



City of

BURNET • TEXAS



Annual Comprehensive Financial Report
For the Fiscal Year Ended
September 30, 2023

Annual Comprehensive Financial Report

of the



City of Burnet, Texas

Prepared by the
Finance Department
Year Ended September 30, 2023

City of Burnet, Texas

September 30, 2023

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March 25, 2024

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, 2023.

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, 2023. 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 6,800. 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 6,800. Burnet County's population is estimated at 53,900 which represents a 26% 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 508 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 expansion of the H-E-B grocery store, the addition of a new Student Activity Center for the school district, the addition of portable buildings for Entegris, expansion of the Seven Lakes Dental offices, and the new Burnet County Defender’s Office.

Commercial projects currently underway include the Trailside addition of 58 duplexes, the South Highway 281 Delaware commercial park with 3 lots, and a new office building for the Hill Country Children’s Advocacy Center. Future commercial projects include Tractor Supply, a nationally branded extended stay hotel, Sunday Drive commercial park, a new City Hall, and a new First Baptist Church.

Several new residential developments have been planned and were under way in 2023. 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, The Ranches at Delaware Creek Phase II with 29 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, Hilltop Oaks with 100 single family lots, and the Springside Estate Subdivision with 105 single family lots.

Long-term financial planning and major initiatives. The following major projects have been budgeted for 2023-2024:

General Fund Capital Projects

- \$8,600,000 for new City Hall Building
- \$6,000,000 in Street Improvements
- \$434,500 in GHRC improvements
- \$250,000 for Dispatch and PD software
- \$200,000 for new Water Truck for Fire and Street department
- \$100,000 for Eclipse related expenses
- \$100,000 for Fire Department SCBA equipment
- \$60,000 for new Roller for Street department
- \$50,000 for Server Upgrades
- \$50,000 for CAD fire department laptops
- \$50,000 for Beautification Project
- \$50,000 for Park Improvements

Electric Fund Capital Projects

- \$350,000 for new Digger Truck
- \$275,000 for future funding of new Bucket Truck (Estimated 2025 delivery)
- \$200,000 for Subdivision Electrical Costs
- \$50,000 for Utility Maps and Models

Water/WW Fund Capital Projects

- \$756,000 in CDBG Water Line Project
- \$510,000 in Generation Equipment
- \$160,000 for Water Dump Truck
- \$155,000 for Creekfall Water Line Oversizing Project
- \$100,000 for Wells and Pumps Upgrade

Airport Fund Capital Projects

- \$1,500,000 for Jet Hanger
- \$200,000 for Airport Improvements
- \$200,000 for Ramp Grant Improvements
- \$100,000 for Deceleration Lane to Airport

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.
- Maintain 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.
- 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.

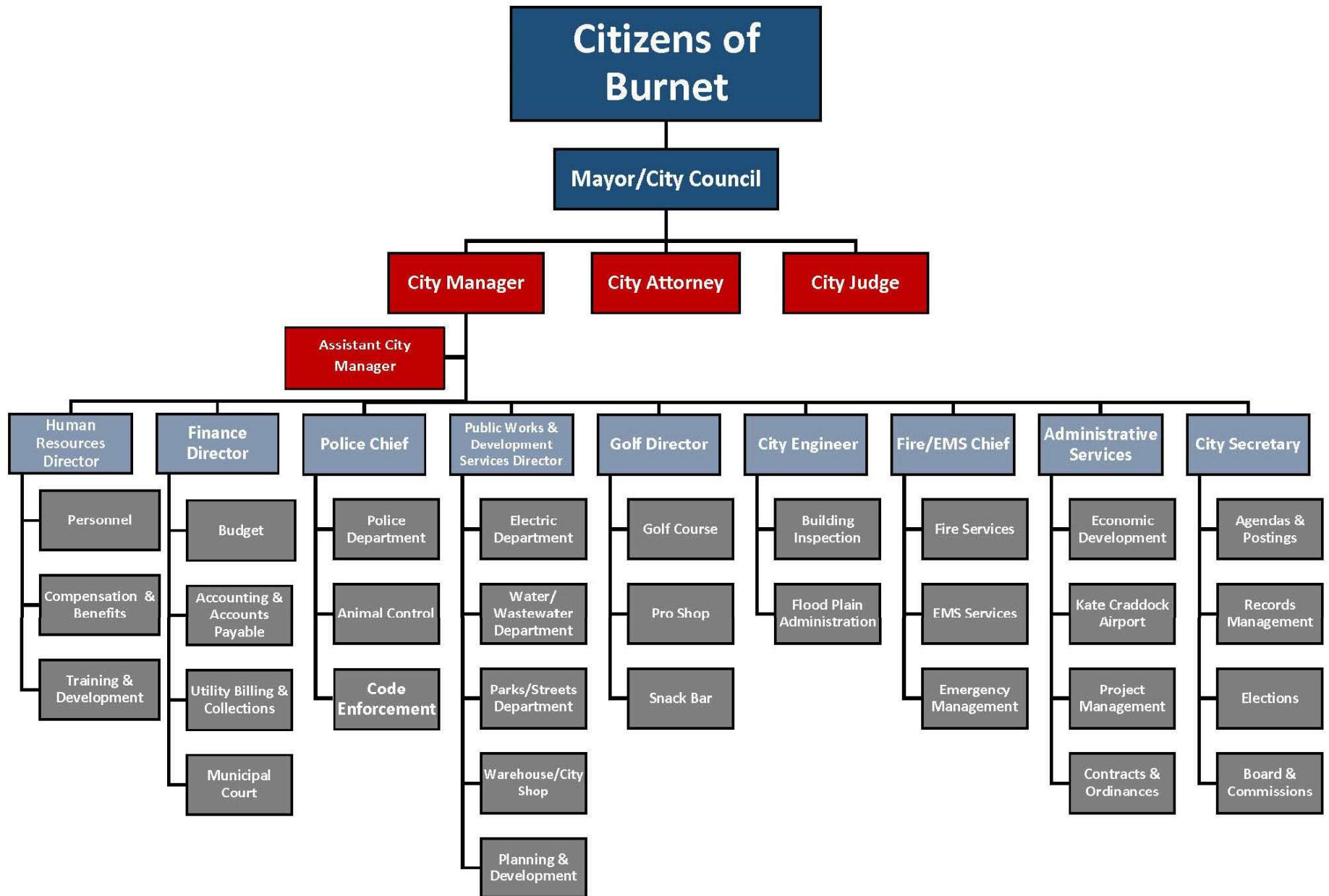
Respectfully submitted,

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, 2023

Elected Officials

City Council -Two-Year Terms

<u>Name</u>	<u>Position</u>	<u>Term</u>
Gary Wideman	Mayor	2023-2025
Philip Thurman	Mayor Pro Tem	2022-2024
Tres Clinton	Council Member	2023-2025
Ricky Langley	Council Member	2023-2025
Dennis Langley	Council Member	2022-2024
Joyce Laudenschlager	Council Member	2022-2025
Mary Jane Shanes	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
Vacant	Water / Wastewater Superintendent
Taylor Stuckey	Electric Superintendent
Jeremy Stewart	Police Captain
John 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
Tracy Shirley	Utility Billing Coordinator
Sonia Tucker	Customer Service Representative
Tamara Tinney	Municipal Court Judge
Tina Morgan	Municipal Court Clerk



Government Finance Officers Association

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Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

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, 2023, 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, 2023, 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

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 25, 2024, 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 25, 2024

Jaymes, 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, 2023.

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 \$63,718,817 (*net position*). Unrestricted net position of the City is \$8,243,212. The City's total net position increased \$2,837,361 primarily due to continued profitability of utility services provided by the City and the recognition of \$1,024,229 from the Community Development Block Grant Program ("CDBG") – Community Resiliency Program ("CRP") under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$21,794,529, an increase of \$4,895,158 in comparison with the prior year primarily due to the issuance of Series 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,940,000 and proceeds of \$1,115,000 from the sale of a building to the Burnet Economic Development Corporation ("BEDC").
- 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 \$9,437,254, or approximately 71% of total general fund expenditures.
- The City's general fund total fund balance increased \$3,347,257 in the current year compared to an increase in the prior year of \$1,161,802 mainly due to proceeds of \$1,115,000 from the sale of a building to BEDC and a decrease in transfers out of \$3,371,437 to the General Capital Projects fund.
- During the current fiscal year, the Burnet Economic Development Corporation ("BEDC") purchased a building from the City in the amount of \$1,115,000 to be used for future economic development. Additionally, improvements to the Jackson Street parking lot amounted to \$321,112.

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 \$63,718,817 at the close of the most recent fiscal year.

City of Burnet's Net Position
September 30,

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 23,263,503	17,825,943	5,183,466	5,346,930	28,446,969	23,172,873
Capital assets, net	<u>39,330,801</u>	<u>38,478,979</u>	<u>36,847,358</u>	<u>37,708,568</u>	<u>76,178,159</u>	<u>76,187,547</u>
Total assets	<u>62,594,304</u>	<u>56,304,922</u>	<u>42,030,824</u>	<u>43,055,498</u>	<u>104,625,128</u>	<u>99,360,420</u>
Total deferred outflows of resources	<u>2,773,024</u>	<u>1,642,433</u>	<u>942,659</u>	<u>547,695</u>	<u>3,715,683</u>	<u>2,190,128</u>
Current liabilities	1,270,794	723,321	817,080	876,090	2,087,874	1,599,411
Noncurrent liabilities	<u>21,119,494</u>	<u>16,179,679</u>	<u>19,003,797</u>	<u>19,487,747</u>	<u>40,123,291</u>	<u>35,667,426</u>
Total liabilities	<u>22,390,288</u>	<u>16,903,000</u>	<u>19,820,877</u>	<u>20,363,837</u>	<u>42,211,165</u>	<u>37,266,837</u>
Total deferred inflows of resources	<u>1,843,120</u>	<u>2,559,971</u>	<u>567,709</u>	<u>842,284</u>	<u>2,410,829</u>	<u>3,402,255</u>
Net position:						
Net investment in capital assets	33,370,477	34,842,074	20,677,876	20,684,865	54,048,353	55,526,939
Restricted	1,427,252	1,366,394	-	-	1,427,252	1,366,394
Unrestricted	<u>6,336,191</u>	<u>2,275,916</u>	<u>1,907,021</u>	<u>1,712,207</u>	<u>8,243,212</u>	<u>3,988,123</u>
Total net position	<u>\$ 41,133,920</u>	<u>38,484,384</u>	<u>22,584,897</u>	<u>22,397,072</u>	<u>63,718,817</u>	<u>60,881,456</u>

By far, the largest portion of the City's net position (\$54.0 million or 84.8%) 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 \$8,243,212.

The City's overall net position increased \$2,837,361. 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		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 5,652,566	6,465,825	17,712,148	17,582,503	23,364,714	24,048,328
Operating grants and contributions	13,723	1,625,461	-	5,892	13,723	1,631,353
Capital grants and contributions	1,217,289	206,039	-	-	1,217,289	206,039
General revenues:						
Property taxes	4,433,537	3,630,280	-	-	4,433,537	3,630,280
Sales taxes	2,775,485	2,704,461	-	-	2,775,485	2,704,461
Hotel/motel taxes	226,860	211,369	-	-	226,860	211,369
Franchise and other taxes	207,682	180,005	-	-	207,682	180,005
Gain on sale of land	-	-	-	279,381	-	279,381
Unrestricted interest and miscellaneous revenues	1,151,491	117,625	124,337	2,016	1,275,828	119,641
Total revenues	<u>15,678,633</u>	<u>15,141,065</u>	<u>17,836,485</u>	<u>17,869,792</u>	<u>33,515,118</u>	<u>33,010,857</u>
Expenses:						
General government	\$ 3,403,779	2,844,286	-	-	3,403,779	2,844,286
Public safety	8,292,785	7,670,549	-	-	8,292,785	7,670,549
Highways and streets	1,573,757	1,434,226	-	-	1,573,757	1,434,226
Aviation services	800,680	1,382,867	-	-	800,680	1,382,867
Culture and recreation	1,304,946	1,180,523	-	-	1,304,946	1,180,523
Sanitation	994,964	976,671	-	-	994,964	976,671
Economic development	493,087	82,351	-	-	493,087	82,351
Interest and other charges on long-term debt	459,636	206,101	-	-	459,636	206,101
Electric	-	-	7,453,957	6,952,848	7,453,957	6,952,848
Water and sewer	-	-	3,609,788	3,652,482	3,609,788	3,652,482
Delaware Springs Golf Course	-	-	2,290,378	1,966,802	2,290,378	1,966,802
Total expenses	<u>17,323,634</u>	<u>15,777,574</u>	<u>13,354,123</u>	<u>12,572,132</u>	<u>30,677,757</u>	<u>28,349,706</u>
Increase (decrease) in net position before transfers	(1,645,001)	(636,509)	4,482,362	5,297,660	2,837,361	4,661,151
Transfers	4,294,537	4,499,667	(4,294,537)	(4,499,667)	-	-
Increase in net position	2,649,536	3,863,158	187,825	797,993	2,837,361	4,661,151
Net position, beginning 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>
Net position, end of year	<u>\$ 41,133,920</u>	<u>38,484,384</u>	<u>22,584,897</u>	<u>22,397,072</u>	<u>63,718,817</u>	<u>60,881,456</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,649,536 as compared to an increase of \$3,863,158 in the prior year. Key elements of the changes from the prior year are as follows:

- Charges for services decreased \$813,259 due to a decrease in the sale of jet fuel of \$790,897 as a result of the new Fixed Based Operator (“FBO”) Agreement in which the City no longer sells jet fuel effective December 2022.
- Operating grants and contributions decreased \$1,611,738 due to ARPA revenue recognized in the prior year for firefighter salaries.
- Capital grants and contributions increased \$1,011,250 due to CARES revenue recognized in the current year under CDBG-CRP for ongoing construction of a new building under a Memorandum of Agreement with the Hill Country Children’s Advocacy Center.
- Property taxes increased \$803,257 during the year (approximately 22.1%), which is primarily due to increased property values and new property being added to the tax roll offset by a M&O tax rate decrease of \$0.0194 per \$100 valuation.
- Interest income increased \$797,654 due to proceeds received from the issuance of Series 2022 Certificates of Obligation in the amount of \$3,940,000 and increases in interest rates throughout the current year.

Overall, governmental expenses increased \$1,546,060 (9.8%) due to an increase in personnel costs resulting from a 3% salary increase that was approved (which included both a merit and cost of living component). In addition, during the prior year, the City adopted new pay scales for Police and Fire which resulted in additional increases above the 3%, a new police officer position was added, a full year of Engineering salaries were included (2 engineering positions were added midway through the prior year), and the City increased the dependent health care subsidy offered to employees. Also, aviation expenses decreased \$582,187 primarily as a result of the new FBO Agreement in which the City no longer sells jet fuel effective December 2022. Overall, governmental activities recognized a decrease in net position before transfers of \$1.6 million and \$0.6 million in 2023 and 2022, respectively. Transfers in were \$4.3 million and \$4.5 million in 2023 and 2022, respectively.

