

THE CITY OF
BURLESON
TEXAS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

CITY OF BURLESON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2020

CITY OFFICIALS

Chris Fletcher
Mayor

| | |
|-------------------|----------------------|
| Dan McClendon | Mayor Pro Tem |
| Rick Green | Councilmember |
| Katherine Reading | Councilmember |
| Tamara Payne | Councilmember |
| Stuart Gillaspie | Councilmember |
| Ronnie Johnson | Councilmember |

Bryan Langley
City Manager

Robert Ranc
Deputy City Manager

Martin Avila
Director of Finance

Tien Nguyen
Chief Accountant

Prepared by: Finance Department



CITY OF BURLESON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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INTRODUCTORY SECTION

February 12, 2021

TO: The Honorable Mayor, Members of the City Council, and Citizens of Burleson (the "City")

Submitted herewith is a copy of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

These statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

THE REPORTING ENTITY

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State and the City's home rule Charter. Burleson was incorporated in 1912. The City operates under a Council-Manager form of government and provides a full range of services that include: police and fire protection, sanitation services, library services, construction and maintenance of streets and infrastructure, parks and recreation, code enforcement, planning and zoning, economic development, water and wastewater services, and general administrative services. The accompanying CAFR includes all governmental organizations and functions for which the City is financially accountable as well as its blended component units. Although legally separate entities, the Burleson 4B Community Services Development Corporation, the Burleson 4A Economic Development Corporation, Tax Increment Finance Reinvestment Zone Number Two, and Tax Increment Finance Reinvestment Zone Number Three are in substance part of the primary government's operations and are included as part of the primary government. Additional information on these component units can be found in the notes to the financial statements.

ECONOMY AND BUSINESS CLIMATE

Burleson is located along the southwestern edge of the Dallas / Fort Worth Metroplex, on Interstate Highway 35W, State Highway 174, and the Chisholm Trail Parkway toll road. Economically, this region is ranked as one of the most robust in Texas, a state that in recent years has trended well ahead of the national economy. Local measures of business activity have recovered and surpassed peak levels. The City is currently experiencing a strong expansion of business with more than \$80 million in new taxable value added in 2020, with more in the development pipeline.

Although the City of Fort Worth adjoins much of Burleson's northern boundary, the remaining three directions are surrounded by an extensive extra-territorial jurisdiction (ETJ). The City's corporate limits include more than 28 square miles, and its extraterritorial jurisdiction (ETJ) includes more than 55 acres. Combined, Burleson's city limit and ETJ include more than 23,000 undeveloped acres. In 2017, The Texas State Legislature significantly restricted cities' abilities to involuntarily annex within their ETJs. The City of Burleson was proactive prior to 2017 in obtaining development agreements in large, strategic portions of its ETJ. These development agreements allow the City to pursue annexation when these areas develop. This has allowed the City to work with property owners to ensure orderly development of these areas and program our capital improvements to ensure services are provided.

Once largely agricultural, these areas have developed into a form of semi-urban, residential use. With vibrant retail destinations and commercial development, many of the individuals residing in these adjacent areas shop, dine, and send their children to schools located in Burleson. Thus, functionally speaking, Burleson's estimated population of nearly 50,000 belies the true size of the community's economy. The combination of highway accessibility and more than 350,000 people located within a 15-minute drive-time create a community with a strong and growing trade area.

LONG TERM PLANNING

These focus areas create a roadmap for achieving the long-term goals and objectives that have been articulated by the City Council, and play a key role in the budget process, as well as long term financial planning of the City's major funds. The strategic focus areas are:

- Operational Excellence
- Infrastructure
- Community
- Public Safety

Five-year projections are prepared for all City's major funds with the focus in maintaining year end fund balances that meet or exceed their requirements. In addition, the City continues to prepare five-year capital improvement plans (CIP) for streets and drainage, parks, and water and wastewater projects. The five-year projections and five-year CIPs are presented to Council throughout the budget process and provides a great opportunity for feedback and direction. Incorporating the projections and CIP are crucial in the budget process to ensure the strategic focus areas are met and the City continues to be financially sound.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived from the control. The evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

In addition to the system of internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance of legal provisions embodied in the annual appropriation budget adopted by the City Council. Budgetary controls over the General and Water and Wastewater Funds are exercised at the departmental level. This level of control occurs at the fund level for other funds. Activities of the Governmental and Proprietary Funds are closely reviewed at mid-year. If necessary, the original budget is modified and incorporated into a proposed mid-year budget, which is then used as the working budget for the remainder of the fiscal year. The City also maintains an encumbrance accounting system as one technique to help prevent the overspending of authorized appropriations.

Information regarding general accounting policies can be found in the notes to the financial statements.

INDEPENDENT AUDIT

An annual audit is required to be made of the financial statements of the City of Burleson by an independent auditor. Pattillo, Brown and Hill, LLP was selected by the City Council to perform the audit for fiscal year ended September 30, 2020. The audit opinion is included in this report.

AWARDS

For the year ended September 30, 2019, the Government Finance Officers Association (GFOA) recognized the City for achievement in the presentation of the annual budget document and the CAFR. This was the 29th consecutive year that the City has received this prestigious national award. To earn the Certificate of Achievement, the City published an easy-to-read and efficiently organized Comprehensive Annual Financial Report with contents that conformed to program standards. Such reports satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. The City believes that the current CAFR continues to meet the Certificate of Achievement Program requirements and thus is submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for the 31st consecutive year for its annual appropriated budget dated October 1, 2019. To qualify for the Budget Award, the City's budget document was judged proficient in all categories.

ACKNOWLEDGEMENTS

I would like to thank the staff of the Finance Department, City Management, and Department Directors, Managers and Staff for their cooperative effort and help in the leadership and support of the City that made this report possible. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Burleson's finances.

Respectfully Submitted,



Finance Department



Government Finance Officers Association

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

Presented to

**City of Burleson,
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

Citizens of Burleson

City Council

Municipal
Judge

City Attorney

City Manager

Boards &
Commissions

City
Secretary

Deputy City
Attorney

Fire

Human
Resources

Economic
Development

Deputy City
Manager

Police

Development
Services

Finance

Community
Services

Neighborhood
Services

Parks &
Recreation

Information
Technology

Public Works

CITY OF BURLESON, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2020

Elected Officials

| | |
|---------------|-------------------|
| Mayor | Chris Fletcher |
| Mayor Pro-Tem | Dan McClendon |
| Councilmember | Rick Green |
| Councilmember | Katherine Reading |
| Councilmember | Tamara Payne |
| Councilmember | Stuart Gillaspie |
| Councilmember | Ronnie Johnson |

City Officials

| | |
|---|-----------------|
| City Manager | Bryan Langley |
| Deputy City Manager | Robert Ranc |
| Director of Finance | Martin Avila |
| City Attorney | Allen Taylor |
| Police Chief | Billy Cordell |
| City Secretary | Amanda Campos |
| Fire Chief | Kenneth Freeman |
| Director of Parks and Recreation | Jen Basham |
| Director of Human Resources | Rick DeOrdio |
| Director of Fire Prevention/Fire Marshall | Stacy Singleton |
| Director of Neighborhood Services | Lisa Duello |
| Director of Information Technology | Mark Eder |
| Director of Development Services | Mandy Clark |
| Director of Public Works | Aaron Russell |
| Director of Economic Development | Alex Philips |

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor,
City Council and City Manager
City of Burleson, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burleson, Texas (the "City") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 12, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Burleson's (City) annual financial report presents our discussion of the City's financial performance during the fiscal year ended September 30, 2020. Please read it in conjunction with the transmittal letter, which can be found preceding this narrative, and with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$278,180,707 (net position). Of this amount, \$20,492,342 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$20,030,880. The current year increase was due primarily to the contribution of assets from developers as well as an increase in assets restricted for debt service and economic development.
- As of the close of the current fiscal year, unassigned fund balance for the general fund was \$14,120,506 or 38% of total general fund expenditures.
- The City's total debt decreased by \$5,049,999 during the current fiscal year. The decrease represents the net effect of scheduled debt retirement and the advanced refunding of General Obligation Refunding and Improvement Bonds with the Series 2020 General Obligation Refunding Bonds.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

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

The statement of activities presents information showing how the government'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 related to cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused vacation leave).

Both of the government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental 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, public works, parks and recreation, and community development. The business-type activities include water and wastewater operations, solid waste collection, the City's Hidden Creek Golf Course, and a cemetery.

Fund Financial Statements - The fund financial statements provide detailed information about the most significant funds – not the City as a whole. A fund is a grouping of related accounts that the City uses to maintain control over resources that have been segregated for specific activities and objectives. Some funds are required by state law or bond covenants. The Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants. The City has two types of funds:

Governmental Funds - These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near term inflows 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 eighteen 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 balances for the general fund, BCSDC special revenue fund, 4A Corporation special revenue fund, parks performance fund, bond supported capital projects fund, mineral lease funded capital projects fund, and general debt service fund, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – The City of Burleson maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for water and wastewater, solid waste, golf, and cemetery operations. Internal Service Funds are accounting devices used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the acquisition and replacement of major components of equipment used throughout the organization, such as the fleet of City vehicles, as well as for the repair and maintenance of significant components of equipment used by the organization.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The water & wastewater, solid waste, and Hidden Creek Golf operations are considered to be major funds of the City. All internal service funds are combined in a single presentation in the proprietary fund financial statements. Individual data for internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the Basic 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.

Other Information - The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE 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 by \$278,180,707 as of September 30, 2020.

The largest portion of the City's net position (84%) reflects its investments in capital assets (e.g. land, buildings, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

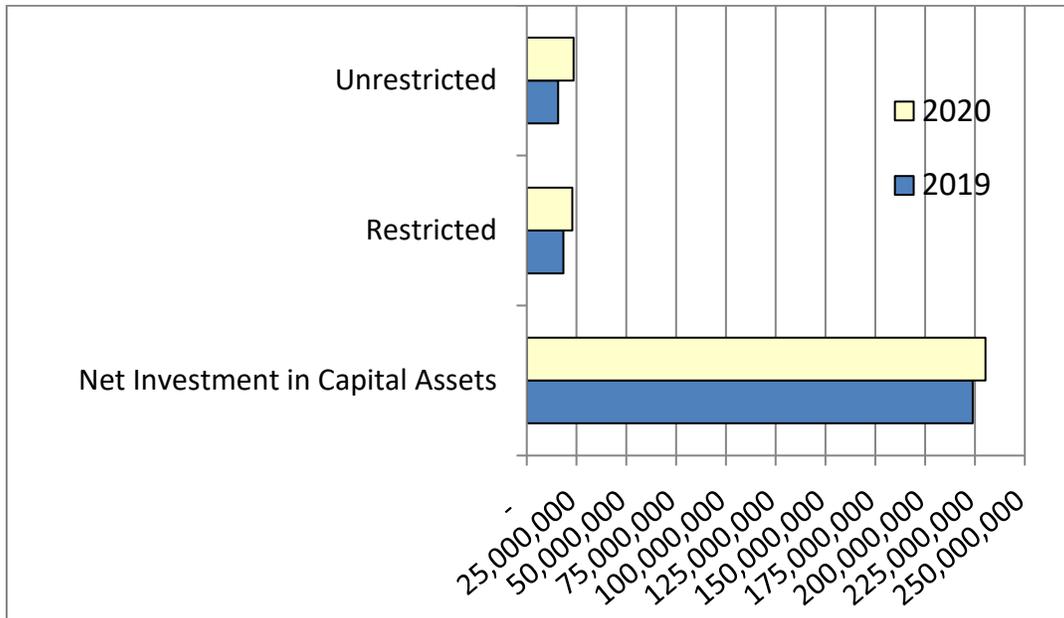
CITY OF BURLESON, TEXAS – NET POSITION

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Current & other assets | \$ 76,414,449 | \$ 74,719,190 | \$ 51,421,855 | \$ 16,261,516 | \$ 127,836,304 | \$ 90,980,706 |
| Noncurrent assets | <u>224,263,212</u> | <u>232,204,621</u> | <u>110,632,647</u> | <u>153,033,373</u> | <u>334,895,859</u> | <u>385,237,994</u> |
| Total assets | <u>300,677,661</u> | <u>306,923,811</u> | <u>162,054,502</u> | <u>169,294,889</u> | <u>462,732,163</u> | <u>476,218,700</u> |
| Total deferred outflows of resources | <u>8,487,784</u> | <u>5,836,978</u> | <u>1,200,569</u> | <u>840,223</u> | <u>9,688,353</u> | <u>6,677,201</u> |
| Noncurrent liabilities – due in more than one year | 126,744,956 | 118,752,086 | 61,792,819 | 61,103,283 | 188,537,775 | 179,855,369 |
| Other liabilities | <u>16,745,906</u> | <u>14,118,939</u> | <u>8,868,408</u> | <u>7,823,747</u> | <u>25,614,314</u> | <u>21,942,686</u> |
| Total liabilities | <u>143,490,862</u> | <u>132,871,025</u> | <u>70,661,227</u> | <u>68,927,030</u> | <u>214,152,089</u> | <u>201,798,055</u> |
| Total deferred inflows of resources | <u>108,056</u> | <u>2,655,669</u> | <u>10,544</u> | <u>261,470</u> | <u>118,600</u> | <u>2,917,139</u> |
| Net position: | | | | | | |
| Net investment in capital asset | 148,085,539 | 153,051,846 | 75,777,424 | 79,752,890 | 223,862,963 | 232,804,736 |
| Restricted | 13,232,818 | 17,468,108 | 5,225,080 | 7,415,521 | 18,457,898 | 24,883,629 |
| Unrestricted | <u>4,248,170</u> | <u>6,714,141</u> | <u>11,580,796</u> | <u>13,778,201</u> | <u>15,828,966</u> | <u>20,492,342</u> |
| Total net position | <u>\$ 165,566,527</u> | <u>\$ 177,234,095</u> | <u>\$ 92,583,300</u> | <u>\$ 100,946,612</u> | <u>\$ 258,149,827</u> | <u>\$ 278,180,707</u> |

An additional portion of the City’s net position (9%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net position (7%) may be used to meet the City’s ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

