financial statements can be obtained from the EDC at 911 Winscott Road, Benbrook, Texas.

The following is a summary of financial information of the joint venture at and for the year ended September 30, 2013:

Assets	\$ 1,092,125
Liabilities	<u>203,410</u>
Equity	<u>\$ 888,715</u>
Revenues	\$ -
Expense	<u>47,819</u>
Net loss	<u>\$ (47,819)</u>

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

NOTE 12. INTERFUND TRANSFERS

All interfund transfers between various funds are approved supplements to the operations of those funds. Individual operating transfers for year ended September 30, 2013 were as follows:

Transfers-in	Transfers-out	Purpose	Amount
Debt Service	Capital Projects - Storm Water	Debt Reypayment	\$ 613,046
Debt Service	Capital Projects - TIF	Debt Reypayment	343,550
Capital Projects - Building	General Fund	Special Projects	2,164,904
Capital Projects - CVA	General Fund	Special Projects	353,370
			<u>\$ 3,474,870</u>

NOTE 13. SUBSEQUENT EVENT

The City evaluated all events or transactions that occurred after December 31, 2013, through March 10, 2014, the date these consolidated financial statements were available to be issued, noting the following events:

The City's Standard & Poor's (S&P) credit rating increased to AA+.

In November 2013, the City executed a current refunding in the amount of \$2,645,000 of Series 2004 general obligation bonds. The bonds were refunded with a single issue of \$2,645,000 Series 2013 general obligation refunding bonds. The net proceeds from the refunding issue along with a cash contribution totaled \$2,589,324 which provided sufficient resources to reduce total debt service payments over the next ten years by \$372,044.

In October 2013, the Benbrook Economic Development Corporation (EDC) dissolved the Benbrook Realty Partners partnership. The partnership assets were merged into the Benbrook Economic Development Corporation assets at dissolution.

In November 2013, the EDC became owners of approximately 12 acres of property in exchange for work to be performed on an infrastructure project for a developer in the City.

REQUIRED SUPPLEMENTARY INFORMATION

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Percentage Funded</u>	<u>Unfunded (UAAL)</u>	<u>Annual Covered Payroll (ACP)</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
12/31/2010	\$ 28,492,939	\$ 36,389,302	78.30%	\$ 7,896,363	\$ 7,206,067	109.60%
12/31/2011	31,182,753	38,870,254	80.22%	7,687,501	7,458,722	103.07%
12/31/2012	34,098,398	41,300,845	82.56%	7,202,447	7,943,659	90.67%

**CITY OF BENBROOK, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2013**

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenues				
Taxes	\$ 13,881,137	\$ 13,881,137	\$ 14,005,810	\$ 124,673
Licenses, Permits & Filing Fees	298,900	298,900	273,945	(24,955)
Fines & Forfeitures	533,050	533,050	682,919	149,869
Use of Money & Property	145,150	145,150	191,896	46,746
Charges for Services	790,345	790,345	802,120	11,775
Other Revenues	322,500	322,500	400,042	77,542
Total Revenues	15,971,082	15,971,082	16,356,732	385,650
Expenditures				
Current				
General Government	3,683,001	3,683,001	1,811,138	1,871,863
Staff Services	926,150	926,150	883,219	42,931
Public Safety	8,586,463	8,586,463	8,155,172	431,291
Public Services	2,769,830	2,769,830	2,662,030	107,800
Community Development	1,005,967	1,005,967	1,045,545	(39,578)
Capital Outlay	151,000	151,000	145,950	5,050
Total Expenditures	17,122,411	17,122,411	14,703,054	2,419,357
Excess of Revenues over (under) Expenditures	(1,151,329)	(1,151,329)	1,653,678	2,805,007
Other Financing Sources (Uses) Transfers Out	-	(2,164,904)	(2,518,274)	(353,370)
Excess of Revenues over (under) Expenditures & Other Financing Sources (Uses)	(1,151,329)	(3,316,233)	(864,596)	2,451,637
Fund Balance - Beginning	9,804,342	9,804,342	9,804,342	-
Fund Balance - Ending	\$ 8,653,013	\$ 6,488,109	\$ 8,939,746	\$ 2,451,637

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

NOTE 1. BUDGETARY CONTROLS

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

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

Annual appropriated budgets are consistent with U. S. generally accepted accounting principles and are legally adopted for the general and debt service fund.

All appropriations lapse on September 30 of the fiscal year.

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

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

COMBINING FUND STATEMENTS

**CITY OF BENBROOK, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	Special Revenue Funds			Capital Projects Fund		Total Non-Major Governmental Funds	
	Hotel Motel Tax	PEG	Public Safety	Total Special Revenue	Special Assessment		Total Capital Projects
Assets							
Deposits & Investments	\$ 360,580	\$ 40,750	\$ 317,809	\$ 719,139	\$ 1,087,374	\$ 1,087,374	\$ 1,806,513
Receivables	40	-	-	40	21,553	21,553	21,593
Due from other funds	-	-	4,710	4,710	-	-	4,710
Total Assets	\$ 360,620	\$ 40,750	\$ 322,519	\$ 723,889	\$ 1,108,927	\$ 1,108,927	\$ 1,832,816
Liabilities & Fund Balances							
Liabilities							
Accounts Payable	\$ 29,366	\$ 3,918	\$ -	\$ 33,284	\$ -	\$ -	\$ 33,284
Accrued Salaries and Wages	1,071	-	-	1,071	-	-	1,071
Advanced Payments & Deposits	-	-	-	-	42,416	42,416	42,416
Due to Other Funds	27,966	-	-	27,966	-	-	27,966
Deferred Revenues	-	-	-	-	21,553	21,553	21,553
Total Liabilities	58,403	3,918	-	62,321	63,969	63,969	126,290
Fund Balance							
Restricted							
City Promotions	302,217	36,832	-	339,049	-	-	339,049
Public Safety	-	-	322,519	322,519	-	-	322,519
Capital Projects	-	-	-	-	1,044,958	1,044,958	1,044,958
Total Fund Balances	302,217	36,832	322,519	661,568	1,044,958	1,044,958	1,706,526
Total Liabilities & Fund Balances	\$ 360,620	\$ 40,750	\$ 322,519	\$ 723,889	\$ 1,108,927	\$ 1,108,927	\$ 1,832,816