Business-Type Activities. During the current fiscal year, net position for business-type activities increased \$187,825 as compared to an increase of \$797,993 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 \$129,645 or less than 1% from the prior year. Electric and water consumption increased from prior year by less than 1% and 8.5%, respectively, due to the severe drought conditions during the summer months of fiscal year 2022; however, there was a net decrease in electric revenue of \$211,851 due to non-standard connections amounting to \$500,306 in the prior year that did not occur in the current year. Golf services and sales of merchandise increased \$309,067 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 decreased \$279,381 due to the prior year sale of approximately 42 acres of land on the outer edge of the City’s golf course.

- Interest income increased \$122,321 due to increases in interest rates throughout the current year.

Overall, business-type expenses increased \$781,991 (6.2%) due to an increase in personnel costs resulting from a 3% salary increase that was approved (which included both a merit and cost of living component). In addition, during the prior year, the City adopted a new pay scale for the Water department which resulted in additional increases above the 3%, a new full time maintenance position and two part-time positions were added to the golf course, and the City increased the dependent health care subsidy offered to employees. Cost of power for electricity increased \$263,128 (4.7%) due to increases in the fuel and power cost recovery factor component of the wholesale rate. Overall, business-type activities recognized an increase in net position before transfers of \$4.5 million and \$5.3 million in 2023 and 2022, respectively. Transfers out were \$4.3 million and \$4.5 million in 2023 and 2022, 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, 2023, the City's governmental funds reported combined fund balances of \$21,794,529, an increase of \$4,895,158 in comparison with the prior year. Of this amount, \$9,437,254 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, \$33,218; (2) restricted for particular purposes, \$9,427,686; or (3) assigned for particular purposes, \$2,896,371.

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 \$9,437,254. 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 71% of total general fund expenditures.

During the current fiscal year, fund balance for the general fund increased \$3,347,257 as compared to an increase of \$1,161,802 in the prior year. Key factors in this change are as follows:

- Property taxes increased \$527,081 during the year (approximately 17.0%), which is primarily due to increased property values and new property being added to the tax roll offset by a M&O tax rate decrease of \$0.0194 per \$100 valuation.
- Intergovernmental revenue decreased \$1,590,453 due to ARPA revenue recognized in the prior year for firefighter salaries.

- Expenses increased \$1,258,041, approximately 10.5% 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 \$4,385,654, which was approximately \$316,168 less than the prior year amount of \$4,701,822.
- Transfers out of \$882,616 were approximately \$3,446,928 less than the prior year amount of \$4,329,544, and resulted from prior year 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 that did not occur in the current year.

During the current fiscal year, fund balance for the airport fund increased \$100,304 as compared to a decrease of \$56,640 in the prior year. Fuel sales decreased \$790,897 (with a corresponding decrease in cost of fuel purchased of \$561,187) due to the new FBO Agreement in which the City no longer sells jet fuel effective December 2022. 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 \$3,794. Transfers out for airport capital purchases decreased \$210,988 from the prior year.

During the current fiscal year, fund balance for the debt service fund increased by \$25,067 as compared to an increase of \$46,801 in the prior year. Property taxes increased by \$254,670 (47.3%) due to increased property values and new property being added to the tax roll and an I&S tax rate increase of \$0.0194 per \$100 valuation. Debt service expenditures increased \$295,562 due to the issuance of Series 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,940,000 and increases in scheduled debt payments.

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 2023, the City issued Series 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$3,940,000, which will be used for future street improvements. Capital expenditures for the current year of \$3,367,334 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 \$1,338,219; \$1,051,990, and (\$483,188), respectively. Net position for the electric and golf funds increased by \$103,425 and \$103,087, respectively. The net position for the water and sewer fund decreased by \$18,687. 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, there were no significant amendments to the general fund budget for expenditures and transfers out.

Final budget compared to actual results. During the year, actual revenues and transfers in were over budget by \$1,898,815. This was mostly attributable to proceeds of \$1,115,000 from the sale of a building to BEDC that were not budgeted and interest income that exceeded budget amounts by \$252,424 due to increases in interest rates throughout the year. Actual expenditures were 98.0% of appropriations, and transfers out were \$141,967 over appropriations.

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, 2023, amounts to \$76,178,159 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, right-of-use assets, 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 \$9,388 or less than 0.1%.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,938,707	3,938,707	605,396	605,396	4,544,103	4,544,103
Buildings	8,808,923	9,408,483	96,778	100,128	8,905,701	9,508,611
Infrastructure	20,911,776	20,486,287	34,436,586	35,456,785	55,348,362	55,943,072
Right-of-use assets	77,905	149,367	-	-	77,905	149,367
Machinery and equipment	3,988,565	3,110,655	1,349,249	1,491,790	5,337,814	4,602,445
Construction in progress	1,604,925	1,385,480	359,349	54,469	1,964,274	1,439,949
	<u>\$ 39,330,801</u>	<u>38,478,979</u>	<u>36,847,358</u>	<u>37,708,568</u>	<u>76,178,159</u>	<u>76,187,547</u>

Major capital asset activity during the current fiscal year included:

Work was completed on:

Recreation center improvements	\$ 201,285
Street improvements	1,141,252
Structures and lines - electric	276,674
Delaware Springs Golf Course improvements	81,094
Acquisition of fire truck and other public safety vehicles	\$ 2,189,425
Acquisition of other equipment	\$ 375,953

Work continued on:

New City Hall facility	\$ 217,483
Children's Advocacy facility	910,961
Aiport paving improvements	122,500
Chassis for digger truck	112,975
Water and sewer improvements	98,883
New generators - water plan	90,000

Also, during the year, the City sold a building to BEDC in the amount of \$1,115,000 at no gain or loss. Additional information on the City's capital assets can be found in Note III.C. on pages 48 to 51 of this report.

Long-Term Debt. At the end of the current fiscal year, the City had total long-term liabilities of \$40,123,291.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Certificates of obligation	\$ 11,570,000	8,120,000	13,965,000	14,740,000	25,535,000	22,860,000
Refunding bonds	-	-	1,965,000	2,085,000	1,965,000	2,085,000
Premiums	651,959	508,173	244,529	259,050	896,488	767,223
Total bonded debt	12,221,959	8,628,173	16,174,529	17,084,050	28,396,488	25,712,223
Lease liabilities	86,278	155,617	-	-	86,278	155,617
Compensated absences	562,856	537,691	137,443	208,753	700,299	746,444
Net pension liability	3,713,981	583,889	1,259,552	200,256	4,973,533	784,145
Total OPEB liability - life insurance	311,146	458,348	-	-	311,146	458,348
Total OPEB liability - health insurance	4,223,274	5,815,961	1,432,273	1,994,688	5,655,547	7,810,649
	<u>\$ 21,119,494</u>	<u>16,179,679</u>	<u>19,003,797</u>	<u>19,487,747</u>	<u>40,123,291</u>	<u>35,667,426</u>

The City's total outstanding debt increased by \$4.5 million during the current fiscal year. This change primarily resulted from this issuance of Series 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$4.1 million and increases in the net pension and OPEB liabilities of \$1.9 million, offset by scheduled principal payments on bonded debt and lease liabilities of \$1.5 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 2023 is \$0.11090 per \$100 assessed valuation. This represents only 7%, or \$1.3891, 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 51 to 56 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 2024 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;
- Review and adoption of new pay scales to ensure salaries and benefits are competitive with neighboring communities.
- 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.
- Issuing bonds for street improvement projects.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Burnet Economic Development Corporation, Inc.
Assets				
Cash and cash equivalents	\$ 20,142,200	2,407,933	22,550,133	2,123,359
Receivables (net of allowance for uncollectibles)	2,702,942	1,539,539	4,242,481	228,956
Inventories	33,218	1,591,539	1,624,757	-
Internal balances	355,545	(355,545)	-	-
Due from component unit	29,598	-	29,598	-
Restricted cash and cash equivalents	-	-	-	128,415
Properties held for resale	-	-	-	3,654,690
Capital assets not being depreciated:				
Land	3,938,707	605,396	4,544,103	41,360
Construction in progress	1,604,925	359,349	1,964,274	113,405
Capital assets, net of accumulated depreciation:				
Land improvements	-	-	-	305,057
Buildings	8,808,923	96,778	8,905,701	2,982,995
Infrastructure	20,911,776	34,436,586	55,348,362	-
Right-of-use assets	77,905	-	77,905	-
Machinery and equipment	3,988,565	1,349,249	5,337,814	7,999
Total assets	<u>62,594,304</u>	<u>42,030,824</u>	<u>104,625,128</u>	<u>9,586,236</u>
Deferred Outflows of Resources				
Deferred outflows of resources	<u>2,773,024</u>	<u>942,659</u>	<u>3,715,683</u>	<u>-</u>
Liabilities				
Accounts payable	886,628	88,875	975,503	1,787
Accrued interest payable	44,838	10,421	55,259	12,822
Accrued liabilities	276,313	140,005	416,318	-
Due to primary government	-	-	-	29,598
Deposits payable	6,640	577,779	584,419	-
Unearned revenue	56,375	-	56,375	-
Noncurrent liabilities:				
Due within one year	835,628	968,722	1,804,350	1,370,533
Due in more than one year	20,283,866	18,035,075	38,318,941	2,384,119
Total liabilities	<u>22,390,288</u>	<u>19,820,877</u>	<u>42,211,165</u>	<u>3,798,859</u>
Deferred Inflows of Resources				
Deferred inflows of resources	<u>1,843,120</u>	<u>567,709</u>	<u>2,410,829</u>	<u>56,417</u>
Net Position				
Net investment in capital assets	33,370,477	20,677,876	54,048,353	2,069,231
Restricted for:				
Debt service	275,752	-	275,752	-
Economic development	150,929	-	150,929	-
Aviation services	881,475	-	881,475	-
Public safety	119,096	-	119,096	-
Unrestricted	<u>6,336,191</u>	<u>1,907,021</u>	<u>8,243,212</u>	<u>3,661,729</u>
Total net position	<u>\$ 41,133,920</u>	<u>22,584,897</u>	<u>63,718,817</u>	<u>5,730,960</u>

See accompanying notes to financial statements.

City of Burnet, Texas

Statement of Activities

Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,403,779	596,560	-	-
Public safety	8,292,785	3,305,597	13,723	1,099,697
Highways and streets	1,573,757	-	-	-
Aviation services	800,680	500,749	-	112,000
Culture and recreation	1,304,946	54,289	-	5,592
Sanitation	994,964	1,195,371	-	-
Economic development	493,087	-	-	-
Interest and other charges	459,636	-	-	-
Total governmental activities	<u>17,323,634</u>	<u>5,652,566</u>	<u>13,723</u>	<u>1,217,289</u>
Business-type activities:				
Electric	7,453,957	10,233,561	-	-
Water and sewer	3,609,788	4,956,156	-	-
Delaware Springs Golf Course	2,290,378	2,522,431	-	-
Total business-type activities	<u>13,354,123</u>	<u>17,712,148</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 30,677,757</u>	<u>23,364,714</u>	<u>13,723</u>	<u>1,217,289</u>
Component unit:				
Burnet Economic				
Development Corporation	<u>\$ 545,875</u>	<u>65,335</u>	<u>-</u>	<u>410,893</u>

General revenues:
 Property taxes
 Sales taxes
 Hotel/motel taxes
 Franchise and other taxes
 Interest
 Miscellaneous
 Transfers
 Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

See accompanying notes to financial statements.

Net Revenues (Expenses) and
Changes in Net Position

Primary Government			Component Unit Burnet Economic Development Corporation, Inc.
Governmental Activities	Business-type Activities	Total	
(2,807,219)	-	(2,807,219)	
(3,873,768)	-	(3,873,768)	
(1,573,757)	-	(1,573,757)	
(187,931)	-	(187,931)	
(1,245,065)	-	(1,245,065)	
200,407	-	200,407	
(493,087)	-	(493,087)	
(459,636)	-	(459,636)	
(10,440,056)	-	(10,440,056)	
-	2,779,604	2,779,604	
-	1,346,368	1,346,368	
-	232,053	232,053	
-	4,358,025	4,358,025	
(10,440,056)	4,358,025	(6,082,031)	
			(69,647)
\$ 4,433,537	-	4,433,537	-
2,775,485	-	2,775,485	925,162
226,860	-	226,860	-
207,682	-	207,682	-
886,668	124,337	1,011,005	88,371
264,823	-	264,823	-
4,294,537	(4,294,537)	-	-
13,089,592	(4,170,200)	8,919,392	1,013,533
2,649,536	187,825	2,837,361	943,886
38,484,384	22,397,072	60,881,456	4,787,074
\$ 41,133,920	22,584,897	63,718,817	5,730,960

City of Burnet, Texas

**Balance Sheet
Governmental Funds**

September 30, 2023

	<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	\$ 7,918,372	882,844	572,501	7,682,414	3,086,069	20,142,200
Receivables (net of allowance for uncollectibles)	2,195,564	86,898	30,337	241,527	148,616	2,702,942
Due from other funds	255,992	-	3,950	-	671,212	931,154
Inventories	<u>33,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,218</u>
Total assets	\$ <u>10,403,146</u>	<u>969,742</u>	<u>606,788</u>	<u>7,923,941</u>	<u>3,905,897</u>	<u>23,809,514</u>
Liabilities						
Liabilities:						
Accounts payable	\$ 340,986	2,429	-	466,632	76,581	886,628
Accrued liabilities	274,008	1,714	-	-	591	276,313
Deposits payable	-	6,640	-	-	-	6,640
Unearned revenue	5,500	500	-	50,375	-	56,375
Due to other funds	<u>175,969</u>	<u>256</u>	<u>331,036</u>	<u>-</u>	<u>38,750</u>	<u>546,011</u>
Total liabilities	<u>796,463</u>	<u>11,539</u>	<u>331,036</u>	<u>517,007</u>	<u>115,922</u>	<u>1,771,967</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	136,211	-	30,079	-	-	166,290
Unavailable revenue - leases	<u>-</u>	<u>76,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,728</u>
Total deferred inflow of resources	<u>136,211</u>	<u>76,728</u>	<u>30,079</u>	<u>-</u>	<u>-</u>	<u>243,018</u>
Fund Balances						
Nonspendable	33,218	-	-	-	-	33,218
Restricted	-	881,475	245,673	6,919,882	1,380,656	9,427,686
Assigned	-	-	-	487,052	2,409,319	2,896,371
Unassigned	<u>9,437,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,437,254</u>
Total fund balances	<u>9,470,472</u>	<u>881,475</u>	<u>245,673</u>	<u>7,406,934</u>	<u>3,789,975</u>	<u>21,794,529</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>10,403,146</u>	<u>969,742</u>	<u>606,788</u>	<u>7,923,941</u>	<u>3,905,897</u>	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						39,330,801
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						166,290
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>(20,157,700)</u>
Net position of governmental activities						\$ <u>41,133,920</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, 2023