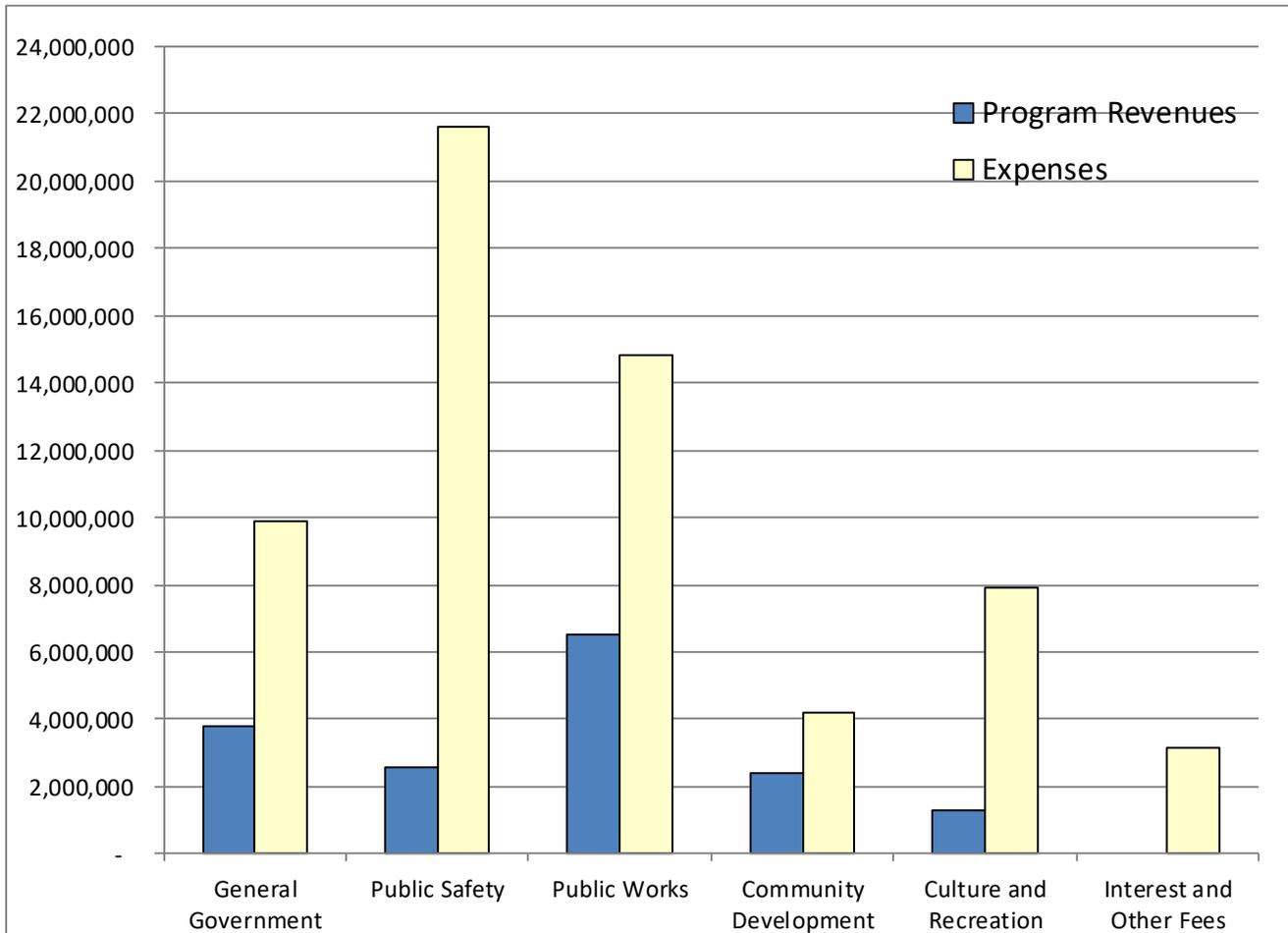
**City of Burleson Net Position
September 30, 2019 and 2020**



The City's overall net position increased \$20,030,880 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$11,667,568 from the prior fiscal year for an ending balance of \$177,234,095. The reason for the overall increase is primarily the contribution of infrastructure assets by developers, as well as an increase in assets restricted for economic development.

Expenses and Program Revenues - Governmental Activities



Business-Type Activities. For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$100,946,612. The total increase in net position for business-type activities (water and wastewater, Hidden Creek Golf Course, solid waste, and the cemetery) was \$8,363,312 or 9% from the prior fiscal year. The growth is primarily due to the contribution of infrastructure assets by developers.

Overall, fiscal year 2020 expenses had a slight increase of \$49,278 or 0.20%. This reflects the overall management of cost containment in the business-type activities.

CITY OF BURLESON, TEXAS – CHANGES IN NET POSITION

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 8,480,206 | \$ 7,845,040 | \$ 25,405,060 | \$ 26,532,808 | \$ 33,885,266 | \$ 34,377,848 |
| Operating grants and contributions | 738,026 | 2,998,564 | 16,442 | 8,549 | 754,468 | 3,007,113 |
| Capital grants and contributions | 7,595,136 | 5,699,075 | 3,512,382 | 3,818,739 | 11,107,518 | 9,517,814 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes levied for general purposes | 26,785,864 | 28,894,199 | - | - | 26,785,864 | 28,894,199 |
| Tax Increment Financing | 683,559 | 777,021 | - | - | 683,559 | 777,021 |
| Sales and use taxes | 19,660,908 | 21,468,069 | - | - | 19,660,908 | 21,468,069 |
| Hotel / motel taxes | 237,665 | 190,187 | - | - | 237,665 | 190,187 |
| Franchise fees | 3,383,906 | 3,404,113 | - | - | 3,383,906 | 3,404,113 |
| Gain on sale of capital assets | 105,767 | 1,877,727 | 41,100 | 16,300 | 146,867 | 1,894,027 |
| Investment income | <u>1,772,832</u> | <u>1,950,288</u> | <u>1,114,808</u> | <u>581,231</u> | <u>2,887,640</u> | <u>2,531,519</u> |
| Total revenues | <u>69,443,869</u> | <u>75,104,283</u> | <u>30,089,792</u> | <u>30,957,627</u> | <u>99,533,661</u> | <u>106,061,910</u> |
| Expenses: | | | | | | |
| General government | 8,762,392 | 9,901,828 | - | - | 8,762,392 | 9,901,828 |
| Public safety | 20,396,702 | 21,647,212 | - | - | 20,396,702 | 21,647,212 |
| Public works | 12,650,861 | 14,839,605 | - | - | 12,650,861 | 14,839,605 |
| Community development | 5,138,466 | 4,216,584 | - | - | 5,138,466 | 4,216,584 |
| Culture and recreation | 8,053,419 | 7,940,337 | - | - | 8,053,419 | 7,940,337 |
| Interest and other fees | 3,242,540 | 3,122,881 | - | - | 3,242,540 | 3,122,881 |
| Water & wastewater | - | - | 18,910,941 | 18,543,022 | 18,910,941 | 18,543,022 |
| Hidden Creek Golf course | - | - | 2,194,026 | 2,321,398 | 2,194,026 | 2,321,398 |
| Solid Waste | - | - | 3,179,444 | 3,464,393 | 3,179,444 | 3,464,393 |
| Cemetery | - | - | <u>28,894</u> | <u>33,770</u> | <u>28,894</u> | <u>33,770</u> |
| Total expenses | <u>58,244,380</u> | <u>61,668,447</u> | <u>24,313,305</u> | <u>24,362,583</u> | <u>82,557,685</u> | <u>86,031,030</u> |
| Change in net position before transfers | 11,199,489 | 13,435,836 | 5,776,487 | 6,595,044 | 16,975,976 | 20,030,880 |
| Transfers | (780,753) | (1,768,268) | 780,753 | 1,768,268 | - | - |
| Change in net position | 10,418,736 | 11,667,568 | 6,557,240 | 8,363,312 | 16,975,976 | 20,030,880 |
| Net position - beginning | 154,224,269 | 165,566,527 | 86,026,060 | 92,583,300 | 240,250,329 | 258,149,827 |
| Prior period adjustment | <u>923,522</u> | - | - | - | <u>923,522</u> | - |
| Net position - ending | <u>\$ 165,566,527</u> | <u>\$ 177,234,095</u> | <u>\$ 92,583,300</u> | <u>\$ 100,946,612</u> | <u>\$ 258,149,827</u> | <u>\$ 278,180,707</u> |

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds – The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for 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, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$62,617,576. The 80% or \$49,921,778 of this total has constraints on its spending at because it is classified as either (1) non-spendable for inventory and prepaid items; (2) restricted for debt service, culture and recreation, economic development, tourism, and capital projects; (3) committed for culture and recreation, economic development, capital projects, debt service and other; and (4) assigned for risk management. Approximately 15% of the combined ending fund balance, or \$12,695,798, constitutes unassigned fund balance.

Of the \$62,617,576 ending fund balance, \$8,635,406 of non-major governmental funds is accounted for in "Other Governmental Funds". The General Fund balance is \$16,128,033 at year end – an increase of \$4,408,805. The Burleson Community Services Development Corporation (BCSDC) fund balance increased \$1,295,576 to \$4,606,638 at year end. This increase is primarily the result of sales tax revenue outpacing debt service and budgeted expenditures, as well as a transfer of excess reserve of approximately \$800,000 from debt service reserves. The Burleson 4A Economic Development (4A Corp) fund balance increased \$2,377,787 to a year-end total of \$7,793,082. Continued construction work during the period exceeded the addition of new bond proceeds, resulting in a decrease of fund balance in the Bond Funded Capital Projects fund by \$7,055,633 finishing the year at \$21,852,694. The Mineral Lease Capital Project fund balance decreased \$381,943 to \$1,203,570. This decrease is primarily due to a transfer out to the Water & Wastewater fund. The Parks Performance fund balance decreased by \$983,505 resulting in an ending fund balance of zero. This is primarily due to the fund being subsidized by the Burleson Community Service Development Corporation (BCSDC) fund. This year's subsidy was reduced by the beginning fund balance of the Parks Performance Fund. General Debt Service Fund balance increased \$1,871,671 to \$2,398,153 primarily due to reimbursement of debt service payments from other self-supporting debt resources.

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

Year-end net position in the water and wastewater fund amounted to \$95,016,789. Net position in the water and wastewater fund increased \$8,605,373, which is approximately \$3,000,000 more than the prior year increase in net position. The increase was primarily due to transfers from other funds in the amount of \$1,792,000, which included \$900,000 from the equipment replacement fund due to excess contributions, \$492,000 from the Mineral Lease Capital Projects fund as a reimbursement for the purchase of real property, and the remaining from other funds for reimbursement of costs incurred.

Overall, fiscal year 2020 expenses had a slight increase of \$49,278 or 0.20%. This reflects the overall management of the business-type activities and the ability to maintain cost.

General Fund Budgetary Highlights – The City's revenue projections were decreased approximately \$139,196 when compared with the original budget.

Total actual revenue collections exceeded the revised estimates by about \$492,525 over the revised estimate, primarily due to sales tax revenues.

The general fund's final revised expenditure budget was approximately \$1,217,349 less than the figure originally adopted. This decrease was primarily due to excess contributions determined in the Equipment Replacement Governmental fund offset with current year contributions.

Actual year-end expenditures totaled about \$3,476,568 less than the revised budget total. This decrease was primarily due to excess contributions determined in the Equipment Replacement Governmental fund offset with current year contributions, and public safety administrative costs due to CARES Act funding received and allocated to public safety and public health cost incurred directly related to the COVID-19 pandemic. These costs are reflected in the COVID Relief Fund.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$344,507,198 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment and roads. The total increase in capital assets for the current fiscal year was approximately 3%.

Capital Assets at Year End
(net of depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Land | \$ 32,243,204 | \$ 33,118,019 | \$ 5,277,737 | \$ 5,283,537 | \$ 37,520,941 | \$ 38,401,556 |
| Buildings & improvements | 67,286,031 | 65,605,849 | 3,582,339 | 3,397,683 | 70,868,370 | 69,003,532 |
| Infrastructure | 99,873,768 | 106,858,760 | 1,832 | 153 | 99,875,600 | 106,858,913 |
| Machinery & equipment | 4,374,234 | 4,508,353 | 38,003 | 64,643 | 4,412,237 | 4,572,996 |
| Vehicles | 3,738,308 | 3,647,805 | 1,212,862 | 1,017,365 | 4,951,170 | 4,665,170 |
| Other | 45,000 | 45,000 | - | - | 45,000 | 45,000 |
| Water distribution system | - | - | 44,679,790 | 50,577,612 | 44,679,790 | 50,577,612 |
| Wastewater system | - | - | 42,317,794 | 43,263,452 | 42,317,794 | 43,263,452 |
| Capitalized interest | - | - | 691,484 | 672,223 | 691,484 | 672,223 |
| Intangible assets | - | - | 1,557,627 | 1,497,562 | 1,557,627 | 1,497,562 |
| Construction in progress | <u>16,702,667</u> | <u>18,420,835</u> | <u>11,273,179</u> | <u>6,528,347</u> | <u>27,975,846</u> | <u>24,949,182</u> |
| Total | \$ <u>224,263,212</u> | \$ <u>232,204,621</u> | \$ <u>110,632,647</u> | \$ <u>112,302,577</u> | \$ <u>334,895,859</u> | \$ <u>344,507,198</u> |

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

- Construction costs related to arterial roads amount to approximately \$14,589,652.
- Construction and right-of-way costs related to construction of water infrastructure amounted to approximately \$10,337,357.
- Construction and right-of-way costs related to construction of sanitary sewer lines amounted to approximately \$1,751,918.35.
- Cost of purchasing land and buildings to be used as City Facilities amounted to \$666,363.
- Costs related to construction of City recreational facilities amounted to \$4,829,326.
- Approximately \$1,391,015 of water lines were donated by developers.
- Approximately \$888,750 of sewer lines were donated by developers.
- Streets and sidewalks worth approximately \$409,632. Were donated by developers.

Additional information on the City's capital assets can be found in Note 4 in the notes to basic financial statements.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had total bonded debt issues of \$154,920,000. Of this amount, \$67,305,000 is comprised of general obligation (GO) outstanding bonds debt backed solely by the full faith and credit of the City, \$83,890,000 represents certificate of obligation (CO) bonds secured by a combination of property taxes and a limited pledge of other revenues, \$825,000 represents bonds secured solely by sales tax revenues, and \$2,900,000 is secured by revenues generated from the City's water and wastewater utility. The total GO and CO outstanding debt of \$151,195,000 includes self-supporting debt of \$55,595,000 to be paid with revenues generated from the City's water and wastewater utility, \$26,178,871 is to be repaid with revenue generated from sales tax, \$5,335,000 is to be paid with tax revenues generated from the Reinvestment Zone Number Two reflected in the TIF fund, with the remaining balance of \$64,086,129 to be paid directly from the debt rate portion of the property tax rate. Additional information on the City's outstanding debt can be found in Note 8 in the notes to basic financial statements.

Outstanding Debt at Year End

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------------|----------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| General obligation bonds | \$ 58,076,855 | \$ 52,038,785 | \$ 17,638,144 | \$ 15,266,215 | \$ 75,714,999 | \$ 67,305,000 |
| Certificate of obligation bonds | 39,880,000 | 41,875,000 | 39,665,000 | 42,015,000 | 79,545,000 | 83,890,000 |
| Utility system revenue bonds | - | - | 3,095,000 | 2,900,000 | 3,095,000 | 2,900,000 |
| Sales tax revenue bonds | <u>1,615,000</u> | <u>825,000</u> | <u>-</u> | <u>-</u> | <u>1,615,000</u> | <u>825,000</u> |
| Total | <u>\$ 99,571,855</u> | <u>\$ 94,738,785</u> | <u>\$ 60,398,144</u> | <u>\$ 60,181,215</u> | <u>\$ 159,969,999</u> | <u>\$ 154,920,000</u> |

The City maintains favorable bond ratings as assigned by the following rating agencies:

| | Moody's Investors Service | Standard & Poor's | Fitch |
|----------------------------------|---------------------------------|----------------------|-------|
| General obligation bonds | Aa3 | AA | AA |
| Water & wastewater revenue bonds | A1 | AA- | AA- |
| 4A sales tax revenue bonds | NA | AA- | NA |
| 4B sales tax revenue bonds | NA | AA- | NA |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In fiscal year 2021 budget, property tax revenues are budgeted to increase 3% or about \$600,000 from fiscal year 2020 primarily due to new growth. Sales tax revenues are budgeted to increase by about 3% or \$296,299. General Fund total revenues including transfers is \$43,539,689 or 6.24% from fiscal year 2020 budget. General Fund total expenditures is \$43,936,854 or 7.21% from prior year.

