



City of

BURNET • TEXAS



Annual Comprehensive Financial Report
For the Fiscal Year Ended
September 30, 2022

Annual Comprehensive Financial Report

of the



City of Burnet, Texas

Prepared by the
Finance Department
Year Ended September 30, 2022

City of Burnet, Texas

September 30, 2022

Table of Contents

	<u>Page</u>
<u>INTRODUCTION SECTION</u>	
Letter of Transmittal	i-v
Organization Chart	vii
Elected Officials and City Staff	viii
Certificate of Achievement	ix
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1 - 4
Management's Discussion and Analysis	6 - 16
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	19
Statement of Activities	20 - 21
<i>Fund Financial Statements</i>	
Balance Sheet – Governmental Funds	22
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – General Fund	25
Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis – Airport Fund	26
Statement of Net Position – Proprietary Fund	28

City of Burnet, Texas

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	29
Statement of Cash Flows - Proprietary Fund	30 - 31
Notes to Financial Statements	33 – 78
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios	80 – 81
Schedule of Pension Contributions	82 – 83
Schedule of Changes in Total OPEB Liability – Life Insurance and Related Ratios	84
Schedule of OPEB – Life Insurance Contributions	85
Schedule of Changes in Total OPEB Liability Health Insurance and Related Ratios	86 - 87
Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds	90
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	91
Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis – Hotel/Motel Tax Fund	93
Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis – Debt Service Fund	94
Note to Schedules of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis – Hotel/Motel Tax and Debt Service Funds	95

City of Burnet, Texas

Table of Contents (Continued)

	<u>Table</u>	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)		
Comparative Statements of Net Position Discretely Presented Component Unit Burnet Economic Development Corporation		96
Comparative Statements of Revenues, Expenses, and Changes in Net Position – Discretely Presented Component Unit Burnet Economic Development Corporation		97
<u>STATISTICAL SECTION</u>		
Net Position by Component	1	102 - 103
Changes in Net Position	2	104 - 107
Fund Balances of Governmental Funds	3	108 - 109
Changes in Fund Balances of Governmental Funds	4	110 - 111
General Governmental Tax Revenue by Source	5	112
Assessed Value and Estimated Actual Value of Taxable Property	6	113
Direct and Overlapping Property Tax Rates	7	114
Principal Property Taxpayers	8	115
Property Tax Levies and Collections	9	116
Ratios of Outstanding Debt by Type	10	117
Ratios of General Bonded Debt Outstanding	11	118
Direct and Overlapping Governmental Activities Debt	12	119
Computation of Maximum Debt Margin	13	121
Pledged Revenue Coverage – Water and Sewer Bonds and Certificates of Obligation	14	122

City of Burnet, Texas

Table of Contents (Continued)

	<u>Table</u>	<u>Page</u>
<u>STATISTICAL SECTION</u> (continued)		
Pledged Revenue Coverage – Electric Bonds and Certificates of Obligation	15	123
Electric System Condensed Statement of Operations	16	124 - 125
Top Ten Electric Customers	17	126
Demographic and Economic Statistics	18	127
Principal Employers	19	128
Fulltime Equivalent City Government Employees by Function/Program	20	129
Operating Indicators by Function/Program	21	130 - 131
Capital Asset Statistics by Function/Program	22	132 - 133





March 29, 2023

To the Honorable Mayor, Members of the City Council,
and Citizens of the City of Burnet, Texas:

The City Charter and state statutes require that the City of Burnet (the “City”) publish, at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Burnet, Texas, for the fiscal year ended September 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Jaynes, Reitmeier, Boyd & Therrell, P.C., Certified Public Accountants, has issued an unmodified (“clean”) opinion on the City of Burnet’s financial statements for the year ended September 30, 2022. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City of Burnet, Texas, the county seat for Burnet County, is nestled in the heart of the Texas Hill Country surrounded by rolling hills, lakes, beautiful geological formations, and historical sites. The City was incorporated in 1883 and encompasses approximately 10 square miles and serves an estimated population of 6,526. The City was named for David Gouverneur Burnet, the first (provisional) president of the Republic of Texas. Among the many attractions in the Burnet area are the Highland Lakes, Longhorn Caverns, Inks Lake State Park, the Highland Lakes Air Museum, the Texas Wine Trail, and Delaware Springs Golf Course.

The City of Burnet is a home rule city and operates under the council-manager form of government. The City Council is comprised of the Mayor and six council members, and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as for appointing the City Manager, Municipal Judge, and members of various statutory and advisory boards. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and appointing heads of

various departments. The Mayor and City Council members each serve two-year terms and are elected at large. The City of Burnet is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City provides a full range of services, including electric, water and wastewater, police and fire protection, emergency medical services, construction and maintenance of streets, roads and other infrastructure, solid waste collection, planning and zoning, parks and recreation programming including a municipal golf course, airport facility management, and administrative services necessary to serve the citizens of our community. The City's Electric and Water and Wastewater services are operated under an enterprise fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. In addition, the City of Burnet is also financially accountable for a legally separate economic development corporation, which is reported separately within the City of Burnet's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City of Burnet's financial planning and control. It defines the type, quality, and quantity of City goods and services that will be provided to citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of City government.

The City Charter establishes the fiscal year as the twelve-month period that begins October 1st and ends September 30th. Department heads submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year. The City Manager then submits a budget of estimated expenditures and revenues to the City Council on or before the 15th day of August. The City Council shall comply with state law in the adoption of the budget and, unless otherwise in conflict with state law, shall adopt the budget on or before the last day of the last month of the current fiscal year. If the City Council fails to adopt the budget by this date, the budget proposed by the City Manager shall go into effect.

After adoption of the budget, the City Manager may transfer any unencumbered appropriation or portion thereof between general classifications of expenditures within a department or organizational unit or fund. The City Council may amend the budget at any time by ordinance.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burnet operates.

Local economy. The City of Burnet is a proactive, business friendly community centrally located fifty-five miles northwest of Austin and ninety-nine miles north of San Antonio near the Highland Lakes which is the largest chain of lakes in Texas. Steady population growth has been experienced for the last five years with a present population estimated in excess of 6,526. Burnet County's population is estimated at 50,406 which represents an 18% increase in population since 2010. Burnet's major employers include the government, healthcare, and manufacturing industries.

Burnet Consolidated Independent School District (“BCISD”) is the largest employer in the City, with approximately 505 employees. BCISD serves over 3,200 students on 6 campuses, 5 of which are in the city limits of Burnet. Burnet is home to manufacturing companies such as Entegris, Stealth Products, and Sure Cast. Overall, Burnet’s steady growth, proximity to major markets, and business friendly atmosphere serve as a conduit for local businesses to continue to invest and grow in our community.

Recently completed commercial projects in Burnet include the construction of a new thirteen-and-a-half-acre commercial park by the Burnet Economic Development Corporation (BEDC) known as the Crossings at 281. It is located on US Highway 281 South and Houston Clinton Drive. This property has been evaluated in a hotel feasibility study and all initial indicators of the study support adding a nationally branded extended stay hotel at this location. In addition, a new Access Health Urgent Care Clinic and a Mr. Bubble’s Car Wash were completed along with upgrades to RJ Richey Elementary and Shady Grove Elementary and a 1,310 square foot remodeling project at Entegris, which is the City’s largest manufacturing company.

Commercial projects currently underway include the expansion of the H-E-B grocery store, the addition of a new Student Activity Center, and the addition of portable buildings for Entegris. Future commercial projects include the Rhomberg Town Homes, the White Street Apartment Complex, and the addition of 58 duplex and 3 commercial lots at the Ranches at Delaware Creek, Trailside.

Several new residential developments were completed in 2022 and as a result several new homes are currently under construction in Burnet. Subdivisions completed in 2022 include the Delaware Springs Section 24 with 51 single family lots and Delaware Springs Section 19 Phase III with 15 lots.

Subdivisions currently under construction include The Ranches at Delaware Creek Phase III with 19 single family lots, Eagles’ Nest Section III with 13 single family lots, Creekfall Phases I and II with 135 single family lots, West Fall Villages Phase III with 35 single family lots, and just outside the city limits is Headwaters of the San Gabriel Phase II with 26 single family lots. Future planned subdivisions and expansions include Creekfall Phase III with 116 single family lots, Delaware Springs Section 19 Phases III and IV with 43 single family lots, Honey Rock Subdivision with 299 single family lots, 2 multifamily lots, and 2 commercial lots, The Ranches at Delaware Creek Phase II with 29 single family lots, and Hilltop Oaks with 100 single family lots.

Long-term financial planning and major initiatives. The City took on a \$2,150,000 sewer line improvement project required by the Texas Commission on Environmental Quality (TCEQ) that was completed in 2022.

In addition, the following major projects have been budgeted for 2022-2023:

- New City Hall Building Construction - \$4,800,000
- Street Improvement Projects - \$4,000,000
- Galloway Hammond Capital Maintenance projects \$325,000
- New Down-town Public Restroom - \$150,000
- New Crack Seal Machine for Street Department - \$125,000

- Community Center Remodel - \$100,000
- Server Upgrades \$75,000
- Park Improvements - \$50,000
- Generators for Water and Wastewater Plant and Lift Stations - \$700,000
- Eagle's Nest Tank Upgrade - \$200,000
- East Tank Upgrade - \$200,000
- Creekfall Water Line Oversizing Project \$155,000
- Ranch Lift Station Upgrade -\$150,000
- Wells and Pump Upgrades - \$100,000
- VFW Sewer Line Upgrade - \$75,000
- Valley Street Well Evaluation - \$50,000
- New Airport Jet Hangar - \$965,000
- Airport Capital Improvements \$200,000
- Decel Lane to Airport - \$100,000
- Ramp Grant Airport Improvements - \$100,000
- Golf Course Improvements - \$267,000
- Electric Development Improvements -\$570,000
- Possible Entegris Project - \$500,000
- Electric Upgrades for Scada and Reclosers -\$173,000
- Electric Rate Study - \$50,000

Funding for these projects will include cash reserves from prior years and the current fiscal year, and outside sources such as contractors.

Relevant Financial Policies

The City Council in their strategic planning process set the following financial goals for the City:

- Maintain 90-day cash reserve balance
- Maintain a 1.25 debt coverage ratio
- Maintain a net operating profit of no less than 3-5% of the operating budget for the General Fund
- Budget no more than 60% of projected net operating profit as fund balance for capital projects
- Establish an operating reserve for Delaware Springs Golf Course with prior year profits to allow the course to operate as a true enterprise fund and no longer be subsidized by the General Fund.
- Maintain the Self-funded Equipment Fund balance to properly fund equipment needs based on a five-year projection.
- Establish/Maintain council authorized capital reserve accounts for the General, Electric, Water/Wastewater, and Golf funds.

Acknowledgements

We would like to thank the Mayor and the City Council for their leadership and continued support in planning and conducting the financial operations of the City in a responsible and progressive manner. In addition, we want to thank all the City's departments for their assistance in providing the data necessary to prepare this report.

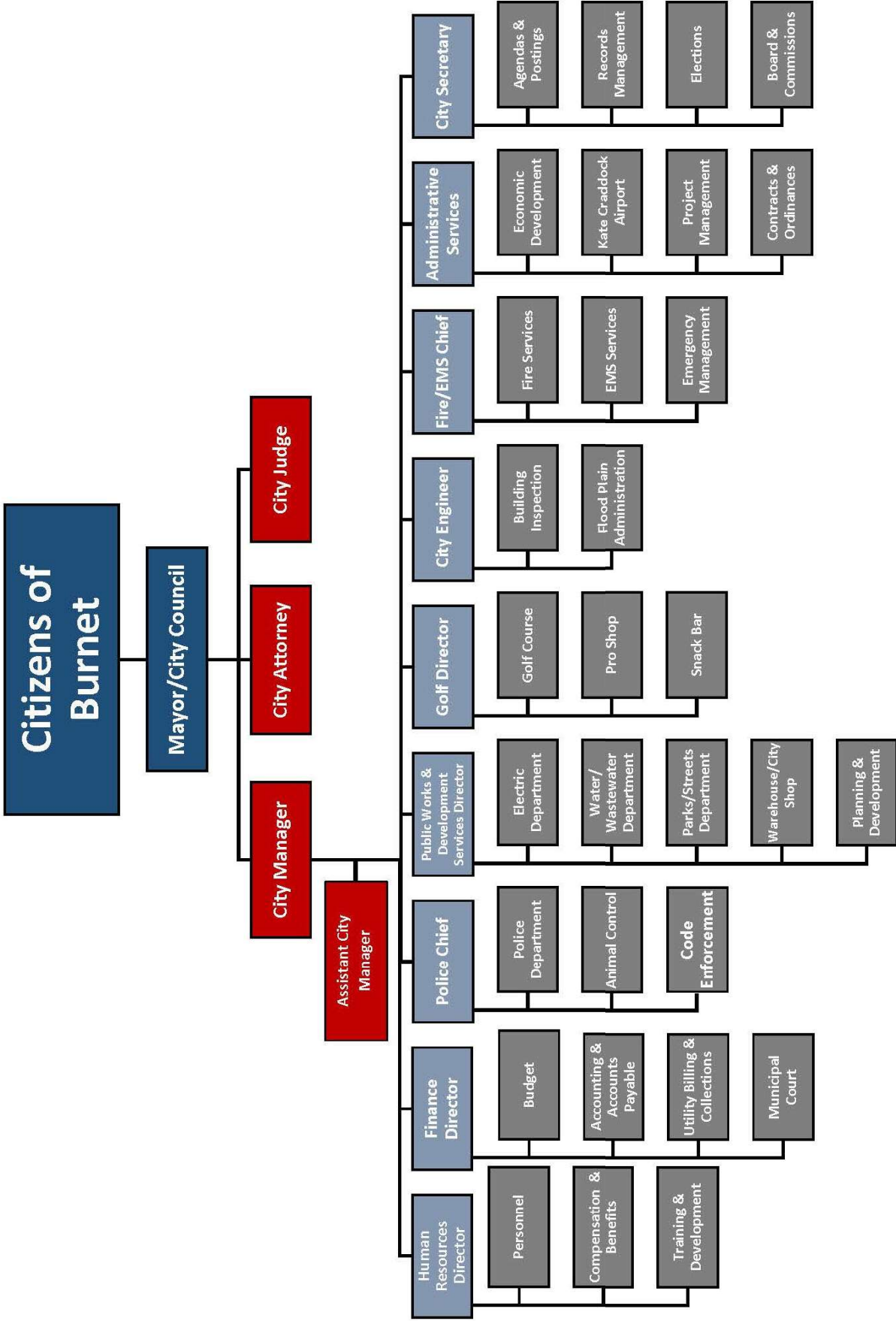
Respectfully submitted,

Handwritten signatures in blue ink. The signature on the left is 'David Vaughn' and the signature on the right is 'Patricia Langford'. A horizontal line connects the two signatures.

David Vaughn
City Manager

Patricia Langford, C.P.A.
Finance Director





City of Burnet, Texas
Elected Officials and City Staff
September 30, 2022

Elected Officials

City Council -Two-Year Terms

<u>Name</u>	<u>Position</u>	<u>Term</u>
Crista Goble Bromley	Mayor	2021-2023
Mary Jane Shanes	Mayor Pro Tem	2022-2024
Cindia Talamantez	Council Member	2021-2023
Ricky Langley	Council Member	2021-2023
Dennis Langley	Council Member	2022-2024
Joyce Laudenschlager	Council Member	2021-2023
Philip Thurman	Council Member	2022-2024

City Staff

<u>Name</u>	<u>Position</u>
David Vaughn	City Manager
Habib Erkan	Assistant City Manager
Kelly Dix	City Secretary
Mark Ingram	Fire Chief / Emergency Management
Brian Lee	Police Chief
Tony Nash	Director of Golf
Haley Archer	Director of Human Resources
Patricia Langford	Director of Finance
Carley Kehoe Pearson	Director of Public Works/Development Services
Eric Belaj	City Engineer
Alan Burdell	Water / Wastewater Superintendent
Vacant	Electric Superintendent
Jason Davis	Police Captain
JJ Miller	Deputy Chief of Fire Administration
Curtis Murphy	EMS Coordinator
Sandra Graves	Senior Accountant
Stefani Wright	Senior Accountant
Adrienne Feild	Administrative Services Spec / Airport Manager
Nadine Blair	Code Enforcement
Leslie Kimbler	Planning Manager
Bryce Van Arsdale	Community Development Coordinator
Jimmy Crain	Infrastructure Inspector
Tracy Shirley	Utility Billing Coordinator
Sonia Tucker	Customer Service Representative
Tamara Tinney	Municipal Court Judge
Tina Morgan	Municipal Court Clerk



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Burnet
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO





JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Burnet, Texas:

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of City of Burnet, Texas (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Burnet, Texas, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Airport Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principles

As discussed in Note III.N to the financial statements, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, effective October 1, 2021. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16, and the schedules of changes in the City's net pension liability / total OPEB liabilities and related ratios, and schedules of pension/OPEB contributions on pages 80 through 87 (collectively, "the required supplementary information") 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining schedules of nonmajor governmental funds and other supplementary information (collectively, the "other supplementary information") on pages 90 through 97 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements or our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based upon the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

March 29, 2023

Jaynes. Reitmeier, Boyd + Therrell, P.C.



Management's Discussion and Analysis

As management of the City of Burnet, Texas (the "City of Burnet" or the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Burnet for the fiscal year ended September 30, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$60,881,456 (*net position*). Unrestricted net position of the City is \$3,988,123. The City's total net position increased \$4,661,151 primarily due to continued profitability of utility services provided by the City and the recognition of \$1,590,453 under the Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF") under the American Rescue Plan Act of 2021 ("ARPA").
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$16,899,371, an increase of \$2,863,512 in comparison with the prior year primarily due to capital expenditures of \$3,073,686 that were offset by transfers in from the utility funds of \$4,499,667.
- At the end of the current fiscal year, unrestricted fund balance (the total of *committed*, *assigned* and *unassigned* components of fund balance) for the general fund was \$6,089,406, or approximately 51% of total general fund expenditures.
- The City's general fund total fund balance increased \$1,161,802 in the current year compared to an increase in the prior year of \$923,363 mainly due to an increase in intergovernmental revenue of \$2,001,280 from ARPA and increases in charges for services to other local governments that were offset by an increase in transfers out of \$2,369,834 to the General Capital Projects fund.
- During the current fiscal year, the Burnet Economic Development Corporation ("BEDC") made improvements to the 13 acres of land along Highway 281 for \$870,632 to be used for future economic development.

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 include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, 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 either improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and other governmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, aviation services, culture and recreation, sanitation, and economic development. The business-type activities of the City include electricity, water and sewer services, and the Delaware Springs Golf Course.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Burnet Economic Development Corporation (“BEDC”), a legally separate corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 19 through 21 of this report.

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. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows 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 financing requirements.

Because the focus of 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, the airport fund, the debt service fund, and the general capital projects fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining fund statements section of this report.

The City adopts an annual appropriated budget for its general, airport, hotel/motel tax, and debt service funds. Budgetary comparison statements have been provided for the general and airport funds to demonstrate compliance with these budgets. Additionally, budgetary comparison schedules have been provided for the hotel/motel tax and debt service funds as supplementary information.

The basic governmental fund financial statements can be found on pages 22 through 26 of this report.

Proprietary Funds. The City maintains one type of proprietary fund – enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electricity, water and sewer services, and the Delaware Springs Golf Course.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for its electricity, water and sewer services, and the Delaware Springs Golf Course operations, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 28 through 31 of this report.

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 fund financial statements. The notes to the financial statements can be found on pages 33 through 78 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information related to the City's pension /OPEB benefits to its employees. Required supplementary information can be found on pages 80 through 87. The combining schedules referred to earlier in connection with nonmajor governmental funds and the budgetary comparison schedules for the hotel/motel tax and debt service funds are presented immediately following the required supplementary information. Also included are the comparative statements of net position and changes in net position for the BEDC. The other supplementary information can be found on pages 90 through 97 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$60,881,456 at the close of the most recent fiscal year.

City of Burnet's Net Position
September 30,

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 17,975,310	15,711,575	5,346,930	5,161,169	23,322,240	20,872,744
Capital assets, net	<u>38,329,612</u>	<u>38,089,609</u>	<u>37,708,568</u>	<u>38,320,528</u>	<u>76,038,180</u>	<u>76,410,137</u>
Total assets	<u>56,304,922</u>	<u>53,801,184</u>	<u>43,055,498</u>	<u>43,481,697</u>	<u>99,360,420</u>	<u>97,282,881</u>
Total deferred outflows of resources	<u>1,642,433</u>	<u>1,772,204</u>	<u>547,695</u>	<u>642,101</u>	<u>2,190,128</u>	<u>2,414,305</u>
Current liabilities	723,321	1,553,785	876,090	849,004	1,599,411	2,402,789
Noncurrent liabilities	<u>16,179,679</u>	<u>18,347,490</u>	<u>19,487,747</u>	<u>21,291,871</u>	<u>35,667,426</u>	<u>39,639,361</u>
Total liabilities	<u>16,903,000</u>	<u>19,901,275</u>	<u>20,363,837</u>	<u>22,140,875</u>	<u>37,266,837</u>	<u>42,042,150</u>
Total deferred inflows of resources	<u>2,559,971</u>	<u>1,050,887</u>	<u>842,284</u>	<u>383,844</u>	<u>3,402,255</u>	<u>1,434,731</u>
Net position:						
Net investment in capital assets	34,842,074	34,193,243	20,684,865	20,347,624	55,526,939	54,540,867
Restricted	1,366,394	1,290,949	-	-	1,366,394	1,290,949
Unrestricted	<u>2,275,916</u>	<u>(862,966)</u>	<u>1,712,207</u>	<u>1,251,455</u>	<u>3,988,123</u>	<u>388,489</u>
Total net position	<u>\$ 38,484,384</u>	<u>34,621,226</u>	<u>22,397,072</u>	<u>21,599,079</u>	<u>60,881,456</u>	<u>56,220,305</u>

By far, the largest portion of the City's net position (\$55.5 million or 91.2%) reflects its investment in capital assets, less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$1.4 million or 2.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$3,988,123.