	General	Airport	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 3,621,004	-	793,168	-	-	4,414,172
Sales taxes	2,775,485	-	-	-	-	2,775,485
Hotel/motel taxes	-	-	-	-	226,860	226,860
Franchise and other taxes	207,682	-	-	-	-	207,682
Licenses and permits	198,420	-	-	-	-	198,420
Intergovernmental	1,210,067	-	-	1,024,229	112,000	2,346,296
Charges for services - sanitation	1,195,371	-	-	-	-	1,195,371
Charges for services - EMS	1,889,646	-	-	-	-	1,889,646
Charges for services - other	54,289	-	-	-	-	54,289
Fines	180,619	-	-	-	25,265	205,884
Interest	272,424	46,869	19,486	458,070	89,819	886,668
Contributions and donations	12,752	-	-	75,468	-	88,220
Fuel sales	-	265,417	-	-	-	265,417
Miscellaneous	396,710	235,332	-	4,920	3,073	640,035
Total revenues	<u>12,014,469</u>	<u>547,618</u>	<u>812,654</u>	<u>1,562,687</u>	<u>457,017</u>	<u>15,394,445</u>
Expenditures:						
Current:						
General government	2,880,674	-	-	213,306	-	3,093,980
Public safety	7,491,530	-	-	4,616	10,671	7,506,817
Highways and streets	888,083	-	-	-	-	888,083
Aviation services	-	398,861	-	-	-	398,861
Culture and recreation	930,073	-	-	-	-	930,073
Sanitation	994,964	-	-	-	-	994,964
Economic development	-	-	-	250,000	243,087	493,087
Debt service:						
Principal	69,339	40,000	450,000	-	-	559,339
Interest and fiscal charges	8,743	21,863	337,587	-	-	368,193
Bond issuance costs	-	-	-	110,371	-	110,371
Capital outlay	21,844	-	-	3,367,334	1,565,906	4,955,084
Total expenditures	<u>13,285,250</u>	<u>460,724</u>	<u>787,587</u>	<u>3,945,627</u>	<u>1,819,664</u>	<u>20,298,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,270,781)</u>	<u>86,894</u>	<u>25,067</u>	<u>(2,382,940)</u>	<u>(1,362,647)</u>	<u>(4,904,407)</u>
Other financing sources (uses):						
Issuance of certificates of obligation	-	-	-	3,940,000	-	3,940,000
Premium on certificates of obligation	-	-	-	180,417	-	180,417
Proceeds on sale of capital assets	1,115,000	41,610	-	92,000	136,001	1,384,611
Transfers in	4,385,654	-	-	145,369	760,312	5,291,335
Transfers out	(882,616)	(28,200)	-	-	(85,982)	(996,798)
Total other financing sources (uses)	<u>4,618,038</u>	<u>13,410</u>	<u>-</u>	<u>4,357,786</u>	<u>810,331</u>	<u>9,799,565</u>
Net change in fund balances	3,347,257	100,304	25,067	1,974,846	(552,316)	4,895,158
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 9,470,472</u>	<u>881,475</u>	<u>245,673</u>	<u>7,406,934</u>	<u>3,789,975</u>	<u>21,794,529</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, 2023

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

Net change in fund balances - total governmental funds	\$ 4,895,158
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 (\$4,858,440) exceeded depreciation expense (\$2,891,618) in the current period.	1,966,822
In the statement of activities, only the gain or loss on the disposition of capital assets is reported. However, in the governmental funds, the proceeds from the disposition increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of capital assets disposed.	(1,115,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	19,365
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.	(3,567,315)
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>450,506</u>
Change in net position of governmental activities	<u><u>\$ 2,649,536</u></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, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,539,000	3,539,000	3,621,004	82,004
Sales taxes	2,782,000	2,782,000	2,775,485	(6,515)
Franchise and other taxes	170,000	170,000	207,682	37,682
Licenses and permits	153,300	153,300	198,420	45,120
Intergovernmental	1,045,967	1,045,967	1,068,098	22,131
Charges for services - sanitation	1,203,717	1,203,717	1,195,371	(8,346)
Charges for services - EMS	2,072,000	2,072,000	2,031,615	(40,385)
Charges for services - other	53,500	53,500	54,289	789
Fines	140,000	140,000	180,619	40,619
Interest	20,000	20,000	272,424	252,424
Contributions and donations	9,500	9,500	12,752	3,252
Miscellaneous	180,600	180,600	396,710	216,110
Total revenues	<u>11,369,584</u>	<u>11,369,584</u>	<u>12,014,469</u>	<u>644,885</u>
Expenditures:				
General government:				
Mayor and Council	18,595	18,595	18,296	299
Administrative	2,073,653	2,055,177	2,040,152	15,025
Planning and zoning	328,935	328,935	314,105	14,830
Engineering	310,618	310,618	290,224	20,394
City shop	117,369	117,369	102,110	15,259
Public works administration	167,835	183,666	181,080	2,586
Public safety:				
Police	3,371,116	3,371,116	3,274,602	96,514
Municipal court	103,183	105,293	103,888	1,405
Fire	4,646,744	4,646,744	4,607,866	38,878
Highways and streets	934,155	918,323	889,365	28,958
Culture and recreation:				
Parks	894,915	881,898	841,408	40,490
Recreation center	105,000	118,017	118,016	1
Sanitation	999,847	999,847	994,964	4,883
Total expenditures	<u>14,071,965</u>	<u>14,055,598</u>	<u>13,776,076</u>	<u>279,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,702,381)</u>	<u>(2,686,014)</u>	<u>(1,761,607)</u>	<u>924,407</u>
Other financing sources (uses):				
Proceeds on sale of capital assets	-	-	1,115,000	1,115,000
Transfers in	3,396,724	4,246,724	4,385,654	138,930
Transfers out	(233,456)	(249,823)	(391,790)	(141,967)
Total other financing sources (uses)	<u>3,163,268</u>	<u>3,996,901</u>	<u>5,108,864</u>	<u>1,111,963</u>
Net change in fund balances	460,887	1,310,887	3,347,257	2,036,370
Fund balances, beginning of year	<u>6,123,215</u>	<u>6,123,215</u>	<u>6,123,215</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,584,102</u>	<u>7,434,102</u>	<u>9,470,472</u>	<u>2,036,370</u>

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, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Revenues:				
Rent income and other	\$ 246,579	253,249	235,332	(17,917)
Fuel sales	14,712	255,982	265,417	9,435
Interest	4,500	4,500	46,869	42,369
	<u>265,791</u>	<u>513,731</u>	<u>547,618</u>	<u>33,887</u>
Total revenues				
Expenditures:				
Current:				
Aviation services	151,009	400,704	398,861	1,843
Debt service:				
Principal	-	40,000	40,000	-
Interest and fiscal charges	-	21,863	21,863	-
	<u>151,009</u>	<u>462,567</u>	<u>460,724</u>	<u>1,843</u>
Total expenditures				
Excess of revenues over expenditures	<u>114,782</u>	<u>51,164</u>	<u>86,894</u>	<u>35,730</u>
Other financing sources (uses):				
Proceeds on sale of capital assets	-	-	41,610	41,610
Transfers out	(82,902)	(31,874)	(28,200)	3,674
Total other financing sources (uses)	<u>(82,902)</u>	<u>(31,874)</u>	<u>13,410</u>	<u>45,284</u>
Net change in fund balances	31,880	19,290	100,304	81,014
Fund balances, beginning of year	<u>781,171</u>	<u>781,171</u>	<u>781,171</u>	<u>-</u>
Fund balances, end of year	<u>\$ 813,051</u>	<u>800,461</u>	<u>881,475</u>	<u>81,014</u>

See accompanying notes to financial statements.



City of Burnet, Texas
Statement of Net Position –
Proprietary Funds
September 30, 2023

	Business-type Activities - Enterprise Funds			Total
	Electric	Water and Sewer	Delaware Springs Golf Course	
Assets				
Current assets:				
Cash and cash equivalents	\$ 533,377	947,237	927,319	2,407,933
Receivables (net of allowance for uncollectibles)	1,088,815	450,724	-	1,539,539
Inventories	1,056,343	436,370	98,826	1,591,539
Due from other funds	73,315	496,634	1,375	571,324
Total current assets	<u>2,751,850</u>	<u>2,330,965</u>	<u>1,027,520</u>	<u>6,110,335</u>
Noncurrent assets:				
Capital assets:				
Land	11,171	357,759	236,466	605,396
Buildings	134,006	-	-	134,006
Infrastructure	8,109,954	47,317,670	3,878,352	59,305,976
Machinery and equipment	2,496,505	2,288,502	2,536,008	7,321,015
Construction in progress	148,311	211,038	-	359,349
Less accumulated depreciation	<u>(5,843,070)</u>	<u>(20,341,641)</u>	<u>(4,693,673)</u>	<u>(30,878,384)</u>
Total capital assets, net	<u>5,056,877</u>	<u>29,833,328</u>	<u>1,957,153</u>	<u>36,847,358</u>
Total assets	<u>7,808,727</u>	<u>32,164,293</u>	<u>2,984,673</u>	<u>42,957,693</u>
Deferred Outflows of Resources				
Deferred outflows of resources	<u>299,168</u>	<u>401,008</u>	<u>242,483</u>	<u>942,659</u>
Liabilities				
Current liabilities:				
Accounts payable	6,939	48,484	33,452	88,875
Accrued interest payable	187	10,234	-	10,421
Accrued liabilities	67,505	22,026	50,474	140,005
Deposits payable	577,779	-	-	577,779
Due to other funds	-	154,952	771,917	926,869
Compensated absences - current	16,405	25,121	27,196	68,722
General obligation debt payable - current	50,000	850,000	-	900,000
Total current liabilities	<u>718,815</u>	<u>1,110,817</u>	<u>883,039</u>	<u>2,712,671</u>
Noncurrent liabilities:				
Compensated absences	16,404	25,121	27,196	68,721
General obligation debt payable	2,788	15,271,741	-	15,274,529
Net pension liability	395,128	538,688	325,736	1,259,552
Total OPEB liability - health insurance	449,312	612,558	370,403	1,432,273
Total noncurrent liabilities	<u>863,632</u>	<u>16,448,108</u>	<u>723,335</u>	<u>18,035,075</u>
Total liabilities	<u>1,582,447</u>	<u>17,558,925</u>	<u>1,606,374</u>	<u>20,747,746</u>
Deferred Inflows of Resources				
Deferred inflows of resources	<u>178,093</u>	<u>242,799</u>	<u>146,817</u>	<u>567,709</u>
Net Position				
Net investment in capital assets	5,009,136	13,711,587	1,957,153	20,677,876
Unrestricted	<u>1,338,219</u>	<u>1,051,990</u>	<u>(483,188)</u>	<u>1,907,021</u>
Total net position	<u>\$ 6,347,355</u>	<u>14,763,577</u>	<u>1,473,965</u>	<u>22,584,897</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, 2023

	Business-type Activities - Enterprise Funds			Total
	Electric	Water and Sewer	Delaware Springs Golf Course	
Operating revenues:				
Charges for sales and services:				
Electric service	\$ 10,106,828	-	-	10,106,828
Water and sewer services	-	4,907,464	-	4,907,464
Golf services	-	-	1,748,296	1,748,296
Sales of merchandise	-	-	706,780	706,780
Other operating revenue	126,733	48,692	67,355	242,780
Total operating revenues	<u>10,233,561</u>	<u>4,956,156</u>	<u>2,522,431</u>	<u>17,712,148</u>
Operating expenses:				
Personnel	837,754	1,172,178	1,005,435	3,015,367
Materials and supplies	62,618	256,045	132,710	451,373
Repairs and maintenance	137,013	347,713	147,924	632,650
Purchased services	122,608	389,706	144,106	656,420
Purchases for resale	5,867,362	78,610	439,324	6,385,296
Other operating expenses	100,583	3,787	-	104,370
Depreciation	315,673	1,288,765	420,879	2,025,317
Total operating expenses	<u>7,443,611</u>	<u>3,536,804</u>	<u>2,290,378</u>	<u>13,270,793</u>
Operating income	<u>2,789,950</u>	<u>1,419,352</u>	<u>232,053</u>	<u>4,441,355</u>
Nonoperating revenues (expenses):				
Interest earnings	43,279	40,678	40,380	124,337
Interest expense	(10,346)	(72,984)	-	(83,330)
Total nonoperating revenues (expenses)	<u>32,933</u>	<u>(32,306)</u>	<u>40,380</u>	<u>41,007</u>
Income before transfers	2,822,883	1,387,046	272,433	4,482,362
Transfers in	30,000	-	223,210	253,210
Transfers out	<u>(2,749,458)</u>	<u>(1,405,733)</u>	<u>(392,556)</u>	<u>(4,547,747)</u>
Change in net position	103,425	(18,687)	103,087	187,825
Net position, beginning of year	<u>6,243,930</u>	<u>14,782,264</u>	<u>1,370,878</u>	<u>22,397,072</u>
Net position, end of year	<u>\$ 6,347,355</u>	<u>14,763,577</u>	<u>1,473,965</u>	<u>22,584,897</u>

See accompanying notes to financial statements.

City of Burnet, Texas
Statement of Cash Flows –
Proprietary Funds
Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds			
	Electric	Water and Sewer	Delaware Springs Golf Course	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 10,108,633	4,950,388	2,522,431	17,581,452
Receipts of customer deposits	87,259	-	-	87,259
Payments to employees for salaries and wages	(686,820)	(505,056)	(554,023)	(1,745,899)
Payments to suppliers and others	(6,798,785)	(1,881,067)	(1,343,739)	(10,023,591)
Return of customer deposits	(97,414)	-	-	(97,414)
Net cash provided by operating activities	<u>2,612,873</u>	<u>2,564,265</u>	<u>624,669</u>	<u>5,801,807</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	30,000	-	223,210	253,210
Transfers to other funds	(2,749,458)	(1,405,733)	(392,556)	(4,547,747)
Net cash used in noncapital financing activities	<u>(2,719,458)</u>	<u>(1,405,733)</u>	<u>(169,346)</u>	<u>(4,294,537)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(504,571)	(362,425)	(297,111)	(1,164,107)
Principal paid on capital debt	(50,000)	(845,000)	-	(895,000)
Interest paid on capital debt	(13,321)	(85,125)	-	(98,446)
Net cash used in capital and related financing activities	<u>(567,892)</u>	<u>(1,292,550)</u>	<u>(297,111)</u>	<u>(2,157,553)</u>
Cash flows from investing activities:				
Interest on investments	43,279	40,678	40,380	124,337
Net cash provided by investing activities	<u>43,279</u>	<u>40,678</u>	<u>40,380</u>	<u>124,337</u>
Net increase (decrease) in cash and cash equivalents	(631,198)	(93,340)	198,592	(525,946)
Cash and cash equivalents, beginning of year	<u>1,164,575</u>	<u>1,040,577</u>	<u>728,727</u>	<u>2,933,879</u>
Cash and cash equivalents, end of year	<u>\$ 533,377</u>	<u>947,237</u>	<u>927,319</u>	<u>2,407,933</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	\$ 2,789,950	1,419,352	232,053	4,441,355
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	315,673	1,288,765	420,879	2,025,317
Decrease (increase) in assets and liabilities:				
Accounts receivable	(114,773)	(5,768)	-	(120,541)
Inventories	(210,659)	(1,183)	(99)	(211,941)
Due from other funds	(30,000)	-	-	(30,000)
Deferred outflows	(113,824)	(176,493)	(104,647)	(394,964)
Accounts payable	(29,611)	(27,146)	9,769	(46,988)
Accrued liabilities	(14,507)	4,688	8,547	(1,272)
Customer deposits	(10,155)	-	-	(10,155)
Compensated absences	(21,867)	(51,060)	1,617	(71,310)
Net pension liability	331,180	454,231	273,885	1,059,296
Total OPEB liability	(187,658)	(228,691)	(146,066)	(562,415)
Deferred inflows	(90,876)	(112,430)	(71,269)	(274,575)
Total adjustments	<u>(177,077)</u>	<u>1,144,913</u>	<u>392,616</u>	<u>1,360,452</u>
Net cash provided by operating activities	\$ <u>2,612,873</u>	<u>2,564,265</u>	<u>624,669</u>	<u>5,801,807</u>

See accompanying notes to financial statements.



