

NOTICE OF MEETING OF THE GOVERNING BODY OF THE CITY OF BURNET

Notice is hereby given that a **Regular City Council Meeting** will be held by the governing body of the City of Burnet on the **11th day of April, 2023,** at **6:00 p.m.,** in the City of Burnet Council Chambers located at 2402 S. Water Street (Hwy. 281 South, Burnet Municipal Airport) Burnet, TX.

The City of Burnet City Council Meeting will be available for live viewing via the following media connections.

City of Burnet Facebook Page: <u>https://www.facebook.com/cityofburnet</u>

City of Burnet Website via Zoom as follows: <u>https://us02web.zoom.us/j/81278669602</u> Or One tap mobile : US: 8778535257,,81278669602# (Toll Free) or 8884754499,,81278669602# (Toll Free)

Or Telephone: Dial(for higher quality, dial a number based on your current location): US: 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free) Webinar ID: 812 7866 9602 International numbers available: <u>https://us02web.zoom.us/u/kbN4DZVyl</u>

The Zoom connection is a live broadcast viewing option only. The option for comments will not be available.

This notice is posted pursuant to the Texas Government Code, Chapter §551-Open Meetings.

The following subjects will be discussed, to wit:

CALL TO ORDER:

ROLL CALL:

INVOCATION:

PLEDGES (US & TEXAS):

1. SPECIAL REPORTS/RECOGNITION:

1.1) Annual Audit Report: Jaynes, Reitmeier, Boyd & Therrell, P. C.: P. Langford

A. Audited Annual Comprehensive Financial Report

B. Compliance and Internal Control Report under a Single Audit

C. Letter to City Council

1.2) Oath of Office-Lieutenant Jeremy Stewart: B. Lee

1.3) Engineering Department Quarterly Report: E. Belaj

1.4) Delaware Springs Golf Course Quarterly Report: T. Nash

2. CONSENT AGENDA: (All of the following items on the Consent Agenda are considered to be selfexplanatory and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member, staff member or citizen requests removal of the item from the consent agenda for the purpose of discussion. For removal of an item, a request must be made to the Council when the Consent Agenda is opened for Council action.)

2.1) Approval of the March 28, 2023 Regular City Council Meeting minutes

3. PUBLIC HEARINGS/ACTION:

3.1) Public Hearing and consideration of the following: Adoption and amendments of the Zoning Ordinance and zoning classifications presented by Habib Erkan, Asst. City Manager, and Leslie Kimbler, City Planner

A) Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CITY CODE OF ORDINANCES CHAPTER 118 (ENTITLED "ZONING") SECTION 118-63 (ENTITLED "MUNICIPAL GOLF COURSE VEGETATIVE BUFFER REQUIREMENTS") BY IMPLEMENTING TREE PRESERVATION REGULATIONS WITHIN THE MUNICIPAL GOLF COURSE VEGETATIVE BUFFER; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: H. Erkan

- (1) Staff Presentation: H. Erkan
- (2) Public Hearing:
- (3) Consideration and action:

B) Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 302 SOUTH HILL STREET (Legal Description: S6127 LUNA PARK LOT 4) WITH SINGLE-FAMILY "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

(1) Staff Presentation: L. Kimbler

- (2) Public Hearing:
- (3) Consideration and action:

C) Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 308 SOUTH HILL STREET (Legal Description: BEING 0.17 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1. ABS. NO 405 AND BEING PORTION OF 5 AC OUT OF BLK NO. 8, PETER KERR DONATION) WITH "R-1" SINGLE-FAMILY PROVIDING Α REPEALER CLAUSE: PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN **EFFECTIVE DATE**

- (1) Staff Presentation: L. Kimbler
- (2) Public Hearing:
- (3) Consideration and action:

D) Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 310 SOUTH HILL STREET (Legal Description: BEING 0.165 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS NO. 405, AND BEING A PORTION OF 5 ACRES. BLK 8. PETER KERR DONATION) WITH "R-1" PROVIDING SINGLE-FAMILY Α REPEALER CLAUSE: SEVERABILITY CLAUSE: AND PROVIDING AN PROVIDING A EFFECTIVE DATE

- (1) Staff Presentation: L. Kimbler
- (2) Public Hearing:
- (3) Consideration and action:

E) Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS THE CORNER LOT OF SOUTH WEST STREET AND WEST LEAGUE STREET (Legal Description: BEING ALL OF LOT NO. 3, BLOCK NO. 1 OF THE PETER KERR PORTION) WITH LIGHT COMMERCIAL "C-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

(1) Staff Presentation: L. Kimbler

(2) Public Hearing:

(3) Consideration and action:

4. ACTION ITEMS:

4.1) Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AMENDING SECTION EIGHT OF ORDINANCE NO. 2022-45 (AMENDING CITY CODE CHAPTER 18 ENTITLED "AVIATION") TO EXTEND THE EFFECTIVE DATE PROVIDING CUMULATIVE, CORRELATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: H. Erkan

4.2) Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, CONDITIONALLY APPROVING THE PRELIMINARY PLAT ESTABLISHING SOUTH HWY 281 DELAWARE COMMERCIAL PLAT, CONSISTING OF APPROXIMATELY 3 COMMERCIAL LOTS ON 19.65 ACRES OUT OF ABST A0398 SUSANO HERNANDEZ & ABST 1018 FRANCICO YBARRO, ABST. 29 WASHINGTON TRACT: L. Kimbler

4.3) Discuss and consider action: Request for financial assistance with the Hill Country Humane Society Mobile Adoption and Spay/Neuter Unit: D. Vaughn

5. REQUESTS FROM COUNCIL FOR FUTURE REPORTS: In accordance with Resolution 2020-28 Council Members may request the City Manager to prepare and present future reports on matter of public interest.

6. ADJOURN:

Dated this 6th day of April, 2023

City of Burnet

Mayor Crista Goble Bromley

I, the undersigned authority, do hereby certify that the above NOTICE OF MEETING of the governing body of the above named City, BURNET, is a true and correct copy of said NOTICE and that I posted a true and correct copy of said NOTICE on the bulletin board, in the City Hall of said City, BURNET, TEXAS, a place convenient and readily accessible to the general public at all times, and said NOTICE was posted on April 6, 2023 at or before 6 o'clock p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of said meeting.

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS:

The City of Burnet Council Chambers is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's office (512.756.6093) at least two working days prior to the meeting. Requests for information may be faxed to the City Secretary at 512.756.8560.

RIGHT TO ENTER INTO EXECUTIVE SESSION:

The City Council for the City of Burnet reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

Report to City Council

April 11, 2023





Audit Scope and Results

Responsibilities

Management is responsible for the preparation and presentation of the annual comprehensive financial report (ACFR).

Our responsibility is to conduct an audit of those financial statements in accordance with generally accepted auditing standards, and express opinions on those financial statements based on our audit.





Audit Scope and Results

Management's Discussions and Analysis Basic Financial Statements

- Government-wide financial statements
- Fund financial statements
 - Governmental funds
 - Proprietary funds
- Notes to Financial Statements

Required Supplementary Information

• Pension and OPEB-related schedules

Supplementary Information

 Combining nonmajor governmental funds financial statements, budgetary comparison schedules, and comparative statements for the Burnet Economic Development Corporation.





Audit Scope and Results

As a result of our audit procedures, in our opinion,...

...the financial statements do present fairly, in all material respects, the financial position... as of September 30, 2022, and the changes in financial position and cash flows... for the year then ended in accordance with accounting principles generally accepted in the United States of America.





	Governmental Activities	Business-Type Activities	Total
Net position, beginning of year	\$ 34,621,226	21,599,079	56,220,305
Change in net position	3,863,158	797,993	4,661,151
Net position, end of year	\$ 38,484,384	22,397,072	60,881,456





Compliance with Budget General Fund – Budgetary Basis

	Fi	inal Budget	Actual	Variance
Revenues	\$	10,107,670	12,816,733	2,709,063
Expenditures		(12,629,102)	(12,505,093)	124,009
Excess Expenditures over Revenues		(2,521,432)	311,640	2,833,072
Transfers in		4,523,893	4,701,822	177,929
Transfers out		(2,307,288)	(3,851,660)	(1,544,372)
Net change in fund balance	\$	(304,827)	1,161,802	1,466,629





Fund Balance General Fund

Fund balance, beginning of year	\$ 4,961,413
Net change in fund balance	1,161,802
Fund balance, end of year	\$ 6,123,215

Nonspendable	\$ 33,809
Unassigned	6,089,406
Fund balance	6,123,215

(Unassigned fund balance equals 136 days

of 2022 operating expenditures and transfers out)





Operating Results - Proprietary Funds

	2022	2021
Operating revenue	\$ 17,582,503	15,529,696
Operating expense	(12,484,105)	(11,788,073)
Operating income	5,098,398	3,741,623
Nonoperating revenue (expense)	199,262	(233,094)
Contributions and transfers in	350,834	533,018
Transfers out	(4,850,501)	(4,760,485)
Change in net position	\$ 797,993	(718,938)





Compliance and Internal Control at the Financial Statement Level

Considered internal controls to design audit procedures, but not to express an opinion on the effectiveness of controls.

No material weaknesses identified.





Compliance Audit – Federal Awards

Considered internal controls over compliance to design audit procedures, but not to express an opinion on the effectiveness of controls.

No material weaknesses in controls over compliance identified.





Compliance Audit – Federal Awards

As a result of our audit procedures, in our opinion,...

...the City complied, in all material respects, with the compliance requirements that could have a direct and material effect on its major federal program for the year ended September 30, 2022.





Questions?







City of BURNET-TEXAS



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

Annual Comprehensive Financial Report

of the



City of Burnet, Texas

Prepared by the Finance Department Year Ended September 30, 2022

September 30, 2022

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(512) 756-6093 FAX (512) 756-8560

www.cityofburnet.com

March 29, 2023

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

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

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

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

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

Profile of the City

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

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

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

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

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

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

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

Factors Affecting Financial Condition

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

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

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

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

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

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

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

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

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

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

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

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

Relevant Financial Policies

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

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

Acknowledgements

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

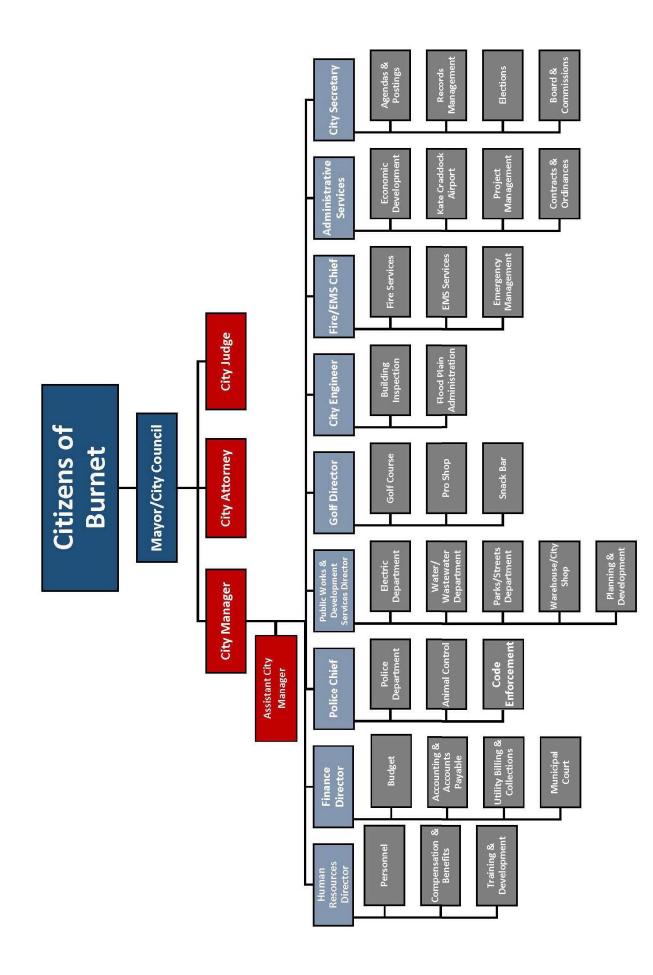
Respectfully submitted,

Paricia Gangord land

David Vaughn City Manager

Patricia Langford, C.P.A. Finance Director





VII

Elected Officials and City Staff

September 30, 2022

Elected Officials

City Council - Two-Year Terms

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

City Staff

<u>Name</u>

David Vaughn Habib Erkan Kelly Dix Mark Ingram Brian Lee Tony Nash Haley Archer Patricia Langford Carley Kehoe Pearson Eric Belaj Alan Burdell Vacant Jason Davis JJ Miller **Curtis Murphy** Sandra Graves Stefani Wright Adrienne Feild Nadine Blair Leslie Kimbler Bryce Van Arsdale Jimmy Crain Tracy Shirley Sonia Tucker Tamara Tinney Tina Morgan

Position

City Manager Assistant City Manager City Secretary Fire Chief / Emergency Management Police Chief Director of Golf Director of Human Resources Director of Finance Director of Public Works/Development Services City Engineer Water / Wastewater Superintendent **Electric Superintendent** Police Captain Deputy Chief of Fire Administration EMS Coordinator Senior Accountant Senior Accountant Administrative Services Spec / Airport Manager Code Enforcement Planning Manager Community Development Coordinator Infrastructure Inspector Utility Billing Coordinator Customer Service Representative Municipal Court Judge Municipal Court Clerk

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Burnet Texas

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2021

Christophen 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principles

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16, and the schedules of changes in the City's net pension liability / total OPEB liabilities and related ratios, and schedules of pension/OPEB contributions on pages 80 through 87 (collectively, "the required supplementary information") be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining schedules of nonmajor governmental funds and other supplementary information (collectively, the "other supplementary information") on pages 90 through 97 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

March 29, 2023



Management's Discussion and Analysis

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

Financial Highlights

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

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is either improving or deteriorating.

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

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

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

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 78 of this report.

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

Government-wide Overall Financial Analysis

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

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

City of Burnet's Net Position September 30,

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

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

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

	Governmental Activities			ess-type vities	Total		
•	2022	2021	2022	2021	2022	2021	
	2022	2021	2022	2021	2022	2021	
Program revenues:	6 465 925	5 (50 (42	17 500 500	15 520 606	24.040.220	21 100 220	
Charges for services \$	6,465,825	5,650,642	17,582,503	15,529,696	24,048,328	21,180,338	
Operating grants and contributions	1 (25 4(1	110 152	5 902		1 (21 252	112 152	
	1,625,461	112,153	5,892	-	1,631,353	112,153	
Capital grants and contributions	206,039	106,820		70,520	206,039	177 240	
General revenues:	206,039	106,820	-	70,520	206,039	177,340	
Property taxes	3,630,280	3,306,674			3,630,280	3,306,674	
Sales taxes		2,426,055	-	-	2,704,461		
Hotel/motel taxes	2,704,461		-	-		2,426,055	
Franchise and other taxes	211,369	209,190	-	-	211,369 180,005	209,190	
Gain on sale of land	180,005	161,960	279,381	-		161,960	
Unrestricted interest and	-	-	279,381	-	279,381	-	
	117 (25	4 1 5 7	2.016	2 700	110 (41	(0.47	
miscellaneous revenues	117,625	4,157	2,016	2,790	119,641	6,947	
Total revenues	15,141,065	11,977,651	17,869,792	15,603,006	33,010,857	27,580,657	
Expenses:							
General government \$	2,844,286	2,587,631	-	-	2,844,286	2,587,631	
Public safety	7,670,549	7,350,318	-	-	7,670,549	7,350,318	
Highways and streets	1,434,226	1,135,566	-	-	1,434,226	1,135,566	
Aviation services	1,382,867	930,254	-	-	1,382,867	930,254	
Culture and recreation	1,180,523	1,053,829	-	-	1,180,523	1,053,829	
Sanitation	976,671	920,917	-	-	976,671	920,917	
Economic development	82,351	76,457	-	-	82,351	76,457	
Interest and other charges							
on long-term debt	206,101	264,949	-	-	206,101	264,949	
Electric	-	-	6,952,848	6,781,809	6,952,848	6,781,809	
Water and sewer	-	-	3,652,482	3,363,972	3,652,482	3,363,972	
Delaware Springs							
Golf Course	-	-	1,966,802	1,878,176	1,966,802	1,878,176	
Total expenses	15,777,574	14,319,921	12,572,132	12,023,957	28,349,706	26,343,878	
Increase (decrease) in net							
position before transfers	(636,509)	(2,342,270)	5,297,660	3,579,049	4,661,151	1,236,779	
Transfers	4,499,667	4,297,987	(4,499,667)	(4,297,987)			
· (1)							
Increase (decrease)	2 0 (2 1 5 0	1 055 515	707.002	(710.020)	4 6 6 1 1 5 1	1 22 (770	
in net position	3,863,158	1,955,717	797,993	(718,938)	4,661,151	1,236,779	
Net position, beginning							
of year, as reported	34,621,226	32,665,509	21,599,079	22,193,357	56,220,305	54,858,866	
Prior period adjustment	-	-	-	124,660	-	124,660	
Net position, beginning						<u> </u>	
of year, as restated	34,621,226	32,665,509	21,599,079	22,318,017	56,220,305	54,983,526	
	<u> </u>	. <u></u>	· · · · · ·		<u> </u>	<u> </u>	
Net position, end of year \$	38,484,384	34,621,226	22 207 072	21 500 070	60,881,456	56,220,305	
	30,707,307	57,021,220	22,397,072	21,599,079	00,001,400	50,220,505	

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

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

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

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

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

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

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

Financial Analysis of the City's Funds

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

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

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

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

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

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

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

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

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

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

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

General Fund Budgetary Highlights

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

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

Capital Assets and Debt Administration

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

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

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

Major capital asset activity during the current fiscal year included:

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

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

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

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

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

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

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

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

Economic Factors and Next Year's Budget and Rates

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

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

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

Requests for Information

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

Basic Financial Statements



Statement of Net Position

September 30, 2022

		Component Unit		
	C	(1 D ; (Burnet Economic
	Governme Activitie	21	Total	Development Corporation, Inc.
Assets	Activitie	Activities	Total	Corporation, me.
Cash and cash equivalents	\$ 16,066,6	543 2,933,879	19,000,522	1,764,476
Receivables (net of allowance	\$ 10,000,0		1,,000,022	1,701,170
for uncollectibles)	1,224,8	380 1,418,998	2,643,878	278,902
Inventories	109,1		1,488,732	-
Internal balances	385,5		-	-
Due from component unit	29,5		29,598	-
Prepaid and other items	10,1	- 43	10,143	-
Restricted cash and cash equivalents	-	-	-	190,029
Properties held for resale	-	-	-	2,458,398
Right of use assets, net	149,3	- 367	149,367	-
Capital assets not being depreciated:				
Land	3,938,7	605,396	4,544,103	41,360
Construction in progress	1,385,4	180 54,469	1,439,949	-
Capital assets, net of accumulated				
depreciation:				
Buildings	9,408,4	183 100,128	9,508,611	3,095,561
Infrastructure	20,486,2	35,456,785	55,943,072	-
Machinery and equipment	3,110,6		4,602,445	
Total assets	56,304,9	43,055,498	99,360,420	7,828,726
Deferred Outflows of Resources				
Deferred outflows of resources	1,642,4	547,695	2,190,128	-
Liabilities				
Accounts payable	377,1	46 135,863	513,009	4,025
Accounts payable Accrued interest payable	27,1		38,151	13,685
Accrued liabilities	256,2	· · · · · ·	397,537	15,085
Due to primary government		-	-	29,598
Deposits payable		105 587,934	594,339	-
Unearned revenue	56,3	· · · · · ·	56,375	_
Noncurrent liabilities:	50,5		50,575	
Due within one year	685,0	999,376	1,684,461	241,857
Due in more than one year	15,494,5	· · · · · · · · · · · · · · · · · · ·	33,982,965	2,639,652
Total liabilities	16,903,0		37,266,837	2,928,817
Deferred Inflows of Resources				
Deferred inflows of resources	2 5 5 0 (971 842,284	3,402,255	112,835
Defended innows of resources	2,559,9	042,204	5,402,235	112,655
Net Position				
Net investment in capital assets	34,842,0	074 20,684,865	55,526,939	445,441
Restricted for:	51,012,0	20,001,005	55,520,757	113,111
Debt service	242,5	-	242,533	_
Economic development	242,7		242,726	-
Aviation services	781,1		781,171	-
Public safety	99,9		99,964	-
Unrestricted	2,275,9		3,988,123	4,341,633
			<u>, , , , , , , , , , , , , , , , , </u>	· · · ·
Total net position	\$ 38,484,3	22,397,072	60,881,456	4,787,074

Statement of Activities

Year Ended September 30, 2022

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

		Net Revenues (
-		Changes in I	Net Position	
_		Primary Government		Component Unit
				Burnet Economic
	Governmental	Business-type		Development
	Activities	Activities	Total	Corporation, Inc.
	(2,311,271)		(2,311,271)	
		-		
	(2,514,358)	-	(2,514,358)	
	(1,434,226)	-	(1,434,226)	
	(59,092)	-	(59,092)	
	(1,068,577)	-	(1,068,577)	
	195,727	-	195,727	
	(82,351)	-	(82,351)	
-	(206,101)	-	(206,101)	
-	(7,480,249)	-	(7,480,249)	
	-	3,486,112	3,486,112	
	-	1,283,589	1,283,589	
	-	246,562	246,562	
-	-	5,016,263	5,016,263	
	(7,480,249)	5,016,263	(2,463,986)	
-	(7,400,247)	5,010,205	(2,405,700)	
				(20(212)
				(296,213)
\$	3,630,280	-	3,630,280	-
	2,704,461	-	2,704,461	901,487
	211,369	-	211,369	-
	180,005	-	180,005	-
	-	279,381	279,381	-
	117,625	2,016	119,641	20,058
	4,499,667	(4,499,667)		-
_	11,343,407	(4,218,270)	7,125,137	921,545
	3,863,158	797,993	4,661,151	625,332
	34,621,226	21,474,419	56,095,645	4,161,742
	57,021,220	124,660	124,660	7,101,/42
-	34,621,226	21,599,079	56,220,305	4,161,742
-	3 1,021,220			1,101,772
\$_	38,484,384	22,397,072	60,881,456	4,787,074
-				