The result is a \$397,165 reduction in fund balance. This projected reduction continues to maintain an unassigned fund balance to a level above the City's policy target of 20% of annual operating expenses.

A 3% decrease in water rates and no increase in sewer rates is proposed in the FY 2021 budget. The primary purpose of the reduction is due to a strong financial position of the water operation and the ability to continue meeting its debt obligations.

Solid Waste budget has no increase in proposed rates. Fund is projected to maintain a working capital of 44% of operating expenses at year end, way above the 20% minimum requirement per financial policy.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burleson's finances. Questions concerning any of the information provided in this report or requests for additional information may be obtained by contacting the City of Burleson, Attn: Finance Department, 141 West Renfro Street, Burleson, Texas 76028.

THE CITY OF
BURLESON
TEXAS

CITY OF BURLESON, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| <u>Current Assets</u> | | | |
| Cash and investments | \$ 67,909,212 | \$ 12,529,773 | \$ 80,438,985 |
| Receivables, net: | | | |
| Taxes | 92,805 | - | 92,805 |
| Accounts | 1,254,595 | 3,381,562 | 4,636,157 |
| Due from other governmental units | 5,278,314 | - | 5,278,314 |
| Accrued interest | 2,739 | 1,708 | 4,447 |
| Inventories | 16,655 | 509,263 | 525,918 |
| Prepaid items | 4,080 | - | 4,080 |
| Internal balances | 160,790 | (160,790) | - |
| Total current assets | <u>74,719,190</u> | <u>16,261,516</u> | <u>90,980,706</u> |
| <u>Noncurrent assets</u> | | | |
| Restricted cash and investments | - | 40,692,654 | 40,692,654 |
| Other assets | - | 38,142 | 38,142 |
| Capital assets: | | | |
| Nondepreciable | 51,583,854 | 11,811,884 | 63,395,738 |
| Depreciable, net of depreciation | <u>180,620,767</u> | <u>100,490,693</u> | <u>281,111,460</u> |
| Total noncurrent assets | <u>232,204,621</u> | <u>153,033,373</u> | <u>385,237,994</u> |
| Total assets | <u>306,923,811</u> | <u>169,294,889</u> | <u>476,218,700</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | 1,103,186 | 381,193 | 1,484,379 |
| Deferred outflows related to pensions | 3,685,512 | 356,775 | 4,042,287 |
| Deferred outflows related to OPEB (RHP) | 892,684 | 87,103 | 979,787 |
| Deferred outflows related to OPEB (SDBF) | <u>155,596</u> | <u>15,152</u> | <u>170,748</u> |
| Total deferred outflows of resources | <u>5,836,978</u> | <u>840,223</u> | <u>6,677,201</u> |
| LIABILITIES | | | |
| <u>Current Liabilities</u> | | | |
| Accounts payable | \$ 1,689,627 | \$ 2,305,500 | \$ 3,995,127 |
| Accrued liabilities | 2,567,843 | 91,573 | 2,659,416 |
| Accrued interest payable | 161,196 | 197,717 | 358,913 |
| Deposits payable | - | 654,979 | 654,979 |
| Current portion of: | | | |
| Bonds, leases, compensated absences | 9,616,143 | 4,569,787 | 14,185,930 |
| Total OPEB liability (RHP) | 76,016 | 3,781 | 79,797 |
| Total OPEB liability (SDBF) | <u>8,114</u> | <u>410</u> | <u>8,524</u> |
| Total current liabilities | <u>14,118,939</u> | <u>7,823,747</u> | <u>21,942,686</u> |
| <u>Noncurrent Liabilities</u> | | | |
| Bonds, leases, compensated absences | 98,027,689 | 59,093,124 | 157,120,813 |
| Net pension liability | 15,839,795 | 1,530,305 | 17,370,100 |
| Total OPEB liability (RHP) | 4,087,354 | 402,457 | 4,489,811 |
| Total OPEB liability (SDBF) | <u>797,248</u> | <u>77,397</u> | <u>874,645</u> |
| Total noncurrent liabilities | <u>118,752,086</u> | <u>61,103,283</u> | <u>179,855,369</u> |
| Total liabilities | <u>132,871,025</u> | <u>68,927,030</u> | <u>201,798,055</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 2,595,968 | 255,690 | 2,851,658 |
| Deferred inflows related to OPEB (SDBF) | <u>59,701</u> | <u>5,780</u> | <u>65,481</u> |
| Total deferred inflows of resources | <u>2,655,669</u> | <u>261,470</u> | <u>2,917,139</u> |
| NET POSITION | | | |
| Net investment in capital assets | 153,051,846 | 79,752,890 | 232,804,736 |
| Restricted for: | | | |
| Debt service | 3,150,018 | 7,415,521 | 10,565,539 |
| Economic development/tourism | 14,318,090 | - | 14,318,090 |
| Unrestricted | <u>6,714,141</u> | <u>13,778,201</u> | <u>20,492,342</u> |
| Total net position | <u>\$ 177,234,095</u> | <u>\$ 100,946,612</u> | <u>\$ 278,180,707</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BURLESON, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| Functions/Programs | Expenses | Program Revenues | |
|--------------------------------|----------------------|-------------------------|--|
| | | Charges for Services | Operating Grants and Contributions |
| Governmental activities: | | | |
| General government | \$ 9,901,828 | \$ 3,742,325 | \$ 55,966 |
| Public safety | 21,647,212 | 719,105 | 1,828,407 |
| Public works | 14,839,605 | 52,810 | 911,335 |
| Community development | 4,216,584 | 2,182,256 | 198,703 |
| Culture and recreation | 7,940,337 | 1,148,544 | 4,153 |
| Interest and other fees | 3,122,881 | - | - |
| Total governmental activities | <u>61,668,447</u> | <u>7,845,040</u> | <u>2,998,564</u> |
| Business type activities: | | | |
| Water and wastewater | 18,543,022 | 21,800,349 | - |
| Hidden Creek Golf Course | 2,321,398 | 1,383,691 | - |
| Solid waste | 3,464,393 | 3,277,401 | - |
| Cemetery | 33,770 | 71,367 | 8,549 |
| Total business-type activities | <u>24,362,583</u> | <u>26,532,808</u> | <u>8,549</u> |
| Total | <u>\$ 86,031,030</u> | <u>\$ 34,377,848</u> | <u>\$ 3,007,113</u> |

General revenues:

Taxes:

 Property

 Tax increment financing

 Sales and use

 Hotel occupancy taxes

 Franchise fees based on gross receipts

 Unrestricted investment earnings

 Gain on sale of capital assets

Transfers between governmental and business-type activities

 Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

| Program Revenues | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------|--|----------------------------|-----------------------------|
| | Capital Grants and Contributions | Governmental Activities | Business-Type Activities |
| \$ - | \$(6,103,537) | \$ - | \$(6,103,537) |
| - | (19,099,700) | - | (19,099,700) |
| 5,549,675 | (8,325,785) | - | (8,325,785) |
| - | (1,835,625) | - | (1,835,625) |
| 149,400 | (6,638,240) | - | (6,638,240) |
| - | (3,122,881) | - | (3,122,881) |
| <u>5,699,075</u> | <u>(45,125,768)</u> | <u>-</u> | <u>(45,125,768)</u> |
| 3,818,739 | - | 7,076,066 | 7,076,066 |
| - | - | (937,707) | (937,707) |
| - | - | (186,992) | (186,992) |
| - | - | 46,146 | 46,146 |
| <u>3,818,739</u> | <u>-</u> | <u>5,997,513</u> | <u>5,997,513</u> |
| <u>\$ 9,517,814</u> | <u>(45,125,768)</u> | <u>5,997,513</u> | <u>(39,128,255)</u> |
| | 28,894,199 | - | 28,894,199 |
| | 777,021 | - | 777,021 |
| | 21,468,069 | - | 21,468,069 |
| | 190,187 | - | 190,187 |
| | 3,404,113 | - | 3,404,113 |
| | 1,950,288 | 581,231 | 2,531,519 |
| | 1,877,727 | 16,300 | 1,894,027 |
| | (1,768,268) | 1,768,268 | - |
| | <u>56,793,336</u> | <u>2,365,799</u> | <u>59,159,135</u> |
| | 11,667,568 | 8,363,312 | 20,030,880 |
| | <u>165,566,527</u> | <u>92,583,300</u> | <u>258,149,827</u> |
| | <u>\$ 177,234,095</u> | <u>\$ 100,946,612</u> | <u>\$ 278,180,707</u> |

CITY OF BURLESON, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

| | Major Funds | | |
|---|-------------------|-----------------------------|-------------------------------|
| | General | BCSDC Special Revenue | 4A Corp Special Revenue |
| ASSETS | | | |
| Cash and investments | \$ 13,452,325 | \$ 3,655,093 | \$ 6,854,601 |
| Receivables: | | | |
| Taxes, net | 25,900 | - | - |
| Accounts | 1,206,080 | 1,595 | 1,989 |
| Due from other governmental units | 1,887,811 | 949,943 | 949,943 |
| Accrued interest | 1,222 | 7 | 85 |
| Due from other funds | 1,625,005 | - | - |
| Inventories | - | - | - |
| Prepaid items | 4,080 | - | - |
| Total Assets | \$ 18,202,423 | \$ 4,606,638 | \$ 7,806,618 |
| LIABILITIES | | | |
| Accounts payable | \$ 537,748 | \$ - | \$ 5,857 |
| Accrued liabilities | 1,007,966 | - | 7,679 |
| Due to other funds | - | - | - |
| Total Liabilities | 1,545,714 | - | 13,536 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - mowing liens | 70,127 | - | - |
| Unavailable revenue - grants | - | - | - |
| Unavailable revenue - franchise fees | 458,549 | - | - |
| Total Deferred Inflows of Resources | 528,676 | - | - |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid items | 4,080 | - | - |
| Restricted: | | | |
| Debt service | - | - | - |
| Culture and recreation | - | - | - |
| Economic development | - | 4,606,638 | 7,793,082 |
| Tourism | - | - | - |
| Capital projects | - | - | - |
| Committed: | | | |
| Economic development | - | - | - |
| Capital projects | - | - | - |
| Debt service | 523,325 | - | - |
| Other purposes | 220,044 | - | - |
| Assigned: | | | |
| Risk management | 1,260,078 | - | - |
| Unassigned | 14,120,506 | - | - |
| Total Fund Balances | 16,128,033 | 4,606,638 | 7,793,082 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 18,202,423 | \$ 4,606,638 | \$ 7,806,618 |

The notes to the financial statements are an integral part of this statement.

| Major Funds | | | | | | |
|-------------------|------------------------------|---------------------------------------|----------------------|--------------------------|--------------------------|--|
| Parks Performance | Bond Funded Capital Projects | Mineral Lease Funded Capital Projects | General Debt Service | Other Governmental Funds | Total Governmental Funds | |
| \$ 335,656 | \$ 22,811,995 | \$ 1,215,462 | \$ 2,387,629 | \$ 11,429,932 | \$ 62,142,693 | |
| - | - | - | 11,100 | 55,805 | 92,805 | |
| 11,897 | 257 | - | - | 31,714 | 1,253,532 | |
| - | - | - | - | 1,490,617 | 5,278,314 | |
| 25 | 49 | 108 | - | 691 | 2,187 | |
| - | - | - | - | - | 1,625,005 | |
| 2,453 | - | - | - | - | 2,453 | |
| - | - | - | - | - | 4,080 | |
| <u>\$ 350,031</u> | <u>\$ 22,812,301</u> | <u>\$ 1,215,570</u> | <u>\$ 2,398,729</u> | <u>\$ 13,008,759</u> | <u>\$ 70,401,069</u> | |
| \$ 77,456 | \$ 959,607 | \$ 12,000 | \$ 576 | \$ 82,770 | \$ 1,676,014 | |
| 55,431 | - | - | - | 1,458,015 | 2,529,091 | |
| 217,144 | - | - | - | 1,407,861 | 1,625,005 | |
| <u>350,031</u> | <u>959,607</u> | <u>12,000</u> | <u>576</u> | <u>2,948,646</u> | <u>5,830,110</u> | |
| - | - | - | - | - | 70,127 | |
| - | - | - | - | 1,424,707 | 1,424,707 | |
| - | - | - | - | - | 458,549 | |
| - | - | - | - | 1,424,707 | 1,953,383 | |
| - | - | - | - | - | 4,080 | |
| - | - | - | 2,398,153 | 751,865 | 3,150,018 | |
| - | - | - | - | 1,984 | 1,984 | |
| - | - | - | - | 1,220,547 | 13,620,267 | |
| - | - | - | - | 697,823 | 697,823 | |
| - | 21,852,694 | - | - | - | 21,852,694 | |
| - | - | - | - | 73,618 | 73,618 | |
| - | - | 1,203,570 | - | 7,314,277 | 8,517,847 | |
| - | - | - | - | - | 523,325 | |
| - | - | - | - | - | 220,044 | |
| - | - | - | - | - | 1,260,078 | |
| - | - | - | - | (1,424,708) | 12,695,798 | |
| <u>-</u> | <u>21,852,694</u> | <u>1,203,570</u> | <u>2,398,153</u> | <u>8,635,406</u> | <u>62,617,576</u> | |
| <u>\$ 350,031</u> | <u>\$ 22,812,301</u> | <u>\$ 1,215,570</u> | <u>\$ 2,398,729</u> | <u>\$ 13,008,759</u> | <u>\$ 70,401,069</u> | |

CITY OF BURLESON, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

| | | |
|---|----------------|-----------------------|
| Total fund balances - governmental funds | | \$ 62,617,576 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. | | 228,675,334 |
| Internal service funds are used by the City's management for equipment maintenance and vehicle replacement. The assets and liabilities of certain internal service funds are included with governmental activities in the Statement of Net Position but are not included at the fund level. | | 8,499,709 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. | | 1,953,383 |
| Long-term liabilities and related balance sheet items are not due and payable in the current period and therefore are not reported as liabilities in the funds. | | |
| Bonds payable | (101,585,328) | |
| Deferred charge on refunding | 1,103,186 | |
| Obligation under capital lease | (523,327) | |
| Accrued interest payable | (161,196) | |
| Compensated absences (net of ISF of \$157,272) | (5,377,905) | |
| Net pension liability (net of ISF of \$672,223) | (15,167,572) | |
| Deferred outflows related to pensions (net of ISF of \$100,838) | 3,532,243 | |
| Deferred inflows related to pensions (net of ISF of \$88,621) | (2,507,347) | |
| Total RHP OPEB liability (net of ISF of \$159,023) | (4,004,347) | |
| Deferred outflows related to RHP OPEB (net of ISF of \$34,097) | 858,587 | |
| Total SDBF OPEB liability (net of ISF of \$34,179) | (771,183) | |
| Deferred outflows related to SDBF OPEB (net of ISF of \$6,090) | 149,506 | |
| Deferred inflows related to SDBF OPEB (net of ISF of \$2,477) | (57,224) | |
| Combined adjustment | | (124,511,907) |
| Total net position - governmental activities | | \$ <u>177,234,095</u> |