City of Burnet, Texas

Notes to Financial Statements

September 30, 2023

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 hangar rentals and fuel sales.

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 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, 2023 for the general fund, airport fund, general capital projects fund, and other non-major funds.

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, land improvements, buildings, machinery and equipment, right-of-use assets, 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 and the Development Corporation are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10
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, 2023 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	\$ 33,218	-	-	-	-	33,218
Restricted:						
Aviation services	-	881,475	-	-	-	881,475
General obligation debt service	-	-	245,673	-	-	245,673
Capital projects	-	-	-	6,919,882	1,110,631	8,030,513
Economic development	-	-	-	-	150,929	150,929
Public safety	-	-	-	-	119,096	119,096
Assigned:						
Capital projects	-	-	-	487,052	2,409,319	2,896,371
Unassigned	<u>9,437,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,437,254</u>
	<u>\$ 9,470,472</u>	<u>881,475</u>	<u>245,673</u>	<u>7,406,934</u>	<u>3,789,975</u>	<u>21,794,529</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 \$20,157,700 difference are as follows.

General obligation debt	\$ (11,570,000)
Premiums on general obligation debt	(651,959)
Lease liabilities	(86,278)
Compensated absences	(562,856)
Accrued interest payable	(44,838)
Net pension liability, net of related deferred inflows of \$144,608 and deferred outflows of \$2,238,965	(1,619,624)
Total OPEB liability - life insurance, net of related deferred inflows of \$92,411 and deferred outflows of \$8,275	(395,282)
Total OPEB liability - health insurance, net of related deferred inflows of \$1,529,373 and deferred outflows of \$525,784	<u>(5,226,863)</u>
	<u>\$ (20,157,700)</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 \$3,567,315 difference are as follows.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

II. Reconciliation of Government-Wide and Fund Financial Statements (continued)

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 (continued)

Issuance of certificates of obligation	\$ (3,940,000)
Premiums on issuance of certificates of obligation	(180,417)
Principal payments on general obligation debt	490,000
Amortization of premiums	36,631
Principal payments on lease liabilities	69,339
Accrued interest payable	(17,703)
Accrued compensated absences	(25,165)
	<u>\$ (3,567,315)</u>

III. Detailed Notes On All Activities and Funds

A. Cash Deposits and Investments

Investments of the City at September 30, 2023, consist of investments in Texas Local Government Investment Pool (“TexPool”) of \$20,768,388. 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 26 days as of September 30, 2023.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

A. Cash Deposits and Investments (continued)

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	\$ 995
Carrying amount of deposits	4,032,524
Carrying amount of investments	<u>20,768,388</u>
	<u>24,801,907</u>
Per the statement of net position for the City:	
Cash and cash equivalents	<u>22,550,133</u>
Per the statement of net position for the Burnet Economic Development Corporation:	
Cash and cash equivalents	2,123,359
Restricted cash and cash equivalents	<u>128,415</u>
	<u>2,251,774</u>
	<u>\$ 24,801,907</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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, debt service, general capital projects and for the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts:

	<u>General</u>	<u>Airport</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>Nonmajor Govern- mental</u>	<u>Total</u>
Receivables:						
Property taxes	\$ 136,211	-	30,337	-	-	166,548
Sales taxes	481,605	-	-	-	-	481,605
Hotel/motel taxes	-	-	-	-	98,616	98,616
Intergovernmental	-	-	-	237,587	50,000	287,587
EMS	2,118,503	-	-	-	-	2,118,503
Lease receivable	-	76,578	-	-	-	76,578
Receivable from Burnet Economic Development Corporatior	1,115,000	-	-	-	-	1,115,000
Other	<u>132,567</u>	<u>10,320</u>	<u>-</u>	<u>3,940</u>	<u>-</u>	<u>146,827</u>
	3,983,886	86,898	30,337	241,527	148,616	4,491,264
Less: allowance for uncollectibles	<u>(1,788,322)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,788,322)</u>
	<u>\$ 2,195,564</u>	<u>86,898</u>	<u>30,337</u>	<u>241,527</u>	<u>148,616</u>	<u>2,702,942</u>

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	\$ 160,535
Lease receivable	<u>68,421</u>
	228,956
Less: allowance for uncollectibles	<u>-</u>
	<u>\$ 228,956</u>

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

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

C. Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 3,938,707	-	-	3,938,707
Construction in progress	<u>1,385,480</u>	<u>1,331,308</u>	<u>(1,111,863)</u>	<u>1,604,925</u>
Total capital assets not being depreciated	<u>5,324,187</u>	<u>1,331,308</u>	<u>(1,111,863)</u>	<u>5,543,632</u>
Capital assets, being depreciated:				
Buildings	15,278,863	-	-	15,278,863
Infrastructure	31,915,140	1,353,388	(5,615)	33,262,913
Right-of-use assets	220,829	-	-	220,829
Machinery and equipment	<u>14,161,477</u>	<u>2,189,425</u>	<u>(52,945)</u>	<u>16,297,957</u>
Total capital assets, being depreciated	<u>61,576,309</u>	<u>3,542,813</u>	<u>(58,560)</u>	<u>65,060,562</u>
Less accumulated depreciation for:				
Buildings	(5,870,380)	(599,560)	-	(6,469,940)
Infrastructure	(11,428,853)	(923,548)	1,264	(12,351,137)
Right-of-use assets	(71,462)	(71,462)	-	(142,924)
Machinery and equipment	<u>(11,050,822)</u>	<u>(1,297,048)</u>	<u>38,478</u>	<u>(12,309,392)</u>
Total accumulated depreciation	<u>(28,421,517)</u>	<u>(2,891,618)</u>	<u>39,742</u>	<u>(31,273,393)</u>
Total capital assets, being depreciated, net	<u>33,154,792</u>	<u>651,195</u>	<u>(18,818)</u>	<u>33,787,169</u>
	<u>\$ 38,478,979</u>	<u>1,982,503</u>	<u>(1,130,681)</u>	<u>39,330,801</u>
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 605,396	-	-	605,396
Construction in progress	<u>54,469</u>	<u>332,194</u>	<u>(27,314)</u>	<u>359,349</u>
Total capital assets not being depreciated	<u>659,865</u>	<u>332,194</u>	<u>(27,314)</u>	<u>964,745</u>
Capital assets, being depreciated:				
Buildings	134,006	-	-	134,006
Infrastructure	58,783,467	522,509	-	59,305,976
Machinery and equipment	<u>6,984,297</u>	<u>336,718</u>	-	<u>7,321,015</u>
Total capital assets being depreciated	<u>65,901,770</u>	<u>859,227</u>	-	<u>66,760,997</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)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Business-type activities:</i> (continued)				
Less accumulated depreciation for:				
Buildings	(33,878)	(3,350)	-	(37,228)
Infrastructure	(23,326,682)	(1,542,708)	-	(24,869,390)
Machinery and equipment	<u>(5,492,507)</u>	<u>(479,259)</u>	-	<u>(5,971,766)</u>
Total accumulated depreciation	<u>(28,853,067)</u>	<u>(2,025,317)</u>	<u>-</u>	<u>(30,878,384)</u>
 Total capital assets, being depreciated, net	 <u>37,048,703</u>	 <u>(1,166,090)</u>	 <u>-</u>	 <u>35,882,613</u>
	<u>\$ 37,708,568</u>	<u>(833,896)</u>	<u>(27,314)</u>	<u>36,847,358</u>

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

General government	\$ 340,039
Public safety	1,017,092
Highways and streets	720,724
Aviation services	411,637
Culture and recreation	<u>402,126</u>
Total depreciation expense	<u>\$ 2,891,618</u>

At September 30, 2023, the City's governmental activities construction contract commitments with contractors are as follows:

<u>Project Title</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
New City Hall building	\$ 349,844	\$ 6,810,000
Children's Advocacy building	910,961	2,700,000
Comprehensive plan	28,337	10,000
Airport box hanger	60,442	1,840,000
Airport paving	122,500	60,000
New teen center at Recreation Center	80,000	20,000
Community center remodel	3,605	95,000
Hamilton Creek extension	<u>49,236</u>	<u>5,000</u>
	<u>\$ 1,604,925</u>	<u>\$ 11,540,000</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)

The construction contract commitments will be financed with remaining bond proceeds, federal funding provided under a CDBG award, and available resources.

At September 30, 2023, the City’s business-type activities construction contract commitments with contractors are as follows:

Project Title	Spent to Date	Remaining Commitment
Chassis for digger truck	\$ 112,975	\$ 240,000
Conduit for Creek Fall	35,336	155,000
New generators - water plant	117,155	510,000
Water improvements	93,883	35,000
	\$ 359,349	\$ 940,000

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
Construction in progress	-	113,405	-	113,405
Total capital assets not being depreciated	41,360	113,405	-	154,765
Capital assets, being depreciated:				
Land improvements	-	321,112	-	321,112
Buildings	3,376,976	-	-	3,376,976
Machinery and equipment	13,780	8,420	-	22,200
Total capital assets being depreciated	3,390,756	329,532	-	3,720,288
Less accumulated depreciation for:				
Land improvements	-	(16,055)	-	(16,055)
Buildings	(281,415)	(112,566)	-	(393,981)
Machinery and equipment	(13,780)	(421)	-	(14,201)
Total accumulated depreciation	(295,195)	(129,042)	-	(424,237)
Total capital assets, being depreciated, net	3,095,561	200,490	-	3,296,051
	\$ 3,136,921	313,895	-	3,450,816

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, 2023, the component unit’s construction contract commitments with contractors are as follows:

<u>Project Title</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Downtown restroom facility	\$ <u>113,405</u>	\$ <u>590,000</u>

The construction contract commitments will be financed with available resources.

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, 2023 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	2,470,000
Combination tax and revenue certificates of obligation	2021	5,755,000	1.50%-4.00%	2041	5,305,000
Combination tax and revenue certificates of obligation	2022	3,940,000	3.50%-5.00%	2042	<u>3,795,000</u>
					\$ <u>11,570,000</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)

	<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	\$ 6,685,000
Combination tax and revenue certificates of obligation	2012	9,900,000	0.00%	2042	6,460,000
Combination tax and revenue certificates of obligation	2019	970,000	2.00%-5.00%	2039	820,000
General obligation refunding bonds	2021	2,315,000	3.00%	2045	<u>1,965,000</u>
					<u>\$ 15,930,000</u>

Changes in the City's long-term liabilities for the year ended September 30, 2023 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	\$ 8,120,000	3,940,000	(490,000)	11,570,000	490,000
Premiums	<u>508,173</u>	<u>180,417</u>	<u>(36,631)</u>	<u>651,959</u>	<u>-</u>
Total bonded debt	8,628,173	4,120,417	(526,631)	12,221,959	490,000
Lease liabilities	155,617	-	(69,339)	86,278	64,200
Compensated absences	537,691	525,806	(500,641)	562,856	281,428
Net pension liability	583,889	3,130,092	-	3,713,981	-
Total OPEB liability - life insurance	458,348	-	(147,202)	311,146	-
Total OPEB liability - health insurance	<u>5,815,961</u>	<u>-</u>	<u>(1,592,687)</u>	<u>4,223,274</u>	<u>-</u>
	<u>\$ 16,179,679</u>	<u>7,776,315</u>	<u>(2,836,500)</u>	<u>21,119,494</u>	<u>835,628</u>
Business-type activities:					
General obligation debt	\$ 16,825,000	-	(895,000)	15,930,000	900,000
Premiums	<u>259,050</u>	<u>-</u>	<u>(14,521)</u>	<u>244,529</u>	<u>-</u>
Total bonded debt	17,084,050	-	(909,521)	16,174,529	900,000
Compensated absences	208,753	110,655	(181,965)	137,443	68,722
Net pension liability	200,256	1,059,296	-	1,259,552	-
Total OPEB liability - health insurance	<u>1,994,688</u>	<u>-</u>	<u>(562,415)</u>	<u>1,432,273</u>	<u>-</u>
	<u>\$ 19,487,747</u>	<u>1,169,951</u>	<u>(1,653,901)</u>	<u>19,003,797</u>	<u>968,722</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)

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.

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>			
2024	\$ 490,000	358,701	848,701
2025	500,000	343,651	843,651
2026	515,000	326,307	841,307
2027	535,000	308,519	843,519
2028	555,000	290,207	845,207
2029 - 2033	3,115,000	1,109,010	4,224,010
2034 - 2038	3,575,000	638,132	4,213,132
2039 - 2042	2,285,000	154,625	2,439,625
	<u>\$ 11,570,000</u>	<u>3,529,152</u>	<u>15,099,152</u>

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Business-Type Activities</i>			
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	860,000	65,325	925,325
2029 - 2033	4,365,000	266,975	4,631,975
2034 - 2038	4,450,000	165,075	4,615,075
2039 - 2043	2,735,000	55,200	2,790,200
2044 - 2045	60,000	2,700	62,700
	<u>\$ 15,930,000</u>	<u>861,375</u>	<u>16,791,375</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)

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.

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 \$13,145,000 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 \$13,145,000. Principal and interest paid for the current year and total pledged net revenues for the current year were \$735,000 and \$1,945,456, respectively.

Primary Government – City 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, 2023, the principal and interest requirements for leases to maturities are as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Governmental Activities</i>			
2024	\$ 64,200	3,830	68,030
2025	<u>22,078</u>	<u>423</u>	<u>22,501</u>
	<u>\$ 86,278</u>	<u>4,253</u>	<u>90,531</u>

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

Changes in the component unit's long-term liabilities for the year ended September 30, 2023 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	\$ 1,625,000	-	(115,000)	1,510,000	125,000
Notes payable	<u>1,256,509</u>	<u>1,115,000</u>	<u>(126,857)</u>	<u>2,244,652</u>	<u>1,245,533</u>
	<u>\$ 2,881,509</u>	<u>1,115,000</u>	<u>(241,857)</u>	<u>3,754,652</u>	<u>1,370,533</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, 2023 is \$1,129,652.