CITY OF BENBROOK, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds			Capital Projects Fund		Total Non-Major Governmental Funds	
	Hotel Motel Tax	PEG	Public Safety	Total Special Revenue	Special Assessment		Total Capital Projects
Revenues							
Taxes	\$ 139,687	\$ 37,126	\$ -	\$ 176,813	\$ -	\$ -	\$ 176,813
Fines & Forfeitures	-	-	43,497	43,497	-	-	43,497
Use of Money & Property	1,006	-	62	1,068	-	-	1,068
Road Damage Assessment	-	-	-	-	-	-	-
Other Revenues	3,096	-	-	3,096	11,223	11,223	14,319
Total Revenues	<u>\$ 143,789</u>	<u>\$ 37,126</u>	<u>\$ 43,559</u>	<u>\$ 224,474</u>	<u>\$ 11,223</u>	<u>\$ 11,223</u>	<u>\$ 235,697</u>
Expenditures							
Current							
Community Development	\$ 168,545	\$ 36,130	\$ -	\$ 204,675	\$ -	\$ -	\$ 204,675
Public Safety	-	-	20,949	20,949	-	-	20,949
Public Service	-	-	-	-	4,100	4,100	4,100
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>168,545</u>	<u>36,130</u>	<u>20,949</u>	<u>225,624</u>	<u>4,100</u>	<u>4,100</u>	<u>229,724</u>
Excess of Revenues over (under)							
Expenditures	(24,756)	996	22,610	(1,150)	7,123	7,123	5,973
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	-	-	-
Excess of Revenues & Other Sources Over (Under) Expenditures & Other (Uses)	(24,756)	996	22,610	(1,150)	7,123	7,123	5,973
Fund Balance - Beginning	<u>326,973</u>	<u>35,836</u>	<u>299,909</u>	<u>662,718</u>	<u>1,037,835</u>	<u>1,037,835</u>	<u>1,700,553</u>
Fund Balance - Ending	<u>\$ 302,217</u>	<u>\$ 36,832</u>	<u>\$ 322,519</u>	<u>\$ 661,568</u>	<u>\$ 1,044,958</u>	<u>\$ 1,044,958</u>	<u>\$ 1,706,526</u>

Benbrook



T E X A S

Our Pride. Your Joy.

DEBT SERVICE FUND

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

**CITY OF BENBROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	2013			
	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenues				
Property Taxes				
Current Property Tax	\$ 157,389	\$ 157,389	\$ 154,447	\$ (2,942)
Delinquent Property Tax	1,500	1,500	1,125	(375)
Penalty & Interest	750	750	817	67
Other Revenues	539,619	539,619	-	(539,619)
Total Revenues	699,258	699,258	156,389	(542,869)
Expenditures				
Principal	675,000	675,000	980,000	(305,000)
Interest	321,656	321,656	434,133	(112,477)
Other	6,000	6,000	3,800	2,200
Total Expenditures	1,002,656	1,002,656	1,417,933	(415,277)
Excess of Revenues over (Under) Expenditures	(303,398)	(303,398)	(1,261,544)	(958,146)
Other Financing Sources (Uses)				
Transfers In	-	-	956,596	956,596
Total Other Financing Sources (Uses)	-	-	956,596	956,596
Net Changes in Fund Balance	(303,398)	(303,398)	(304,948)	(1,550)
Fund Balance - Beginning	750,049	750,049	750,049	-
Fund Balance - Ending	\$ 446,651	\$ 446,651	\$ 445,101	\$ (1,550)

Benbrook



T E X A S

Our Pride. Your Joy.

STATISTICAL SECTION

(Unaudited)

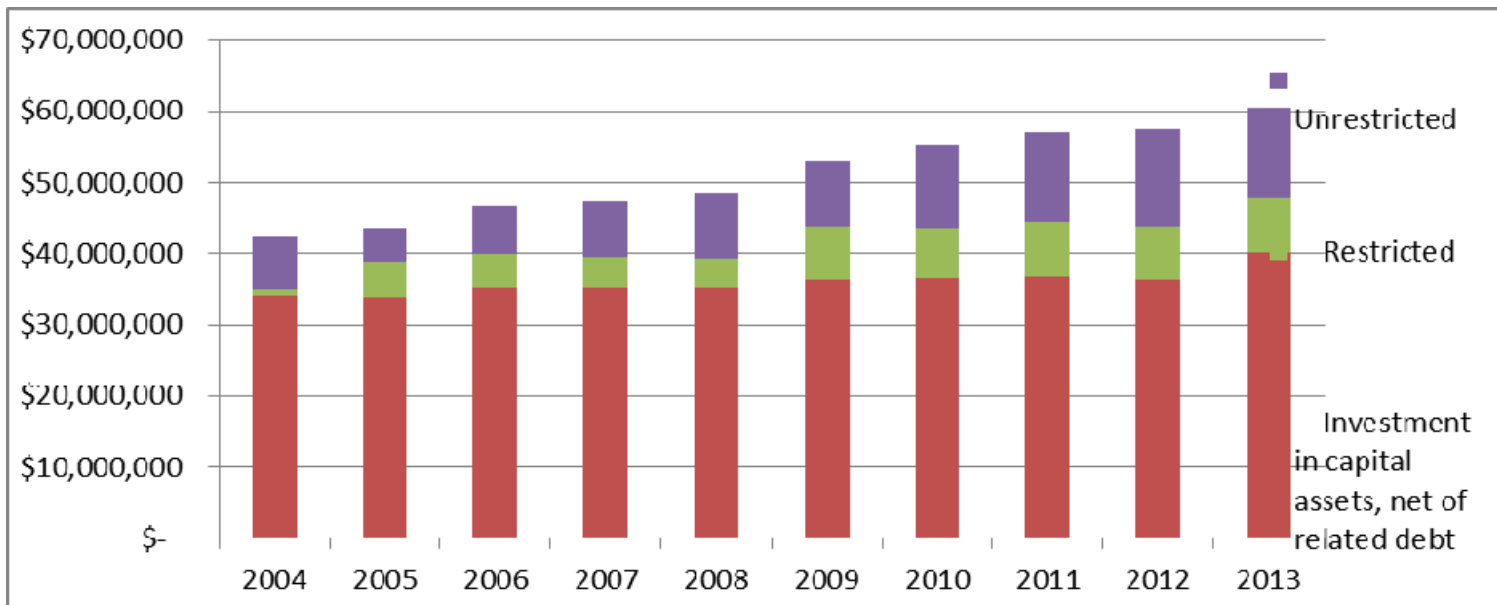
The City of Benbrook's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

	Pages
Financial Trends	These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 42-45
Revenue Capacity	These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax. 46-49
Debt Capacity	These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future. 50-53
Demographic & Economic Indicators	These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities takes place. 54-56
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 57-58
Additional Information	Additional information the government has included to help give the reader a better understanding of the government. 59

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

TABLE 1

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities Investment in capital assets, net of related debt	\$ 34,123,227	\$ 33,940,524	\$ 35,131,149	\$ 35,105,138	\$ 35,121,433	\$ 36,378,744	\$ 36,601,171	\$ 36,615,411	\$ 36,235,804	\$ 40,079,400
Restricted	770,966	4,827,009	4,852,363	4,485,176	4,174,179	7,397,473	7,099,648	7,807,670	7,700,845	7,560,464
Unrestricted	7,474,788	4,831,580	6,596,515	7,696,661	9,247,627	9,133,171	11,529,567	12,546,736	13,543,550	12,779,193
Total government activities net position	\$ 42,368,981	\$ 43,599,113	\$ 46,580,027	\$ 47,286,975	\$ 48,543,239	\$ 52,909,388	\$ 55,230,386	\$ 56,969,817	\$ 57,480,199	\$ 60,419,057