THE CITY OF
BURLESON
TEXAS

CITY OF BURLESON, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Major Funds | | |
|--|----------------------|-----------------------------|-------------------------------|
| | General | BCSDC Special Revenue | 4A Corp Special Revenue |
| REVENUES | | | |
| Property taxes | \$ 20,576,373 | \$ - | \$ - |
| Sales and use taxes | 10,491,590 | 5,335,740 | 5,335,740 |
| Hotel occupancy taxes | - | - | - |
| Franchise fees | 3,281,807 | - | - |
| Charges for services | 3,670,603 | - | - |
| Licenses and permits | 1,855,309 | - | - |
| Intergovernmental | 354,960 | - | - |
| Fines | 600,142 | - | - |
| Contributions and donations | - | - | - |
| Investment earnings | 198,422 | 35,720 | 51,468 |
| Mineral lease | - | - | - |
| Street assessments | - | - | - |
| Miscellaneous | 737,654 | - | 189,795 |
| Total Revenues | <u>41,766,860</u> | <u>5,371,460</u> | <u>5,577,003</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 9,276,718 | - | - |
| Public safety | 17,895,361 | - | - |
| Public works | 6,180,321 | - | - |
| Community development | 780,476 | 3,499 | 1,927,665 |
| Culture and recreation | 3,182,825 | - | - |
| Capital outlay | 80,449 | - | - |
| Debt service: | | | |
| Principal retirement | 99,582 | - | - |
| Interest and fiscal agent charges | 21,409 | - | - |
| Debt issuance costs | - | - | - |
| Total Expenditures | <u>37,517,141</u> | <u>3,499</u> | <u>1,927,665</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 4,249,719 | 5,367,961 | 3,649,338 |
| OTHER FINANCING SOURCES (USES) | | | |
| Issuance of debt | - | - | - |
| Premium on debt issuance | - | - | - |
| Payment to escrow agent | - | - | - |
| Sale of capital assets | - | - | 1,872,402 |
| Transfers in | 742,560 | 779,713 | - |
| Transfers out | (583,474) | (4,852,098) | (3,143,953) |
| Total Other Financing Sources (Uses) | <u>159,086</u> | <u>(4,072,385)</u> | <u>(1,271,551)</u> |
| NET CHANGE IN FUND BALANCE | 4,408,805 | 1,295,576 | 2,377,787 |
| FUND BALANCE, BEGINNING | <u>11,719,228</u> | <u>3,311,062</u> | <u>5,415,295</u> |
| FUND BALANCE, ENDING | \$ <u>16,128,033</u> | \$ <u>4,606,638</u> | \$ <u>7,793,082</u> |

The notes to the financial statements are an integral part of this statement.

| Major Funds | | | | | |
|-------------------|------------------------------|---------------------------------------|----------------------|--------------------------|--------------------------|
| Parks Performance | Bond Funded Capital Projects | Mineral Lease Funded Capital Projects | General Debt Service | Other Governmental Funds | Total Governmental Funds |
| \$ - | \$ - | \$ - | \$ 7,273,371 | \$ 1,821,476 | \$ 29,671,220 |
| - | - | - | - | 304,999 | 21,468,069 |
| - | - | - | - | 182,257 | 182,257 |
| - | - | - | - | 104,873 | 3,386,680 |
| 960,673 | - | - | - | - | 4,631,276 |
| - | - | - | - | - | 1,855,309 |
| - | - | - | - | 1,066,576 | 1,421,536 |
| - | - | - | - | - | 600,142 |
| - | - | - | - | 1,104,396 | 1,104,396 |
| 9,828 | 326,001 | 15,554 | - | 94,948 | 731,941 |
| - | - | 164,269 | - | - | 164,269 |
| - | - | - | - | 48,425 | 48,425 |
| 3,725 | - | - | - | 5,850 | 937,024 |
| <u>974,226</u> | <u>326,001</u> | <u>179,823</u> | <u>7,273,371</u> | <u>4,733,800</u> | <u>66,202,544</u> |
| - | - | - | - | 67,355 | 9,344,073 |
| - | - | - | - | 2,441,096 | 20,336,457 |
| - | - | - | - | 15,803 | 6,196,124 |
| - | - | - | - | 1,299,230 | 4,010,870 |
| 3,296,126 | - | 58,686 | - | 170,181 | 6,707,818 |
| - | 11,216,071 | 51,080 | - | 1,484,019 | 12,831,619 |
| - | - | - | 4,461,423 | 3,166,648 | 7,727,653 |
| - | - | - | 2,739,341 | 1,056,059 | 3,816,809 |
| - | 70,251 | - | 82,478 | - | 152,729 |
| <u>3,296,126</u> | <u>11,286,322</u> | <u>109,766</u> | <u>7,283,242</u> | <u>9,700,391</u> | <u>71,124,152</u> |
| (2,321,900) | (10,960,321) | 70,057 | (9,871) | (4,966,591) | (4,921,608) |
| - | 3,560,000 | - | 4,445,000 | - | 8,005,000 |
| - | 648,465 | - | 937,228 | - | 1,585,693 |
| - | - | - | (5,304,194) | - | (5,304,194) |
| - | - | - | - | - | 1,872,402 |
| 1,338,395 | - | - | 1,803,508 | 4,994,008 | 9,658,184 |
| - | (303,777) | (452,000) | - | (2,125,150) | (11,460,452) |
| <u>1,338,395</u> | <u>3,904,688</u> | <u>(452,000)</u> | <u>1,881,542</u> | <u>2,868,858</u> | <u>4,356,633</u> |
| (983,505) | (7,055,633) | (381,943) | 1,871,671 | (2,097,733) | (564,975) |
| <u>983,505</u> | <u>28,908,327</u> | <u>1,585,513</u> | <u>526,482</u> | <u>10,733,139</u> | <u>63,182,551</u> |
| \$ - | \$ 21,852,694 | \$ 1,203,570 | \$ 2,398,153 | \$ 8,635,406 | \$ 62,617,576 |

CITY OF BURLESON, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | | |
|--|--|--------------|
| Net change in fund balances - total governmental funds | | \$(564,975) |
|--|--|--------------|

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

| | | |
|--|---------------------|-----------|
| Capital outlay | 12,043,718 | |
| Depreciation (net of internal service funds) | <u>(9,302,573)</u> | |
| Combined adjustment | | 2,741,145 |

| | | |
|---|--|-----------|
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is reported with governmental activities. | | 5,336,912 |
|---|--|-----------|

| | | |
|--|--|-----------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 1,447,011 |
|--|--|-----------|

| | | |
|---|--|--------------|
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | (1,076,364) |
|---|--|--------------|

| | | |
|---|--|--------------|
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | (4,363,417) |
|---|--|--------------|

| | | |
|---|--|-----------|
| 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. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | 8,442,429 |
|---|--|-----------|

| | | |
|--|--|-------------------|
| Internal service funds are used by management to charge the costs of certain activities, such as equipment maintenance and vehicle replacement, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. | | <u>(295,173)</u> |
|--|--|-------------------|

| | | |
|---|--|----------------------|
| Change in net position of governmental activities | | \$ <u>11,667,568</u> |
|---|--|----------------------|

THE CITY OF
BURLESON
TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2020

| | Business-Type Activities Enterprise Funds | | | | | Internal Service Funds |
|--|---|-----------------------------|---------------------|---------------------|-----------------------|------------------------------|
| | Water & Wastewater | Hidden Creek Golf Course | Solid Waste | Other Non-major | Total | |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Deposits and investments | \$ 7,684,517 | \$ 80,552 | \$ 1,855,148 | \$ 1,649,349 | \$ 11,269,566 | \$ 7,026,726 |
| Receivables: | | | | | | |
| Accounts | 2,881,413 | 3,317 | 480,179 | 16,653 | 3,381,562 | 1,063 |
| Accrued interest | 1,283 | 4 | 158 | 143 | 1,588 | 672 |
| Inventories | 402,959 | 39,009 | - | - | 441,968 | 14,202 |
| Land held for sale of cemetery lots | - | - | - | 67,295 | 67,295 | - |
| Total current assets | <u>10,970,172</u> | <u>122,882</u> | <u>2,335,485</u> | <u>1,733,440</u> | <u>15,161,979</u> | <u>7,042,663</u> |
| Noncurrent assets: | | | | | | |
| Restricted deposits and investments | 40,609,809 | 82,845 | - | - | 40,692,654 | - |
| Other assets | 38,142 | - | - | - | 38,142 | - |
| Capital assets, net | 108,464,683 | 2,638,810 | 20,296 | 161,422 | 111,285,211 | 4,546,653 |
| Total noncurrent assets | <u>149,112,634</u> | <u>2,721,655</u> | <u>20,296</u> | <u>161,422</u> | <u>152,016,007</u> | <u>4,546,653</u> |
| Total assets | <u>160,082,806</u> | <u>2,844,537</u> | <u>2,355,781</u> | <u>1,894,862</u> | <u>167,177,986</u> | <u>11,589,316</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred charge on refunding | 337,471 | 43,722 | - | - | 381,193 | - |
| Deferred outflows related to pensions | 202,291 | 154,484 | - | - | 356,775 | 153,269 |
| Deferred outflows related to OPEB (RHP) | 52,321 | 34,782 | - | - | 87,103 | 34,097 |
| Deferred outflows related to OPEB (SDBF) | 8,958 | 6,194 | - | - | 15,152 | 6,090 |
| Total deferred outflows of resources | <u>601,041</u> | <u>239,182</u> | <u>-</u> | <u>-</u> | <u>840,223</u> | <u>193,456</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | \$ 1,727,425 | \$ 41,178 | \$ 505,774 | \$ 1,157 | \$ 2,275,534 | \$ 43,579 |
| Accrued liabilities | 56,398 | 35,175 | - | - | 91,573 | 38,752 |
| Accrued interest payable | 192,096 | 5,621 | - | - | 197,717 | - |
| Customer deposits | 637,390 | - | - | 17,589 | 654,979 | - |
| Bonds, compensated absences | 4,217,043 | 352,744 | - | - | 4,569,787 | 68,068 |
| Total OPEB liability (RHP) | 2,271 | 1,510 | - | - | 3,781 | 1,480 |
| Total OPEB liability (SDBF) | 246 | 164 | - | - | 410 | 160 |
| Total current liabilities | <u>6,832,869</u> | <u>436,392</u> | <u>505,774</u> | <u>18,746</u> | <u>7,793,781</u> | <u>152,039</u> |
| Noncurrent liabilities: | | | | | | |
| Bonds, compensated absences | 57,527,633 | 1,565,491 | - | - | 59,093,124 | 89,204 |
| Net pension liability | 854,609 | 675,696 | - | - | 1,530,305 | 672,223 |
| Total OPEB liability (RHP) | 241,746 | 160,711 | - | - | 402,457 | 157,543 |
| Total OPEB liability (SDBF) | 43,206 | 34,191 | - | - | 77,397 | 34,019 |
| Total noncurrent liabilities | <u>58,667,194</u> | <u>2,436,089</u> | <u>-</u> | <u>-</u> | <u>61,103,283</u> | <u>952,989</u> |
| Total liabilities | <u>65,500,063</u> | <u>2,872,481</u> | <u>505,774</u> | <u>18,746</u> | <u>68,897,064</u> | <u>1,105,028</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred inflows related to pensions | 163,712 | 91,978 | - | - | 255,690 | 88,621 |
| Deferred inflows related to OPEB (SDBF) | 3,283 | 2,497 | - | - | 5,780 | 2,477 |
| Total deferred inflows of resources | <u>166,995</u> | <u>94,475</u> | <u>-</u> | <u>-</u> | <u>261,470</u> | <u>91,098</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 77,634,130 | 919,676 | 20,296 | 161,422 | 78,735,524 | 4,546,653 |
| Restricted for debt service | 7,338,297 | 77,224 | - | - | 7,415,521 | - |
| Unrestricted | 10,044,362 | (880,137) | 1,829,711 | 1,714,694 | 12,708,630 | 6,039,993 |
| Total net position | <u>\$ 95,016,789</u> | <u>\$ 116,763</u> | <u>\$ 1,850,007</u> | <u>\$ 1,876,116</u> | <u>98,859,675</u> | <u>\$ 10,586,646</u> |
| Net position of business-type activity internal service funds | | | | | 2,247,727 | |
| Adjustment to reflect activity between governmental and business-type activities | | | | | (160,790) | |
| Net position of business-type activities | | | | | <u>\$ 100,946,612</u> | |

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - ALL PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Business-Type Activities Enterprise Funds | | | | | Internal Service Funds |
|---|---|-----------------------------|---------------------|---------------------|----------------------|------------------------------|
| | Water & Wastewater | Hidden Creek Golf Course | Solid Waste | Other Non-Major | Total | |
| OPERATING REVENUES | | | | | | |
| Charges for goods and services | \$ 21,484,169 | \$ 1,383,691 | \$ 3,277,401 | \$ 71,367 | \$ 26,216,628 | \$ 3,585,830 |
| Penalties and interest | 219,615 | - | - | - | 219,615 | - |
| Miscellaneous | 96,565 | - | - | - | 96,565 | - |
| Mineral lease | - | - | - | 8,549 | 8,549 | - |
| Total operating revenues | <u>21,800,349</u> | <u>1,383,691</u> | <u>3,277,401</u> | <u>79,916</u> | <u>26,541,357</u> | <u>3,585,830</u> |
| OPERATING EXPENSES | | | | | | |
| Water and wastewater services | 11,584,777 | - | - | - | 11,584,777 | - |
| Cost of golf operations | - | 2,181,563 | - | - | 2,181,563 | - |
| Cost of collecting revenues and other administrative expenses | 2,258,440 | - | - | - | 2,258,440 | 1,439,729 |
| Cost of cemetery operations | - | - | - | 22,861 | 22,861 | - |
| Cost of solid waste operations | - | - | 3,470,270 | - | 3,470,270 | - |
| Cost of equipment services | - | - | - | - | - | 1,093,493 |
| Materials, supplies, and cemetery lots | - | - | - | 284 | 284 | - |
| Depreciation | <u>2,692,878</u> | <u>93,174</u> | <u>1,945</u> | <u>10,625</u> | <u>2,798,622</u> | <u>1,415,487</u> |
| Total operating expenses | <u>16,536,095</u> | <u>2,274,737</u> | <u>3,472,215</u> | <u>33,770</u> | <u>22,316,817</u> | <u>3,948,709</u> |
| OPERATING INCOME (LOSS) | <u>5,264,254</u> | <u>(891,046)</u> | <u>(194,814)</u> | <u>46,146</u> | <u>4,224,540</u> | <u>(362,879)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Gain (loss) on disposition of capital assets | - | 800 | - | - | 800 | 20,825 |
| Investment earnings | 516,216 | 553 | 21,275 | 19,330 | 557,374 | 99,608 |
| Interest and fiscal agent charges | <u>(2,043,276)</u> | <u>(49,812)</u> | <u>-</u> | <u>-</u> | <u>(2,093,088)</u> | <u>(48)</u> |
| Total non-operating revenues | <u>(1,527,060)</u> | <u>(48,459)</u> | <u>21,275</u> | <u>19,330</u> | <u>(1,534,914)</u> | <u>120,385</u> |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | <u>3,737,194</u> | <u>(939,505)</u> | <u>(173,539)</u> | <u>65,476</u> | <u>2,689,626</u> | <u>(242,494)</u> |
| Transfers in | 1,792,000 | 1,618,828 | - | - | 3,410,828 | 34,000 |
| Transfers out | <u>(742,560)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(742,560)</u> | <u>(900,000)</u> |
| Impact fees | 1,447,993 | - | - | - | 1,447,993 | - |
| Capital contributions | <u>2,370,746</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,370,746</u> | <u>-</u> |
| CHANGE IN NET POSITION | 8,605,373 | 679,323 | (173,539) | 65,476 | 9,176,633 | (1,108,494) |
| NET POSITION AT BEGINNING OF YEAR | <u>86,411,416</u> | <u>(562,560)</u> | <u>2,023,546</u> | <u>1,810,640</u> | <u>89,683,042</u> | <u>11,695,140</u> |
| NET POSITION AT END OF YEAR | <u>\$ 95,016,789</u> | <u>\$ 116,763</u> | <u>\$ 1,850,007</u> | <u>\$ 1,876,116</u> | <u>\$ 98,859,675</u> | <u>\$ 10,586,646</u> |

Adjustment to reflect the consolidation of
internal service fund activities related to
enterprise funds (813,321)

Change in net position of business-type
activities \$ 8,363,312

The notes to the financial statements are
an integral part of this statement.