Net Revenues (Expenses) and

Balance Sheet Governmental Funds

September 30, 2022

		General	Airport	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents Receivables (net of allowance	\$	5,640,691	732,193	547,434	5,502,807	3,643,518	16,066,643
for uncollectibles)		992,196	131,319	22,185	3,940	75,240	1,224,880
Due from other funds		255,992	_	3,950	-	671,212	931,154
Inventories		33,809	75,325	-	-	-	109,134
Prepaid and other items					10,143		10,143
Total assets	\$	6,922,688	938,837	573,569	5,516,890	4,389,970	18,341,954
Liabilities							
Liabilities:							
Accounts and retainages payable	\$	238,783	65,416	-	34,427	38,520	377,146
Accrued liabilities		254,223	1,628	-	-	409	256,260
Deposits payable		-	6,405	-	-	-	6,405
Unearned revenue		5,500	500	-	50,375	-	56,375
Due to other funds		175,969	256	331,036		8,750	516,011
Total liabilities		674,475	74,205	331,036	84,802	47,679	1,212,197
Deferred Inflows of Resources							
Unavailable revenue - property taxes		124,998	-	21,927	-	-	146,925
Unavailable revenue - leases		-	83,461	-	-	-	83,461
Total deferred inflow of resources	; ;	124,998	83,461	21,927	-		230,386
Fund Balances							
Nonspendable		33,809	75,325	-	10,143	-	119,277
Restricted		-	705,846	220,606	3,893,076	1,486,695	6,306,223
Assigned		-	_	-	1,528,869	2,855,596	4,384,465
Unassigned		6,089,406	-	-	-	-	6,089,406
Total fund balances		6,123,215	781,171	220,606	5,432,088	4,342,291	16,899,371
Total liabilities, deferred inflows	of						
resources and fund balances	\$	6,922,688	938,837	573,569	5,516,890	4,389,970	

Amounts reported for governmental activities in the statement of net assets are different because: Capital and right-of-use assets used in governmental activities are not financial resources and,

therefore, are not reported in the funds. 38,478,979 Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 146,925 Long-term liabilities, including general obligation debt, the net pension and total OPEB liabilities, (17,040,891) are not due and payable in the current period and, therefore, are not reported in the funds. \$ 38,484,384

Net position of governmental activities

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

Year Ended September 30, 2022

				Debt	General Capital	Other Governmental	Total Governmental
		General	Airport	Service	Projects	Funds	Funds
Revenues:							
Property taxes	\$	3,093,923	-	538,498	-	-	3,632,421
Sales taxes		2,704,461	-	-	-	-	2,704,461
Hotel/motel taxes		-	-	-	-	211,369	211,369
Franchise and other taxes		180,005	-	-	-	-	180,005
Licenses and permits		232,002	-	-	-	-	232,002
Intergovernmental		2,492,461	-	-	-	62,689	2,555,150
Charges for services - sanitation		1,172,398	-	-	-	-	1,172,398
Charges for services - EMS		2,344,257	-	-	-	-	2,344,257
Charges for services - other		82,596	-	-	-	-	82,596
Fines		147,740	-	-	-	22,725	170,465
Interest		34,755	14,398	328	34,008	5,525	89,014
Contributions and donations		32,276	-	-	114,000	-	146,276
Fuel sales		-	1,056,314	-	-	-	1,056,314
Miscellaneous		299,859	204,772	-	29,350	3,886	537,867
Total revenues	-	12,816,733	1,275,484	538,826	177,358	306,194	15,114,595
	•						
Expenditures:							
Current:							
General government		2,533,513	-	-	-	-	2,533,513
Public safety		6,776,144	-	-	2,628	8,526	6,787,298
Highways and streets		819,645	-	-	-	-	819,645
Aviation services		-	1,034,867	-	-	-	1,034,867
Culture and recreation		842,407	-	-	-	-	842,407
Sanitation		976,671	-	-	-	-	976,671
Economic development		-	-	-	-	82,351	82,351
Debt service:							
Principal		65,212	35,000	295,000	-	-	395,212
Interest and fiscal charges		13,617	23,069	197,025	-	-	233,711
Capital outlay		-	-	-	2,639,973	433,713	3,073,686
Total expenditures		12,027,209	1,092,936	492,025	2,642,601	524,590	16,779,361
Excess (deficiency) of revenues over (under) expenditures		789,524	182,548	46,801	(2 165 212)	(218,396)	(1,664,766)
over (under) expenditures		789,324	162,346	40,001	(2,465,243)	(218,390)	(1,664,766)
Other financing sources (uses):							
Proceeds on sale of capital assets		-	-	-	-	28,611	28,611
Transfers in		4,701,822	-	-	3,516,806	917,979	9,136,607
Transfers out		(4,329,544)	(239,188)	-		(68,208)	(4,636,940)
Total other financing	•	(.,e_,;e)	((***,=**)	(1,00 0,2 10)
sources (uses)		372,278	(239,188)	-	3,516,806	878,382	4,528,278
Not always in fund halanses	•	1,161,802	(56 640)	46,801	1,051,563	659,986	2 862 512
Net change in fund balances			(56,640)	ŕ	<i>. .</i>	ŕ	2,863,512
Fund balances, beginning of year		4,961,413	837,811	173,805	4,380,525	3,682,305	14,035,859
Fund balances, end of year	\$	6,123,215	781,171	220,606	5,432,088	4,342,291	16,899,371

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

Year Ended September 30, 2022

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

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

Year Ended September 30, 2022

	Budgeted Original	1 Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:	onginai	1 11101	Dubits)	T mai D auger
Property taxes	\$ 3,032,000	3,032,000	3,093,923	61,923
Sales taxes	2,438,000	2,438,000	2,704,461	266,461
Franchise and other taxes	155,000	155,000	180,005	25,005
Licenses and permits	132,200	132,200	232,002	99,802
Intergovernmental	950,489	950,489	2,492,461	1,541,972
Charges for services - sanitation	1,129,106	1,162,106	1,172,398	10,292
Charges for services - EMS	1,900,000	1,900,000	2,344,257	444,257
Charges for services - other	25,300	25,300	82,596	57,296
Fines	130,000	130,000	147,740	17,740
Interest	5,000	5,000	34,755	29,755
Contributions and donations	10,200	10,200	32,276	22,076
Miscellaneous	167,375	167,375	299,859	132,484
Total revenues	10,074,670	10,107,670	12,816,733	2,709,063
Expenditures:				
General government:				
Mayor and Council	14,295	21,906	21,902	4
Administrative	1,910,598	1,889,578	1,872,743	16,835
Planning and zoning	467,804	502,575	499,638	2,937
City shop	115,076	115,364	108,962	6,402
Public works administration	-	80,504	80,378	126
Public safety:				
Police	2,873,116	2,906,333	2,914,852	(8,519)
Municipal court	99,374	101,066	101,060	6
Fire	4,214,658	4,310,383	4,240,300	70,083
Highways and streets	827,983	828,973	819,645	9,328
Culture and recreation:))	-)
Parks	788,226	788,226	765,611	22,615
Recreation center	105,000	105,000	103,331	1,669
Sanitation	946,194	979,194	976,671	2,523
2 unitation				
Total expenditures	12,362,324	12,629,102	12,505,093	124,009
Excess (deficiency) of revenues				
over (under) expenditures	(2,287,654)	(2,521,432)	311,640	2,833,072
	(2,207,001)	(2,021,102)	011,010	2,000,072
Other financing sources (uses):				
Transfers in	3,023,893	4,523,893	4,701,822	177,929
Transfers out	(2,307,288)	(2,307,288)	(3,851,660)	(1,544,372)
Total other financing sources (uses)	716,605	2,216,605	850,162	(1,366,443)
Net change in fund balances	(1,571,049)	(304,827)	1,161,802	1,466,629
Fund balances, beginning of year	4,961,413	4,961,413	4,961,413	
Fund balances, end of year	\$3,390,364	4,656,586	6,123,215	1,466,629

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

Year Ended September 30, 2022

		Budgeted	Amounts	Actual Amounts (Budgetary	Variance with Final
	-	Original	Final	Basis)	Budget
Revenues:	-	<u> </u>			0
Fuel sales	\$	600,450	966,450	1,056,314	89,864
Interest		500	500	14,398	13,898
Miscellaneous	_	204,379	204,379	204,772	393
Total revenues	_	805,329	1,171,329	1,275,484	104,155
Expenditures:					
Current:					
Aviation services		613,284	1,064,242	1,034,867	29,375
Debt service:					
Principal		-	35,000	35,000	-
Interest and fiscal charges	-	-	23,069	23,069	
Total expenditures	-	613,284	1,122,311	1,092,936	29,375
Excess of revenues					
over expenditures	-	192,045	49,018	182,548	133,530
Other financing sources (uses):					
Transfers out	_	(532,715)	(490,176)	(239,188)	250,988
Total other financing sources (uses)	_	(532,715)	(490,176)	(239,188)	250,988
Net change in fund balances		(340,670)	(441,158)	(56,640)	384,518
Fund balances, beginning of year	-	837,811	837,811	837,811	
Fund balances, end of year	\$_	497,141	396,653	781,171	384,518



Statement of Net Position – Proprietary Funds

September 30, 2022

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

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

Year Ended September 30, 2022

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

Statement of Cash Flows – Proprietary Funds

Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds				
	Electric	Water and Sewer	Delaware Springs Golf Course	Total	
Cash flows from operating activities:					
Receipts from customers and users	\$ 10,423,464	4,943,467	2,213,803	17,580,734	
Receipts of customer deposits	115,071	-	-	115,071	
Payments to employees		(110.2(2))	((00.010)		
for salaries and wages	(648,440)	(418,362)	(699,913)	(1,766,715)	
Payments to suppliers and others	(6,480,816)	(1,951,346)	(995,867)	(9,428,029)	
Return of customer deposits	(91,830)			(91,830)	
Net cash provided by	2 217 440	0 572 750	519.000	(100 221	
operating activities	3,317,449	2,573,759	518,023	6,409,231	
Cash flows from noncapital					
financing activities:					
Intergovernmental revenue	2,946	2,946	-	5,892	
Transfers from other funds	25,000	-	325,834	350,834	
Transfers to other funds	(2,870,765)	(1,658,203)	(321,533)	(4,850,501)	
Net cash provided by (used in)					
noncapital financing activities	(2,842,819)	(1,655,257)	4,301	(4,493,775)	
Cash flows from capital and related financing activities:					
Proceeds from sale of land	-	-	376,188	376,188	
Acquisition and construction of capital assets	(367,360)	(747,310)	(325,533)	(1,440,203)	
Principal paid on capital debt	(45,000)	(855,000)	-	(900,000)	
Interest paid on capital debt	(14,670)	(88,464)	-	(103,134)	
Net cash provided by (used in) capital		. <u></u>			
and related financing activities	(427,030)	(1,690,774)	50,655	(2,067,149)	
Cash flows from investing activities:					
Interest on investments	1,059	877	80	2,016	
Net cash provided by investing activities	1,059	877	80	2,010	
Net easi provided by investing activities	1,057	077		2,010	
Net increase (decrease) in cash and					
cash equivalents	48,659	(771,395)	573,059	(149,677)	
Cash and cash equivalents,					
beginning of year	1 115 016	1 811 072	155,668	2 082 556	
organisming of year	1,115,916	1,811,972	155,000	3,083,556	
Cash and cash equivalents,					
end of year	\$ 1,164,575	1,040,577	728,727	2,933,879	

(continued)

Statement of Cash Flows – Proprietary Funds (Continued)

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



Notes to Financial Statements

September 30, 2022

I. Summary of Significant Accounting Policies

A. <u>Reporting Entity</u>

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.

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (continued)

B. <u>Basis of Presentation - Government-Wide Financial Statements</u> (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. <u>Program Revenues</u>

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.

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (continued)

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (continued)

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (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. <u>Proprietary Funds Operating and Nonoperating Revenues and Expenses</u>

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.

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (continued)

G. <u>Budgetary Information</u> (continued)

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

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

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

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

H. Investments, and Cash and Cash Equivalents

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

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

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. <u>Inventories and Prepaid Items</u>

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. <u>Capital Assets</u>

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

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

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

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (continued)

J. <u>Capital Assets</u> (continued)

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

Assets	Years
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. <u>Pensions</u>

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.

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (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.

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (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. Further, when the components of unrestricted fund balance. Further, when the components of unrestricted fund balance. Unassigned 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.

Notes to Financial Statements (Continued)

I. <u>Summary of Significant Accounting Policies</u> (continued)

Q. Fund Balance Policies (continued)

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

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

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. <u>Compensated Absences</u>

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.

Notes to Financial Statements (Continued)

II. <u>Reconciliation of Government-Wide and Fund Financial Statements</u>

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

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

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

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

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

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

Notes to Financial Statements (Continued)

III. Detailed Notes On All Activities and Funds

A. Cash Deposits and Investments

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

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

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

Custodial Credit Risk: The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. City policy requires all deposits to be federally insured or collateralized by eligible securities held by an independent third-party custodian.

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

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

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

Notes to Financial Statements (Continued)

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

A. <u>Cash Deposits and Investments</u> (continued)

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

B. <u>Receivables</u>

Primary Government

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

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

Notes to Financial Statements (Continued)

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

B. <u>Receivables</u> (continued)

Component Unit

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

		Burnet	
		Economic	
]	Developmen	
	(Corporation	
Receivables:			
Sales taxes	\$	154,537	
Lease receivable		124,365	
		278,902	
Less: allowance			
for uncollectibles	_	-	
	\$_	278,902	

C. Capital Assets

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

Primary Government

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

Notes to Financial Statements (Continued)

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

C. <u>Capital Assets</u> (continued)

Primary Government (continued)

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

Notes to Financial Statements (Continued)

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

C. <u>Capital Assets</u> (continued)

Primary Government (continued)

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

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

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

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

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

Notes to Financial Statements (Continued)

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

C. <u>Capital Assets</u> (continued)

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

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

The construction contract commitments will be financed with available resources.

Component Unit

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

Notes to Financial Statements (Continued)

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

D. Long-Term Liabilities

Primary Government

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

		Original	Interest	Final	Amount
	Date	Amount	Rates	Maturity	Outstanding
Governmental Activities					
Combination tax and revenue					
certificates of obligation	2019	2,920,000	2.00%-5.00%	2039	2,585,000
Combination tax and revenue					, ,
certificates of obligation	2021	5,755,000	1.50%-4.00%	2041	5,535,000
-					
					\$ 8,120,000
		Original	Interest	Final	Amount
	Date	Amount	Rates	Maturity	Outstanding
Business-Type Activities	Date	7 mount	Rates	Waturity	Outstanding
Combination tax and revenue					
	2010	11 435 000	0.000/	20.40	• • • • • • • • • • • • • • • • • •
certificates of obligation	2010	11,425,000	0.00%	2040	\$ 7,080,000
Combination tax and revenue					
certificates of obligation	2012	9,900,000	0.00%	2042	6,800,000
Combination tax and revenue					
certificates of obligation	2019	970,000	2.00%-5.00%	2039	860,000
General obligation refunding bonds	2021	2,315,000	3.00%	2045	2,085,000
					¢ 16 0 25 000
					\$ 16,825,000

Notes to Financial Statements (Continued)

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

D. Long-Term Liabilities (continued)

Primary Government (continued)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:	Dalance	Additions	Reductions	Dalance	One Teat
General obligation debt	\$ 8,450,000	_	(330,000)	8,120,000	345,000
Premiums	535,783	_	(27,610)	508,173	-
Total bonded debt	8,985,783		(357,610)	8,628,173	345,000
Lease liabilities	220,829	-	(65,212)	155,617	71,240
Compensated absences	513,235	374,210	(349,754)	537,691	268,845
Net pension liability	2,027,810	-	(1,443,921)	583,889	-
Total OPEB liability -					
life insurance	440,338	18,010	-	458,348	-
Total OPEB liability -					
health insurance	6,380,324		(564,363)	5,815,961	
	¢ 19 569 210	202 220	(2, 780, 860)	16 170 670	695 095
	\$ <u>18,568,319</u>	392,220	(2,780,860)	16,179,679	685,085
Business-type activities:					
General obligation debt	\$ 17,725,000	-	(900,000)	16,825,000	895,000
Premiums	273,571		(14,521)	259,050	-
Total bonded debt	17,998,571	-	(914,521)	17,084,050	895,000
Compensated absences	198,182	157,078	(146,507)	208,753	104,376
Net pension liability	746,457	-	(546,201)	200,256	-
Total OPEB liability -					
health insurance	2,348,661		(353,973)	1,994,688	
	\$ 21,291,871	157,078	(1,961,202)	19,487,747	999,376

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.

Notes to Financial Statements (Continued)

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

D. Long-Term Liabilities (continued)

Primary Government (continued)

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

Year Ended September 30,	-	Principal	Interest	Total
Governmental Activities				
2023	\$	345,000	207,107	552,107
2024		360,000	194,601	554,601
2025		365,000	186,051	551,051
2026		375,000	175,457	550,457
2027		385,000	164,669	549,669
2028 - 2032		2,140,000	618,310	2,758,310
2033 - 2037		2,415,000	338,814	2,753,814
2038 - 2041	-	1,735,000	83,150	1,818,150
	\$	8,120,000	1,968,159	10,088,159
Year Ended		D'''	T, A	T (1
September 30,	-	Principal	Interest	Total
Business-Type Activities				
2023	\$	895,000	88,125	983,125
2024		900,000	83,375	983,375
2025		850,000	78,575	928,575
2026		855,000	74,325	929,325
2027		855,000	69,825	924,825
2028 - 2032		4,345,000	286,475	4,631,475
2033 - 2037		4,435,000	186,900	4,621,900
2038 - 2042		3,575,000	75,750	3,650,750
2043 - 2045	-	115,000	6,150	121,150
	\$	16,825,000	949,500	17,774,500

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.

Notes to Financial Statements (Continued)

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

D. Long-Term Liabilities (continued)

Primary Government (continued)

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

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

Component Unit

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

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

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

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

Notes to Financial Statements (Continued)

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

D. Long-Term Liabilities (continued)

Component Unit (continued)

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

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

E. Leases

Primary Government as Lessee

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

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

Notes to Financial Statements (Continued)

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

E. <u>Leases</u> (continued)

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

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

Primary Government as Lessor

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

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

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

Notes to Financial Statements (Continued)

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

E. <u>Leases</u> (continued)

Component Unit as Lessor

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

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

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

F. Interfund Receivables and Payables

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

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

Notes to Financial Statements (Continued)

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

F. Interfund Receivables and Payables (continued)

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

G. Interfund Transfers

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

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

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

H. Employee Benefits

Pension Plan

Plan Description - The City participates as one of 901 plans in the defined benefit cashbalance 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.

Notes to Financial Statements (Continued)

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

H. Employee Benefits (continued)

Pension Plan (continued)

The TMRS Act places the general administration and management of TMRS with a sixmember, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report ("ACFR") that can be obtained at www.tmrs.com.

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

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

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

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

Contributions – Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Notes to Financial Statements (Continued)

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

H. <u>Employee Benefits</u> (continued)

Pension Plan (continued)

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

Net Pension Liability – The City's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for
	population declines, if any
Investment rate of return	6.75%, net of pension plan
	investment expense,
	including inflation

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and

Notes to Financial Statements (Continued)

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

H. Employee Benefits (continued)

Pension Plan (continued)

dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to Financial Statements (Continued)

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

H. <u>Employee Benefits</u> (continued)

Pension Plan (continued)

	_		Increase (Decrease)	
	_	Total Pension	Plan Fiduciary	Net Pension
		Liability	Net Position	Liability
	-	(a)	(b)	(a) - (b)
Balance at December 31, 2020	\$_	28,742,965	25,968,698	2,774,267
Changes for the year:				
Service cost		1,210,171	-	1,210,171
Interest		1,933,214	-	1,933,214
Difference between expected and				
actual experience		(335,760)	-	(335,760)
Change in assumptions		_	-	-
Contributions - employer		-	924,916	(924,916)
Contributions - employee		-	504,238	(504,238)
Net investment income		-	3,384,149	(3,384,149)
Benefit payments, including refunds				
of employee contributions		(1,415,684)	(1,415,684)	-
Administrative expense		-	(15,664)	15,664
Other changes	-	-	108	(108)
Net changes	-	1,391,941	3,382,063	(1,990,122)
Balance at December 31, 2021	\$_	30,134,906	29,350,761	784,145

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

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

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

Notes to Financial Statements (Continued)

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

H. <u>Employee Benefits</u> (continued)

Pension Plan (continued)

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

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

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

The \$816,159 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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

Notes to Financial Statements (Continued)

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

H. Employee Benefits (continued)

OPEB – Life Insurance

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

Benefits Provided – The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is a fixed amount of \$7,500.

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

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

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

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

Notes to Financial Statements (Continued)

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

H. Employee Benefits (continued)

OPEB – Life Insurance (continued)

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

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

Inflation	2.50% per year
Salary increases	3.50% to 11.5% per year, including inflation
Discount rate	1.84% (based on the Fidelity Index's "20-year
	Municipal GO AA Index" rate as of
	December 31, 2021)
Administrative expenses	All administrative expenses are paid through
	the TMRS Pension Trust
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables.
	The rates are projected on a fully generational basis
	with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables
	with a 4 year set-forward for males and a 3 year set-
	forward for females. In addition, a 3.5% and 3% minimum
	mortality rate will be applied to reflect the impairment
	for younger members who become disabled for males and
	females, respectively. The rates are projected on a
	fully generational basis by Scale UMP to account for
	future mortality improvements subject to the floor.

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

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, 2021were as follows:

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

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

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

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

Notes to Financial Statements (Continued)

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

H. Employee Benefits (continued)

OPEB – Life Insurance (continued)

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

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

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

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

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

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

Notes to Financial Statements (Continued)

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

H. <u>Employee Benefits</u> (continued)

OPEB – Health Insurance

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

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

Normal Retirement Benefits

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

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

Deferred Retirement Benefits

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

Notes to Financial Statements (Continued)

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

H. <u>Employee Benefits</u> (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.

Notes to Financial Statements (Continued)

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

H. <u>Employee Benefits</u> (continued)

OPEB – Health Insurance (continued)

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

Vision and Dental Coverage

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

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

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

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.

Notes to Financial Statements (Continued)

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

H. Employee Benefits (continued)

OPEB – Health Insurance (continued)

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

Valuation Date	December 31, 2021
Actuarial Cost Method	Individual Entry-Age
Discount rate	1.84% as of December 31, 2021
Inflation	2.50% per year
Salary increases	3.50% to 11.5% per year, including inflation
Demographic assumptions	Based on the experience study covering the four-year period
	ending December 31, 2018 as conducted for the
	Texas Municipal Retirement System ("TMRS")
Mortality	For heathly retirees, the gender-distinct 2019 Municipal Retirees of Texas
	mortality tables are used. The rates are projected on a fully generational
	basis using the ultimate mortality improvement rates in the MP tables
	published through 2019 to account for future mortality improvements.
Health care trend rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15%
	after 13 years. Post-65: Initial rate of 5.50% declining to an ultimate
	rate of 4.15% after 12 years.
Participation rates	It was assmued that 95% of eligible retirees would choose to receive
	retiree health care benefits through the City. Additionally,
	50% of future retirees that retire prior to age 55 were assumed
	to have health care coverage available to them through a separate
	employer. All pre-65 retirees that have health care coverage
	available to them through a separate employer were assumed to
	rejoin the City's retiree health care plan at age 65.
Other information	The discount rate changed from 2.00% as of December 31, 2020
	to 1.84% as of December 31, 2021.