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

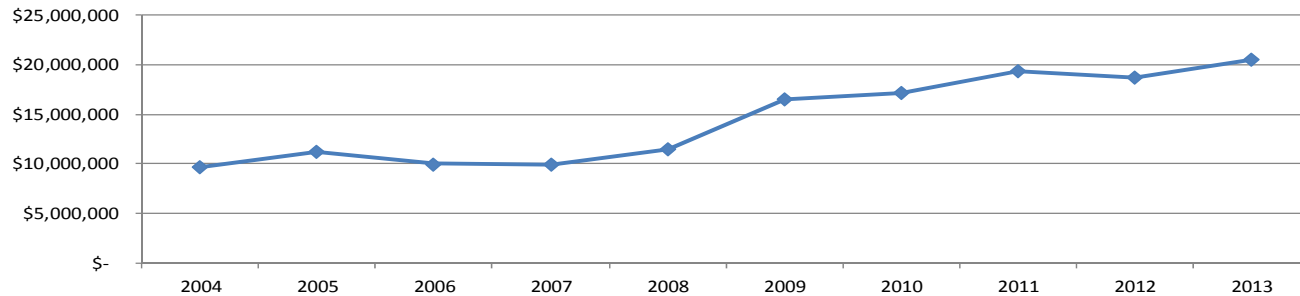
TABLE 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
General Government	\$ 862,934	\$ 951,947	\$ 1,254,037	\$ 1,305,755	\$ 1,284,710	\$ 1,464,082	\$ 1,549,545	\$ 2,090,595	\$ 1,587,026	\$ 1,947,856
Staff Services	509,277	533,457	601,865	594,771	560,179	643,154	651,803	723,541	902,490	880,772
Public Safety	5,517,531	5,883,163	6,115,876	6,350,463	7,060,466	7,270,397	7,866,069	8,212,215	8,509,009	8,342,490
Public Services	3,350,771	3,380,073	3,517,751	3,375,662	3,936,346	3,972,265	3,921,689	3,906,368	1,598,830	4,831,947
Community Development	1,149,374	1,212,669	1,319,432	4,752,683	1,860,807	1,795,642	2,195,596	1,852,989	5,829,234	2,143,234
Interest on long-term debt	807,449	950,646	1,087,712	1,074,998	986,769	801,940	702,631	650,617	601,357	602,673
Total Government Activities Expenses	\$ 12,197,336	\$ 12,911,955	\$ 13,896,673	\$ 17,454,332	\$ 15,689,277	\$ 15,947,480	\$ 16,887,333	\$ 17,436,325	\$ 19,027,946	\$ 18,748,972
Program Revenues										
Governmental activities										
Fees, Fines and Service Charges										
Public Safety	\$ 627,462	\$ 648,982	\$ 687,244	\$ 886,089	\$ 1,073,810	\$ 1,019,741	\$ 1,063,768	\$ 1,111,548	\$ 1,350,782	\$ 1,433,182
Public Services	70,692	77,607	107,986	74,327	85,344	113,704	84,503	132,731	137,908	121,267
Community Development	489,906	488,802	448,695	328,988	305,281	196,081	390,771	237,613	1,216,885	1,205,136
Operating Grants and Contributions										
Public Safety	132,709	169,482	262,250	696,743	426,790	281,905	240,007	353,921	480,821	381,872
Community Development	-	-	-	-	-	-	-	27,176	-	-
Capital Grants and Contributions										
Public Service	1,685,264	824,198	1,120,002	2,194,428	10,500	150,393	-	-	50,000	-
Community Development	95,900	116,276	-	-	-	-	-	-	-	1,618,360
Total Government Activities Program Revenues	3,101,933	2,325,347	2,626,177	4,180,575	1,901,725	1,761,824	1,779,049	1,862,989	3,236,396	4,759,817
Net Expenses Revenues	9,095,403	10,586,608	11,270,496	13,273,757	13,787,552	14,185,656	15,108,284	15,573,336	15,791,550	13,989,155
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Ad Valorem	7,381,749	7,961,943	8,222,631	8,520,241	8,893,298	9,709,863	9,713,421	10,357,516	9,754,496	10,214,041
Franchise	1,307,969	1,208,004	1,295,434	1,284,974	1,382,773	1,371,366	1,319,418	1,429,023	1,503,002	1,535,138
Sales and Other	1,920,511	2,062,344	2,218,043	2,717,593	2,678,083	2,890,977	2,752,740	3,595,387	3,596,241	3,885,932
Use of Money and Proper	209,339	405,291	1,915,891	956,266	738,482	1,357,007	745,198	616,735	325,123	422,238
Miscellaneous	72,795	179,158	599,411	501,631	1,351,180	1,700,020	2,898,505	1,314,106	1,123,070	870,664
Gain on Sale of Property	-	-	-	-	-	1,522,572	-	-	-	-
Total Governmental Activities	10,892,363	11,816,740	14,251,410	13,980,705	15,043,816	18,551,805	17,429,282	17,312,767	16,301,932	16,928,013
Changes in Net Position	\$ 1,796,960	\$ 1,230,132	\$ 2,980,914	\$ 706,948	\$ 1,256,264	\$ 4,366,149	\$ 2,320,998	\$ 1,739,431	\$ 510,382	\$ 2,938,858

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

TABLE 3

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Committed	\$ 305,830	\$ 291,143	\$ 286,906	\$ 258,047	\$ 260,915	\$ 280,285	\$ 296,192	\$ 248,266	\$ 225,122	\$ 225,122
Unassigned	4,029,061	4,556,216	5,268,507	6,109,484	7,078,989	8,336,815	8,898,053	9,612,401	9,579,220	8,714,624
Total General Fund	4,334,891	4,847,359	5,555,413	6,367,531	7,339,904	8,617,100	9,194,245	9,860,667	9,804,342	8,939,746
All Other Governmental Funds										
Restricted for										
Debt Service	199,187	225,184	302,468	532,877	756,371	1,244,091	1,227,839	1,058,901	750,049	445,101
Economic Development	309,979	841,058	1,187,808	845,105	523,715	3,465,716	3,394,278	4,468,300	4,900,954	5,616,422
City Promotions	163,577	224,213	275,622	348,632	429,188	480,199	470,642	404,073	362,809	339,049
Capital Projects	4,523,677	4,955,287	2,491,884	1,612,418	2,141,309	2,432,728	2,497,075	3,279,065	2,828,656	4,787,964
Public Safety	110,820	137,959	164,593	176,056	264,473	243,256	353,129	289,670	-	322,519
Total All Other Governmental Funds	5,307,240	6,383,701	4,422,375	3,515,088	4,115,056	7,865,990	7,942,963	9,500,009	8,842,468	11,511,055
Total Governmental Funds	\$ 9,642,131	\$ 11,231,060	\$ 9,977,788	\$ 9,882,619	\$ 11,454,960	\$ 16,483,090	\$ 17,137,208	\$ 19,360,676	\$ 18,646,810	\$ 20,450,801



