



Comprehensive Annual Financial Report

October 1, 2019 – September 30, 2020

City of Benbrook, Texas

Presented To

MAYOR

Dr. Jerry B. Dittrich

COUNCIL MEMBERS

Renee Franklin

Dr. Larry Marshall

Dustin Phillips

Alfredo Valverde

Laura Mackey

Jason Ward

CITY MANAGER

Andy Wayman

PREPARED BY

Rick Overgaard, Finance Director

Benbrook



TEXAS

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City Of Benbrook, Texas
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 For the Fiscal Year Ended September 30, 2020
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Introductory Section

Benbrook



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March 18, 2021

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, 2020. 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 disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

THE REPORT

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Statistical section, using 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.

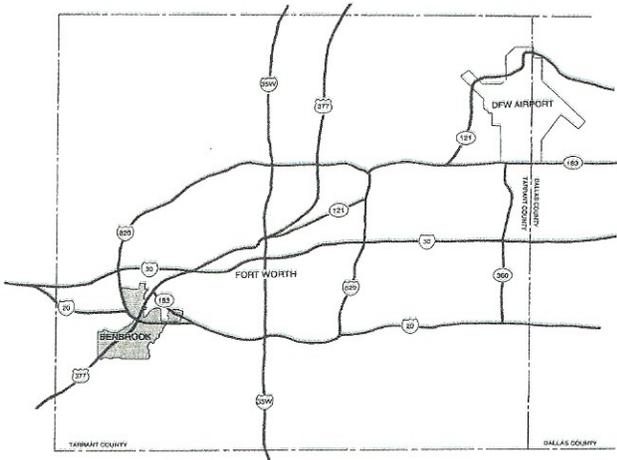
CITY PROFILE

Location

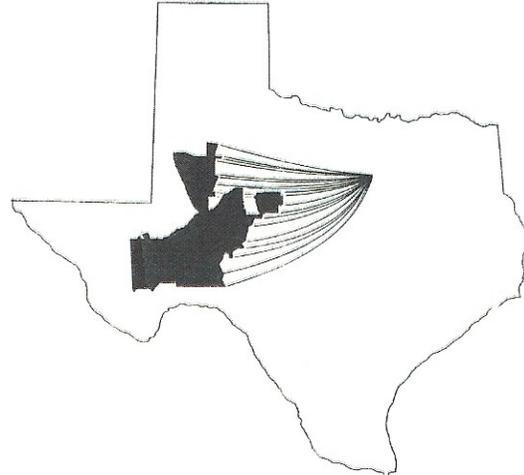
The City of Benbrook is located in Tarrant County, in the north central portion of the State of Texas. The City of Benbrook is located on the southwest side of the City of Fort Worth and is only thirty minutes from Dallas. The City covers approximately thirteen square miles. The 2000 Census set the population at 20,208 and the current (2020) estimate is 23,335.

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, 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, community development, 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 the Governmental Accounting Standards Board (GASB). Based on these criteria, all municipal services listed are included in the City's 2019-20 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 internal controls. Internal 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 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.

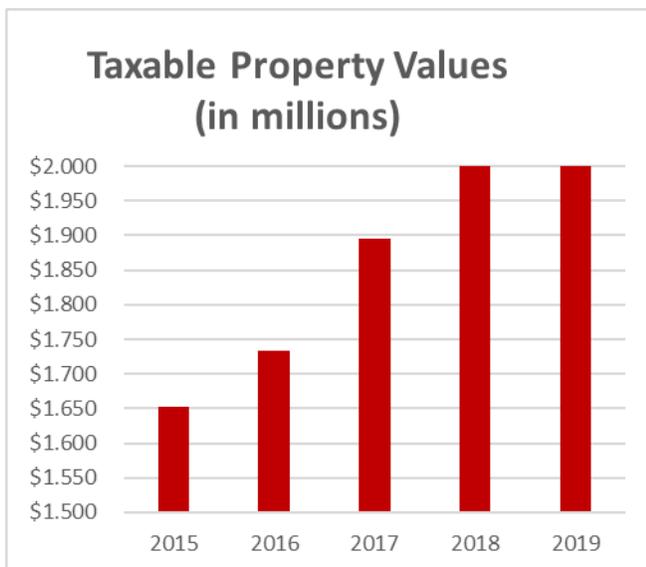
Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item. These reports are distributed monthly to City department and division managers. A financial summary is prepared for City Council to approve each month.

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 by line item. Revenue budgets are reviewed monthly.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

Summary of Local Economy

The City of Benbrook is located in southwest Tarrant County, an area that has experienced a significant growth in population since 2000. The City's tax base has grown an average of 7.2% annually over the



past five years with annual increases ranging from 1.8% to 10.3%. We expect our growth rate to continue this trend over the next few years. Commercial growth has remained steady and residential construction has escalated in the last several years.

Overall sales tax collections in Benbrook have increased steadily over the past five years. Collections leveled out and decreased slightly because of customer inconvenience created by the construction phase of the Benbrook Boulevard expansion project that was started in 2014. In fiscal year 2016-2017, however we experienced a 5.3% increase, in 2017-2018 a 4.66% increase, in 2018-2019 a 18.4% increase, and in 2019-2020 a 16.3% increase. In the first 3 months of the new fiscal year 2020-2021 we are experiencing a 1.5% growth rate over the prior year.

Economic Prospects for the Future

The enhancement of the primary corridor through Benbrook's center has stimulated growth of commercial and residential development and has attracted more-upscale businesses and enterprises. Benbrook Boulevard expansion project is now complete; however, the City is now facing the COVID-19 pandemic so sales tax is projected to remain flat over the next year.

Benbrook's land exchange with the City of Fort Worth is anticipated to generate opportunities for commercial expansion, business growth, and residential development in upcoming years. These prospects will have a positive impact on Benbrook's tax base, sales tax collections, development fees, and other sources of revenue.

Long-Term Financial Planning

The City produces a 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 Tax Increment Financing (TIF) will be financed with the increase in value of property located within the TIF district. 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 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 a revised investment policy on October 4, 2018 to meet updates made to the Public Funds Investment Act. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Collateral is held by 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 ended at September 30, 2020, 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, Texpool and TexStar investment pools, certificates of deposit and agency notes.

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, 2019. This year was the thirty-sixth 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, 2019. This award marked the thirty-sixth 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,



Rick Overgaard
Finance Director

City of Benbrook, Texas

Principal Officials
September 30, 2020

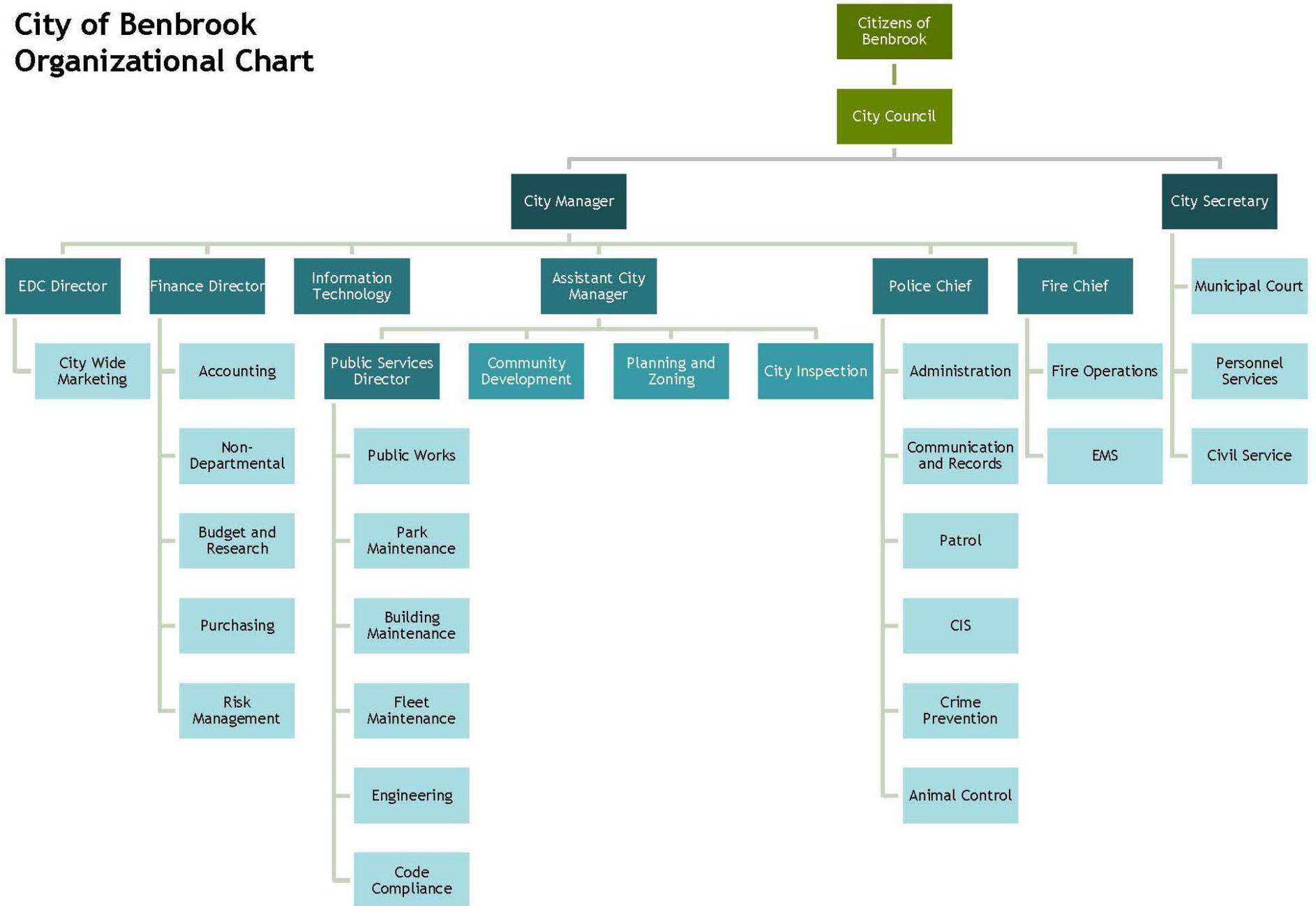
ELECTED OFFICIALS

<u>Name of Individual</u>	<u>Position</u>	<u>Term Expires (Nov.)</u>	<u>Length of Service (in Years)</u>
Dr. Jerry Dittrich	Mayor Place 1	2021	29
Renee Franklin	Councilmember Place 2	2022	7
Dr. Larry Marshall	Mayor Pro Tem Place 3	2021	10
Dustin Phillips	Councilmember Tem Place 4	2022	2
Alfredo Valverde	Councilmember Place 5	2021	1
Laura Mackey	Councilmember Place 6	2022	2
Jason Ward	Councilmember Place 7	2021	1

APPOINTED OFFICIALS

Andy Wayman	City Manager	24
Joanna King	City Secretary	45
Jim Hinderaker	Deputy City Manager	4
Rick Overgaard	Finance Director	2
Doug Howard	Planning Director	3
James G. Mills	Police Chief (Retired)	27
David Babcock	Police Chief	1
Tommy Davis	Fire Chief	26
Cathy Morris	EDC Director	14
Phyllis Wolfe	Information Technology Director	16
Bennett C. Howell, III	Public Services Director	6
Heath Haseloff	City Engineer	3

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, 2019

Christopher P. Morill

Executive Director/CEO



Financial Section

Benbrook



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Independent Auditor's Report

The Honorable Mayor,
City Council and City Manager
City of Benbrook, Texas

Report on the Financial Statements

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, 2020, 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

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, 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.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
Main: 817.332.7905

The Honorable Mayor,
City Council and City Manager
City of Benbrook, Texas

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, 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 schedule, 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 schedule 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 schedule 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

Fort Worth, Texas
March 12, 2021

Management's Discussion and Analysis (Unaudited)

As management of the City of Benbrook, we offer the readers of the City's financial statements this narrative overview of the financial activities of the City for the fiscal year ended September 30, 2020. 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 and deferred outflows of resources of the primary government of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$69,743,787 (net position). Of this amount, \$57,766,027 is invested in capital assets, net of related debt, and \$1,285,313 (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.
- As of the close of the current fiscal year, the City's governmental funds reported total ending fund balances of \$22,081,813.
- At the end of the current year, unassigned fund balance for the general fund was \$9,757,498 or 51% of total current year's general fund expenditures.
- Long-term liabilities decreased overall by \$4,731,463, due to scheduled debt payments for general obligation bonds and certificates of obligation, changes in compensated absences, due to developer, total OPEB liabilities, and net pension liability in the current year.

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, deferred outflows, liabilities and deferred inflows, with the difference 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 service, community development, and economic development. The government-wide financial statements can be found on pages 11 - 12 of this report. The City did not have any business-type activities during the year ended September 30, 2020.

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 funds 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 fourteen 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 five capital projects funds. The remaining funds are aggregated in one column. The basic governmental funds financial statements can be found on pages 13 - 16.

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 19 - 44.

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 48 - 58.

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, 2020, the City of Benbrook's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$69,743,787.

The largest portion of the City's net position (82%) reflects its net investment 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 services 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 necessary 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

	Governmental Activities	
	2020	2019
Current and Other Assets	\$24,639,460	\$22,436,745
Non-Current Assets	61,751,027	59,280,866
Total Assets	<u>86,390,487</u>	<u>81,717,611</u>
Deferred Outflows of Resources	1,924,210	4,170,327
Long-Term Liabilities	14,229,270	18,960,733
Other Liabilities	2,217,571	1,374,762
Total Liabilities	<u>16,446,841</u>	<u>20,335,495</u>
Deferred Inflows of Resources	2,124,069	778,570
Net Position:		
Net Investment in Capital Assets	57,766,027	52,647,584
Restricted	10,692,447	11,010,038
Unrestricted	<u>1,285,313</u>	<u>1,116,251</u>
Total Net Position	\$69,743,787	\$64,773,873

Of the City's net position, 1.8% represents resources that are not subject to external restriction on how they may be used. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

As of September 30, 2020, 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, 2020. Overall, the City had an increase in net position of \$4,969,914. This increase results from higher-than anticipated collection of sales tax revenue, conservative spending by City departments, and use of cash for special projects.