Notes to Financial Statements (Continued)

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

H. <u>Employee Benefits</u> (continued)

OPEB – Health Insurance (continued)

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

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

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

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

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

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

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:

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

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

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

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

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

Notes to Financial Statements (Continued)

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

H. <u>Employee Benefits</u> (continued)

OPEB – Health Insurance (continued)

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

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

I. <u>Risk Management</u>

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.

Notes to Financial Statements (Continued)

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

J. Deferred Outflows and Inflows of Resources

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

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

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.

Notes to Financial Statements (Continued)

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

K. Short-term Leases

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

L. Commitments and Contingencies

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

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

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

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

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

Notes to Financial Statements (Continued)

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

M. <u>Tax Abatements</u>

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

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

N. Adoption of Accounting Pronouncement

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

O. Prior Period Adjustment

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

P. Subsequent Event

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

Notes to Financial Statements (Continued)

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

Q. Authoritative Pronouncement Not Yet Effective

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

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

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

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

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

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Last Eight Measurement Dates

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

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

2017	2016	2015	2014
925,253	924,216	848,679	753,691
1,538,815	1,449,752	1,395,492	1,317,058
93,706	(80,956)	50,376	(61,528)
-	-	35,571	-
(1,071,693)	(876,457)	(774,915)	(1,097,550)
1,486,081	1,416,555	1,555,203	911,671
22,870,477	21,453,922	19,898,719	18,987,048
24,356,558	22,870,477	21,453,922	19,898,719
724.052	710 401	(52 (21	(02 194
724,953 398,326	710,491 404,345	652,621 379,117	602,184 377,039
2,613,821	1,180,461	25,372	937,360
2,015,021	1,100,401	23,372	157,500
(1,071,693)	(876,457)	(774,915)	(1,097,550)
(13,549)	(13,325)	(15,452)	(9,786)
(688)	(718)	(764)	(805)
2,651,170	1,404,797	265,979	808,442
18,863,438	17,458,641	17,192,662	16,384,220
21,514,608	18,863,438	17,458,641	17,192,662
2,841,950	4,007,039	3,995,281	2,706,057
88.33%	82.48%	81.38%	86.40%
5,690,364	5,776,351	5,415,950	5,386,274
49.94%	69.37%	73.77%	50.24%

Schedule of Pension Contributions

Fiscal Years Ended

			Septem	ber 30,	
		2022	2021	2020	2019
Actuarially determined contributions	\$	1,076,480	916,631	889,655	837,493
Contributions in relation to the actuarially determined contributions		1 076 490	016 621	<u> </u>	927 402
determined contributions		1,076,480	916,631	889,655	837,493
Contribution deficiency (excess)	\$	-	<u> </u>		
Covered payroll	\$	8,201,093	7,114,710	6,834,933	6,425,991
Contributions as a percentage of covered payroll		13.13%	12.88%	13.02%	13.03%
Notes to	o Sch	edule of Contr	ibutions		
Valuation Date:	D	ecember 31, 20	21		
Notes	as		nined contribution 1 and become ef		
Methods and Assumptions Used to I	Deter	mine Contribu	tion Rates:		
Actuarial Cost Method Amortization Method Remaining Amortization Period Asset Valuation Method Inflation Salary Increases Investment Rate of Return Retirement Age Mortality	L 24 10 2. 3. 6. E 01 E 01 E P 0 T T T	4 years (longest) year smoothed 50% 50% to 11.50% 75% xperience-based f benefits. Last xperience study ost-retirement: he rates are proj re-retirement: F ble used for ma	of payroll, Close amortization lad- l fair value, 12% , including inflat l table of rates the updated for the 2 of the period 201 2019 Municipal	der) soft corridor ion at are specific to 019 valuation pu 4 - 2018. Retirees of Texas generational basis y tables, with the ral Employee tab	s Mortality Tables with scale UMP Public Safety le used for
Other Information:					
Notes	Т	here were no be	nefit changes du	ring the year.	
Note: The City adopted GASB Statem	ent N	Jo 68 Account	ing and Financia	l Reporting for	

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.

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

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

Last Five Measurement Dates

			December 3	l,	
	2021	2020	2019	2018	2017
Total OPEB Liability - Life Insurance					
Service cost	\$ 19,44	9 12,453	10,464	12,831	10,243
Interest (on the Total OPEB Liability - Life Insurance)	8,92	2 10,092	10,544	9,831	9,579
Difference between expected and actual experience	(17,75	2) (4,303)	1,229	(10,286)	-
Change in assumptions	15,31	5 62,713	62,243	(21,779)	24,553
Benefit payments **	(7,92	4) (2,767)	(2,616)	(1,833)	(2,276)
Net change in Total OPEB Liability - Life Insurance	18,01	0 78,188	81,864	(11,236)	42,099
Total OPEB Liability - life insurance - beginning	440,33	8 362,150	280,286	291,522	249,423
Total OPEB Liability - life insurance - ending	\$ 458,34	8 440,338	362,150	280,286	291,522
Covered-employee payroll	\$ <u>7,203,39</u>	9 6,918,135	6,539,833	6,109,805	5,690,364
Total OPEB Liability - Life Insurance as a percentage of covered payroll	6.36	% 6.36%	5.54%	4.59%	5.12%

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

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

Schedule of OPEB – Life Insurance Contributions

Fiscal Years Ending

				September 30	,	
	_	2022	2021	2020	2019	2018
Actuarially determined contributions	\$	15,997	12,302	11,121	10,924	10,171
Contributions in relation to the actuarially						
determined contributions	_	15,997	12,302	11,121	10,924	10,171
Contribution deficiency (excess)	\$_	-				
Covered-employee payroll	\$ <u>_</u> 8	3,201,093	7,114,710	6,834,933	6,425,991	5,982,896
Contributions as a						
percentage of covered payroll		0.20%	0.17%	0.16%	0.17%	0.17%
Notes to S	chedule o	of OPEB - Life	e Insurance Con	tributions		
Valuation Date:	Decem	ıber 31, 2021				
Notes	as of D	-	ed contribution ra nd become effecti	ntes are calculated ive in January,		
Methods and Assumptions Used to D	etermine	Contribution	Rates:			
Inflation Salary Increases Discount rate* Retirees' share of benefit-related costs Administrative expenses Mortality rates - service retirees	1.84% \$0 All adr accoun 2019 N	to 11.50%, ind ninistrative ex ited for under r Municipal Retir	reporting requirer rees of Texas Mo	hrough the Pensic nents under GAS rtality Tables. Th with scale UMP.	B No. 68.	
Mortality rates - disabled retirees	2019 N forwar a 3.5% impair and fer basis b	Aunicipal Retind d for males and and 3.0% mir ment for youn males, respection	rees of Texas Mo d a 3 year set-for nimum mortality r ger members who vely. The rates a	ortality Tables with ward for females. rate will be applie become disabled re projected on a ure mortality imp	In addition, d to reflect the for males fully generational	
Other Information:						
*The discount rate was based on the Fie	delity Ind	ex's "20-Year	Municipal GO A	A Index" rate as o	f December 31, 2	.021.
Notes	The ac	tuarial assump	tions used in the	December 31, 20	21 valuation	

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.

were based on the results of an actuarial experience study for the

period December 31, 2014 to December 31, 2018.

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

Last Five Measurement Dates

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

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

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

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

(continued)

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

(continued)

Valuation Date:	December 31, 2021
Methods and Assumptions:	
Actuarial Cost Method Discount Rate Inflation Salary Increases Demographic Assumptions	 Individual Entry-Age Normal 1.84% as of December 31, 2021 2.50% 3.50% to 11.50%, including inflation Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System ("TMRS").
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Health Care Trend Rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years; Post-65: Initial rate of 5.50% declining to an ultimate rate of 4.15% after 12 years.
Participation Rates	It was assumed that 95% of eligible retirees would choose to receive retiree health care benefits through the City. Additionally, 50% of future retirees that retire prior to age 55 were assumed to have health care coverage available to them through a separate employer. All pre-65 retirees that have health care coverage available to them through a separate employer were assumed to rejoin the City's retiree health plan at age 65.
Other Information:	
Notes	The discount rate changed from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.
Note: The City adopted GASB State	ment No. 75. Accounting and Financial Reporting for

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



Supplementary Information

Combining Balance Sheet Nonmajor Governmental Funds

September 30, 2022

				Special Revenue	ne			J	Capital Projects		
	11.4.11		C					C			Total
	Hotel/	:	Court		Cl	FD		General	Airport		Nonmajor
	Motel	Police	Security and	FD	Explorer	Explorer		Capital	Capital		Governmental
A scats	Tax	Seizure	Technology	Community	Program	Program	Total	Equipment	Project	Total	Funds
6176647											
Cash and cash equivalents	\$ 226,122	120	77,838	12,905	6,070	3,529	326,584	2,210,406	1,106,528	3,316,934	3,643,518
Receivables	25,551	•					25,551	ı	49,689	49,689	75,240
Due from other funds					•			671,212		671,212	671,212
Total assets	\$ 251,673	120	77,838	12,905	6,070	3,529	352,135	2,881,618	1,156,217	4,037,835	4,389,970
Liabilities and Fund Balances											
Liabilitics: Accounts and retainages pavable	\$ 197	,	89	,	,	ı	286	26.022	12.212	38.234	38.520
Accrued expenses	•	·	409			·	409	` ı	` .	•	409
Due to other funds	8,750			'	'	'	8,750	1	1	1	8,750
I otal liabilities	8,947	•	498		•		9,445	26,022	12,212	38,234	47,679
Fund balances: Restricted	242,726	120	77,340	12,905	6,070	3,529	342,690	•	1,144,005	1,144,005	1,486,695
Assigned	•	•	•	-		-		2,855,596		2,855,596	2,855,596
Total fund balances	242,726	120	77,340	12,905	6,070	3,529	342,690	2,855,596	1,144,005	3,999,601	4,342,291
Total liabilities and find balances	\$ 251 673	120	828 77	12 905	6 070	3 570	352 135	2 881 618	1 156 217	4 037 835	4 389 970
CANING AND A	010(102		000,11	20/171	0,0,0	10,0	001,200	2,001,010	11-00211	0001001	011,000

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

Year Ended September 30, 2022

$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	·			Special Revenue					Capital Projects		Total
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Hotel/ Motel Police Tax Seizure	<u> </u>	Sec	FD Community	PD Explorer Program	FD Explorer Program	Total	General Capital Equipment	Airport Capital Project	Total	Nonmajor Governmental Funds
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	211,369 -		·	ı	ŗ		211,369	ı			211,369
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	•								62,689	62,689	62,689
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	•		22,725	•	•	·	22,725			•	22,725
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	512 -		33	ı	2	1	548	4,977	ı	4,977	5,525
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	1,154 -			2,389	343	•	3,886				3,886
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	213,035 -		22,758	2,389	345	-	238,528	4,977	62,689	67,666	306,194
$\begin{array}{cccccccccccccccccccccccccccccccccccc$											
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	•		7,227	ı	887	412	8,526	•	•		8,526
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	82,351 -		,			ı	82,351	ı			82,351
- 887 412 90,877 199,148 234,565 433,713 433,713 2,389 (542) (411) 147,651 (194,171) (171,876) (366,047) (366,047) - - - 28,611 (171,876) (366,047) (366,047) - - - - 28,611 (171,876) (366,047) - - - - 28,611 (171,876) (366,047) - - - - 733,967 - 28,611 917,979 - - - - - 23,967 - - - - - - - 23,967 184,012 916,599 - - - - - - - - - 2,389 (543) 762,578 184,012 946,590 - - 10,516 6,612 3,940 12,136 580,543 3 3				•				199,148	234,565	433,713	433,713
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	82,351 -		7,227		887	412	90,877	199,148	234,565	433,713	524,590
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	130,684		15,531	2,389	(542)	(411)	147,651	(194,171)	(171,876)	(366,047)	(218,396)
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$								28,611	·	28,611	28,611
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$								733,967	184,012	917,979	917,979
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	(68,208) -	 		,		,	(68, 208)	'		·	(68, 208)
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	(68,208) -	ו ו	'			-	(68,208)	762,578	184,012	946,590	878,382
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$			15,531	2,389	(542)	(411)	79,443	568,407	12,136	580,543	659,986
<u>12,905</u> 6.070 3.529 342.690 2.855.596 1.144,005 3.999.601	180,250 120	പ	61,809	10,516	6,612	3,940	263,247	2,287,189	1,131,869	3,419,058	3,682,305
	242,726 120	۳ اہ	77,340	12,905	6,070	3,529	342,690	2,855,596	1,144,005	3,999,601	4,342,291

See accompanying independent auditor's report.

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

Year Ended September 30, 2022

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

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

Year Ended September 30, 2022

		Budgeted	1 Amounts	Actual Amounts (Budgetary	Variance with Final
		Original	Final	Basis)	Budget
Revenues:	_				
Property taxes		429,978	429,978	538,498	108,520
Interest		700	700	328	(372)
Total revenues	_	430,678	430,678	538,826	108,148
Expenditures:					
Debt service:					
Principal		295,000	295,000	295,000	-
Interest and fiscal charges	_	196,278	197,027	197,025	2
Total expenditures	_	491,278	492,027	492,025	2
Excess (deficiency) of revenues over (under) expenditures		(60,600)	(61,349)	46,801	108,150
Other financing sources (uses): Transfers in	_	61,300	61,299		(61,299)
Net change in fund balances		700	(50)	46,801	46,851
Fund balances, beginning of year	_	173,805	173,805	173,805	
Fund balances, end of year	\$_	174,505	173,755	220,606	46,851

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

Year Ended September 30, 2022

1. <u>Budgetary Information</u>

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.



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

September 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,764,476	1,365,358
Receivables (net of allowance for uncollectibles)	278,902	157,513
Properties held for resale	2,458,398	1,507,641
Total current assets	4,501,776	3,030,512
Noncurrent assets:		
Restricted cash and cash equivalents	190,029	1,040,790
Capital assets:		
Land	41,360	41,360
Buildings	3,376,976	3,376,976
Machinery and equipment	13,780	13,780
Less accumulated depreciation	(295,195)	(182,629)
Total capital assets, net	3,136,921	3,249,487
Total noncurrent assets	3,326,950	4,290,277
Total assets	7,828,726	7,320,789
Liabilities		
Current liabilities:		
Accounts payable	4,025	-
Accrued interest payable	13,685	14,656
Due to primary government	29,598	29,598
General obligation debt payable - current	115,000	110,000
Long-term note payable - current	126,857	123,284
Total current liabilities	289,165	277,538
Noncurrent liabilities:		
General obligation debt payable	1,510,000	1,625,000
Long-term note payable	1,129,652	1,256,509
Total noncurrent liabilities	2,639,652	2,881,509
Total liabilities	2,928,817	3,159,047
	2,920,017	5,157,047
Deferred Inflows of Resources		
Unavailable revenue - leases	112,835	
Net Position		
Net investment in capital assets	2,070,441	2,910,484
Unrestricted	2,716,633	1,251,258
Total net position	\$4,787,074	4,161,742

Burnet Economic Development Corporation Discretely Presented Component Unit Comparative Statement of Revenues, Expenses and Changes in Net Position

Years Ended September 30, 2022 and 2021

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



Statistical Section



Statistical Section

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

Contents

Financial Trends (Tables 1 - 4)

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

Revenue Capacity (Tables 5-9)

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

Debt Capacity (Tables 10 - 17)

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

Demographic and Economic Information (Tables 18 – 19)

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

Operating Information (Tables 20 - 22)

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

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

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

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

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

Table 1

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

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

2018	2019	2020	2021	2022
2,332,969	2,288,577	2,709,203	2,587,631	2,844,286
5,588,410	6,621,584	6,747,415	7,350,318	7,670,549
868,877	998,227	1,182,772	1,135,566	1,434,226
729,812	1,093,963	741,666	930,254	1,382,867
942,121	998,187	977,788	1,053,829	1,180,523
801,329	844,095	879,551	920,917	976,671
360,908	170,345	145,148	76,457	82,351
69,592	56,662	182,268	264,949	206,101
11,694,018	13,071,640	13,565,811	14,319,921	15,777,574
6,457,978	6,547,489	6,596,612	6,781,809	6,952,848
3,074,170	3,294,198	3,213,760	3,363,972	3,652,482
1,609,209	1,789,522	1,677,563	1,878,176	1,966,802
11,141,357	11,631,209	11,487,935	12,023,957	12,572,132
22,835,375	24,702,849	25,053,746	26,343,878	28,349,706
218,257	263,089	297,132	314,654	533,015
2,065,945	2,061,493	2,215,738	2,363,198	3,416,730
847,149	775,946	613,680	893,683	1,261,086
16,748	21,013	2,500	20,976	82,596
954,670	981,223	1,039,547	1,099,224	1,172,398
690,265	853,397	934,478	1,128,376	1,625,461
85,709	926,587	645,914	49,504	206,039
4,878,743	5,882,748	5,748,989	5,869,615	8,297,325
9,067,840	9,286,346	9,499,716	9,125,087	10,436,014
4,374,178	9,280,540 4,350,687	4,568,093	4,620,814	4,933,125
1,456,633	1,363,083	1,329,072	1,783,795	2,213,364
	189,568	1,070,193	70,520	5,892
14,898,651	15,189,684	16,467,074	15,600,216	17,588,395
10 777 204	21 072 422	22 216 062	21,469,831	25 885 720
19,777,394	21,072,432	22,216,063	21,409,001	25,885,720
(6,815,275)	(7,188,892)	(7,816,822)	(8,450,306)	(7,480,249)
3,757,294	3,558,475	4,979,139	3,576,259	5,016,263
5,151,277	J,JJ0,T/J	т,77,139	5,570,259	
(3,057,981)	(3,630,417)	(2,837,683)	(4,874,047)	(2,463,986)

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

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

2019	2020	2021	2022
2.803.398	3.036.155	3,306,674	3,630,280
/ /	, ,	· · ·	2,704,461
178,949	, ,	161,960	180,005
188,403	152,756	209,190	211,369
72,170	67,975	4,157	117,625
_	_	_	_
79,741	-	-	-
2,625,643	4,296,805	4,297,987	4,499,667
7,763,771	9,865,375	10,406,023	11,343,407
		• -	• • • • •
52,149	32,938	2,790	2,016
-	-	-	-
	-	-	279,381
			(4,499,667)
(2,372,819)	(4,203,807)	(4,293,197)	(4,218,270)
5,190,952	5.601.508	6.110.826	7,125,137
- ,- , , , ,	-,	.,	,,,
574,879	2,048,553	1,955,717	3,863,158
985,656	715,272	(718,938)	797,993
		<u></u>	
1,560,535	2,763,825	1,236,779	4,661,151
	2,803,398 1,815,467 178,949 188,403 72,170 - 79,741 2,625,643 7,763,771 52,149 - (2,625,643) (2,572,819) 5,190,952 574,879 985,656	$\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$

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

				Fiscal	Year
	2013	2014	2015	2016	2017
General fund					
Reserved	\$-				
Unreserved, designated	φ -	-	-	-	-
Nonspendable	- 68,963	<u>-</u> 3 26,258	34,715	- 50,566	50,454
Restricted	08,90.	20,238	54,715	50,500	50,454
Committed	-	-	-	-	-
Unassigned	3,175,252	2 1,962,327	4,072,418	3,900,868	4,267,005
Total general fund	\$3,244,215	5 1,988,585	4,107,133	3,951,434	4,317,459
All other governmental funds					
Reserved	\$ -	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	57,549	31,988	23,382	35,120	34,647
Restricted for:					
Debt service	124,490) 120,691	174,187	194,298	161,167
Capital projects	-	-	-	-	-
Aviation services	-	825,598	787,609	583,320	720,176
Public safety	1,048,050) -	-	-	-
Other purposes	1,375,796	5 283,494	335,826	405,857	443,014
Committed to:					
EMS fund	-	-	-	-	-
Other funds	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	245,071	238,148
Other funds	981,172	2 727,856	595,825	293,272	484,646
Unassigned	(1,139	9) (362,151)	(174,961)		
Total all other governmental funds	\$3,585,918	3 1,627,476	1,741,868	1,756,938	2,081,798

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

2018	2019	2020	2021	2022
_	_	_	_	_
_	_	-	_	_
36,831	64,178	30,388	26,382	33,809
-	-		-	-
-	-	-	-	-
4,120,481	3,763,630	4,007,662	4,935,031	6,089,406
4,157,312	3,827,808	4,038,050	4,961,413	6,123,215
_	-	_	_	_
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
80,641	43,070	30,355	54,272	85,468
172,217	160,286	186,688	173,805	220,606
			5,512,394	5,037,081
811,348	674,307	655,053	783,539	705,846
-	-	-	82,997	99,964
232,911	185,638	176,974	180,250	242,726
_	_	_	_	_
-	-	-	-	-
220 140		15 (07		1 201 165
238,148 916,581	- 1,422,626	15,607 2,164,128	2,287,189	4,384,465
-	-	2,104,128	2,207,109	-
2,451,846	2,485,927	3,228,805	9,074,446	10,776,156

Table 3

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

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

$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	2018	2019	2020	2021	2022
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$					
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	4,653,385	4,976,544	5,533,614	6,058,885	6,728,256
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	76,264	96,049	129,465	90,591	232,002
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	549,042	691,831		1,238,814	2,555,150
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	2,876,101	2,918,726	2,810,599	3,109,901	3,599,251
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	154,334	141,039	141,993	155,890	170,465
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	32,468	72,170		4,157	89,014
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	-	-	-	-	-
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	55,803	308,274	281,646	111,118	146,276
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	645,987	579,980	403,961	683,989	1,056,314
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	521,212	653,649	394,956	479,312	537,867
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	9,564,596	10,438,262	10,772,639	11,932,657	15,114,595
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$					
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	2,018,763	1,994,505	2,407,351	2,237,383	2,533,513
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	4,909,014	5,530,537	5,586,519	6,225,567	6,787,298
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	506,475	500,252	658,101	623,699	819,645
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	680,576	591,772	463,677	642,079	1,034,867
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	730,237	672,571	674,580	760,648	842,407
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	801,329	844,095	879,551	920,917	976,671
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	360,908	170,345	145,060	76,457	82,351
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	373,385	980,408	453,711	1,653,061	628,923
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	1,633,719	2,207,471	5,940,047	2,464,697	3,073,686
9,377 125,368 3,976 - - - 2,920,000 5,755,000 91,404 7,260 3,948 - 4,683,078 5,172,297 7,708,438 7,440,115 9,1 - - 164,349 387,868 (4,6) (2,124,148) (2,546,654) (3,411,633) (3,142,128) (4,6) - - - - - - 2,659,711 2,758,271 7,389,078 10,440,855 4,5)	2,014,406	13,491,956	17,208,597	15,604,508	16,779,361
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	2,449,810)	(3,053,694)	(6,435,958)	(3,671,851)	(1,664,766)
- - 2,920,000 5,755,000 91,404 7,260 3,948 - 4,683,078 5,172,297 7,708,438 7,440,115 9,1 - - 164,349 387,868 - (2,124,148) (2,546,654) (3,411,633) (3,142,128) (4,6) - - - - - - 2,659,711 2,758,271 7,389,078 10,440,855 4,5	0.055	105.0(0)	2.056		
91,404 7,260 3,948 - 4,683,078 5,172,297 7,708,438 7,440,115 9,1 - - 164,349 387,868 (2,124,148) (2,546,654) (3,411,633) (3,142,128) (4,6) -	9,377	125,368		-	-
4,683,078 5,172,297 7,708,438 7,440,115 9,1 - - 164,349 387,868 (4,6) (2,124,148) (2,546,654) (3,411,633) (3,142,128) (4,6) - - - - - - - 2,659,711 2,758,271 7,389,078 10,440,855 4,5)	-	-	· · ·	5,755,000	-
- - 164,349 387,868 (2,124,148) (2,546,654) (3,411,633) (3,142,128) (4,6) -	<i>,</i>	,	,	-	28,611
(2,124,148) (2,546,654) (3,411,633) (3,142,128) (4,6)	4,683,078	5,172,297		· · ·	9,136,607
2,659,711 2,758,271 7,389,078 10,440,855 4,5	-	-	<i>'</i>	,	-
	2,124,148)	(2,546,654)	(3,411,633)	(3,142,128)	(4,636,940)
	-	-			_
209,901 (295,423) 953,120 6,769,004 2,8	2,659,711	2,758,271	7,389,078	10,440,855	4,528,278
	209,901	(295,423)	953,120	6,769,004	2,863,512
3.52% 8.44% 3.96% 12.42%	3 57%	8 110/2	2 0.6%	12 120%	4.34%

Table 4

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

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

(1) Includes penalty and interest on delinquent taxes

Table 6

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

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

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.