The City's overall net position increased \$4,661,151. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**City of Burnet's Changes in Net Position
Years Ended September 30,**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 6,465,825	5,650,642	17,582,503	15,529,696	24,048,328	21,180,338
Operating grants and contributions	1,625,461	112,153	5,892	-	1,631,353	112,153
Capital grants and contributions	206,039	106,820	-	70,520	206,039	177,340
General revenues:						
Property taxes	3,630,280	3,306,674	-	-	3,630,280	3,306,674
Sales taxes	2,704,461	2,426,055	-	-	2,704,461	2,426,055
Hotel/motel taxes	211,369	209,190	-	-	211,369	209,190
Franchise and other taxes	180,005	161,960	-	-	180,005	161,960
Gain on sale of land	-	-	279,381	-	279,381	-
Unrestricted interest and miscellaneous revenues	117,625	4,157	2,016	2,790	119,641	6,947
Total revenues	<u>15,141,065</u>	<u>11,977,651</u>	<u>17,869,792</u>	<u>15,603,006</u>	<u>33,010,857</u>	<u>27,580,657</u>
Expenses:						
General government	\$ 2,844,286	2,587,631	-	-	2,844,286	2,587,631
Public safety	7,670,549	7,350,318	-	-	7,670,549	7,350,318
Highways and streets	1,434,226	1,135,566	-	-	1,434,226	1,135,566
Aviation services	1,382,867	930,254	-	-	1,382,867	930,254
Culture and recreation	1,180,523	1,053,829	-	-	1,180,523	1,053,829
Sanitation	976,671	920,917	-	-	976,671	920,917
Economic development	82,351	76,457	-	-	82,351	76,457
Interest and other charges on long-term debt	206,101	264,949	-	-	206,101	264,949
Electric	-	-	6,952,848	6,781,809	6,952,848	6,781,809
Water and sewer	-	-	3,652,482	3,363,972	3,652,482	3,363,972
Delaware Springs Golf Course	-	-	1,966,802	1,878,176	1,966,802	1,878,176
Total expenses	<u>15,777,574</u>	<u>14,319,921</u>	<u>12,572,132</u>	<u>12,023,957</u>	<u>28,349,706</u>	<u>26,343,878</u>
Increase (decrease) in net position before transfers	(636,509)	(2,342,270)	5,297,660	3,579,049	4,661,151	1,236,779
Transfers	4,499,667	4,297,987	(4,499,667)	(4,297,987)	-	-
Increase (decrease) in net position	<u>3,863,158</u>	<u>1,955,717</u>	<u>797,993</u>	<u>(718,938)</u>	<u>4,661,151</u>	<u>1,236,779</u>
Net position, beginning of year, as reported	34,621,226	32,665,509	21,599,079	22,193,357	56,220,305	54,858,866
Prior period adjustment	-	-	-	124,660	-	124,660
Net position, beginning of year, as restated	<u>34,621,226</u>	<u>32,665,509</u>	<u>21,599,079</u>	<u>22,318,017</u>	<u>56,220,305</u>	<u>54,983,526</u>
Net position, end of year	<u>\$ 38,484,384</u>	<u>34,621,226</u>	<u>22,397,072</u>	<u>21,599,079</u>	<u>60,881,456</u>	<u>56,220,305</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$3,863,158 as compared to an increase of \$1,955,717 in the prior year. Key elements of the changes from the prior year are as follows:

- Charges for services increased \$815,183 due to (1) an increase in the sale of jet fuel of \$372,325 as there was less activity at the airport in the prior two years due to the pandemic and (2) an increase of \$172,987 for charges related to sanitation services to citizens and ambulance services to other local governments, and (3) an increase in licenses and permits of \$141,411 due to expanded economic development within the City.
- Operating grants and contributions increased \$1,513,308 due to ARPA revenue recognized in the current year for firefighter salaries.
- Property taxes increased \$323,606 during the year (approximately 9.8%), which is primarily due to increased property values and new property being added to the tax roll.
- Sales taxes increased \$278,406 (approximately 11.5%) during the year due to overall increased spending in the retail trade sector and online general merchandisers.

Overall, governmental expenses increased \$1,457,653 (10.2%). New pay scales were implemented for public safety, and a 3% merit salary increase and a cost of living component were approved in the budget along with one new full time position. Also, aviation expenses increased \$452,613 primarily as a result of the increase in jet fuel costs due to strained U.S. relations with Russia and an increase in the contract labor cost due to a change in the FBO operator of the airport. Overall, governmental activities recognized a decrease in net position before transfers of \$0.6 million and \$2.3 million in 2022 and 2021, respectively. Transfers in were \$4.5 million and \$4.3 million in 2022 and 2021, respectively.

Business-Type Activities. During the current fiscal year, net position for business-type activities increased \$797,993 as compared to a decrease of \$715,272 in the prior year. Key elements of the variances from the prior year are as follows:

- Charges for services related to business-type activities increased by \$2,052,807 or 13.2% from the prior year. This is the result of increases in charges for services for electric, water and sewer and golf. Electric and water consumption increased from prior year by 6.8% and 2.8%, respectively, due to the severe drought conditions during the summer months of fiscal year 2022. Golf services and sales of merchandise increased \$429,569 due to an increase in the number of rounds played as compared to prior year and due to price increases based on demand for services.
- Gain on sale of land increased \$279,381 due to the sale of approximately 42 acres of land on the outer edge of the City's golf course.

Overall, business-type expenses increased \$548,175 (4.6%). New pay scales were implemented for the water and wastewater departments, and a 3% merit salary increase and a cost of living component were approved in the budget, along with one new full time position and two new part-time positions. Cost of power for electricity increased \$474,993 (9.2%) due to a 6.8% increase in electric consumption. Overall, business-type activities recognized an increase in net position before transfers of \$5.4 million and \$3.6 million in 2022 and 2021, respectively. Transfers out were \$4.5 million and \$4.3 million in 2022 and 2021, respectively.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may be a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City itself.

At September 30, 2022, the City's governmental funds reported combined fund balances of \$16,899,371, an increase of \$2,863,512 in comparison with the prior year. Of this amount, \$6,089,406 is available for spending at the government's discretion (*unassigned fund balance*). The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, \$119,277; (2) restricted for particular purposes, \$6,306,223; or (3) assigned for particular purposes, \$4,384,465.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,089,406. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents approximately 51% of total general fund expenditures.

During the current fiscal year, fund balance for the general fund increased \$1,161,802 as compared to an increase of \$923,363 in the prior year. Key factors in this change are as follows:

- Property taxes increased \$323,606 during the year (approximately 9.8%), which is primarily due to increased property values and new property being added to the tax roll.
- Sales taxes increased \$278,406 (approximately 11.5%) during the year due to overall increased spending in the retail trade sector and online general merchandisers.
- Expenses increased \$1,323,998, approximately 12.4% over the prior year due to annual raises, added positions, and related increases in cost for employee benefits. Annually, the City transfers payments (1) for return on investment from the electric fund and (2) in lieu of taxes from the water and sewer fund to the general fund and makes other transfers in and transfers out at the discretion of management. Transfers in for the current year amounted to \$4,701,822, which was approximately \$61,292 more than the prior year amount of \$4,640,530.
- Transfers out of \$4,329,544 were approximately \$1,343,538 more than the prior year amount of \$2,986,006, and resulted from transfers to (1) the general capital projects fund for the acquisition of vehicles and other heavy equipment, (2) the golf fund for capital improvements, and (3) to nonmajor capital projects funds for the acquisition of vehicles and other airport improvements.

During the current fiscal year, fund balance for the airport fund decreased \$56,640 as compared to an increase of \$152,403 in the prior year. Fuel sales increased \$372,325 (with a corresponding increase in cost of fuel purchased of \$320,520) due to an increase in the cost of jet fuel resulting from strained U.S. relations with Russia. Additionally, the airport fund is responsible for the debt service on its portion of the Series 2021 Certifications of Obligation; thus, debt service expenditures increased \$58,069. Transfers out for airport capital purchases increased \$139,652 from the prior year.

During the current fiscal year, fund balance for the debt service fund increased by \$46,801 as compared to a decrease of \$12,883 in the prior year. Property taxes increased by \$185,975 (52.8%) due to an increase in the I&S property tax rate of \$0.02483 per \$100 valuation and by increased property values and new property being added to the tax roll.

The general capital projects fund is used to track various capital improvements and equipment purchases for the City, and is primarily funded by bond proceeds and transfers from the general and enterprise funds. During 2021, the City issued Series 2021 certificates of obligation in the amount of \$5,755,000, of which \$4,795,000 is for the construction of the new City Hall building. Capital expenditures for the current year of \$2,639,973 are discussed in additional detail below.

Proprietary Funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the electric, water and sewer, and Delaware Springs Golf Course funds at the end of the year were \$1,421,179; \$1,001,071, and (\$710,043), respectively. Net position for the electric and water and golf funds increased by \$641,406 and \$530,324, respectively. The net position for the water and sewer fund decreased by \$373,737. Key factors affecting the changes have been addressed under the government-wide financial analysis above.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the only significant amendments to the budget were for salaries and benefits for two new positions, a public works director and a City engineer, and for the purchase of new equipment.

Final budget compared to actual results. During the year, actual revenues and transfers in were over budget by \$2,886,992. This was mostly attributable to intergovernmental revenue being more than expected by \$1,541,972 due to the recognition of ARPA funding for firefighter salaries and charges for services – EMS being more than expected by \$444,257 due to collections for Medicaid patients under the Ambulance Supplemental Payment Program (“ASPP”). Additionally, sales taxes were \$266,461 more than expected. Actual expenditures were 99.0% of appropriations, and transfers out were \$1,544,372 over appropriations primarily due to a year end transfer to the general capital projects fund for future purchases of equipment and other capital items.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$76,038,180 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment, and construction in progress. The total net decrease in the City's investment in capital assets for the current fiscal year was \$371,957 or 0.5%.

City of Burnet's Capital Assets (Net of Depreciation) September 30,

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 3,938,707	3,924,707	605,396	702,203	4,544,103	4,626,910
Buildings	9,408,483	9,671,030	100,128	103,478	9,508,611	9,774,508
Infrastructure	20,486,287	20,677,875	35,456,785	36,467,176	55,943,072	57,145,051
Machinery and equipment	3,110,655	2,417,783	1,491,790	1,023,257	4,602,445	3,441,040
Construction in progress	1,385,480	1,398,214	54,469	24,414	1,439,949	1,422,628
	<u>\$ 38,329,612</u>	<u>38,089,609</u>	<u>37,708,568</u>	<u>38,320,528</u>	<u>76,038,180</u>	<u>76,410,137</u>

Major capital asset activity during the current fiscal year included:

Work was completed on:	
Street improvements	\$ 658,633
Fire department substation	290,281
Park and ball field improvements	25,140
Structures and lines - electric	281,549
Delaware Springs Golf Course improvements	201,354
Acquisition of fire truck and other public safety vehicles	\$ 1,163,179
Acquisition of other equipment	\$ 1,430,713
Work continued on:	
New City Hall facility	\$ 228,974
New teen center at Recreation Center	20,000
Airport box hanger	42,913
Structures and lines - electric	22,867

Additional information on the City's capital assets can be found in Note III.C. on pages 47 to 50 of this report.

Long-Term Debt. At the end of the current fiscal year, the City had total long-term liabilities of \$35,667,426.

***City of Burnet’s Outstanding Long-Term Liabilities
September 30,***

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Certificates of obligation	\$ 8,120,000	8,450,000	14,740,000	15,525,000	22,860,000	23,975,000
Refunding bonds	-	-	2,085,000	2,200,000	2,085,000	2,200,000
Premiums	508,173	535,783	259,050	273,571	767,223	809,354
Total bonded debt	8,628,173	8,985,783	17,084,050	17,998,571	25,712,223	26,984,354
Lease liability	155,617	220,829	-	-	155,617	220,829
Compensated absences	537,691	513,235	208,753	198,182	746,444	711,417
Net pension liability	583,889	2,027,810	200,256	746,457	784,145	2,774,267
Total OPEB liability - life insurance	458,348	440,338	-	-	458,348	440,338
Total OPEB liability - health insurance	5,815,961	6,380,324	1,994,688	2,348,661	7,810,649	8,728,985
Total	\$ 16,179,679	18,568,319	19,487,747	21,291,871	35,667,426	39,860,190

The City’s total outstanding debt decreased by \$4.2 million during the current fiscal year. This change primarily resulted from scheduled principal payments on bonded debt and lease liabilities of \$1.3 million and decreases in the net pension and OPEB liabilities of \$2.9 million.

The City received an “AA-” rating from S & P Global Ratings for general obligation debt.

The Texas Attorney General limits the amount of general obligation debt a governmental entity may issue to an amount no greater than that which can be serviced by a debt service tax of \$1.50 per \$100 assessed valuation, based on 90% collections. The City’s adopted debt service rate for fiscal year 2022 is \$0.09150 per \$100 assessed valuation. This represents only 6%, or \$1.4085, below the rate allowed by the Attorney General’s imposed limit. Additional information on the City’s long-term liabilities can be found in Note III.D. on pages 50 to 54 of this report.

Economic Factors and Next Year’s Budget and Rates

The following economic factors currently affect the City and were considered in developing the 2023 fiscal year budget:

- Maintaining the current property tax rate of \$0.6131 per \$100 valuation.
- Projected increase in property taxes due to a significant increase in assessed property values;
- Adoption of new pay scales for the police, fire, water, and wastewater departments, along with the addition of two new full-time positions and two new part-time positions to address staffing shortages;

- The City Council's approval of the proposed sale of the building that was being renovated for the new City Hall location, and the decision to issue bonds for the construction of a new City Hall building.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, City of Burnet, Texas, P. O. Box 1369, Burnet, Texas 78611.

Basic Financial Statements



City of Burnet, Texas
Statement of Net Position
September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Burnet Economic Development Corporation, Inc.
Assets				
Cash and cash equivalents	\$ 16,066,643	2,933,879	19,000,522	1,764,476
Receivables (net of allowance for uncollectibles)	1,224,880	1,418,998	2,643,878	278,902
Inventories	109,134	1,379,598	1,488,732	-
Internal balances	385,545	(385,545)	-	-
Due from component unit	29,598	-	29,598	-
Prepaid and other items	10,143	-	10,143	-
Restricted cash and cash equivalents	-	-	-	190,029
Properties held for resale	-	-	-	2,458,398
Right of use assets, net	149,367	-	149,367	-
Capital assets not being depreciated:				
Land	3,938,707	605,396	4,544,103	41,360
Construction in progress	1,385,480	54,469	1,439,949	-
Capital assets, net of accumulated depreciation:				
Buildings	9,408,483	100,128	9,508,611	3,095,561
Infrastructure	20,486,287	35,456,785	55,943,072	-
Machinery and equipment	3,110,655	1,491,790	4,602,445	-
Total assets	<u>56,304,922</u>	<u>43,055,498</u>	<u>99,360,420</u>	<u>7,828,726</u>
Deferred Outflows of Resources				
Deferred outflows of resources	1,642,433	547,695	2,190,128	-
Liabilities				
Accounts payable	377,146	135,863	513,009	4,025
Accrued interest payable	27,135	11,016	38,151	13,685
Accrued liabilities	256,260	141,277	397,537	-
Due to primary government	-	-	-	29,598
Deposits payable	6,405	587,934	594,339	-
Unearned revenue	56,375	-	56,375	-
Noncurrent liabilities:				
Due within one year	685,085	999,376	1,684,461	241,857
Due in more than one year	15,494,594	18,488,371	33,982,965	2,639,652
Total liabilities	<u>16,903,000</u>	<u>20,363,837</u>	<u>37,266,837</u>	<u>2,928,817</u>
Deferred Inflows of Resources				
Deferred inflows of resources	2,559,971	842,284	3,402,255	112,835
Net Position				
Net investment in capital assets	34,842,074	20,684,865	55,526,939	445,441
Restricted for:				
Debt service	242,533	-	242,533	-
Economic development	242,726	-	242,726	-
Aviation services	781,171	-	781,171	-
Public safety	99,964	-	99,964	-
Unrestricted	<u>2,275,916</u>	<u>1,712,207</u>	<u>3,988,123</u>	<u>4,341,633</u>
Total net position	<u>\$ 38,484,384</u>	<u>22,397,072</u>	<u>60,881,456</u>	<u>4,787,074</u>

See accompanying notes to financial statements.

City of Burnet, Texas

Statement of Activities

Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,844,286	533,015	-	-
Public safety	7,670,549	3,416,730	1,625,461	114,000
Highways and streets	1,434,226	-	-	-
Aviation services	1,382,867	1,261,086	-	62,689
Culture and recreation	1,180,523	82,596	-	29,350
Sanitation	976,671	1,172,398	-	-
Economic development	82,351	-	-	-
Interest and other charges	206,101	-	-	-
Total governmental activities	<u>15,777,574</u>	<u>6,465,825</u>	<u>1,625,461</u>	<u>206,039</u>
Business-type activities:				
Electric	6,952,848	10,436,014	2,946	-
Water and sewer	3,652,482	4,933,125	2,946	-
Delaware Springs Golf Course	1,966,802	2,213,364	-	-
Total business-type activities	<u>12,572,132</u>	<u>17,582,503</u>	<u>5,892</u>	<u>-</u>
Total primary government	\$ <u>28,349,706</u>	<u>24,048,328</u>	<u>1,631,353</u>	<u>206,039</u>
Component unit:				
Burnet Economic Development Corporation	\$ <u>407,773</u>	<u>111,560</u>	<u>-</u>	<u>-</u>

General revenues:
 Property taxes
 Sales taxes
 Hotel/motel taxes
 Franchise and other taxes
 Gain on sale of land
 Unrestricted interest and miscellaneous revenues

Transfers
 Total general revenues and transfers

Change in net position

Net position, beginning of year, as previously reported

Prior period adjustment

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes to financial statements.

Net Revenues (Expenses) and
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Burnet Economic Development Corporation, Inc.
(2,311,271)	-	(2,311,271)	
(2,514,358)	-	(2,514,358)	
(1,434,226)	-	(1,434,226)	
(59,092)	-	(59,092)	
(1,068,577)	-	(1,068,577)	
195,727	-	195,727	
(82,351)	-	(82,351)	
(206,101)	-	(206,101)	
<u>(7,480,249)</u>	<u>-</u>	<u>(7,480,249)</u>	
-	3,486,112	3,486,112	
-	1,283,589	1,283,589	
<u>-</u>	<u>246,562</u>	<u>246,562</u>	
<u>-</u>	<u>5,016,263</u>	<u>5,016,263</u>	
<u>(7,480,249)</u>	<u>5,016,263</u>	<u>(2,463,986)</u>	
			<u>(296,213)</u>
\$ 3,630,280	-	3,630,280	-
2,704,461	-	2,704,461	901,487
211,369	-	211,369	-
180,005	-	180,005	-
-	279,381	279,381	-
117,625	2,016	119,641	20,058
4,499,667	(4,499,667)	-	-
<u>11,343,407</u>	<u>(4,218,270)</u>	<u>7,125,137</u>	<u>921,545</u>
<u>3,863,158</u>	<u>797,993</u>	<u>4,661,151</u>	<u>625,332</u>
34,621,226	21,474,419	56,095,645	4,161,742
-	124,660	124,660	-
<u>34,621,226</u>	<u>21,599,079</u>	<u>56,220,305</u>	<u>4,161,742</u>
<u>\$ 38,484,384</u>	<u>22,397,072</u>	<u>60,881,456</u>	<u>4,787,074</u>

City of Burnet, Texas

**Balance Sheet
Governmental Funds**

September 30, 2022

	<u>General</u>	<u>Airport</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 5,640,691	732,193	547,434	5,502,807	3,643,518	16,066,643
Receivables (net of allowance for uncollectibles)	992,196	131,319	22,185	3,940	75,240	1,224,880
Due from other funds	255,992	-	3,950	-	671,212	931,154
Inventories	33,809	75,325	-	-	-	109,134
Prepaid and other items	-	-	-	10,143	-	10,143
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>6,922,688</u>	<u>938,837</u>	<u>573,569</u>	<u>5,516,890</u>	<u>4,389,970</u>	<u>18,341,954</u>
Liabilities						
Liabilities:						
Accounts and retainages payable	\$ 238,783	65,416	-	34,427	38,520	377,146
Accrued liabilities	254,223	1,628	-	-	409	256,260
Deposits payable	-	6,405	-	-	-	6,405
Unearned revenue	5,500	500	-	50,375	-	56,375
Due to other funds	175,969	256	331,036	-	8,750	516,011
Total liabilities	<u>674,475</u>	<u>74,205</u>	<u>331,036</u>	<u>84,802</u>	<u>47,679</u>	<u>1,212,197</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	124,998	-	21,927	-	-	146,925
Unavailable revenue - leases	-	83,461	-	-	-	83,461
Total deferred inflow of resources	<u>124,998</u>	<u>83,461</u>	<u>21,927</u>	<u>-</u>	<u>-</u>	<u>230,386</u>
Fund Balances						
Nonspendable	33,809	75,325	-	10,143	-	119,277
Restricted	-	705,846	220,606	3,893,076	1,486,695	6,306,223
Assigned	-	-	-	1,528,869	2,855,596	4,384,465
Unassigned	6,089,406	-	-	-	-	6,089,406
Total fund balances	<u>6,123,215</u>	<u>781,171</u>	<u>220,606</u>	<u>5,432,088</u>	<u>4,342,291</u>	<u>16,899,371</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>6,922,688</u>	<u>938,837</u>	<u>573,569</u>	<u>5,516,890</u>	<u>4,389,970</u>	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital and right-of-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						38,478,979
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						146,925
Long-term liabilities, including general obligation debt, the net pension and total OPEB liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.						<u>(17,040,891)</u>
Net position of governmental activities						\$ <u>38,484,384</u>

See accompanying notes to financial statements.