CITY OF BURLESON, TEXAS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Business-Type Activities Enterprise Funds | | | | Total Enterprise Funds | Governmental |
|---|---|-----------------------------|---------------------|---------------------|------------------------------|------------------------------|
| | Water & Wastewater | Hidden Creek Golf Course | Solid Waste | Other Non-Major | | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers | \$ 21,869,863 | \$ 1,380,374 | \$ 3,277,939 | \$ 57,640 | \$ 26,585,816 | \$ - |
| Refunds of customer deposits | (32,745) | - | - | - | (32,745) | - |
| Receipts from interfund services provided | - | - | - | - | - | 3,808,299 |
| Payments to suppliers and service providers | (10,244,901) | (813,903) | (3,242,952) | (22,994) | (14,324,750) | (1,142,079) |
| Payments to employees for salaries and benefits | (2,288,496) | (1,508,475) | (1,219) | - | (3,798,190) | (1,420,839) |
| Payments to other funds for services provided | (2,686,427) | (231,009) | - | - | (2,917,436) | - |
| Other receipts | - | - | - | 8,549 | 8,549 | - |
| Net cash provided (used) by operating activities | <u>6,617,294</u> | <u>(1,173,013)</u> | <u>33,768</u> | <u>43,195</u> | <u>5,521,244</u> | <u>1,245,381</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Payments from other funds | 1,792,000 | 1,618,828 | - | - | 3,410,828 | 34,000 |
| Payments to other funds | (742,560) | - | - | - | (742,560) | (900,000) |
| Net cash provided (used) by noncapital financing activities | <u>1,049,440</u> | <u>1,618,828</u> | <u>-</u> | <u>-</u> | <u>2,668,268</u> | <u>(866,000)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Receipts from sale of capital assets | - | 800 | - | - | 800 | 20,825 |
| Principal paid on capital lease | (997) | (1,329) | - | - | (2,326) | (1,519) |
| Interest paid on capital lease | (31) | (42) | - | - | (73) | (48) |
| Principal paid on bonds | (4,006,286) | (300,643) | - | - | (4,306,929) | - |
| Interest payments on bonds | (1,625,723) | (64,626) | - | - | (1,690,349) | - |
| Proceeds of bond issuance | 4,090,000 | - | - | - | 4,090,000 | - |
| Impact fees | 1,447,993 | - | - | - | 1,447,993 | - |
| Acquisition of capital assets | (2,244,300) | - | - | - | (2,244,300) | (1,053,379) |
| Net cash provided (used) by capital and related financial activities | <u>(2,339,344)</u> | <u>(365,840)</u> | <u>-</u> | <u>-</u> | <u>(2,705,184)</u> | <u>(1,034,121)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest received | <u>521,775</u> | <u>577</u> | <u>22,250</u> | <u>19,909</u> | <u>564,511</u> | <u>103,912</u> |
| Net cash provided by investing activities | <u>521,775</u> | <u>577</u> | <u>22,250</u> | <u>19,909</u> | <u>564,511</u> | <u>103,912</u> |
| Net increase (decrease) in cash and cash equivalents | 5,849,165 | 80,552 | 56,018 | 63,104 | 6,048,839 | (550,828) |
| Cash and cash equivalents - beginning of year (including those reported in restricted accounts) | <u>42,445,161</u> | <u>82,845</u> | <u>1,799,130</u> | <u>1,586,245</u> | <u>45,913,381</u> | <u>7,577,554</u> |
| Cash and cash equivalents - end of year (including those reported in restricted accounts) | <u>\$ 48,294,326</u> | <u>\$ 163,397</u> | <u>\$ 1,855,148</u> | <u>\$ 1,649,349</u> | <u>\$ 51,962,220</u> | <u>\$ 7,026,726</u> |

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Business-Type Activities Enterprise Funds | | | | Total Enterprise Funds | Governmental |
|---|---|--------------------------|---------------|-----------------|------------------------|------------------------|
| | Water & Wastewater | Hidden Creek Golf Course | Solid Waste | Other Non-Major | | Internal Service Funds |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Operating income (loss) | \$ 5,264,254 | \$(891,046) | \$(194,814) | \$ 46,146 | \$ 4,224,540 | \$(362,879) |
| Depreciation | 2,692,878 | 44,174 | 1,945 | 10,625 | 2,749,622 | 1,415,487 |
| Change in operating assets and liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | 69,514 | (3,317) | 538 | (13,727) | 53,008 | 222,469 |
| (Increase) decrease in inventories | 53,156 | 7,945 | - | 284 | 61,385 | 9,746 |
| (Increase) decrease in deferred outflows related to pension | 185,141 | 103,079 | - | - | 288,220 | 98,597 |
| (Increase) decrease in deferred outflows related to OPEB | (33,508) | (22,513) | - | - | (56,021) | (22,092) |
| Increase (decrease) in accounts payable | (1,460,418) | (17,304) | 227,318 | (133) | (1,250,537) | (58,332) |
| Increase (decrease) in accrued liabilities | 14,510 | 5,294 | (1,219) | - | 18,585 | 8,879 |
| Increase (decrease) in deposits payable | (32,745) | - | - | - | (32,745) | - |
| Increase (decrease) in due to other funds | - | (231,009) | - | - | (231,009) | - |
| Increase (decrease) in compensated absences | 13,162 | (165,978) | - | - | (152,816) | (73,039) |
| Increase (decrease) in net pension liability and total OPEB liability | (309,312) | (92,602) | - | - | (401,914) | (80,430) |
| Increase (decrease) in deferred inflows related to pension | 160,674 | 89,958 | - | - | 250,632 | 86,641 |
| Increase (decrease) in deferred inflows related to OPEB | (12) | 306 | - | - | 294 | 334 |
| Net cash provided (used) by operating activities | <u>6,617,294</u> | <u>(1,173,013)</u> | <u>33,768</u> | <u>43,195</u> | <u>5,521,244</u> | <u>1,245,381</u> |
| Noncash capital and related financing activities: | | | | | | |
| Contributions from developers | <u>2,370,746</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,370,746</u> | <u>-</u> |
| Total noncash capital and related financing activities | <u>\$ 2,370,746</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,370,746</u> | <u>\$ -</u> |

CITY OF BURLESON, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's major operations include public safety, public works, culture, recreation, and community development. In addition, the City owns and operates a water and wastewater system, solid waste system, a golf course, and a cemetery.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of more significant policies.

A. Reporting Entity

The City of Burleson, Texas (the "City") Home Rule Charter was adopted by the voters at an election held on April 5, 1969. The City operates under a Council-Manager form of government. As required by the accounting principles generally accepted in the United States of America, the basic financial statements present the City (primary government) and its component units.

The Burleson Community Service Development Corporation ("BCSDC") was incorporated June 25, 1993 as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the City, and the specific purposes for which the Corporation is organized. This includes the construction and renovation of municipal buildings and other facilities. Although it is legally separate from the City, the BCSDC is reported as if it were part of the primary government (blended) because its Board of Directors is substantively the same as the City Council. Separate financial statements for the BCSDC are not available.

The Burleson 4A Economic Development Corporation (the "4A Corporation") was incorporated September 28, 2000. The Corporation as organized is to promote and provide for economic development within the City and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing, and financing projects under the Act and as defined in Section 4A of the Act. Although it is legally separate from the City, the 4A Corporation is reported as a blended component unit because its Board of Directors is substantively the same as the City Council. Separate financial statements for the 4A Corporation are not available.

Tax Increment Finance Reinvestment Zone Number Two (TIF 2) was formed to finance and make public improvements serving only the City, under the authority of the Tax Increment Financing Act. The TIF is governed by a five-member board of directors, of which four members are appointed by the City Council. Although it is legally separate from the City, the TIF is reported as a blended component unit because its Board of Directors is substantively the same as the City Council. Separate financial statements for TIF 2 are not available.

Tax Increment Finance Reinvestment Zone Number Three (TIF 3) was formed to finance and make public improvements serving only the City, under the authority of the Tax Increment Financing Act. The TIF is governed by a five-member board of directors, of which four members are appointed by the City Council. Although it is legally separate from the City, the TIF is reported as a blended component unit because its Board of Directors is substantively the same as the City Council. Separate financial statements for TIF 3 are not available.

B. Basic Financial Statements

The basic financial statements include both government-wide financial statements (based on the City as a whole) and fund financial statements. The focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental or business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time 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.

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. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, sales taxes, hotel occupancy taxes and investment income (including unrealized gains and losses) 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, 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 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 accounted for in another fund.

The **BCSDC Special Revenue Fund** is used to account for the half cent sales tax collected to fund the activities of Burleson Community Services Development Corporation.

The **4A Corp Special Revenue Fund** is used to account for the half cent sales tax collected to fund the activities of Burleson 4A Economic Development Corporation.

The **Parks Performance Special Revenue Fund** is used to account for the operation of the City's recreational facilities that derive a large portion of their support from user fees. These include the Burselson Recreation Center, Chisenhall Fields and Hidden Creek Softball Complex.

The **Bond-Funded Capital Projects Fund** is used to account for the acquisition and construction of various capital facilities and is funded by various sales tax revenue and general obligation bonds.

The **Mineral Lease-Funded Capital Projects Fund** is used to account for the acquisition and construction of various capital facilities and is funded by royalties and other revenues generated by the City's mineral producing properties.

The **General Debt Service Fund** is used to account for the payment of debt supported by ad valorem taxes.

The City reports the following major enterprise funds:

The **Water/Wastewater Fund** is used to account for the provision of water and sewer services to residents of the City and certain nonresidents. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

The **Golf Course Fund** accounts for the operations of the City's golf course, Hidden Creek Golf Course.

The **Solid Waste Fund** accounts for the operations of the City's solid waste collection utility.

The **Cemetery Enterprise Fund**, which is not a major fund, is used to account for the operations of the City's cemetery.

Internal service funds are used to account for the financing of goods and services provided by the Equipment Services and Information Technology departments to other City departments and for the purchase of City vehicles not budgeted for in other funds.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater fund and various other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various funds concerned.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. **Deposits and Investments** – Substantially all operating deposits and investments are maintained in pooled deposit and investment accounts. Investment income relating to consolidated deposits and investments is allocated to the individual funds primarily based on each fund's pro rata share of total consolidated deposits and investments. For purposes of cash flows, the City considers cash on hand, demand deposits, and investments with original maturities of three months or less to be cash equivalents.

Legal provisions generally permit the City to invest in direct obligations of the Federal government, municipal investment pools and interest-bearing deposit accounts. During the year ended September 30, 2020, the City did not own any types of securities other than those permitted by state law.

2. **Receivables and Payables** – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible receivables. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectible receivables. The net property tax receivable is comprised of the property tax revenues collected within 60 days after year end. The City believes amounts remaining uncollected at sixty days after year-end are generally uncollectible.

The City's property taxes are levied on October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value. The assessed value, net of exemptions, upon which the fiscal year 2020 levy was based, was approximately \$3,299,706,246. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 assessed valuation. The City's Home Rule Charter authorizes assessment, levy, and collection of property taxes: a) at a rate not exceeding \$1.00 per \$100 of assessed valuation for the purpose of paying the general governmental operating costs of the City and b) at a rate sufficient to pay the principal and interest on bonds of the City. The City's combined tax rate for the year ended September 30, 2020 was \$0.7200 per \$100 of assessed valuation.

3. Inventories – All inventories are valued using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.
4. Prepaid Items – 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.
5. Restricted Assets – Certain bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.
6. Capital Assets – Capital assets, which include land, buildings, improvements, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), purchased or acquired, are carried at historical cost, or estimated historical cost if historical cost is not available. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed. A capitalization threshold of \$5,000 is used for all capital assets. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives.

| | |
|----------------------------------|---------------|
| Buildings | 30 -50 years |
| Machinery and equipment | 5 - 30 years |
| Vehicles | 5 - 30 years |
| Water and sewer system | 50 years |
| Improvements other than building | 20 years |
| Infrastructure | 15 - 40 years |

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest accrued during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

7. Compensated Absences – Vacation and sick leave are granted to City employees in varying amounts. The City accrues vacation benefits as they are earned. In the event of termination, an employee is reimbursed for accumulated unused vacation days if the employee has at least six months service. The City's policy regarding unused sick leave allows terminated employees with at least five years of service to receive reimbursement of accumulated unused sick leave.

8. Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS’s Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that 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.
9. Other Post-Employment Benefits

TMRS Supplemental Death Benefits Fund. The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single-employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. For purposes of measuring the total TMRS SDBF OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City’s total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City’s total OPEB liability is obtained from a report prepared by a consulting actuary.

10. Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.
 - Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
 - Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
 - Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
 - Difference in expected and actual economic experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following types of items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in expected and actual economic experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

11. Net position flow assumption – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. 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 applied.

It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

12. 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). 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 applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. 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 City 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 City’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. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. 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.

It is the goal of the City that unassigned fund balance of the General Fund should be at least 20% of General Fund annual expenditures. This percentage is the equivalent of 73 days of expenditures. To adhere to the principles of matching current revenues with current expenditures and minimizing property taxes, the City will take action to reduce the fund balance if the unassigned fund balance grows beyond 90 days of expenditures. At September 30, 2020, the General Fund unassigned fund balance equated to 136 days of expenditures.

E. Revenues and expenditures/expenses

1. Program revenues – Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.
2. Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund’s principal ongoing operations. The principal operating revenues of enterprise funds and internal service funds are charges to customers for sales and services.

Operating expenses for enterprise funds and internal service 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 non-operating revenues and expenses.

F. Budgetary Information

Budget Policy – Prior to September 1, the City Manager submits to the City council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budget and all supporting schedules are filed with the City Secretary when submitted to the City Council. Public hearings are conducted to obtain taxpayer comments. Prior to September 30, the budget is adopted by affirmative vote of a majority of the members of the City Council.

Annual operating budgets are prepared on a budgetary basis for the General Fund, debt service funds and all special revenue funds except for the Grants Fund, the TIF Fund, the COVID Relief fund, and the Other Special Revenue Fund. Budgetary data for capital projects funds is budgeted over the life of the respective project and not on an annual basis.

Budgetary Data – Budget amounts presented in the required supplementary information reflect the original budget and the amended budget, which has been adjusted for legally authorized revisions to the annual budget during the year. Appropriations, except remaining project appropriations and encumbrances, lapse at the end of each fiscal year.