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

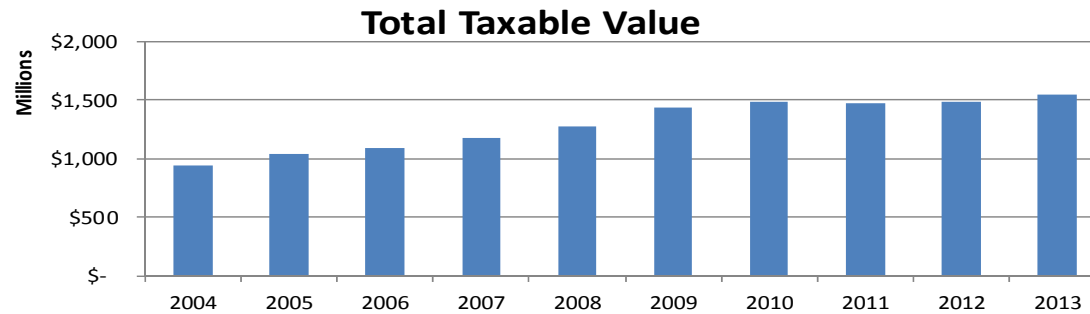
TABLE 4

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes										
Property	\$ 7,375,230	\$ 7,953,643	\$ 8,221,572	\$ 8,497,777	\$ 8,932,091	\$ 9,695,791	\$ 9,718,302	\$ 10,336,036	\$ 9,759,726	\$ 10,165,031
Franchise	1,307,969	1,208,004	1,295,434	1,300,921	1,382,773	1,371,366	1,319,418	1,429,024	1,503,002	1,535,138
Sales & Other	1,920,511	2,062,344	2,218,043	2,701,646	2,678,083	2,890,977	2,752,740	3,595,387	3,596,241	3,885,932
Licenses, Permits & Filing Fees	435,697	488,408	457,800	342,494	305,281	232,347	417,846	286,802	307,408	273,945
Fines & Forfeitures	305,445	330,297	337,957	355,440	1,289,624	383,949	569,942	539,558	692,134	726,416
Use of Money & Property	253,681	412,746	1,923,856	1,011,348	738,482	1,357,007	745,198	616,735	325,123	422,238
Proceeds of Direct Financing Lease	196,651	196,651	196,651	196,651	196,651	216,736	216,736	216,736	216,736	216,736
Charges for Services	359,701	440,034	500,499	443,190	702,204	1,674,699	1,653,898	1,627,298	2,587,945	2,851,173
Proceeds for Sale of Assets	-	-	-	-	-	-	-	253,414	-	-
Other Revenues	479,911	1,050,197	1,216,755	1,341,404	1,043,206	6,856,518	1,423,107	754,512	1,054,488	519,811
Total General Fund	12,634,796	14,142,324	16,368,567	16,190,871	17,268,395	24,679,390	18,817,187	19,655,502	20,042,803	20,596,420
Expenditures										
Current										
General Government	799,754	913,863	1,097,214	1,201,745	1,264,919	1,424,706	1,503,778	1,754,020	1,568,134	1,811,138
Staff Services	503,528	527,709	596,116	594,771	558,139	626,836	630,154	722,288	901,844	883,219
Public Safety	5,299,692	5,681,172	5,864,454	6,116,359	6,658,770	6,822,906	7,300,123	8,011,591	8,131,574	8,176,121
Public Services	1,994,054	2,099,810	2,317,104	2,246,005	2,591,314	2,561,488	2,531,803	2,590,163	2,569,047	2,666,130
Community Development	605,201	674,942	737,509	1,006,407	1,062,249	1,066,595	1,107,774	1,244,803	2,701,481	1,484,969
Economic Development	506,260	336,887	451,418	590,356	767,868	613,041	1,024,493	405,754	760,978	650,953
Debt Service										
Principal	394,442	934,703	979,239	698,678	778,019	4,632,513	961,049	866,107	927,627	1,084,613
Interest & Other Fees	1,310,815	1,134,433	1,081,220	1,054,556	968,941	813,743	698,220	650,152	561,306	550,056
Debt Issuance Cost	-	-	-	-	35,000	-	-	55,505	30,000	-
Capital Outlay	5,669,856	2,819,233	3,809,395	2,777,163	1,876,422	1,037,122	2,019,914	455,757	1,696,106	3,158,977
Total Expenditures	17,083,602	15,122,752	16,933,669	16,286,040	16,561,641	19,598,950	17,777,308	16,756,140	19,848,097	20,466,176
Excess (deficiency) of Revenues Over Expenditures	(4,448,806)	(980,428)	(565,102)	(95,169)	706,754	5,080,440	1,039,879	2,899,362	194,706	130,244
Other Financing Sources (Uses)										
Issuance of Debt	7,050,000	2,500,000	540,000	-	1,035,000	-	-	-	-	-
Issuance of Refunding	-	5,840,000	-	-	-	-	-	2,755,000	1,280,000	-
Payments to Escrow Agent	-	(5,770,643)	-	-	-	-	-	(2,699,495)	-	-
Transfers-In	-	371,919	-	-	-	531,451	1,344,709	1,500,583	2,450,308	3,474,870
Transfers-out	-	(371,919)	-	-	-	(531,451)	(1,344,709)	(1,500,583)	(2,450,308)	(3,474,870)
Total Other Financing Sources (Uses)	7,050,000	2,569,357	540,000	-	1,035,000	-	-	55,505	1,280,000	-
Net Change in Fund Balance	2,601,194	1,588,929	(25,102)	(95,169)	1,741,754	5,080,440	1,039,879	2,954,867	1,474,706	130,244
Fund Balance – Beginning	7,040,937	9,642,131	11,231,060	11,205,958	11,110,789	12,852,543	17,932,983	18,972,862	21,927,729	23,402,435
Fund Balance – Ending	\$ 9,642,131	\$ 11,231,060	\$ 11,205,958	\$ 11,110,789	\$ 12,852,543	\$ 17,932,983	\$ 18,972,862	\$ 21,927,729	\$ 23,402,435	\$ 23,532,679
Debt Service as a percent Of noncapital expenditures	14.94%	16.82%	15.70%	12.98%	12.13%	29.34%	10.53%	9.64%	8.37%	9.45%