City of Burnet, Texas

**Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds**

Year Ended September 30, 2022

	General	Airport	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 3,093,923	-	538,498	-	-	3,632,421
Sales taxes	2,704,461	-	-	-	-	2,704,461
Hotel/motel taxes	-	-	-	-	211,369	211,369
Franchise and other taxes	180,005	-	-	-	-	180,005
Licenses and permits	232,002	-	-	-	-	232,002
Intergovernmental	2,492,461	-	-	-	62,689	2,555,150
Charges for services - sanitation	1,172,398	-	-	-	-	1,172,398
Charges for services - EMS	2,344,257	-	-	-	-	2,344,257
Charges for services - other	82,596	-	-	-	-	82,596
Fines	147,740	-	-	-	22,725	170,465
Interest	34,755	14,398	328	34,008	5,525	89,014
Contributions and donations	32,276	-	-	114,000	-	146,276
Fuel sales	-	1,056,314	-	-	-	1,056,314
Miscellaneous	299,859	204,772	-	29,350	3,886	537,867
Total revenues	<u>12,816,733</u>	<u>1,275,484</u>	<u>538,826</u>	<u>177,358</u>	<u>306,194</u>	<u>15,114,595</u>
Expenditures:						
Current:						
General government	2,533,513	-	-	-	-	2,533,513
Public safety	6,776,144	-	-	2,628	8,526	6,787,298
Highways and streets	819,645	-	-	-	-	819,645
Aviation services	-	1,034,867	-	-	-	1,034,867
Culture and recreation	842,407	-	-	-	-	842,407
Sanitation	976,671	-	-	-	-	976,671
Economic development	-	-	-	-	82,351	82,351
Debt service:						
Principal	65,212	35,000	295,000	-	-	395,212
Interest and fiscal charges	13,617	23,069	197,025	-	-	233,711
Capital outlay	-	-	-	2,639,973	433,713	3,073,686
Total expenditures	<u>12,027,209</u>	<u>1,092,936</u>	<u>492,025</u>	<u>2,642,601</u>	<u>524,590</u>	<u>16,779,361</u>
Excess (deficiency) of revenues over (under) expenditures	<u>789,524</u>	<u>182,548</u>	<u>46,801</u>	<u>(2,465,243)</u>	<u>(218,396)</u>	<u>(1,664,766)</u>
Other financing sources (uses):						
Proceeds on sale of capital assets	-	-	-	-	28,611	28,611
Transfers in	4,701,822	-	-	3,516,806	917,979	9,136,607
Transfers out	<u>(4,329,544)</u>	<u>(239,188)</u>	<u>-</u>	<u>-</u>	<u>(68,208)</u>	<u>(4,636,940)</u>
Total other financing sources (uses)	<u>372,278</u>	<u>(239,188)</u>	<u>-</u>	<u>3,516,806</u>	<u>878,382</u>	<u>4,528,278</u>
Net change in fund balances	1,161,802	(56,640)	46,801	1,051,563	659,986	2,863,512
Fund balances, beginning of year	<u>4,961,413</u>	<u>837,811</u>	<u>173,805</u>	<u>4,380,525</u>	<u>3,682,305</u>	<u>14,035,859</u>
Fund balances, end of year	<u>\$ 6,123,215</u>	<u>781,171</u>	<u>220,606</u>	<u>5,432,088</u>	<u>4,342,291</u>	<u>16,899,371</u>

See accompanying notes to financial statements.

City of Burnet, Texas
**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities**

Year Ended September 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 2,863,512
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$2,738,426) exceeded depreciation and amortization expense (\$2,569,885) in the current period.	168,541
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,141)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount is the net effect of these differences in the treatment of long-term debt and related items.	422,822
Accrued interest expense and compensated absences reporting in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	(24,456)
Governmental funds report contributions to pension/OPEB plans as expenditures, whereas pension/OPEB expense is recognized in the statement of activities. This is the amount by which pension/OPEB benefit exceeded contributions to the plans in the current year.	<u>434,880</u>
Change in net position of governmental activities	<u>\$ 3,863,158</u>

See accompanying notes to financial statements.

City of Burnet, Texas
General Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual – Budgetary Basis

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,032,000	3,032,000	3,093,923	61,923
Sales taxes	2,438,000	2,438,000	2,704,461	266,461
Franchise and other taxes	155,000	155,000	180,005	25,005
Licenses and permits	132,200	132,200	232,002	99,802
Intergovernmental	950,489	950,489	2,492,461	1,541,972
Charges for services - sanitation	1,129,106	1,162,106	1,172,398	10,292
Charges for services - EMS	1,900,000	1,900,000	2,344,257	444,257
Charges for services - other	25,300	25,300	82,596	57,296
Fines	130,000	130,000	147,740	17,740
Interest	5,000	5,000	34,755	29,755
Contributions and donations	10,200	10,200	32,276	22,076
Miscellaneous	167,375	167,375	299,859	132,484
Total revenues	10,074,670	10,107,670	12,816,733	2,709,063
Expenditures:				
General government:				
Mayor and Council	14,295	21,906	21,902	4
Administrative	1,910,598	1,889,578	1,872,743	16,835
Planning and zoning	467,804	502,575	499,638	2,937
City shop	115,076	115,364	108,962	6,402
Public works administration	-	80,504	80,378	126
Public safety:				
Police	2,873,116	2,906,333	2,914,852	(8,519)
Municipal court	99,374	101,066	101,060	6
Fire	4,214,658	4,310,383	4,240,300	70,083
Highways and streets	827,983	828,973	819,645	9,328
Culture and recreation:				
Parks	788,226	788,226	765,611	22,615
Recreation center	105,000	105,000	103,331	1,669
Sanitation	946,194	979,194	976,671	2,523
Total expenditures	12,362,324	12,629,102	12,505,093	124,009
Excess (deficiency) of revenues over (under) expenditures	(2,287,654)	(2,521,432)	311,640	2,833,072
Other financing sources (uses):				
Transfers in	3,023,893	4,523,893	4,701,822	177,929
Transfers out	(2,307,288)	(2,307,288)	(3,851,660)	(1,544,372)
Total other financing sources (uses)	716,605	2,216,605	850,162	(1,366,443)
Net change in fund balances	(1,571,049)	(304,827)	1,161,802	1,466,629
Fund balances, beginning of year	4,961,413	4,961,413	4,961,413	-
Fund balances, end of year	\$ 3,390,364	4,656,586	6,123,215	1,466,629

See accompanying notes to financial statements.

City of Burnet, Texas

**Airport Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual – Budgetary Basis**

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Fuel sales	\$ 600,450	966,450	1,056,314	89,864
Interest	500	500	14,398	13,898
Miscellaneous	<u>204,379</u>	<u>204,379</u>	<u>204,772</u>	<u>393</u>
Total revenues	<u>805,329</u>	<u>1,171,329</u>	<u>1,275,484</u>	<u>104,155</u>
Expenditures:				
Current:				
Aviation services	613,284	1,064,242	1,034,867	29,375
Debt service:				
Principal	-	35,000	35,000	-
Interest and fiscal charges	<u>-</u>	<u>23,069</u>	<u>23,069</u>	<u>-</u>
Total expenditures	<u>613,284</u>	<u>1,122,311</u>	<u>1,092,936</u>	<u>29,375</u>
Excess of revenues over expenditures	<u>192,045</u>	<u>49,018</u>	<u>182,548</u>	<u>133,530</u>
Other financing sources (uses):				
Transfers out	<u>(532,715)</u>	<u>(490,176)</u>	<u>(239,188)</u>	<u>250,988</u>
Total other financing sources (uses)	<u>(532,715)</u>	<u>(490,176)</u>	<u>(239,188)</u>	<u>250,988</u>
Net change in fund balances	(340,670)	(441,158)	(56,640)	384,518
Fund balances, beginning of year	<u>837,811</u>	<u>837,811</u>	<u>837,811</u>	<u>-</u>
Fund balances, end of year	<u>\$ 497,141</u>	<u>396,653</u>	<u>781,171</u>	<u>384,518</u>

See accompanying notes to financial statements.



City of Burnet, Texas
Statement of Net Position –
Proprietary Funds
September 30, 2022

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,164,575	1,040,577	728,727	2,933,879
Receivables (net of allowance for uncollectibles)	974,042	444,956	-	1,418,998
Inventories	845,684	435,187	98,727	1,379,598
Due from other funds	43,315	496,634	1,375	541,324
Total current assets	<u>3,027,616</u>	<u>2,417,354</u>	<u>828,829</u>	<u>6,273,799</u>
Noncurrent assets:				
Capital assets:				
Land	11,171	357,759	236,466	605,396
Buildings	134,006	-	-	134,006
Infrastructure	7,820,767	47,184,282	3,778,418	58,783,467
Machinery and equipment	2,406,565	2,238,901	2,338,831	6,984,297
Construction in progress	22,867	31,602	-	54,469
Less accumulated depreciation	<u>(5,527,397)</u>	<u>(19,052,876)</u>	<u>(4,272,794)</u>	<u>(28,853,067)</u>
Total capital assets, net	<u>4,867,979</u>	<u>30,759,668</u>	<u>2,080,921</u>	<u>37,708,568</u>
Total assets	<u>7,895,595</u>	<u>33,177,022</u>	<u>2,909,750</u>	<u>43,982,367</u>
Deferred Outflows of Resources				
Deferred outflows of resources	<u>185,344</u>	<u>224,515</u>	<u>137,836</u>	<u>547,695</u>
Liabilities				
Current liabilities:				
Accounts payable	36,550	75,630	23,683	135,863
Accrued interest payable	375	10,641	-	11,016
Accrued liabilities	82,012	17,338	41,927	141,277
Deposits payable	587,934	-	-	587,934
Due to other funds	-	154,952	771,917	926,869
Compensated absences - current	27,338	50,651	26,387	104,376
General obligation debt payable - current	50,000	845,000	-	895,000
Total current liabilities	<u>784,209</u>	<u>1,154,212</u>	<u>863,914</u>	<u>2,802,335</u>
Noncurrent liabilities:				
Compensated absences	27,338	50,651	26,388	104,377
General obligation debt payable	55,575	16,133,475	-	16,189,050
Net pension liability	63,948	84,457	51,851	200,256
Total OPEB liability - health insurance	<u>636,970</u>	<u>841,249</u>	<u>516,469</u>	<u>1,994,688</u>
Total noncurrent liabilities	<u>783,831</u>	<u>17,109,832</u>	<u>594,708</u>	<u>18,488,371</u>
Total liabilities	<u>1,568,040</u>	<u>18,264,044</u>	<u>1,458,622</u>	<u>21,290,706</u>
Deferred Inflows of Resources				
Deferred inflows of resources	<u>268,969</u>	<u>355,229</u>	<u>218,086</u>	<u>842,284</u>
Net Position				
Net investment in capital assets	4,822,751	13,781,193	2,080,921	20,684,865
Unrestricted	<u>1,421,179</u>	<u>1,001,071</u>	<u>(710,043)</u>	<u>1,712,207</u>
Total net position	<u>\$ 6,243,930</u>	<u>14,782,264</u>	<u>1,370,878</u>	<u>22,397,072</u>

See accompanying notes to financial statements.

City of Burnet, Texas

**Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds**

Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Operating revenues:				
Charges for sales and services:				
Electric service	\$ 10,318,679	-	-	10,318,679
Water and sewer services	-	4,909,526	-	4,909,526
Golf services	-	-	1,525,030	1,525,030
Sales of merchandise	-	-	642,175	642,175
Other operating revenue	117,335	23,599	46,159	187,093
Total operating revenues	<u>10,436,014</u>	<u>4,933,125</u>	<u>2,213,364</u>	<u>17,582,503</u>
Operating expenses:				
Personnel	624,943	1,185,100	862,857	2,672,900
Materials and supplies	70,356	193,225	138,410	401,991
Repairs and maintenance	135,290	429,461	105,225	669,976
Purchased services	115,347	416,105	115,730	647,182
Purchases for resale	5,604,234	69,063	372,117	6,045,414
Other operating expenses	91,286	-	-	91,286
Depreciation	299,678	1,283,215	372,463	1,955,356
Total operating expenses	<u>6,941,134</u>	<u>3,576,169</u>	<u>1,966,802</u>	<u>12,484,105</u>
Operating income	<u>3,494,880</u>	<u>1,356,956</u>	<u>246,562</u>	<u>5,098,398</u>
Nonoperating revenues (expenses):				
Interest earnings	1,059	877	80	2,016
Interest expense	(11,714)	(76,313)	-	(88,027)
Intergovernmental	2,946	2,946	-	5,892
Gain on sale of land	-	-	279,381	279,381
Total nonoperating revenues (expenses)	<u>(7,709)</u>	<u>(72,490)</u>	<u>279,461</u>	<u>199,262</u>
Income before transfers	3,487,171	1,284,466	526,023	5,297,660
Transfers in	25,000	-	325,834	350,834
Transfers out	<u>(2,870,765)</u>	<u>(1,658,203)</u>	<u>(321,533)</u>	<u>(4,850,501)</u>
Change in net position	<u>641,406</u>	<u>(373,737)</u>	<u>530,324</u>	<u>797,993</u>
Net position, beginning of year, as previously reported	5,602,524	15,156,001	715,894	21,474,419
Prior period adjustment	-	-	124,660	124,660
Net position, beginning of year, as restated	<u>5,602,524</u>	<u>15,156,001</u>	<u>840,554</u>	<u>21,599,079</u>
Net position, end of year	<u>\$ 6,243,930</u>	<u>14,782,264</u>	<u>1,370,878</u>	<u>22,397,072</u>

See accompanying notes to financial statements.

City of Burnet, Texas
Statement of Cash Flows –
Proprietary Funds
Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 10,423,464	4,943,467	2,213,803	17,580,734
Receipts of customer deposits	115,071	-	-	115,071
Payments to employees for salaries and wages	(648,440)	(418,362)	(699,913)	(1,766,715)
Payments to suppliers and others	(6,480,816)	(1,951,346)	(995,867)	(9,428,029)
Return of customer deposits	(91,830)	-	-	(91,830)
Net cash provided by operating activities	<u>3,317,449</u>	<u>2,573,759</u>	<u>518,023</u>	<u>6,409,231</u>
Cash flows from noncapital financing activities:				
Intergovernmental revenue	2,946	2,946	-	5,892
Transfers from other funds	25,000	-	325,834	350,834
Transfers to other funds	(2,870,765)	(1,658,203)	(321,533)	(4,850,501)
Net cash provided by (used in) noncapital financing activities	<u>(2,842,819)</u>	<u>(1,655,257)</u>	<u>4,301</u>	<u>(4,493,775)</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of land	-	-	376,188	376,188
Acquisition and construction of capital assets	(367,360)	(747,310)	(325,533)	(1,440,203)
Principal paid on capital debt	(45,000)	(855,000)	-	(900,000)
Interest paid on capital debt	(14,670)	(88,464)	-	(103,134)
Net cash provided by (used in) capital and related financing activities	<u>(427,030)</u>	<u>(1,690,774)</u>	<u>50,655</u>	<u>(2,067,149)</u>
Cash flows from investing activities:				
Interest on investments	1,059	877	80	2,016
Net cash provided by investing activities	<u>1,059</u>	<u>877</u>	<u>80</u>	<u>2,016</u>
Net increase (decrease) in cash and cash equivalents	48,659	(771,395)	573,059	(149,677)
Cash and cash equivalents, beginning of year	<u>1,115,916</u>	<u>1,811,972</u>	<u>155,668</u>	<u>3,083,556</u>
Cash and cash equivalents, end of year	<u>\$ 1,164,575</u>	<u>1,040,577</u>	<u>728,727</u>	<u>2,933,879</u>

(continued)

City of Burnet, Texas
Statement of Cash Flows –
Proprietary Funds
(Continued)

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 3,494,880	1,356,956	246,562	5,098,398
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	299,678	1,283,215	372,463	1,955,356
Decrease (increase) in assets and liabilities:				
Accounts receivable	79,280	10,342	439	90,061
Inventories	(332,470)	(96,343)	3,314	(425,499)
Deferred outflows	66,243	6,404	21,759	94,406
Accounts payable	(953)	25,108	(2,882)	21,273
Accrued liabilities	7,396	(16,258)	(7,980)	(16,842)
Customer deposits	23,241	-	-	23,241
Compensated absences	(14,709)	26,639	(1,359)	10,571
Net pension liability	(209,625)	(195,170)	(141,406)	(546,201)
Total OPEB liability	(223,804)	(38,572)	(91,597)	(353,973)
Deferred inflows	128,292	211,438	118,710	458,440
Total adjustments	<u>(177,431)</u>	<u>1,216,803</u>	<u>271,461</u>	<u>1,310,833</u>
Net cash provided by operating activities	<u>\$ 3,317,449</u>	<u>2,573,759</u>	<u>518,023</u>	<u>6,409,231</u>

See accompanying notes to financial statements.



City of Burnet, Texas

Notes to Financial Statements

September 30, 2022

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Burnet, Texas, the county seat for Burnet County, is situated in the midwestern part of Burnet County in Central Texas and encompasses approximately ten square miles. The City of Burnet, Texas (the “City”) is a “Home Rule Charter” city. The City operates under a Council / Manager form of government meaning that the City Council makes and adopts regulations, laws and policy and the City Manager is responsible for the day to day operations of the City. The City provides basic services to its citizens, such as police, fire, electricity, water and sewer, and sanitation, as well as health and welfare, economic development, aviation services, and parks and recreation services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The City did not have any blended component units. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Discretely presented component unit - The Burnet Economic Development Corporation, Inc. (the “Development Corporation”) is a governmental nonprofit corporation organized for the purpose of promoting, assisting, and enhancing economic development activities of the City of Burnet, Texas. The City Council appoints a governing body that is not substantively the same as the governing body of the primary government. Budgets of the Corporation and debt to be incurred must be approved by the Council. The Development Corporation does not issue separate financial statements.

B. Basis of Presentation - Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Government-Wide Financial Statements (continued)

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's electric, water and sewer functions, and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Program Revenues

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation - Fund Financial Statements (continued)

The airport fund, a special revenue fund, accounts for the operations of Burnet Municipal Airport. The primary sources of revenue for the airport fund are fuel sales and hanger rentals.

The debt service fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The general capital projects fund is used to account for the acquisition / renovation of buildings, equipment, and other capital items for City purposes.

The City reports the following major enterprise funds:

The electric fund accounts for the City's electric services to its residents. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, and financing and related debt service.

The water and sewer fund accounts for the City's water and sewer services to its residents. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, and financing and related debt service.

The Delaware Springs Golf Course fund accounts for the operation of the Delaware Springs Municipal Golf Course. All activities necessary for the operation of the golf course are accounted for in this fund including, but not limited to, administration, operations, maintenance, and financing and related debt service.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation - Fund Financial Statements (continued)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

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

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

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

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting (continued)

Property taxes, sales taxes, franchise taxes and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

G. Budgetary Information

Annual budgets are legally adopted for the following funds (under the City's budgetary fund structure): the general fund, the airport fund, the hotel/motel tax fund, and the debt service fund. Capital projects funds are generally planned on both a project-length basis and an annual basis. Also, operating plans are developed for the electric fund, water and sewer fund and the Delaware Springs Golf Course fund.

The appropriated budget is prepared by fund, department and object. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

G. Budgetary Information (continued)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

There were no material outstanding encumbrances as of September 30, 2022 for the general fund, airport fund, and other non-major funds. Outstanding encumbrances as of September 30, 2022 amounted to \$9,883 for the general capital projects fund.