Excess of Expenditures Over Appropriations – For the year ended September 30, 2020, expenditures exceeded appropriations in the following:

| <u>Fund/Department</u> | <u>Excess of Expenditures Over Appropriations</u> |
|------------------------|---|
| General Fund: | |
| General government: | |
| Legal | \$ 174,560 |
| Judicial | 3,616 |
| Support services | 12,690 |
| Public safety: | |
| Municipal court | 33,125 |

These excess expenditures were funded by revenues in excess of expenditures in other departments or by available fund balance.

G. Accounting Pronouncements

The GASB has issued the following statements which will be effective in future years as described below:

Statement No. 84 ("GASB 84"), *Fiduciary Activities* is effective for reporting periods beginning after December 15, 2019. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Statement No. 87 ("GASB 87"), *Leases* is effective for reporting periods beginning after December 15, 2020. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Statement No. 89 ("GASB 89"), *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for reporting periods beginning after December 15, 2020. The objectives of this statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Statement No. 90 ("GASB 90"), *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61* is effective for reporting periods beginning after December 15, 2019. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Statement No. 91 ("GASB 91"), *Conduit Debt Obligations* is effective for reporting periods beginning after December 15, 2021. The objectives of this statement are 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.

Statement No. 92 ("GASB 92"), *Omnibus 2020* is generally effective for reporting periods beginning after June 15, 2021. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The City has not yet determined the impact of implementation of the new standards.

H. Oil and Gas Royalties

The City receives royalties related to various oil and gas leases for which the City acts as lessor. The royalties are generally payable to the City when production begins at the lease site, and revenue is recognized at the time the royalty is earned and considered measurable and available if received within 60 days of year-end.

2. CASH AND INVESTMENTS

A. Cash deposits with financial institutions

State statutes authorize the City's cash to be deposited in demand deposits, time deposits, or certificates of deposit, and require that all deposits be fully collateralized or insured.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy requires that all deposits with financial institutions must be collateralized to the extent not protected by FDIC insurance.

At September 30, 2020, the carrying amount of the City's deposits was \$1,488,905. The bank balances were entirely covered either by Federal Depository Insurance or by collateral held by the City's agent in the City's name.

B. Investments

In accordance with the Texas Public Funds Investment Act and the City's investment policy, the City invests in:

- a. Obligations of the United States or its agencies or instrumentalities.
- b. Fully insured or collateralized certificates of deposit at commercial banks and savings and loan associations.
- c. SEC registered, no load money market funds in accordance with state law.
- d. Eligible statewide investment pools authorized by the City Council.
- e. Repurchase Agreements (direct security repurchase agreements and reverse repurchase agreements in accordance with state law) collateralized by U.S. Treasury or U.S. Government Agency Securities.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles, which provides a framework for measuring fair value by establishing a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Of the City's investments, \$1,507,378 was valued using an option-adjusted discount cash flow model and \$1,527,754 was valued using documented trade history in the exact security.

As of September 30, 2020, the City had the following cash and investments:

| | 9/30/2020 | Fair Value Measurement Using | | | Percent of Total Investment Portfolio | Weighted Average Maturity (Days) |
|--|-----------------------|------------------------------|---------------------|-------------|---------------------------------------|----------------------------------|
| | | (Level 1) | (Level 2) | (Level 3) | | |
| Cash | \$ 1,497,173 | | | | | |
| Investments measured at net asset value per share: | | | | | | |
| Investment pools: | | | | | | |
| TexPool | 10,019,356 | | | | 8.4% | 38 |
| TexPool Prime | 14,611,407 | | | | 12.2% | 49 |
| TexStar | 7,027,047 | | | | 5.9% | 44 |
| LOGIC | 79,174,261 | | | | 66.2% | 52 |
| Lone Star | 5,767,263 | | | | 4.8% | 40 |
| Investments by fair value level: | | | | | | |
| Debt securities: | | | | | | |
| FFCB | \$ 1,000,783 | \$ - | \$ 1,000,783 | \$ - | 0.8% | 546 |
| Municipal bonds | <u>2,034,349</u> | <u>-</u> | <u>2,034,349</u> | <u>-</u> | 1.7% | 1675 |
| Total investments | <u>119,634,466</u> | <u>-</u> | <u>3,035,132</u> | <u>-</u> | | |
| Total cash and investments | \$ <u>121,131,639</u> | \$ <u>-</u> | \$ <u>3,035,132</u> | \$ <u>-</u> | | |

Portfolio weighted average maturity (days) 81

Investment Pools

Investment pools are not categorized as to investment risk since specific securities relating to the City cannot be identified. Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accountants. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

Under the LOGIC Participation Agreement, administrative and investment services to LOGIC are provided by Hilltop Securities, Inc. and JP Morgan Asset Management, Inc. as co-administrators. The administrators settle all trades for LOGIC and secure and value its assets every day. The fair value of the City's position in these pools is the same as the value of the pool shares.

The City's investment pools each have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Interest Rate Risk

To limit interest and market rate risk from changes in interest rates, the City's adopted Investment Policy sets a maximum stated maturity limit of two years for operating funds. Non-operating funds on individual investment have a maximum maturity of three years. Debt service reserve funds have a stated maximum maturity of ten years. The Policy also sets a maximum maturity for debt service sinking funds of five years. The maximum weighted average maturity (WAM) is one year for operating funds and two years for non-operating funds.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized rating agency.

A primary stated objective of the City's adopted Investment Policy is the safety or principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy includes only time and demand deposits, repurchase agreements, SEC registered money market mutual funds, state and local obligations rated A by at least one nationally recognized securities rating agency (NRSRO) and statewide investment pools. Investments are made primarily in obligations of the US Government, its agencies, or instrumentalities.

State law and the City's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit (CD), to those banks and savings and loans doing business in the state of Texas and further requires full insurance or collateralized from these depositories (banks only).

Repurchase agreements are limited to those with defined termination dates with primary dealers (as defined by the Federal Reserve) and Texas banks.

The City's adopted Investment Policy restricts investment in SEC registered money market mutual funds striving to maintain a \$1 net asset value as defined by State law.

Local government investment pools in Texas are required to be rated AAA or equivalent by at least one nationally recognized securities rating organization. As of September 30, 2020, the City's investments in investment pools were all rated AAAM by Standard & Poor's.

As of September 30, 2020, the City's investments in U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by FNMA, FHLB, FHLMC, FFCB, and the SLMA) were rated AA by Standard and Poor's.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. It is the policy of the City to diversity its investment portfolios. Whenever practical, assets held in the common investment portfolio shall be diversified to minimize the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

Custodial Risk

To control custody and safekeeping risk, State law and the City's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of US Financial Institutions Resource and Recovery Enforcement Act ("FIRREA"). The counterparty of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margins daily.

C. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of September 30, 2020 for the City's individual major funds, and non-major funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

| | Governmental Funds | | | | | | | | |
|------------------------------------|---------------------|-----------------------------|-------------------------------|----------------------|---------------------------------------|---|----------------------------|--|--------------------------------|
| | General | BCSDC Special Revenue | 4A Corp Special Revenue | Parks Performance | Bond Funded Capital Projects | Mineral Lease Funded Capital Projects | General Debt Service | Other Nonmajor Governmental Funds | Total Governmental Funds |
| Receivables: | | | | | | | | | |
| Taxes | \$ 568,779 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 16,585 | \$ 84,022 | \$ 669,386 |
| Accounts | 1,206,080 | 1,595 | 1,989 | 11,897 | 257 | - | - | 31,714 | 1,253,532 |
| Intergovernmental | 1,887,811 | 949,943 | 949,943 | - | - | - | - | 1,490,617 | 5,278,314 |
| Interest | 1,222 | 7 | 85 | 25 | 49 | 108 | - | 691 | 2,187 |
| Gross receivables | <u>3,663,892</u> | <u>951,545</u> | <u>952,017</u> | <u>11,922</u> | <u>306</u> | <u>108</u> | <u>16,585</u> | <u>1,607,044</u> | <u>7,203,419</u> |
| Less: allowance for uncollectibles | (542,879) | - | - | - | - | - | (5,485) | (28,217) | (576,581) |
| Net total receivables | <u>\$ 3,121,013</u> | <u>\$ 951,545</u> | <u>\$ 952,017</u> | <u>\$ 11,922</u> | <u>\$ 306</u> | <u>\$ 108</u> | <u>\$ 11,100</u> | <u>\$ 1,578,827</u> | <u>\$ 6,626,838</u> |
| Deferred inflows of resources: | | | | | | | | | |
| Mowing liens | \$ 70,127 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 70,127 |
| Grants | - | - | - | - | - | - | - | 1,424,707 | 1,424,707 |
| Franchise fees | 458,549 | - | - | - | - | - | - | - | 458,549 |
| Total deferred inflows | <u>\$ 528,676</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,424,707</u> | <u>\$ 1,953,383</u> |

| | Enterprise Funds | | | | Enterprise Funds Total |
|------------------------------------|----------------------|-----------------|-------------------|------------------|------------------------|
| | Water and Wastewater | Golf Course | Solid Waste | Other Non-major | |
| Receivables: | | | | | |
| Accounts | \$ 1,845,770 | \$ 3,317 | \$ 320,564 | \$ 19,673 | \$ 2,189,324 |
| Unbilled | 1,041,240 | - | 182,929 | - | 1,224,169 |
| Interest | <u>1,283</u> | <u>4</u> | <u>158</u> | <u>143</u> | <u>1,588</u> |
| Gross receivables | 2,888,293 | 3,321 | 503,651 | 19,816 | 3,415,081 |
| Less: Allowance for uncollectibles | <u>(5,597)</u> | <u>-</u> | <u>(23,314)</u> | <u>(3,020)</u> | <u>(31,931)</u> |
| Net total receivables | <u>\$ 2,882,696</u> | <u>\$ 3,321</u> | <u>\$ 480,337</u> | <u>\$ 16,796</u> | <u>\$ 3,383,150</u> |

CAPITAL ASSETS

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

| | Beginning Balance | Transfers/ Additions | Transfers/ Deletions | Ending Balance |
|---|-----------------------|----------------------|------------------------|-----------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 32,243,204 | \$ 1,033,153 | \$ (158,338) | \$ 33,118,019 |
| Construction in progress | 16,702,667 | 9,415,291 | (7,697,123) | 18,420,835 |
| Historical/Artwork collections | <u>45,000</u> | <u>-</u> | <u>-</u> | <u>45,000</u> |
| Total capital assets not being depreciated | <u>48,990,871</u> | <u>10,448,444</u> | <u>(7,855,461)</u> | <u>51,583,854</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 49,171,548 | 86,938 | - | 49,258,486 |
| Improvements other than buildings | 40,801,154 | 840,169 | - | 41,641,323 |
| Infrastructure | 165,138,363 | 11,904,091 | - | 177,042,454 |
| Vehicles | 8,708,606 | 896,977 | (66,264) | 9,539,319 |
| Machinery and equipment | <u>16,278,017</u> | <u>1,136,501</u> | <u>(6,250)</u> | <u>17,408,268</u> |
| Total capital assets being depreciated | <u>280,097,688</u> | <u>14,864,676</u> | <u>(72,514)</u> | <u>294,889,850</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (10,624,087) | (988,019) | - | (11,612,106) |
| Improvements other than buildings | (12,062,584) | (1,619,270) | - | (13,681,854) |
| Infrastructure | (65,264,595) | (4,919,099) | - | (70,183,694) |
| Vehicles | (4,970,298) | (981,480) | 60,264 | (5,891,514) |
| Machinery and equipment | <u>(11,903,783)</u> | <u>(1,002,382)</u> | <u>6,250</u> | <u>(12,899,915)</u> |
| Total accumulated depreciation | <u>(104,825,347)</u> | <u>(9,510,250)</u> | <u>66,514</u> | <u>(114,269,083)</u> |
| Total capital assets being depreciated, net | <u>175,272,341</u> | <u>5,354,426</u> | <u>(6,000)</u> | <u>180,620,767</u> |
| Governmental activities capital assets, net | <u>\$ 224,263,212</u> | <u>\$ 15,802,870</u> | <u>\$ (7,861,461)</u> | <u>\$ 232,204,621</u> |

| | Beginning Balance | Transfers/ Additions | Transfers/ Deletions | Ending Balance |
|--|-----------------------|-------------------------|-------------------------|-----------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 5,277,737 | \$ 5,800 | \$ - | \$ 5,283,537 |
| Construction in progress | <u>11,273,179</u> | <u>2,250,838</u> | <u>(6,995,670)</u> | <u>6,528,347</u> |
| Total capital assets not being depreciated | <u>16,550,916</u> | <u>2,256,638</u> | <u>(6,995,670)</u> | <u>11,811,884</u> |
| Capital assets being depreciated: | | | | |
| Water systems | 62,557,204 | 7,270,852 | - | 69,828,056 |
| Wastewater systems | 55,643,496 | 2,083,227 | - | 57,726,723 |
| Infrastructure | 30,524 | - | - | 30,524 |
| Buildings and improvements | 7,431,950 | - | - | 7,431,950 |
| Machinery and equipment | 880,265 | 49,000 | (9,000) | 920,265 |
| Vehicles | 3,098,073 | 29,965 | (35,195) | 3,092,843 |
| Intangible assets | 3,047,865 | - | - | 3,047,865 |
| Capitalized interest | <u>895,963</u> | <u>-</u> | <u>-</u> | <u>895,963</u> |
| Total capital assets being depreciated | <u>133,585,340</u> | <u>9,433,044</u> | <u>(44,195)</u> | <u>142,974,189</u> |
| Less accumulated depreciation for: | | | | |
| Water systems | (17,877,414) | (1,373,030) | - | (19,250,444) |
| Wastewater systems | (13,325,702) | (1,137,569) | - | (14,463,271) |
| Infrastructure | (28,692) | (1,679) | - | (30,371) |
| Buildings and improvements | (3,849,611) | (184,656) | - | (4,034,267) |
| Machinery and equipment | (842,262) | (22,360) | 9,000 | (855,622) |
| Vehicles | (1,885,211) | (225,462) | 35,195 | (2,075,478) |
| Intangible assets | (1,490,238) | (60,065) | - | (1,550,303) |
| Capitalized interest | <u>(204,479)</u> | <u>(19,261)</u> | <u>-</u> | <u>(223,740)</u> |
| Total accumulated depreciation | <u>(39,503,609)</u> | <u>(3,024,082)</u> | <u>44,195</u> | <u>(42,483,496)</u> |
| Total capital assets being depreciated, net | <u>94,081,731</u> | <u>6,408,962</u> | <u>-</u> | <u>100,490,693</u> |
| Business-type activities capital assets, net | <u>\$ 110,632,647</u> | <u>\$ 8,665,600</u> | <u>\$ (6,995,670)</u> | <u>\$ 112,302,577</u> |

Because the City maintains an internal service fund solely for the purpose of servicing business-type activities of the City, capital assets in this schedule are not equal to those reported in the statement of net position for proprietary funds. The net value of capital assets in the Proprietary Vehicle Replacement fund is \$1,017,366 and is included in the above schedule.