In January 2023, the BEDC entered into a \$1,115,000 promissory note payable with the City that is secured by real estate. No interest accrues, and principal is due at maturity in January 2024, at which time all remaining unpaid principal is due. The outstanding note payable balance at September 30, 2023 is \$1,115,000. As more fully described below in Note III.N, subsequent to year end, the maturity date was extended to September 30, 2024.

General obligation debt outstanding for the component unit at September 30, 2023 is as follows:

	<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
<i>Component Unit</i>					
Combination tax and revenue certificates of obligation	2018	2,045,000	4.50%	2033	\$ <u>1,510,000</u>
					\$ <u>1,510,000</u>

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

D. Long-Term Liabilities (continued)

Component Unit (continued)

The debt service requirements for the component unit’s general obligation debt and notes payable follow:

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<i>Component Unit</i>			
2024	\$ 1,370,533	98,556	1,469,089
2025	264,315	89,148	353,463
2026	273,208	79,406	352,614
2027	282,213	69,326	351,539
2028	291,333	58,905	350,238
2029 - 2033	<u>1,273,050</u>	<u>134,160</u>	<u>1,407,210</u>
	<u>\$ 3,754,652</u>	<u>529,501</u>	<u>4,284,153</u>

E. Leases

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.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

E. Leases (continued)

Primary Government as Lessor (continued)

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

Year Ended September 30,	Principal	Interest	Total
<i>Governmental Activities</i>			
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	6,814	5,497	12,311
2029 - 2033	33,393	16,388	49,781
2034 - 2038	12,415	4,376	16,791
2039	2,356	236	2,592
	\$ 76,578	54,141	130,719

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 \$66,000.

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 (continued)

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>			
2024	\$ <u>68,421</u>	<u>3,579</u>	<u>72,000</u>
	<u>\$ 68,421</u>	<u>3,579</u>	<u>72,000</u>

F. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2023 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	38,750
Electric	73,315	-
Water and sewer	496,634	154,952
Delaware Springs Golf Course	1,375	771,917
Burnet Economic Development Corporation	-	29,598
	<u>\$ 1,502,478</u>	<u>1,502,478</u>

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.

City of Burnet, Texas

Notes to Financial Statements
(Continued)

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

G. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2023 is as follows:

	Transfer out:						Total
	General	Airport	Nonmajor Governmental	Electric	Water and Sewer	Delaware Springs Golf Course	
Transfer in:							
General	\$ -	28,200	55,982	2,749,458	1,328,803	223,211	4,385,654
General capital projects	145,369	-	-	-	-	-	145,369
Nonmajor governmental	514,037	-	-	-	76,930	169,345	760,312
Electric	-	-	30,000	-	-	-	30,000
Delaware Springs Golf Course	223,210	-	-	-	-	-	223,210
	<u>\$ 882,616</u>	<u>28,200</u>	<u>85,982</u>	<u>2,749,458</u>	<u>1,405,733</u>	<u>392,556</u>	<u>5,544,545</u>

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 919 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. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (“ACFR”) that can be obtained at tmrs.com.

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

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)

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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	85
Active employees	<u>134</u>
	<u>294</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.

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 12.65% and 13.22% in calendar years 2023 and 2022, respectively. The City’s contributions to TMRS for the year ended September 30, 2023 were \$1,155,435 and were equal to the required contributions.

Net Pension Liability – The City’s net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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)

Actuarial assumptions – The total pension liability in the December 31, 2022 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. The assumptions 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 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.

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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
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 members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2021	\$ 30,134,906	29,350,761	784,145
Changes for the year:			
Service cost	1,391,984	-	1,391,984
Interest	2,030,583	-	2,030,583
Difference between expected and actual experience	310,007	-	310,007
Change in assumptions	-	-	-
Contributions - employer	-	1,099,285	(1,099,285)
Contributions - employee	-	582,072	(582,072)
Net investment income	-	(2,141,755)	2,141,755
Benefit payments, including refunds of employee contributions	(1,496,377)	(1,496,377)	-
Administrative expense	-	(18,540)	18,540
Other changes	-	22,124	(22,124)
Net changes	2,236,197	(1,953,191)	4,189,388
Balance at December 31, 2022	\$ 32,371,103	27,397,570	4,973,533

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	\$ 10,019,618	4,973,533	927,767

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 tmrs.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, 2023, the City recognized pension expense of \$1,346,006. At September 30, 2023, 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	\$ 872,309	-
Differences between expected and actual experience	249,692	193,650
Change in assumptions	4,903	-
Difference between projected and actual investment earnings, net	<u>1,871,380</u>	<u>-</u>
	<u>\$ 2,998,284</u>	<u>193,650</u>

The \$872,309 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Measurement Year Ended December 31,</u>	
2023	\$ 96,923
2024	466,261
2025	544,558
2026	<u>824,583</u>
Total	<u>\$ 1,932,325</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 assets accumulated in a trust, 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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	17
Active employees	<u>134</u>
	<u>209</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, 2023 were \$24,970, 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, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability – life insurance in the December 31, 2022 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	4.05% (based on the Fidelity Index's "20-year Municipal GO AA Index" rate as of December 31, 2022)
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, 2022 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, 2022 were as follows:

	Total OPEB Liability - Life Insurance
Balance at December 31, 2021	\$ <u>458,348</u>
Changes for the year:	
Service cost	21,620
Interest	8,548
Differences between expected and actual experience	1,901
Changes in assumptions or other inputs	(170,124)
Benefit payments **	<u>(9,147)</u>
Net changes	<u>(147,202)</u>
Balance at December 31, 2022	\$ <u><u>311,146</u></u>

** For the SDBF, no assets are accumulated in a trust. 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 4.05%, 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 (3.05%) or one percentage point higher (5.05%) than the current rate.

	1% Decrease (3.05%)	Current Discount Rate Assumption (4.05%)	1% Increase (5.05%)
Total OPEB liability - life insurance	\$ <u>375,363</u>	<u>311,146</u>	<u>262,004</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, 2023, the City recognized OPEB expense – life insurance of \$17,178.

At September 30, 2023, 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	\$ 8,275	-
Differences between expected and actual experience	-	13,842
Change in assumptions	-	78,569
	<u>\$ 8,275</u>	<u>92,411</u>

The \$8,275 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, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense – life insurance as follows:

<u>Measurement Year Ended December 31,</u>	
2023	\$ (15,590)
2024	(13,472)
2025	(20,821)
2026	(31,820)
2027	<u>(10,708)</u>
Total	<u>\$ (92,411)</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 assets accumulated in a trust, 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, rolled forward to December 31, 2022.

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, 2022 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, rolled forward to December 31, 2022.

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, rolled forward to December 31, 2022, was determined using the following actuarial assumptions:

Valuation Date	December 31, 202, rolled forward to December 31, 2022
Actuarial Cost Method	Individual Entry-Age
Discount rate	4.05% as of December 31, 2022
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 5.30% 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 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

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, 2022 were as follows:

	<u>Total OPEB Liability - Health Insurance</u>
Balance at December 31, 2021	\$ <u>7,810,649</u>
Changes for the year:	
Service cost	152,794
Interest	143,660
Differences between expected and actual experience	(14,373)
Changes in assumptions or other inputs	(2,278,336)
Benefit payments **	<u>(158,847)</u>
Net changes	<u>(2,155,102)</u>
Balance at December 31, 2022	\$ <u><u>5,655,547</u></u>

** No assets are accumulated in a trust for the retiree health insurance plan.

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 \$5,966,693 as of September 30, 2023

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 4.05%, 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 (3.05%) or one percentage point higher (5.05%) than the current rate.

	1% Decrease (3.05%)	Current Discount Rate Assumption (4.05%)	1% Increase (5.05%)
Total OPEB liability - health insurance	\$ <u>6,546,408</u>	<u>5,655,547</u>	<u>4,937,752</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	\$ <u>4,861,154</u>	<u>5,655,547</u>	<u>6,647,160</u>

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, 2023, the City recognized OPEB benefit – health insurance of \$(653,524). Total OPEB benefit recognized for health and life insurance amounted to \$(636,346) for the year ended September 30, 2023.

At September 30, 2023, 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	\$ 148,049	-
Differences between expected and actual experience	6,076	486,990
Change in assumptions	<u>549,972</u>	<u>1,561,050</u>
	<u>\$ 704,097</u>	<u>2,048,040</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)

The \$148,049 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, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in OPEB expense – health insurance as follows:

Measurement Year Ended December 31,	
2023	\$ (988,017)
2024	<u>(503,975)</u>
Total	<u>\$ (1,491,992)</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, 2023:

	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	\$ 8,275	-	-	-	-
OPEB - health insurance	525,784	178,313	-	-	-
Total OPEB related	534,059	178,313	-	-	-
Pension related	2,238,965	759,319	-	-	-
Deferred charge on refunding	-	5,027	-	-	-
	<u>\$ 2,773,024</u>	<u>942,659</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
OPEB - life insurance	\$ 92,411	-	-	-	-
OPEB - health insurance	1,529,373	518,667	-	-	-
Total OPEB related	1,621,784	518,667	-	-	-
Pension related	144,608	49,042	-	-	-
Unavailable property tax revenue	-	-	136,211	-	30,079
Unavailable lease revenue	76,728	-	-	76,728	-
	<u>\$ 1,843,120</u>	<u>567,709</u>	<u>136,211</u>	<u>76,728</u>	<u>30,079</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 building space and airport hangers to various individuals and organizations under short-term lease agreements. For the year ended September 30, 2023, the City recognized lease income of \$205,882 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, 2023, was \$974,598.

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, 2023, was \$5,867,362.

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, 2023, was \$78,610.

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, 2023.

N. Subsequent Event

Subsequent to year end, the City issued \$3,970,000 Series 2023 Combination Tax and Revenue Certificates of Obligation to be used for street, drainage, and other infrastructure improvements. Also, the City and the BEDC modified and extended the maturity date of the \$1,115,000 note receivable/ payable to September 30, 2024.

O. 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. 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.

GASB Statement No. 102, *Certain Risk Disclosures* (issued December 2023) – The objective of this statement is provide users of governmental financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. 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 Nine Measurement Dates

	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 1,391,984	1,210,171	1,128,348	1,061,415
Interest (on the Total Pension Liability)	2,030,583	1,933,214	1,819,990	1,735,099
Difference between expected and actual experience	310,007	(335,760)	77,824	(206,289)
Change in assumptions	-	-	-	47,523
Benefit payments, including refunds of employee contributions	<u>(1,496,377)</u>	<u>(1,415,684)</u>	<u>(1,363,670)</u>	<u>(1,463,461)</u>
Net change in Total Pension Liability	2,236,197	1,391,941	1,662,492	1,174,287
Total Pension Liability - beginning	<u>30,134,906</u>	<u>28,742,965</u>	<u>27,080,473</u>	<u>25,906,186</u>
Total Pension Liability - ending (a)	<u>\$ 32,371,103</u>	<u>30,134,906</u>	<u>28,742,965</u>	<u>27,080,473</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,099,285	924,916	899,357	854,102
Contributions - employee	582,072	504,238	484,269	457,788
Net investment income	(2,141,755)	3,384,149	1,829,197	3,253,250
Benefit payments, including refunds of employee contributions	(1,496,377)	(1,415,684)	(1,363,670)	(1,463,461)
Administrative expense	(18,540)	(15,664)	(11,853)	(18,387)
Other	22,124	108	(463)	(551)
Net change in Plan Fiduciary Net Position	(1,953,191)	3,382,063	1,836,837	3,082,741
Plan Fiduciary Net Position - beginning	<u>29,350,761</u>	<u>25,968,698</u>	<u>24,131,861</u>	<u>21,049,120</u>
Plan Fiduciary Net Position - ending (b)	<u>\$ 27,397,570</u>	<u>29,350,761</u>	<u>25,968,698</u>	<u>24,131,861</u>
Net Pension Liability - ending (a) - (b)	\$ 4,973,533	784,145	2,774,267	2,948,612
Plan Fiduciary Net Position as a percentage of Total Pension Liability	84.64%	97.40%	90.35%	89.11%
Covered payroll	\$ 8,315,314	7,203,399	6,918,135	6,539,833
Net Pension Liability as a percentage of covered payroll	59.81%	10.89%	40.10%	45.09%

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.

December 31,				
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
995,287	925,253	924,216	848,679	753,691
1,642,995	1,538,815	1,449,752	1,395,492	1,317,058
(61,582)	93,706	(80,956)	50,376	(61,528)
-	-	-	35,571	-
<u>(1,027,072)</u>	<u>(1,071,693)</u>	<u>(876,457)</u>	<u>(774,915)</u>	<u>(1,097,550)</u>
1,549,628	1,486,081	1,416,555	1,555,203	911,671
<u>24,356,558</u>	<u>22,870,477</u>	<u>21,453,922</u>	<u>19,898,719</u>	<u>18,987,048</u>
<u>25,906,186</u>	<u>24,356,558</u>	<u>22,870,477</u>	<u>21,453,922</u>	<u>19,898,719</u>
791,829	724,953	710,491	652,621	602,184
427,686	398,326	404,345	379,117	377,039
(644,826)	2,613,821	1,180,461	25,372	937,360
(1,027,072)	(1,071,693)	(876,457)	(774,915)	(1,097,550)
(12,455)	(13,549)	(13,325)	(15,452)	(9,786)
<u>(650)</u>	<u>(688)</u>	<u>(718)</u>	<u>(764)</u>	<u>(805)</u>
(465,488)	2,651,170	1,404,797	265,979	808,442
<u>21,514,608</u>	<u>18,863,438</u>	<u>17,458,641</u>	<u>17,192,662</u>	<u>16,384,220</u>
<u>21,049,120</u>	<u>21,514,608</u>	<u>18,863,438</u>	<u>17,458,641</u>	<u>17,192,662</u>
4,857,066	2,841,950	4,007,039	3,995,281	2,706,057
81.25%	88.33%	82.48%	81.38%	86.40%
6,109,805	5,690,364	5,776,351	5,415,950	5,386,274
79.50%	49.94%	69.37%	73.77%	50.24%

City of Burnet, Texas
Schedule of Pension Contributions

Fiscal Years Ended

	2023	2022	2021	2020
Actuarially determined contributions	\$ 1,155,435	1,076,480	916,631	889,655
Contributions in relation to the actuarially determined contributions	<u>1,155,435</u>	<u>1,076,480</u>	<u>916,631</u>	<u>889,655</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 9,037,372	8,201,093	7,114,710	6,834,933
Contributions as a percentage of covered payroll	12.79%	13.13%	12.88%	13.02%

Notes to Schedule of Contributions

Valuation Date: December 31, 2022

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	23 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.