The City prepares its appropriated budgets on a budgetary basis structure which differs from that used for financial reporting in accordance with generally accepted accounting principles (“GAAP”). The budget and all transactions of the general and airport funds are presented in accordance with the City’s budgetary basis structure in the Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary Basis to provide a meaningful comparison of actual results with the budget. The major difference between the budgetary basis and the GAAP basis is that the budgetary basis uses a fund structure which is used in the City’s legally adopted budget (rather than the fund structure used in their financial statements) which results in certain activities reported on a GAAP basis which are not included on a budgetary basis. Additionally, all leases are deemed to be short term leases.

There were no adjustments necessary for the general fund and airport fund to convert the net change in fund balance on the budgetary basis to a GAAP basis.

H. Investments, and Cash and Cash Equivalents

State statutes and the City’s investment policy authorize the City to invest in obligations of the United States and its agencies, certificates of deposit, and public funds investment pools.

Investments for the government are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer’s Texas Local Government Investment Pool (“TexPool”). In accordance with state law, the Comptroller of Public Accounts (the Comptroller) is the sole officer, director and shareholder of TexPool. Additionally, the Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

H. Investments, and Cash and Cash Equivalents (continued)

fee structure. There are no maximum transaction amounts and withdrawals from TexPool may be made daily. TexPool uses amortized cost rather than fair value to report net assets share price.

The City's cash and cash equivalents for purposes of reporting cash flows of the enterprise funds are considered to be cash on hand, demand deposits, external investment pools and deposits in the City's internal cash pool.

I. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out method and consist of expendable material and supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include land, buildings, machinery and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

Land and construction in progress are not depreciated. The other capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 – 40
Machinery and equipment	5 – 10
Infrastructure	10 – 50

K. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary-fund-type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Pensions

For purposes of measuring the net pension asset or 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 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 Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

M. Other Postemployment Benefits (“OPEB”)

The fiduciary net position of the City’s defined benefit life and health insurance plans (collectively, “the OPEB plans”) have been determined using the flow of economic resources measurement focus and the full accrual basis of accounting. This includes for purposes of measuring the total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from the OPEB plans’ net position. Benefit payments are recognized when due and payable in accordance with benefit terms. There are no investments as these are pay-as-you-go plans.

N. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

O. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

City of Burnet, Texas

Notes to Financial Statements (Continued)

I. Summary of Significant Accounting Policies (continued)

P. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Q. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. City management is authorized to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

I. Summary of Significant Accounting Policies (continued)

Q. Fund Balance Policies (continued)

The components and specific purpose details of nonspendable, restricted, and assigned fund balances of governmental funds at September 30, 2022 are as follows:

	<u>General</u>	<u>Airport</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:						
Inventories	\$ 33,809	75,325	-	-	-	109,134
Prepaid items	-	-	-	10,143	-	10,143
Restricted:						
Aviation services	-	705,846	-	-	-	705,846
General obligation debt service	-	-	220,606	-	-	220,606
Capital projects	-	-	-	3,893,076	1,144,005	5,037,081
Economic development	-	-	-	-	242,726	242,726
Public safety	-	-	-	-	99,964	99,964
Assigned:						
Capital projects	-	-	-	1,528,869	2,855,596	4,384,465
Unassigned	<u>6,089,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,089,406</u>
	<u>\$ 6,123,215</u>	<u>781,171</u>	<u>220,606</u>	<u>5,432,088</u>	<u>4,342,291</u>	<u>16,899,371</u>

R. Property Taxes

Property taxes attach as an enforceable lien on real property and are levied as of October 1 on the assessed value as of the previous January 1 for all real and personal property in the City.

S. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from government service subject to certain limitations. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including general obligation debt payable and the net pension and total OPEB liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$17,040,891 difference are as follows.

General obligation debt	\$ (8,120,000)
Premiums on general obligation debt	(508,173)
Lease liabilities	(155,617)
Compensated absences	(537,691)
Accrued interest payable	(27,135)
Net pension liability, net of related deferred inflows of \$1,540,458 and deferred outflows of \$651,247	(1,473,100)
Total OPEB liability - life insurance, net of related deferred inflows of \$20,642 and deferred outflows of \$90,255	(388,735)
Total OPEB liability - health insurance, net of related deferred inflows of \$915,410 and deferred outflows of \$900,931	<u>(5,830,440)</u>
	<u>\$ (17,040,891)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states “the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$422,822 difference are as follows.

Principal payments on general obligation debt	\$ 330,000
Amortization of premiums	27,610
Principal payments on lease liabilities	<u>65,212</u>
	<u>\$ 422,822</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds

A. Cash Deposits and Investments

Investments of the City at September 30, 2022, consist of investments in Texas Local Government Investment Pool (“TexPool”) of \$15,090,358. See Note I.H. for a discussion of how the shares in TexPool are valued.

Credit Risk: For an investment, credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations. The Public Funds Investment Act (Government Code Chapter 2256) restricts the types of investments in which the City may invest. The City’s investment policy addresses credit quality by further restricting authorized investments to obligations of the United States and its agencies, and public funds investment pools rated AAA or AA from a nationally recognized rating service. The City’s investment in TexPool is rated AAAM by Standard & Poor’s.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City will only invest on a basis which allows liquidity to meet cash flow needs as necessary – the weighted average maturity should be 180 days or less for the general fund and 365 days or less for the debt service fund. The weighted average maturity of TexPool is 24 days as of September 30, 2022.

Custodial Credit Risk: The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. City policy requires all deposits to be federally insured or collateralized by eligible securities held by an independent third-party custodian.

For an investment, custodial credit risk is the risk that in the event of the failure of the counter-party, the City will not be able to recover the value of its investment or collateralized securities that are in the possession of an outside third party. The City has no specific policies that limit the custodial credit risk for its investments.

A reconciliation of deposits and investments as shown on the statement of net position:

Cash on hand	\$ 2,944
Carrying amount of deposits	5,861,725
Carrying amount of investments	<u>15,090,358</u>
	<u>\$ 20,955,027</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

A. Cash Deposits and Investments (continued)

Per the statement of net position for the City:	
Cash and cash equivalents	<u>\$ 19,000,522</u>
Per the statement of net position for the Burnet Economic Development Corporation:	
Cash and cash equivalents	1,764,476
Restricted cash and cash equivalents	<u>190,029</u>
	<u>1,954,505</u>
	<u>\$ 20,955,027</u>

B. Receivables

Primary Government

Amounts are aggregated into a single account receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general, airport, and debt service funds, and for the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Airport	Debt Service	General Capital Projects	Nonmajor Governmental	Total
Receivables:						
Property taxes	\$ 124,998	-	22,185	-	-	147,183
Sales taxes	463,613	-	-	-	-	463,613
Hotel/motel taxes	-	-	-	-	25,551	25,551
Intergovernmental	-	-	-	-	49,689	49,689
EMS	2,690,052	-	-	-	-	2,690,052
Lease receivable	-	80,810	-	-	-	80,810
Other	113,625	50,509	-	3,940	-	168,074
	3,392,288	131,319	22,185	3,940	75,240	3,624,972
Less: allowance for uncollectibles	(2,400,092)	-	-	-	-	(2,400,092)
	\$ 992,196	131,319	22,185	3,940	75,240	1,224,880

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

B. Receivables (continued)

Component Unit

Below is the detail of receivables for the Burnet Economic Development Corporation, including the applicable allowances for uncollectible accounts:

	<u>Burnet Economic Developmen Corporation</u>
Receivables:	
Sales taxes	\$ 154,537
Lease receivable	124,365
	<u>278,902</u>
Less: allowance for uncollectibles	<u>-</u>
	<u>\$ 278,902</u>

C. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,924,707	14,000	-	3,938,707
Construction in progress	1,398,214	291,887	(304,621)	1,385,480
Total capital assets not being depreciated	<u>5,322,921</u>	<u>305,887</u>	<u>(304,621)</u>	<u>5,324,187</u>
Capital assets, being depreciated:				
Buildings	14,941,851	337,012	-	15,278,863
Infrastructure	31,223,726	691,414	-	31,915,140
Machinery and equipment	12,452,743	1,708,734	-	14,161,477
Total capital assets, being depreciated	<u>58,618,320</u>	<u>2,737,160</u>	<u>-</u>	<u>61,355,480</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

C. Capital Assets (continued)

Primary Government (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities: (continued)				
Less accumulated depreciation for:				
Buildings	(5,270,821)	(599,559)	-	(5,870,380)
Infrastructure	(10,545,851)	(883,002)	-	(11,428,853)
Machinery and equipment	(10,034,960)	(1,015,862)	-	(11,050,822)
Total accumulated depreciation	(25,851,632)	(2,498,423)	-	(28,350,055)
Total capital assets, being depreciated, net	32,766,688	238,737	-	33,005,425
	\$ 38,089,609	544,624	(304,621)	38,329,612
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 702,203	-	(96,807)	605,396
Construction in progress	24,414	52,769	(22,714)	54,469
Total capital assets not being depreciated	726,617	52,769	(119,521)	659,865
Capital assets, being depreciated:				
Buildings	134,006	-	-	134,006
Infrastructure	58,272,660	510,807	-	58,783,467
Machinery and equipment	6,084,956	899,341	-	6,984,297
Total capital assets being depreciated	64,491,622	1,410,148	-	65,901,770
Less accumulated depreciation for:				
Buildings	(30,528)	(3,350)	-	(33,878)
Infrastructure	(21,805,484)	(1,521,198)	-	(23,326,682)
Machinery and equipment	(5,061,699)	(430,808)	-	(5,492,507)
Total accumulated depreciation	(26,897,711)	(1,955,356)	-	(28,853,067)
Total capital assets, being depreciated, net	37,593,911	(545,208)	-	37,048,703
	\$ 38,320,528	(492,439)	(119,521)	37,708,568

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

C. Capital Assets (continued)

Primary Government (continued)

Depreciation expense was charged to functions/programs of the governmental activities of the City as follows:

General government	\$	237,937
Public safety		901,059
Highways and streets		638,501
Aviation services		364,676
Culture and recreation		<u>356,250</u>
Total depreciation expense	\$	<u><u>2,498,423</u></u>

At September 30, 2022, the City’s governmental activities construction contract commitments with contractors are as follows:

Project Title	Spent to Date	Remaining Commitment
New City Hall building	\$ 1,233,331	\$ 7,500,000
Airport box hanger	42,913	1,450,000
New teen center at Recreation Center	60,000	40,000
Hamilton Creek extension	<u>49,236</u>	<u>5,000</u>
	<u><u>\$ 1,385,480</u></u>	<u><u>\$ 8,995,000</u></u>

The construction contract commitments will be financed with remaining bond proceeds and available resources.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

C. Capital Assets (continued)

At September 30, 2022, the City's business-type activities construction contract commitments with contractors are as follows:

Project Title	Spent to Date	Remaining Commitment
Electric - Insfrastructure	\$ 22,867	\$ 256,000
New generators - water plant	27,155	673,000
New sewer lines	4,447	75,000
	\$ 54,469	\$ 1,004,000

The construction contract commitments will be financed with available resources.

Component Unit

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Burnet Economic Development Corporation:</i>				
Capital assets, not being depreciated:				
Land	\$ 41,360	-	-	41,360
Total capital assets not being depreciated	41,360	-	-	41,360
Capital assets, being depreciated:				
Buildings	3,376,976	-	-	3,376,976
Machinery and equipment	13,780	-	-	13,780
Total capital assets being depreciated	3,390,756	-	-	3,390,756
Less accumulated depreciation for:				
Buildings	(168,849)	(112,566)	-	(281,415)
Machinery and equipment	(13,780)	-	-	(13,780)
Total accumulated depreciation	(182,629)	(112,566)	-	(295,195)
Total capital assets, being depreciated, net	3,208,127	(112,566)	-	3,095,561
	\$ 3,249,487	(112,566)	-	3,136,921

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

D. Long-Term Liabilities

Primary Government

The City issues general obligation bonds, tax notes and combination tax and revenue certificates of obligation (collectively, “general obligation debt”) to provide funds for the acquisition and construction of major capital facilities for both governmental and business-type activities. These general obligation debts are direct obligations and pledge the full faith and credit of the City. The general obligation bonds, tax notes and certificates of obligation generally are issued with equal amounts of principal maturing each year with maturities that range from 6 to 40 years. General obligation debt outstanding at September 30, 2022 is as follows:

	<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
<i>Governmental Activities</i>					
Combination tax and revenue certificates of obligation	2019	2,920,000	2.00%-5.00%	2039	2,585,000
Combination tax and revenue certificates of obligation	2021	5,755,000	1.50%-4.00%	2041	<u>5,535,000</u>
					<u>\$ 8,120,000</u>
	<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
<i>Business-Type Activities</i>					
Combination tax and revenue certificates of obligation	2010	11,425,000	0.00%	2040	\$ 7,080,000
Combination tax and revenue certificates of obligation	2012	9,900,000	0.00%	2042	6,800,000
Combination tax and revenue certificates of obligation	2019	970,000	2.00%-5.00%	2039	860,000
General obligation refunding bonds	2021	2,315,000	3.00%	2045	<u>2,085,000</u>
					<u>\$ 16,825,000</u>

City of Burnet, Texas
Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

D. Long-Term Liabilities (continued)

Primary Government (continued)

Changes in the City's long-term liabilities for the year ended September 30, 2022 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt	\$ 8,450,000	-	(330,000)	8,120,000	345,000
Premiums	<u>535,783</u>	<u>-</u>	<u>(27,610)</u>	<u>508,173</u>	<u>-</u>
Total bonded debt	8,985,783	-	(357,610)	8,628,173	345,000
Lease liabilities	220,829	-	(65,212)	155,617	71,240
Compensated absences	513,235	374,210	(349,754)	537,691	268,845
Net pension liability	2,027,810	-	(1,443,921)	583,889	-
Total OPEB liability - life insurance	440,338	18,010	-	458,348	-
Total OPEB liability - health insurance	<u>6,380,324</u>	<u>-</u>	<u>(564,363)</u>	<u>5,815,961</u>	<u>-</u>
	<u>\$ 18,568,319</u>	<u>392,220</u>	<u>(2,780,860)</u>	<u>16,179,679</u>	<u>685,085</u>
Business-type activities:					
General obligation debt	\$ 17,725,000	-	(900,000)	16,825,000	895,000
Premiums	<u>273,571</u>	<u>-</u>	<u>(14,521)</u>	<u>259,050</u>	<u>-</u>
Total bonded debt	17,998,571	-	(914,521)	17,084,050	895,000
Compensated absences	198,182	157,078	(146,507)	208,753	104,376
Net pension liability	746,457	-	(546,201)	200,256	-
Total OPEB liability - health insurance	<u>2,348,661</u>	<u>-</u>	<u>(353,973)</u>	<u>1,994,688</u>	<u>-</u>
	<u>\$ 21,291,871</u>	<u>157,078</u>	<u>(1,961,202)</u>	<u>19,487,747</u>	<u>999,376</u>

For governmental activities, the liability for compensated absences, the net pension liability, and total OPEB liabilities – life insurance and health insurance, are substantially liquidated by the General Fund.

City of Burnet, Texas
Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

D. Long-Term Liabilities (continued)

Primary Government (continued)

The debt service requirements for the City's general obligation bonds follow:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Governmental Activities</i>			
2023	\$ 345,000	207,107	552,107
2024	360,000	194,601	554,601
2025	365,000	186,051	551,051
2026	375,000	175,457	550,457
2027	385,000	164,669	549,669
2028 - 2032	2,140,000	618,310	2,758,310
2033 - 2037	2,415,000	338,814	2,753,814
2038 - 2041	<u>1,735,000</u>	<u>83,150</u>	<u>1,818,150</u>
	<u>\$ 8,120,000</u>	<u>1,968,159</u>	<u>10,088,159</u>

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Business-Type Activities</i>			
2023	\$ 895,000	88,125	983,125
2024	900,000	83,375	983,375
2025	850,000	78,575	928,575
2026	855,000	74,325	929,325
2027	855,000	69,825	924,825
2028 - 2032	4,345,000	286,475	4,631,475
2033 - 2037	4,435,000	186,900	4,621,900
2038 - 2042	3,575,000	75,750	3,650,750
2043 - 2045	<u>115,000</u>	<u>6,150</u>	<u>121,150</u>
	<u>\$ 16,825,000</u>	<u>949,500</u>	<u>17,774,500</u>

The City's bond indentures contain restrictions concerning the maintenance of accounting records as well as reporting the results of the City's operations to specified major bond holders. The City is in compliance with all significant requirements and restrictions.

City of Burnet, Texas
Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

D. Long-Term Liabilities (continued)

Primary Government (continued)

There is no specific maximum debt limit established by law for the City; therefore, the limit is governed by the City's ability to levy and collect taxes to service the debt.

The City has pledged net revenues of the water and sewer system to repay \$14,630,000 in combination tax and revenue certificates of obligation issued from 2010 to 2012. Annual principal and interest payments on the debt is expected to require approximately 50% of the pledged net revenues. The total principal and interest remaining to be paid on the debt is \$13,880,000. Principal and interest paid for the current year and total pledged net revenues for the current year were \$750,000 and \$2,003,516, respectively.

Component Unit

<i>Component Unit</i>	<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Combination tax and revenue certificates of obligation	2018	2,045,000	4.50%	2033	\$ <u>1,625,000</u>
					\$ <u>1,625,000</u>

Changes in the component unit's long-term liabilities for the year ended September 30, 2022 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Burnet Economic Development Corporation:					
General obligation debt	\$ 1,735,000	-	(110,000)	1,625,000	115,000
Note payable	<u>1,379,793</u>	<u>-</u>	<u>(123,284)</u>	<u>1,256,509</u>	<u>126,857</u>
	<u>\$ 3,114,793</u>	<u>-</u>	<u>(233,284)</u>	<u>2,881,509</u>	<u>241,857</u>

In July 2021, the BEDC entered into a \$1,400,000 promissory note payable with a local financial institution that is secured by a pledge of the BEDC's sales tax revenues. Interest accrues at 2.86%, and principal and interest of \$13,428 are due in monthly installments until maturity in July 2031, at which time all remaining unpaid principal and interest are due. The outstanding note payable balance at September 30, 2022 is \$1,256,509.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

D. Long-Term Liabilities (continued)

Component Unit (continued)

The debt service requirements for the component unit's general obligation debt and note payable follow:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Component Unit</i>			
2023	241,857	107,407	349,264
2024	255,533	98,556	354,089
2025	264,315	89,148	353,463
2026	273,208	79,406	352,614
2027	282,213	69,326	351,539
2028 - 2032	1,384,383	184,965	1,569,348
2033	180,000	8,100	188,100
	<u>\$ 2,881,509</u>	<u>636,908</u>	<u>3,518,417</u>

E. Leases

Primary Government as Lessee

The City leases its City Hall building and certain other equipment used in operations. These leases require monthly payments, and have terms between 33 months and 46 months. As of September 30, 2022, the total amount of right to use assets and the related amortization, disclosed separately from other capital assets is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Leases - Right-of-use:				
City Hall building	\$ 134,807	-	-	134,807
Equipment	86,022	-	-	86,022
	<u>220,829</u>	<u>-</u>	<u>-</u>	<u>220,829</u>
Accumulated amortization:				
City Hall building	-	(49,021)	-	(49,021)
Equipment	-	(22,441)	-	(22,441)
	<u>-</u>	<u>(71,462)</u>	<u>-</u>	<u>(71,462)</u>
Right-of-use assets, net	<u>\$ 220,829</u>	<u>(71,462)</u>	<u>-</u>	<u>149,367</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

E. Leases (continued)

As of September 30, 2022, the principal and interest requirements to maturities for the lease liabilities is as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Governmental Activities</i>			
2023	\$ 71,240	9,129	80,369
2024	64,200	3,830	68,030
2025	<u>20,177</u>	<u>423</u>	<u>20,600</u>
	<u>\$ 155,617</u>	<u>13,382</u>	<u>168,999</u>

Primary Government as Lessor

The City leases certain easements to individuals for the purpose of moving aircraft from the lessees' real property to the runways, taxiways, and apron of the Burnet Municipal Airport – Kate Craddock Field. The related lease receivable and deferred inflows of resources are presented as amounts equal to the present value of lease payments expected to be received during the lease term. The deferred inflows of resources are amortized as lease revenue on a straight-line basis over the lease term. The total amount of lease revenue and lease related interest revenue recognized in the current year is \$12,311.

Principal and interest payments scheduled to be received from lease receivable are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Governmental Activities</i>			
2023	\$ 4,231	8,080	12,311
2024	4,654	7,657	12,311
2025	5,120	7,191	12,311
2026	5,631	6,680	12,311
2027	6,195	6,116	12,311
2028 - 2032	35,710	19,958	55,668
2033 - 2037	14,771	5,853	20,624
2038 - 2039	<u>4,498</u>	<u>686</u>	<u>5,184</u>
	<u>\$ 80,810</u>	<u>62,221</u>	<u>143,031</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

E. Leases (continued)

Component Unit as Lessor

Burnet Economic Development Corporation leases building space that is used for winery operations. This lease expires on September 30, 2024, and may be extended for an additional five years upon written notice from the lessee prior to October 1, 2023. The related lease receivable and deferred inflows of resources are presented as amounts equal to the present value of lease payments expected to be received during the lease term. The deferred inflows of resources are amortized as lease revenue on a straight-line basis over the lease term. The total amount of lease revenue and lease related interest revenue recognized in the current year is \$60,000.