City of Benbrook's Changes in Net Position

<u>Revenue</u>	Governmental Activities	
	2020	2019
Program Revenues:		
Fees, Fines, & Service Charges	\$3,980,495	\$3,256,618
Operating Grants & Contributions	540,256	556,795
General Revenues:		
Ad Valorem Taxes	13,654,436	12,751,779
Franchise Taxes	1,477,050	1,580,981
Sales & Other Taxes	5,092,120	4,522,624
Interest Income	24,324	31,559
Use of Money & Property	317,265	677,668
Loss on sale of land	-	(269,117)
Miscellaneous	1,822,892	721,009
Total Revenues	26,908,838	23,829,916
 <u>Expenses</u>		
General Government	\$1,178,845	\$1,316,153
Staff Services	1,078,357	1,228,554
Public Safety	11,385,581	11,075,635
Public Services	5,410,448	5,165,065
Community Development	2,707,638	2,225,782
Interest on Long-term Debt	178,055	160,953
Total Expenses	21,938,924	21,172,142
 Change in Net Position	4,969,914	2,657,774
 Net Position – October 1 st	64,773,873	62,116,099
Net Position – September 30 th	<u>\$69,743,787</u>	<u>\$64,773,873</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 \$22,081,813.

General Fund Highlights – The General Fund fund balance increased \$1,981,606 to \$9,982,620. The increase can be attributed to reimbursement of COVID-19 pandemic related expenditures from the Coronavirus Aid Relief and Economic Security Act (CARES ACT). In addition, department expenditures decreased as a result of the "shutdown" during the pandemic.

Economic Development – The Economic Development Corporation (EDC) Fund fund balance increased by \$192,443 to \$4,931,712 due to decreased departmental expenditures due to the COVID-19 pandemic. Decreases in capital expenditures were partially offset by increases in store-front and disaster relief grants.

Debt Service – The Debt Service Fund fund balance was relatively flat, with a change of \$2,616.

Capital Projects – The TIF fund balance increased \$564,245 due to revenues generated by development in the TIF district, offset by construction of Vista Way and Two-way Conversion of frontage road. The CVA fund balance decreased by \$1,314,639 from the net of mineral lease revenue and expenses related to the repair of Westpark wall and completion of Highway 377. The Storm Water fund balance decreased \$530,415 because of capital outlay expenses and transfers out exceeding revenue.

Special Assessments – The Special Assessments Fund fund balance decreased by \$445,538 primarily due to park land dedication fees that were less than current year capital expenditures.

Clearfork Bridge– The Clearfork Bridge Fund fund balance decreased by \$317,204 primarily due to current year capital expenditures that exceeded transfers in to the fund.

CAPITAL ASSETS

The City of Benbrook’s capital assets for its governmental activities as of September 30, 2020 amounts to \$61,751,027 (net of accumulated depreciation). This investment in capital assets includes land, right-of-ways, buildings, infrastructure, equipment, and construction in progress.

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

- Miscellaneous ongoing drainage project improvements
- Miscellaneous Park and Recreation projects
- Police Department vehicles
- Animal Control vehicle
- Fire truck

**Capital Assets at Year End
(Net of Accumulated Depreciation)**

	Governmental Activities	
	2020	2019
Land	\$5,375,344	\$4,575,978
ROW	9,821,372	9,821,372
Building	12,449,209	12,449,209
Infrastructure	86,332,332	85,433,254
Equipment	7,790,523	6,597,565
Construction in Progress	5,218,845	2,294,623
Accumulated Depreciation	<u>(65,236,598)</u>	<u>(63,109,417)</u>
Total	\$61,751,027	\$58,062,584

Additional information on the City of Benbrook’s capital assets can be found in Note 3 beginning on page 28.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had total long-term debt of \$14,229,270. Of this amount, \$2,750,000 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, Due to Developer, Compensated Absences, Total OPEB Liability – Retiree Healthcare, Total OPEB Liability – SDBF, and Net Pension Liability.

**Outstanding Debt at Year End
Bonds and Certificates of Obligation**

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$2,750,000	\$3,645,000
Certificate of Obligations	<u>1,235,000</u>	<u>1,770,000</u>
Total	\$3,985,000	\$5,415,000

During the year, the City's total bonds and certificate of obligation debt decreased by \$1,430,000. This decrease was due to scheduled 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 29 - 31 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the fiscal year 2020-21 budget, General Fund revenues are budgeted to increase by \$273,078 from the 2019-20 budget year. Assessed valuations grew by 5.08% leading to a projected increase in revenue from property taxes. Sales tax revenue is projected to remain the same as the prior year due to the uncertainty of the COVID-19 pandemic. Additionally, there are no new capital purchases or programs in the fiscal year 2020-21 budget due to the pandemic. Essentially, the budget is flat from the prior year.

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 the 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 website.

REQUEST FOR INFORMATION

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



Basic Financial Statements



City Of Benbrook, Texas
Statement of Net Position
September 30, 2020

	Governmental Activities
	<hr/>
ASSETS	
Deposits and temporary investments	\$ 21,108,485
Receivables (net of allowance)	
Property tax	413,832
Sales tax	827,031
Special assessments	193,561
Accounts	376,561
Investments	1,719,990
Capital assets	
Land	5,375,344
ROW	9,821,372
Buildings	12,449,209
Infrastructure	86,332,332
Equipment	7,790,523
Construction in progress	5,218,845
Accumulated depreciation	(65,236,598)
	<hr/>
Total assets	86,390,487
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	38,178
Deferred outflows - OPEB	432,670
Deferred outflows - pension	1,453,362
	<hr/>
Total deferred outflows of resources	1,924,210
LIABILITIES	
Accounts payable	1,589,643
Accrued liabilities	298,271
Accrued interest payable	65,329
Deposits	264,328
Noncurrent liabilities	
Due within one year	2,197,329
Due in more than one year	3,999,350
Total OPEB liability	2,607,663
Net pension liability	5,424,928
	<hr/>
Total liabilities	16,446,841
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	2,119,920
Deferred inflows - OPEB	4,149
	<hr/>
Total deferred inflows of resources	2,124,069
NET POSITION	
Net investment in capital assets	57,766,027
Restricted for	
City Promotion	359,229
Public Safety	300,895
Debt service	307,819
Economic development	4,931,712
Capital Projects	4,792,792
Unrestricted	1,285,313
	<hr/>
TOTAL NET POSITION	\$ 69,743,787
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Notes to the financial statements are an integral part of this statement

City of Benbrook, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2020

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	\$ 1,178,845	\$ -	\$ -	\$ -	\$ (1,178,845)
Staff services	1,078,357	-	-	-	(1,078,357)
Public safety	11,385,581	2,172,110	540,256	-	(8,673,215)
Public services	5,709,626	164,607	-	-	(5,545,019)
Community development	2,408,460	1,643,778	-	-	(764,682)
Interest on long-term debt	178,055	-	-	-	(178,055)
Total governmental activities	21,938,924	3,980,495	540,256	-	(17,418,173)
General revenues					
Taxes					
Ad valorem					13,654,436
Franchise					1,477,050
Sales and other					5,092,120
Interest income					24,324
Use of money and property					317,265
Miscellaneous					1,822,892
Total general revenues					22,388,087
Changes in net position					4,969,914
Net position – beginning					64,773,873
NET POSITION – ending					\$ 69,743,787

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

City of Benbrook, Texas
Balance Sheet – Governmental Funds
September 30, 2020

	General	Economic Development	Debt Service	Capital Project TIF	Capital Project CVA	Capital Project Storm Water	Capital Project Special Assessment	Capital Project Clearfork Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS										
Deposits and temporary investments	\$ 9,283,855	\$ 4,800,446	\$ 346,727	\$ 2,582,901	\$ 844,540	\$ 623,955	\$ 1,096,152	\$ 644,524	\$ 885,385	\$ 21,108,485
Receivables (net of allowances)										
Property tax	387,411	-	26,421	-	-	-	-	-	-	413,832
Sales tax	551,354	275,677	-	-	-	-	-	-	-	827,031
Special assessments	-	-	-	-	-	-	193,561	-	-	193,561
Accounts	302,246	660	-	1,559	510	30,490	-	389	40,707	376,561
Due from other funds	154,720	-	-	-	-	-	-	-	1,428	156,148
Investments	744,537	-	-	380,964	124,565	92,030	-	95,064	282,830	1,719,990
TOTAL ASSETS	\$ 11,424,123	\$ 5,076,783	\$ 373,148	\$ 2,965,424	\$ 969,615	\$ 746,475	\$ 1,289,713	\$ 739,977	\$ 1,210,350	\$ 24,795,608
LIABILITIES										
Accounts payable	\$ 708,704	\$ 39,238	\$ -	\$ -	\$ 504,508	\$ -	\$ -	\$ 304,615	\$ 32,578	\$ 1,589,643
Accrued liabilities	297,289	982	-	-	-	-	-	-	-	298,271
Advance payments and deposits	77,061	-	-	-	-	-	187,267	-	-	264,328
Due to other funds	-	104,851	-	-	-	-	-	-	51,297	156,148
TOTAL LIABILITIES	1,083,054	145,071	-	-	504,508	-	187,267	304,615	83,875	2,308,390
DEFERRED INFLOWS OF RESOURCES										
Deferred property taxes	358,449	-	25,403	-	-	-	-	-	-	383,852
Other deferred inflows of resources	-	-	-	-	-	-	21,553	-	-	21,553
TOTAL DEFERRED INFLOWS OF RESOURCES	358,449	-	25,403	-	-	-	21,553	-	-	405,405
FUND BALANCES										
Restricted										
Debt service	-	-	347,745	-	-	-	-	-	-	347,745
Economic development	-	4,931,712	-	-	-	-	-	-	-	4,931,712
City promotions	-	-	-	-	-	-	-	-	359,229	359,229
Capital projects	-	-	-	2,965,424	-	746,475	1,080,893	-	-	4,792,792
Public safety	-	-	-	-	-	-	-	-	300,895	300,895
Committed										
Worker's comp / liability	225,122	-	-	-	-	-	-	-	-	225,122
Capital projects	-	-	-	-	465,107	-	-	435,362	455,014	1,355,483
Grants	-	-	-	-	-	-	-	-	11,337	11,337
Unassigned	9,757,498	-	-	-	-	-	-	-	-	9,757,498
TOTAL FUND BALANCES	9,982,620	4,931,712	347,745	2,965,424	465,107	746,475	1,080,893	435,362	1,126,475	22,081,813
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 11,424,123	\$ 5,076,783	\$ 373,148	\$ 2,965,424	\$ 969,615	\$ 746,475	\$ 1,289,713	\$ 739,977	\$ 1,210,350	\$ 24,795,608

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, 2020

Total fund balances – governmental funds	\$ 22,081,813
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	61,751,027
Losses on refunding, net of amortization, are not current financial resources and therefore are not reported in the governmental funds balance sheet.	38,178
Interest payable on long term debt does not require current financial resources; therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(65,329)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	405,405
Deferred outflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	1,453,362
Net pension liability is not due and payable in the current period, and therefore is not reported in the governmental funds balance sheet.	(5,424,928)
Deferred outflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	432,670
OPEB liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds balance sheet.	(2,607,663)
Long-term liabilities, including general obligation bonds (\$2,750,000), certificate of obligation (\$1,235,000), and due to developer (\$625,909), are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	(4,610,909)
Accrued sick and vacation time does not require current financial resources and is not included on the governmental funds balance sheet.	(1,585,770)
Deferred inflows of resources for OPEB liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(4,149)
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(2,119,920)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 69,743,787</u></u>

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

City of Benbrook, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds For the Fiscal Year Ended September 30, 2020