		Central TexasTotal DirectWaterandBurnetConservationOverlappingC.I.S.D.DistrictRates		1.2625 0.0099 2.2923	1.2625 0.0098 2.2939	1.2625 0.0096 2.3126	1.3300 0.0091 2.3681	1.3200 0.0091 2.3525		1.2600 0.0080 2.2817		1.1463 0.0072 2.1715	1.0770 0.0067 2.0965	
City of Burnet, Texas Property Tax Rates Direct and Overlapping Governments (1) (Unaudited) Last Ten Fiscal Years	Overlapping Rates	Co Special, Road & Bridge		0.0417	0.0418	0.0440	0.0424	0.0418	0.0418	0.0417	0.0417	0.0417	0.0467	
City of Burnet, Texas Property Tax Rates I Overlapping Govern (Unaudited) Last Ten Fiscal Years		Burnet County		0.3517	0.3533	0.3700	0.3601	0.3551	0.3551	0.3483	0.3582	0.3582	0.3530	
Direct and		Total Rate		0.6265	0.6265	0.6265	0.6265	0.6265	0.6237	0.6237	0.6237	0.6181	0.6131	
	City of Burnet	Debt Service Rate	TAX RATES (Per \$100 assessed value)	0.0484	0.0950	0.1110	0.1065	0.0873	0.0834	0.0730	0.0807	0.0667	0.0915	Source: Burnet County Appraisal District
		Operating Rate	TES (Per \$100	0.5781	0.5315	0.5155	0.5200	0.5392	0.5403	0.5507	0.5430	0.5514	0.5216	Burnet County
		Fiscal Year	TAX RA	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Source:

Source: Burnet County Appraisal District

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 (1) Overlapping rates and levies are those of local and county governments that apply to property owners within the City of Burnet. Not of the City's property owners whose property is located within the geographic boundaries of the special district).

Table 7

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

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

Source: Burnet County Appraisal District

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

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

Sources: Burnet Central Appraisal District

Finance Department, City of Burnet, Texas

Notes: (1) Fiscal Year 2017: Total Tax Levy was adjusted from \$2,279,374 to \$2,332,812

(2) Fiscal Year 2021: Levy amount collected within the fiscal year was adjusted from \$3,276,452 to \$3,178,525

(*) Collections in subsequent years do not include Penalty I&S; Interest M&O; Interest I&S; Attorney Fees; Other Fees; Overages; Unpaid Refunds.

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

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

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

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

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

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

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

Table 12

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

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

Source: City of Burnet, Texas Comptroller Website

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

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



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

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

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

Table 14

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

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

Source: Finance Department, City of Burnet, Texas

Notes: Details regarding the government's outstanding debt can be found in the notes to the financial stateme 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

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

Source: Finance Department, City of Burnet, Texas

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

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

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

(1) Excludes depreciation expense

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

Table 17

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

			2022				2013	
		Annual		Percentage of Total	Annual	ual		Percentage of Total
Customer	Customer Type	Sales	Rank	Sales	Sales	es	Rank	Sales
Entegris	Manufacturing	\$ 1,029,259	1	11.43 %	\$ 965	965,303		10.55 %
Burnet CISD Schools	Public Education	819,630	0	9.1	535	535,441	0	5.85
Seton HealthCare	Medical Facility	268,271	ŝ	2.98	282	282,205	9	3.08
Sure Cast	State Government	230,639	4	2.56	429	429,862	4	4.7
H.E.B #433	Grocery	213,462	5	2.37	265	265,568	7	2.9
Burnet Co Correcitonal Facility	State Government	201,388	9	2.24	408	408,031	5	4.46
TDCJ-Utilities Energy	State Government	183,995	7	2.04	445	445,540	ς	4.87
COB Sewer Dept	Local Government	156,451	8	1.74				0
Burnet County	Local Government	133,569	6	1.48				0
YMCA	Nonprofit	94,474	10	1.05		I		0
Stealth	Manufacturing				62	79,794	10	
Repro-Lon	Manufacturing				103	103,928	8	
Country Oaks	Retirement facility				83	83,908	6	
Totals		\$ 3,331,139		36.99 %	\$ 3,599,580	,580		36.41 %

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

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

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

Source:

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

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

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

	20	022	20	013
		Percentage of Total City		Percentage of Total City
Employer	Employees	Employment	Employees	Employment
Burnet CISD	505	24.66%	455	27.10%
Burnet County	394	19.24%	258	15.37%
Entegris	291	14.21%	104	6.19%
City of Burnet	150	7.32%	119	7.09%
YMCA of the Highland Lakes***	150	7.32%	***	***
Stealth Products	132	6.45%	95	5.66%
Seton Highland Lakes**	134	6.54%	311	18.52%
Texas Dept. of Criminal Justice	120	5.86%	124	7.39%
H-E-B	130	6.35%	115	6.85%
Sure Cast	42	2.05%	98	5.84%
Total	2,048	100.00%	1,679	100.00%

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

Notes:

** Employer was unable to provide 2013 information.

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

*** Employer was unable to provide 2022 and 2013 information. Information reported is the same as reported for fiscal year 2012.

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

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

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

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

Sources: Various City of Burnet Department's Scorecard Reports

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

* Is now being figured into the Calls for Service Catogory

Table 21

2018	2019	2020	2021	2022
306	291	309	400	386
836	983	1,099	1714	2292
8,024	8,737	9,940	11667	11221
94	16	*	*	261
151,732	126,866	124,920	156,715	160,000
911	845	857	956	1179
400	340	346	330	519
3,453	2,677	3,004	4668	4401
844	852	511	376	338
4,370	4,321	3,964	4755	4569
212	226	63	71	69
212	220	00	, 1	0)
213.790	220.610	190.948	199.434	200
0.59	0.60	0.52	0.518	0.547
319.341	308.8	354.647	340.091	398
0.875	0.846	0.972	0.821	1.09
0.075	0.010	0.972	0.021	1.09
22 741	20.215	20.514	25 (5(27 (20
22,741	20,215	20,514	25,656	27,630

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

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

Source: Various City of Burnet Department's Scorecard Reports

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

City of Burnet, Texas Compliance and Internal Control Reports Under *Government Auditing Standards* and the Uniform Guidance Schedule of Expenditures of Federal Awards September 30, 2022

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and the aggregate remaining fund information of the City of Burnet, Texas (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

March 29, 2023



INDEPENDENT AUDITOR'S REPORTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE; AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Burnet, Texas (the "City") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for its major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and the aggregate remaining fund information of the City of Burnet, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 29, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of

management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

March 29, 2023

Schedule of Findings and Questioned Costs

Year Ended September 30, 2022

(1) <u>Summary of Auditor's Results</u>

Financial Statements

Type of auditor's report issued: unmodified

Internal control over f	inancial reporting:			
o Material weaknes	ss(es) identified?	yes	х	no
	ency(ies) identified?	 yes	Х	none reported
Noncompliance mater	ial to financial statements noted?	 yes	X	no
Federal Awards				
Internal control over n	najor programs:			
o Material weaknes	ss(es) identified?	 yes	Х	no
o Significant defici	ency(ies) identified?	 yes	Х	none reported
Type of auditor's repor programs: unmodifi	rt issued on compliance for major ed			
Any audit findings dis in accordance with 2	closed that are required to be reported CFR 200.516(a) ?	 yes	<u> </u>	no
Identification of major for	ederal programs:			
Federal Assistance				
Listing Number	Name of Federal Program or Cluster			
21.027	COVID-19 - State and Local Government Fiscal Recovery Funds			
Dollar threshold used to type B programs:	distinguish between type A and	\$ 75(),000	
Auditee qualified as fede	eral low-risk auditee?	 yes	X	no

Schedule of Findings and Questioned Costs (Continued)

(2) <u>Financial Statement Findings</u>

None noted.

(3) Federal Award Findings and Questioned Costs

None noted.

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2022

Grantor/Pass-Through Grantor/Program or Cluster/Title	Federal Assistance Listing Number	Grantor / Pass Through Grantor / Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Transportation</u> Passed through Texas Department of Transportation: COVID-19 - Airport Improvement Program, COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs Total Passed Through Texas Department of Transportation	20.106	17460004603000	\$ <u> </u>	\$ <u>13,000</u> <u>13,000</u>
Total U.S. Department of Transportation			-	13,000
<u>U.S. Department of Treasury</u> Passed through Texas Department of Emergency Management: COVID-19 - State and Local Government Fiscal Recovery Fund Total Passed Through Texas Department of Emergency Management	21.027	V3DRF9YK7MB5	<u> </u>	<u> </u>
Total U.S. Department of Treasury				1,587,316
Total Expenditures of Federal Awards			\$	\$1,600,316

See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Burnet, Texas (the "City") under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) <u>Summary of Significant Accounting Policies</u>

Expenditures reported in the accompanying Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, and "frequently asked questions" ("FAQs") and other guidance issued by the U.S. Department of the Treasury, wherein certain types of expenditures are not allowable or limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Grantor and pass-through grantor identifying numbers are presented where available.

(3) Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

(4) <u>Reconciliation to Financial Statements</u>

Following is a reconciliation of the schedule of expenditures of federal awards to the statement of revenues, expenditures and changes in fund balances – governmental funds for the year ended September 30, 2022:

Expenditures per the Schedule of Federal Awards	\$ 1,600,316
State grant award	49,689
Other intergovernmental revenue - charges for	
services provided for EMS and other	 905,145
Total intergovernmental revenue per Statement of Revenues, Expenditures and Changes in Fund	
Balances - Governmental Funds	\$ 2,555,150



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

March 29, 2023

The Members of the City Council City of Burnet, Texas:

We have audited the 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 the City of Burnet, Texas (the "City") as of and for the year ended September 30, 2022, and have issued our report thereon dated March 29, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 8, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team; others in our firm, as appropriate; and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2022, except for the City's adoption of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as more fully described in Note III. N. to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the City's financial statements were:

Allowance for doubtful accounts -- Management's estimate of the allowance for doubtful accounts is based upon historical loss levels of receivables; and an analysis of the collectibility of aged accounts.

Useful lives of depreciable assets -- Management's estimate of useful lives of assets is based upon historical experience and industry suggested standards.

Assumptions used in pensions and other post-employment benefits ---Management's estimate of actuarial assumptions is based upon historical experience and industry suggested standards (inflation, payroll growth, investment expected rate of return, morbidity, mortality, etc.)

We evaluated the key factors and assumptions used to develop the estimates described above and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedules summarize uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the pension/OPEB related schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining schedules of nonmajor governmental funds, the budgetary comparison schedules for the Hotel/Motel Tax and Debt Service funds, and the comparative statements of net position and changes in net position for the Burnet Economic Development Corporation (collectively, the "supplementary information"), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the supplementary information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This report is intended solely for the information and use of management, the members of the City Council and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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



(512) 756-6093 FAX (512) 756-8560 www.cityofburnet.com

P.O. Box 1369 1001 Buchanan Drive, Suite 4 Burnet, TX 78611

March 29, 2023

Jaynes, Reitmeier, Boyd & Therrell, P. C. P. O. Box 7616 Waco, TX 76714-7616

This representation letter is provided in connection with your audit of the financial statements of the City of Burnet, Texas (the "City"), which comprise 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 as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, "the financial statements"), for the purpose of expressing opinions on whether the financial statements present fairly, in all material respects, the financial position and results of operations of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 29, 2023.

Financial Statements

- 1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 8, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
- 3. We acknowledge our responsibility 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.
- 4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5. With respect to preparation of the financial statements, note disclosures, and schedule of expenditures of federal awards, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
- 6. Significant assumptions used by us in making accounting estimates are reasonable.
- 7. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 9. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- 10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 11. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- 12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 13. All funds and activities are properly classified.
- 14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- 15. All net position components and fund balance classifications have been properly reported.
- 16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- 18. All interfund and intra-entity transactions and balances have been properly classified and reported.
- 19. Deposit and investment risks have been properly and fully disclosed.
- 20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 21. All required supplementary information is measured and presented within the prescribed guidelines.
- 22. Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
- 23. With regard to pensions and OPEB:
 - a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.

Information Provided

24. We have provided you with:

- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
- b. Additional information that you have requested from us for the purpose of the audit; and
- c. Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence.
- d. A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
- e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.

- 25. The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- 26. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 27. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 28. We have provided to you our evaluation of the City's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- 29. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
- 30. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
- 31. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 32. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 33. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 34. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 35. We have disclosed to you the identity of all the City's related parties and the nature of all the related party relationships and transactions of which we are aware.
- 36. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- 37. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 38. We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- 39. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 40. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
- 41. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 42. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 43. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Single Audit

44. With respect to federal awards, we represent the following to you:

- 1. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance").
- 2. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- 3. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- 4. The methods of measurement or presentation have not changed from those used in the prior period.
- 5. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- 6. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- 7. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- 8. We have notified you of federal awards and funding increments that were received before December 26, 2014 (if any) and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- 9. When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- 10. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.

- 11. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- 12. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- 13. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- 14. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
- 15. We have disclosed to you any communications from federal awarding agencies and passthrough entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- 16. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- 17. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared and are prepared on a basis consistent with the schedule of expenditures of federal awards.
- 18. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- 19. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- 20. We have charged costs to federal awards in accordance with applicable cost principles.
- 21. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- 22. The reporting package does not contain personally identifiable information.
- 23. We have reviewed, approved, and taken responsibility for the financial statements and related notes, and the schedule of expenditures of federal awards, and an acknowledgment of the auditor's role in the preparation of this information.

- 24. We have reviewed, approved, and taken responsibility for accrual adjustments for the government-wide financial statements and an acknowledgment of the auditor's role in the preparation of the adjustments.
- 25. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- 26. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- 27. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- 28. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form.

Respectfully,

CITY OF BURNET, TEXAS

David Vaughn City Manager

Sangford

Patricia Langford, CPA Director of Finance

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Misstatements - (
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Summary of

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		Financial S	Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement	of Uncorrecte	ed Misstatemen	ts: Over (Under	·) Statement
			Total		Revenues and	Revenues and Expenditures	
		Total Assets	Liabilities		Other	and Other	Net Change
		and Deferred	and Deferred and Deferred	Fund	Financing	Financing	in Fund
		Outflows	Inflows	Balance	Sources	Uses	Balance
	Amounts Per Financial Statements	6,922,688	799,473	6,123,215	17,518,555	16,356,753	1,161,802
	Effect of Current Period Uncorrected Misstatements	(83,700)	(56, 270)	(27, 430)	(27, 430)	-	(27, 430)
	Effect of Prior Period Uncorrected Misstatements				29,200	I	29,200
	Net Effect of Uncorrected Misstatements	(83,700)	(56, 270)	(27, 430)	1,770	-	1,770
No.	Description						
	Understatement of accrued franchise tax revenues and related deferred inflow - historically not accrued by						
	the City	(83,700)	(56, 270)	(27, 430)	(27, 430)	I	(27, 430)

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Misstatements
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Summary o

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Total AssetsLiabilitiesAmounts Per Financial Statements $and Deferredand DeferredAmounts Per Financial Statements0utflowsInflowsNet PositionEffect of Current Period Uncorrected Misstatements8,080,9391,837,0096,243,930Effect of Prior Period Uncorrected Misstatements27,000 27,000Net Effect of Prior Period Uncorrected Misstatements27,000 27,000Net Effect of Inventory - projected estimate -Net Effect of Inventory. -Net Effect of Inventory. -Net Effect of Inventory. -Net Effect of Inventory. -Net Effect of Inventory. -Net Effect of Inventory. -Net Effect Of Inventory. -Net Effect Of Inventory. -$				Total				
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Amounts Per Financial Statements $8,080,939$ $1,837,009$ $6,243,930$ $10,465,019$ $9,$ Effect of Current Period Uncorrected Misstatements $27,000$ $ 27,000$ $ -$ Effect of Prior Period Uncorrected Misstatements $27,000$ $ 27,000$ $ -$ Net Effect of Uncorrected Misstatements $27,000$ $ 27,000$ $ -$ Net Effect of Uncorrected Misstatements $27,000$ $ 27,000$ $ -$ Net Effect of Uncorrected Misstatements $27,000$ $ 27,000$ $ -$ Net Effect of Uncorrected Misstatements $27,000$ $ 27,000$ $ -$ Net Effect of Uncorrected Misstatements $27,000$ $ 27,000$ $ -$ Net Effect of Uncorrected Misstatements $27,000$ $ 27,000$ $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Net Effect of Net Effect of Net Effect $ -$ <td< td=""><td></td><td></td><td>Outflows</td><td>Inflows</td><td>Net Position</td><td>Transfers In</td><td>Transfers Out</td><td>Net Position</td></td<>			Outflows	Inflows	Net Position	Transfers In	Transfers Out	Net Position
Effect of Current Period Uncorrected Misstatements $27,000$ - $27,000$ Effect of Prior Period Uncorrected Misstatements $27,000$ - $27,000$ Net Effect of Uncorrected Misstatements $27,000$ - $27,000$ - $-$ Net Effect of Uncorrected Misstatements $27,000$ - $27,000$ - $-$ Net Effect of Uncorrected Misstatements $27,000$ - $27,000$ - $-$ Net Effect of Uncorrected Misstatements $27,000$ - $27,000$ - $-$ Net Effect of Uncorrected Misstatements $27,000$ - $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Misstatements $ -$ Net Effect of Uncorrected Net Effect of Uncorrected Misstatements $ -$ <td></td> <td>Amounts Per Financial Statements</td> <td>8,080,939</td> <td>1,837,009</td> <td>6,243,930</td> <td>10,465,019</td> <td>9,823,613</td> <td>641,406</td>		Amounts Per Financial Statements	8,080,939	1,837,009	6,243,930	10,465,019	9,823,613	641,406
Effect of Prior Period Uncorrected Misstatements27,000Net Effect of Uncorrected Misstatements27,000-27,000Results of price test for inventory - projected estimate627,000-27,000-		Effect of Current Period Uncorrected Misstatements	27,000	-	27,000	-	(27,000)	27,000
Net Effect of Uncorrected Misstatements 27,000 - 27,000 - - -		Effect of Prior Period Uncorrected Misstatements				-	-	I
Description Description Results of price test for inventory - projected estimate 27,000 - 27,000 -		Net Effect of Uncorrected Misstatements	27,000	-	27,000	1	(27,000)	27,000
27,000 - 27,000 -	No.	Description						
27,000 - 27,000 -	1	Results of price test for inventory - projected estimate						
		or overstatement of inventory.	27,000	I	27,000	ı	(27,000)	27,000

		Financial Stu	atement Effect	of Uncorrecte	Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement	:: Over (Under	·) Statement
			Total				
		Total Assets	Liabilities		Revenues		
		and Deferred and Deferred	and Deferred		and		Change in
		Outflows	Inflows	Net Position	Transfers In	Expenses	Net Position
	Amounts Per Financial Statements	57,947,355	19,462,971	38,484,384	19,640,732	15,777,574	3,863,158
	Effect of Current Period Uncorrected Misstatements	(83,700)	ı	(83,700)	(83,700)	I	(83,700)
	Effect of Prior Period Uncorrected Misstatements				75,200	-	75,200
	Net Effect of Uncorrected Misstatements	(83,700)	I	(83,700)	(8,500)	I	(8,500)
No.	Description						
	Understatement of accrued franchise tax revenues -						
	historically not accrued by the City	(83,700)	ı	(83,700)	(83,700)	ı	(83,700)

Summary of Uncorrected Misstatements - Governmental Activities

		Financial Stu	atement Effect	Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement	d Misstatement	s: Over (Unde	r) Statement
			Total			Expenses	
		Total Assets	Liabilities			and	
		and Deferred and Deferred	and Deferred			Transfers	Change in
		Outflows	Inflows	Net Position	Revenues	Out	Net Position
	Amounts Per Financial Statements	43,575,340	43,575,340 21,206,121		22,369,219 17,966,599	17,071,799	894,800
	Effect of Current Period Uncorrected Misstatements	27,000	I	27,000	I	(27,000)	27,000
	Effect of Prior Period Uncorrected Misstatements				1	ı	1
	Net Effect of Uncorrected Misstatements	27,000	I	27,000	I	(27,000)	27,000
No.	Description						
-	Results of price test for inventory - projected estimate of						
-	overstatement of inventory.	27,000		27,000		(27,000)	27,000

Summary of Uncorrected Misstatements - Business-Type Activities

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, JEREMY STEWART, do solemnly swear (or affirm), that I will faithfully execute the duties of Police Lieutenant, for the City of Burnet Police Department, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

Affiant

State of Texas County of Burnet

SWORN TO and subscribed before me by affiant on this 11th day of April, 2023.