Principal and interest payments scheduled to be received from lease receivable are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Component Unit</i>			
2023	\$ 55,944	10,056	66,000
2024	<u>68,421</u>	<u>3,579</u>	<u>72,000</u>
	<u>\$ 124,365</u>	<u>13,635</u>	<u>138,000</u>

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2022 is as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 255,992	175,969
Airport	-	256
Debt service	3,950	331,036
Other governmental	671,212	8,750
Electric	43,315	-
Water and sewer	496,634	154,952
Delaware Springs Golf Course	1,375	771,917
Burnet Economic Development Corporation	-	29,598
	<u>\$ 1,472,478</u>	<u>1,472,478</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

F. Interfund Receivables and Payables (continued)

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

G. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2022 is as follows:

		Transfer out:						
		General	Airport	Nonmajor Governmental	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Transfer in:								
General	\$	-	55,176	43,208	2,850,982	1,584,511	167,945	4,701,822
General capital projects		3,516,806	-	-	-	-	-	3,516,806
Nonmajor governmental		486,904	184,012	-	19,783	73,692	153,588	917,979
Electric		-	-	25,000	-	-	-	25,000
Delaware Springs Golf Course		325,834	-	-	-	-	-	325,834
	\$	4,329,544	239,188	68,208	2,870,765	1,658,203	321,533	9,487,441

During the year, transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, and (2) move proprietary fund resources to the general fund for payments in lieu of taxes, administrative allocations, and a return on the general fund’s investment in the electric fund.

H. Employee Benefits

Pension Plan

Plan Description - The City participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (“TMRS”). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the “TMRS Act”) as an agent multiple-employer retirement system for employees of Texas participating cities.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

Pension Plan (continued)

The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (“ACFR”) 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 member’s benefit is calculated based on the sum of the member’s contributions, with interest, and the City-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

Employees Covered by Benefit Terms – At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	73
Inactive employees entitled to but not yet receiving benefits	84
Active employees	<u>112</u>
	<u>269</u>

Contributions – Member contribution rates in TMRS are either 5%, 6%, or 7% of the member’s total compensation, 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 City’s contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

Pension Plan (continued)

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 13.22% and 12.84% in calendar years 2022 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were \$1,076,480 and were equal to the required contributions.

Net Pension Liability – The City's net pension liability was measured as of December 31, 2021, and the total pension liability 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	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 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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 Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

Pension Plan (continued)

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. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
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 the member 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 Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

Pension Plan (continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	Balance at December 31, 2020	\$ 28,742,965	25,968,698
Changes for the year:			
Service cost	1,210,171	-	1,210,171
Interest	1,933,214	-	1,933,214
Difference between expected and actual experience	(335,760)	-	(335,760)
Change in assumptions	-	-	-
Contributions - employer	-	924,916	(924,916)
Contributions - employee	-	504,238	(504,238)
Net investment income	-	3,384,149	(3,384,149)
Benefit payments, including refunds of employee contributions	(1,415,684)	(1,415,684)	-
Administrative expense	-	(15,664)	15,664
Other changes	-	108	(108)
Net changes	1,391,941	3,382,063	(1,990,122)
Balance at December 31, 2021	\$ 30,134,906	29,350,761	784,145

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 one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	Current		
	1% Decrease (5.75%)	Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	\$ 5,466,772	784,145	(2,972,803)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. The report may be obtained on the Internet at www.tnrs.com.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

Pension Plan (continued)

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

For the year ended September 30, 2022, the City recognized pension expense of \$219,121. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 816,159	-
Differences between expected and actual experience	42,888	328,438
Change in assumptions	15,558	-
Difference between projected and actual investment earnings, net	<u>-</u>	<u>1,740,349</u>
	<u>\$ 874,605</u>	<u>2,068,787</u>

The \$816,159 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 ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	
2022	\$ (419,250)
2023	(812,598)
2024	(443,260)
2025	<u>(335,233)</u>
Total	<u>\$ (2,010,341)</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Life Insurance

Plan Description – The City also participates in a defined benefit group term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (“SDBF”). The City elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. As the TMRS SDBF covers both active and retired members, with no segregation of assets, the SDBF does not meet the definition of a trust under paragraph 4 of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (i.e. no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan with benefit payments treated as being equal to the City’s yearly contributions for retirees.

Benefits Provided – 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 a fixed amount of \$7,500.

Employees Covered by Benefit Terms – At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	17
Active employees	<u>112</u>
	<u>184</u>

Contributions – 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.

The City’s contributions to the SDBF for the year ended September 30, 2022 were \$15,997, which equaled the required contribution for the year.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Life Insurance (continued)

Total OPEB Liability – Life Insurance: The City’s total OPEB liability – life insurance was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability – life insurance in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.50% to 11.5% per year, including inflation
Discount rate	1.84% (based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2021)
Administrative expenses	All administrative expenses are paid through the TMRS Pension Trust
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables 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.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Life Insurance (continued)

The changes in the total OPEB liability – life insurance for the measurement period ending December 31, 2021 were as follows:

	Total OPEB Liability - Life Insurance
Balance at December 31, 2020	\$ <u>440,338</u>
Changes for the year:	
Service cost	19,449
Interest	8,922
Differences between expected and actual experience	(17,752)
Changes in assumptions or other inputs	15,315
Benefit payments **	<u>(7,924)</u>
Net changes	<u>18,010</u>
Balance at December 31, 2021	\$ <u><u>458,348</u></u>

** Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

Sensitivity of the Total OPEB Liability – Life Insurance to Changes in the Discount Rate
– The following presents the total OPEB liability – life insurance of the City, calculated using the discount rate of 1.84%, as well as what the City’s total OPEB liability – life insurance would be if it were calculated using a discount rate that is one percentage point lower (0.84%) or one percentage point higher (2.84%) than the current rate.

	1% Decrease (0.84%)	Current Discount Rate Assumption (1.84%)	1% Increase (2.84%)
Total OPEB liability - life insurance	\$ <u>573,388</u>	<u>458,348</u>	<u>372,957</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Life Insurance (continued)

*OPEB Expense – Life Insurance and Deferred Outflows of Resources
and Deferred Inflows of Resources Related to OPEB – Life Insurance*

For the year ended September 30, 2022, the City recognized OPEB expense – life insurance of \$46,884.

At September 30, 2022, the City reported deferred outflows of resources related to OPEB – life insurance from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 6,791	-
Differences between expected and actual experience	-	20,642
Change in assumptions	<u>83,464</u>	<u>-</u>
	<u>\$ 90,255</u>	<u>20,642</u>

The \$6,791 reported as deferred outflows of resources related to OPEB – life insurance resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability – life insurance for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense – life insurance as follows:

<u>Year Ended December 31,</u>	
2022	\$ 18,513
2023	15,913
2024	18,031
2025	10,682
2026	<u>(317)</u>
Total	<u>\$ 62,822</u>

City of Burnet, Texas

Notes to Financial Statements (Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Health Insurance

Plan Description and Plan Participants – The City elected, by ordinance, to offer continuation of health and dental insurance to those regular employees who were hired prior to January 1, 2010 that retire from the City under TMRS with at least 20 years of service, with the last 10 years of service being with the City (“Eligible Retiree”). As this plan covers both active and retired members, with no accumulation of assets, the plan does not meet the definition of a trust under paragraph 4 of GASB Statement No. 75 (i.e. no assets are accumulated for OPEB – health insurance). As such, this plan is considered to be a single-employer unfunded OPEB plan with benefit payments adjusted for the implicit subsidy, as more fully described below.

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. If the actuarial valuation used to determine the total OPEB liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date. The total OPEB liability is based on an actuarial valuation performed as of December 31, 2021.

Normal Retirement Benefits

Health Care Benefit Eligibility Conditions - City employees hired prior to January 1, 2010 must have been continuously employed with the City prior to retirement, with no break in service after January 1, 2010, to be eligible for continuation of health and dental insurance benefits. City employees hired on or after January 1, 2010 are not eligible for any continued health insurance after retirement.

Health Care Benefits Provided by Plan - For Eligible Retirees, such continued health and dental insurance is comparable to that which is provided for regular employees.

Deferred Retirement Benefits

Eligibility for participation in the City’s group insurance plan will pause if the Eligible Retiree becomes eligible for their current employer’s group health and/or dental insurance plan. The Eligible Retiree is required to notify the City of medical and/or dental insurance benefits provided by their current employer’s group insurance to the City’s human resources department in writing within 30 days of eligibility for such plan.

City of Burnet, Texas

Notes to Financial Statements (Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

Once eligible, the Eligible Retiree must enroll in their current employer's group health and/or dental insurance plan and may not decline coverage. In the event the Eligible Retiree ceases to be eligible for another employer's group health and/or dental insurance plan, the Eligible Retiree may return to the City's plan as a qualifying event. An Eligible Retiree who is enrolled in their current employer's group health and/or dental insurance plan which requires the Eligible Retiree to pay a portion of the premium shall be eligible to receive reimbursement for such costs up to twenty-five percent (25%) of the amount of premium paid by the City for an active regular employee.

If the Eligible Retiree fails to disclose eligibility for medical and/or dental insurance benefits provided by their current employer's group plan, the Eligible Retiree's eligibility and enrollment shall be terminated immediately and the retiree will no longer be an Eligible Retiree for the purposes of this plan.

Disability Retirement Benefits

To be eligible for continuation of health care benefits, disability retirements must meet the health care benefit eligibility conditions above for normal retirement benefits.

Death-in-service Retirement Benefits

The City does not provide death-in-service benefits to a surviving spouse of an employee.

Medicare Eligible Provisions

For Eligible Retirees eligible for Medicare, the City will substitute coverage with a Medicare insurance policy. The City will reimburse Eligible Retirees on Medicare for Parts A and B, plus any additional costs for Medicare Supplement or Medigap plans, up to the amount of premium paid for an active employee. Eligible Retirees may have the option of declining City provided health and/or dental insurance and being reimbursed for health and/or dental coverage other than what the City provides up to the amount of premium paid for an active regular employee. It is strictly the Eligible Retirees responsibility to contact the City with any changes in coverage. If an Eligible Retiree chooses reimbursement, proof of coverage must be certified annually.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

If an Eligible Retiree fails to disclose eligibility for medical and/or dental insurance benefits provided by their current employer’s group plan, the Eligible Retiree’s eligibility and enrollment shall be terminated immediately and the retiree will no longer be an Eligible Retiree for the purposes of this plan

Vision and Dental Coverage

Retirees are not eligible for vision coverage. For Eligible Retirees, such continued dental insurance is comparable to that which is provided for regular employees. Dental coverage extends past the age of 65.

Membership – At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	25
Active members	<u>17</u>
	<u>42</u>

Contributions – The City’s health plan utilizes a “blended premium” structure, which provides that overall health care premiums for active employees and non-Medicare retirees are stated in terms of a single “blended premium”. The difference between the underlying retiree claims and the blended overall health care premium is referred to as an “implicit subsidiary” as defined in GASB 75. Under GASB 75, a portion of the payments made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees’ underlying claims costs.

Total OPEB Liability – Health Insurance: The City’s total OPEB liability – health insurance was determined by an actuarial valuation as of December 31, 2021.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

Actuarial Assumptions: The total OPEB liability – health insurance in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2021
Actuarial Cost Method	Individual Entry-Age
Discount rate	1.84% as of December 31, 2021
Inflation	2.50% per year
Salary increases	3.50% to 11.5% per year, including inflation
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")
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 published through 2019 to account for future mortality improvements.
Health care trend rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years. Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 12 years.
Participation rates	It was assumed that 95% of eligible retirees would choose to receive retiree health care benefits through the City. Additionally, 50% of future retirees that retire prior to age 55 were assumed to have health care coverage available to them through a separate employer. All pre-65 retirees that have health care coverage available to them through a separate employer were assumed to rejoin the City's retiree health care plan at age 65.
Other information	The discount rate changed from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

The changes in the total OPEB liability – health insurance for the measurement period ending December 31, 2021 were as follows:

	Total OPEB Liability - Health Insurance
Balance at December 31, 2020	\$ <u>8,728,985</u>
Changes for the year:	
Service cost	147,109
Interest	174,500
Differences between expected and actual experience	(1,293,531)
Changes in assumptions or other inputs	208,659
Benefit payments **	<u>(155,073)</u>
Net changes	<u>(918,336)</u>
Balance at December 31, 2021	\$ <u><u>7,810,649</u></u>

** Due to the plan being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's explicit benefit payments, with an adjustment for the implicit benefit payments for retirees.

Total OPEB liabilities recognized for health and life insurance amounted to \$8,268,997 as of September 30, 2022

Sensitivity of the Total OPEB Liability – Health Insurance to Changes in the Discount Rate – The following presents the total OPEB liability – health insurance of the City, calculated using the discount rate of 1.84%, as well as what the City’s total OPEB liability – health insurance would be if it were calculated using a discount rate that is one percentage point lower (0.84%) or one percentage point higher (2.84%) than the current rate.

	1% Decrease (0.84%)	Current Discount Rate Assumption (1.84%)	1% Increase (2.84%)
Total OPEB liability - health insurance	\$ <u>9,319,289</u>	<u>7,810,649</u>	<u>6,628,333</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

Sensitivity of the Total OPEB Liability – Health Insurance to Changes in the Healthcare Cost Trend Rate Assumption – Regarding the sensitivity of the total OPEB liability – health insurance to changes in the healthcare cost trend rates, the following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability - health insurance	\$ 6,572,888	7,810,649	9,397,716

OPEB Expense – Health Insurance and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – Health Insurance

For the year ended September 30, 2022, the City recognized OPEB expense – health insurance of \$184,087. Total OPEB expense recognized for health and life insurance amounted to \$230,971 for the year ended September 30, 2022.

At September 30, 2022, the City reported deferred outflows of resources related to OPEB – health insurance from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 129,817	-
Differences between expected and actual experience	12,405	1,054,183
Change in assumptions	1,067,699	175,182
	\$ 1,209,921	1,229,365

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

The \$129,817 reported as deferred outflows of resources related to OPEB – health insurance resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability – health insurance for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in OPEB expense – health insurance as follows:

<u>Year Ended December 31,</u>	
2022	\$ (141,804)
2023	(179,843)
2024	<u>172,386</u>
Total	<u>\$ (149,261)</u>

I. 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 has joined together with other governments in Texas to form the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program for liability, property and workmen’s compensation coverage. The City pays a quarterly contribution to the pool for its insurance coverage. The agreement for formation of the Texas Municipal League Intergovernmental Risk Pool provides that the Pool will be self-sustaining through member contributions and will reinsure through commercial companies for claims in excess of specific limits.

The Texas Municipal League Intergovernmental Risk Pool has published its own financial report, which can be obtained by writing the Texas Municipal League Intergovernmental Risk Pool, 1821 Rutherford Lane, Austin, Texas 78754.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

III. Detailed Notes On All Activities and Funds (continued)

J. Deferred Outflows and Inflows of Resources

The statements of financial position, and the balance sheet includes the following deferred outflows/inflows of resources at September 30, 2022:

	Statement of Net Position		Balance Sheet		
	Governmental Activities	Business-Type Activities -	General Fund	Airport Fund	Debt Service Fund
Deferred outflows of resources:					
OPEB - life insurance	\$ 90,255	-	-	-	-
OPEB - health insurance	900,931	308,990	-	-	-
Total OPEB related	<u>991,186</u>	<u>308,990</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pension related	651,247	223,358	-	-	-
Deferred charge on refunding	<u>-</u>	<u>15,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,642,433</u>	<u>547,695</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
OPEB - life insurance	\$ 20,642	-	-	-	-
OPEB - health insurance	915,410	313,955	-	-	-
Total OPEB related	<u>936,052</u>	<u>313,955</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pension related	1,540,458	528,329	-	-	-
Unavailable property tax revenue	-	-	124,998	-	21,927
Unavailable lease revenue	<u>83,461</u>	<u>-</u>	<u>-</u>	<u>83,461</u>	<u>-</u>
	<u>\$ 2,559,971</u>	<u>842,284</u>	<u>124,998</u>	<u>83,461</u>	<u>21,927</u>

Deferred Outflows of Resources. The deferred charge on refunding, resulting from the difference in the carrying value of refunded debt and its reacquisition price, is amortized over the shorter of the life of the refunded or refunding debt. Post-measurement date contributions will be recognized as a reduction of the net pension liability/total OPEB liabilities in the following fiscal year. The net differences between projected and actual earnings, change in assumptions, and difference between expected and actual actuarial experience will be amortized into pension/OPEB expense.

Deferred Inflows of Resources. The governmental funds, under the modified accrual basis of accounting, report unavailable revenues from property taxes, which is deferred and recognized as an inflow of resources in the period that the amounts become available. The net differences between projected and actual earnings, change in assumptions, and difference between expected and actual actuarial experience will be amortized into pension/OPEB expense.

City of Burnet, Texas

Notes to Financial Statements (Continued)

III. Detailed Notes On All Activities and Funds (continued)

K. Short-term Leases

The City leases two fuel trucks for the airport and other various equipment. Total cost for these leases was \$43,320 for the year ended September 30, 2022. Additionally, the City leases building space and airport hangers to various individuals and organizations under short-term lease agreements. For the year ended September 30, 2022, the City recognized lease income of \$183,774 under these short-term lease agreements.

L. Commitments and Contingencies

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City has contracted with a private company for the collection and disposal of solid waste. The contract's initial five-year term expired October 2021. Thereafter, the contract is renewed for additional terms of five years if mutually agreed by the parties. The fees charged under the contract are adjusted annually to reflect changes in the cost of operations. The City's cost under the agreement for the year ended September 30, 2022, was \$949,532.

The City has entered into a long-term agreement to purchase wholesale electric power from the Lower Colorado River Authority effective June 2011. The cost of electric power is based on the reasonable and necessary cost of providing power generation in accordance with Article 8503.011 of the Texas Special District Local Laws Code. The City's cost under the agreement for the year ended September 30, 2022, was \$5,604,234.

Also, the City has entered into a long-term agreement to purchase water from the Lower Colorado River Authority (the "Authority") effective January 1985. The agreement allows the City the right to withdraw up to 4,100 acre-feet of raw water from the Colorado River. The cost of the water is adjusted each year as determined by the Board of Directors of the Authority. The City's cost under the agreement for the year ended September 30, 2022, was \$69,063.

The City is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate outcome of these claims will not have a material adverse effect on the City's financial position.

City of Burnet, Texas

Notes to Financial Statements (Continued)

III. Detailed Notes On All Activities and Funds (continued)

M. Tax Abatements

The City of Burnet negotiates property tax abatements on an individual basis. All abatements are governed by Section 312 of the Texas Tax Code and the City of Burnet Economic Incentives Statement which are revised and adopted every two years in accordance with state law. These guidelines permit the City to abate property taxes for a variety of economic development purposes such as business relocation, retention, and expansion and include abatements for real and personal property improvements.

The City of Burnet had not granted any tax abatements as of September 30, 2022.

N. Adoption of Accounting Pronouncement

Effective October 1, 2021, the City adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 87, *Leases*. GASB 87 increases the usefulness of the City’s financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. The adoption of this standard resulted in the recognition of right-to-use assets and corresponding lease liabilities of \$220,829 for governmental activities as of October 1, 2021. Additionally, the adoption of this standard resulted in the recognition of a lease receivable and corresponding deferred inflow of resources of \$90,194 for the airport fund and governmental activities as of October 1, 2021. Finally, the adoption of this standard resulted in the recognition of a lease receivable and corresponding deferred inflow of resources of \$169,253 for Burnet Economic Development Corporation as of October 1, 2021. Thus, the adoption of GASB 87 had no impact on beginning fund balance or beginning net position as of October 1, 2021.

O. Prior Period Adjustment

During the current year, the City determined that land that was contributed to the City in 2001 had not been recognized in the golf fund. As a result, beginning net position for business-type activities and the golf fund was increased by \$124,660.

P. Subsequent Event

Subsequent to year end, the City issued \$3,940,000 Series 2022 Combination Tax and Revenue Certificates of Obligation to be used for street improvements.

City of Burnet, Texas

Notes to Financial Statements (Continued)

III. Detailed Notes On All Activities and Funds (continued)

Q. Authoritative Pronouncement Not Yet Effective

A summary of pronouncements issued by the Governmental Accounting Standards Board, which may impact the City but are not yet effective follows. The City has not yet determined the effects of the adoption of these pronouncements on the financial statements.

GASB Statement No. 91, *Conduit Debt Obligations* (issued May 2019) – The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the City’s financial statements beginning October 1, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (issued March 2020) – The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (“PPPs”). The requirements of this statement are effective for the City’s financial statements beginning October 1, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (issued May 2020) – The objective of this statement is to provide guidance for subscription based information technology arrangements (“SBITA”). It will define SBITA contracts, provide guidance on the accounting for SBITAs, and require disclosures regarding the SBITAs. The requirements of this statement are effective for the City’s financial statements beginning October 1, 2022.

GASB Statement No. 101, *Compensated Absences* (issued June 2022) – The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this statement are effective for the City’s financial statements beginning October 1, 2024.