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

TABLE 5

Fiscal Year Ended	Estimated Market Value		Less Tax-Exempt Property	Total Taxable Value	Total Direct Tax Rate
	Real Property	Personal Property			
2004	\$ 952,524,428	\$ 84,402,115	\$ 94,391,030	\$ 942,535,513	0.7625 %
2005	1,044,181,883	87,693,914	95,044,191	1,036,831,606	0.7625
2006	1,112,371,077	88,059,934	107,273,421	1,093,157,590	0.7425
2007	1,252,140,342	93,038,620	170,436,568	1,174,742,394	0.7225
2008	1,314,118,549	129,433,797	169,308,770	1,274,243,576	0.6975
2009	1,429,118,940	175,230,858	171,547,624	1,432,802,174	0.6775
2010	1,470,752,176	188,524,973	178,309,881	1,480,967,268	0.6575
2011	1,430,861,362	216,248,075	178,304,105	1,468,805,332	0.6575
2012	1,445,176,355	216,061,202	176,678,326	1,484,559,051	0.6575
2013	1,470,898,772	261,120,194	180,578,931	1,551,440,035	0.6575

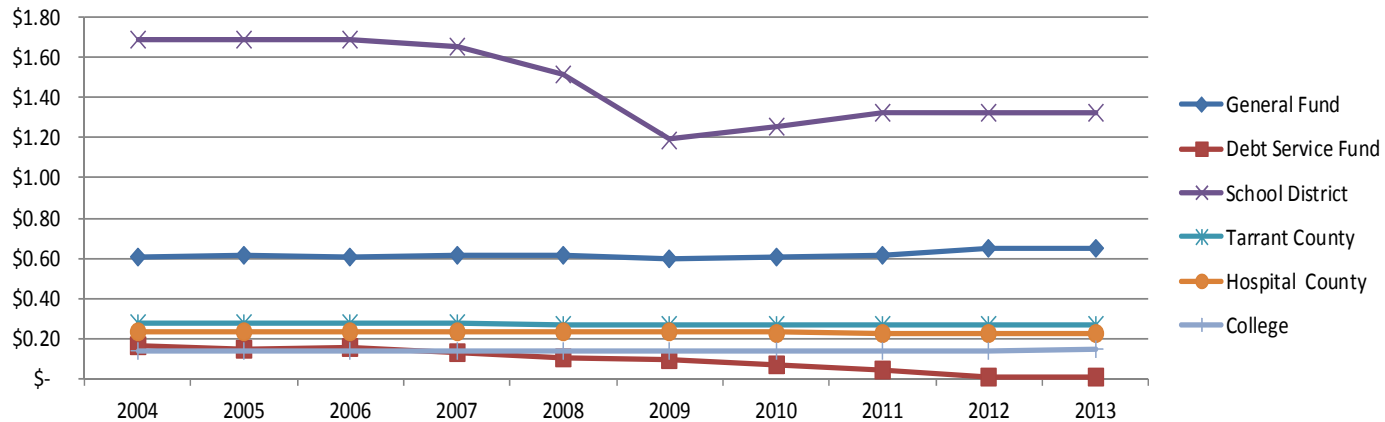


(1) Values taken from the certified tax roll prepared by the Tarrant Appraisal District
 (2) Assessed Value is 100% of Estimated Market Value

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

TABLE 6

Fiscal Year Ended	City of Benbrook			Overlapping Rates				Totals
	General Fund	Debt Service Fund	City Total	Fort Worth School District	Tarrant County	Hospital County	College	
2004	\$ 0.605672	\$ 0.166828	\$ 0.772500	\$ 1.685800	\$ 0.272500	\$ 0.232400	\$ 0.139380	\$ 3.102580
2005	0.617600	0.144900	0.762500	1.685800	0.272500	0.235397	0.139380	3.095577
2006	0.608285	0.154215	0.762500	1.685800	0.272500	0.235397	0.139380	3.095577
2007	0.614196	0.128304	0.742500	1.654000	0.272500	0.235397	0.139380	3.043777
2008	0.615346	0.107154	0.722500	1.514000	0.271500	0.235397	0.139380	2.882777
2009	0.599070	0.098430	0.697500	1.190000	0.266500	0.230397	0.139380	2.523777
2010	0.608100	0.069400	0.677500	1.257000	0.264000	0.228970	0.137960	2.565430
2011	0.615200	0.042300	0.657500	1.322000	0.264000	0.227897	0.137640	2.609037
2012	0.647500	0.010000	0.657500	1.322000	0.264000	0.227900	0.137600	2.609000
2013	0.647500	0.010000	0.657500	1.322000	0.264000	0.227897	0.148970	2.620367



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

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

TABLE 7

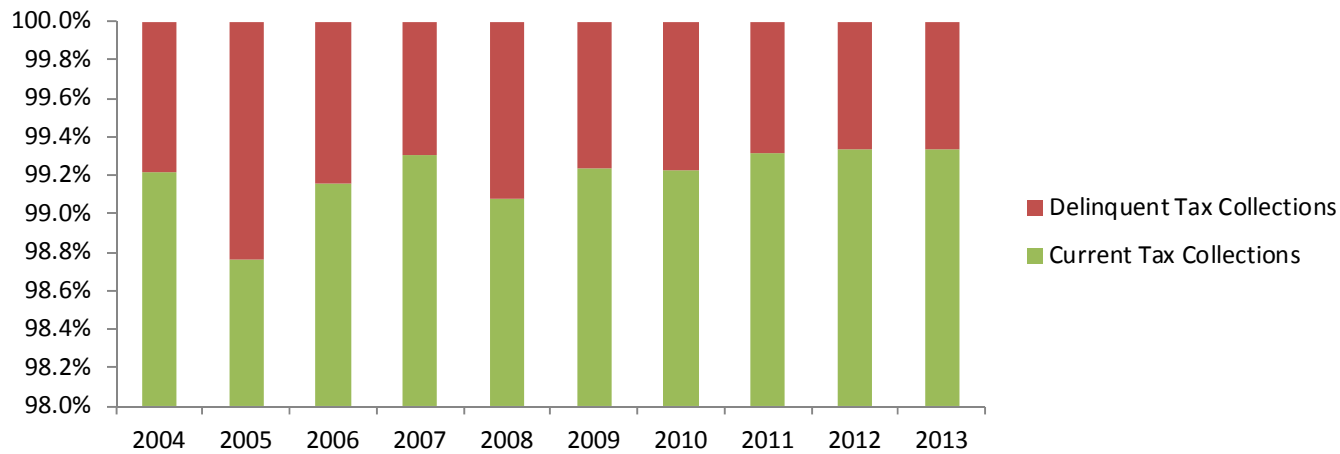
2013			2004		
Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation	Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation
Precision Energy Services Inc	\$ 101,339,330	6.53%	Computalog USA Inc	\$ 38,148,475	4.05%
Weatherford Us Lp	24,696,305	1.59%	TXU Energy Delivery	9,104,284	0.97%
Sw Highland Llc	23,100,115	1.49%	Texas Bay Bellaire Square Lp	7,857,200	0.83%
XTO Energy Inc	21,820,820	1.41%	Highland Park Partners	7,719,282	0.82%
Walmart Real Estate Bus Trust/Stores	21,353,523	1.38%	Smallwood Clover Ridge	7,517,776	0.80%
Cordiel Victorian Quarters Etal	20,007,700	1.29%	Pacific Realty Corp	7,298,718	0.77%
Enervest Operating	14,443,890	0.93%	Century Johnson Partners	6,802,239	0.72%
Oncor Electric Delivery Co Llc	14,183,101	0.91%	Heritage Greenwood Creek Lp	6,788,170	0.72%
Mb Copper Crossing LP	11,593,570	0.75%	Albertson's Inc	6,708,713	0.71%
Crosstex North Texas Gathering	11,502,460	0.74%	M&L Fort Worth Partners Ltd	6,232,600	0.66%
Computalog USA Inc	8,952,205	0.58%	Plaza Associates	4,950,186	0.53%
Gardner Denver Inc	8,402,257	0.54%	Baron Investments Ltd	4,840,830	0.51%
Health Care Reit Inc	6,773,995	0.44%	Gardner Denver	4,085,220	0.43%
TCM Investments Inc	6,460,148	0.42%	Ronald Backrach	3,174,311	0.34%
	<u>\$ 294,629,419</u>	<u>18.99%</u>		<u>\$ 121,228,004</u>	<u>12.86%</u>