Signature of Person Administering Oath

(Seal)

Kelly Dix Printed Name

<u>City Secretary</u>_____ Title

ENGINEERING REPORT - APR 2023





• Jackson St. Bathroom

- Landscaping
- Bathroom
- Cost: ? over \$700K

Houston-Clinton: Finished Redesign

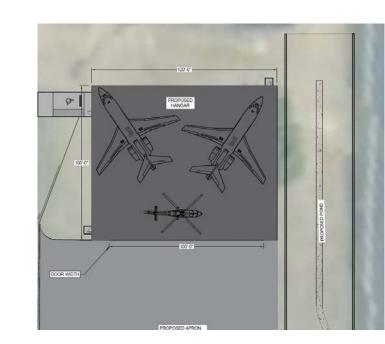
Del Springs Blvd: Completed Design but on hold

Inks Lake Generator: Under Contract. Generator ETA 2024.

Coke St. Realignment: Under Design

Pump Station and Generators: Under Design

Airport Hangar: Ready for Bid. Est. \$1.4MM





•City Hall: Start Engineering Redesign

- •Electric: Engineering RFQ
- •Valley Well: Engineering RFQ



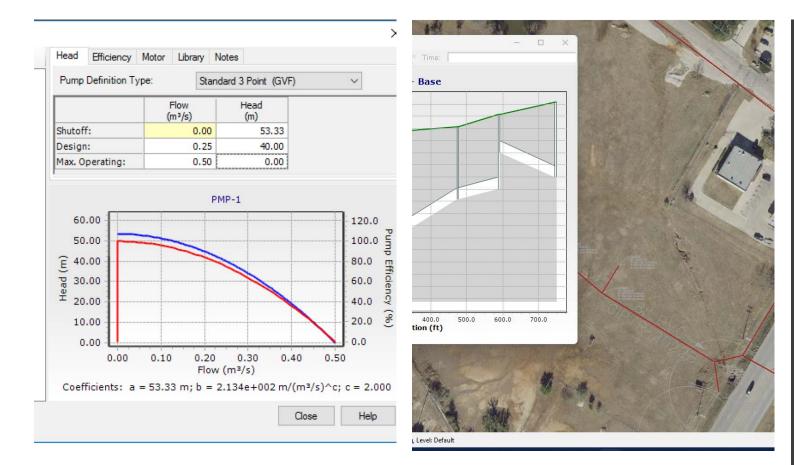






•Valley St. Well: Best to drill new water well

- Groundwater restriction on Water Sampling
- Existing Casing Unusable
- Well in the road right of way



•WATER & WW MODELING

- Manhole Survey 95%
 Complete
- Finished Setting up our record drawings
- Began WW analysis Model
- Late summer start on water model

PW/Airport/DS Collaboration

- Electric:
 - HEB Expansion: Elec Installed 1500 kVA Transformer

• Water/WW

- Winterization Procedures were a Success
- Video sewer system (SW of town for now)
- Assisting with upgrades/updating metering system

• Street Dept

- Crack Sealing readying streets for Fog Seal in June-July
- Preparing for Reclamite in May-June
- Airport Paving





Project Mgmt. Developments/Inspections

- CreekFall Phase 1&2: Re-Start May
- Eagles Nest Section 3: Utility Installed
- Headwaters Phase 2: Re-Installing some Curbs and culverts
- Sunday Drive: Final Punch List
- Westfall Ph 3: Finished Earthwork and started Utilities Phase
- Children Adv. Center: Out for Bid.





Project Mgmt. Developments/Inspections



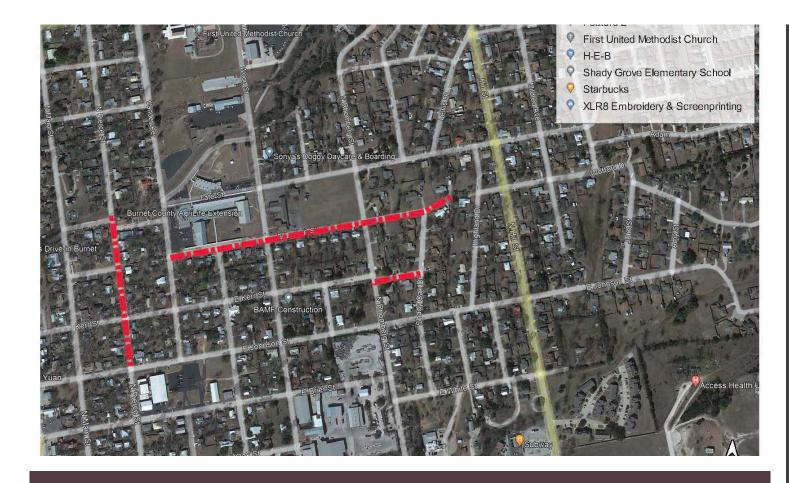
- Woodlands Pond: Dredge Completed





- Peppermill Ponds Complete

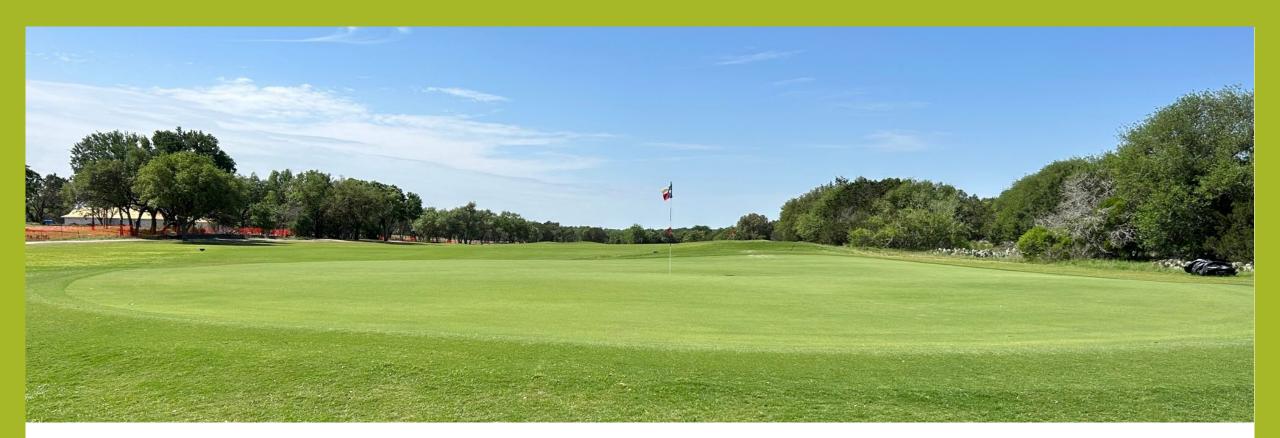




Burnet County Interlocal

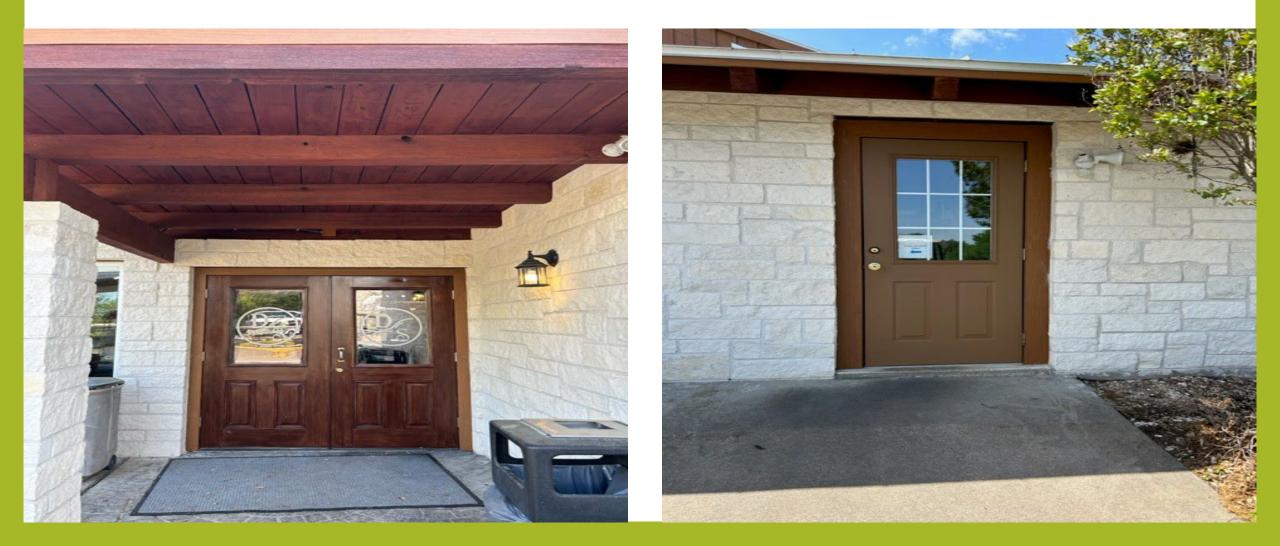
- Lamon
- E Kerr
- N Pierce
- Scheduled: Delayed Spring
 Asphalt Bid Selected

QUESTIONS

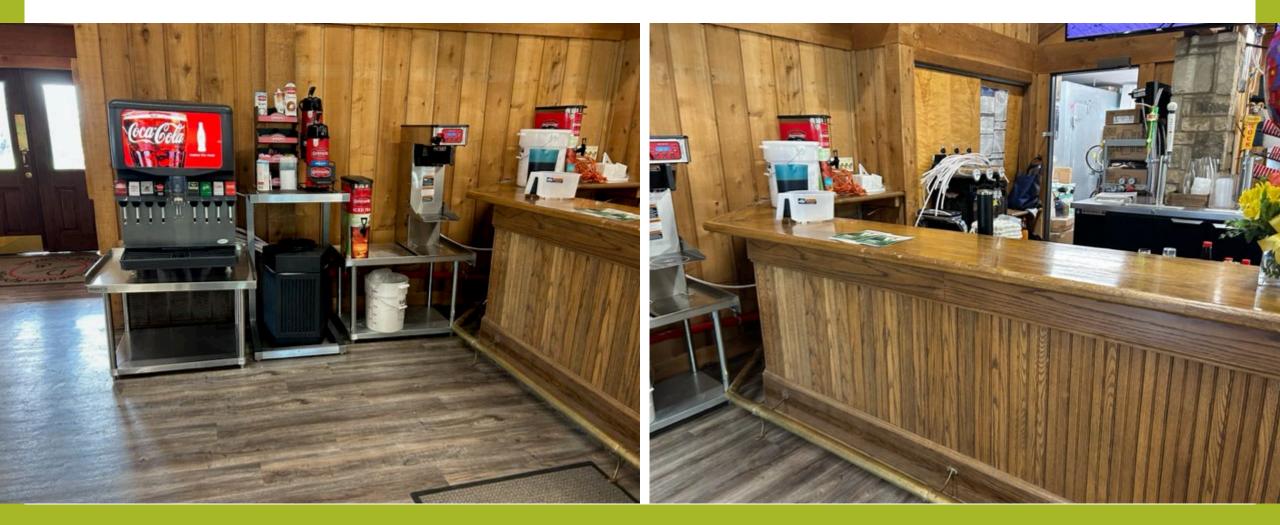


DELAWARE SPRINGS QUARTERLY REPORT

Painted Doors - Stained All Wood









Billboards Delaware Springs Golf Course



delawaresprings.com (512) 756-8471



110"x192" (2) Aluminum

SELLING THE TEXAS DREAM

110"x192" (1) Aluminum

SELLING THE TEXAS DREAM



JORDAN SHIPLEY 325-998-4548



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SHIPLEYRANCHES.COM

Daily Specials.

600 Delaware Springs Boulevard (512) 756-8471

Delaware Springs Golf Course



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www.delawaresprings.com

Delaware Springs Golf Course

(512) 756-8471







MAINTAIN THE GOLF COURSE

\$65,000.00 Green Fee Rev. \$23,000.00 Tournament Rev.

QUESTIONS ???

STATE OF TEXAS	{ }
COUNTY OF BURNET	{ }
CITY OF BURNET	{ }

On this the 28th day of March, 2023, the City Council of the City of Burnet convened in Regular Session, at 6:00 p.m. the City of Burnet Council Chambers located at 2402 S. Water Street (Hwy 281 South, Burnet Municipal Airport) Burnet, Tx. thereof with the following members present, to-wit:

Mayor	Crista Goble Bromley
Council Members	Dennis Langley, Mary Jane Shanes, Philip Thurman, Ricky Langley, Joyce
	Laudenschlager, Cindia Talamantez
City Manager	David Vaughn
City Secretary	Kelly Dix

<u>Guests</u>: Patricia Langford, Brian Lee, Eric Belaj, Maria Gonzales, Adrienne Feild, Mark Miller, Jimmy Crain, Carly Pearson, Bryce Van Arsdale, Mark Ingram

<u>Call to Order</u>: Mayor Bromley called the meeting to order at 6:00 p.m.

INVOCATION: Led by Council Member Mary Jane Shanes

PLEDGES (US & TEXAS): Led by Council Member Philip Thurman

SPECIAL REPORTS/RECOGNITION:

Fire Department Quarterly Report: M. Ingram: Fire Chief Mark Ingram reviewed ambulance transfer numbers with all present. Transfers are down due to staffing shortages at the hospitals. Chief Ingram updated all present on the current vehicle purchases for the department as well as staffing. There are two EMT positions available that should be filled by the end of May. Two new paramedics joined the staff this past month. Staffing levels are where they need to be.

<u>Public Works & Development Services Quarterly Report: C. Kehoe-Pearson:</u> Carly Kehoe-Pearson, Director of Public Works and Development Services provided the quarterly update.

Electric Department -the Electric Department staff is continuing to work on the distribution system maintenance, the recloser project that will provide sectionalization for the electric grid, and pole relocations. The electric Staff did an outstanding job during the 2023 ice storm.

Water/Wastewater Department- the Water/Wastewater Department Superintendent Alan Burdell left earlier this month and currently Jacob Thomas and Richard Harrison are overseeing operations in the department. Staff is currently working with divers to eradicate the zebra mussel issue at the Inks Lake Raw Water intake structure. Operations continue on the Emergency Preparedness Plan projects and the Capital Outlay projects. Water/Wastewater reuse consumption ratios were provided to all present.

Street Department-The Street department is working with Burnet County on the 2022-2033 Street Rehabilitation Interlocal Agreement that covers Pierce Street (from Johnson to Tate), Kerr Street (from Shady Oak to N. Rhomberg), Lamon Street (from East of Vandeveer) and Lamon Street (from N. Pearce to N. Main St.) as time and materials allow. The 2023 crack sealing and pavement patching are underway as well as implementing a new street sign replacement program.

Parks Department- The Parks Department is busy with spring mowing; tree trimming and clean up as well as preparing for the Bluebonnet Festival in April. The Trout stocking program was a success and enjoyed by the citizens. Parks Staff did an outstanding job over the holiday season as well as did the Electric Department.

Development Services- Leslie Kimbler, Planning Manager, presented the quarterly report which included the residential and commercial permits issued for the quarter, Certificates of Occupancy, plat reviews, construction plan reviews, and statistical information pertaining to customer service for the department.

<u>February 2023 Financial Report: P. Langford:</u> Patricia Langford, Director of Finance provided the February 2023 Financial Report to include an overview of revenues, expenses and current account balances for all funds. CONSENT AGENDA ITEMS:

(All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member, staff member or citizen requests removal of the item from the consent agenda for the purpose of discussion. For removal of an item, a request must be made to the Council when the Consent Agenda is opened for Council Action.)

Approval of the March 14, 2023 Regular City Council Meeting Minutes

Council Member Joyce Laudenschlager moved to approve the consent agenda as presented. Council Member Mary Jane Shanes seconded. The motion carried unanimously.

PUBLIC HEARINGS/ACTION: None.

ACTION ITEMS:

Discuss and consider action: SECOND AND FINAL READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE 2022-38; THE ORIGINAL BUDGET ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022, AND ENDING SEPTEMBER 30, 2023 FOR THE CITY OF BURNET, TEXAS, FUNDING ACCOUNTS IN BUDGET DUE TO UNFORESEEN SITUATIONS; CONTAINING FINDINGS; PROVIDING FOR SAVINGS AND SEVERABILITY: P. Langford: Council Member Joyce Laudenschlager moved to approve and adopt Ordinance No. 2023-06 as presented. Council Member Cindia Talamantez seconded. The motion carried unanimously.

Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING THE PURCHASE OF A 2022 ALL WHEEL DRIVE TRANSIT VAN FROM SOUTHWEST AMBULANCE SALES FOR THE BURNET FIRE DEPARTMENT. M. Ingram: Council Member Joyce Laudenschlager moved to approve Resolution R2023-20 as presented. Council Member Cindia Talamantez seconded. The motion carried unanimously.

Discuss and consider action: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AUTHORIZING THE SUBMISSION OF A 2023/2024 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE COMMUNITY DEVELOPMENT FUND: E. Belaj: Council Member Ricky Langley moved to approve Resolution R2023-21 as presented. Council Member Cindia Talamantez seconded. The motion carried unanimously.

Discuss and consider action: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AUTHORIZING CITY REPRESENTATIVES IN MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM: A. Field: Council Member Philip Thurman moved to approve Resolution R2023-22 as presented. Council Member Mary Jane Shanes seconded. The motion carried unanimously.

Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET ADOPTING/REAFFIRMING REQUIRED COMMUNITY DEVELOPMENT BLOCK GRANT CIVIL RIGHTS POLICIES: A. Field: Council Member Joyce Laudenschlager moved to approve Resolution R2023-23 as presented. Council Member Cindia Talamantez seconded. The motion carried unanimously.

Discuss and consider action: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET ACCEPTING THE COMMUNITY-WIDE FAIR HOUSING ANALYSIS FOR THE CITY OF BURNET TEXAS AS A COMPONENT OF THE CITY'S PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM: A. Field: As part of the requirements for the 2023/2024 Community Development Grant with the Texas Department of Agriculture, Adrienne Feild, Administrative Services read into the record the following statement: In the backup attached, you will see an analysis of the community's fair housing and data on factors that impact fair housing in a community, such as disability, race, and ethnicity. This analysis is done in support of the upcoming 2023/2024 Community Development grant with the Texas Department of Agriculture (TDA). TDA supports Affirmatively Furthering Fair Housing (AFFH) and has opted to have a scoring element that requires conducting an activity in support of AFFH. TDA's CDBG Community Development grant is a HUD based grant source, which encourages developing fair housing to communities. TDA requires applicants to support affirmatively further fair housing and uphold the 1968 Fair Housing Act. The Fair Housing Act prohibits discrimination based on disability, familial status, race, color, religion, sex, or national origin. Housing, race, ethnicity, and disability data comes from the US Census 2017-2021 American Community Survey data. The lowincome housing analysis comes from the public housing authority. The last section briefly discusses possible impediments to fair housing in your community. With this, the analysis is complete and should satisfy TDA requirements. Please accept this analysis in support of the upcoming TDA grant. Council Member Joyce Laudenschlager moved to approve Resolution R2023-24 as presented. Council Member Cindia Talamantez seconded. The motion carried unanimously.

Discuss and consider action: Award Request for Proposal (RFP) 2023-001 Street Fog Seal Maintenance Project bid and authorize the City Manager to execute the contract: E. Belaj: Council Member Joyce Laudenschlager made a motion awarding the bid for RFP2023-001Street Fog Seal Maintenance Project to Holbrook Asphalt Company in the amount of \$252,843.46 as presented. Council Member Mary Jane Shanes seconded. The motion carried unanimously.

<u>REQUESTS FROM COUNCIL FOR FUTURE REPORTS: In accordance with Resolution R2020-28</u> <u>councilmembers may request the City Manager to prepare and present future report on matters of public interest:</u> No requests.

<u>ADJOURN:</u> There being no further business a motion to adjourn was made by Council Member Mary Jane Shanes at 6:43 p.m. seconded by Council Member Cindia Talamantez. The motion carried unanimously.

ATTEST:

Crista Goble Bromley, Mayor

Kelly Dix, City Secretary



Public Hearing and First Reading: Amendment to Golf Course Vegetation Buffer Tree Preservation Ordinance. City Code Section 118-63.

City Council regular meeting April 11, 2023



Background

- Sec. 118-63
 - Buffer applies to lots abutting the golf course as shown on Map
 - Buffer is 25-feet in width
 - Buffer may be maintained in its natural state or may be landscaped by the planting of non-native vegetation and decorative stones
 - Ordinance amended earlier this year to allow for decorative fences with waiver from City Manager



Ordinance Amendment

- Provides protection to all Live Oak trees within vegetative buffer
- Allows removal of such trees with issuance of tree removal permit from City Manager
 - Trees must be less than 36 caliber inches
 - AND located within close proximity to proposed location of slab for house to be built

Amendment

- Section one. Amendment. The Code of Ordinances, Chapter 118 (entitled "Zoning") is hereby amended by adding to Section 118-63 (entitled "Municipal Golf Course Vegetative Buffer Requirements") a new subsection (h) (entitled "Tree Protection") and (g) ("Administration") to read as follows:
 - (h) Tree protection. No live oak trees may be removed from the Municipal Golf Course Vegetative Buffer Zone, without the issuance of a permit by the City Manager authorizing such removal. Issuance of such permit shall be subject to the following:
 - (1) Criteria: The City Manager shall only issue a permit after making a finding that the live oak to be removed is located within ten feet of the slab of the main structure and is less than 36 caliper inches in diameter.
 - (2) Administration. Applications for a permit shall be made on such form as provided by the City Manager and shall be accompanied by the default application fee as referenced in Article VI of the Fee Schedule. The City Manager shall approve or deny the application within ten business days of receipt. The City Manager's failure to timely act on the application shall be deemed a denial.



- Planning and Zoning Commission:
 - Conducted a public hearing on April third;
 - Unanimously recommended approval of proposed ordinance
 - Recommended code amendment requiring plat note

Staff is available to answer questions at the conclusion of the public hearing.