Required Supplementary Information

City of Burnet, Texas
Schedule of Changes in Net Pension Liability and Related Ratios

Last Eight Measurement Dates

	December 31,			
	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 1,210,171	1,128,348	1,061,415	995,287
Interest (on the Total Pension Liability)	1,933,214	1,819,990	1,735,099	1,642,995
Difference between expected and actual experience	(335,760)	77,824	(206,289)	(61,582)
Change in assumptions	-	-	47,523	-
Benefit payments, including refunds of employee contributions	<u>(1,415,684)</u>	<u>(1,363,670)</u>	<u>(1,463,461)</u>	<u>(1,027,072)</u>
Net change in Total Pension Liability	1,391,941	1,662,492	1,174,287	1,549,628
Total Pension Liability - beginning	<u>28,742,965</u>	<u>27,080,473</u>	<u>25,906,186</u>	<u>24,356,558</u>
Total Pension Liability - ending (a)	<u>\$ 30,134,906</u>	<u>28,742,965</u>	<u>27,080,473</u>	<u>25,906,186</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 924,916	899,357	854,102	791,829
Contributions - employee	504,238	484,269	457,788	427,686
Net investment income	3,384,149	1,829,197	3,253,250	(644,826)
Benefit payments, including refunds of employee contributions	(1,415,684)	(1,363,670)	(1,463,461)	(1,027,072)
Administrative expense	(15,664)	(11,853)	(18,387)	(12,455)
Other	<u>108</u>	<u>(463)</u>	<u>(551)</u>	<u>(650)</u>
Net change in Plan Fiduciary Net Position	3,382,063	1,836,837	3,082,741	(465,488)
Plan Fiduciary Net Position - beginning	<u>25,968,698</u>	<u>24,131,861</u>	<u>21,049,120</u>	<u>21,514,608</u>
Plan Fiduciary Net Position - ending (b)	<u>\$ 29,350,761</u>	<u>25,968,698</u>	<u>24,131,861</u>	<u>21,049,120</u>
Net Pension Liability - ending (a) - (b)	\$ 784,145	2,774,267	2,948,612	4,857,066
Plan Fiduciary Net Position as a percentage of Total Pension Liability	97.40%	90.35%	89.11%	81.25%
Covered payroll	\$ 7,203,399	6,918,135	6,539,833	6,109,805
Net Pension Liability as a percentage of covered payroll	10.89%	40.10%	45.09%	79.50%

Note: The City of Burnet adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective October 1, 2014. Information for years prior to 2014 is not available.

See accompanying independent auditor's report.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
925,253	924,216	848,679	753,691
1,538,815	1,449,752	1,395,492	1,317,058
93,706	(80,956)	50,376	(61,528)
-	-	35,571	-
<u>(1,071,693)</u>	<u>(876,457)</u>	<u>(774,915)</u>	<u>(1,097,550)</u>
1,486,081	1,416,555	1,555,203	911,671
<u>22,870,477</u>	<u>21,453,922</u>	<u>19,898,719</u>	<u>18,987,048</u>
<u>24,356,558</u>	<u>22,870,477</u>	<u>21,453,922</u>	<u>19,898,719</u>
724,953	710,491	652,621	602,184
398,326	404,345	379,117	377,039
2,613,821	1,180,461	25,372	937,360
(1,071,693)	(876,457)	(774,915)	(1,097,550)
(13,549)	(13,325)	(15,452)	(9,786)
<u>(688)</u>	<u>(718)</u>	<u>(764)</u>	<u>(805)</u>
2,651,170	1,404,797	265,979	808,442
<u>18,863,438</u>	<u>17,458,641</u>	<u>17,192,662</u>	<u>16,384,220</u>
<u>21,514,608</u>	<u>18,863,438</u>	<u>17,458,641</u>	<u>17,192,662</u>
2,841,950	4,007,039	3,995,281	2,706,057
88.33%	82.48%	81.38%	86.40%
5,690,364	5,776,351	5,415,950	5,386,274
49.94%	69.37%	73.77%	50.24%

City of Burnet, Texas
Schedule of Pension Contributions

Fiscal Years Ended

	September 30,			
	2022	2021	2020	2019
Actuarially determined contributions	\$ 1,076,480	916,631	889,655	837,493
Contributions in relation to the actuarially determined contributions	1,076,480	916,631	889,655	837,493
Contribution deficiency (excess)	\$ -	-	-	-
Covered payroll	\$ 8,201,093	7,114,710	6,834,933	6,425,991
Contributions as a percentage of covered payroll	13.13%	12.88%	13.02%	13.03%

Notes to Schedule of Contributions

Valuation Date: December 31, 2021

Notes 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	24 years (longest amortization ladder)
Asset Valuation Method	10 year smoothed fair value, 12% soft corridor
Inflation	2.50%
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:

Notes There were no benefit changes during the year.

Note: The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective October 1, 2014. Information for years prior to 2015 is not available.

See accompanying independent auditor's report.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
771,831	724,651	682,912	648,053
<u>771,831</u>	<u>724,651</u>	<u>682,912</u>	<u>648,053</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,982,896	5,659,002	5,506,318	5,385,452
12.90%	12.81%	12.40%	12.03%

City of Burnet, Texas
Schedule of Changes in Total OPEB Liability –
Life Insurance and Related Ratios

Last Five Measurement Dates

	December 31,				
	2021	2020	2019	2018	2017
Total OPEB Liability - Life Insurance					
Service cost	\$ 19,449	12,453	10,464	12,831	10,243
Interest (on the Total OPEB Liability - Life Insurance)	8,922	10,092	10,544	9,831	9,579
Difference between expected and actual experience	(17,752)	(4,303)	1,229	(10,286)	-
Change in assumptions	15,315	62,713	62,243	(21,779)	24,553
Benefit payments **	(7,924)	(2,767)	(2,616)	(1,833)	(2,276)
Net change in Total OPEB Liability - Life Insurance	18,010	78,188	81,864	(11,236)	42,099
Total OPEB Liability - life insurance - beginning	<u>440,338</u>	<u>362,150</u>	<u>280,286</u>	<u>291,522</u>	<u>249,423</u>
Total OPEB Liability - life insurance - ending	<u>\$ 458,348</u>	<u>440,338</u>	<u>362,150</u>	<u>280,286</u>	<u>291,522</u>
Covered-employee payroll	<u>\$ 7,203,399</u>	<u>6,918,135</u>	<u>6,539,833</u>	<u>6,109,805</u>	<u>5,690,364</u>
Total OPEB Liability - Life Insurance as a percentage of covered payroll	6.36%	6.36%	5.54%	4.59%	5.12%

** Due to the TMRS Supplemental Death Benefit Fund ("SDBF") being considered an unfunded OPEB Plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contribution for retirees.

Note: The City of Burnet adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective October 1, 2017. Information for years prior to 2017 is not available.

See accompanying independent auditor's report.

City of Burnet, Texas
Schedule of OPEB – Life Insurance Contributions

Fiscal Years Ending

	September 30,				
	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 15,997	12,302	11,121	10,924	10,171
Contributions in relation to the actuarially determined contributions	<u>15,997</u>	<u>12,302</u>	<u>11,121</u>	<u>10,924</u>	<u>10,171</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	<u>\$ 8,201,093</u>	<u>7,114,710</u>	<u>6,834,933</u>	<u>6,425,991</u>	<u>5,982,896</u>
Contributions as a percentage of covered payroll	0.20%	0.17%	0.16%	0.17%	0.17%

Notes to Schedule of OPEB - Life Insurance Contributions

Valuation Date: December 31, 2021

Notes 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:

Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Discount rate*	1.84%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables 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 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:

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

Notes The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Note: The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* effective October 1, 2017. Information for years prior to 2018 is not available.

See accompanying independent auditor's report.

City of Burnet, Texas
Schedule of Changes in Total OPEB Liability –
Health Insurance and Related Ratios

Last Five Measurement Dates

	December 31,				
	2021	2020	2019	2018	2017
Total OPEB Liability - Health Insurance					
Service cost	\$ 147,109	176,841	135,278	175,111	150,174
Interest (on the Total OPEB Liability - Health Insurance)	174,500	204,947	266,180	245,548	248,688
Difference between expected and actual experience of the total OPEB liability	(1,293,531)	(3,621)	(573,842)	37,721	-
Change in assumptions *	208,659	1,059,259	568,616	(532,622)	644,918
Benefit payments **	<u>(155,073)</u>	<u>(145,292)</u>	<u>(132,787)</u>	<u>(166,304)</u>	<u>(163,990)</u>
Net change in Total OPEB Liability - Health Insurance	(918,336)	1,292,134	263,445	(240,546)	879,790
Total OPEB Liability - health insurance - beginning	<u>8,728,985</u>	<u>7,436,851</u>	<u>7,173,406</u>	<u>7,413,952</u>	<u>6,534,162</u>
Total OPEB Liability - health insurance - ending	<u>\$ 7,810,649</u>	<u>8,728,985</u>	<u>7,436,851</u>	<u>7,173,406</u>	<u>7,413,952</u>
Covered-employee payroll	<u>\$ 1,557,422</u>	<u>1,502,020</u>	<u>2,097,610</u>	<u>2,087,178</u>	<u>2,001,111</u>
Total OPEB Liability - Health Insurance as a percentage of covered payroll	501.51%	581.15%	354.54%	343.69%	370.49%

* Changes in assumptions reflect a change in the discount rate from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

** Due to the plan being considered an unfunded OPEB Plan under GASB 75, benefit payments are determined as follows:

a. Explicit benefit payments	\$ 111,483	104,753	95,737	132,725	130,878
b. Implicit benefit payments	43,590	40,539	37,050	33,579	33,112
c. Total benefit payments	<u>\$ 155,073</u>	<u>145,292</u>	<u>132,787</u>	<u>166,304</u>	<u>163,990</u>

(continued)

City of Burnet, Texas

**Schedule of Changes in Total OPEB Liability –
Health Insurance and Related Ratios**

(continued)

Valuation Date: December 31, 2021

Methods and Assumptions:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	1.84% as of December 31, 2021
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
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").
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 published through 2019 to account for future mortality improvements.
Health Care Trend Rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years; Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 12 years.
Participation Rates	It was assumed that 95% of eligible retirees would choose to receive retiree health care benefits through the City. Additionally, 50% of future retirees that retire prior to age 55 were assumed to have health care coverage available to them through a separate employer. All pre-65 retirees that have health care coverage available to them through a separate employer were assumed to rejoin the City's retiree health plan at age 65.

Other Information:

Notes The discount rate changed from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

Note: The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* effective October 1, 2017. Information for years prior to 2017 is not available.

See accompanying independent auditor's report.



Supplementary Information

City of Burnet, Texas
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2022

	Special Revenue										Capital Projects		Total Nonmajor Governmental Funds
	Hotel/Motel Tax	Police Seizure	Court Security and Technology	FD Community	PD Explorer Program	FD Explorer Program	FD Explorer Program	General Capital Equipment	Airport Capital Project	Total	Total		
Assets													
Cash and cash equivalents	\$ 226,122	120	77,838	12,905	6,070	3,529	2,210,406	1,106,528	3,316,934	3,643,518			
Receivables	25,551	-	-	-	-	-	-	49,689	49,689	75,240			
Due from other funds	-	-	-	-	-	-	671,212	-	671,212	671,212			
Total assets	\$ 251,673	120	77,838	12,905	6,070	3,529	2,881,618	1,156,217	4,037,835	4,389,970			
Liabilities and Fund Balances													
Liabilities:													
Accounts and retainages payable	\$ 197	-	89	-	-	-	26,022	12,212	38,234	38,520			
Accrued expenses	-	-	409	-	-	-	-	-	-	409			
Due to other funds	8,750	-	-	-	-	-	-	-	-	8,750			
Total liabilities	8,947	-	498	-	-	-	26,022	12,212	38,234	47,679			
Fund balances:													
Restricted	242,726	120	77,340	12,905	6,070	3,529	-	1,144,005	1,144,005	1,486,695			
Assigned	-	-	-	-	-	-	2,855,596	-	2,855,596	2,855,596			
Total fund balances	242,726	120	77,340	12,905	6,070	3,529	2,855,596	1,144,005	3,999,601	4,342,291			
Total liabilities and fund balances	\$ 251,673	120	77,838	12,905	6,070	3,529	2,881,618	1,156,217	4,037,835	4,389,970			

See accompanying independent auditor's report.

City of Burnet, Texas

**Combining Schedule of Revenues, Expenditures and
Changes in Fund Balance
Nonmajor Governmental Funds**

Year Ended September 30, 2022

	Special Revenue										Capital Projects			Total Nonmajor Governmental Funds
	Hotel/ Motel Tax	Police Seizure	Court Security and Technology	FD Community	PD Explorer Program	FD Explorer Program	Total	General Capital Equipment	Airport Capital Project	Total	Total			
Revenues:	\$ 211,369	-	-	-	-	-	211,369	-	-	-	-	-	211,369	
Hotel/motel taxes	-	-	-	-	-	-	-	-	62,689	-	-	62,689	62,689	
Intergovernmental	-	-	22,725	-	-	-	22,725	-	-	-	-	-	22,725	
Fines	512	-	33	-	2	1	548	4,977	-	-	-	4,977	5,525	
Interest	1,154	-	-	2,389	343	-	3,886	-	-	-	-	-	3,886	
Miscellaneous	213,035	-	22,758	2,389	345	1	238,528	4,977	62,689	-	-	67,666	306,194	
Total revenues														
Expenditures:														
Current:														
Public safety	-	-	7,227	-	887	412	8,526	-	-	-	-	-	8,526	
Economic development	82,351	-	-	-	-	-	82,351	-	-	-	-	-	82,351	
Capital outlay	-	-	-	-	-	-	-	199,148	234,565	433,713	-	-	433,713	
Total expenditures	82,351	-	7,227	-	887	412	90,877	199,148	234,565	433,713	-	-	524,590	
Excess (deficiency) of revenues over (under) expenditures	130,684	-	15,531	2,389	(542)	(411)	147,651	(194,171)	(171,876)	(366,047)	-	-	(218,396)	
Other financing sources (uses):														
Proceeds from sale of capital assets	-	-	-	-	-	-	-	28,611	-	-	-	-	28,611	
Transfers in	-	-	-	-	-	-	-	733,967	184,012	917,979	-	-	917,979	
Transfers out	(68,208)	-	-	-	-	-	(68,208)	-	-	-	-	-	(68,208)	
Total other financing sources (uses)	(68,208)	-	-	-	-	-	(68,208)	762,578	184,012	946,590	-	-	878,382	
Net change in fund balances	62,476	-	15,531	2,389	(542)	(411)	79,443	568,407	12,136	580,543	-	-	659,986	
Fund balances, beginning of year	180,250	120	61,809	10,516	6,612	3,940	263,247	2,287,189	1,131,869	3,419,058	-	-	3,682,305	
Fund balances, end of year	\$ 242,726	120	77,340	12,905	6,070	3,529	342,690	2,855,596	1,144,005	3,999,601	-	-	4,342,291	

See accompanying independent auditor's report.

City of Burnet, Texas
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual – Budgetary Basis

Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/motel taxes	\$ 170,000	170,000	211,369	41,369
Interest earned	250	250	512	262
Miscellaneous	<u>1,031</u>	<u>1,031</u>	<u>1,154</u>	<u>123</u>
Total revenues	<u>171,281</u>	<u>171,281</u>	<u>213,035</u>	<u>41,754</u>
Expenditures:				
Economic development	<u>91,200</u>	<u>97,646</u>	<u>82,351</u>	<u>15,295</u>
Total expenditures	<u>91,200</u>	<u>97,646</u>	<u>82,351</u>	<u>15,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80,081</u>	<u>73,635</u>	<u>130,684</u>	<u>57,049</u>
Other financing uses:				
Transfers out	<u>(56,265)</u>	<u>(74,819)</u>	<u>(68,208)</u>	<u>6,611</u>
Total other financing uses	<u>(56,265)</u>	<u>(74,819)</u>	<u>(68,208)</u>	<u>6,611</u>
Net change in fund balances	23,816	(1,184)	62,476	63,660
Fund balances, beginning of year	<u>180,250</u>	<u>180,250</u>	<u>180,250</u>	<u>-</u>
Fund balances, end of year	<u>\$ 204,066</u>	<u>179,066</u>	<u>242,726</u>	<u>63,660</u>

See accompanying independent auditor's report.

City of Burnet, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual – Budgetary Basis

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	429,978	429,978	538,498	108,520
Interest	700	700	328	(372)
Total revenues	430,678	430,678	538,826	108,148
Expenditures:				
Debt service:				
Principal	295,000	295,000	295,000	-
Interest and fiscal charges	196,278	197,027	197,025	2
Total expenditures	491,278	492,027	492,025	2
Excess (deficiency) of revenues over (under) expenditures	(60,600)	(61,349)	46,801	108,150
Other financing sources (uses):				
Transfers in	61,300	61,299	-	(61,299)
Net change in fund balances	700	(50)	46,801	46,851
Fund balances, beginning of year	173,805	173,805	173,805	-
Fund balances, end of year	\$ 174,505	173,755	220,606	46,851

See accompanying independent auditor's report.

City of Burnet, Texas
Hotel/Motel Tax and Debt Service Funds
Note to Schedules of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual –
Budgetary Basis

Year Ended September 30, 2022

1. Budgetary Information

Annual budgets are legally adopted for the following funds (under the City’s budgetary fund structure): the general fund, the airport fund, the hotel/motel tax fund, and the debt service fund. Capital projects funds are generally planned on both a project-length basis and an annual basis. Also, operating plans are developed for the electric fund, water and sewer fund and the Delaware Springs Golf Course fund.

The appropriated budget is prepared by fund, department and object. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored in the subsequent year.

The City prepares its appropriated budgets on a budgetary basis structure which differs from that used for financial reporting in accordance with generally accepted accounting principles (“GAAP”). The budget and all transactions of the hotel/motel tax and debt service funds are presented in accordance with the City’s budgetary basis structure to provide a meaningful comparison of actual results with the budget. The major difference between the budgetary basis and the GAAP basis is that the budgetary basis uses a fund structure which is used in the City’s legally adopted budget (rather than the fund structure used in their financial statements) which results in certain activities reported on a GAAP basis which are not included on a budgetary basis. Also, all leases are considered to be short-term leases. There were no adjustments necessary for the hotel/motel tax and debt service funds to convert the net change in fund balance on the budgetary basis to a GAAP basis.



City of Burnet, Texas

**Burnet Economic Development Corporation
Discretely Presented Component Unit
Comparative Statement of Net Position**

September 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,764,476	1,365,358
Receivables (net of allowance for uncollectibles)	278,902	157,513
Properties held for resale	2,458,398	1,507,641
Total current assets	4,501,776	3,030,512
Noncurrent assets:		
Restricted cash and cash equivalents	190,029	1,040,790
Capital assets:		
Land	41,360	41,360
Buildings	3,376,976	3,376,976
Machinery and equipment	13,780	13,780
Less accumulated depreciation	(295,195)	(182,629)
Total capital assets, net	3,136,921	3,249,487
Total noncurrent assets	3,326,950	4,290,277
Total assets	7,828,726	7,320,789
Liabilities		
Current liabilities:		
Accounts payable	4,025	-
Accrued interest payable	13,685	14,656
Due to primary government	29,598	29,598
General obligation debt payable - current	115,000	110,000
Long-term note payable - current	126,857	123,284
Total current liabilities	289,165	277,538
Noncurrent liabilities:		
General obligation debt payable	1,510,000	1,625,000
Long-term note payable	1,129,652	1,256,509
Total noncurrent liabilities	2,639,652	2,881,509
Total liabilities	2,928,817	3,159,047
Deferred Inflows of Resources		
Unavailable revenue - leases	112,835	-
Net Position		
Net investment in capital assets	2,070,441	2,910,484
Unrestricted	2,716,633	1,251,258
Total net position	\$ 4,787,074	4,161,742

See accompanying independent auditor's report.

City of Burnet, Texas
Burnet Economic Development Corporation
Discretely Presented Component Unit
Comparative Statement of Revenues, Expenses and Changes in Net Position
Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Charges for sales and services	\$ 111,560	238,211
Total operating revenues	<u>111,560</u>	<u>238,211</u>
Operating expenses:		
Purchased services	156,259	107,778
Materials and supplies	6,720	84,414
Other operating expenses	17,270	245
Depreciation	112,566	112,566
Total operating expenses	<u>292,815</u>	<u>305,003</u>
Operating loss	<u>(181,255)</u>	<u>(66,792)</u>
Nonoperating revenues (expenses):		
Sales taxes	901,487	808,685
Interest earnings	20,058	697
Interest expense	(114,958)	(90,493)
Total nonoperating revenues (expenses)	<u>806,587</u>	<u>718,889</u>
Change in net position	625,332	652,097
Net position, beginning of year	<u>4,161,742</u>	<u>3,509,645</u>
Net position, end of year	<u>\$ 4,787,074</u>	<u>4,161,742</u>

See accompanying independent auditor's report.