September 30,				
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
837,493	771,831	724,651	682,912	648,053
<u>837,493</u>	<u>771,831</u>	<u>724,651</u>	<u>682,912</u>	<u>648,053</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,425,991	5,982,896	5,659,002	5,506,318	5,385,452
13.03%	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 Six Measurement Dates

	December 31,					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability - Life Insurance						
Service cost	\$ 21,620	19,449	12,453	10,464	12,831	10,243
Interest (on the Total OPEB Liability - Life Insurance)	8,548	8,922	10,092	10,544	9,831	9,579
Difference between expected and actual experience	1,901	(17,752)	(4,303)	1,229	(10,286)	-
Change in assumptions	(170,124)	15,315	62,713	62,243	(21,779)	24,553
Benefit payments **	(9,147)	(7,924)	(2,767)	(2,616)	(1,833)	(2,276)
Net change in Total OPEB Liability - Life Insurance	(147,202)	18,010	78,188	81,864	(11,236)	42,099
Total OPEB Liability - life insurance - beginning	<u>458,348</u>	<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>\$ 311,146</u>	<u>458,348</u>	<u>440,338</u>	<u>362,150</u>	<u>280,286</u>	<u>291,522</u>
Covered-employee payroll	<u>\$ 8,315,314</u>	<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	3.74%	6.36%	6.36%	5.54%	4.59%	5.12%

** For the TMRS Supplemental Death Benefit Fund ("SDBF"), no assets are accumulated in a trust. 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.

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,					
	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 24,970	15,997	12,302	11,121	10,924	10,171
Contributions in relation to the actuarially determined contributions	<u>24,970</u>	<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>	<u>-</u>
Covered-employee payroll	<u>\$ 9,037,372</u>	<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	0.28%	0.20%	0.17%	0.16%	0.17%	0.17%

Notes to Schedule of OPEB - Life Insurance Contributions

Valuation Date: December 31, 2022

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*	4.05%
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, 2022.

The actuarial assumptions used in the December 31, 2022 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 Six Measurement Dates

	December 31,					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability - Health Insurance						
Service cost	\$ 152,794	147,109	176,841	135,278	175,111	150,174
Interest (on the Total OPEB Liability - Health Insurance)	143,660	174,500	204,947	266,180	245,548	248,688
Difference between expected and actual experience of the total OPEB liability	(14,373)	(1,293,531)	(3,621)	(573,842)	37,721	-
Change in assumptions *	(2,278,336)	208,659	1,059,259	568,616	(532,622)	644,918
Benefit payments **	<u>(158,847)</u>	<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	(2,155,102)	(918,336)	1,292,134	263,445	(240,546)	879,790
Total OPEB Liability - health insurance - beginning	<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>	<u>6,534,162</u>
Total OPEB Liability - health insurance - ending	\$ <u>5,655,547</u>	<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>1,253,759</u>	<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	451.09%	501.51%	581.15%	354.54%	343.69%	370.49%

* Changes in assumptions reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

** No assets are accumulated in a trust for the retiree health insurance plan. Due to the plan being considered an unfunded OPEB Plan under GASB 75, benefit payments are determined as follows:

a. Explicit benefit payments	\$ 114,196	111,483	104,753	95,737	132,725	130,878
b. Implicit benefit payments	44,651	43,590	40,539	37,050	33,579	33,112
c. Total benefit payments	\$ <u>158,847</u>	<u>155,073</u>	<u>145,292</u>	<u>132,787</u>	<u>166,304</u>	<u>163,990</u>

(continued)



Supplementary Information

City of Burnet, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	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
Assets											
Cash and cash equivalents	\$ 106,328	123	96,290	13,876	6,214	3,513	226,344	1,785,674	1,074,051	2,859,725	3,086,069
Receivables	98,616	-	-	-	-	-	98,616	-	50,000	50,000	148,616
Due from other funds	-	-	-	-	-	-	-	671,212	-	671,212	671,212
Total assets	\$ 204,944	123	96,290	13,876	6,214	3,513	324,960	2,456,886	1,124,051	3,580,937	3,905,897
Liabilities and Fund Balances											
Liabilities:											
Accounts and retainages payable	\$ 15,265	-	329	-	-	-	15,594	47,567	13,420	60,987	76,581
Accrued expenses	-	-	591	-	-	-	591	-	-	-	591
Due to other funds	38,750	-	-	-	-	-	38,750	-	-	-	38,750
Total liabilities	54,015	-	920	-	-	-	54,935	47,567	13,420	60,987	115,922
Fund balances:											
Restricted	150,929	123	95,370	13,876	6,214	3,513	270,025	-	1,110,631	1,110,631	1,380,656
Assigned	-	-	-	-	-	-	-	2,409,319	-	2,409,319	2,409,319
Total fund balances	150,929	123	95,370	13,876	6,214	3,513	270,025	2,409,319	1,110,631	3,519,950	3,789,975
Total liabilities and fund balances	\$ 204,944	123	96,290	13,876	6,214	3,513	324,960	2,456,886	1,124,051	3,580,937	3,905,897

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, 2023

	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
Revenues:											
Hotel/motel taxes	\$ 226,860	-	-	-	-	-	226,860	-	-	-	226,860
Intergovernmental	-	-	-	-	-	-	-	-	112,000	112,000	112,000
Fines	-	-	25,265	-	-	-	25,265	-	-	-	25,265
Interest	8,982	3	3,326	-	144	94	12,549	30,791	46,479	77,270	89,819
Miscellaneous	1,430	-	-	971	-	-	2,401	672	-	672	3,073
Total revenues	<u>237,272</u>	<u>3</u>	<u>28,591</u>	<u>971</u>	<u>144</u>	<u>94</u>	<u>267,075</u>	<u>31,463</u>	<u>158,479</u>	<u>189,942</u>	<u>457,017</u>
Expenditures:											
Current:											
Public safety	-	-	10,561	-	-	110	10,671	-	-	-	10,671
Economic development	243,087	-	-	-	-	-	243,087	-	-	-	243,087
Capital outlay	-	-	-	-	-	-	-	1,374,053	191,853	1,565,906	1,565,906
Total expenditures	<u>243,087</u>	<u>-</u>	<u>10,561</u>	<u>-</u>	<u>-</u>	<u>110</u>	<u>253,758</u>	<u>1,374,053</u>	<u>191,853</u>	<u>1,565,906</u>	<u>1,819,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,815)</u>	<u>3</u>	<u>18,030</u>	<u>971</u>	<u>144</u>	<u>(16)</u>	<u>13,317</u>	<u>(1,342,590)</u>	<u>(33,374)</u>	<u>(1,375,964)</u>	<u>(1,362,647)</u>
Other financing sources (uses):											
Proceeds from sale of capital assets	-	-	-	-	-	-	-	136,001	-	136,001	136,001
Transfers in	-	-	-	-	-	-	-	760,312	-	760,312	760,312
Transfers out	(85,982)	-	-	-	-	-	(85,982)	-	-	-	(85,982)
Total other financing sources (uses)	<u>(85,982)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,982)</u>	<u>896,313</u>	<u>-</u>	<u>896,313</u>	<u>810,331</u>
Net change in fund balances	(91,797)	3	18,030	971	144	(16)	(72,665)	(446,277)	(33,374)	(479,651)	(552,316)
Fund balances, beginning of year	<u>242,726</u>	<u>120</u>	<u>77,340</u>	<u>12,905</u>	<u>6,070</u>	<u>3,529</u>	<u>342,690</u>	<u>2,855,596</u>	<u>1,144,005</u>	<u>3,999,601</u>	<u>4,342,291</u>
Fund balances, end of year	<u>\$ 150,929</u>	<u>123</u>	<u>95,370</u>	<u>13,876</u>	<u>6,214</u>	<u>3,513</u>	<u>270,025</u>	<u>2,409,319</u>	<u>1,110,631</u>	<u>3,519,950</u>	<u>3,789,975</u>

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, 2023

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Hotel/motel taxes	\$ 190,000	190,000	226,860	36,860
Interest earned	300	300	8,982	8,682
Miscellaneous	<u>1,600</u>	<u>1,600</u>	<u>1,430</u>	<u>(170)</u>
Total revenues	<u>191,900</u>	<u>191,900</u>	<u>237,272</u>	<u>45,372</u>
Expenditures:				
Economic development	<u>111,600</u>	<u>276,600</u>	<u>243,087</u>	<u>33,513</u>
Total expenditures	<u>111,600</u>	<u>276,600</u>	<u>243,087</u>	<u>33,513</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80,300</u>	<u>(84,700)</u>	<u>(5,815)</u>	<u>78,885</u>
Other financing uses:				
Transfers out	<u>(57,195)</u>	<u>(87,195)</u>	<u>(85,982)</u>	<u>1,213</u>
Total other financing uses	<u>(57,195)</u>	<u>(87,195)</u>	<u>(85,982)</u>	<u>1,213</u>
Net change in fund balances	23,105	(171,895)	(91,797)	80,098
Fund balances, beginning of year	<u>242,726</u>	<u>242,726</u>	<u>242,726</u>	<u>-</u>
Fund balances, end of year	<u>\$ 265,831</u>	<u>70,831</u>	<u>150,929</u>	<u>80,098</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts (Budgetary Basis)	
Revenues:				
Property taxes	646,244	646,244	793,168	146,924
Interest	400	400	19,486	19,086
Total revenues	<u>646,644</u>	<u>646,644</u>	<u>812,654</u>	<u>166,010</u>
Expenditures:				
Debt service:				
Principal	440,000	450,000	450,000	-
Interest and fiscal charges	357,922	348,982	337,587	11,395
Total expenditures	<u>797,922</u>	<u>798,982</u>	<u>787,587</u>	<u>11,395</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,278)</u>	<u>(152,338)</u>	<u>25,067</u>	<u>177,405</u>
Other financing sources:				
Transfers in	151,678	151,678	-	(151,678)
Net change in fund balances	400	(660)	25,067	25,727
Fund balances, beginning of year	<u>220,606</u>	<u>220,606</u>	<u>220,606</u>	<u>-</u>
Fund balances, end of year	<u>\$ 221,006</u>	<u>219,946</u>	<u>245,673</u>	<u>25,727</u>

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, 2023

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, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,123,359	1,764,476
Receivables (net of allowance for uncollectibles)	228,956	278,902
Properties held for resale	3,654,690	2,458,398
Total current assets	6,007,005	4,501,776
Noncurrent assets:		
Restricted cash and cash equivalents	128,415	190,029
Capital assets:		
Land	41,360	41,360
Land improvements	321,112	-
Buildings	3,376,976	3,376,976
Machinery and equipment	22,200	13,780
Construction in process	113,405	-
Less accumulated depreciation	(424,237)	(295,195)
Total capital assets, net	3,450,816	3,136,921
Total noncurrent assets	3,579,231	3,326,950
Total assets	9,586,236	7,828,726
Liabilities		
Current liabilities:		
Accounts payable	1,787	4,025
Accrued interest payable	12,822	13,685
Due to primary government	29,598	29,598
General obligation debt payable - current	125,000	115,000
Long-term notes payable - current	1,245,533	126,857
Total current liabilities	1,414,740	289,165
Noncurrent liabilities:		
General obligation debt payable	1,385,000	1,510,000
Long-term notes payable	999,119	1,129,652
Total noncurrent liabilities	2,384,119	2,639,652
Total liabilities	3,798,859	2,928,817
Deferred Inflows of Resources		
Unavailable revenue - leases	56,417	112,835
Net Position		
Net investment in capital assets	2,069,231	1,701,950
Unrestricted	3,661,729	3,085,124
Total net position	\$ 5,730,960	4,787,074

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Charges for sales and services	\$ 65,335	111,560
Total operating revenues	<u>65,335</u>	<u>111,560</u>
Operating expenses:		
Purchased services	203,243	156,259
Materials and supplies	85,410	6,720
Other operating expenses	21,636	17,270
Depreciation	129,042	112,566
Total operating expenses	<u>439,331</u>	<u>292,815</u>
Operating loss	<u>(373,996)</u>	<u>(181,255)</u>
Nonoperating revenues (expenses):		
Sales taxes	925,162	901,487
Interest earnings	88,371	20,058
Interest expense	<u>(106,544)</u>	<u>(114,958)</u>
Total nonoperating revenues (expenses)	<u>906,989</u>	<u>806,587</u>
Income before capital contributions	532,993	625,332
Capital contributions	<u>410,893</u>	<u>-</u>
Change in net position	943,886	625,332
Net position, beginning of year	<u>4,787,074</u>	<u>4,161,742</u>
Net position, end of year	<u>\$ 5,730,960</u>	<u>4,787,074</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				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 20,794,433	21,214,029	28,741,370	30,231,996	30,869,534
Restricted	1,278,648	1,340,997	1,238,789	1,235,092	1,314,155
Unrestricted	<u>328,263</u>	<u>774,101</u>	<u>(80,675)</u>	<u>(99,778)</u>	<u>(2,141,612)</u>
Total governmental activities net position	<u>\$ 22,401,344</u>	<u>23,329,127</u>	<u>29,899,484</u>	<u>31,367,310</u>	<u>30,042,077</u>
Business-type activities					
Net investment in capital assets	\$ 17,877,613	17,511,195	18,152,400	18,881,590	19,529,455
Restricted	-	-	-	-	-
Unrestricted	<u>3,216,317</u>	<u>2,988,386</u>	<u>2,547,964</u>	<u>2,217,305</u>	<u>962,974</u>
Total business-type activities net position	<u>\$ 21,093,930</u>	<u>20,499,581</u>	<u>20,700,364</u>	<u>21,098,895</u>	<u>20,492,429</u>
Primary government					
Net investment in capital assets	\$ 38,672,046	38,725,224	46,893,770	49,113,586	50,398,989
Restricted	1,278,648	1,340,997	1,238,789	1,235,092	1,314,155
Unrestricted	<u>3,544,580</u>	<u>3,762,487</u>	<u>2,467,289</u>	<u>2,117,527</u>	<u>(1,178,638)</u>
Total primary government net position	<u>\$ 43,495,274</u>	<u>43,828,708</u>	<u>50,599,848</u>	<u>52,466,205</u>	<u>50,534,506</u>