Development Services

ITEM 3.1-A

Habib Erkan Jr. Assistant City Manager 512-715-3201 herkan@cityofburnet.com

Public Hearing and Action

- Meeting Date: April 11, 2023
- Agenda Item: Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CITY CODE OF ORDINANCES CHAPTER 118 (ENTITLED "ZONING") SECTION 118-63 (ENTITLED "MUNICIPAL GOLF COURSE VEGETATIVE BUFFER REQUIREMENTS") BY IMPLEMENTING TREE PRESERVATION REGULATIONS WITHIN THE MUNICIPAL GOLF COURSE VEGETATIVE BUFFER; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: H. Erkan
- **Background:** The municipal golf course vegetative buffer was established by Ordinance No. 2022-12. The ordinance established a 25-foot-wide municipal golf course vegetation buffer on lots abutting the golf course. The ordinance requires the vegetative buffer area to remain in its natural state or be landscaped. The ordinance, as originally adopted prohibited the placement of structures of fences within the vegetative buffer area. The ordinance was amended earlier this year to allow the city manager issue decorative fence waivers for lots not abutting tee boxes, putting greens or irrigation pedestals.
- Information: This ordinance was proposed at the March 14, 2023, City Council meeting. This ordinance provides protection to all Live Oaks within Municipal Golf Course Vegetative Buffer. This ordinance would allow the removal of such trees upon approval of a tree removal permit. The ordinance authorizes the City Manager to issue such permit when he determines the tree in question is less than 36 caliber inches and located within close proximity to the proposed location of the slab for the house to be constructed on the lot.

It should be noted that the Planning and Zoning Commission, in its unanimous recommendation to approve the ordinance, recommended that the code require subdividers to place a plat note on subdivision plats informing the public that "golf course lots" are subject to the Municipal Golf Course Vegetative Buffer requirements. Staff will present an amendment to the Subdivision Ordinance to City Council at a future meeting addressing the Commission's recommendation.

Fiscal Impact No direct fiscal impact is anticipated.

Recommendation: Open the Public Hearing

Take action on first reading of Ordinance 2023-08

ORDINANCE NO. 2023-08

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING CITY CODE OF ORDINANCES CHAPTER 118 (ENTITLED "ZONING") SECTION 118-63 (ENTITLED "MUNICIPAL GOLF COURSE VEGETATIVE BUFFER REQUIREMENTS") BY IMPLEMENTING TREE PRESERVATION REGULATIONS WITHIN THE MUNICIPAL GOLF COURSE VEGETATIVE BUFFER ZONE; PROVIDING CUMULATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to Ordinance No. 2022-12, City Council established a 25-foot-wide municipal golf course vegetation buffer, (hereinafter sometimes the "buffer") on properties adjoining the golf course; and

WHEREAS, at its regularly scheduled meeting on March 14, 2023, City Council directed the City Manager to bring forward an amendment to Ordinance No. 2022-12 to protect live oak trees within the buffer; and

WHEREAS, on April 3, 2023, the Planning and Zoning Commission conducted a public hearing to receive comments and testimony on the merits of the code amendments proposed by this ordinance; and

WHEREAS, at the conclusion of the public hearing, the Planning and Zoning Commission made a recommendation to City Council as to the merits of the proposed code amendments; and

WHEREAS, on April 11, 2023, City Council conducted a public hearing; to receive comments and testimony on the merits of the proposed code amendments; and

WHEREAS, The City Council, after due consideration of the Planning and Zoning Commission recommendation; the comments and testimony of public; and the recommendation of City staff; finds adoption of the proposed code amendments will promote the public health, safety, and the general welfare; and

WHEREAS, City Council, finds, determines, and declares that publication of notice of this Ordinance, as required by Section 3.14 of the City Charter and the laws of the State of Texas, was made by the City Secretary within the periods prescribed by Section 3.14 and state law; and

WHEREAS, City Council, finds, determines, and declares that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given as required by Chapter 551 of the Texas Government Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Amendment. The Code of Ordinances, Chapter 118 (entitled *"Zoning"*) is hereby amended by adding to Section 118-63 (entitled *"Municipal Golf Course Vegetative Buffer Requirements"*) a new subsection (h) (entitled *"Tree Protection"*) and (g) (*"Administration"*) to read as follows:

- (h) Tree protection. No live oak trees may be removed from the Municipal Golf Course Vegetative Buffer Zone, without the issuance of a permit by the City Manager authorizing such removal. Issuance of such permit shall be subject to the following:
 - (1) Criteria: The City Manager shall only issue a permit after making a finding that the live oak to be removed is located within ten feet of the slab of the main structure and is less than 36 caliper inches in diameter.
 - (2) Administration. Applications for a permit shall be made on such form as provided by the City Manager and shall be accompanied by the default application fee as referenced in Article VI of the Fee Schedule. The City Manager shall approve or deny the application within ten business days of receipt. The City Manager's failure to timely act on the application shall be deemed a denial.

Section two. Findings. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section three. Penalty. A violation of this ordinance is unlawful and subject to City Code of Ordinances Sec. 1-6 (entitled "*General Penalty*").

Section four. Cumulative. This ordinance shall be cumulative of all provisions of all ordinances and codes, or parts thereof, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinances, in which event Section 5, (entitled *"Repealer"*) shall be controlling.

Section five. Repealer. All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section six. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this

Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section seven. Publication. The publishers of the City Code are authorized to amend said Code to reflect the changes adopted herein and to correct typographical errors and to format and number paragraphs to conform to the existing Code.

Section ten. Effective Date. This Ordinance shall be effective upon the date of final adoption hereof.

Passed on first reading on the 11th day of April 2023.

Passed, Approved and Adopted on the 25th day of April 2023.

CITY OF BURNET

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix, City Secretary



Development Services

ITEM 3.1 B Leslie Kimbler Planning Manager 512-715-3215 Ikimbler@cityofburnet.com

Public Hearing and Action

- Meeting Date: April 11, 2023
- Agenda Item: Discuss and Consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 302 SOUTH HILL STREET (Legal Description: S6127 LUNA PARK LOT 4) WITH SINGLE-FAMILY "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE: L. KIMBLER
- **Background:** The property is located on the South side of Hill Street. While it is currently zoned as light commercial, "C-1", it has been an existing non-conforming single-family residence since 1940.
- Information: This is a city-initiated rezone, amending and updating our zoning map. The requested zoning, Single Family Residential – District "R-1" is intended to conserve and protect the surrounding single-family development. Permitted uses are single-family homes, public buildings, and accessory structures.
- **Staff Analysis:** The Future Land Use Map (Exhibit B) designates the area surrounding the properties as residential. The request for single-family residential-"R-1" is appropriate in this instance.

	North	South	East	West
Zoning	"R-2a"	"R-2"	"R-3"	"R-1"
FLUM	Residential	Residential	Residential	Residential
Land Use	Townhomes	Apartments	Apartments	Single-family residential

Properties adjacent to the subject property are zoned as follows:

- **Public Notification:** A Notice of Public Hearing was published in the Burnet Bulletin on March 22, 2023, and written notices were mailed to fifteen (15) surrounding property owners within 200 feet of the subject property. There have been zero responses in favor and zero responses in opposition.
- **P&Z Report:** Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the requested rezone and Ordinance 2023-09 as presented.

Exhibit "A"

Location & Current Zoning Map

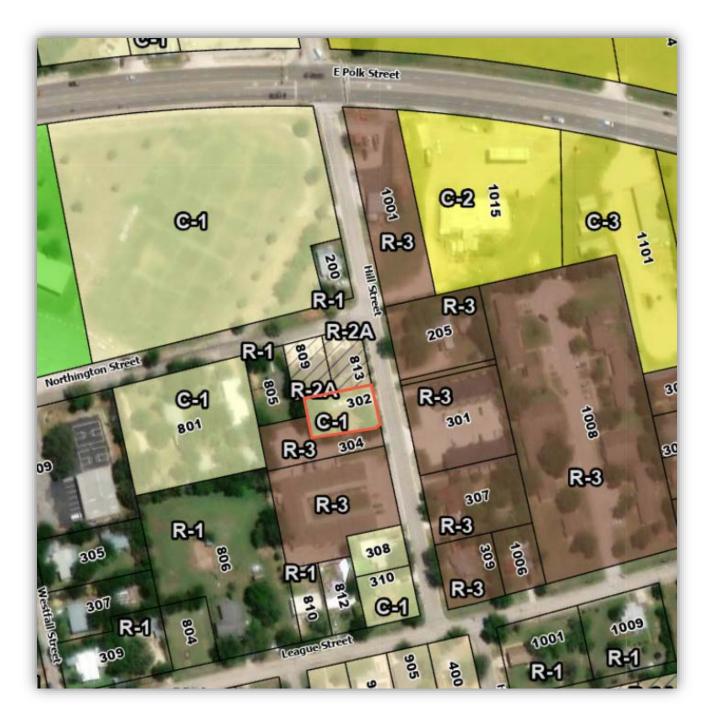
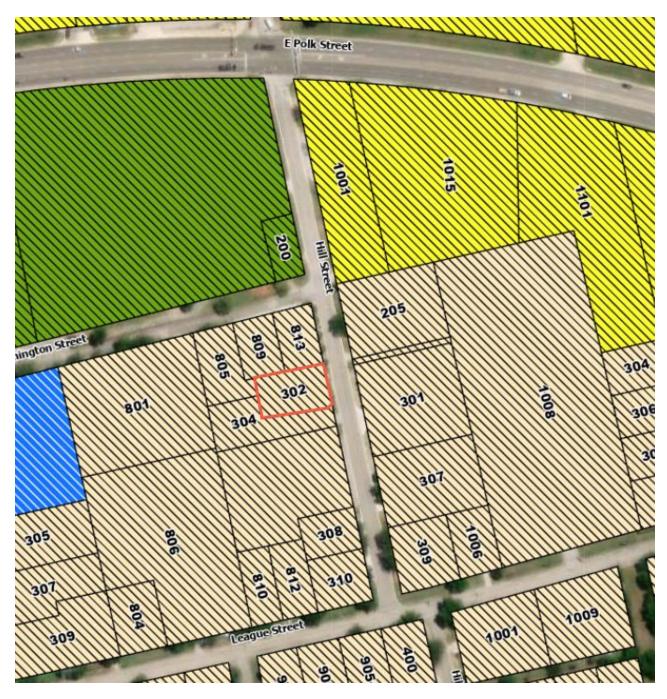


Exhibit "B" Future Land Use Map











Government

Commercial

Residential

Open Space

ORDINANCE NO. 2023-09

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 302 SOUTH HILL STREET (Legal Description: S6127 LUNA PARK LOT 4). WITH SINGLE-FAMILY RESIDENTIAL "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council, by the passage and approval of Ordinance No. 2021-001, affixed the zoning classifications for each and every property located within the city in accordance with the Official Zoning Map as approved with said ordinance; and

WHEREAS, the purpose of this Ordinance is to amend the Official Zoning Map by amending the zoning classification of the Real Property ("Property") described herein; and

WHEREAS, the Planning and Zoning Commission, after conducting a public hearing on the matter, deliberated the merits of the proposed amendment of zoning classification and has made a report and recommendation to City Council; and

WHEREAS, in passing and approving this ordinance it is legislatively found the Planning and Zoning Commission and City Council complied with all notice, hearing and meetings requirements set forth in Texas Local Government Chapter 211; Texas Government Code Chapter 551, the City Charter; and Chapter 118, of the Code of Ordinances; and

WHEREAS, it is further legislatively found that this proposed zoning reclassification of property does not require an amendment to the Future Land Use Plan; and

WHEREAS, City Council, after considering the testimony and comments of the public, reports and recommendations of City Staff and the Planning and Zoning Commission, and the deliberation of its members, by passage and approval of this Ordinance hereby determines the action taken herein is meritorious and beneficial to the public health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted and made a part hereof for all purposes as findings of fact.

Section two. Property. The Property that is the subject to this Zoning District Reclassification is located at 302 SOUTH HILL STREET (Legal Description: S6127 LUNA PARK LOT 4) as shown on **Exhibit "A**" hereto.

Section three Zoning District Reclassification. Single-family residential - District "R-1" Zoning District Classification is hereby assigned to the Property described in section two.

Section four. Zoning Map Revision. The City Secretary is hereby authorized and directed to revise the Official Zoning Map to reflect the change in Zoning District Classification approved by this Ordinance.

Section five. Repealer. Other ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent of such conflict.

Section six. Severability. This Ordinance is severable as provided in City Code Section 1-7 as same may be amended, recodified or otherwise revised.

Section seven. Effective Date. This ordinance is effective upon final passage and approval.

PASSED on First Reading the 11TH day of April, 2023

PASSED AND APPROVED on this the 25th day of April, 2023.

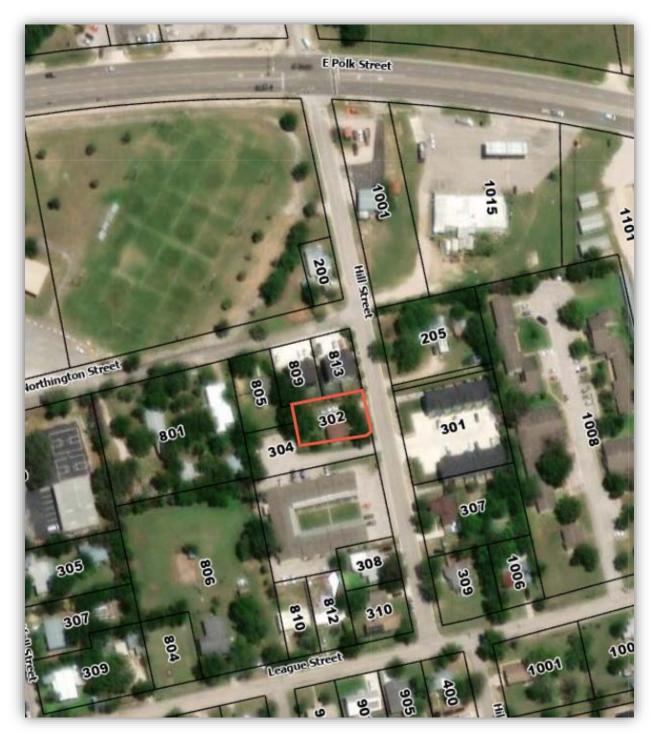
CITY OF BURNET, TEXAS

ATTEST:

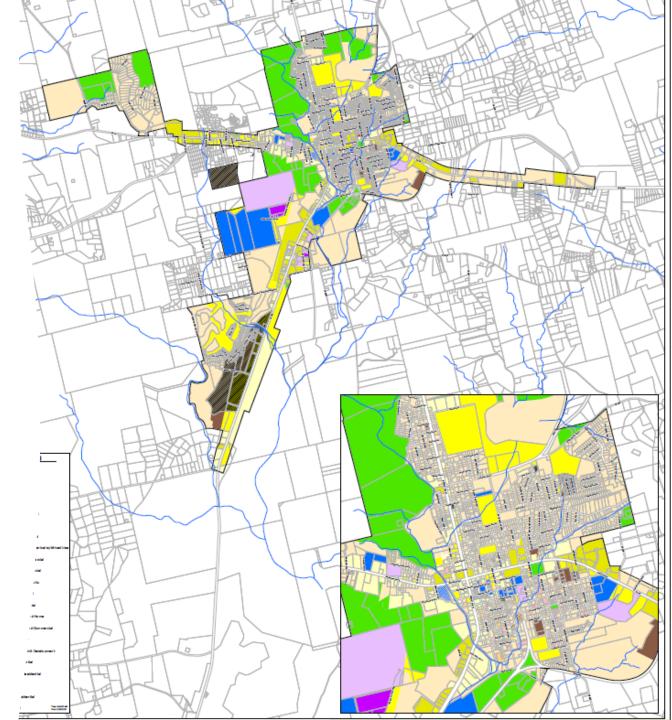
Crista Goble Bromley, Mayor

Kelly Dix, City Secretary

Exhibit A Location of Subject Property



FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 302 SOUTH HILL STREET (Legal Description: S6127 LUNA PARK LOT 4). WITH SINGLE-FAMILY RESIDENTIAL "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE



City Initiated Request



Current Zoning:

Light commercial- "C-1" Property has been singlefamily residence since 1940

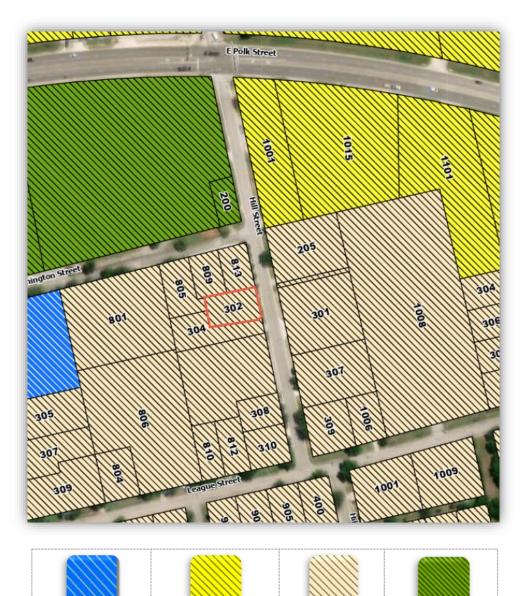


Requested Zoning:

Single-family residential-"R-1"

"R-1" Zoning is intended to conserve and protect single-family development. Permitted uses are single-family homes, public buildings, and accessory structures.





Commercial

Residential

Open Space

Government

Future Land Use

	North	South	East	West
Zoning	"R-2a"	"R-2"	"R-3"	"R-1"
FLUM	Residential	Residential	Residential	Residential
Land Use	Duplex	Single- Family residence	Single- family residence	Single- family residence



Public Notification

 Notices were mailed to twelve surrounding property owners. 0 responses have been received in favor or opposition.

P&Z Report

Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the requested rezone and Ordinance 2023-09 as presented.



Discuss and consider the first reading of the draft ordinance.



Development Services

ITEM 3.1 C Leslie Kimbler Planning Manager 512-715-3215 Ikimbler@cityofburnet.com

Public Hearing and Action

- Meeting Date: April 11, 2023
- Agenda Item: Discuss and Consider: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 308 SOUTH HILL STREET (Legal Description: BEING 0.17 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS. NO 405 AND BEING PORTION OF 5 AC OUT OF BLK NO. 8, PETER KERR DONATION) WITH SINGLE-FAMILY "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE: L KIMBLER
- **Background:** The property is located on the South side of Hill Street. While it is currently zoned as light commercial, "C-1", it has been existing non-conforming as a single-family residence since 1980.
- Information: This is a city-initiated rezone, amending and updating our zoning map. The requested zoning, Single Family Residential – District "R-1" is intended to conserve and protect single-family the surrounding residential development. Permitted uses are single-family homes, public buildings, and accessory structures.
- **Staff Analysis:** The Future Land Use Map (Exhibit B) designates the area surrounding the properties as residential. The request for single-family residential-"R-1" is appropriate in this instance.

	North	South	East	West
Zoning	"R-3"	"C-1"	"R-3"	"R-1"
FLUM	Residential	Residential	Residential	Residential
Land Use	Apartments	Single-Family residence	Single-family residence	Single-family residential

Properties adjacent to the subject property are zoned as follows:

- **Public Notification:** A Notice of Public Hearing was published in the Burnet Bulletin on March 22, 2023, and written notices were mailed to fifteen (15) surrounding property owners within 200 feet of the subject property. There have been zero responses in favor and zero responses in opposition.
- **P&Z Report:** Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the requested rezone and Ordinance 2023-10 as presented.

Exhibit "A"

Location & Current Zoning Map



Exhibit "B" Future Land Use Map











Government

Commercial

Residential

Open Space

ORDINANCE NO. 2023-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 308 SOUTH HILL STREET (Legal Description: BEING 0.17 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS. NO 405 AND BEING PORTION OF 5 AC OUT OF BLK NO. 8, PETER KERR DONATION) WITH SINGLE-FAMILY RESIDENTIAL "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council, by the passage and approval of Ordinance No. 2021-001, affixed the zoning classifications for each and every property located within the city in accordance with the Official Zoning Map as approved with said ordinance; and

WHEREAS, the purpose of this Ordinance is to amend the Official Zoning Map by amending the zoning classification of the Real Property ("Property") described herein; and

WHEREAS, the Planning and Zoning Commission, after conducting a public hearing on the matter, deliberated the merits of the proposed amendment of zoning classification and has made a report and recommendation to City Council; and

WHEREAS, in passing and approving this ordinance it is legislatively found the Planning and Zoning Commission and City Council complied with all notice, hearing and meetings requirements set forth in Texas Local Government Chapter 211; Texas Government Code Chapter 551, the City Charter; and Chapter 118, of the Code of Ordinances; and

WHEREAS, it is further legislatively found that this proposed zoning reclassification of property does not require an amendment to the Future Land Use Plan; and

WHEREAS, City Council, after considering the testimony and comments of the public, reports and recommendations of City Staff and the Planning and Zoning Commission, and the deliberation of its members, by passage and approval of this Ordinance hereby determines the action taken herein is meritorious and beneficial to the public health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted and made a part hereof for all purposes as findings of fact.

Section two. Property. The Property that is the subject to this Zoning District Reclassification is located at 308 SOUTH HILL STREET (Legal Description: BEING 0.17

ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS. NO 405 AND BEING PORTION OF 5 AC OUT OF BLK NO. 8, PETER KERR DONATION) as shown on **Exhibit "A**" hereto.

Section three Zoning District Reclassification. Single-family residential - District "R-1" Zoning District Classification is hereby assigned to the Property described in section two.

Section four. Zoning Map Revision. The City Secretary is hereby authorized and directed to revise the Official Zoning Map to reflect the change in Zoning District Classification approved by this Ordinance.

Section five. Repealer. Other ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent of such conflict.

Section six. Severability. This Ordinance is severable as provided in City Code Section 1-7 as same may be amended, recodified or otherwise revised.

Section seven. Effective Date. This ordinance is effective upon final passage and approval.

PASSED on First Reading the 11TH day of April, 2023

PASSED AND APPROVED on this the 25th day of April, 2023.

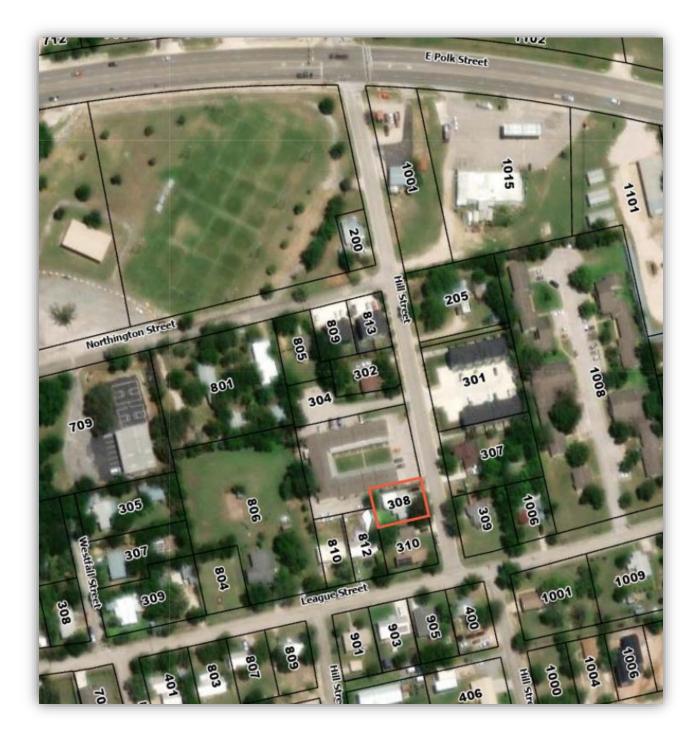
CITY OF BURNET, TEXAS

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix, City Secretary

Exhibit A Location of Subject Property





FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 308 SOUTH HILL STREET (Legal Description: BEING 0.17 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS. NO 405 AND BEING PORTION OF 5 AC OUT OF BLK NO. 8, PETER KERR DONATION) WITH SINGLE-FAMILY "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE



City Initiated Request

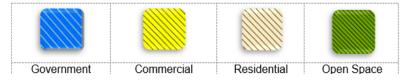
Current Zoning:

- Light commercial- "C-1"
- Property has been single-family residence since 1980

Requested Zoning:

- Single-family residential- "R-1"
- "R-1" Zoning is intended to conserve and protect single-family development.
 Permitted uses are single-family homes, public buildings, and accessory structures





Future Land Use

	North	South	East	West
Zoning	"R-2a"	"R-2"	"R-3"	"R-1"
FLUM	Residential	Residential	Residential	Residential
Land Use	Duplex	Single- Family residence	Single- family residence	Single- family residence



Public Notification

Notices were mailed to eleven surrounding property owners. Zero responses have been received in favor or opposition.