Statistical Section



Statistical Section

This part of the City of Burnet's Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends (Tables 1 – 4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Tables 5 – 9)

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity (Tables 10 – 17)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 18 – 19)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Tables 20 – 22)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

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

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 18,146,841	20,794,433	21,214,029	28,741,370	30,231,996
Restricted	3,910,159	1,278,648	1,340,997	1,238,789	1,235,092
Unrestricted	<u>76,892</u>	<u>328,263</u>	<u>774,101</u>	<u>(80,675)</u>	<u>(99,778)</u>
Total governmental activities net position	<u>\$ 22,133,892</u>	<u>22,401,344</u>	<u>23,329,127</u>	<u>29,899,484</u>	<u>31,367,310</u>
Business-type activities					
Net investment in capital assets	\$ 17,150,141	17,877,613	17,511,195	18,152,400	18,881,590
Restricted	-	-	-	-	-
Unrestricted	<u>1,796,453</u>	<u>3,216,317</u>	<u>2,988,386</u>	<u>2,547,964</u>	<u>2,217,305</u>
Total business-type activities net position	<u>\$ 18,946,594</u>	<u>21,093,930</u>	<u>20,499,581</u>	<u>20,700,364</u>	<u>21,098,895</u>
Primary government					
Net investment in capital assets	\$ 35,296,982	38,672,046	38,725,224	46,893,770	49,113,586
Restricted	3,910,159	1,278,648	1,340,997	1,238,789	1,235,092
Unrestricted	<u>1,873,345</u>	<u>3,544,580</u>	<u>3,762,487</u>	<u>2,467,289</u>	<u>2,117,527</u>
Total primary government net position	<u>\$ 41,080,486</u>	<u>43,495,274</u>	<u>43,828,708</u>	<u>50,599,848</u>	<u>52,466,205</u>

Table 1

2018	2019	2020	2021	2022
30,869,534	32,264,739	33,804,992	34,193,243	34,842,074
1,314,155	1,125,161	1,062,536	1,290,949	1,366,394
<u>(2,141,612)</u>	<u>(2,772,944)</u>	<u>(2,202,019)</u>	<u>(862,966)</u>	<u>2,275,916</u>
<u>30,042,077</u>	<u>30,616,956</u>	<u>32,665,509</u>	<u>34,621,226</u>	<u>38,484,384</u>
19,529,455	20,825,955	20,380,238	20,347,624	20,684,865
-	-	-	-	-
<u>962,974</u>	<u>652,130</u>	<u>1,813,119</u>	<u>1,251,455</u>	<u>1,712,207</u>
<u>20,492,429</u>	<u>21,478,085</u>	<u>22,193,357</u>	<u>21,599,079</u>	<u>22,397,072</u>
50,398,989	53,090,694	54,185,230	54,540,867	55,526,939
1,314,155	1,125,161	1,062,536	1,290,949	1,366,394
<u>(1,178,638)</u>	<u>(2,120,814)</u>	<u>(388,900)</u>	<u>388,489</u>	<u>3,988,123</u>
<u>50,534,506</u>	<u>52,095,041</u>	<u>54,858,866</u>	<u>56,220,305</u>	<u>60,881,456</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 2,045,482	1,832,646	1,935,695	2,128,923	2,230,501
Public safety	4,128,331	4,936,996	5,115,418	5,468,034	5,718,420
Highways and streets	726,804	743,803	735,677	764,824	883,301
Aviation services	695,348	699,167	585,925	430,876	633,950
Culture and recreation	1,403,848	1,032,949	980,761	1,001,469	987,084
Sanitation	735,846	754,222	785,024	775,516	764,511
Economic development	311,833	154,296	236,673	498,496	150,989
Interest	139,485	113,603	99,480	87,978	80,111
Total governmental activities expenses	<u>10,186,977</u>	<u>10,267,682</u>	<u>10,474,653</u>	<u>11,156,116</u>	<u>11,448,867</u>
Business-type activities:					
Electric	6,578,568	6,956,392	7,287,947	6,035,719	6,057,551
Water and sewer	2,557,321	2,499,121	2,679,434	2,942,937	2,988,463
Delaware Springs Golf Course	1,621,800	1,643,559	1,615,377	1,536,738	1,683,511
Total business-type activities expenses	<u>10,757,689</u>	<u>11,099,072</u>	<u>11,582,758</u>	<u>10,515,394</u>	<u>10,729,525</u>
Total primary government expenses	<u>\$ 20,944,666</u>	<u>21,366,754</u>	<u>22,057,411</u>	<u>21,671,510</u>	<u>22,178,392</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 234,253	249,286	208,301	186,002	170,918
Public safety	1,898,221	1,858,195	2,072,672	1,884,904	1,751,748
Aviation services	789,316	825,914	652,944	590,356	779,047
Culture and recreation	529,659	21,534	21,012	24,058	17,008
Sanitation	834,762	845,773	898,728	863,235	925,486
Operating grants and contributions	486,510	372,945	532,971	565,044	607,145
Capital grants and contributions	569,961	812,732	767,048	6,200,801	1,185,608
Total governmental activities program revenues	<u>5,342,682</u>	<u>4,986,379</u>	<u>5,153,676</u>	<u>10,314,400</u>	<u>5,436,960</u>
Business-type activities:					
Charges for services:					
Electric	9,170,470	9,570,705	9,895,841	8,529,957	8,521,053
Water and sewer	4,013,509	4,053,284	4,038,239	4,069,235	4,207,289
Delaware Springs Golf Course	1,352,686	1,274,035	1,308,048	1,313,858	1,389,782
Capital grants and contributions	49,363	161,496	26,649	166,277	166,277
Total business-type activities program revenues	<u>14,586,028</u>	<u>14,898,024</u>	<u>15,403,624</u>	<u>13,939,699</u>	<u>14,284,401</u>
Total primary government program revenues	<u>\$ 19,928,710</u>	<u>19,884,403</u>	<u>20,557,300</u>	<u>24,254,099</u>	<u>19,721,361</u>
Net (expense)/revenue					
Governmental activities	\$ (4,844,295)	(5,281,303)	(5,320,977)	(841,716)	(6,011,907)
Business-type activities	<u>3,828,339</u>	<u>3,798,952</u>	<u>3,820,866</u>	<u>3,424,305</u>	<u>3,554,876</u>
Total primary government net expense	<u>\$ (1,015,956)</u>	<u>(1,482,351)</u>	<u>(1,500,111)</u>	<u>2,582,589</u>	<u>(2,457,031)</u>

Table 2

2018	2019	2020	2021	2022
2,332,969	2,288,577	2,709,203	2,587,631	2,844,286
5,588,410	6,621,584	6,747,415	7,350,318	7,670,549
868,877	998,227	1,182,772	1,135,566	1,434,226
729,812	1,093,963	741,666	930,254	1,382,867
942,121	998,187	977,788	1,053,829	1,180,523
801,329	844,095	879,551	920,917	976,671
360,908	170,345	145,148	76,457	82,351
69,592	56,662	182,268	264,949	206,101
<u>11,694,018</u>	<u>13,071,640</u>	<u>13,565,811</u>	<u>14,319,921</u>	<u>15,777,574</u>
6,457,978	6,547,489	6,596,612	6,781,809	6,952,848
3,074,170	3,294,198	3,213,760	3,363,972	3,652,482
1,609,209	1,789,522	1,677,563	1,878,176	1,966,802
<u>11,141,357</u>	<u>11,631,209</u>	<u>11,487,935</u>	<u>12,023,957</u>	<u>12,572,132</u>
<u>22,835,375</u>	<u>24,702,849</u>	<u>25,053,746</u>	<u>26,343,878</u>	<u>28,349,706</u>
218,257	263,089	297,132	314,654	533,015
2,065,945	2,061,493	2,215,738	2,363,198	3,416,730
847,149	775,946	613,680	893,683	1,261,086
16,748	21,013	2,500	20,976	82,596
954,670	981,223	1,039,547	1,099,224	1,172,398
690,265	853,397	934,478	1,128,376	1,625,461
85,709	926,587	645,914	49,504	206,039
<u>4,878,743</u>	<u>5,882,748</u>	<u>5,748,989</u>	<u>5,869,615</u>	<u>8,297,325</u>
9,067,840	9,286,346	9,499,716	9,125,087	10,436,014
4,374,178	4,350,687	4,568,093	4,620,814	4,933,125
1,456,633	1,363,083	1,329,072	1,783,795	2,213,364
-	189,568	1,070,193	70,520	5,892
<u>14,898,651</u>	<u>15,189,684</u>	<u>16,467,074</u>	<u>15,600,216</u>	<u>17,588,395</u>
<u>19,777,394</u>	<u>21,072,432</u>	<u>22,216,063</u>	<u>21,469,831</u>	<u>25,885,720</u>
(6,815,275)	(7,188,892)	(7,816,822)	(8,450,306)	(7,480,249)
<u>3,757,294</u>	<u>3,558,475</u>	<u>4,979,139</u>	<u>3,576,259</u>	<u>5,016,263</u>
<u>(3,057,981)</u>	<u>(3,630,417)</u>	<u>(2,837,683)</u>	<u>(4,874,047)</u>	<u>(2,463,986)</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 2,042,766	2,078,955	2,139,732	2,245,634	2,276,681
Sales taxes	1,336,209	1,432,699	1,475,565	1,578,655	1,705,022
Franchise taxes	117,988	125,108	139,780	125,361	132,068
Hotel/motel taxes	101,431	108,832	136,372	151,168	165,925
Unrestricted investment earnings	160,002	86,584	60,127	9,266	15,367
Miscellaneous	-	-	-	-	-
Gain on sale of capital assets	350,000	2,640	3,028	73,141	22,588
Transfers	5,007,698	1,713,937	3,792,711	3,228,848	3,162,082
Total governmental activities	<u>9,116,094</u>	<u>5,548,755</u>	<u>7,747,315</u>	<u>7,412,073</u>	<u>7,479,733</u>
Business-type activities:					
Unrestricted investment earnings	14,753	56,859	59,421	5,326	5,737
Miscellaneous	-	-	-	-	-
Gain on sale of capital assets	-	5,762	-	-	-
Transfers	(5,007,698)	(1,713,937)	(3,792,711)	(3,228,848)	(3,162,082)
Total business-type activities	<u>(4,992,945)</u>	<u>(1,651,316)</u>	<u>(3,733,290)</u>	<u>(3,223,522)</u>	<u>(3,156,345)</u>
Total primary government	<u>\$ 4,123,149</u>	<u>3,897,439</u>	<u>4,014,025</u>	<u>4,188,551</u>	<u>4,323,388</u>
Change in Net Position					
Governmental activities	\$ 4,271,799	267,452	2,426,338	6,570,357	1,467,826
Business-type activities	<u>(1,164,606)</u>	<u>2,147,636</u>	<u>87,576</u>	<u>200,783</u>	<u>398,531</u>
Total primary government	<u>\$ 3,107,193</u>	<u>2,415,088</u>	<u>2,513,914</u>	<u>6,771,140</u>	<u>1,866,357</u>

Table 2
(continued)

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
2,709,971	2,803,398	3,036,155	3,306,674	3,630,280
1,675,298	1,815,467	2,158,149	2,426,055	2,704,461
133,242	178,949	153,535	161,960	180,005
172,794	188,403	152,756	209,190	211,369
32,468	72,170	67,975	4,157	117,625
-	-	-	-	-
100,781	79,741	-	-	-
<u>2,558,930</u>	<u>2,625,643</u>	<u>4,296,805</u>	<u>4,297,987</u>	<u>4,499,667</u>
<u>7,383,484</u>	<u>7,763,771</u>	<u>9,865,375</u>	<u>10,406,023</u>	<u>11,343,407</u>
21,862	52,149	32,938	2,790	2,016
-	-	-	-	-
-	675	-	-	279,381
<u>(2,558,930)</u>	<u>(2,625,643)</u>	<u>(4,296,805)</u>	<u>(4,297,987)</u>	<u>(4,499,667)</u>
<u>(2,537,068)</u>	<u>(2,572,819)</u>	<u>(4,263,867)</u>	<u>(4,295,197)</u>	<u>(4,218,270)</u>
<u>4,846,416</u>	<u>5,190,952</u>	<u>5,601,508</u>	<u>6,110,826</u>	<u>7,125,137</u>
568,209	574,879	2,048,553	1,955,717	3,863,158
<u>1,220,226</u>	<u>985,656</u>	<u>715,272</u>	<u>(718,938)</u>	<u>797,993</u>
<u>1,788,435</u>	<u>1,560,535</u>	<u>2,763,825</u>	<u>1,236,779</u>	<u>4,661,151</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
General fund					
Reserved	\$ -	-	-	-	-
Unreserved, designated	-	-	-	-	-
Nonspendable	68,963	26,258	34,715	50,566	50,454
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	<u>3,175,252</u>	<u>1,962,327</u>	<u>4,072,418</u>	<u>3,900,868</u>	<u>4,267,005</u>
Total general fund	<u>\$ 3,244,215</u>	<u>1,988,585</u>	<u>4,107,133</u>	<u>3,951,434</u>	<u>4,317,459</u>
All other governmental funds					
Reserved	\$ -	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	57,549	31,988	23,382	35,120	34,647
Restricted for:					
Debt service	124,490	120,691	174,187	194,298	161,167
Capital projects	-	-	-	-	-
Aviation services	-	825,598	787,609	583,320	720,176
Public safety	1,048,050	-	-	-	-
Other purposes	1,375,796	283,494	335,826	405,857	443,014
Committed to:					
EMS fund	-	-	-	-	-
Other funds	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	245,071	238,148
Other funds	981,172	727,856	595,825	293,272	484,646
Unassigned	<u>(1,139)</u>	<u>(362,151)</u>	<u>(174,961)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,585,918</u>	<u>1,627,476</u>	<u>1,741,868</u>	<u>1,756,938</u>	<u>2,081,798</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Table 3

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
-	-	-	-	-
-	-	-	-	-
36,831	64,178	30,388	26,382	33,809
-	-	-	-	-
-	-	-	-	-
<u>4,120,481</u>	<u>3,763,630</u>	<u>4,007,662</u>	<u>4,935,031</u>	<u>6,089,406</u>
<u>4,157,312</u>	<u>3,827,808</u>	<u>4,038,050</u>	<u>4,961,413</u>	<u>6,123,215</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
80,641	43,070	30,355	54,272	85,468
172,217	160,286	186,688	173,805	220,606
-	-	-	5,512,394	5,037,081
811,348	674,307	655,053	783,539	705,846
-	-	-	82,997	99,964
232,911	185,638	176,974	180,250	242,726
-	-	-	-	-
-	-	-	-	-
238,148	-	15,607	-	4,384,465
916,581	1,422,626	2,164,128	2,287,189	-
-	-	-	-	-
<u>2,451,846</u>	<u>2,485,927</u>	<u>3,228,805</u>	<u>9,074,446</u>	<u>10,776,156</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 3,574,554	3,774,931	3,889,905	4,094,869	4,308,989
Licenses and permits	38,934	29,124	35,416	43,302	48,375
Intergovernmental	309,008	418,804	454,410	466,308	525,335
Charges for services	3,100,831	2,481,080	2,866,090	2,628,738	2,517,800
Fines	152,281	109,499	105,213	138,653	171,494
Interest	160,002	86,584	60,127	9,266	15,367
Rents & Royalties	-	-	-	-	-
Contributions and donations	284,860	439,141	13,247	357,735	46,827
Fuel Sales	594,681	628,419	450,941	387,664	571,420
Miscellaneous	459,050	482,580	461,311	449,548	444,416
Total revenues	<u>8,674,201</u>	<u>8,450,162</u>	<u>8,336,660</u>	<u>8,576,083</u>	<u>8,650,023</u>
Expenditures					
General government	1,441,336	1,603,151	1,617,461	1,734,087	1,884,218
Public safety	3,784,937	4,126,923	4,349,630	4,432,456	4,754,902
Highways and streets	474,637	413,237	401,815	404,575	500,807
Aviation services	669,973	660,658	546,632	400,793	599,848
Culture and recreation	1,617,372	1,570,961	756,395	728,381	716,884
Solid waste	735,846	754,222	785,024	775,516	764,511
Economic development	136,833	154,296	166,347	495,398	147,985
Debt service	942,560	1,417,619	412,766	383,010	377,018
Capital outlay	1,889,007	2,868,984	821,510	2,754,235	1,397,635
Total expenditures	<u>11,692,501</u>	<u>13,570,051</u>	<u>9,857,580</u>	<u>12,108,451</u>	<u>11,143,808</u>
Excess of revenues over (under) expenditures	<u>(3,018,300)</u>	<u>(5,119,889)</u>	<u>(1,520,920)</u>	<u>(3,532,368)</u>	<u>(2,493,785)</u>
Other financing sources (uses)					
Insurance recoveries	-	340	3,028	73,141	13,104
Certificate of obligation issued	2,240,000	-	-	-	-
Sale of assets	175,000	2,300	-	-	9,484
Transfers in	7,145,633	4,660,317	4,999,879	6,796,823	4,305,350
Other resources	-	-	-	-	-
Transfers out	(1,771,290)	(2,757,140)	(1,207,168)	(3,478,225)	(1,143,268)
Issuance of debt	-	-	-	-	-
Other uses	-	-	-	-	-
Total other financing sources (uses)	<u>7,789,343</u>	<u>1,905,817</u>	<u>3,795,739</u>	<u>3,391,739</u>	<u>3,184,670</u>
Net change in fund balances	<u>\$ 4,771,043</u>	<u>(3,214,072)</u>	<u>2,274,819</u>	<u>(140,629)</u>	<u>690,885</u>
Debt service as a percentage of noncapital expenditures	9.61%	12.71%	6.80%	3.62%	4.43%

Table 4

2018	2019	2020	2021	2022
4,653,385	4,976,544	5,533,614	6,058,885	6,728,256
76,264	96,049	129,465	90,591	232,002
549,042	691,831	1,016,354	1,238,814	2,555,150
2,876,101	2,918,726	2,810,599	3,109,901	3,599,251
154,334	141,039	141,993	155,890	170,465
32,468	72,170	60,051	4,157	89,014
-	-	-	-	-
55,803	308,274	281,646	111,118	146,276
645,987	579,980	403,961	683,989	1,056,314
521,212	653,649	394,956	479,312	537,867
<u>9,564,596</u>	<u>10,438,262</u>	<u>10,772,639</u>	<u>11,932,657</u>	<u>15,114,595</u>
2,018,763	1,994,505	2,407,351	2,237,383	2,533,513
4,909,014	5,530,537	5,586,519	6,225,567	6,787,298
506,475	500,252	658,101	623,699	819,645
680,576	591,772	463,677	642,079	1,034,867
730,237	672,571	674,580	760,648	842,407
801,329	844,095	879,551	920,917	976,671
360,908	170,345	145,060	76,457	82,351
373,385	980,408	453,711	1,653,061	628,923
<u>1,633,719</u>	<u>2,207,471</u>	<u>5,940,047</u>	<u>2,464,697</u>	<u>3,073,686</u>
<u>12,014,406</u>	<u>13,491,956</u>	<u>17,208,597</u>	<u>15,604,508</u>	<u>16,779,361</u>
<u>(2,449,810)</u>	<u>(3,053,694)</u>	<u>(6,435,958)</u>	<u>(3,671,851)</u>	<u>(1,664,766)</u>
9,377	125,368	3,976	-	-
-	-	2,920,000	5,755,000	-
91,404	7,260	3,948	-	28,611
4,683,078	5,172,297	7,708,438	7,440,115	9,136,607
-	-	164,349	387,868	-
(2,124,148)	(2,546,654)	(3,411,633)	(3,142,128)	(4,636,940)
-	-	-	-	-
-	-	-	-	-
<u>2,659,711</u>	<u>2,758,271</u>	<u>7,389,078</u>	<u>10,440,855</u>	<u>4,528,278</u>
<u>209,901</u>	<u>(295,423)</u>	<u>953,120</u>	<u>6,769,004</u>	<u>2,863,512</u>
3.52%	8.44%	3.96%	12.42%	4.34%

Table 5

City of Burnet, Texas
General Governmental Tax Revenues by Source
(Unaudited)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax (1)	Sales Tax	Franchise Tax	Hotel/Motel Occupancy Tax	Total
2013	2,018,926	1,336,209	117,988	101,431	3,574,554
2014	2,108,292	1,432,699	125,108	108,832	3,774,931
2015	2,138,188	1,475,565	139,780	136,372	3,889,905
2016	2,239,685	1,578,655	125,361	151,168	4,094,869
2017	2,305,974	1,705,022	132,068	165,925	4,308,989
2018	2,709,971	1,675,298	133,242	172,794	4,691,305
2019	2,803,398	1,815,467	178,949	188,403	4,986,217
2020	3,036,155	2,158,149	153,535	152,756	5,500,595
2021	3,261,680	2,426,055	161,960	209,190	6,058,885
2022	3,632,421	2,704,461	180,005	211,369	6,728,256

(1) Includes penalty and interest on delinquent taxes

City of Burnet, Texas
Assessed Value and Estimated Actual Value of Taxable Property (1)
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2013	406,227,634	40,243,357	111,833,378	334,637,613	0.6265	446,470,991	74.95 %
2014	406,994,195	42,934,342	111,286,608	338,641,929	0.6265	449,928,537	75.27 %
2015	518,198,357	45,958,625	210,993,313	353,163,669	0.6265	564,156,982	62.60 %
2016	556,280,640	47,187,181	232,587,695	370,880,126	0.6265	603,467,821	61.46 %
2017	572,728,002	53,172,338	246,284,832	379,615,508	0.6265	625,900,340	60.65 %
2018	626,018,861	56,742,971	244,938,772	437,823,060	0.6237	682,761,832	64.13 %
2019	691,575,136	55,812,105	271,524,447	475,862,794	0.6237	747,387,241	63.67 %
2020	737,114,976	65,495,455	275,852,919	526,757,512	0.6237	802,610,431	65.63 %
2021	765,753,218	63,873,110	269,799,959	559,826,369	0.6181	829,626,328	67.48 %
2022	850,224,222	73,167,479	292,825,435	630,566,266	0.6131	923,391,701	68.29 %

Source: Burnet County Appraisal District

(1) To derive taxable value, deductions from estimated actual value are made for caps on homestead increases, abatements, totally exempt property, exemptions for agriculture use, ownership by individuals over 65, and disabled veterans.