Depreciation expense was charged to functions/programs as follows:

| | |
|---|---------------------|
| Governmental activities: | |
| General government | \$ 189,260 |
| Public safety | 1,482,022 |
| Public works, which includes the depreciation of general infrastructure assets | 6,714,129 |
| Culture and recreation | <u>1,124,839</u> |
| Total governmental activities depreciation | <u>\$ 9,510,250</u> |
| Business-type activities: | |
| Water and wastewater | \$ 2,692,878 |
| Golf course | 93,174 |
| Solid waste disposal and collection | 1,945 |
| Cemetery | 10,625 |
| Vehicle replacement fund | <u>225,460</u> |
| Total business-type activities depreciation | <u>\$ 3,024,082</u> |

CAPITAL LEASES

In a prior year, the City entered into a lease agreement as lessee to finance an energy efficiency performance contract with Johnson Controls, Inc. (JCI) with no down payment. Proposed energy improvements in this contract included lighting and controls, water conservation, HVAC improvements, and power management. Costs associated with this lease were to be partially covered by utility savings that were guaranteed by JCI through the energy efficiency contract.

In a prior year, the City entered into a lease agreement as lessee for financing the acquisition of a fire truck for the fire department.

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

See the long-term debt note for the future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020.

The assets acquired through these capital leases are as follows:

| | Governmental Activities | Business-Type Activities |
|--------------------------------|----------------------------|-----------------------------|
| Asset: | | |
| Machinery and equipment | \$ 1,507,708 | \$ 107,677 |
| Infrastructure | 592,423 | 30,524 |
| Less: Accumulated depreciation | (1,313,594) | (138,049) |
| Total | \$ 786,537 | \$ 152 |

D. INTERFUND BALANCES AND TRANSACTIONS

1. Interfund Receivables/Payables

The composition of interfund balances as of September 30, 2020, is as follows:

| Receivable Fund | Payable Fund | Total |
|-----------------|-----------------------|--------------|
| General Fund | Parks Performance | \$ 217,144 |
| General Fund | Nonmajor Governmental | 1,407,861 |
| Total | | \$ 1,625,005 |

The outstanding balances between funds result 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.

2. Interfund Transfers

Interfund transfers during the year ended September 30, 2020, were as follows:

| Transfers out: | Transfers in: | Amount |
|--------------------------------------|------------------------|---------------|
| 4A Corp Special Revenue | General Debt Service | \$ 1,017,031 |
| 4A Corp Special Revenue | Nonmajor governmental | 2,126,922 |
| BCSDC Special Revenue | Nonmajor governmental | 75,000 |
| BCSDC Special Revenue | Nonmajor enterprise | 1,618,828 |
| BCSDC Special Revenue | Nonmajor governmental | 1,819,875 |
| BCSDC Special Revenue | Parks Performance | 1,338,395 |
| Bond Funded Capital Projects | Nonmajor governmental | 303,777 |
| General Fund | Nonmajor governmental | 349,474 |
| General Fund | Water & Wastewater | 200,000 |
| General Fund | Internal service funds | 11,000 |
| General Fund | Internal service funds | 23,000 |
| Internal service funds | Water & Wastewater | 900,000 |
| Mineral Lease Funded Capital Project | Water & Wastewater | 452,000 |
| Nonmajor governmental | BCSDC Special Revenue | 779,713 |
| Nonmajor governmental | General Debt Service | 786,477 |
| Nonmajor governmental | Nonmajor governmental | 74,283 |
| Nonmajor governmental | Nonmajor governmental | 244,677 |
| Nonmajor governmental | Water & Wastewater | 240,000 |
| Water & Wastewater | General Fund | 742,560 |
| Total | | \$ 13,103,012 |

Transfers are used to (1) move revenues collected in the special revenue funds to finance various programs in accordance with budgetary authorizations, (2) move receipts restricted for debt service from the funds collecting the receipts to a debt service fund as debt service payments become due, (3) transfer additional funds to the Golf Course (4) and pay the water and solid waste utilities' payments in lieu of taxes. In the government-wide financial statements, interfund transfers are eliminated within the governmental activities column and business-type column, as appropriate.

3. Cost Reimbursements

The cost of the City's central general and administrative services is allocated to the designated special revenue and enterprise funds. These costs are reported as interfund services provided and used rather than interfund transactions and are treated as revenues in the General fund and expenses (expenditures) in the other funds. Interfund services provided and used are "arms-length" transactions between departments or funds that would be treated as revenues, expenditures, or expenses if they were with an external organization. The distinguishing aspects of interfund services provided and used are that each department or fund both gives and receives consideration.

Significant cost reimbursements made to the General Fund during the year were as follows:

| <u>Fund</u> | <u>Amount</u> |
|-------------------------|---------------------|
| Water and Wastewater | \$ 1,349,745 |
| 4A Corp Special Revenue | 248,658 |
| Parks Performance Fund | 335,600 |
| Hotel Motel | 26,000 |
| Golf Course | 117,000 |
| Solid Waste | <u>247,600</u> |
| Total | <u>\$ 2,324,603</u> |

4. Franchise Fees

The City's enterprise funds, which use the public rights-of-way, pay franchise fees to the General Fund as if they were organizations separate from the City. These fees are not taxes but are compensation to the City for the use of the City's streets and public rights-of-way. These payments are reported as interfund services provided and used rather than interfund transactions and are treated as revenue (reported as franchise fees) in the General Fund and expenses in the enterprise funds. Such fees paid during the year were:

| <u>Fund</u> | <u>Amount</u> |
|----------------------|---------------------|
| Water and Wastewater | \$ 847,600 |
| Solid Waste | <u>387,698</u> |
| Total | <u>\$ 1,235,298</u> |

5. Payments in Lieu of Property Taxes

For fiscal year 2020, the Water and Wastewater fund made a \$742,560 payment in lieu of property taxes to the General Fund. The payment is calculated by applying the City's property tax rate to the net book value of the enterprise fund's capital assets.

E. LONG-TERM DEBT AND OBLIGATIONS

1. General Obligation Bonds and Certificates of Obligation

The City issues general obligation bonds and certificates of obligation for the purpose of providing funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation are issued for both governmental activities and business-type activities and are direct obligations issued on a pledge of the general taxing power for payment of the debt obligations of the City.

In the current year, the City issued Series 2020 General Obligation Refunding Bonds in the amount of \$4,445,000 in the governmental activities. The bonds carry an interest rate of 5%. The proceeds were used to advance refund \$5,210,000 of General Obligation Refunding and Improvement Bonds, Series 2010. The net proceeds of \$5,382,228 (including a premium of \$937,228 net of the costs of issuance) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the 2010 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The advance refunding reduced the City's total debt service payments by \$814,077 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$773,967.

In the current year, the City issued Series 2020 Combination Tax and Revenue Certificates of Obligation in the amount of \$7,650,000, split between the governmental activities and business-type activities. The bonds carry interest rates ranging from 2% to 5% and the proceeds will be used for the construction of improvements and extensions to the City's waterworks and sewer system; improvements to streets and public mobility plan and infrastructure, including traffic signal improvements, median improvements, and the acquisition of right-of-way throughout the City; and the purchase of fire apparatuses.

2. Revenue Bonds

Water and sewer revenue bonds are issued for the purpose of financing the acquisition and construction of major capital improvements for the water and sewer system and related facilities secured by a pledge of the net revenues of the water and sewer system.

Long-term debt transactions, including current portion, for the year ended September 30, 2020, are summarized as follows:

| | Beginning Balance | Increased | Refunded/ Retired | Ending Balance | Due Within One Year |
|--|-----------------------|----------------------|----------------------|-----------------------|------------------------|
| <i>Governmental activities:</i> | | | | | |
| General obligation bonds | \$ 58,076,855 | \$ 4,445,000 | \$ 10,483,070 | \$ 52,038,785 | \$ 5,469,357 |
| Certificates of obligation | 39,880,000 | 3,560,000 | 1,565,000 | 41,875,000 | 1,830,000 |
| Sales tax revenue bonds | 1,615,000 | - | 790,000 | 825,000 | 825,000 |
| Compensated absences | 5,182,492 | 2,830,783 | 2,478,098 | 5,535,177 | 1,383,794 |
| Capital leases | 624,428 | - | 101,102 | 523,326 | 107,992 |
| Premium on debt | <u>6,294,038</u> | <u>1,585,693</u> | <u>1,033,187</u> | <u>6,846,544</u> | <u>-</u> |
| Governmental activities long-term debt | <u>\$ 111,672,813</u> | <u>\$ 12,421,476</u> | <u>\$ 16,450,457</u> | <u>\$ 107,643,832</u> | <u>\$ 9,616,143</u> |
| <i>Business-type activities:</i> | | | | | |
| General obligation bonds | \$ 17,638,144 | \$ - | \$ 2,371,929 | \$ 15,266,215 | \$ 2,365,643 |
| Certificates of obligation | 39,665,000 | 4,090,000 | 1,740,000 | 42,015,000 | 1,950,000 |
| Water & sewer revenue bonds | 3,095,000 | - | 195,000 | 2,900,000 | 200,000 |
| Compensated absences | 367,026 | 156,744 | 309,560 | 214,210 | 54,144 |
| Capital leases | 2,326 | - | 2,326 | - | - |
| Premium on debt | <u>3,002,559</u> | <u>716,179</u> | <u>451,252</u> | <u>3,267,486</u> | <u>-</u> |
| Business-type activities long-term debt | <u>\$ 63,770,055</u> | <u>\$ 4,962,923</u> | <u>\$ 5,070,067</u> | <u>\$ 63,662,911</u> | <u>\$ 4,569,787</u> |

Premium on debt is amortized over the life of the debt using the effective interest method.

The City's direct borrowings (capital leases) related to governmental and business-type activities are secured with equipment as collateral.

The City's outstanding certificates of obligations and revenue bonds related to governmental and business-type activities are secured with property tax revenue.

The revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish and maintain the revenue bond funds. Should the City default on these bonds, any registered owner of the certificates is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the City.

Bonds payable at September 30, 2020, is comprised of the following individual issues:

| | Interest Rate % | Issue Date | Maturity Date | Original Issue | Amount Outstanding |
|-------------------------------------|--------------------|---------------|------------------|-----------------------|-----------------------|
| <i>Governmental Activities:</i> | | | | | |
| General obligation bonds: | | | | | |
| 2012 Series | 2.00-4.00 | 5/16/2012 | 5/16/2032 | \$ 5,040,000 | \$ 3,790,000 |
| 2014 Series | 2.00-4.00 | 7/2/2014 | 3/1/2034 | 19,558,570 | 12,108,785 |
| 2015 Series | 1.00-5.00 | 4/20/2015 | 3/1/2035 | 12,150,000 | 8,730,000 |
| 2016 Series | 2.00-5.00 | 6/6/2016 | 3/1/2036 | 25,135,000 | 21,035,000 |
| 2017 Series | 2.50-4.00 | 7/17/2017 | 3/1/2037 | 2,155,000 | 1,930,000 |
| 2020 Series | 5.00 | 8/19/2020 | 3/1/2030 | <u>4,445,000</u> | <u>4,445,000</u> |
| Total general obligated bonds | | | | <u>68,483,570</u> | <u>52,038,785</u> |
| Certificates of Obligation: | | | | | |
| 2013 Tax and Revenue | 2.00-3.00 | 5/1/2013 | 3/1/2033 | \$ 4,620,000 | \$ 3,250,000 |
| 2014 Tax and Revenue | 2.00-4.00 | 7/2/2014 | 3/1/2034 | 4,685,000 | 3,675,000 |
| 2015 Tax and Revenue | 1.00-5.00 | 4/20/2015 | 3/1/2035 | 6,565,000 | 5,420,000 |
| 2016 Tax and Revenue | 2.00-5.00 | 6/6/2016 | 3/1/2036 | 3,855,000 | 3,305,000 |
| 2017 Tax and Revenue | 2.50-4.00 | 7/17/2017 | 3/1/2037 | 2,810,000 | 2,495,000 |
| 2018 Tax and Revenue | 3.50-4.00 | 5/16/2018 | 3/1/2038 | 13,745,000 | 12,915,000 |
| 2019 Tax and Revenue | 3.00-5.00 | 5/6/2019 | 3/1/2039 | 7,415,000 | 7,255,000 |
| 2020 Tax and Revenue | 2.00-5.00 | 8/19/2020 | 3/1/2040 | <u>3,560,000</u> | <u>3,560,000</u> |
| Total certificates of obligation | | | | <u>47,255,000</u> | <u>41,875,000</u> |
| Sales tax revenue bonds: | | | | | |
| 2010 Sales Tax Revenue bonds | 2.00-4.00 | 5/1/2010 | 9/1/2021 | \$ <u>8,565,000</u> | \$ <u>825,000</u> |
| Total Sales Tax Revenue bonds | | | | <u>8,565,000</u> | <u>825,000</u> |
| Total governmental activities | | | | <u>\$ 124,303,570</u> | <u>\$ 94,738,785</u> |
| <i>Business-type Activities:</i> | | | | | |
| General obligation bonds: | | | | | |
| 2011 Water & Sewer refunding | 4.00-4.375 | 5/1/2011 | 3/1/2027 | \$ 10,770,000 | \$ 4,530,000 |
| 2014 Golf Course refunding | 2.00-4.00 | 7/2/2014 | 3/1/2034 | 3,006,430 | 1,686,215 |
| 2015 Water & Sewer refunding | 1.00-5.00 | 4/20/2015 | 3/1/2035 | 10,730,000 | 6,695,000 |
| 2016 Water & Sewer refunding | 2.00-5.00 | 6/6/2016 | 3/1/2036 | <u>4,435,000</u> | <u>2,355,000</u> |
| Total general obligated bonds | | | | <u>28,941,430</u> | <u>15,266,215</u> |
| Certificates of Obligation: | | | | | |
| 2011 Tax and Revenue | 4.00-4.375 | 5/1/2011 | 3/1/2031 | \$ 7,075,000 | \$ 4,605,000 |
| 2013 Tax and Revenue | 2.00-3.00 | 5/1/2013 | 3/1/2033 | 2,160,000 | 1,520,000 |
| 2014 Tax and Revenue | 2.00-4.00 | 7/2/2014 | 3/1/2034 | 5,480,000 | 4,285,000 |
| 2015 Tax and Revenue | 1.00-5.00 | 4/20/2015 | 3/1/2035 | 4,855,000 | 4,000,000 |
| 2016 Tax and Revenue | 2.00-5.00 | 6/6/2016 | 3/1/2036 | 5,750,000 | 4,925,000 |
| 2017 Tax and Revenue | 2.50-4.00 | 7/17/2017 | 3/1/2037 | 7,400,000 | 6,580,000 |
| 2018 Tax and Revenue | 3.50-4.00 | 5/16/2018 | 3/1/2038 | 8,135,000 | 7,640,000 |
| 2019 Tax and Revenue | 3.00-5.00 | 5/6/2019 | 3/1/2038 | 4,470,000 | 4,370,000 |
| 2020 Tax and Revenue | 2.00-5.00 | 8/19/2020 | 3/1/2040 | <u>4,090,000</u> | <u>4,090,000</u> |
| Total certificates of obligation | | | | <u>49,415,000</u> | <u>42,015,000</u> |
| Water and sewer revenue bonds | | | | | |
| 2012 Improvement | 2.00-4.00 | 4/15/2012 | 3/1/2032 | \$ <u>4,300,000</u> | \$ <u>2,900,000</u> |
| Total water and sewer revenue bonds | | | | <u>4,300,000</u> | <u>2,900,000</u> |
| Total business-type activities | | | | <u>\$ 82,656,430</u> | <u>\$ 60,181,215</u> |