	General	Economic Development	Debt Service	Capital Project TIF	Capital Project CVA	Capital Project Storm Water	Capital Project Special Assessment	Capital Project Clearfork Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES										
Taxes										
Property	\$ 13,172,608	\$ -	\$ 462,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,635,241
Franchise	1,444,339	-	-	-	-	-	-	-	32,711	1,477,050
Sales and other	3,315,098	1,653,525	-	-	-	-	-	-	123,497	5,092,120
Licenses, permits and filing fees	654,119	-	-	-	-	-	-	-	-	654,119
Fines and forfeitures	669,884	-	-	-	-	-	-	-	6,017	675,901
Use of money and property	150,477	90,623	-	18,868	36,396	11,637	-	-	9,264	317,265
Charges for services	917,695	-	-	1,904,108	-	989,659	-	-	-	3,811,462
Investment Income	-	-	-	3,015	-	-	10,661	6,859	3,789	24,324
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Other revenues	578,667	5,750	-	-	-	-	359,508	-	1,265,435	2,209,360
Total revenues	20,902,887	1,749,898	462,633	1,925,991	36,396	1,001,296	370,169	6,859	1,440,713	27,896,842
EXPENDITURES										
Current										
General government	2,160,935	-	-	-	-	-	-	-	-	2,160,935
Staff services	1,069,757	-	-	-	-	-	-	-	-	1,069,757
Public safety	9,399,105	-	-	-	-	-	-	-	1,292,346	10,691,451
Public service	4,045,163	-	-	-	-	-	8,819	-	-	4,053,982
Community development	810,829	-	-	-	-	-	-	-	202,451	1,013,280
Economic development	-	1,221,738	-	-	-	-	-	-	-	1,221,738
Debt service										
Principal	-	-	1,430,000	-	-	-	-	-	-	1,430,000
Interest and other fees	-	-	119,905	-	-	-	-	-	-	119,905
Capital outlay	333,322	335,717	-	858,610	1,323,735	182,638	956,888	1,736,384	245,453	5,972,747
Total expenditures	17,819,111	1,557,455	1,549,905	858,610	1,323,735	182,638	965,707	1,736,384	1,740,250	27,733,795
Excess of revenues over (under) expenditures	3,083,776	192,443	(1,087,272)	1,067,381	(1,287,339)	818,658	(595,538)	(1,729,525)	(299,537)	163,047
OTHER FINANCING SOURCES (USES)										
Transfers in	100,000	-	1,089,888	-	-	-	250,000	1,412,321	329,470	3,181,679
Transfers out	(1,202,170)	-	-	(503,136)	(27,300)	(1,349,073)	(100,000)	-	-	(3,181,679)
Total other financing sources (uses)	(1,102,170)	-	1,089,888	(503,136)	(27,300)	(1,349,073)	150,000	1,412,321	329,470	-
Net change in fund balance	1,981,606	192,443	2,616	564,245	(1,314,639)	(530,415)	(445,538)	(317,204)	29,933	163,047
Fund balances – beginning	8,001,014	4,739,269	345,129	2,401,179	1,779,746	1,276,890	1,526,431	752,566	1,096,542	21,918,766
FUND BALANCES - ending	\$ 9,982,620	\$ 4,931,712	\$ 347,745	\$ 2,965,424	\$ 465,107	\$ 746,475	\$ 1,080,893	\$ 435,362	\$ 1,126,475	\$ 22,081,813

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 Change in Net Position of Governmental Activities For the Fiscal Year Ended September 30, 2020

Net change in fund balances - total governmental funds	\$ 163,047
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of 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.	5,815,624
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.	(2,127,181)
Amounts due to developer do not require the use of current financial resources; therefore, the change is not reported in the governmental funds.	3,983
The repayment of long-term debt uses current financial resources of governmental funds, but has no effect on net position.	1,430,000
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.	(40,618)
The change in the expense for compensated absences reported in the statement of activities does not require the use of current financial resources, therefore, the change is not reported in the governmental funds.	(147,183)
Changes in the net pension liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements.	26,134
Changes in the OPEB liabilities, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements.	(155,555)
Amortization of deferred losses on refunding is not recorded in the governmental funds.	(17,532)
Certain revenues reported in the governmental funds are not reported in the government-wide statement of activities. Conversely, some revenues reported in the government-wide statement of activities are not reported in the governmental funds.	19,195
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 4,969,914

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



Notes to Financial Statements

Benbrook



TEXAS

Our Pride. Your Joy.

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).

B. Financial Reporting Entity

As required by accounting principles 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.

The Benbrook Economic Development Corporation was found to be a component unit of the City and is included in the combined financial statements as a 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. Management of the City has operational responsibility for the EDC. The EDC is authorized to sell bonds or other forms of indebtedness. Upon dissolution of the EDC, the assets of the EDC shall be distributed to the City. The EDC provides services to the City and its residents.

City of Benbrook, Texas

Notes to Basic Financial Statements

It is management's opinion 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. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

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

Fund Financial Statements

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

The City has presented the following major governmental funds:

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

The **Economic Development Fund** accounts 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 – TIF Fund** is used to account for amounts received and expended for the construction of major improvements that must be financed over several years. The fund balance is restricted for future projects within the TIF boundaries.

The **Capital Projects – CVA Fund** is used to account for proceeds from natural gas leases and mineral interest revenue. These funds will be used for special major improvement projects to be determined by City Council, and therefore, the fund balance is committed.

City of Benbrook, Texas

Notes to Basic Financial Statements

The Capital Projects – Stormwater Fund is used to account for amounts received and expended for the construction and renovation of major drainage improvements. Initial funding came from the issuance of bonds with additional funding from stormwater fees. The fund balance is restricted for future major stormwater projects.

The Capital Projects – Special Assessments Fund is used to account for proceeds from special assessments of the City. The fund balance is restricted for future major projects.

The Capital Projects – Clearfork Bridge Fund is used to account for amounts received and expended for the construction of major improvements related to Clearfork Bridge. These funds will be used for special major improvement projects to be determined by City Council, and therefore, the fund balance is committed.

D. Measurement Focus and Basis of Accounting

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

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows, liabilities and deferred inflows (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 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 for property taxes, sales taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues property taxes, sales taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues 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.

E. Deposits and Temporary Investments

Cash of most funds 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 is available upon demand and is included within the deposits and temporary investments caption in the basic financial statements. In addition, certificates of deposit with a maturity of less than one year are also considered cash equivalents.

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.

City of Benbrook, Texas
Notes to Basic Financial Statements

F. Investments

Investments consist of certificates of deposit with a maturity in excess of one year, which are recorded at fair value.

G. Receivables

Revenue Recognition

The revenues susceptible to accrual are property taxes, sales taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

Sales Taxes Receivable

Sales taxes are collected and remitted to the City by the State Comptroller’s Office. All sales taxes are collected within sixty days of year end.

Property Taxes Receivable and Deferred Inflows of Resources

Property taxes are assessed and remitted to the City by the Tax Assessor’s Office. Taxes, levied annually on October 1, are due by January 31. Major tax payments are received December through March. Lien dates for real property are in July.

Allowances for uncollectible tax receivables are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off when deemed uncollectible; however, state statutes prohibit writing off real property taxes without specific authority from the Texas Legislature. In the governmental fund level financial statements, property taxes receivable are recorded when assessed (October 1). At fiscal year-end, property tax receivables represent delinquent taxes. In the general fund, property taxes receivable of \$660,634 are recorded net of an allowance for uncollectible taxes of \$273,223 as of September 30, 2020. In the debt service fund, property taxes receivable of \$45,017 are recorded net of an allowance for uncollectible taxes of \$18,596 as of September 30, 2020. If delinquent taxes are not paid within sixty days of fiscal year end, they are recorded as deferred inflows of resources. Deferred inflows of resources related to property taxes are \$383,852 as of September 30, 2020.

In the government-wide financial statements, property tax receivables and related revenues include all amounts due the City regardless of when cash is received.

H. 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 capital assets, donated works of art, and capital assets received in a service concession arrangement are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

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

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

City of Benbrook, Texas

Notes to Basic Financial Statements

I. 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 of service earn 15 vacation days per year. Non-civil service employees may accumulate two times the current number of vacation days earned per year, up to a maximum of 30 days. All earned vacation leave not taken within one year of its accumulation will be forfeited by civil service employees.

J. Nature and Purpose of Designations of Fund Equity

The City has reported Governmental Fund Balances classifications in accordance with 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 hierarchy aims 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 classifications 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.

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 items. The City has no nonspendable amounts at September 30, 2020.
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 capital projects funded by bond proceeds.
 1. The aggregate fund balance of the Special Revenue Funds, absent of the Grant fund, and EDC are legally restricted by the enabling legislation that created these funds.
 2. The fund balances of the Debt Service Fund, the Capital Projects – TIF fund, the Capital Projects – Stormwater fund, and the Capital Projects – Special Assessment are 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 formal resolution of the governing body recorded in the minutes. Commitments may be changed or lifted only by formal resolution of the governing body. 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. Examples include, but are not limited to, City Council action regarding construction and capital expenditures.
 1. The Capital Projects – CVA fund and Capital Projects - Clearfork Bridge fund, along with Capital Projects - Other Projects fund and Special Revenue - Grant fund (included in the Nonmajor funds) are considered committed by the City Council action to create that fund.
 2. The Workers' Comp / liability amounts in the General fund were committed when City Council authorized the City to partially self-insure worker's comp/liabilities.

City of Benbrook, Texas

Notes to Basic Financial Statements

- c. *Assigned Fund Balance* – includes amounts intended to be used by the City for a specific purpose. 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. Assignments may be authorized by City policy initiated by the City Manager, formal resolution or ordinance. No amounts have been assigned at September 30, 2020.
- d. *Unassigned Fund Balance* – includes the residual classification of the General Fund. This classification also incorporates negative residual amounts of any other fund.

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 expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and finally unassigned fund balance.

K. Deferred Outflows and Deferred Inflows of Resources

The statement of net position includes a separate section, in addition to assets, for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and therefore will not be recognized as an expense until that time. The deferred loss on refunding will be recognized as a deferred outflow of resources or a deferred inflow of resources and amortized to interest expense over the life of the bond and bond issuance costs will be expensed in the current period.

The governmental funds balance sheet and the statement of net position report a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as revenue until that time. Amounts, such as property taxes, received after the sixty day period are not considered available and therefore are recorded as a deferred inflow of resources.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that the compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liabilities, OPEB related deferred outflows of resources, and OPEB expense, City specific information about its Fiduciary Net Position and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Benbrook, Texas

Notes to Basic Financial Statements

Information regarding the City's OPEB liabilities is obtained from actuarial valuations through reports prepared for the City by their consulting actuaries in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The City has OPEB liabilities related to Retiree Healthcare and Supplemental Death Benefits fund.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. Significant estimates include depreciable lives on capital assets, allowance for uncollectible property taxes and ambulance revenues, net pension liability, and total OPEB liability.

Note 2. Deposits and Investments

Deposits and investments as of September 30, 2020 consist of the following:

Deposits with financial institutions	\$	10,379,842
Temporary investments		10,728,643
Long-term investments		1,719,990
		<hr/>
	\$	22,828,475
		<hr/> <hr/>

Disclosure Relating to Interest Rate Risk and Credit 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, 2020, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

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.

City of Benbrook, Texas

Notes to Basic Financial Statements

Presented below are the minimum ratings required by the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type for all temporary and long-term investments.

Investment Type	Amount	WAM	Minimum Rating	Rating as of September 30, 2020
TexPool	\$ 7,684,457	38	AAA	AAAm
TexSTAR	3,044,186	39	AAA	AAAm
Certificates of Deposit	1,719,990	N/A	N/A	N/A
	<u>\$ 12,448,633</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 and certificates of deposit, 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 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.

At September 30, 2020, the City had deposits at two financial institutions. The below table shows the relevant bank balances, FDIC insurance and collateral for all cash and cash equivalents:

	Bank Balance	FDIC Insurance	Collateral
City	\$ 5,797,464	\$ 250,000	\$ 10,119,697
EDC	\$ 4,800,446	\$ 250,000	\$ 4,863,217

Collateral is held by the Federal Reserve Bank of Dallas in the City's name under joint safekeeping agreements with the pledging institutions. All funds were fully collateralized.

City of Benbrook, Texas

Notes to Basic Financial Statements

Investment in State Investment Pools and Certificates of Deposit

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 TexStar investment pool does not meet the requirements to report at amortized cost. As a result, its investments are measured at net asset value. TexStar's strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities.

Fair Value Measurements

The City categorizes its fair value measurements within a fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. Participants in qualifying pools are permitted to continue measuring investments at amortized cost if they have met certain criteria, including that the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. TexPool uses amortized cost to measure its investments.

Investment pools reported at amortized cost or net asset value are excluded from the fair value hierarchy. The City's position in the pool is the same as the value of the pool shares.

The fair value of the negotiable certificates of deposit of \$1,719,990 at September 30, 2020 was determined based on Level 2 inputs. The City estimates the fair value of these investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals. There were no changes to valuation techniques during year ended September 30, 2020.

City of Benbrook, Texas
Notes to Basic Financial Statements

Note 3. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance October 1	Additions/ Completions	Transfers	Retirements/ Adjustments	Balance September 30
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 4,575,978	\$ 302,730	\$ 496,636	\$ -	\$ 5,375,344
ROW	9,821,372	-	-	-	9,821,372
Construction in progress	2,294,623	4,209,107	(1,284,885)	-	5,218,845
Total capital assets not being depreciated	16,691,973	4,511,837	(788,249)	-	20,415,561
Capital assets being depreciated					
Buildings	12,449,209	-	-	-	12,449,209
Infrastructure	85,433,254	112,335	786,743	-	86,332,332
Equipment	6,597,565	1,191,452	1,506	-	7,790,523
Total capital assets being depreciated	104,480,028	1,303,787	788,249	-	106,572,064
Less accumulated depreciation					
Buildings	6,587,613	338,666	-	-	6,926,279
Infrastructure	53,699,216	1,380,787	-	-	55,080,003
Equipment	2,822,588	407,728	-	-	3,230,316
Total accumulated depreciation	63,109,417	2,127,181	-	-	65,236,598
Total capital assets being depreciated, net	41,370,611	(823,394)	788,249	-	41,335,466
Governmental activities capital assets, net	\$ 58,062,584	\$ 3,688,443	\$ -	\$ -	\$ 61,751,027

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

Governmental activities	
General government	\$ 14,336
Public safety	478,161
Public works	1,631,700
Community development	2,984
Total depreciation expense - governmental activities	\$ 2,127,181

City of Benbrook, Texas
 Notes to Basic Financial Statements

Note 4. Long-Term Debt

At September 30, 2020, the City's bonds payable consisted of the following:

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 2.15%.	\$ 200,000
2007 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%.	455,000
2011 G.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%.	1,505,000
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%.	275,000
2013 G.O. Refunding Bonds dated December 10, 2013, issued to refund the remaining balance of the 2004 G.O. bonds, due in annual installments through February 1, 2025, interest rate of 2.19%.	1,245,000
2014 TIF Combination Tax and Revenue C.O. bonds dated June 17, 2014, issued for sewer line improvements, street improvements and construction projects, due in annual installments through February 1, 2022, interest rate of 1.72%.	305,000
	305,000
Total bonds payable	\$ 3,985,000

City of Benbrook, Texas
Notes to Basic Financial Statements

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2020:

	Balance October 1,	Increases	Decreases	Balance September 30	Due Within One Year
Governmental Type Activities					
General Obligation Bonds	\$ 3,645,000	-	895,000	\$ 2,750,000	\$ 975,000
Certificate of Obligation	1,770,000	-	535,000	1,235,000	545,000
Due to Developer	629,892	-	3,983	625,909	530,146
Compensated Absences	1,438,587	603,660	456,477	1,585,770	147,183
Net OPEB Liability - Retiree Healthcare	1,968,192	240,417	-	2,208,609	-
Net OPEB Liability - SDBF	319,566	79,488	-	399,054	-
Net Pension Liability	9,189,496	-	3,764,568	5,424,928	-
Total Governmental Activities	\$ 18,960,733	\$ 923,565	\$ 5,655,028	\$ 14,229,270	\$ 2,197,329

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.