Table 1

2019	2020	2021	2022	2023
32,264,739	33,804,992	34,193,243	34,842,074	33,370,477
1,125,161	1,062,536	1,290,949	1,366,394	1,427,252
<u>(2,772,944)</u>	<u>(2,202,019)</u>	<u>(862,966)</u>	<u>2,275,916</u>	<u>6,336,191</u>
<u>30,616,956</u>	<u>32,665,509</u>	<u>34,621,226</u>	<u>38,484,384</u>	<u>41,133,920</u>
20,825,955	20,380,238	20,347,624	20,684,865	20,677,876
-	-	-	-	-
<u>652,130</u>	<u>1,813,119</u>	<u>1,251,455</u>	<u>1,712,207</u>	<u>1,907,021</u>
<u>21,478,085</u>	<u>22,193,357</u>	<u>21,599,079</u>	<u>22,397,072</u>	<u>22,584,897</u>
53,090,694	54,185,230	54,540,867	55,526,939	54,048,353
1,125,161	1,062,536	1,290,949	1,366,394	1,427,252
<u>(2,120,814)</u>	<u>(388,900)</u>	<u>388,489</u>	<u>3,988,123</u>	<u>8,243,212</u>
<u>52,095,041</u>	<u>54,858,866</u>	<u>56,220,305</u>	<u>60,881,456</u>	<u>63,718,817</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 1,832,646	1,935,695	2,128,923	2,230,501	2,332,969
Public safety	4,936,996	5,115,418	5,468,034	5,718,420	5,588,410
Highways and streets	743,803	735,677	764,824	883,301	868,877
Aviation services	699,167	585,925	430,876	633,950	729,812
Culture and recreation	1,032,949	980,761	1,001,469	987,084	942,121
Sanitation	754,222	785,024	775,516	764,511	801,329
Economic development	154,296	236,673	498,496	150,989	360,908
Interest	113,603	99,480	87,978	80,111	69,592
Total governmental activities expenses	<u>10,267,682</u>	<u>10,474,653</u>	<u>11,156,116</u>	<u>11,448,867</u>	<u>11,694,018</u>
Business-type activities:					
Electric	6,956,392	7,287,947	6,035,719	6,057,551	6,457,978
Water and sewer	2,499,121	2,679,434	2,942,937	2,988,463	3,074,170
Delaware Springs Golf Course	1,643,559	1,615,377	1,536,738	1,683,511	1,609,209
Total business-type activities expenses	<u>11,099,072</u>	<u>11,582,758</u>	<u>10,515,394</u>	<u>10,729,525</u>	<u>11,141,357</u>
Total primary government expenses	<u>\$ 21,366,754</u>	<u>22,057,411</u>	<u>21,671,510</u>	<u>22,178,392</u>	<u>22,835,375</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 249,286	208,301	186,002	170,918	218,257
Public safety	1,858,195	2,072,672	1,884,904	1,751,748	2,065,945
Aviation services	825,914	652,944	590,356	779,047	847,149
Culture and recreation	21,534	21,012	24,058	17,008	16,748
Sanitation	845,773	898,728	863,235	925,486	954,670
Operating grants and contributions	372,945	532,971	565,044	607,145	690,265
Capital grants and contributions	812,732	767,048	6,200,801	1,185,608	85,709
Total governmental activities program revenues	<u>4,986,379</u>	<u>5,153,676</u>	<u>10,314,400</u>	<u>5,436,960</u>	<u>4,878,743</u>
Business-type activities:					
Charges for services:					
Electric	9,570,705	9,895,841	8,529,957	8,521,053	9,067,840
Water and sewer	4,053,284	4,038,239	4,069,235	4,207,289	4,374,178
Delaware Springs Golf Course	1,274,035	1,308,048	1,313,858	1,389,782	1,456,633
Capital grants and contributions		161,496	26,649	166,277	-
Total business-type activities program revenues	<u>14,898,024</u>	<u>15,403,624</u>	<u>13,939,699</u>	<u>14,284,401</u>	<u>14,898,651</u>
Total primary government program revenues	<u>\$ 19,884,403</u>	<u>20,557,300</u>	<u>24,254,099</u>	<u>19,721,361</u>	<u>19,777,394</u>
Net (expense)/revenue					
Governmental activities	\$ (5,281,303)	(5,320,977)	(841,716)	(6,011,907)	(6,815,275)
Business-type activities	<u>3,798,952</u>	<u>3,820,866</u>	<u>3,424,305</u>	<u>3,554,876</u>	<u>3,757,294</u>
Total primary government net expense	<u>\$ (1,482,351)</u>	<u>(1,500,111)</u>	<u>2,582,589</u>	<u>(2,457,031)</u>	<u>(3,057,981)</u>

Table 2

2019	2020	2021	2022	2023
2,288,577	2,709,203	2,587,631	2,844,286	3,403,779
6,621,584	6,747,415	7,350,318	7,670,549	8,292,785
998,227	1,182,772	1,135,566	1,434,226	1,573,757
1,093,963	741,666	930,254	1,382,867	800,680
998,187	977,788	1,053,829	1,180,523	1,304,946
844,095	879,551	920,917	976,671	994,964
170,345	145,148	76,457	82,351	493,087
56,662	182,268	264,949	206,101	459,636
<u>13,071,640</u>	<u>13,565,811</u>	<u>14,319,921</u>	<u>15,777,574</u>	<u>17,323,634</u>
6,547,489	6,596,612	6,781,809	6,952,848	7,453,957
3,294,198	3,213,760	3,363,972	3,652,482	3,609,788
1,789,522	1,677,563	1,878,176	1,966,802	2,290,378
<u>11,631,209</u>	<u>11,487,935</u>	<u>12,023,957</u>	<u>12,572,132</u>	<u>13,354,123</u>
<u>24,702,849</u>	<u>25,053,746</u>	<u>26,343,878</u>	<u>28,349,706</u>	<u>30,677,757</u>
263,089	297,132	314,654	533,015	596,560
2,061,493	2,215,738	2,363,198	3,416,730	3,305,597
775,946	613,680	893,683	1,261,086	500,749
21,013	2,500	20,976	82,596	54,289
981,223	1,039,547	1,099,224	1,172,398	1,195,371
853,397	934,478	1,128,376	1,625,461	13,723
926,587	645,914	49,504	206,039	1,217,289
<u>5,882,748</u>	<u>5,748,989</u>	<u>5,869,615</u>	<u>8,297,325</u>	<u>6,883,578</u>
9,286,346	9,499,716	9,125,087	10,436,014	10,233,561
4,350,687	4,568,093	4,620,814	4,933,125	4,956,156
1,363,083	1,329,072	1,783,795	2,213,364	2,522,431
189,568	1,070,193	70,520	5,892	-
<u>15,189,684</u>	<u>16,467,074</u>	<u>15,600,216</u>	<u>17,588,395</u>	<u>17,712,148</u>
<u>21,072,432</u>	<u>22,216,063</u>	<u>21,469,831</u>	<u>25,885,720</u>	<u>24,595,726</u>
(7,188,892)	(7,816,822)	(8,450,306)	(7,480,249)	(10,440,056)
<u>3,558,475</u>	<u>4,979,139</u>	<u>3,576,259</u>	<u>5,016,263</u>	<u>4,358,025</u>
<u>(3,630,417)</u>	<u>(2,837,683)</u>	<u>(4,874,047)</u>	<u>(2,463,986)</u>	<u>(6,082,031)</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 2,078,955	2,139,732	2,245,634	2,276,681	2,709,971
Sales taxes	1,432,699	1,475,565	1,578,655	1,705,022	1,675,298
Franchise taxes	125,108	139,780	125,361	132,068	133,242
Hotel/motel taxes	108,832	136,372	151,168	165,925	172,794
Unrestricted investment earnings	86,584	60,127	9,266	15,367	32,468
Miscellaneous	-	-	-	-	-
Gain on sale of capital assets	2,640	3,028	73,141	22,588	100,781
Transfers	1,713,937	3,792,711	3,228,848	3,162,082	2,558,930
Total governmental activities	<u>5,548,755</u>	<u>7,747,315</u>	<u>7,412,073</u>	<u>7,479,733</u>	<u>7,383,484</u>
Business-type activities:					
Unrestricted investment earnings	56,859	59,421	5,326	5,737	21,862
Miscellaneous	-	-	-	-	-
Gain on sale of capital assets	5,762	-	-	-	-
Transfers	(1,713,937)	(3,792,711)	(3,228,848)	(3,162,082)	(2,558,930)
Total business-type activities	<u>(1,651,316)</u>	<u>(3,733,290)</u>	<u>(3,223,522)</u>	<u>(3,156,345)</u>	<u>(2,537,068)</u>
Total primary government	<u>\$ 3,897,439</u>	<u>4,014,025</u>	<u>4,188,551</u>	<u>4,323,388</u>	<u>4,846,416</u>
Change in Net Position					
Governmental activities	\$ 267,452	2,426,338	6,570,357	1,467,826	568,209
Business-type activities	<u>2,147,636</u>	<u>87,576</u>	<u>200,783</u>	<u>398,531</u>	<u>1,220,226</u>
Total primary government	<u>\$ 2,415,088</u>	<u>2,513,914</u>	<u>6,771,140</u>	<u>1,866,357</u>	<u>1,788,435</u>

Table 2
(continued)

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
2,803,398	3,036,155	3,306,674	3,630,280	4,433,537
1,815,467	2,158,149	2,426,055	2,704,461	2,775,485
178,949	153,535	161,960	180,005	207,682
188,403	152,756	209,190	211,369	226,860
72,170	67,975	4,157	117,625	886,668
-	-	-	-	264,823
79,741	-	-	-	-
<u>2,625,643</u>	<u>4,296,805</u>	<u>4,297,987</u>	<u>4,499,667</u>	<u>4,294,537</u>
<u>7,763,771</u>	<u>9,865,375</u>	<u>10,406,023</u>	<u>11,343,407</u>	<u>13,089,592</u>
52,149	32,938	2,790	2,016	124,337
-	-	-	-	-
675	-	-	279,381	-
<u>(2,625,643)</u>	<u>(4,296,805)</u>	<u>(4,297,987)</u>	<u>(4,499,667)</u>	<u>(4,294,537)</u>
<u>(2,572,819)</u>	<u>(4,263,867)</u>	<u>(4,295,197)</u>	<u>(4,218,270)</u>	<u>(4,170,200)</u>
<u>5,190,952</u>	<u>5,601,508</u>	<u>6,110,826</u>	<u>7,125,137</u>	<u>8,919,392</u>
574,879	2,048,553	1,955,717	3,863,158	2,649,536
<u>985,656</u>	<u>715,272</u>	<u>(718,938)</u>	<u>797,993</u>	<u>187,825</u>
<u>1,560,535</u>	<u>2,763,825</u>	<u>1,236,779</u>	<u>4,661,151</u>	<u>2,837,361</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund					
Reserved	\$ -	-	-	-	-
Unreserved, designated	-	-	-	-	-
Nonspendable	26,258	34,715	50,566	50,454	36,831
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	<u>1,962,327</u>	<u>4,072,418</u>	<u>3,900,868</u>	<u>4,267,005</u>	<u>4,120,481</u>
Total general fund	<u>\$ 1,988,585</u>	<u>4,107,133</u>	<u>3,951,434</u>	<u>4,317,459</u>	<u>4,157,312</u>
All other governmental funds					
Reserved	\$ -	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	31,988	23,382	35,120	34,647	80,641
Restricted for:					
Debt service	120,691	174,187	194,298	161,167	172,217
Capital projects	-	-	-	-	-
Aviation services	825,598	787,609	583,320	720,176	811,348
Public safety	-	-	-	-	-
Other purposes	283,494	335,826	405,857	443,014	232,911
Committed to:					
EMS fund	-	-	-	-	-
Other funds	-	-	-	-	-
Assigned to:					
Capital projects	-	-	245,071	238,148	238,148
Other funds	727,856	595,825	293,272	484,646	916,581
Unassigned	<u>(362,151)</u>	<u>(174,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 1,627,476</u>	<u>1,741,868</u>	<u>1,756,938</u>	<u>2,081,798</u>	<u>2,451,846</u>

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

Table 3

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
-	-	-	-	-
-	-	-	-	-
64,178	30,388	26,382	33,809	33,218
-	-	-	-	-
-	-	-	-	-
<u>3,763,630</u>	<u>4,007,662</u>	<u>4,935,031</u>	<u>6,089,406</u>	<u>9,437,254</u>
<u>3,827,808</u>	<u>4,038,050</u>	<u>4,961,413</u>	<u>6,123,215</u>	<u>9,470,472</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
43,070	30,355	54,272	85,468	-
160,286	186,688	173,805	220,606	245,673
-	-	5,512,394	5,037,081	6,919,882
674,307	655,053	783,539	705,846	881,475
-	-	82,997	99,964	119,096
185,638	176,974	180,250	242,726	1,261,560
-	-	-	-	-
-	-	-	-	-
-	15,607	-	4,384,465	487,052
1,422,626	2,164,128	2,287,189	-	2,409,319
-	-	-	-	-
<u>2,485,927</u>	<u>3,228,805</u>	<u>9,074,446</u>	<u>10,776,156</u>	<u>12,324,057</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 3,774,931	3,889,905	4,094,869	4,308,989	4,653,385
Licenses and permits	29,124	35,416	43,302	48,375	76,264
Intergovernmental	418,804	454,410	466,308	525,335	549,042
Charges for services	2,481,080	2,866,090	2,628,738	2,517,800	2,876,101
Fines	109,499	105,213	138,653	171,494	154,334
Interest	86,584	60,127	9,266	15,367	32,468
Rents & Royalties	-	-	-	-	-
Contributions and donations	439,141	13,247	357,735	46,827	55,803
Fuel Sales	628,419	450,941	387,664	571,420	645,987
Miscellaneous	482,580	461,311	449,548	444,416	521,212
Total revenues	<u>8,450,162</u>	<u>8,336,660</u>	<u>8,576,083</u>	<u>8,650,023</u>	<u>9,564,596</u>
Expenditures					
General government	1,603,151	1,617,461	1,734,087	1,884,218	2,018,763
Public safety	4,126,923	4,349,630	4,432,456	4,754,902	4,909,014
Highways and streets	413,237	401,815	404,575	500,807	506,475
Aviation services	660,658	546,632	400,793	599,848	680,576
Culture and recreation	1,570,961	756,395	728,381	716,884	730,237
Solid waste	754,222	785,024	775,516	764,511	801,329
Economic development	154,296	166,347	495,398	147,985	360,908
Debt service:					
Principal	1,284,492	311,780	293,644	295,508	302,373
Interest	133,127	100,986	89,366	81,510	71,012
Bond issuance costs	-	-	-	-	-
Capital outlay	2,868,984	821,510	2,754,235	1,397,635	1,633,719
Total expenditures	<u>13,570,051</u>	<u>9,857,580</u>	<u>12,108,451</u>	<u>11,143,808</u>	<u>12,014,406</u>
Excess of revenues over (under) expenditures	<u>(5,119,889)</u>	<u>(1,520,920)</u>	<u>(3,532,368)</u>	<u>(2,493,785)</u>	<u>(2,449,810)</u>
Other financing sources (uses)					
Insurance recoveries	340	3,028	73,141	13,104	9,377
Certificate of obligation issued	-	-	-	-	-
Sale of assets	2,300	-	-	9,484	91,404
Transfers in	4,660,317	4,999,879	6,796,823	4,305,350	4,683,078
Other resources	-	-	-	-	-
Transfers out	(2,757,140)	(1,207,168)	(3,478,225)	(1,143,268)	(2,124,148)
Issuance of debt	-	-	-	-	-
Other uses	-	-	-	-	-
Total other financing sources (uses)	<u>1,905,817</u>	<u>3,795,739</u>	<u>3,391,739</u>	<u>3,184,670</u>	<u>2,659,711</u>
Net change in fund balances	<u>\$ (3,214,072)</u>	<u>2,274,819</u>	<u>(140,629)</u>	<u>690,885</u>	<u>209,901</u>
Debt service as a percentage of noncapital expenditures	12.71%	6.80%	3.62%	4.43%	3.52%

(1) Corrected prior year calculation of 4.34% to 4.48%.