City of Burnet, Texas
Property Tax Rates
Direct and Overlapping Governments (1)
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	City of Burnet			Overlapping Rates			Total Direct and Overlapping Rates	
	Operating Rate	Debt Service Rate	Total Rate	Burnet County	Co Special, Road & Bridge	Burnet C.I.S.D.		Central Texas Water Conservation District
TAX RATES (Per \$100 assessed value)								
2013	0.5781	0.0484	0.6265	0.3517	0.0417	1.2625	0.0099	2.2923
2014	0.5315	0.0950	0.6265	0.3533	0.0418	1.2625	0.0098	2.2939
2015	0.5155	0.1110	0.6265	0.3700	0.0440	1.2625	0.0096	2.3126
2016	0.5200	0.1065	0.6265	0.3601	0.0424	1.3300	0.0091	2.3681
2017	0.5392	0.0873	0.6265	0.3551	0.0418	1.3200	0.0091	2.3525
2018	0.5403	0.0834	0.6237	0.3551	0.0418	1.2800	0.0085	2.3091
2019	0.5507	0.0730	0.6237	0.3483	0.0417	1.2600	0.0080	2.2817
2020	0.5430	0.0807	0.6237	0.3582	0.0417	1.1850	0.0074	2.2160
2021	0.5514	0.0667	0.6181	0.3582	0.0417	1.1463	0.0072	2.1715
2022	0.5216	0.0915	0.6131	0.3530	0.0467	1.0770	0.0067	2.0965

Source: Burnet County Appraisal District

(1) Overlapping rates and levies are those of local and county governments that apply to property owners within the City of Burnet. Not all overlapping rates and levies apply to all City of Burnet property owners (e.g., the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

Table 8

City of Burnet, Texas
Principal Property Taxpayers
(Unaudited)
Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Entegris, Inc	\$ 9,844,570	1	1.07 %	\$ -		0.00 %
Entegris, Inc	8,589,665	2	0.93 %	-		
Caterpillar Financial Services	5,338,087	3	0.58 %			0.00 %
R&L Partnership, LLC	5,060,884	4	0.55 %	2,005,621	5	0.45 %
Judy & Thrasher, Inc	3,721,323	5	0.40 %	3,338,241	2	0.75 %
Atmos Energy/Mid-Tex Distribut	3,258,645	6	0.35 %			
GAB Rental, LLC	3,235,652	7	0.35 %			
Del Mar Management, LLC	3,087,895	8	0.33 %			0.00 %
Hoover Building Supply INC.	2,851,911	9	0.31 %	2,271,837	3	0.51 %
Burnet Hotel, LLc	2,529,063	10	0.27 %			0.00 %
ATMI Materials inc	-		-	20,274,422	1	4.54 %
MAHADEV LLC	-		-	1,880,237	7	0.42 %
First State Bank of Burnet	-		-	1,909,223	6	0.43 %
Sure Cast	-		-	2,235,530	4	0.50 %
LCRA Transmission Service Corp	-		-	1,876,550	8	0.42 %
Fickett Franklin I Chariable Foundatic	-		-	1,760,235	9	0.19 %
Atkission Burnet, LTD				1,603,023	10	
Totals	\$ <u>47,517,695</u>		<u>5.15 %</u>	\$ <u>39,154,919</u>		<u>8.21 %</u>

Source: Burnet County Appraisal District

Table 9

City of Burnet, Texas
Property Tax Levies and Collections
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		*Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2,011,264	1,955,724	97.24	47,054	2,002,778	99.58
2014	2,043,399	2,009,792	98.36	21,925	2,031,717	99.43
2015	2,135,048	2,092,046	97.99	27,593	2,119,639	99.28
2016	2,222,953	2,182,536	98.18	27,236	2,209,772	99.41
2017 (1)	2,332,812	2,235,486	95.83	91,227	2,326,713	99.74
2018	2,596,423	2,545,204	98.03	33,800	2,579,004	99.33
2019	2,793,355	2,725,436	97.57	39,294	2,764,730	98.98
2020	3,056,024	3,004,098	98.30	35,724	3,039,822	99.47
2021	3,216,208 (2)	3,178,525	98.83	17,321	3,195,846	99.37
2022	3,591,240	3,545,050	98.71	-	3,545,050	98.71

Sources: Burnet Central Appraisal District
Finance Department, City of Burnet, Texas

Notes: (1) Fiscal Year 2017: Total Tax Levy was adjusted from \$2,279,374 to \$2,332,812
(2) Fiscal Year 2021: Levy amount collected within the fiscal year was adjusted from \$3,276,452 to \$3,178,525
(*) Collections in subsequent years do not include Penalty I&S; Interest M&O;
Interest I&S; Attorney Fees; Other Fees; Overages; Unpaid Refunds.

Table 10

City of Burnet, Texas
Ratios of Outstanding Debt by Type
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Leases	General Obligation Bonds with Revenue Pledge	Capital Leases			
2013	4,846,475	-	24,342,000	2,082	29,190,557	25.21 %	1,529
2014	3,561,983	-	23,314,492	-	26,876,475	25.57 %	1,561
2015	3,250,203	-	22,271,272	-	25,521,475	22.32 %	1,375
2016	2,956,559	-	21,306,916	-	24,263,475	17.27 %	1,063
2017	2,661,051	-	20,343,424	-	23,004,475	16.28 %	1,005
2018	2,358,678	-	19,503,797	-	21,862,475	15.21 %	973
2019	1,440,000	-	18,658,475	-	20,098,475	13.99 %	895
2020	4,095,000	-	18,742,475	-	22,837,475	15.89 %	1,017
2021	8,450,000	-	17,725,000	-	26,175,000	13.98 %	922
2022	8,120,000	-	16,825,000	-	24,945,000	11.69 %	763

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Burnet, Texas
Ratios of General Bonded Debt Outstanding
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Taxable Value (1) of Property	Per Capita (2)
2013	4,846,475	124,490	4,721,985	1.41%	782
2014	3,561,983	120,691	3,441,292	1.02%	567
2015	3,250,203	174,187	3,076,016	0.87%	504
2016	2,956,559	194,298	2,762,261	0.74%	448
2017	2,661,051	161,167	2,499,884	0.66%	406
2018	2,358,678	172,217	2,186,461	0.50%	352
2019	1,440,000	160,286	1,279,714	0.27%	204
2020	4,095,000	186,688	3,908,312	0.74%	599
2021	8,450,000	173,805	8,276,195	1.48%	1,255
2022	8,120,000	220,606	7,899,394	1.25%	1,210

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

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Burnet, Texas
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds
(Unaudited)
September 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Burnet	\$ <u>8,120,000</u> (1)	100.00 %	\$ <u>8,120,000</u>
Total direct	<u>8,120,000</u>		<u>8,120,000</u>
Overlapping:			
Burnet Consolidated Independent School District	63,985,000	21.82	13,961,527
Burnet County	<u>7,374,439</u>	7.44	<u>548,658</u>
Total overlapping	<u>71,359,439</u>		<u>14,510,185</u>
Total direct and overlapping debt	\$ <u><u>79,479,439</u></u>		\$ <u><u>22,630,185</u></u>

Source: City of Burnet, Texas Comptroller Website

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Burnet. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the

(1) Excluding general obligation bonds reported in the enterprise funds.



City of Burnet, Texas
Computation of Maximum Debt Margin
(Unaudited)
September 30, 2022

The City of Burnet has no legal debt limit established by its charter or ordinances. Article XI, Section 5, of the Texas Constitution is applicable to the City and limits the maximum ad valorem tax rate to \$2.50 per \$100 Assessed Valuation (for all City purposes). The City operates under a Home Rule Charter that does not limit its ad valorem tax rate. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the maximum tax rate for general obligation debt service.

Assessed value, fiscal year 2022 tax roll	\$ 630,566,266
Limit on amount designated for debt service	<u>1.50%</u>
Legal debt limit	\$ <u>9,458,494</u>
Actual amount expended for general obligation debt service during the year ended September 30, 2022	\$ <u>1,540,861</u>

City of Burnet, Texas
Pledged-Revenue Coverage
Water and Sewer Bonds and Certificates of Obligation
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2013	4,028,262	1,845,885	2,182,377	905,000	141,709	1,046,709	2.08
2014	4,083,516	1,787,193	2,296,323	897,000	125,707	1,022,707	2.25
2015	4,066,594	1,797,187	2,269,407	905,000	121,557	1,026,557	2.21
2016	4,073,110	1,755,822	2,317,288	913,000	116,622	1,029,622	2.25
2017	4,211,845	1,757,527	2,454,318	909,000	110,924	1,019,924	2.41
2018	4,390,040	1,921,933	2,468,107	802,000	105,095	907,095	2.72
2019	4,379,085	2,011,469	2,367,616	804,000	102,726	906,726	2.61
2020	4,584,281	1,880,386	2,703,895	846,000	125,056	971,056	2.78
2021	4,620,814	1,960,579	2,660,235	860,000	110,620	970,620	2.74
2022	4,933,125	2,292,954	2,640,171	855,000	88,464	943,464	2.80

Source: Finance Department, City of Burnet, Texas

Notes: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Operating revenue includes investment earnings. Operating expenses do not include amortization or depreciation.

City of Burnet, Texas
Pledged-Revenue Coverage
Electric Bonds and Certificates of Obligation
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	Coverage
2013	9,170,470	6,297,205	2,873,265	178,220	24,007	202,227	14.21
2014	9,597,332	6,671,585	2,925,747	130,508	23,177	153,685	19.04
2015	9,926,907	7,011,877	2,915,030	138,220	18,006	156,226	18.66
2016	8,531,408	5,753,913	2,777,495	51,356	14,505	65,861	42.17
2017	8,522,234	5,767,554	2,754,680	54,492	12,761	67,253	40.96
2018	9,073,840	6,162,992	2,910,848	37,627	10,927	48,554	59.95
2019	9,310,772	6,227,594	3,083,178	41,322	9,602	50,924	60.54
2020	9,516,466	6,274,068	3,242,398	40,000	8,148	48,148	67.34
2021	9,125,087	6,463,795	2,661,292	45,000	6,740	51,740	51.44
2022	10,436,014	6,641,456	3,794,558	45,000	4,350	49,350	76.89

Source: Finance Department, City of Burnet, Texas

Notes: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Operating revenue includes investment earnings. Operating expenses do not include amortization or depreciation.

City of Burnet, Texas
Electric System Condensed Statement of Operations
(Unaudited)
Last Ten Fiscal Years

	Fiscal Year				
	2013	2014	2015	2016	2017
Operating and Nonoperating Revenue:					
Charges for Services	\$ 9,082,153	9,504,832	9,841,737	8,463,572	8,457,602
Rents and Royalties	-	-	-	-	-
Misc.	88,317	98,262	85,170	67,836	64,632
Total	\$ 9,170,470	9,603,094	9,926,907	8,531,408	8,522,234
Operating Expense:					
Electric System (1)	\$ 6,297,205	6,671,585	7,011,877	5,753,913	5,767,554

(1) Excludes depreciation expense

Table 16

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
9,007,547	9,069,036	8,824,263	9,056,485	10,318,679
-	-	-	-	-
<u>60,293</u>	<u>217,310</u>	<u>675,453</u>	<u>70,116</u>	<u>117,335</u>
<u>9,067,840</u>	<u>9,286,346</u>	<u>9,499,716</u>	<u>9,126,601</u>	<u>10,436,014</u>
<u>6,162,992</u>	<u>6,227,594</u>	<u>6,274,068</u>	<u>6,463,795</u>	<u>6,641,456</u>

Table 17

City of Burnet, Texas
Top Ten Electric Customers
(Unaudited)
Current Year and Nine Years Ago

Customer	Customer Type	2022			2013		
		Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
Entegris	Manufacturing	\$ 1,029,259	1	11.43 %	\$ 965,303	1	10.55 %
Burnet CISD Schools	Public Education	819,630	2	9.1	535,441	2	5.85
Seton HealthCare	Medical Facility	268,271	3	2.98	282,205	6	3.08
Sure Cast	State Government	230,639	4	2.56	429,862	4	4.7
H.E.B #433	Grocery	213,462	5	2.37	265,568	7	2.9
Burnet Co Correcitonal Facility	State Government	201,388	6	2.24	408,031	5	4.46
TDCJ-Utilities Energy	State Government	183,995	7	2.04	445,540	3	4.87
COB Sewer Dept	Local Government	156,451	8	1.74	-		0
Burnet County	Local Government	133,569	9	1.48	-		0
YMCA	Nonprofit	94,474	10	1.05	-		0
Stealth	Manufacturing				79,794	10	
Repro-Lon	Manufacturing				103,928	8	
Country Oaks	Retirement facility				83,908	9	
Totals		\$ 3,331,139		36.99 %	\$ 3,599,580		36.41 %

Source: Finance Department, City of Burnet, Texas
Utility Billing Reports - Consumption - Customer Ranking
Utility Billing Reports - Account Reports - Customer History

Table 18

City of Burnet, Texas
Demographic and Economic Statistics
(Unaudited)
Last Ten Fiscal Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
	(1)	(2)	(3)	(4)	(5)
2013	6,042	124,471,242	20,601	3,203	4.30%
2014	6,065	115,768,720	19,088	3,218	5.20%
2015	6,104	105,098,672	17,218	3,131	5.80%
2016	6,161	114,329,677	18,557	3,132	8.60%
2017	6,155	140,512,495	22,829	3,169	5.40%
2018	6,216	142,346,400	22,900	3,183	2.90%
2019	6,266	140,765,690	22,465	3,201	2.90%
2020	6,530	226,610,590	34,703	3,078	2.90%
2021	6,592	187,166,656	28,393	3,075	3.10%
2022	6,526	213,478,512	32,712	3,255	4.10%

Source: (1) (2) (3) (5) US Census Bureau; and Worldpopulationreview.com
(4) Burnet Consolidated Independent School District

Notes: Personal Income: Calculated using City's (population data) (per capita income data)

Table 19

City of Burnet, Texas
Principal Employers
(Unaudited)
Current Year and Nine Years Ago

Employer	2022		2013	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Burnet CISD	505	24.66%	455	27.10%
Burnet County	394	19.24%	258	15.37%
Entegris	291	14.21%	104	6.19%
City of Burnet	150	7.32%	119	7.09%
YMCA of the Highland Lakes***	150	7.32%	***	***
Stealth Products	132	6.45%	95	5.66%
Seton Highland Lakes**	134	6.54%	311	18.52%
Texas Dept. of Criminal Justice	120	5.86%	124	7.39%
H-E-B	130	6.35%	115	6.85%
Sure Cast	42	2.05%	98	5.84%
Total	2,048	100.00%	1,679	100.00%

Source: American Fact Finder, Employer Websites, Phone/Email Interviews with Companies, MAC Report

Notes:

** Employer was unable to provide 2013 information.

Information reported is the same as reported for fiscal year 2012.

*** Employer was unable to provide 2022 and 2013 information.

Information reported is the same as reported for fiscal year 2012.

City of Burnet, Texas
Fulltime Equivalent City Government Employees
By Function/Program
(Unaudited)
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	5.5	5.2	5.75	6.25	6.75	7	7.25	7.5	9.5	9.5
Municipal Court	1	1	1	1	1	0.5	1	1	1	1
Planning & Zoning	3.3	3.6	2.8	3.2	3.2	3	4	4	4	4
Economic Development	0.5	0.5	0.75	0.75	1.5	0.75	0	0	0	0
Police Department	17	17	18	18	18	19.5	22	21	25	24
Streets Department	8.5	6.5	6.5	6.25	7.75	7.75	8.75	8.75	10.75	10.75
Parks Department	7.5	7.5	7.5	7.85	7.25	7.25	7.75	7.75	9.75	9.75
Airport	0.7	0.7	0.7	0.8	0.8	1.75	1.5	1.5	1.5	1.5
Fire Department	30	30	30	30	30	30	33	33	33	33
Electric Department	11.5	10.5	11.5	11	10	10.5	10.5	10.5	10.75	10.75
Water/Wastewater Department	16.5	16.5	15.5	16	15.75	15.5	15.5	15.5	19.75	18.75
Golf Course	17	15	15.5	15.9	15	15	17	12	19.2	27
Recreation	*	*	*	*	*	*	*	*	*	*
Total	<u>119.00</u>	<u>114.00</u>	<u>115.50</u>	<u>117.00</u>	<u>117.00</u>	<u>118.50</u>	<u>128.25</u>	<u>122.50</u>	<u>144.2</u>	<u>150</u>

Source: City Budget Department - HR

* The YMCA, at its sole cost and expense, provided onsite staffing and general oversight and management of the recreation facilities beginning August 1, 2013.

City of Burnet, Texas
Operating Indicators by Function/Program
(Unaudited)
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2013	2014	2015	2016	2017
General government					
Building permits issued	240	241	282	356	297
Building inspections conducted	733	870	1,027	1,337	1,066
Police					
Calls for Service	7,451	7,129	8,845	8,110	7,548
Assistance to Citizens	51	120	128	130	213
Miles Driven	110,738	152,408	139,734	127,933	136,166
Offense Reports	1,078	1,259	1,025	1,075	1,035
Physical arrests	479	512	318	318	484
Traffic violations	4,956	2,672	2,259	2,637	3,205
Fire/EMS					
Fire-Number of Calls City	506	465	557	715	816
EMS- Total number of Calls	4,009	4,142	4,347	4,893	4,150
Inspections	123	113	149	240	240
Water/Wastewater					
Effluent- Reclaimed Water (millions of gallons)	232.445	199.624	195.167	234.876	216.659
Average daily sewage treatment (millions of gallons)	0.64	0.55	0.53	0.64	0.59
Total Consumption Lake/Ground Water (millions of gallons)	295.619	310.087	351.440	298.094	324.233
Average daily consumption (millions of gallons)	0.810	0.850	0.963	0.817	0.888
Golf Course					
Rounds of Golf	20,177	18,005	19,069	19,218	20,605

Sources: Various City of Burnet Department's Scorecard Reports

Notes: Building permits issued/Building inspections conducted: Inspection totals are an estimation based on minimum inspection requirements for different projects - does not include possible re-inspections.

* Is now being figured into the Calls for Service Category

Table 21

2018	2019	2020	2021	2022
306	291	309	400	386
836	983	1,099	1714	2292
8,024	8,737	9,940	11667	11221
94	16	*	*	261
151,732	126,866	124,920	156,715	160,000
911	845	857	956	1179
400	340	346	330	519
3,453	2,677	3,004	4668	4401
844	852	511	376	338
4,370	4,321	3,964	4755	4569
212	226	63	71	69
213.790	220.610	190.948	199.434	200
0.59	0.60	0.52	0.518	0.547
319.341	308.8	354.647	340.091	398
0.875	0.846	0.972	0.821	1.09
22,741	20,215	20,514	25,656	27,630

City of Burnet, Texas
Capital Asset Statistics by Function/Program
(Unaudited)
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2013	2014	2015	2016	2017
Public safety:					
Police:					
Stations	1	1	1	1	1
Patrol units	22	22	22	22	22
Fire:					
Fire stations	1	1	2	2	2
Culture and recreation:					
Parks acreage	117	117	117	117	117
Playgrounds	4	4	4	4	4
RV Park	1	1	1	1	1
Splash Park	1	1	1	1	1
Amphitheaters	1	1	1	1	1
Community/Meeting centers	2	2	2	2	2
Water:					
Service connections	2,272	2,313	2,328	2,395	2,435
Water mains (miles)	56	56	58	58	60
Water pump stations	4	4	4	4	4
Fire hydrants	375	375	378	389	391
Plant capacity (millions of gallons)	2.88	2.88	2.88	2.88	2.88
Sewer:					
Service connections	2,097	2,111	2,123	2,183	2,231
Sanitary sewers (miles)	50	50	50	50	50
Number of lift stations	13	13	12	12	12
Treatment plant capacity (millions of gallons)	0.726	0.726	1.7	1.7	1.7
Electric:					
Service connections	2,829	2,867	2,863	2,934	2,960

Source: Various City of Burnet Department's Scorecard Reports

Table 22

2018	2019	2020	2021	2022
1	1	1	1	1
22	22	20	24	24
2	2	2	2	2
117	117	117	117	117
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
2,498	2,557	2,670	2759	2771
60	62	60	62	64
4	4	3	3	3
394	414	425	425	450
2.88	2.88	3.60	3.6	3.6
2,273	2,332	2,395	2395	2487
50	52	50	52	54
12	12	12	12	12
1.7	1.7	1.7	1.7	1.7
3,021	3,073	3,143	3211	3287