Due to Developer

Due to developer represents the estimated liability due to a developer in the TIF Reinvestment Zone based on requests for reimbursements. The retirement of this liability is from the Capital Project – TIF fund.

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.

Net Pension Liability and Other Post-Employment Benefit Liabilities

The general fund is typically used to liquidate pension and other post-employment benefit liabilities.

City of Benbrook, Texas
Notes to Basic Financial Statements

Annual requirements to amortize all debts outstanding as of September 30, 2020, are as follows:

General Obligation Bonds

General Obligation Bonds Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 975,000	\$ 57,966	\$ 1,032,966
2022	1,015,000	30,607	1,045,607
2023	245,000	13,961	258,961
2024	255,000	8,486	263,486
2025	260,000	2,847	262,847
	<u>\$ 2,750,000</u>	<u>\$ 113,867</u>	<u>\$ 2,863,867</u>

Certificate of Obligations

CO's Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 545,000	\$ 28,474	\$ 573,474
2022	350,000	17,534	367,534
2023	60,000	12,524	72,524
2024	65,000	9,999	74,999
2025	70,000	7,272	77,272
2026-2027	145,000	5,959	150,959
	<u>\$ 1,235,000</u>	<u>\$ 81,762</u>	<u>\$ 1,316,762</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. The City's tax rate is of \$0.627777 per \$100 of assessed valuation.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on July 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.

City of Benbrook, Texas

Notes to Basic Financial Statements

Property taxes at the fund level are recorded as receivables and deferred inflows of resources 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 of \$273,223 and \$18,596 for the General Fund and Debt Service Fund, respectively. The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five year statute of limitations.

Note 6. Defined Benefit Pension Plan

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tMrs.com.

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

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the City Council of the City, within the options available in the state statutes governing TMRS. 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
Retirement Eligibility (Age/Service)	60/5, 0/20
Update service credit	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating

City of Benbrook, Texas
Notes to Basic Financial Statements

Employees Covered By Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	82
Inactive employees entitled to but not yet receiving benefits	69
Active employees	<u>126</u>
Total	<u><u>277</u></u>

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the year ended September 30, 2020. The contribution rates for the City were 16.32% and 16.59% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$1,684,418 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions: Inflation of 2.5% per year, Overall payroll growth of 2.75% per year, adjusted down for population declines if any; and investment rate of return of 6.75%, net of pension plan investment expense, including inflation.

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum

City of Benbrook, Texas

Notes to Basic Financial Statements

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Benbrook, Texas
Notes to Basic Financial Statements

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$ 58,846,476	\$ 49,656,980	\$ 9,189,496
Changes for the year:			
Service cost	1,858,555	-	1,858,555
Interest	3,951,004	-	3,951,004
Difference between expected and actual experience	172,697	-	172,697
Changes of assumptions	203,079	-	203,079
Contributions - employer	-	1,616,740	(1,616,740)
Contributions - employee	-	699,456	(699,456)
Net Investment income	-	7,678,388	(7,678,388)
Benefit payments, including refunds of employee contributions	(2,484,708)	(2,484,708)	-
Administrative expenses	-	(43,378)	43,378
Other changes	-	(1,303)	1,303
Balance at 12/31/2019	\$ 62,547,103	\$ 57,122,175	\$ 5,424,928

See

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease in Discount rate (5.75%)	Discount rate (6.75%)	1% increase in Discount Rate (7.75%)
\$ 14,401,162	\$ 5,424,928	\$ (1,930,237)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the city recognized pension expense of \$1,668,101.

City of Benbrook, Texas
Notes to Basic Financial Statements

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience:	\$ -	\$ (367,825)
Change in actuarial assumptions:	159,249	-
Difference between projected and actual investment earnings:	-	(1,752,095)
Contributions subsequent to the measurement date:	1,294,113	-
	<u>1,294,113</u>	<u>-</u>
Total	<u>\$ 1,453,362</u>	<u>\$ (2,119,920)</u>

\$1,294,113 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
	<u> </u>
2020	\$ (673,975)
2021	(607,481)
2022	140,376
2023	(834,737)
2024	15,146
	<u>15,146</u>
Total	<u>\$ (1,960,671)</u>

Note 7. Commitments and Contingencies

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.

No significant encumbrances exist as of September 30, 2020.

City of Benbrook, Texas
Notes to Basic Financial Statements

Note 8. Interfund Activity

Interfund receivables/payables consist of the following as of September 30, 2020.

Receivable Fund	Payable Fund	Amount
General fund	Economic development	\$ 104,851
General fund	Other governmental funds	49,869
Other governmental funds	General fund	1,428
		\$ 156,148

Interfund receivables/payables result from expenses paid by the general fund on behalf of other funds, and due to revenues received into the general fund that belong to the other governmental funds.

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 Other Than Pensions

Group-term Life Insurance

Plan Description

The City participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan.

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

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 that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

City of Benbrook, Texas
Notes to Basic Financial Statements

Benefits

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). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500.

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to but not yet receiving benefits	14
Active employees	126
Total	201

Total OPEB Liability

The City’s total OPEB liability of \$399,054, was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

- Inflation – 2.5%
- Overall payroll growth – 3.50% to 11.5%, including inflation
- Discount Rate – 2.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on 2019 Municipal Retirees of Texas Mortality tables. The rates are projected on a fully generational basis with scale UMP. For disabled annuitants, the 2019 Municipal Retirees of Texas Mortality Tables were used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.75%. The discount rate was based on Fidelity Index’s “20-Year Municipal GO AA Index” rate as of the measurement date.

City of Benbrook, Texas
Notes to Basic Financial Statements

Sensitivity of the Total OPEB liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

1% Decrease in Discount rate (1.75%)	Discount rate (2.75%)	1% increase in Discount Rate (3.75%)
\$ 489,985	\$ 399,054	\$ 329,540

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2020, the City recognized OPEB expense of \$32,786 related to group term life insurance. For the year ended September 30, 2020, the City recognized total OPEB expense related to all OPEB plans of \$223,650.

At the September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience:	\$ -	\$ (4,149)
Change in actuarial assumptions:	53,768	-
Total	\$ 53,768	\$ (4,149)

There were no payments made subsequent to the measurement date.

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net deferred outflows (inflows) of resources
2020	\$ 8,772
2021	8,772
2022	8,772
2023	8,772
2024	7,741
Thereafter	6,790
Total	\$ 49,619

City of Benbrook, Texas

Notes to Basic Financial Statements

Postemployment Retiree Healthcare Plan

Plan Description

Employees who retire from the City are eligible to continue health insurance (a single-employer) coverage through the City's group plan, the City of Benbrook Retiree Health Care 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.

The City elected, by ordinance, to provide coverage to both current and retired employees. The City may terminate coverage under and discontinue participation by adopting an ordinance.

Benefits

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 are funded on a pay-as-you-go basis.

Plan Membership

On December 31, 2019, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	17
Inactive plan members entitled to, but not yet receiving benefit payments	0
Active plan members	<u>115</u>
	132

Total OPEB Liability of the City

The components of the total OPEB liability of the City at September 30 were as follows:

	Total OPEB Liability - Retiree Healthcare
Balance at 12/31/2018	<u>\$ 1,968,192</u>
Changes for the year:	
Service cost	76,675
Interest	73,019
Change of benefit terms	-
Difference between expected and actual experience	(12,208)
Changes of assumptions	179,682
Benefit payments, including refunds of employee contributions	(76,751)
Administrative expenses	-
Other changes	-
Balance at 12/31/2019	<u><u>\$ 2,208,609</u></u>

City of Benbrook, Texas
Notes to Basic Financial Statements

Actuarial Methods and Assumptions

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

An actuarial valuation was performed as of December 31, 2018 using the individual entry-age actuarial cost method. The actuarial assumptions include discount rate of 3.71%, inflation rate of 2.5%, salary increases of 3.5% to 10.5%, including inflation. Update procedures were used to roll forward the total OPEB liability to December 31, 2019.

Demographics. Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).

Mortality rate. For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

Health Care Trend Rates. Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.

Participation Rates. It was assumed that 25% of eligible employees retiring before the age of 65 would choose to receive retiree health care benefits through the City. Of those assumed to elect coverage, 30% of males and females were assumed to elect two-person coverage. Additionally, it was assumed that 35% of eligible retirees would choose to receive retiree life insurance coverage through the City.

Assumption Changes. The discount rate changed from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. Additionally, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study.

Discount rate. The discount rate used to measure the total OPEB liability was 2.75% as of December 31, 2019.

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.75%) or one percentage point higher (3.75%) than the current discount rate:

1% Decrease in Discount rate (1.75%)	Discount rate (2.75%)	1% increase in Discount Rate (3.75%)
\$ 2,478,198	\$ 2,208,609	\$ 1,975,856

City of Benbrook, Texas

Notes to Basic Financial Statements

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

1% Decrease in Discount rate	Current Healthcare Cost Trend Rate Assumption	1% increase in Discount Rate
\$ 1,983,581	\$ 2,208,609	\$ 2,476,821

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized OPEB expense of \$190,864

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience:	\$ 101,453	\$ -
Change in actuarial assumptions:	222,552	-
Contributions subsequent to the measurement date:	54,897	-
Total	\$ 378,902	\$ -

The \$54,897 in benefit payments/contributions made subsequent to the measurement date was developed using the same methodology used to determine the benefit payments made during the measurement period. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net deferred outflows (inflows) of resources
2021	\$ 41,170
2022	41,170
2023	41,170
2024	41,170
2025	41,170
Thereafter	118,155
Total	\$ 324,005

City of Benbrook, Texas
Notes to Basic Financial Statements

Note 11. Interfund Transfers

All interfund transfers are approved supplements to the operations of those funds. Individual transfers for year ended September 30, 2020 were as follows:

Transfers-in	Transfers-out	Purpose	Amount
Debt service	Capital projects - storm water	Debt repayment	\$ 586,752
Debt service	Capital projects - TIF	Debt repayment	503,136
Capital projects - Special Assessments	General fund	Special projects	250,000
General fund	Capital projects - Special Assessments	Special projects	100,000
Other governmental	Capital projects - CVA	Special projects	27,300
Other governmental	General fund	Special projects	302,170
Capital projects - Clearfork Bridge	General fund	Special projects	650,000
Capital projects - Clearfork Bridge	Capital projects - storm water	Special projects	762,321
			\$ 3,181,679

Note 12: New Accounting Pronouncements

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, GASB issued Statement No. 87, Leases. This Statement establishes standards for accounting and financial reporting for leases by lessees and lessors. This Statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities that were previously accounted for as operating leases. It establishes a single model for lease accounting based on the principle that leases are a financing of the right to use an underlying asset. Under this statement a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

The City's management is reviewing the implementation process of these standards by gathering required information.

City of Benbrook, Texas

Notes to Basic Financial Statements

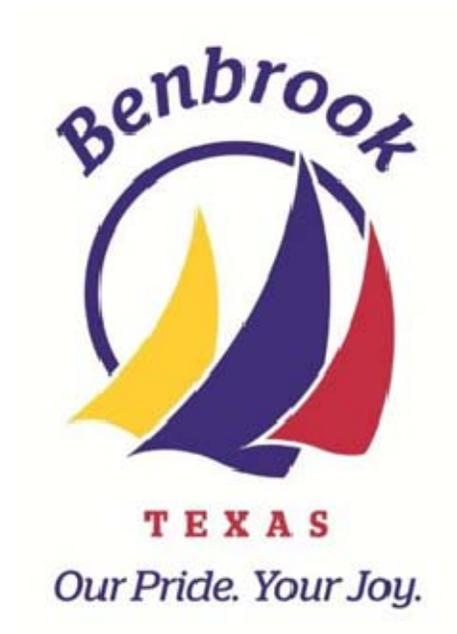
Note 13: Subsequent Events

The City has evaluated subsequent events that occurred after September 30, 2020, through March 12, 2021, the date which the financial statements were available to be issued. During this period, there were no material subsequent events that required recognition or additional disclosure in these financial statements, except as follows:

COVID-19

The extent of the operational and financial impact the COVID-19 pandemic may have on the City has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, no services have been reduced or eliminated. In the new fiscal year 2020-21 budget there were no new capital or departmental requests approved. Essentially the budget remained flat from the prior year. The City is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain. However, while it is premature to accurately predict its full impact, we expect little impact if any regarding financial performance. Revenues are being collected as projected in the fiscal year 2020-21 budget.