(1) All information provided by the Tarrant Appraisal District

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

TABLE 8

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Delinquent Tax Outstanding	Percent of Delinquent Tax To Tax Levy
2004	\$ 7,186,940	\$ 7,181,281	99.92%	\$ 56,492	\$ 7,237,773	100.71%	\$ 198,026	2.76%
2005	7,905,841	7,814,469	98.84%	97,739	7,912,208	100.08%	197,784	2.50%
2006	8,116,695	8,095,015	99.73%	68,935	8,163,950	100.58%	206,370	2.54%
2007	8,487,514	8,376,430	98.69%	58,824	8,435,254	99.38%	229,169	2.70%
2008	8,887,849	8,787,765	98.87%	82,263	8,870,028	99.80%	233,505	2.63%
2009	9,707,235	9,570,682	98.59%	73,410	9,644,092	99.35%	203,004	2.09%
2010	9,737,360	9,577,733	98.36%	75,047	9,652,780	99.13%	214,557	2.20%
2011	9,605,837	9,540,029	99.31%	66,198	9,606,227	100.00%	217,437	2.26%
2012	9,760,976	9,638,240	98.74%	64,599	9,702,839	99.40%	204,932	2.10%
2013	10,200,718	10,039,826	98.42%	67,327	10,107,153	99.08%	249,921	2.45%

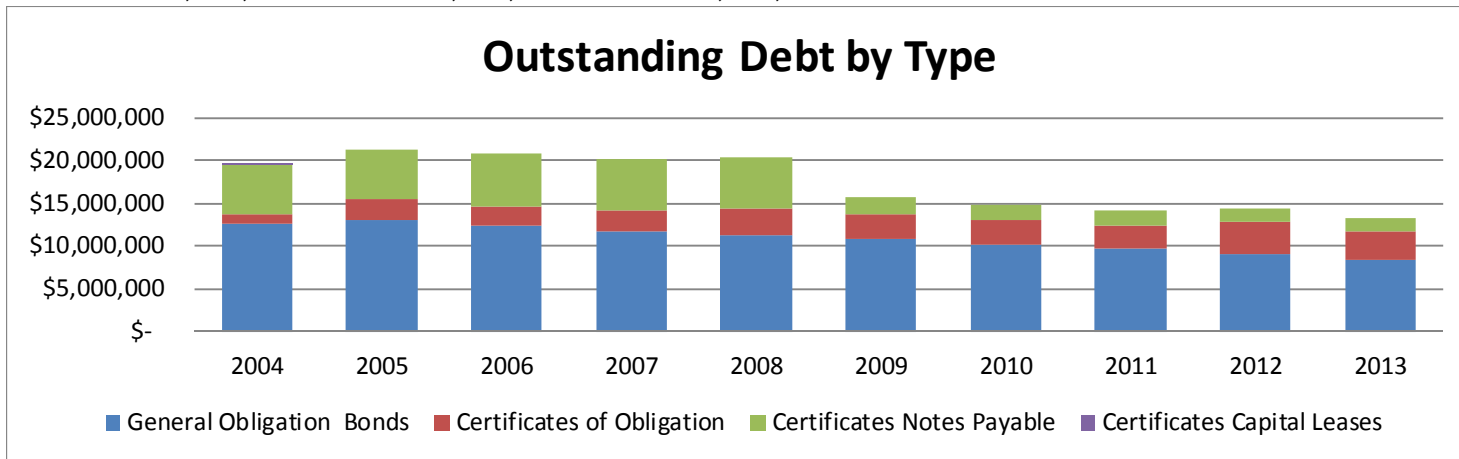


(1) All information from the Tarrant County Tax Assessor-Collector

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

TABLE 9

Fiscal Year Ended	Governmental Activities				Percentage of Actual Taxable Value of Property	Percentage of Personal Income
	General Obligation Bonds	Certificates of Obligation	Notes Payable	Capital Leases		
2004	\$ 12,570,000	\$ 1,195,000	\$ 5,783,141	\$ 4,613	1.48%	2.95%
2005	13,015,000	2,560,000	5,708,050	-	2.07%	3.06%
2006	12,300,000	2,375,000	6,168,782	-	2.05%	2.76%
2007	11,810,000	2,250,000	6,085,105	-	1.91%	2.43%
2008	11,290,000	3,115,000	5,997,086	-	1.71%	2.32%
2009	10,745,000	2,950,000	2,063,856	-	1.60%	1.63%
2010	10,175,000	2,780,000	1,842,807	-	1.10%	1.62%
2011	9,700,000	2,600,000	1,758,928	-	0.96%	1.46%
2012	9,055,000	3,695,000	1,661,301	-	0.97%	1.37%
2013	8,380,000	3,390,000	1,556,688	-	0.86%	1.20%



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

**CITY OF BENBROOK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES – DEBT
SEPTEMBER 30, 2013
(UNAUDITED)**

TABLE 10

Jurisdiction	Debt Outstanding	Applicable to the City of Benbrook (f)	Estimated Share of Overlapping Debt
Fort Worth Independent School District (a) (e)	\$ 672,514,995	5.52%	\$ 37,143,421
Tarrant County (b)	336,635,000	1.16%	3,455,859
Tarrant County Hospital District (c)	56,385,000	1.16%	871,019
Tarrant County College District (d)	15,485,000	1.16%	680,466
Benbrook Water & Sewer Authority	-	100%	-
Overlapping Debt	1,081,019,995		42,150,765
City Direct Debt	8,380,000	100.00%	8,380,000
Direct & Overlapping Bonded Debt	<u>\$ 1,089,399,995</u>		<u>\$ 50,530,765</u>
Ratio of Overlapping Bonded Debt to Taxable Assessed Valuation		<u>3.90%</u>	
Per Capita Overlapping Bonded Debt		<u>\$ 2,346.99</u>	

(a) Total Authorized & Issued Debt as of April 2013 as reported on <http://www.ccisd.net/docs/2013-bond/top-26-isd's-in-total-authorized-bonds.pdf?sfvrsn=0> on 1/31/2014