Planning and Zoning Report

Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the requested rezone and Ordinance 2023-10 as presented. Open public hearing

Discuss and consider the first reading of the draft ordinance.





Development Services

ITEM 3.1 D Leslie Kimbler Planning 512-715-3215 Ikimbler@cityofburnet.com

Public Hearing and Action

- Meeting Date: April 11, 2023
- Agenda Item: Discuss and consider: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 310 SOUTH HILL STREET (Legal Description: BEING 0.165 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS NO. 405, AND BEING A PORTION OF 5 ACRES, BLK 8, PETER KERR DONATION) WITH SINGLE-FAMILY "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE: L. KIMBLER
- **Background:** The property is located on the South side of Hill Street. While it is currently zoned as light commercial, "C-1", it has been existing non-conforming as a single-family residence since 1980.
- Information: This is a city-initiated rezone, amending and updating our zoning map. The requested zoning, Single Family Residential – District "R-1" residential is intended to conserve and protect surrounding single-family development. Permitted uses are single-family homes, public buildings, and accessory structures.
- **Staff Analysis:** The Future Land Use Map (Exhibit B) designates the area surrounding the properties as residential. The request for single-family residential-"R-1" is appropriate in this instance.

	North	South	East	West
Zoning	"C-1"	"R-2"	"R-3"	"R-1"
FLUM	Residential	Residential	Residential	Residential
Land Use	Single-Family residence	Single-Family residence	Single-family residence	Single-family residential

Properties adjacent to the subject property are zoned as follows:

- **Public Notification:** A Notice of Public Hearing was published in the Burnet Bulletin on March 22, 2023, and written notices were mailed to fifteen (15) surrounding property owners within 200 feet of the subject property. There have been zero responses in favor and zero responses in opposition.
- **P&Z Report:** Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the requested rezone and Ordinance 2023-11 as presented.

Exhibit "A"

Location & Current Zoning Map

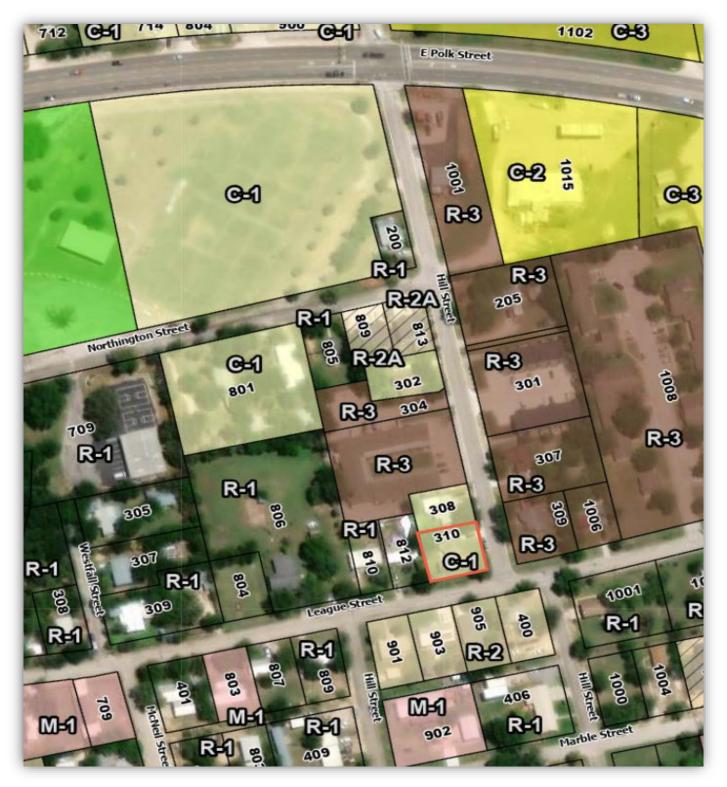


Exhibit "B" Future Land Use Ma











Government

Commercial

Residential

Open Space

ORDINANCE NO. 2023-11

AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 310 SOUTH HILL STREET (Legal Description: BEING 0.165 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS NO. 405, AND BEING A PORTION OF 5 ACRES, BLK 8, PETER KERR DONATION) WITH SINGLE-FAMILY RESIDENTIAL "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council, by the passage and approval of Ordinance No. 2021-001, affixed the zoning classifications for each and every property located within the city in accordance with the Official Zoning Map as approved with said ordinance; and

WHEREAS, the purpose of this Ordinance is to amend the Official Zoning Map by amending the zoning classification of the Real Property ("Property") described herein; and

WHEREAS, the Planning and Zoning Commission, after conducting a public hearing on the matter, deliberated the merits of the proposed amendment of zoning classification and has made a report and recommendation to City Council; and

WHEREAS, in passing and approving this ordinance it is legislatively found the Planning and Zoning Commission and City Council complied with all notice, hearing and meetings requirements set forth in Texas Local Government Chapter 211; Texas Government Code Chapter 551, the City Charter; and Chapter 118, of the Code of Ordinances; and

WHEREAS, it is further legislatively found that this proposed zoning reclassification of property does not require an amendment to the Future Land Use Plan; and

WHEREAS, City Council, after considering the testimony and comments of the public, reports and recommendations of City Staff and the Planning and Zoning Commission, and the deliberation of its members, by passage and approval of this Ordinance hereby determines the action taken herein is meritorious and beneficial to the public health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted and made a part hereof for all purposes as findings of fact.

Section two. Property. The Property that is the subject to this Zoning District Reclassification is located at 310 SOUTH HILL STREET (Legal Description: BEING 0.165 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS NO. 405, AND BEING A

PORTION OF 5 ACRES, BLK 8, PETER KERR DONATION) as shown on **Exhibit "A"** hereto.

Section three Zoning District Reclassification. Single-family residential - District "R-1" Zoning District Classification is hereby assigned to the Property described in section two.

Section four. Zoning Map Revision. The City Secretary is hereby authorized and directed to revise the Official Zoning Map to reflect the change in Zoning District Classification approved by this Ordinance.

Section five. Repealer. Other ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent of such conflict.

Section six. Severability. This Ordinance is severable as provided in City Code Section 1-7 as same may be amended, recodified or otherwise revised.

Section seven. Effective Date. This ordinance is effective upon final passage and approval.

PASSED on First Reading the 11TH day of April, 2023

PASSED AND APPROVED on this the 25th day of April, 2023.

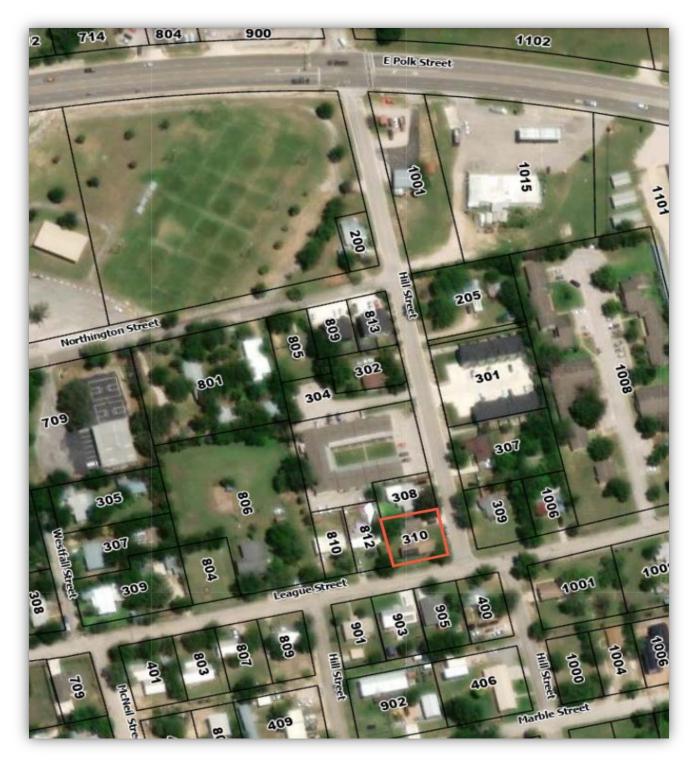
CITY OF BURNET, TEXAS

ATTEST:

Crista Goble Bromley, Mayor

Kelly Dix, City Secretary

Exhibit A Location Subject Property



FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS 310 SOUTH HILL STREET (Legal Description: BEING 0.165 ACRES OUT OF JOHN HAMILTON SURVEY NO. 1, ABS NO. 405, AND BEING A PORTION OF 5 ACRES, BLK 8, PETER KERR DONATION) WITH SINGLE-FAMILY "R-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE







City Initiated Request

Current Zoning:

Light commercial- "C-1" Property has been singlefamily residence since 1980

	-	
-	-	

Requested Zoning:

Single-family residential- "R-1"

"R-1" Zoning is intended to conserve and protect singlefamily development.
Permitted uses are singlefamily homes, public buildings, and accessory structures





Government

Commercial Residential

Open Space

Future Land Use

	North	South	East	West
Zoning	"R-2a"	"R-2"	"R-3"	"R-1"
FLUM	Residential	Residential	Residential	Residential
Land Use	Duplex	Single- Family residence	Single- family residence	Single- family residence

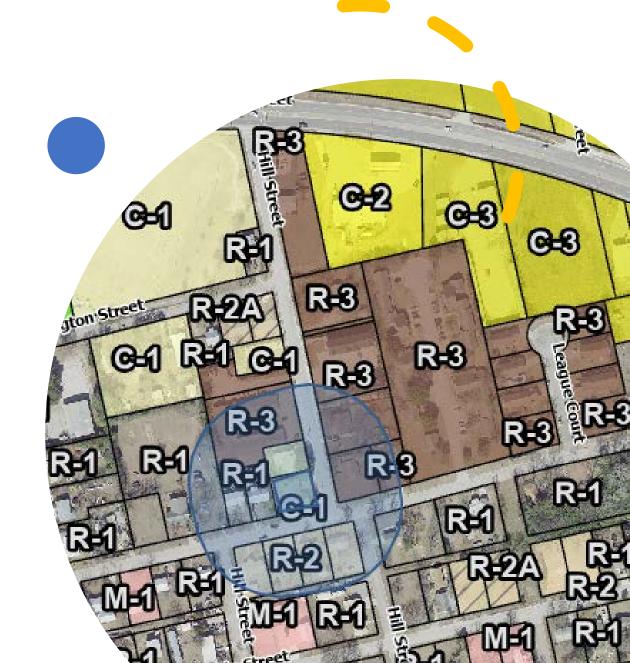


Public Notification

 Notices were mailed to thirteen surrounding property owners. 0 responses have been received in favor or opposition.

P&Z Report

 Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the requested rezone and Ordinance 2023-11 as presented.





Open public hearing

Discuss and consider the first reading of the draft ordinance.



Development Services

ITEM 3.1 E Leslie Kimbler Planner 512-715-3215 Ikimbler@cityofburnet.com

Public Hearing and Action

- Meeting Date: April 11, 2023
- Agenda Item: Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS THE CORNER LOT OF SOUTH WEST STREET AND WEST LEAGUE STREET (Legal Description: BEING ALL OF LOT NO. 3, BLOCK NO. 1 OF THE PETER KERR PORTION) WITH LIGHT COMMERCIAL "C-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE: L. Kimbler
- **Background:** The property is currently an undeveloped property located behind the Hacienda EI Charro restaurant. The property is currently zoned Duplex District "R-2". The owner of the property is the business operator of the restaurant and has purchased the property to allow for additional parking.
- **Information:** Approximately half of the property, to the west closest to Hamilton Creek, is encumbrance by the floodplain. Currently, water and electric are available near the site. Prior to any development of the property, including a parking lot, the owner will be responsible for retaining an engineer to ensure any development of the property properly accommodates the floodplain. The property owner will also be responsible for coordinating with the City Engineer to extend wastewater services to the property when necessary; currently the nearest sewer main is located at W Jackson St and the highway.

The requested Light Commercial – District "C-1" is governed by code of ordinances, Sec. 118-45, and allows for a mix of light commercial uses including retail and office space.

An example of some allowable uses would be:

- Banks
- Personal Services uses including barber shops, beauty parlors, etc.
- Restaurant or other drive-in eating establishment

• Retail sale of goods and products

The use does restrict the property to only these types of commercial uses and does not allow any type of residential use including residential accessory buildings.

Staff Analysis: The Future Land Use Map (Exhibit B) designation for the area is commercial; therefore, the requested Light Commercial zoning is appropriate.

Properties adjacent to the subject property are zoned as follows:

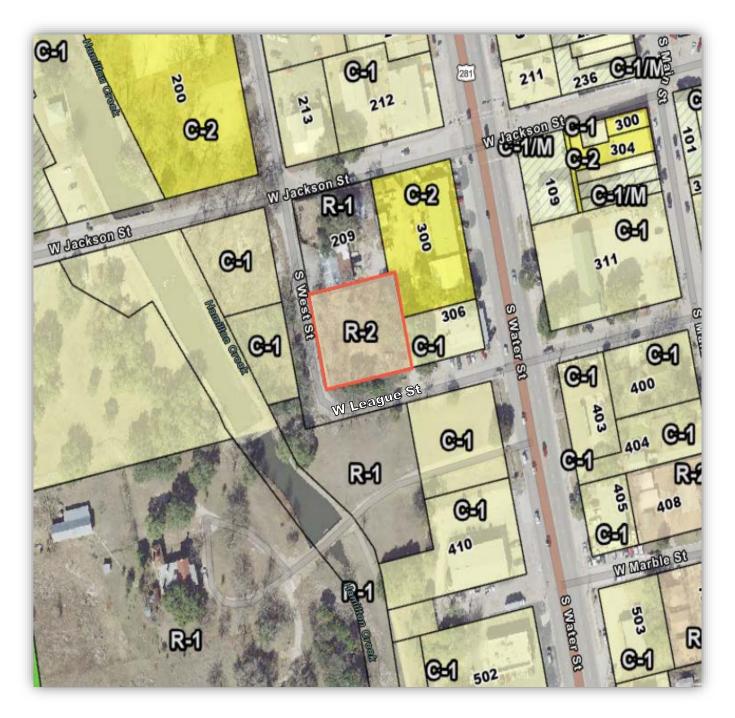
	North	South	East	West
Zoning	"R-1"	"R-1"	"C-1"	"C-1"
FLUM	Commercial	Commercial	Commercial	Commercial
Land Use	Vacant	Vacant	Restaurant	Vacant

Section 118-20, Chart 1, states properties zoned "C-1" must be a minimum of 10,000 square feet with a minimum lot width of 50 feet. The subject property does exceed both requirements.

- Public Notification: A Notice of Public Hearing was published in the Burnet Bulletin on March 22, 2023, and written notices were mailed to ten (10) surrounding property owners within 200 feet of the subject property. There have been zero responses in favor and zero responses in opposition.
- **P&Z Report:** Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the requested rezone and Ordinance 2023-12 as presented.

Exhibit "A"

Location & Current Zoning Map



Future Land Use Map





Government









Open Space

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY BY ASSIGNING THE PROPERTY GENERALLY DESCRIBED AS THE CORNER LOT OF SOUTH WEST STREET AND WEST LEAGUE STREET (Legal Description: BEING ALL OF LOT NO. 3, BLOCK NO. 1 OF THE PETER KERR PORTION) WITH LIGHT COMMERCIAL "C-1" PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council, by the passage and approval of Ordinance No. 2021-001, affixed the zoning classifications for each and every property located within the city in accordance with the Official Zoning Map as approved with said ordinance; and

WHEREAS, the purpose of this Ordinance is to amend the Official Zoning Map by amending the zoning classification of the Real Property ("Property") described herein; and

WHEREAS, the Planning and Zoning Commission, after conducting a public hearing on the matter, deliberated the merits of the proposed amendment of zoning classification and has made a report and recommendation to City Council; and

WHEREAS, in passing and approving this ordinance it is legislatively found the Planning and Zoning Commission and City Council complied with all notice, hearing and meetings requirements set forth in Texas Local Government Chapter 211; Texas Government Code Chapter 551, the City Charter; and Chapter 118, of the Code of Ordinances; and

WHEREAS, it is further legislatively found that this proposed zoning reclassification of property does not require an amendment to the Future Land Use Plan; and

WHEREAS, City Council, after considering the testimony and comments of the public, reports and recommendations of City Staff and the Planning and Zoning Commission, and the deliberation of its members, by passage and approval of this Ordinance hereby determines the action taken herein is meritorious and beneficial to the public health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted and made a part hereof for all purposes as findings of fact.

Section two. Property. The Property that is the subject to this Zoning District Reclassification is located at property generally located at the CORNER OF SOUTH WEST STREET AND WEST LEAGUE STREET (Legal Description: BEING ALL OF LOT NO. 3, BLOCK NO. 1 OF THE PETER KERR PORTION) as shown on **Exhibit "A"** hereto.

Section three Zoning District Reclassification. Light Commercial - District "C-1" Zoning District Classification is hereby assigned to the Property described in section two.

Section four. Zoning Map Revision. The City Secretary is hereby authorized and directed to revise the Official Zoning Map to reflect the change in Zoning District Classification approved by this Ordinance.

Section five. Repealer. Other ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent of such conflict.

Section six. Severability. This Ordinance is severable as provided in City Code Section 1-7 as same may be amended, recodified or otherwise revised.

Section seven. Effective Date. This ordinance is effective upon final passage and approval.

PASSED on First Reading the 11th day of April 2023

PASSED AND APPROVED on this the 25th day of April 2023.

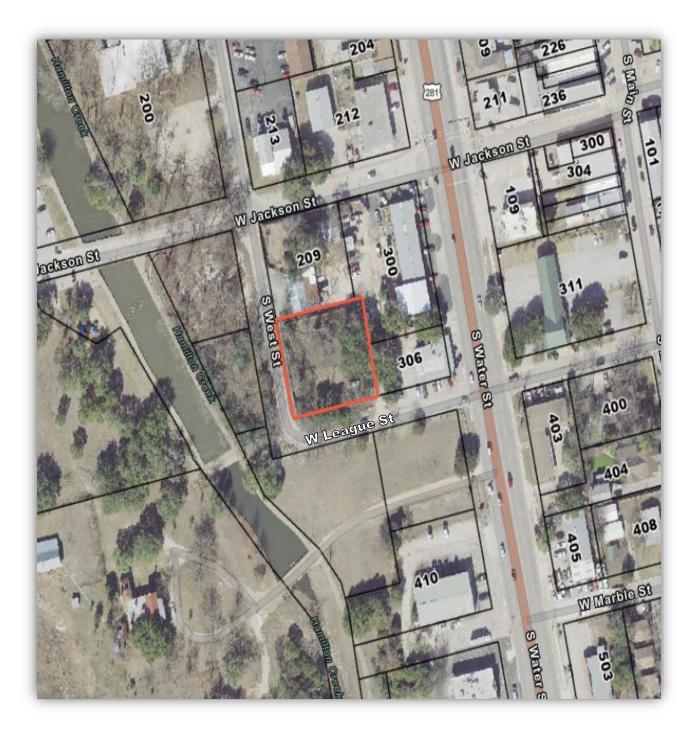
CITY OF BURNET, TEXAS

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix, City Secretary

Exhibit A SUBJECT PROPERTY



FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF BURNET, TEXAS, AMENDING ORDINANCE NO. 2021-01 AND THE OFFICIAL ZONING MAP OF THE CITY **BY ASSIGNING THE PROPERTY GENERALLY** DESCRIBED AS THE CORNER LOT OF SOUTH WEST STREET AND WEST LEAGUE STREET (Legal Description: BEING ALL OF LOT NO. 3, BLOCK NO. 1 OF THE PETER KERR PORTION). WITH LIGHT COMMERCIAL"C-1"PROVIDINGAREPEALERCLAUSE;PROVIDINGA SEVERABILITY CLAUSE; AND PROVIDING **AN EFFECTIVE DATE**

Information

- Current Zoning:
 - Duplex- "R-2"
 - Property is undeveloped

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- Requested Zoning:
 - Light commercial- "C-1"
 - The applicant is requesting the rezone in order to improve the parking lot

Approx. one-half of the property is in the 100-year flood plain

Current water & electric at site

Must coordinate with City Engineer for wastewater extension



Sec. 118-45 Allowable Uses: Banks

Banks Hair Salons Restaurants Retail sales

Only commercial uses – no residential uses including accessory buildings





Future Land Use

	North	South	East	West
Zoning	"R-1"	"R-1"	"C-1"	"C-1"
FLUM	Commercial	Commercial	Commercial	Commercial
Land Use	Single- family residence	Open space	Restaurant	Park land



Public Notification

 Notices were mailed to 10 surrounding property owners.
 Zero responses have been received in favor or opposition.

P&Z report

 Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the requested rezone and Ordinance 2023-12 as presented.



Open public hearing

Discuss and consider the first reading of the draft ordinance.