Required Supplementary Information



City of Benbrook, Texas
Schedule of Changes in Net Pension Liability
and Related Ratios
For the Measurement Date and Last Six Fiscal Years

	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY						
Service cost	\$ 1,858,555	\$ 1,706,379	\$ 1,657,777	\$ 1,575,386	\$ 1,520,604	\$ 1,320,055
Interest	3,951,004	3,750,563	3,549,305	3,389,690	3,323,230	3,124,814
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	172,697	(283,128)	(100,498)	(643,705)	(408,073)	(114,606)
Change of assumptions	203,079	-	-	-	(33,726)	-
Benefit payments, including refunds of employee contributions	(2,484,708)	(2,076,098)	(2,222,466)	(1,773,318)	(1,599,725)	(1,592,327)
Net change in total pension liability	3,700,627	3,097,716	2,884,118	2,548,053	2,802,310	2,737,936
Total pension liability - beginning	58,846,476	55,748,760	52,864,642	50,316,589	47,514,279	44,776,343
TOTAL PENSION LIABILITY - ending (a)	62,547,103	58,846,476	55,748,760	52,864,642	50,316,589	47,514,279
PLAN FIDUCIARY NET POSITION						
Contributions - employer	1,616,740	1,516,476	1,534,575	1,492,510	1,484,633	1,414,524
Contributions - employee	699,456	648,461	634,122	601,949	585,491	548,570
Net investment income	7,678,388	(1,531,759)	6,236,147	2,829,895	61,051	2,219,956
Benefit payments, including refunds of employee contributions	(2,484,708)	(2,076,098)	(2,222,466)	(1,773,318)	(1,599,725)	(1,592,327)
Administrative expense	(43,378)	(29,601)	(32,310)	(31,954)	(37,184)	(23,178)
Other	(1,303)	(1,547)	(1,636)	(1,722)	(1,836)	(1,906)
Net change in plan fiduciary net position	7,465,195	(1,474,068)	6,148,432	3,117,360	492,430	2,565,639
Plan fiduciary net position - beginning	49,656,980	51,131,048	44,982,616	41,865,256	41,372,826	38,807,187
PLAN FIDUCIARY NET POSITION - ending (b)	57,122,175	49,656,980	51,131,048	44,982,616	41,865,256	41,372,826
NET PENSION LIABILITY - ending (a) - (b)	\$ 5,424,928	\$ 9,189,496	\$ 4,617,712	\$ 7,882,026	\$ 8,451,333	\$ 6,141,453
Plan fiduciary net position as a percentage of total pension liability	91.33%	84.38%	91.72%	85.09%	83.20%	87.07%
Covered payroll	\$ 9,992,229	\$ 9,263,727	\$ 9,058,892	\$ 8,599,269	\$ 8,364,159	\$ 7,836,719
Net pension liability as a percentage of covered payroll	54.29%	99.20%	50.97%	91.66%	101.04%	78.37%

Note: The schedule is intended to show information as of the measurement date (December 31) for ten years. Additional years will be displayed as they become available.

City Of Benbrook, Texas
Schedule of Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,616,740	\$ 1,516,476	\$ 1,534,575	\$ 1,492,510	\$ 1,484,633	\$1,414,524
Contributions in relation to the actuarially determined contribution	<u>(1,684,418)</u>	<u>(1,591,704)</u>	<u>(1,542,010)</u>	<u>(1,501,312)</u>	<u>(1,505,210)</u>	<u>(1,428,090)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u><u>(67,678)</u></u>	<u><u>(75,228)</u></u>	<u><u>(7,435)</u></u>	<u><u>(8,802)</u></u>	<u><u>(20,577)</u></u>	<u><u>(13,566)</u></u>
Covered payroll	\$ 9,975,895	\$ 9,767,066	\$ 9,319,802	\$ 9,300,894	\$ 8,663,764	\$8,017,563
Contributions as a percentage of covered payroll	16%	16%	16%	16%	17%	18%

Note: The schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Benbrook, Texas

Notes to Required Supplementary Information - Pension

Schedule of Contributions

Valuation Date

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method – Entry Age Normal

Amortization Method – Level Percentage of Payroll, Closed

Remaining Amortization Period – 25 years

Asset Valuation Method – 10 Year smoothed market; 12% soft corridor

Inflation – 2.5%

Salary Increases – 3.50% to 11.50% including inflation

Investment Rate of Return – 6.75%

Retirement Age – Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018

Mortality – Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information

There were no benefit changes during the year.

City of Benbrook, Texas

Schedule of Changes in Total OPEB Liability – Retiree Healthcare And Related Ratios for the Measurement Date

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY			
Service cost	\$ 76,675	\$ 80,841	\$ 70,552
Interest	73,019	60,332	62,575
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(12,208)	106,101	40,261
Change of assumptions	179,682	(13,183)	103,164
Benefit payments, including refunds of employee contributions	(76,751)	(96,414)	(106,309)
	<hr/>	<hr/>	<hr/>
Net change in total OPEB liability	240,417	137,677	170,243
	<hr/>	<hr/>	<hr/>
Total OPEB liability - beginning	1,968,192	1,830,515	1,660,272
	<hr/>	<hr/>	<hr/>
Total OPEB liability - ending (a)	\$ 2,208,609	\$ 1,968,192	\$ 1,830,515
	<hr/>	<hr/>	<hr/>
Covered payroll	\$ 10,094,927	\$ 9,401,496	\$ 9,319,802
	<hr/>	<hr/>	<hr/>
Total OPEB liability as a percentage of covered payroll	21.88%	20.93%	19.64%

Note: The schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Benbrook, Texas

Schedule of OPEB Contributions – Retiree Healthcare

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	<u><u>\$ 10,094,927</u></u>	<u><u>\$ 9,401,496</u></u>	<u><u>\$ 9,319,802</u></u>
Contributions as a percentage of covered payroll	0%	0%	0%

Note: The schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Benbrook, Texas

Notes to Required Supplementary Information - OPEB

Schedule of Contributions

Valuation Date

December 31, 2018

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method – Individual Entry-Age Normal

Inflation – 2.5%

Salary Increases – 3.50% to 11.50% including inflation

Discount rate – 2.75% as of December 31, 2019

Demographic Assumptions – Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).

Retirement Age – Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.

Mortality – For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

Health Care Trend Rates – Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.

Participation Rates – It was assumed that 25% of eligible employees retiring before the age of 65 would choose to receive retiree health care benefits through the City. Of those assumed to elect coverage, 30% of males and females were assumed to elect two-person coverage. Additionally, it was assumed that 35% of eligible retirees would choose to receive retiree life insurance coverage through the City.

Other Information

The discount rate changed from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. Additionally, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study.

City of Benbrook, Texas

Schedule of Changes in TOPEB Liability – Supplemental Death Benefits And Related Ratios for the Measurement Date

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY			
Service cost	\$ 11,991	\$ 12,043	\$ 9,965
Interest	12,023	10,799	10,586
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(6,556)	2,000	-
Change of assumptions	65,028	(24,573)	26,425
Benefit payments, including refunds of employee contributions	<u>(2,998)</u>	<u>(1,853)</u>	<u>(1,812)</u>
Net change in total OPEB liability	79,488	(1,584)	45,164
Total OPEB liability - beginning	<u>319,566</u>	<u>321,150</u>	<u>275,986</u>
Total OPEB liability - ending (a)	<u><u>\$ 399,054</u></u>	<u><u>\$ 319,566</u></u>	<u><u>\$ 321,150</u></u>
Covered payroll	\$ 9,992,229	\$ 9,263,727	\$ 9,058,892
Total OPEB liability as a percentage of covered payroll	3.99%	3.45%	3.55%

Note: The schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Benbrook, Texas

Schedule of OPEB Contributions – Supplemental Death Benefits

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 2,998	\$ 1,853	\$ 1,748
Contributions in relation to the actuarially determined contribution	<u>(2,998)</u>	<u>(1,853)</u>	<u>(1,748)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	<u>\$ 10,094,927</u>	<u>\$ 9,401,496</u>	<u>\$ 9,319,802</u>
Contributions as a percentage of covered payroll	0%	0%	0%

Note: The schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Benbrook, Texas

Notes to Required Supplementary Information - OPEB

Valuation Date

December 31, 2019

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method – Individual Entry-Age

Inflation – 2.5%

Salary Increases – 3.50% to 11.50% including inflation

Discount rate – 2.75% as of December 31, 2019

Retirement Age – Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.

Mortality – For service retirees, 2019 Municipal Retirees of Texas Mortality Tables were used. The rates are projected on a fully generational basis with scale UMP. For disabled retirees, 2019 Municipal Retirees of Texas Mortality Tables were used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Other Information

There were no benefit changes during the year.

City of Benbrook, Texas
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended September 30, 2020

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenues				
Taxes	\$ 17,974,758	\$ 17,974,758	\$ 17,932,045	\$ (42,713)
Licenses, permits and filing fees	499,775	499,775	654,119	154,344
Fines and forfeitures	788,000	788,000	669,884	(118,116)
Use of money and property	273,000	273,000	150,477	(122,523)
Charges for services	929,850	929,850	917,695	(12,155)
Other revenues	508,000	508,000	578,667	70,667
Total revenues	20,973,383	20,973,383	20,902,887	(70,496)
Expenditures				
Current				
General government	2,338,360	2,338,360	2,160,935	177,425
Staff services	1,116,767	1,116,767	1,069,757	47,010
Public safety	10,970,989	10,970,989	9,399,105	1,571,884
Public services	4,253,069	4,253,069	4,045,163	207,906
Community development	854,443	854,443	810,829	43,614
Capital outlay	338,616	338,616	333,322	5,294
Total expenditures	19,872,244	19,872,244	17,819,111	2,053,133
Excess of revenues over expenditures	1,101,139	1,101,139	3,083,776	1,982,637
Other financing uses				
Transfers In	100,000	100,000	100,000	-
Transfers out	(1,150,000)	(1,150,000)	(1,202,170)	(52,170)
Net change in fund balance	51,139	51,139	1,981,606	1,930,467
Fund balance - beginning	8,001,014	8,001,014	8,001,014	-
FUND BALANCE - ending	\$ 8,052,153	\$ 8,052,153	\$ 9,982,620	\$ 1,930,467

City of Benbrook, Texas

Notes to Required Supplementary Information – 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 year end. At year end, encumbrances are cancelled or reappropriated as part of the following budget.

Annual appropriated budgets are consistent with accounting principles generally accepted in the United States of America and are legally adopted for the general and debt service fund.

All appropriations lapse on September 30 of the fiscal year.

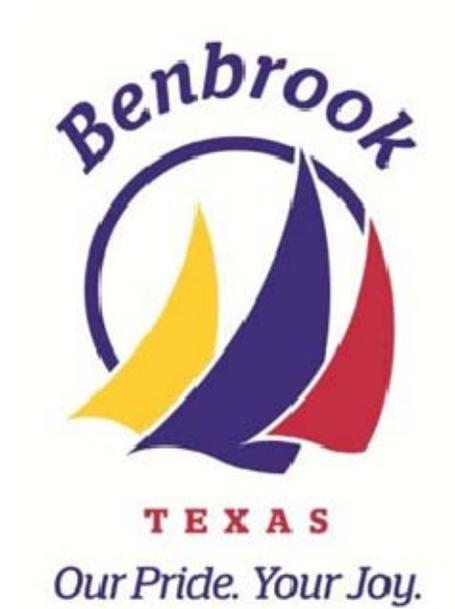
Budgeted amounts are as originally adopted or as amended by the City Council.

Benbrook



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Combining and Individual Fund Statements and Schedule



City of Benbrook, Texas
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2020

	Special Revenue Funds					Capital Projects Fund		Total Non-Major Governmental Funds	
	Hotel Motel Tax	PEG	Public Safety	Grant	CARES Act	Total Special Revenue	Other Projects		Total Capital Projects
ASSETS									
Cash and cash equivalents	\$ 230,159	\$ 162,642	\$ 77,118	\$ 11,337	\$ -	\$ 481,256	\$ 404,129	\$ 404,129	\$ 885,385
Investments	-	-	223,223	-	-	223,223	59,607	59,607	282,830
Receivables	29,714	7,939	2,810	-	-	40,463	244	244	40,707
Due from other funds	1,428	-	-	-	-	1,428	-	-	1,428
Total assets	261,301	170,581	303,151	11,337	-	746,370	463,980	463,980	1,210,350
LIABILITIES & FUND BALANCES									
Liabilities									
Accounts payable	20,970	1,946	696	-	-	23,612	8,966	8,966	32,578
Due to other funds	49,737	-	1,560	-	-	51,297	-	-	51,297
Total liabilities	70,707	1,946	2,256	-	-	74,909	8,966	8,966	83,875
FUND BALANCE									
Restricted									
City promotions	190,594	168,635	-	-	-	359,229	-	-	359,229
Public safety	-	-	300,895	-	-	300,895	-	-	300,895
Committed									
Capital projects	-	-	-	-	-	-	455,014	455,014	455,014
Grants	-	-	-	11,337	-	11,337	-	-	11,337
Total fund balances	190,594	168,635	300,895	11,337	-	671,461	455,014	455,014	1,126,475
Total liabilities, deferred inflows of resources and fund balances	261,301	170,581	303,151	11,337	-	746,370	463,980	463,980	1,210,350