(b) Is the Total Outstanding Bonded Debt report in the "Tarrant County, Texas Notes to combined financial statements for the one (1) month ended 10/31/2013" as reported on http://tcweb.tarrantcounty.com/eauditor/lib/eauditor/Financials_October_2013.pdf on 1/31/2014

(c) Includes Revenue bonds, Series 2002 and Certificate of obligation, series 2006 as reported in the financial notes in the "Tarrant County Hospital District d/b/a JPS Health Network Accountant's Report and Financial statements as September 30, 2012 and 2011" reported on <http://www.jpshealthnet.org/About-JPS/Public-Notices.aspx> as of 1/31/2013

(d) Subtotal for the General Obligation Refunding bonds, Series 2001, 2004, and 2005 as listed in the Tarrant County College District, Texas CAFR For the Fiscal Years Ended August 31, 2013 and 2012 footnotes reported <http://www.tccd.edu/documents/Financial%20Information/2013%20CAFR.pdf> on 1/31/2013

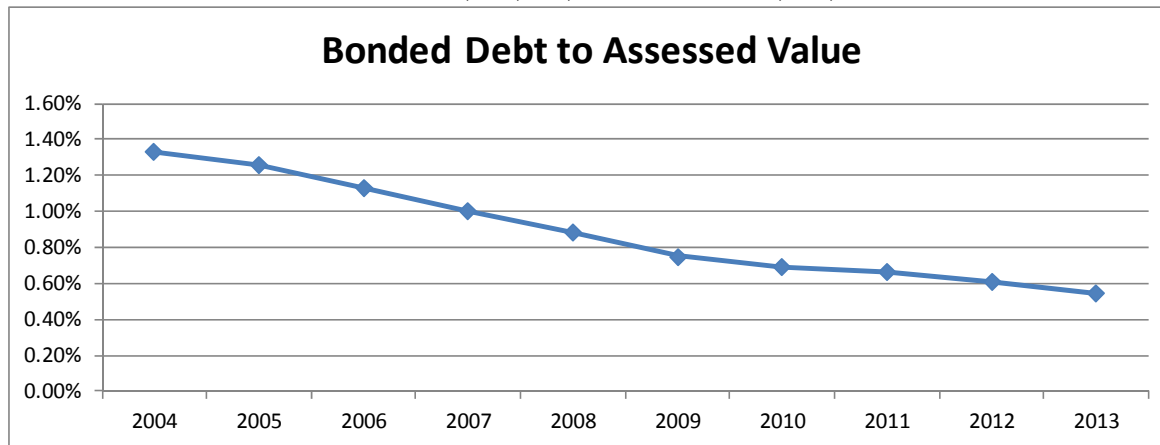
(e) Over the Fort Worth ISD 81,042 district enrollment per the Fort Worth ISD District Improvement Plan 2012-2013 School Year as reported on 1/31/2014 <http://ww1.fwisd.org/leadership/Documents/DIP%202012-2013%20School%20Year/FWISD%20DIP%202012%202013%20revision%20CS.pdf>

(f) Benbrook's 4476 enrolled students and 21,530 population as reported "Benbrook, Texas...in brief" by the Community Development Department for June 2013. And Tarrant County population estimated to be 1,850,370 in 2013.

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

TABLE 11

Fiscal Year Ended	Estimated Population	Assessed Value	General Bonded Debt	Bonded Debt to Assessed Value	Bonded Debt per Capita
2004	20512	942,535,513	12,570,000	1.33%	613
2005	20640	1,036,831,606	13,015,000	1.26%	631
2006	20727	1,093,157,590	12,300,000	1.13%	593
2007	20821	1,174,742,394	11,810,000	1.01%	567
2008	20925	1,274,243,576	11,290,000	0.89%	540
2009	21030	1,432,802,174	10,745,000	0.75%	511
2010	21234	1,480,967,268	10,175,000	0.69%	479
2011	21270	1,468,804,732	9,700,000	0.66%	456
2012	21360	1,484,559,051	9,055,000	0.61%	424
2013	21530	1,551,440,035	8,380,000	0.54%	389



- (1) Bonded debt includes only General Obligation bonded debt for each agency listed
- (2) Percentage based on Benbrook's share of the county population and the share of the FWISD enrollment
- (3) Personal Income is from the BEA and is for the State of Texas

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

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

TABLE 12

Fiscal Year Ended	Estimated Population	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate
2004	20,512	\$ 34,511	4425	5.00%
2005	20,640	35,690	4430	5.20%
2006	20,727	37,872	4502	4.60%
2007	20,821	40,303	4423	4.30%
2008	20,925	41,598	4592	5.00%
2009	21,030	43,820	4425	8.20%
2010	21,234	40,485	4430	8.00%
2011	21,270	41,462	4502	8.10%
2012	21,360	44,628	4423	6.10%
2013	21,530	46,136	4476	5.90%

(1) Disposable Personal Income for Dallas-Fort Worth-Arlington Metro Area from Bureau of Labor Statistics

(2) School enrollment provided by the FWISD for Benbrook area schools only

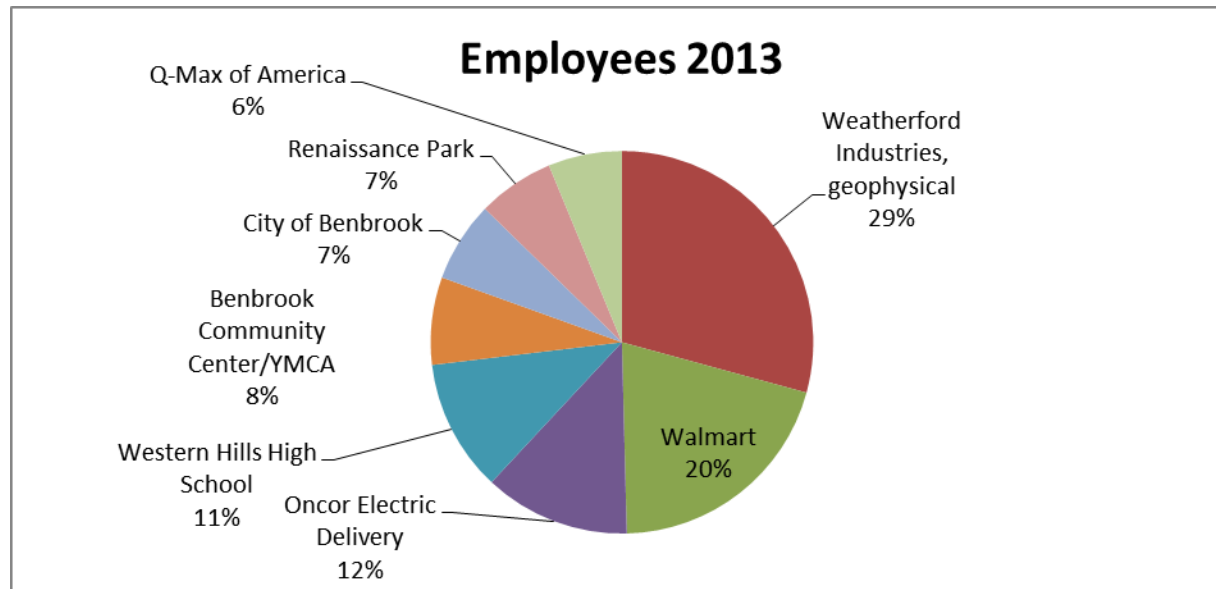
(3) All information provided by the NCTCOG unless otherwise noted