Administration

ITEM 4.1

Habib Erkan Jr. Assistant City Manager 512-715-3201 herkan@cityofburnet.com

Action

Meeting Date: April 11, 2022

- Agenda Item: Discuss and consider action: FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AMENDING SECTION EIGHT OF ORDINANCE NO. 2022-45 (AMENDING CITY CODE CHAPTER 18 ENTITLED "AVIATION") TO EXTEND THE EFFECTIVE DATE PROVIDING CUMULATIVE, CORRELATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE: H. Erkan
- Background: City Council tasked staff to make comprehensive revision to City Code Chapter 18, Articles I, II and III to, among other purposes, address the engagement of a new FBO. To that end, City Council authorized the engagement of KSA Engineering to assist with the revision. On July 26, 2022, City Council approved the first component of the revisions. On November 8, 2022, City Council adopted Ordinance No. 2022-45 amending City Code Chapter 18 (entitled "Aviation") to allow the adoption of the "Airport Standards and Operating Policy for Burnet Municipal Airport/Kate Craddock Field' by resolution (hereinafter the "minimum standards"); and to update Chapter 18. At the time of publication of the notice and the first reading of Ordinance No. 2022-45 it was staff's belief that the minimum standards would be finalized for consideration with the adoption of Ordinance No. 2022-45. When it became apparent that the minimum standards would not be finalized before the second reading, Section eight of Ordinance No. 2022-45 was revised to become effective 180 days from adoption (May 7, 2023).

It should be noted that there was a sense of urgency in passing the minimum standards to complement the Fixed Base Operator Agreement that was being negotiated with Crosby Flying Services. However, due to the delay in finalizing the minimum standards, the Fixed Base Operator Agreement was finalized and adopted by City Council with reference to future minimum standards.

- Information: The expiration date for Ordinance No. 2022-45 falls on May 7, 2023. This ordinance extends the expiration date an additional 180 days to provide ample time for consideration of the minimum standards by the Airport Advisory Board, and the public before presentation to City Council.
- **Fiscal Impact** This ordinance should have no direct impact on the budget.

Recommendation: Pass first reading of Ordinance No. 2023-07 as presented.

ORDINANCE NO. 2023-07

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AMENDING SECTION EIGHT OF ORDINANCE NO. 2022-45 (AMENDING CITY CODE CHAPTER 18 ENTITLED "AVIATION") TO EXTEND THE EFFECTIVE DATE PROVIDING CUMULATIVE, CORRELATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, City Council tasked staff to make comprehensive revision to City Code Chapter 18, Articles I, II and III to, among other purposes, address the engagement of a new FBO; and; and to update Chapter 18; and

WHEREAS, to that end, City Council authorized the engagement of KSA Engineering to assist with the revision. On July 26, 2022, City Council approved the first component of the revisions; and

WHEREAS, on November 8, 2022, City Council adopted Ordinance No. 2022-45 amending City Code Chapter 18 (entitled "Aviation") to allow the adoption of the "*Airport Standards and Operating Policy for Burnet Municipal Airport/Kate Craddock Field*" by resolution (hereinafter the "*minimum standards*"); and

WHEREAS, at the time of publication of the notice and the first reading of Ordinance No. 2022-45 it was staff's belief that the minimum standards would be finalized for consideration with the adoption of Ordinance No. 2022-45; and

WHEREAS, when it became apparent that the minimum standards would not be finalized before the second reading section eight of Ordinance No. 2022-45 was revised to become effective 180 days after adoption (May 7, 2023); and

WHEREAS, additional time is required to publish the minimum standards and to conduct public hearings before the airport advisory board and city council; and

WHEREAS, City Council, finds, determines, and declares that publication of notice of this Ordinance, as required by Section 3.14 of the City Charter and the laws of the State of Texas, was made by the City Secretary within the period prescribed by Section 3.14; and

WHEREAS, City Council, finds, determines, and declares that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given as required by Chapter 551 of the Texas Government Code.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS THAT:

Section one. Findings. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section two. Amendment. Ordinance No. 2022-45, passed, approved, and adopted on the 8th day of November 2022, is hereby amended by replacing the existing language in section eight therein with the language in italics (italics) below:

"Section eight. Effective Date. This Ordinance shall be effective, without the need for further City Council action, upon the approval of a resolution adopting Minimum Standards as referenced in **Exhibit** "A"; provided that should such resolution not be approved on or before September 28, 2023, this ordinance shall be void and of no further effect."

Section three. Cumulative. This ordinance shall be cumulative of all provisions of all ordinances and codes, or parts thereof, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinances, in which event the more restrictive provision shall apply.

Section four. **Repealer**. All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section five. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section six. Publication. The publishers of the City Code are authorized to amend said Code to reflect the changes adopted herein and to correct typographical errors and to format and number paragraphs to conform to the existing Code.

Section eight. Effective Date. This ordinance shall be effective upon final passage, approval, and adoption. Ordinance No. 2022-45 shall become effective as provided in section two herein.

Passed and approved on first reading on the 11th day of April 2023.

Passed, approved, and adopted on the 25th day of April 2023.

ATTEST:

CITY OF BURNET

Kelly Dix, City Secretary

Crista Goble Bromley, Mayor

FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS AMENDING SECTION EIGHT OF ORDINANCE NO. 2022-45 (AMENDING CITY CODE CHAPTER 18 ENTITLED "AVIATION") TO EXTEND THE EFFECTIVE DATE PROVIDING CUMULATIVE, CORRELATIVE, REPEALER AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

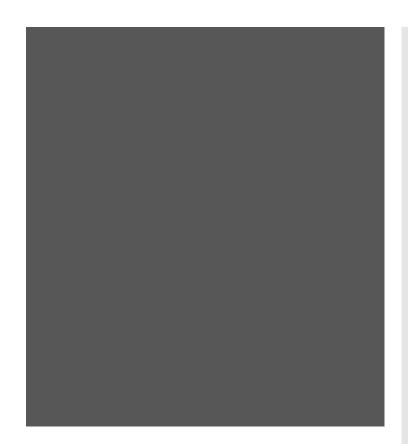


- Council tasked staff to comprehensive revision to City Code Chapter 18, Articles I, II and III
 - revise minimum standards
 - update fee schedule
- Fee schedule update approved by Council on July 26, 2022
- Council authorized engagement of KSA Engineering
 - Staff and consultant collaboration on revised minimum standards.



Ordinance No. 2022-45

- Amended Chapter 18 (Aviation)
 - Authorized adoption of Airport Standards and Operating Policy be adopted by resolution
 - Made other minor changes to Chapter 18
- First Reading (October 25, 2022)
 - Urgency to Airport Standards and Operating Policy (FBO Contract)
- Second Reading (November 8, 2022)
 - Airport Standards and Operating Policy incomplete
 - Ordinance Effective date was revised to accommodate future Airport Standards and Operating Policy adoption
 - Airport Standards and Operating Policy adoption deadline May 7, 2023



Ordinance No. 2023-07

Amendment to Ord No. 2022-45

- Extends Airport Standards and Operating Policy adoption deadline an additional 180 days to provide time for
 - Notice publication;
 - Airport Advisory Board review
 - Airport Advisory Board public hearing and consideration
 - City Council public hearing and consideration



Questions/Comments



Development Services

ITEM 4.2 Leslie Kimbler Planner 512-715-3215 Ikimbler@cityofburnet.com

Agenda Item Brief

- Meeting Date: April 11, 2023
- Action Item: Discuss and consider action: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, CONDITIONALLY APPROVING THE PRELIMINARY PLAT ESTABLISHING SOUTH HWY 281 DELAWARE COMMERCIAL PLAT, CONSISTING OF APPROXIMATELY 3 COMMERCIAL LOTS ON 19.65 ACRES OUT OF ABST A0398 SUSANO HERNANDEZ & ABST 1018 FRANCICO YBARRO, ABST. 29 WASHINGTON TRACT: L. Kimbler
- Information: The tract (Exhibit A) is currently zoned Heavy Commercial "C-3" located just past Sunday Drive, before Ramsey's Way, along south US Highway 281. The applicant is proposing to subdivide the tract to create a three lot commercial subdivision (Exhibit B).

The plat will create one new road, Trailside, which will connect to a residential subdivision.

All three commercial tracts are between 5.9 acres and 6.6 acres and have access to water and sewer along Highway 281.

The applicant has submitted a phasing plan (Exhibit C), phasing the project into two phases which allows the most northern commercial lot to be developed with the adjacent improvements without the further south improvements.

- Staff Analysis: City staff and city engineer have reviewed the plat in accordance with Sec. 98-22 (entitled "Preliminary Plats") and have found the plat does generally meet the requirements as outlined in the code.
- **P&Z Report:** Planning and Zoning met at their regular meeting on Monday, April 3rd and did recommend approval of the Preliminary Plat of South Hwy 281 Delaware Commercial Plat.

Recommended	
Motion:	Staff recommends approval of the Preliminary Plat of South Hwy 281 Delaware Commercial Plat and Resolution #R2023-25.

Exhibit "A" Tract



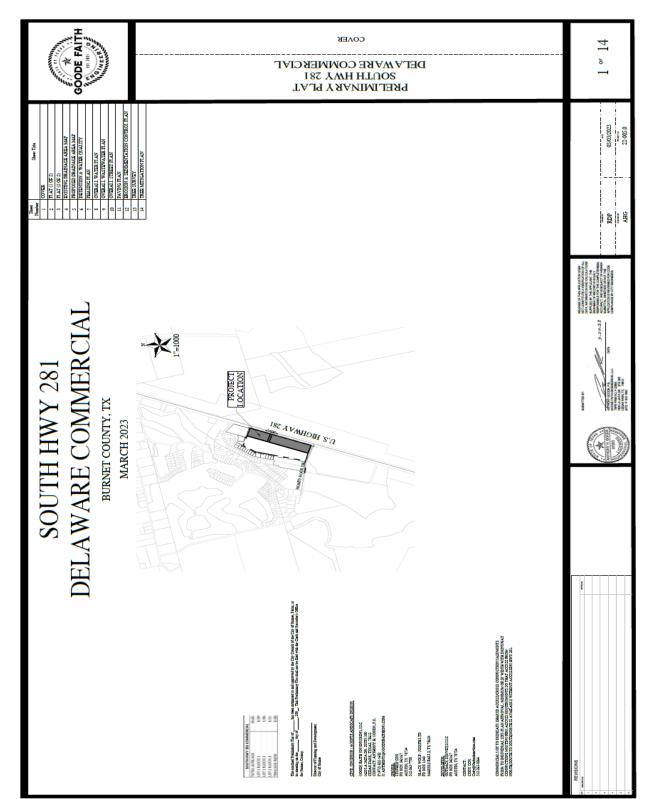
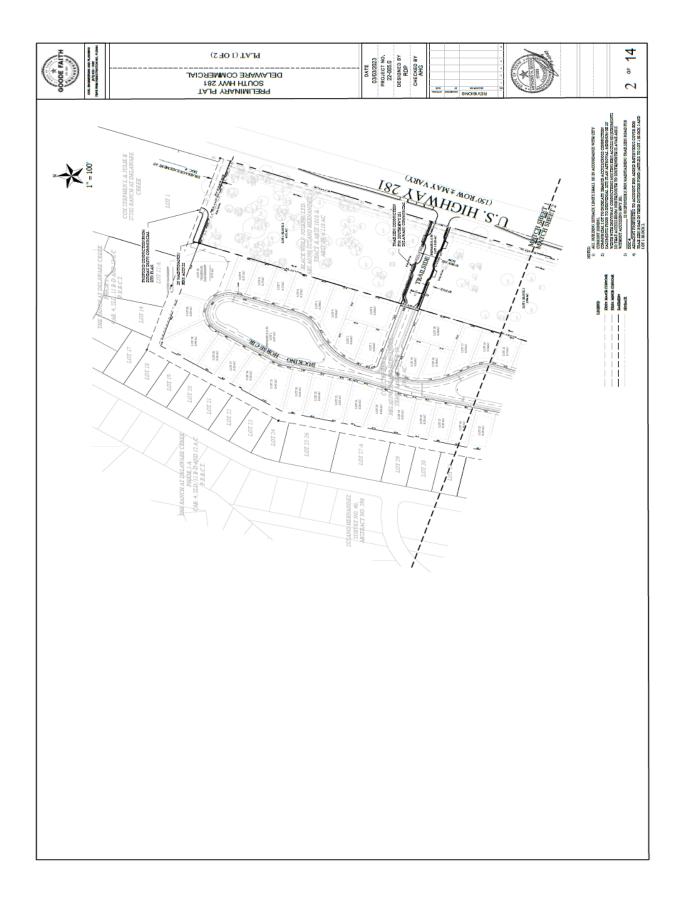


Exhibit "B" Plat



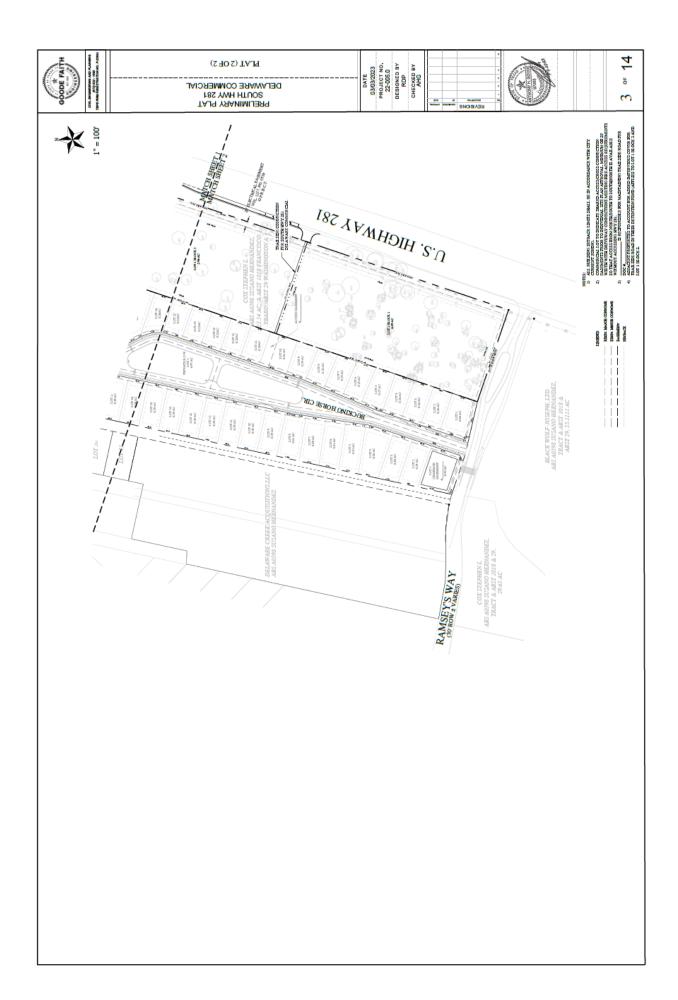
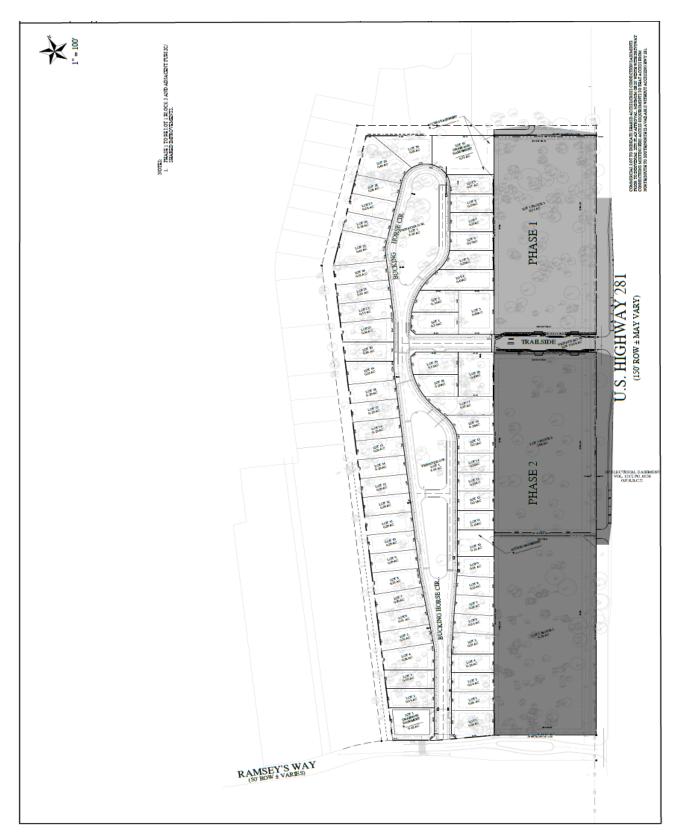


Exhibit "C" Phasing Plan



RESOLUTION NO. R2023-25

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, CONDITIONALLY APPROVING THE PRELIMINARY PLAT ESTABLISHING SOUTH HWY 281 DELAWARE COMMERCIAL PLAT, CONSISTING OF APPROXIMATELY 3 COMMERCIAL LOTS ON 19.65 ACRES OUT OF ABST A0398 SUSANO HERNANDEZ & ABST 1018 FRANCICO YBARRO, ABST. 29 WASHINGTON TRACT

Whereas, the Planning and Zoning Commission conducted a public hearing on this application on April 3, 2023; and

Whereas, the Planning and Zoning Commission did recommended approval of the application on April 3, 2023; and

Whereas, City Council conducted a public hearing on this application on April 11, 2023.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section 1. <u>Findings</u>. That the recitals to this Resolution are incorporated herein for all purposes.

Section 2. <u>Approval</u>. The Preliminary Plat Establishing South Hwy 281 Delaware Commercial Plat is hereby approved.

Section 3. <u>Open Meetings</u>. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

Section 4. <u>Effective Date.</u> That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

PASSED AND APPROVED this the 11th day of April 2023.

CITY OF BURNET, TEXAS

ATTEST:

Crista Goble Bromley, Mayor

Kelly Dix, City Secretary



A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS, CONDITIONALLY APPROVING THE PRELIMINARY PLAT ESTABLISHING SOUTH HWY 281 DELAWARE COMMERCIAL PLAT, CONSISTING OF APPROXIMATELY 3 COMMERCIAL LOTS ON 19.65 ACRES OUT OF ABST A0398 SUSANO HERNANDEZ & ABST 1018 FRANCICO YBARRO, ABST. 29 WASHINGTON TRACT

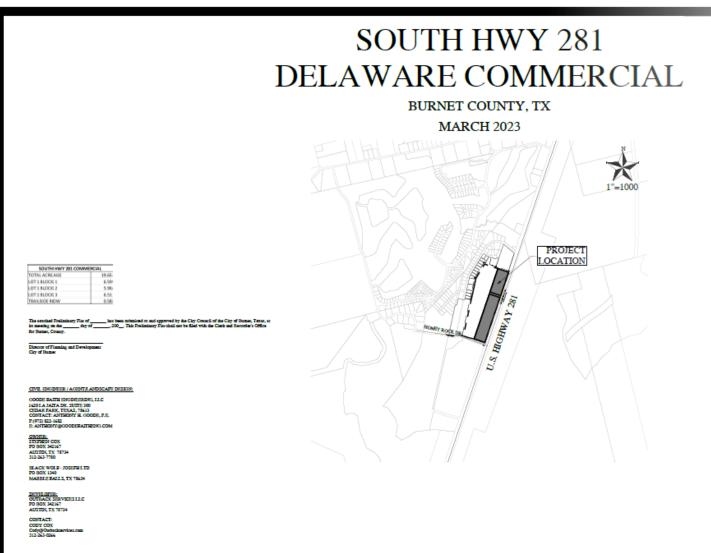
South Hwy 281 Delaware Commercial Plat

- Just south of Sunday Drive north of Ramsey's Way
- 3 commercial lots
 - Heavy Commercial District "C-3"
- New street: Trailside
- Minimum 5.9 acre tracts
- 2 Phases

City staff and city engineer have reviewed the plat in accordance with Sec. 98-22 (entitled "Preliminary Plats") and have found the plat does generally meet the requirements as outlined in the code.

P&Z did recommend approval of the Preliminary Plat of South Hwy 281 Delaware Commercial Plat





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Staff recommends approval of the Preliminary Plat of South Hwy 281 Delaware Commercial Plat and Resolution #R2023-25.

REVISIONS			RE EASE OF THIS APPLICATION CORD
With Instant P 1	 ADDATED OF	8.27.23	NOT CONSTITUTE A VEREPORTION OF ALL DATA, REFORMATION AND CALCULATIONS SUPPLIED BY THE APPLICATION THE REDINEER OF RECORD IS SOLALY RESPONDED FOR THE COMPLETENEIS,
	ATTENT OCCUP	3-27-23 DATE	ACCURACT, AND ADBOLIACT OF HISHER BUSMUITTAL, WHETHER OR NOT THE APPLICATION IS REVIEWED FOR CODE COMPLIANCE BY CITY ENGINEERS.
	The result of th		



Administration

ITEM 4.3

David Vaughn City Manager 512.715.3208 dvaughn@cityofburnet.com

Action

Meeting Date: April 11, 2023

Agenda Item: Discuss and consider action: Request for financial assistance with the Hill Country Humane Society Mobile Adoption and Spay/Neuter Unit: D. Vaughn

Background: The Hill Country Humane Society is working on the roll-out of a new Mobile Adoption and Spay/Neuter Unit that is scheduled to be delivered later this year. This unit will make a tremendous difference helping with not only adoptions, but addressing the pet overpopulation issue that exists in this area.

The goal is to offer as many low cost/free spay and neuters as possible. Approximately ninety percent of the animals that come into the shelter are not altered and the primary reason cited nationally is cost. Each animal that a city or county ends up picking up and bringing to the shelter, results in the entity having to pay \$250.00, which only covers about 2/3rds of the actual cost of caring and homing that animal.

This unit also has the potential to be a tremendous fundraising mechanism for the shelter.

- Information: The shelter currently has enough money to buy the unit but will still have to build a facility to store the unit in during non-use and have additional funds to put it into service on a regular basis.
- **Fiscal Impact:** To be determined by Council.

Recommendation: To be determined by Council.

Hill Country Humane Society

M*A*S*H Unit

HCHS

HCHS

1,227 Intakes Last Year

Intake Fee \$250

Average Cost \$400

82%

Of Animals are Never Reclaimed by their Owners



91%

Of Animals Delivered to HCHS are Unaltered

Spay/Neuter Average Cost \$85-\$500





#1

Cited Reason for not Spay/Neutering Pets



Free Vaccine Clinic

500 Dogs

125 Cats

300 Microchips



An unaltered female cat can produce **THREE LITTERS PER YEAR**. With average litter sizes ranging from **FOUR TO SIX KITTENS**

1 YEAR

a single unspayed female cat and her offspring can produce MORE 400,000 THAN cats in their lifetime.

XXXXX

XXXX

Every year, unplanned and unwanted litters create millions of homeless pets.



Current Shelter Location Negatively Impacts Adoption Rates



What is

the

Solution?



Low-Cost Spay and Neuter

Shelter Euthanasia in Ashville, NC has Decreased 79% since Humane Alliance Established Their Low-Cost High Volume Spay and Neuter Clinic.



34' Mobile Spay/Neuter & Adoption Unit

Adopt a Loving Pet from the Harris County Animal Shelter

Mobile Adoption Unit

281-999-3191 😴 www.hcphes.org/vph

HCPHES

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HCHS

We Need Your

Help!