City of Benbrook, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

Year Ended September 30, 2020

	Special Revenue Funds					Capital Projects Fund		Total Non-Major Governmental Funds	
	Hotel Motel Tax	PEG	Public Safety	Grant Fund	CARES Act	Total Special Revenue	Other Projects		Total Capital Projects
REVENUES									
Taxes	\$ 123,497	\$ 32,711	\$ -	\$ -	\$ -	\$ 156,208	\$ -	\$ -	\$ 156,208
Fines and forfeitures	-	-	6,017	-	-	6,017	-	-	6,017
Use of money and property	24	-	5,729	-	-	5,753	3,511	3,511	9,264
Investment Income	-	-	3,789	-	-	3,789	-	-	3,789
Other revenues	4,835	-	-	-	1,260,600	1,265,435	-	-	1,265,435
Total revenues	128,356	32,711	15,535	-	1,260,600	1,437,202	3,511	3,511	1,440,713
EXPENDITURES									
Community development	190,066	12,385	-	-	-	202,451	-	-	202,451
Public safety	-	-	31,746	-	1,260,600	1,292,346	-	-	1,292,346
Capital outlay	1,949	-	-	7,600	-	9,549	235,904	235,904	245,453
Total expenditures	192,015	12,385	31,746	7,600	1,260,600	1,504,346	235,904	235,904	1,740,250
Excess (deficiency) of revenues over (under) expenditures	(63,659)	20,326	(16,211)	(7,600)	-	(67,144)	(232,393)	(232,393)	(299,537)
Other financing sources									
Transfers In	-	-	-	27,300	-	27,300	302,170	302,170	329,470
Transfers Out	-	-	-	-	-	-	-	-	-
Net change in fund balance	(63,659)	20,326	(16,211)	19,700	-	(39,844)	69,777	69,777	29,933
Fund balance - beginning	254,253	148,309	317,106	(8,363)	-	711,305	385,237	385,237	1,096,542
FUND BALANCE - ending	\$ 190,594	\$ 168,635	\$ 300,895	\$ 11,337	\$ -	\$ 671,461	\$ 455,014	\$ 455,014	\$ 1,126,475



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 Fiscal Year Ended September 30, 2020

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
Revenues				
Property taxes				
Current property tax	\$ 478,982	\$ 478,982	\$ 458,958	\$ (20,024)
Delinquent property tax	5,078	5,078	1,561	(3,517)
Penalty and interest	3,047	3,047	2,114	(933)
Total revenues	487,107	487,107	462,633	(24,474)
Expenditures				
Principal	1,430,000	1,430,000	1,430,000	-
Interest	127,624	127,624	119,605	8,019
Other	3,800	3,800	300	3,500
Total expenditures	1,561,424	1,561,424	1,549,905	11,519
Excess of revenues under expenditures	(1,074,317)	(1,074,317)	(1,087,272)	(12,955)
Other financing sources				
Transfers in	1,089,888	1,089,888	1,089,888	-
Total other financing sources	1,089,888	1,089,888	1,089,888	-
Net change in fund balance	15,571	15,571	2,616	(12,955)
Fund balance - beginning	345,129	345,129	345,129	-
FUND BALANCE - ending	\$ 360,700	\$ 360,700	\$ 347,745	\$ (12,955)

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Statistical Section

Benbrook



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STATISTICAL SECTION
(Unaudited)

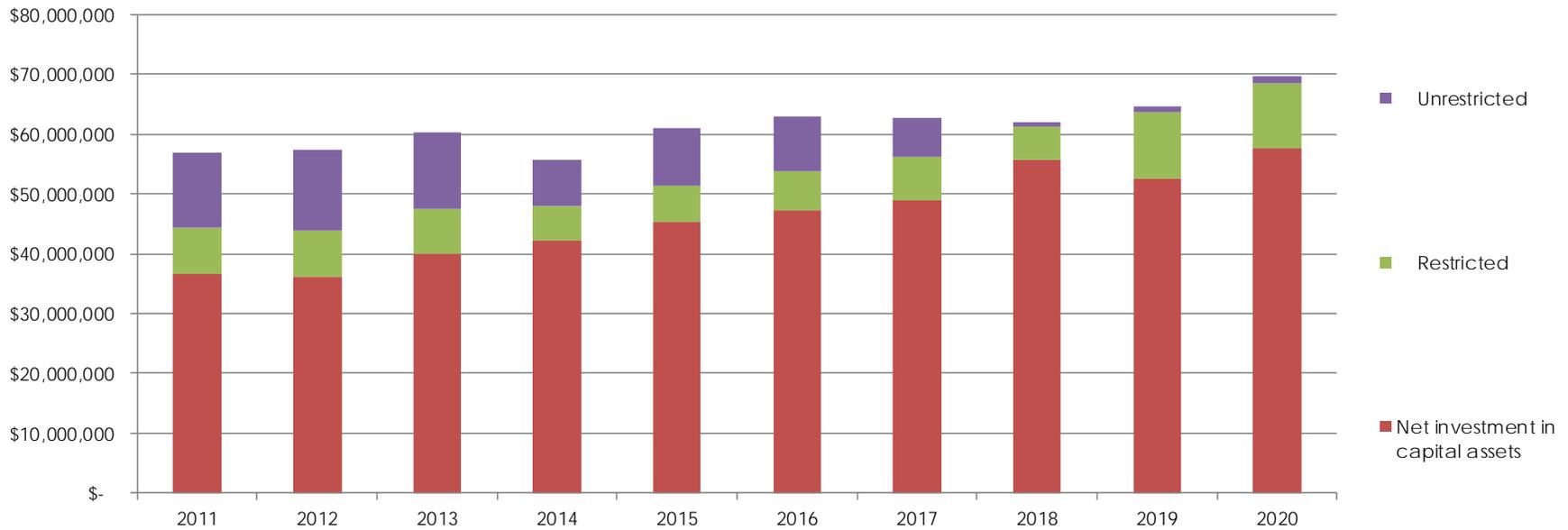
The City of Benbrook’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government’s overall financial health.

	Pages
Financial Trends	71-75
Revenue Capacity	76-78
Debt Capacity	79-81
Demographic & Economic Indicators	82-84
Operating Information	85-86

City of Benbrook, Texas
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

Table 1

Governmental activities	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net investment in capital assets	\$ 36,615,411	\$ 36,235,804	\$ 40,079,400	\$ 42,176,087	\$ 45,305,129	\$ 47,197,644	\$ 48,942,935	\$ 55,684,372	\$ 52,647,584	\$ 57,766,027
Restricted	7,807,670	7,700,845	7,560,464	5,786,813	6,106,372	6,641,953	7,216,854	5,633,268	11,010,038	10,692,447
Unrestricted	12,546,736	13,543,550	12,623,998	7,826,398	9,644,719	9,162,784	6,483,104	798,459	1,116,251	1,285,313
Total net position	\$ 56,969,817	\$ 57,480,199	\$ 60,263,862	\$ 55,789,298	\$ 61,056,220	\$ 63,002,381	\$ 62,642,893	\$ 62,116,099	\$ 64,773,873	\$ 69,743,787



City of Benbrook, Texas
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

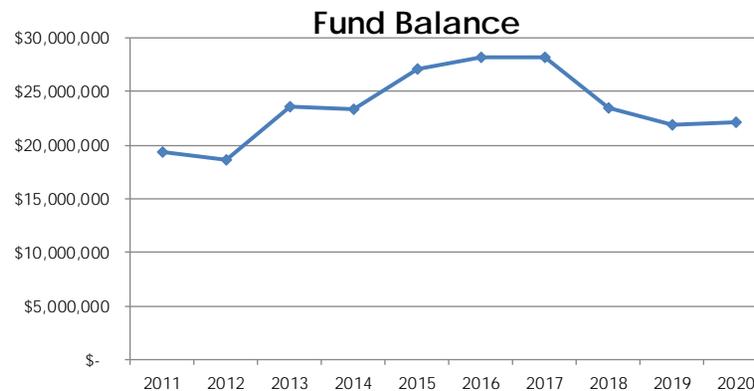
Table 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 2,090,595	\$ 1,587,026	\$ 1,947,856	\$ 1,178,935	\$ 1,267,277	\$ 1,261,520	\$ 1,341,046	\$ 225,122	\$ 1,316,153	\$ 1,178,845
Staff services	723,541	902,490	880,772	929,495	931,314	941,237	1,038,337	1,009,345	1,228,554	1,078,357
Public safety	8,212,215	8,509,009	8,342,490	8,662,545	8,540,152	9,699,627	10,369,701	7,775,892	11,075,635	11,385,581
Public services	3,906,368	1,598,830	4,831,947	6,945,037	4,333,979	4,393,555	4,930,420	4,588,623	5,165,065	5,410,448
Community development	1,852,989	5,829,234	2,143,235	3,012,664	1,977,768	2,185,174	3,649,961	3,578,257	2,225,782	2,707,638
Interest on long-term debt	650,617	601,357	602,673	476,713	313,493	239,440	227,764	188,808	160,953	178,055
Total government activities expenses	\$ 17,436,325	\$ 19,027,946	\$ 18,748,973	\$ 21,205,389	\$ 17,363,983	\$ 18,720,553	\$ 21,557,229	\$ 17,366,047	\$ 21,172,142	\$ 21,938,924
Program Revenues										
Governmental activities										
Fees, fines & service charges										
Public safety	1,111,548	1,350,782	1,433,182	1,427,145	1,671,727	1,574,048	1,546,117	1,511,567	1,336,174	2,172,110
Public services	132,731	137,908	121,267	133,911	227,469	184,773	135,860	2,917,549	154,438	164,607
Community development	237,613	1,216,885	1,205,136	1,310,196	1,588,438	1,572,477	1,617,691	1,431,485	1,766,006	1,643,778
Operating grants & contributions										
Public safety	353,921	480,821	381,872	426,198	466,660	641,443	449,344	422,003	556,795	540,256
Community development	27,176	-	-	-	-	-	-	-	-	-
Capital grants & contributions										
Public service	-	50,000	-	-	-	-	-	-	-	-
General government	-	-	-	588,669	1,310,000	-	-	-	-	-
Community development	-	-	1,618,360	-	-	-	-	-	-	-
Total government activities program revenues	1,862,989	3,236,396	4,759,817	3,886,119	5,264,294	3,972,741	3,749,012	6,282,604	3,813,413	4,520,751
Net (expenses) revenues	(15,573,336)	(15,791,550)	(13,989,156)	(17,319,270)	(12,099,689)	(14,747,812)	(17,808,217)	(11,083,443)	(17,358,729)	(17,418,173)
General revenues & other changes in net position										
Governmental activities										
Taxes										
Ad valorem	10,357,516	9,754,496	10,214,041	10,352,345	10,610,039	10,786,456	11,116,712	11,780,850	12,751,779	13,654,436
Franchise	1,429,023	1,503,002	1,535,138	1,648,597	1,675,780	1,683,199	1,569,122	1,436,791	1,580,981	1,477,050
Sales & other	3,595,387	3,596,241	3,885,932	3,591,800	3,556,317	3,409,983	3,617,894	3,848,345	4,522,624	5,092,120
Use of money & property	616,735	325,123	422,238	453,796	296,477	202,169	324,791	353,573	677,668	317,265
Miscellaneous	1,314,106	1,123,070	870,663	593,514	1,710,815	612,166	820,210	820,203	721,009	1,822,892
Interest Income	-	-	-	-	-	-	-	-	31,559	24,324
Gain (loss) on sale of property	-	-	-	86,909	148,154	-	-	-	(269,117)	-
Total general revenue	17,312,767	16,301,932	16,928,012	16,726,961	17,997,582	16,693,973	17,448,729	18,239,762	20,016,503	22,388,087
Changes in net position	\$ 1,739,431	\$ 510,382	\$ 2,938,856	\$ (592,309)	\$ 5,897,893	\$ 1,946,161	\$ (359,488)	\$ 7,156,319	\$ 2,657,774	\$ 4,969,914

City of Benbrook, Texas
Fund Balances – Governmental Funds
Last Ten Fiscal Years
(Unaudited)

Table 3

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Committed	\$ 248,266	\$ 225,122	\$ 225,122	\$ 225,122	\$ 225,122	\$ 225,122	\$ 225,122	\$ 225,122	\$ 225,122	\$ 225,122
Assigned	-	-	-	-	829,921	1,295,285	1,464,917	770,414	-	-
Unassigned	9,612,401	9,579,220	8,714,624	8,580,080	9,464,362	9,399,726	8,315,151	7,634,054	7,775,892	9,757,498
Total General Fund	\$ 9,860,667	\$ 9,804,342	\$ 8,939,746	\$ 8,805,202	\$ 10,519,405	\$ 10,920,133	\$ 10,005,190	\$ 8,629,590	\$ 8,001,014	\$ 9,982,620
All Other Governmental Funds										
Restricted for										
Debt Service	1,058,901	750,049	445,101	225,304	100,157	75,180	100,915	160,158	345,129	347,745
Economic Development	4,468,300	4,900,954	5,616,422	5,601,174	6,031,778	6,579,479	6,301,901	4,685,009	4,739,269	4,931,712
City Promotions	404,073	362,809	339,049	422,190	422,190	432,933	422,666	428,083	402,562	359,229
Capital Projects	3,279,065	2,828,656	7,869,842	7,930,814	9,366,394	6,747,821	7,146,121	6,650,900	5,204,500	4,792,792
Public Safety	289,670	-	322,519	369,039	579,417	400,029	407,222	368,543	317,106	300,895
Committed										
Capital Projects	-	-	-	-	-	2,961,472	3,814,998	2,619,709	2,917,549	1,355,483
Grants	-	-	-	-	-	-	-	-	-	11,337
Unassigned	-	-	-	-	-	-	-	(72,431)	(8,363)	-
Total All Other										
Governmental Funds	\$ 9,500,009	\$ 8,842,468	\$ 14,592,933	\$ 14,548,521	\$ 16,499,936	\$ 17,196,914	\$ 18,193,823	\$ 14,839,971	\$ 13,917,752	\$ 12,099,193
Total Governmental Funds	\$ 19,360,676	\$ 18,646,810	\$ 23,532,679	\$ 23,353,723	\$ 27,019,341	\$ 28,117,047	\$ 28,199,013	\$ 23,469,561	\$ 21,918,766	\$ 22,081,813