**CITY OF BENBROOK, TEXAS
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2013
(UNAUDITED)**

TABLE 13

2013			2004		
Employer	Employees	Percent of Total City Employment	Employer	Employees	Percent of Total City Employment
Weatherford Industries, geophysical	474	8.23%	Computalog	289	6.46%
Walmart	330	5.73%	Fort Worth School District	223	4.99%
Oncor Electric Delivery	200	3.47%	Renaissance Park	110	2.46%
Western Hills High School	181	3.14%	RGIS	100	2.24%
Benbrook Community Center/YMCA	120	2.08%	IHS of Benbrook	100	2.24%
City of Benbrook	110	1.91%	City of Benbrook	100	2.24%
Renaissance Park	105	1.82%	Albertson's Inc	100	2.24%
Q-Max of America	101	1.75%	Benbrook Community Center/YMCA	86	1.92%
Total	1,621	28.15%	Total	1,108	24.78%

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



**CITY OF BENBROOK, TEXAS
LOCAL EMPLOYMENT INFORMATION
SEPTEMBER 30, 2013
(UNAUDITED)**

TABLE 14

Fiscal Year Ended	Ag	Construction	Manufacturing	Transportation & Storage	Wholesale	Retail	Services	Finance Insurance & Real Estate	Other	TOTALS
Establishments										
2004	1	35	20	3	20	144	260	61	10	554
2005	1	33	19	4	19	104	258	60	9	507
2006	1	35	20	3	19	89	278	59	7	511
2007	1	34	21	4	20	89	282	59	7	517
2008	1	31	24	5	17	87	282	62	6	515
2009	1	31	25	5	19	88	282	62	6	519
2010	1	30	25	6	19	72	277	61	8	499
2011	-	24	13	4	15	67	236	60	8	427
2012	1	27	38	7	15	72	281	67	9	517
2013	1	32	17	7	16	78	310	67	9	537
Levels										
2004	2	163	392	31	168	574	2,503	392	215	4,440
2005	2	187	385	41	171	508	2,501	408	208	4,411
2006	2	210	389	39	176	477	2,690	412	160	4,555
2007	2	197	393	40	178	478	2,771	407	159	4,625
2008	2	186	417	42	172	470	2,762	436	157	4,644
2009	2	157	415	41	177	489	2,737	436	157	4,611
2010	2	144	548	45	204	508	2,660	363	176	4,650
2011	-	188	501	39	118	497	3,104	354	183	4,984
2012	3	200	509	50	145	420	3,342	362	180	5,211
2013	3	229	505	41	146	412	3,475	349	179	5,339

(1) Information provided by the survey of local employment

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

TABLE 15

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
General Government										
City Manager	2	2	2	2	2	2	2	2	2	2
City Secretary	2	2	2	2	3	3	3	3	3	3
Staff Services										
Finance	3	3	3	3	2	2	2	2	2	2
Information Services	1	1	1	1	1	1	1	1	1	1
Budget & Research	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	47	49	49	49	53	52	52	52	52	52
Fire	12	12	12	16	16	16	16	16	16	16
Municipal Court	2	2	2	2	2	2	2	2	2	2
Code Compliance	-	-	-	-	-	1	1	1	1	1
Public Services										
Public Services	1	1	1	1	1	1	1	1	1	1
Public Works	9	9	9	9	8	8	8	8	8	8
Parks & Recreation	7	7	7	7	8	8	8	8	8	8
Support Services	4	4	4	4	4	4	4	4	4	4
City Engineering				1	2	2	2	2	2	2
Community Development										
Administration	1	1	1	1	1	1	1	1	1	1
Planning Services	2	2	2	2	2	2	2	2	2	2
City Inspection	4	4	4	4	3	3	3	3	3	3
Total	98	100	100	105	109	109	109	109	109	109

Source: City Budgets

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

TABLE 16

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Licensed Officers	36	36	36	37	42	42	42	43	43	43
Police Reservist	5	3	3	3	3	3	3	3	3	3
Emergency Warning Sirens	7	6	6	6	6	6	6	6	6	6
Fire (1)										
Stations	3	3	1	1	1	1	1	1	1	1
Firefighters	36	36	36	36	36	36	36	38	38	38
Paramedics/EMT's	34	34	39	39	39	39	39	37	37	37
City Fire Support Unit Staff	21	21	21	21	21	21	21	21	21	21
Emergency Vehicles	19	19	19	19	19	19	20	16	16	16
Public Works										
Miles of Street	105	105	105	107	107	107	107	107	107	107
Number of Street Lights	771	914	1,156	1,210	1,210	1,210	1,213	1,213	1,213	1,213
Parks & Recreation										
Parks	5	5	5	5	5	5	5	5	6	6
Acreage	272	272	272	272	272	272	272	272	272	272
Playgrounds	2	2	2	2	2	2	2	2	2	2
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Golf Courses	3	4	4	4	4	4	4	4	4	4
Lakes	1	1	1	1	1	1	1	1	1	1

Source: City Budgets

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

TABLE 17

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fiscal Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio (1/2)	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL as a Percentage of ACP (4/5)	City Contributions	Average City Funding Rate (7/5)
2004	\$ 12,885,583	\$ 16,329,394	78.91%	\$ 3,443,811	\$ 4,763,760	72.29%	\$ 720,288	15.12%
2005	12,977,206	16,738,637	77.53%	3,761,431	5,184,936	72.55%	788,533	15.21%
2006	13,749,491	18,212,572	75.49%	4,463,081	5,642,683	79.10%	827,431	14.66%
2007	15,059,570	20,049,353	75.11%	4,989,783	5,712,998	87.34%	815,429	14.27%
2008	14,320,124	22,747,235	62.95%	8,427,111	5,965,049	141.27%	894,959	15.00%
2009	16,162,052	25,019,393	64.60%	8,857,341	6,842,568	129.44%	1,055,515	15.43%
2010	18,522,260	27,874,592	66.45%	9,352,332	7,099,462	131.73%	1,297,750	18.28%
2011	28,492,939	36,389,302	78.30%	7,896,363	7,206,067	109.58%	1,242,754	17.25%
2012	31,182,753	38,870,254	80.22%	7,687,501	7,458,722	103.07%	1,383,739	18.55%
2013	34,098,398	41,300,845	82.56%	7,202,447	7,759,430	92.82%	1,436,217	18.51%

(1) Information provided by TMRS