Table 4

2019	2020	2021	2022	2023
4,976,544	5,533,614	6,058,885	6,728,256	7,624,199
96,049	129,465	90,591	232,002	198,420
691,831	1,016,354	1,238,814	2,555,150	2,346,296
2,918,726	2,810,599	3,109,901	3,599,251	3,139,306
141,039	141,993	155,890	170,465	205,884
72,170	60,051	4,157	89,014	886,668
-	-	-	-	-
308,274	281,646	111,118	146,276	88,220
579,980	403,961	683,989	1,056,314	265,417
653,649	394,956	479,312	537,867	640,035
<u>10,438,262</u>	<u>10,772,639</u>	<u>11,932,657</u>	<u>15,114,595</u>	<u>15,394,445</u>
1,994,505	2,407,351	2,237,383	2,533,513	3,093,980
5,530,537	5,586,519	6,225,567	6,787,298	7,506,817
500,252	658,101	623,699	819,645	888,083
591,772	463,677	642,079	1,034,867	398,861
672,571	674,580	760,648	842,407	930,073
844,095	879,551	920,917	976,671	994,964
170,345	145,060	76,457	82,351	493,087
918,678	265,000	1,400,000	395,212	559,339
61,730	105,489	112,985	233,711	368,193
-	83,222	140,076	-	110,371
2,207,471	5,940,047	2,464,697	3,073,686	4,955,084
<u>13,491,956</u>	<u>17,208,597</u>	<u>15,604,508</u>	<u>16,779,361</u>	<u>20,298,852</u>
<u>(3,053,694)</u>	<u>(6,435,958)</u>	<u>(3,671,851)</u>	<u>(1,664,766)</u>	<u>(4,904,407)</u>
125,368	3,976	-	-	-
-	2,920,000	5,755,000	-	3,940,000
7,260	3,948	-	28,611	1,384,611
5,172,297	7,708,438	7,440,115	9,136,607	5,291,335
-	164,349	387,868	-	180,417
(2,546,654)	(3,411,633)	(3,142,128)	(4,636,940)	(996,798)
-	-	-	-	-
-	-	-	-	-
<u>2,758,271</u>	<u>7,389,078</u>	<u>10,440,855</u>	<u>4,528,278</u>	<u>9,799,565</u>
<u>(295,423)</u>	<u>953,120</u>	<u>6,769,004</u>	<u>2,863,512</u>	<u>4,895,158</u>
8.44%	3.96%	12.42%	4.48% (1)	6.72%

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
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
2023	4,414,172	2,775,485	207,682	226,860	7,624,199

(1) Includes penalty and interest on delinquent taxes

Source: City Budget

Table 6

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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
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 %
2023	1,052,097,085	86,288,904	372,552,408	765,833,581	0.6131	1,138,385,989	67.27 %

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.

Table 7

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)								
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
2023	0.5022	0.1109	0.6131	0.3361	0.0405	1.0596	0.0057	2.0550

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	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Entegris, Inc	\$ 14,201,203	1	1.25 %	\$		
Entegris, Inc	9,472,885	2	0.83 %			
R&L Partnership, LLC	5,692,922	3	0.50 %	2,243,305	6	0.50 %
Delaware Springs Ranch Inv, LLC	4,517,647	4	0.40 %			
Judy & Thrasher, Inc	4,272,044	5	0.38 %	4,163,323	2	0.93 %
Rockford Corp	4,237,950	6	0.37 %			
First State Bank of Burnet	4,187,688	7	0.37 %	1,909,223	7	0.42 %
Atmos Energy/Mid-Tex Distr	3,876,738	8	0.34 %			
Del Mar Management, LLC	3,411,068	9	0.30 %			
Burnet Hotel, LLC	3,136,014	10	0.28 %			
ATMI Materials inc				21,053,019	1	4.68 %
MAHADEV LLC				2,363,557	4	0.53 %
Four Cooks Realty LLc				2,549,880	3	0.57 %
BJV Fox Holdings LP				1,841,420	8	0.41 %
LCRA Transmission Service Corp				1,692,915	10	0.38 %
Fickett Franklin I Chariable Foundation				1,760,235	9	0.39 %
Hoover Building Supply, Inc				2,271,837	5	0.50 %
Totals	\$ <u>57,006,159</u>		<u>5.01 %</u>	\$ <u>41,848,714</u>		<u>9.30 %</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
2014	2,043,399	2,009,792	98.36	22,983	2,032,775	99.48
2015	2,135,048	2,092,046	97.99	28,361	2,120,407	99.31
2016	2,222,953	2,182,536	98.18	28,136	2,210,672	99.45
2017 ⁽¹⁾	2,332,812	2,235,486	95.83	92,106	2,327,593	99.78
2018	2,596,423	2,545,204	98.03	35,301	2,580,505	99.39
2019	2,793,355	2,725,436	97.57	41,198	2,766,634	99.04
2020	3,056,024	3,004,098	98.30	41,254	3,045,352	99.65
2021	3,216,208 ⁽²⁾	3,178,525	98.83	26,248	3,204,772	99.64
2022	3,591,240	3,545,050	98.71	68,073	3,613,123	100.61
2023	4,355,158	4,301,672	98.77	-	4,301,672	98.77

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	Premiums	Leases	General Obligation Bonds with Revenue Pledge	Premiums	Leases			
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	156,132	-	18,742,475	51,930	-	23,045,537	15.89 %	1,017
2021	8,450,000	535,783	-	17,725,000	273,571	-	26,984,354	14.42 %	950
2022	8,120,000	508,173	155,617	16,825,000	259,050	-	25,867,840	12.12 %	791
2023	11,570,000	651,959	86,278	15,930,000	244,529	-	28,482,766	11.76 %	800

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	Premiums	Less: Amounts Available in Debt Service Fund	Total	Percentage of Taxable Value (1) of Property	Per Capita (2)
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	156,132	186,688	4,064,444	0.77%	622
2021	8,450,000	535,783	173,805	8,811,978	1.57%	1,337
2022	8,120,000	508,173	220,606	8,407,567	1.33%	1,288
2023	11,570,000	651,959	245,673	11,976,286	1.56%	1,761

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 and Lease Liabilities
(Unaudited)
September 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
City of Burnet	\$ <u>12,308,237</u> (1)	100.00 %	\$ <u>12,308,237</u>
Total direct	<u>12,308,237</u>		<u>12,308,237</u>
Overlapping:			
Burnet Consolidated Independent School District	63,985,000	21.82 %	13,961,527
Burnet County	<u>15,274,025</u>	7.44 %	<u>1,136,387</u>
Total overlapping	<u>79,259,025</u>		<u>15,097,914</u>
Total direct and overlapping debt	\$ <u><u>91,567,262</u></u>		\$ <u><u>27,406,151</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 debt, of each overlapping government.

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



City of Burnet, Texas
Computation of Maximum Debt Margin
(Unaudited)
September 30, 2023

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 2023 tax roll	\$ 765,833,581
Limit on amount designated for debt service	<u>1.50%</u>
Legal debt limit	\$ <u>11,487,504</u>
Actual amount expended for general obligation debt service during the year ended September 30, 2023	\$ <u>1,535,232</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	
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
2023	4,956,156	2,248,039	2,708,117	845,000	85,125	930,125	2.91

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			Coverage
				Principal	Interest	Total	
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
2023	10,233,561	7,127,938	3,105,623	50,000	3,000	53,000	58.60

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				
	2014	2015	2016	2017	2018
Operating and Nonoperating Revenue:					
Charges for Services	\$ 9,504,832	9,841,737	8,463,572	8,457,602	9,007,547
Rents and Royalties	-	-	-	-	-
Misc.	98,262	85,170	67,836	64,632	60,293
Total	<u>\$ 9,603,094</u>	<u>9,926,907</u>	<u>8,531,408</u>	<u>8,522,234</u>	<u>9,067,840</u>
Operating Expense:					
Electric System (1)	<u>\$ 6,671,585</u>	<u>7,011,877</u>	<u>5,753,913</u>	<u>5,767,554</u>	<u>6,162,992</u>

(1) Excludes depreciation expense

Table 16

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
9,069,036	8,824,263	9,056,485	10,318,679	10,106,828
-	-	-	-	-
<u>217,310</u>	<u>675,453</u>	<u>70,116</u>	<u>117,335</u>	<u>126,733</u>
<u>9,286,346</u>	<u>9,499,716</u>	<u>9,126,601</u>	<u>10,436,014</u>	<u>10,233,561</u>
<u>6,227,594</u>	<u>6,274,068</u>	<u>6,463,795</u>	<u>6,641,456</u>	<u>7,127,938</u>

Table 17

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

Customer	Customer Type	2023			2014		
		Annual Sales	Rank	Percentage of Total Sales	Annual Sales	Rank	Percentage of Total Sales
Entegris	Manufacturing	\$ 1,195,412	1	13.27 %	\$ 989,149	1	10.81 %
Burnet CISD Schools	Public Education	943,648	2	10.48	638,326	2	6.97
Seton HealthCare	Medical Facility	325,367	3	3.61	291,755	6	3.19
Sure Cast	Manufacturing	240,132	4	2.67	378,016	4	4.13
H.E.B #433	Grocery	225,631	5	2.5	262,650	7	2.87
Burnet Co Correctional Facility	Local Government	282,039	6	3.13	348,566	5	3.81
TDCJ-Utilities Energy	State Government	376,885	7	4.18	463,623	3	5.07
COB Sewer Dept	Local Government	145,512	8	1.62	146,275	9	1.6
Burnet County	Local Government	182,813	9	2.03	131,109	10	1.43
Stealth	Manufacturing	113,130	10	1.26	-		0
Repro-Lon	Manufacturing				158,507	8	
Totals		<u>\$ 4,030,569</u>		<u>44.75 %</u>	<u>\$ 3,807,977</u>		<u>39.88 %</u>

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)
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%
2023	6,800	242,229,600	35,622	3,277	6.40%

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	2023		2014	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Burnet CISD	508	22.58%	448	27.23%
Burnet County	407	18.09%	306	18.60%
Entegris	257	11.42%	102	6.20%
City of Burnet	155	6.89%	114	6.93%
YMCA of the Highland Lakes	150	6.67%	*	*
Stealth Products	124	5.51%	100	6.08%
Seton Highland Lakes	296	13.16%	250	15.20%
Texas Dept. of Criminal Justice	114	5.07%	123	7.48%
H-E-B	199	8.84%	115	6.99%
Sure Cast	40	1.78%	87	5.29%
Total	<u>2,250</u>	<u>100.00%</u>	<u>1,645</u>	<u>100.00%</u>

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

Table 20

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	5.2	5.75	6.25	6.75	7	7.25	7.5	9.5	9.5	9.5
Engineering	0	0	0	0	0	0	0	0	0	2
Municipal Court	1	1	1	1	0.5	1	1	1	1	1
Planning & Zoning	3.6	2.8	3.2	3.2	3	4	4	4	4	3
Economic Development	0.5	0.75	0.75	1.5	0.75	0	0	0	0	0
Police Department	17	18	18	18	19.5	22	21	25	24	26
Streets Department	6.5	6.5	6.25	7.75	7.75	8.75	8.75	10.75	10.75	10.75
Parks Department	7.5	7.5	7.85	7.25	7.25	7.75	7.75	9.75	9.75	9.75
Airport	0.7	0.7	0.8	0.8	1.75	1.5	1.5	1.5	1.5	1.5
Fire Department	30	30	30	30	30	33	33	33	33	33
Electric Department	10.5	11.5	11	10	10.5	10.5	10.5	10.75	10.75	11.25
Water/Wastewater Department	16.5	15.5	16	15.75	15.5	15.5	15.5	19.75	18.75	18.25
Golf Course	15	15.5	15.9	15	15	17	12	19.2	27	29
Total	<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>	<u>155</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				
	2014	2015	2016	2017	2018
General government					
Building permits issued	241	282	356	297	306
Building inspections conducted	870	1,027	1,337	1,066	836
Police					
Calls for Service	7,129	8,845	8,110	7,548	8,024
Assistance to Citizens	120	128	130	213	94
Miles Driven	152,408	139,734	127,933	136,166	151,732
Offense Reports	1,259	1,025	1,075	1,035	911
Physical arrests	512	318	318	484	400
Traffic violations	2,672	2,259	2,637	3,205	3,453
Fire/EMS					
Fire-Number of Calls City	465	557	715	816	844
EMS- Total number of Calls	4,142	4,347	4,893	4,150	4,370
Inspections	113	149	240	240	212
Water/Wastewater					
Effluent- Reclaimed Water (millions of gallons)	199.624	195.167	234.876	216.659	213.790
Average daily sewage treatment (millions of gallons)	0.55	0.53	0.64	0.59	0.59
Total Consumption Lake/Ground Water (millions of gallons)	310.087	351.440	298.094	324.233	319.341
Average daily consumption (millions of gallons)	0.850	0.963	0.817	0.888	0.875
Golf Course					
Rounds of Golf	18,005	19,069	19,218	20,605	22,741

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

2019	2020	2021	2022	2023
291	309	400	386	365
983	1,099	1714	2292	1675
8,737	9,940	11667	11221	11973
16	*	*	261	138
126,866	124,920	156,715	160,000	160,000
845	857	956	1179	852
340	346	330	519	475
2,677	3,004	4668	4401	4715
852	511	376	338	197
4,321	3,964	4755	4569	4139
226	63	71	69	52
220.610	190.948	199.434	200.000	209.840
0.60	0.52	0.518	0.547	0.57
308.8	354.647	340.091	398	404.3
0.846	0.972	0.821	1.09	1.1
20,215	20,514	25,656	27,630	28,679

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

Function/Program	Fiscal				
	2014	2015	2016	2017	2018
Public safety:					
Police:					
Stations	1	1	1	1	1
Patrol units	22	22	22	22	22
Fire:					
Fire stations	1	2	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	2,313	2,328	2,395	2,435	2,498
Water mains (miles)	56	58	58	60	60
Water pump stations	4	4	4	4	4
Fire hydrants	375	378	389	391	394
Plant capacity (millions of gallons)	2.88	2.88	2.88	2.88	2.88
Sewer:					
Service connections	2,111	2,123	2,183	2,231	2,273
Sanitary sewers (miles)	50	50	50	50	50
Number of lift stations	13	12	12	12	12
Treatment plant capacity (millions of gallons)	0.726	1.7	1.7	1.7	1.7
Electric:					
Service connections	2,867	2,863	2,934	2,960	3,021

Source: Various City of Burnet Department's Scorecard Reports

Table 22

2019	2020	2021	2022	2023
1	1	1	1	1
22	20	24	24	23
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
2,557	2,670	2,759	2,771	2,839
62	60	62	64	66
4	3	3	3	3
414	425	425	450	471
2.88	3.60	3.60	3.60	3.60
2,332	2,395	2,395	2,487	2,555
52	50	52	54	55
12	12	12	12	12
1.7	1.7	1.7	1.7	1.7
3,073	3,143	3,211	3,287	3,652