City of Benbrook, Texas
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years
(Unaudited)

Table 4

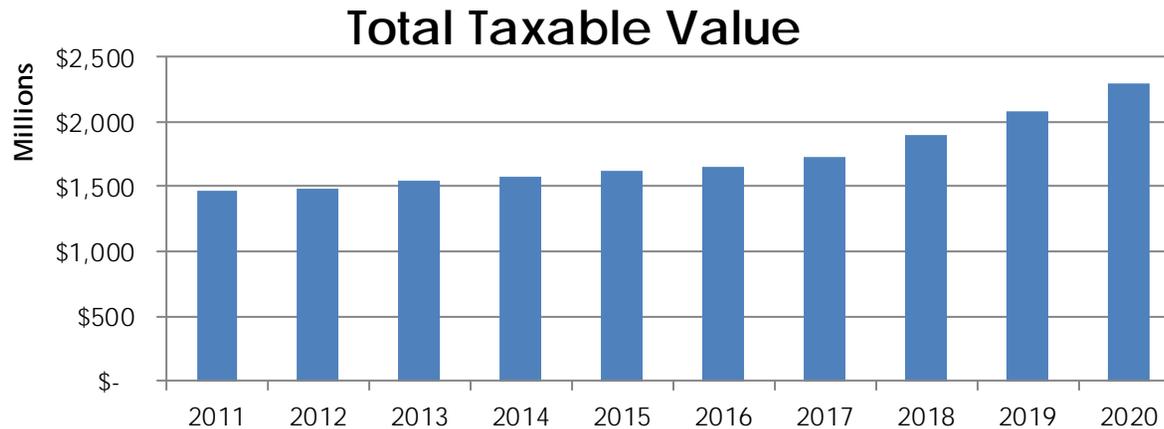
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes										
Property	\$10,336,036	\$ 9,759,726	\$10,165,031	\$10,302,584	\$10,577,267	\$ 10,775,137	\$11,141,571	\$ 11,820,512	\$ 12,722,537	\$ 13,635,241
Franchise	1,429,024	1,503,002	1,535,138	1,648,597	1,675,780	1,683,199	1,569,122	1,436,791	1,580,981	1,477,050
Sales & Other	3,595,387	3,596,241	3,885,932	3,591,800	3,556,317	3,398,140	3,606,051	3,848,345	4,522,624	5,092,120
Licenses, permits & filing fees	286,802	307,408	273,945	316,355	480,192	613,949	636,484	445,618	703,353	654,119
Fines & forfeitures	539,558	692,134	726,416	737,564	850,128	849,464	868,006	754,339	699,366	675,901
Use of money & property	616,735	325,123	422,238	387,324	296,477	202,169	324,791	353,575	677,668	317,265
Proceeds of direct financing lease	216,736	216,736	216,736	181,067	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	36,757	24,324
Charges for services	1,627,298	2,587,945	2,851,173	2,987,124	3,335,900	3,170,890	3,180,229	3,353,286	3,389,850	3,811,462
Proceeds for sale of assets	253,414	-	-	286,550	999,472	-	-	-	901,215	-
Other revenues	754,512	1,054,488	519,811	616,282	977,336	649,724	615,544	522,750	645,084	2,209,360
Total revenue	19,655,502	20,042,803	20,596,420	21,055,247	22,748,869	21,342,672	21,941,798	22,535,216	25,879,435	27,896,842
Expenditures										
Current										
General government	1,754,020	1,568,134	1,811,138	1,942,429	1,800,992	1,814,956	1,935,773	1,985,015	2,181,124	2,160,935
Staff services	722,288	901,844	883,219	922,443	937,917	918,376	1,016,834	1,016,521	1,200,744	1,069,757
Public safety	8,011,591	8,131,574	8,176,121	8,104,906	8,306,038	9,025,481	9,710,428	10,148,264	10,328,881	10,691,451
Public services	2,590,163	2,569,047	2,666,130	2,588,207	2,663,028	2,900,514	3,049,832	3,109,217	3,521,576	4,053,982
Community development	1,244,803	2,701,481	1,484,970	2,620,969	1,372,125	1,442,277	1,989,999	1,642,185	1,897,270	1,013,280
Economic development	405,754	760,978	650,953	503,408	610,675	578,215	577,687	446,985	591,355	1,221,738
Debt Service										
Principal	866,107	927,627	1,084,612	3,756,885	1,225,000	1,260,000	1,310,000	1,340,000	1,390,000	1,430,000
Interest & other fees	650,152	561,306	550,056	418,834	307,001	235,108	207,725	179,300	150,100	119,905
Debt issuance cost	55,505	30,000	-	46,226	-	-	-	-	-	-
Capital outlay	455,757	1,696,106	3,158,977	4,081,122	1,860,475	2,070,039	2,061,554	7,397,181	6,169,180	5,972,747
Total expenditures	16,756,140	19,848,097	20,466,176	24,985,429	19,083,251	20,244,966	21,859,832	27,264,668	27,430,230	27,733,795
Excess (deficiency) of revenues over expenditures	2,899,362	194,706	130,244	(3,930,182)	3,665,618	1,097,706	81,966	(4,729,452)	(1,550,795)	163,047
Other financing sources (uses)										
Issuance of debt	-	-	-	1,175,000	-	-	-	-	-	-
Issuance of refunding	2,755,000	1,280,000	-	2,635,000	-	-	-	-	-	-
Payments to escrow agent	(2,699,495)	-	-	(58,774)	-	-	-	-	-	-
Transfers-in	1,500,583	2,450,308	3,474,870	2,660,316	1,385,106	1,860,504	2,442,754	3,170,467	3,159,776	3,181,679
Transfers-out	(1,500,583)	(2,450,308)	(3,474,870)	(2,660,316)	(1,385,106)	(1,860,504)	(2,442,754)	(3,170,467)	(3,159,776)	(3,181,679)
Total other financing sources (uses)	55,505	1,280,000	-	3,751,226	-	-	-	-	-	-
Net change in fund balance	2,954,867	1,474,706	130,244	(178,956)	3,665,618	1,097,706	81,966	(4,729,452)	(1,550,795)	163,047
Fund balance – beginning	18,972,862	21,927,729	23,402,435	23,532,679	23,353,723	27,019,341	28,117,047	28,199,013	23,469,561	21,918,766
Fund balance – ending	\$21,927,729	\$23,402,435	\$23,532,679	\$23,353,723	\$27,019,341	\$ 28,117,047	\$28,199,013	\$ 23,469,561	\$ 21,918,766	\$ 22,081,813
Debt service as a percent of noncapital expenditures	9.64%	8.37%	9.45%	20.20%	8.90%	8.23%	7.67%	7.65%	7.24%	7.12%

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			
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	1,484,559,231	0.6575
2013	1,470,898,772	261,120,194	180,578,931	1,551,440,035	0.6575
2014	1,500,773,950	265,059,132	183,991,663	1,581,841,419	0.6575
2015	1,535,449,044	272,897,194	184,775,845	1,623,570,393	0.6575
2016	1,583,630,760	253,047,573	183,611,094	1,653,067,239	0.6575
2017	1,816,545,757	173,863,277	256,534,440	1,733,874,594	0.6500
2018	2,029,862,710	148,380,724	283,258,247	1,894,985,187	0.6400
2019	2,219,370,953	147,582,688	287,334,504	2,079,619,137	0.6400
2020	2,373,781,556	156,015,235	236,702,655	2,293,094,136	0.6278

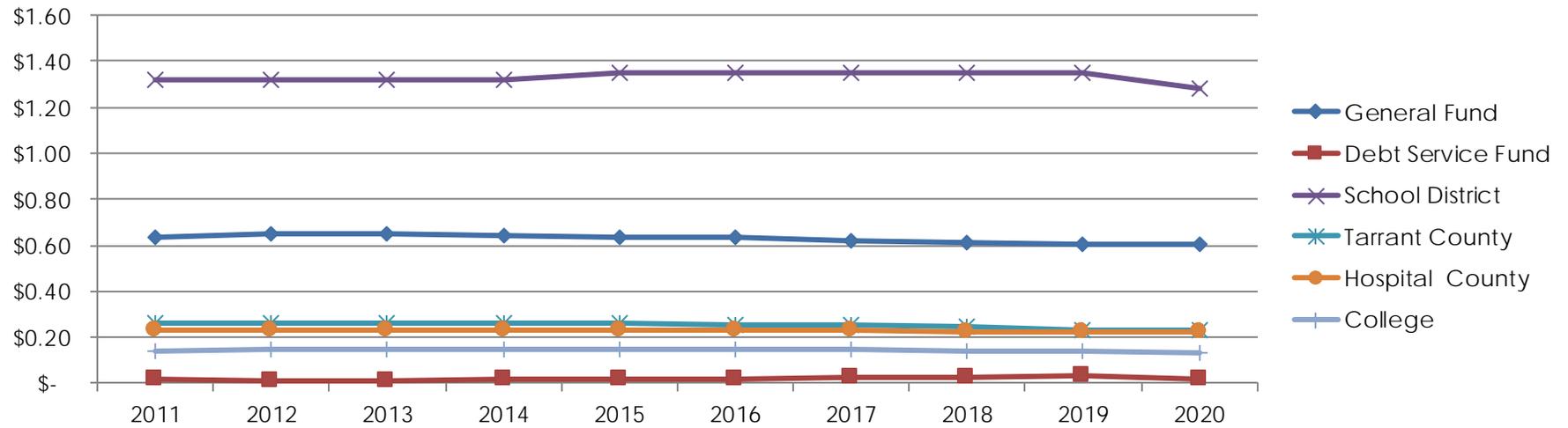


City of Benbrook, Texas

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		
2011	0.636964	0.020536	0.657500	1.322000	0.264000	0.227897	0.137640	2.609037	
2012	0.647500	0.010000	0.657500	1.322000	0.264000	0.227897	0.148970	2.620367	
2013	0.647500	0.010000	0.657500	1.322000	0.264000	0.227897	0.148970	2.620367	
2014	0.642500	0.015000	0.657500	1.322000	0.264000	0.227897	0.149500	2.620897	
2015	0.637500	0.020000	0.657500	1.352000	0.264000	0.227897	0.149500	2.650897	
2016	0.637500	0.020000	0.657500	1.352000	0.254000	0.227897	0.144730	2.636127	
2017	0.622500	0.027500	0.650000	1.352000	0.254000	0.227897	0.144730	2.628627	
2018	0.612500	0.027500	0.640000	1.352000	0.244000	0.224429	0.140060	2.600489	
2019	0.607500	0.032500	0.640000	1.352000	0.234000	0.224429	0.136070	2.586499	
2020	0.606470	0.021300	0.627770	1.282000	0.234000	0.224429	0.130170	2.498369	



City of Benbrook, Texas
Principal Property Tax Payers
Current Year and Ten Years Ago
(Unaudited)

Table 7

2020 (1)			2011 (1)		
Individual Accounts Taxpayer	Total Taxable Amount	Percent of Total Taxable Amount	Individual Accounts Taxpayer	Total Taxable Amount	Percent of Total Taxable Amount
SW Highland LLC	\$ 44,400,000	2.14%	Precision Energy Services	\$ 90,304,669	6.10%
WW 8889 Cook Ranch Road LP	34,338,000	1.65%	SW Highland LLC	20,758,952	1.40%
5644 Riverwalk LLC	32,800,000	1.58%	Cordiel Victorian Quarters	18,933,077	1.28%
Gardner Denver Petroleum Pumps LLC	31,506,689	1.52%	Oncor Utilities	15,469,311	1.04%
BW Heights LLC	30,700,000	1.48%	Computalog Wireline Service	10,999,735	0.74%
5700 Bellaire LLC	24,000,000	1.15%	Eastwood Ranch	10,250,000	0.69%
5513 Crosscreek LLC	22,500,000	1.08%	MB Copper Crossing LP	9,881,101	0.67%
Oncor Electric Delivery Co LLC	20,975,401	1.01%	M&L Fort Worth Partners LTD	8,500,000	0.57%
Intercapital Greenwood LLC	20,693,160	1.00%	Centruy Johnson Partners LP	8,088,272	0.55%
TRG Vista Benbrook LP	16,334,736	0.79%	RP Partners	7,439,040	0.50%
	\$ 278,247,986	13.40%		\$ 200,624,157	13.54%

(1) All information provided by the Tarrant Appraisal District at <http://www.tad.org/data/rates>

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
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%
2014	10,336,584	10,214,680	98.82%	49,501	10,264,181	99.30%	283,619	2.74%
2015	10,687,525	10,598,100	99.16%	47,569	10,598,100	99.16%	244,365	2.29%
2016	10,751,674	10,650,522	99.06%	62,710	10,713,232	99.64%	355,525	3.31%
2017	11,286,321	10,909,418	96.66%	125,401	11,034,819	97.77%	226,899	2.01%
2018	12,207,960	11,642,272	95.37%	137,600	11,779,872	96.49%	302,095	2.47%
2019	12,706,094	12,594,291	99.12%	79,428	12,673,719	99.75%	339,185	2.67%
2020	13,615,577	13,514,430	99.26%	45,999	13,560,429	99.59%	363,442	2.67%

Source: City Budget

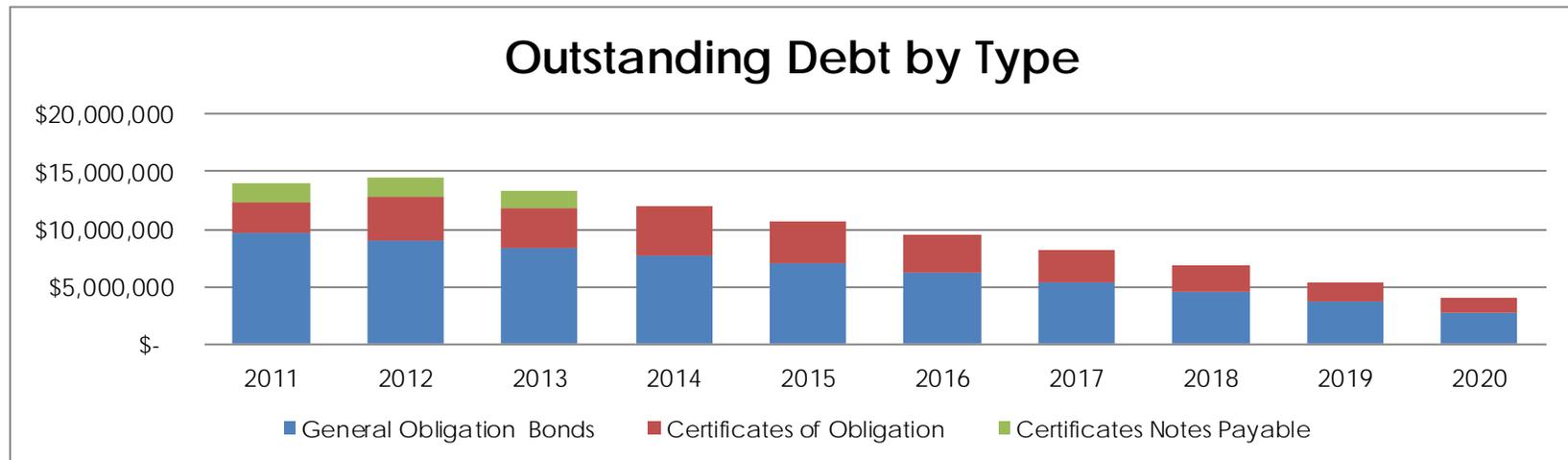


City of Benbrook, Texas

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		
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%
2014	7,700,000	4,245,000	-	-	0.77%	1.00%
2015	6,945,000	3,775,000	-	-	0.69%	0.89%
2016	6,165,000	3,295,000	-	-	0.61%	0.79%
2017	5,350,000	2,795,000	-	-	0.52%	0.68%
2018	4,515,000	2,290,000	-	-	0.36%	0.57%
2019	3,645,000	1,770,000	-	-	0.26%	0.32%
2020	2,750,000	1,235,000	-	-	0.17%	0.23%



City of Benbrook, Texas

Direct and Overlapping Governmental Activities – Debt
 September 30, 2020
 (Unaudited)

Table 10

Jurisdiction	Debt Outstanding	Applicable to the City of Benbrook (b)	Estimated Share of Overlapping Debt
Fort Worth Independent School District (a)	\$ 1,083,040,000	5.52%	\$ 59,783,808
Tarrant County	240,445,000	1.19%	2,861,296
Tarrant County Hospital District	16,135,000	1.19%	192,007
Tarrant County College District (b)	264,175,000	1.19%	3,143,683
Overlapping Debt	<u>1,603,795,000</u>		<u>65,980,793</u>
City Direct Debt	3,985,000	100.00%	3,985,000
Direct & Overlapping Bonded Debt	<u>\$ 1,607,780,000</u>		<u>\$ 69,965,794</u>
Ratio of Overlapping Bonded Debt to Taxable Assessed Valuation		<u>2.89%</u>	
Per Capita Overlapping Bonded Debt		<u>\$ 3,074.07</u>	

(a) Outstanding debt information found via <https://comptroller.texas.gov/transparency/local/debt/>.

(b) Benbrook population as reported by <http://www.texassitesearch.com/demographics.html>.

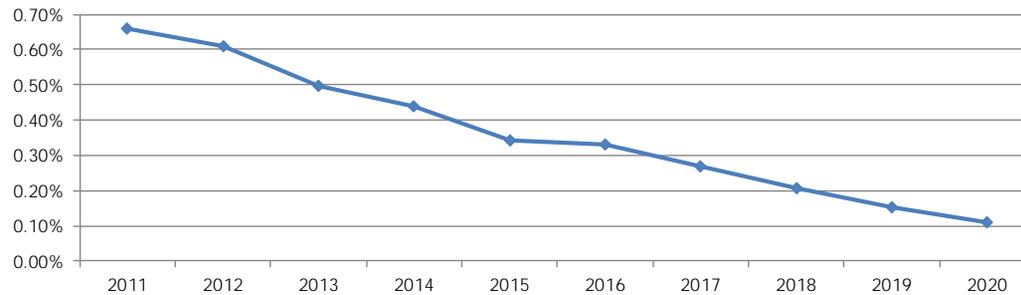
City of Benbrook, Texas

Table 11

Ratio of Net General Bonded Debt to Assessed Value
 And Net Bonded Debt Per Capita
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year Ended	Estimated Population	Assessed Value	General Bonded Debt	Bonded Debt to Assessed Value	Bonded Debt per Capita
2011	21,270	\$ 1,468,804,732	\$ 9,700,000	0.66%	456
2012	21,360	1,484,559,051	9,055,000	0.61%	424
2013	21,530	1,551,440,035	7,700,000	0.50%	358
2014	21,850	1,582,702,196	6,945,000	0.44%	318
2015	22,419	1,810,093,964	6,165,000	0.34%	275
2016	22,500	1,859,799,611	6,165,000	0.33%	274
2017	22,260	1,998,945,298	5,350,000	0.27%	240
2018	22,629	2,188,261,077	4,515,000	0.21%	200
2019	22,760	2,377,391,093	3,645,000	0.15%	160
2020	23,335	2,527,560,856	2,750,000	0.11%	118

Bonded Debt to Assessed Value



- (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 (3)
2011	21,270	\$ 41,462	4,502	8.10%
2012	21,360	44,628	4,423	6.10%
2013	21,530	46,136	4,476	5.90%
2014	22,419	46,989	4,857	5.90%
2015	22,500	49,506	4,857	3.90%
2016	22,500	51,099	4,857	3.70%
2017	22,260	65,568	4,857	3.20%
2018	22,629	69,803	4,485	3.40%
2019	22,760	75,527	4,683	3.10%
2020	23,335	75,527	4,683	6.30%

(1) Per Capita Income provided by Benbrook Economic Development Corporation from ESRI.

(2) School enrollment provided by Benbrook Economic Development Corporation from ESRI.

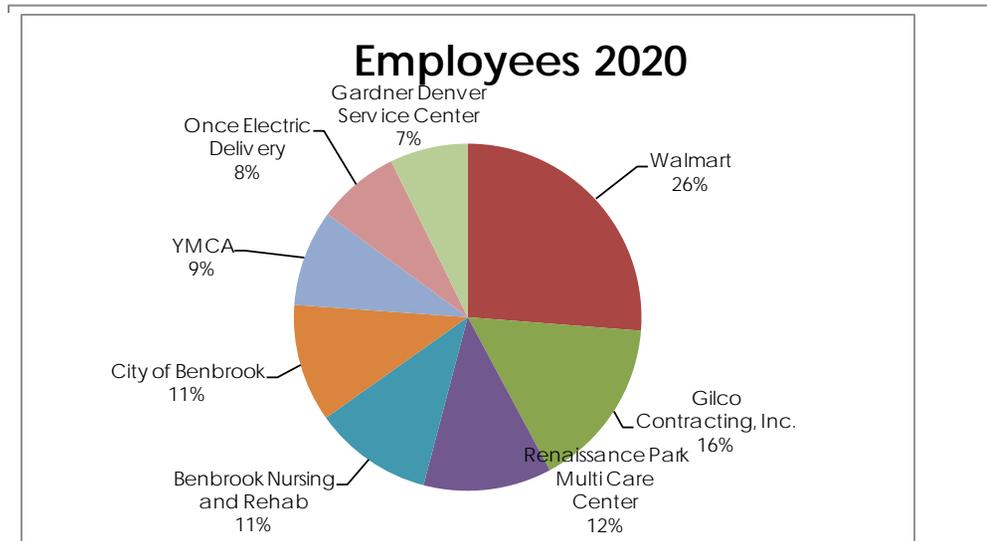
(3) Unemployment rate as of September 2019 as reported by the US Bureau of Labor Statistics for the DFW area data extracted on 1/22/2020.

City of Benbrook, Texas

Principal Employers
September 30, 2020
(Unaudited)

Table 13

Employer	2020		2011		
	Employees (1)	Percent of Total City Employment (2)	Employees	Percent of Total City Employment	
Walmart	308	4.90%	Walmart	300	6.51%
Gilco Contracting, Inc.	187	2.97%	Weatherford International	259	5.62%
Renaissance Park Multi Care Center	140	2.23%	Oncor Electric Delivery	234	5.08%
Benbrook Nursing and Rehab	130	2.07%	Western Hills High School	181	3.93%
City of Benbrook	129	2.05%	Benbrook Community Center/YMCA	120	2.60%
YMCA	105	1.67%	City of Benbrook	110	2.39%
Once Electric Delivery	90	1.43%	Renaissance Park	110	2.39%
Gardner Denver Service Center	85	1.35%	Q-Max of America	101	2.19%
Total	1,174	18.68%		1,415	30.69%



(1) Top 8 employers from "Benbrook in Brief 2015" provided by EDC

(2) Total city employment provided by <http://www.texassitesresearch.com/demographics.html>

City of Benbrook, Texas
 Local Employment Information
 September 30, 2020
 (Unaudited)

Table 14

Fiscal Year Ended	Ag	Construction Manufacturing	Transportation & Storage	Wholesale	Retail	Services & Information	Finance, Insurance, Real Estate	Oil/Gas & Utilities	Public Adm	Totals	
Number of Establishments											
2011	-	24	13	4	15	67	241	60	6	3	433
2012	1	27	38	7	15	72	286	67	6	4	523
2013	1	32	17	7	16	78	315	67	9	4	546
2014	1	33	16	7	16	87	334	71	10	4	579
2015	1	35	16	8	19	96	349	72	11	5	612
2016	2	63	14	16	22	97	321	128	8	7	678
2017	2	63	14	16	22	97	321	128	8	7	678
2018	2	65	14	12	18	117	346	129	5	5	713
2019	6	68	14	14	17	121	453	112	6	12	823
2020	8	66	19	15	29	89	522	121	4	8	881
Employment Levels											
2011	-	188	501	39	118	497	3,128	354	119	159	5,103
2012	3	200	509	50	145	420	3,359	362	120	163	5,331
2013	3	229	505	41	146	412	3,491	349	419	163	5,758
2014	3	231	475	41	150	763	3,264	348	339	163	5,777
2015	3	341	475	42	154	782	3,427	373	341	195	6,133
2016	5	340	213	201	257	1,367	2,794	384	221	214	5,996
2017	5	340	213	201	257	1,367	2,794	384	221	214	5,996
2018	2	463	191	204	287	1,188	2,849	402	204	239	6,029
2019	11	439	127	104	263	849	3,203	437	285	568	6,286
2020	18	616	156	209	303	556	3,982	431	57	216	6,544

Note: Information provided by <http://www.texassitesearch.com/demographics.html>.

City of Benbrook, Texas

Table 15

Full-Time Equivalent City Government Employees By Function/Program
 Last Ten Fiscal Years
 (Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
General Government										
City Manager	2	2	2	2	2	2	2	2	2	2
City Secretary	3	3	3	3	3	3	3	3	3	3
Staff Services										
Finance	2	2	2	3	3	3	3	3	3	3
Information Services	1	1	1	1	1	1	1	3	2	2
Budget & Research	1	1	1	-	-	-			-	-
Public Safety										
Police	52	52	52	52	52	53	58	62	55	56
Fire	16	16	16	16	19	24	28	40	31	31
Municipal Court	2	2	2	2	2	2	2	2	2	2
Code Compliance	1	1	1	1	1	1	1	1	1	1
Public Services										
Public Services	1	1	1	1	1	1	1	1	1	1
Public Works	8	8	8	8	8	8	8	8	8	8
Parks & Recreation	8	8	8	8	8	8	8	8	8	8
Support Services	4	4	4	4	4	4	4	4	4	4
City Engineering	2	2	2	2	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	3	3	3	3	3	3	3	3	3	3
Total	109	109	109	109	112	118	127	145	128	129

Source: City of Benbrook Budget

City of Benbrook, Texas

Operating Indicators By Function/Program
 Last Ten Fiscal Years
 (Unaudited)

Table 16

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Licensed Officers	43	43	43	43	42	42	45	42	40	41
Police Reservist	3	3	3	3	2	2	2	2	2	2
Emergency Warning Sirens	6	6	6	6	6	6	6	7	7	7
Fire (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Firefighters	38	38	38	38	38	24	27	27	30	30
Paramedics/EMT's	37	37	37	37	38	24	27	27	30	30
City Fire Support Unit Staff	21	21	21	17	13	6	6	3	3	3
Emergency Vehicles	16	16	16	16	16	16	16	18	18	18
Public Works										
Miles of Street	107	107	107	107	107	107	107	107	108	132
Number of Street Lights	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,299	1,308
Parks & Recreation										
Parks	5	6	6	6	6	6	7	7	7	7
Acreage	272	272	272	272	272	272	272	272	272	272
Playgrounds	2	2	2	2	2	2	3	5	5	5
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	6	6
Golf Courses	2	2	2	2	2	2	2	2	2	2
Lake	1	1	1	1	1	1	1	1	1	1

Source: City Budget