The annual requirements to amortize all debt outstanding as of September 20, 2020, are as follows:

| Year Ending September 30, | Governmental Activities | | | | | | | |
|------------------------------|-------------------------|----------------|-------------------------------|----------------|-------------------------------|-----------------|-------------------|------------------------------|
| | General Obligation | GO Interest | Certificates of Obligation | CO Interest | Sales Tax Revenue Bonds | STR Interest | Capital Leases | Capital Lease Interest |
| 2021 | \$ 5,469,357 | \$ 2,120,009 | \$ 1,830,000 | \$ 1,550,420 | \$ 825,000 | \$ 33,000 | \$ 57,897 | \$ 18,107 |
| 2022 | 5,337,571 | 1,904,407 | 1,905,000 | 1,475,419 | - | - | 59,901 | 16,104 |
| 2023 | 5,545,143 | 1,688,052 | 1,990,000 | 1,399,769 | - | - | 61,973 | 14,031 |
| 2024 | 5,781,428 | 1,456,909 | 2,060,000 | 1,317,150 | - | - | 64,118 | 11,887 |
| 2025 | 6,160,286 | 1,215,912 | 2,150,000 | 1,228,688 | - | - | 66,336 | 9,668 |
| 2026-2030 | 16,810,000 | 3,039,313 | 12,205,000 | 4,702,303 | - | - | 213,101 | 14,914 |
| 2031-2035 | 6,265,000 | 715,800 | 13,375,000 | 2,182,500 | - | - | - | - |
| 2036-2040 | 670,000 | 17,316 | 6,360,000 | 335,663 | - | - | - | - |
| Total | \$ 52,038,785 | \$ 12,157,718 | \$ 41,875,000 | \$ 14,191,912 | \$ 825,000 | \$ 33,000 | \$ 523,326 | \$ 84,711 |

| Year Ending September 30, | Business-Type Activities | | | | | |
|------------------------------|--------------------------|----------------|-------------------------------|----------------|--|-------------------------------------|
| | General Obligation | GO Interest | Certificates of Obligation | CO Interest | Water and Wastewater Revenue Bonds | Water and Wastewater Interest |
| 2021 | \$ 2,365,643 | \$ 614,472 | \$ 1,950,000 | \$ 1,582,086 | \$ 200,000 | \$ 101,900 |
| 2022 | 2,442,429 | 522,386 | 2,025,000 | 1,503,895 | 205,000 | 96,325 |
| 2023 | 2,554,857 | 417,966 | 2,110,000 | 1,425,270 | 210,000 | 90,100 |
| 2024 | 2,663,572 | 303,460 | 2,205,000 | 1,337,951 | 220,000 | 83,650 |
| 2025 | 2,344,714 | 192,306 | 2,290,000 | 1,242,948 | 225,000 | 76,975 |
| 2026-2030 | 2,895,000 | 150,581 | 13,015,000 | 4,658,521 | 1,260,000 | 246,000 |
| 2031-2035 | - | - | 12,860,000 | 1,993,894 | 580,000 | 23,400 |
| 2036-2040 | - | - | 5,560,000 | 270,718 | - | - |
| Total | \$ 15,266,215 | \$ 2,201,171 | \$ 42,015,000 | \$ 14,015,283 | \$ 2,900,000 | \$ 718,350 |

The ordinances authorizing the issuance of Water and Sewer serial bonds created the revenue bond debt service and retirement funds. The gross revenues of the waterworks system, after deduction of reasonable expenses of operation and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the revenue bond and emergency funds. At September 30, 2020, the minimum amount required by the ordinances for the revenue bond debt service and retirement funds had been accumulated.

The revenue bond ordinances also require that the City charge for services sufficient to produce net revenues, as defined, in an amount not less than 1.25 times the average annual principal and interest requirement. At September 30, 2020, this requirement had been met.

The ordinance authorizing the issuance of General Obligation Bonds created the Debt Service Fund. All taxes levied and collected for an on account of said bonds are pledged to the Debt Service Fund in amounts authorized by the City Council, but never less than annual maturing interest and principal requirements with the provision that the principal portion will never be less than 2% of the outstanding principal amount. At September 30, 2020, this requirement had been met.

Compensated absences are typically liquidated by the fund to which they relate.

F. WATER AND SEWER CONTRACT

On July 19, 2010, the City entered into a contract with the City of Fort Worth, Texas, for the purchase of treated water to be effective January 1, 2011, and to expire on September 30, 2031. This contract requires the City to pay varying amounts based on annual consumption rates established under the terms of the contract. During fiscal year 2020, the City purchased \$4,072,939 of treated water under the terms of this contract.

In 1987, the City entered a contract with the City of Fort Worth, Texas, for the transportation, treatment, and disposal of sanitary sewage. Under the terms of the contract, the City is required to make payments for sewage actually discharged based on rates and charges determined on an annual basis under the terms of the contract. During fiscal year 2020, the City paid \$4,245,119 for the treatment and disposal of sanitary sewage under the terms of this contract.

G. EMPLOYEES' RETIREMENT SYSTEM

1. Texas Municipal Retirement System

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

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

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

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

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 1996, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC), which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1996, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

| | |
|-----------------------------------|---|
| Employee deposit rate | 7% |
| Matching ratio (City to employee) | 2 to 1 |
| Years required for vesting | 5 |
| Service retirement eligibility | 20 years to any age, 5 years at age 60 and above |
| Updated service credit | 100% Repeating, Transfers |
| Annuity increase to retirees | 70% of CPI Repeating |

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

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 147 |
| Inactive employees entitled to but not yet receiving benefits | 169 |
| Active employees | <u>347</u> |
| Total | <u><u>663</u></u> |

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.55% and 15.61% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$4,060,293, and were equal to the required contributions.

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

Within the governmental activities, the General Fund generally liquidates the net pension liability. In the business-type activities, the net pension liability is liquidated by the Utility Fund.

Actuarial assumptions. The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|-------------------------------------|
| Inflation | 2.5% per year |
| Overall payroll growth | 3.50% to 11.50% including inflation |
| Investment Rate of Return | 6.75% |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males' rates multiplied by 109% and female rates multiplied by 103% 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 is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2019, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014, through December 31, 2018. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. 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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|-----------------------|-------------------|---|
| Global Equity | 30.00% | 5.30% |
| Core Fixed Income | 10.00% | 1.25% |
| Non-Core Fixed Income | 20.00% | 4.14% |
| Real Return | 10.00% | 3.85% |
| Real Estate | 10.00% | 4.00% |
| Absolute Return | 10.00% | 3.48% |
| Private Equity | <u>10.00%</u> | 7.75% |
| Total | <u>100.0%</u> | |

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

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balance at 12/31/2018 | \$ 102,728,470 | \$ 79,829,349 | \$ 22,899,121 |
| Changes for the year: | | | |
| Service cost | 4,309,779 | - | 4,309,779 |
| Interest | 6,966,885 | - | 6,966,885 |
| Difference between expected and actual experience | 658,640 | - | 658,640 |
| Changes of assumptions | 364,920 | - | - |
| Contributions - employer | - | 3,812,900 | (3,812,900) |
| Contributions - employee | - | 1,732,309 | (1,732,309) |
| Net investment income | - | 12,355,867 | (12,355,867) |
| Benefit payments, including refunds of employee contributions | (3,340,504) | (3,340,504) | - |
| Administrative expense | - | (69,735) | 69,735 |
| Other changes | - | (2,096) | 2,096 |
| Net changes | <u>8,959,720</u> | <u>14,488,741</u> | <u>(5,529,021)</u> |
| Balance at 12/31/2019 | <u>\$ 111,688,190</u> | <u>\$ 94,318,090</u> | <u>\$ 17,370,100</u> |

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

| | 1% Decrease in Discount Rate (5.75%) | Discount Rate (6.75%) | 1% Increase in Discount Rate (7.75%) |
|------------------------------|--------------------------------------|-----------------------|--------------------------------------|
| City's net pension liability | \$ 35,116,588 | \$ 17,370,100 | \$ 2,973,624 |

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. The report may be obtained on the Internet at www.tmrs.org.

Pension Expense and Deferred Outflows and Inflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2020, the City recognized pension expense of \$4,510,200. At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ 655,090 | \$ - |
| Changes in actuarial assumptions | 289,523 | 15,557 |
| Difference between projected and actual investment earnings | - | 2,836,101 |
| Contributions subsequent to the measurement date | <u>3,097,674</u> | <u>-</u> |
| Total | <u>\$ 4,042,287</u> | <u>\$ 2,851,658</u> |

\$3,097,674 reported as deferred outflows of resources related to pension 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, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|-------------------------------------|---------------|
| 2021 | \$(531,112) |
| 2022 | (551,571) |
| 2023 | 390,957 |
| 2024 | (1,215,319) |

H. OTHER POST-EMPLOYMENT BENEFIT PLANS

1. TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a single-employer defined benefit Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and 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.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other post-employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 107 |
| Inactive employees entitled to but not yet receiving benefits | 47 |
| Active employees | <u>347</u> |
| Total | <u><u>501</u></u> |

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.14% for 2019 and 0.14% for 2020, of which 0.02% and 0.02%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2020 and 2019 were \$5,207 and \$4,429, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

| | |
|----------------------------|-------------------------------------|
| Inflation rate | 2.50% per annum |
| Discount rate | 2.75% |
| Actuarial cost method | Entry Age Normal Method |
| Projected salary increases | 3.50% to 11.50% including inflation |

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

Salary increases were based on a service-related table.

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 4-year set-forward for males and 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 2.75% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2018.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.75%) in measuring the Total OPEB Liability.

| | 1% Decrease in Discount Rate (1.75%) | Discount Rate (2.75%) | 1% Increase in Discount Rate (3.75%) |
|----------------------|---|--------------------------|---|
| Total OPEB Liability | \$ 1,099,767 | \$ 883,169 | \$ 718,745 |

OPEB Liabilities, OPEB Expense, and Deferred Outflows and inflows of Resources Related to OPEBs. At September 30, 2020, the City reported a liability of \$883,169 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2019. For the year ended September 30, 2020, the City recognized OPEB expense of \$83,050. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Within the governmental activities, the General Fund generally liquidates the total OPEB liability. In the business-type activities, the total OPEB liability is liquidated by the Utility Fund.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| Balance at 12/31/2018 | \$ 685,845 |
| Changes for the year: | |
| Service cost | 37,047 |
| Interest | 26,040 |
| Difference between expected and actual experience | (17,286) |
| Changes of assumptions | 156,463 |
| Benefit payments | (4,940) |
| Net changes | <u>197,324</u> |
| Balance at 12/31/2019 | <u>\$ 883,169</u> |

At September 30, 2020, the City reported deferred outflows and inflows of resources related to other post-employment benefits from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ - | \$ 25,422 |
| Changes in actuarial assumptions | 166,741 | 40,059 |
| Contributions subsequent to the measurement date | <u>4,007</u> | <u>-</u> |
| Totals | <u>\$ 170,748</u> | <u>\$ 65,481</u> |

\$4,007 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>For the Year Ended September 30,</u> | <u>Amount</u> |
|---|---------------|
| 2021 | \$ 19,962 |
| 2022 | 19,962 |
| 2023 | 19,962 |
| 2024 | 17,070 |
| 2025 | 13,995 |
| Thereafter | 10,309 |

2. Post-retirement Healthcare Benefits

Plan Description. The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under City policy. This plan is administered by the City and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. To be eligible for this employer-provided subsidy, a participant must be at least age fifty-eight (58) and have at least twenty (20) or more years of service with the City. Eligible retirees may elect coverage that will include the same healthcare options offered to regular full-time employees at the same cost that the City pays for active employees. Retirees pay the same rate for coverage as employees pay if they are electing dependent coverage. Benefits commence at the first of the month following the day of retirement if the employee elects retiree or dependent coverage (at retiree's cost).

If an active employee passes away, the spouse and dependents will become eligible for retiree coverage if (1) the employee was eligible for retirement as defined by TMRS; and (2) the employee had dependent coverage at the time of death. The surviving spouse will continue to receive the benefits of the retiree health insurance program, at the rate charged for retiree only. If dependent children are already on the plan at the time of the retiree's death, the spouse may continue to cover the children (at retiree's spouse's cost).

Retirees are eligible for medical and prescription insurance until they become Medicare eligible. Since retirees pay the full premium for all other OPEB benefits (dental and vision), no liability is included in this valuation as no implicit subsidy exists for these benefits.

The number of employees currently covered by the benefit terms is as follows:

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 12 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active employees | <u>334</u> |
| Total | <u><u>346</u></u> |

Actuarial Assumptions. The Total OPEB Liability in the October 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|--|
| Inflation rate | 2.00% per annum |
| Salary increases | 2.50% per annum |
| Discount rate | 2.14% |
| Actuarial cost method | Entry Age Normal Method |
| Healthcare cost trend rates | 10.87% initial medical trend rate for pre-65 retirees decreasing to an ultimate rate of 3.60% in the year 2041 |

Mortality rates were updated and are based upon the sex distinct PUB 2010 general employee mortality table with mortality improvement scale MP-2019. Per capita costs for Pre-65 retirees were derived based upon the fully insured rates on a retiree-only experience basis. Medicare eligible retirees are assumed to rescind the City's plan and take Medicare coverage. Any Medicare Part D subsidy was not reflected in the estimate. The participation rate for future retirees is based upon years of service at retirement. Any participant that retires prior to age 50 is assumed to waive the City's healthcare plan. For any future retiree assumed to elect retiree healthcare, their spouse is assumed to waive coverage. 40% of retirees are assumed to drop coverage at the time the employer subsidy ends. The per capita claims costs include a 7% load for administrative expenses and a 10% load for stop loss premiums where both are assumed to escalate with the healthcare trend rates each year.

Discount Rate. The discount rate of 2.14% is based upon the yield of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The other financial assumptions for long-term inflation, payroll growth, and salary scale were taken from the TMRS actuary study. The per capita claims costs and how these costs are expected to escalate in the future were set by IPS Advisors who develop the funding rates.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.14%) in measuring the Total OPEB Liability.

| | <u>1% Decrease in Discount Rate (1.14%)</u> | <u>Discount Rate (2.14%)</u> | <u>1% Increase in Discount Rate (3.14%)</u> |
|----------------------|---|----------------------------------|---|
| Total OPEB Liability | \$ 4,840,737 | \$ 4,569,598 | \$ 4,202,136 |

Healthcare Cost Trend Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the healthcare cost trend rate used was 1% less than and 1% greater than the rate that was used (10.87%) in measuring the Total OPEB Liability.

| | <u>1% Decrease in Rate</u> | <u>Healthcare Cost Trend Rate</u> | <u>1% Increase in Rate</u> |
|----------------------|--------------------------------|---------------------------------------|--------------------------------|
| Total OPEB Liability | \$ 3,988,738 | \$ 4,569,608 | \$ 5,137,417 |

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2020, the City reported a liability of \$4,569,608 for its Total OPEB Liability for this plan. The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2018. For the year ended September 30, 2020, the City recognized OPEB expense of \$468,058. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Within the governmental activities, the General Fund generally liquidates the total OPEB liability. In the business-type activities, the total OPEB liability is liquidated by the Utility Fund.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| Balance at 9/30/19 | \$ 3,594,620 |
| Changes for the year: | |
| Service cost | 152,373 |
| Interest | 139,215 |
| Difference between expected and actual experience | 141,692 |
| Changes of assumptions | <u>541,708</u> |
| Net changes | <u>974,988</u> |
| Balance at 9/30/20 | <u>\$ 4,569,608</u> |

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

| | <u>Deferred Outflows of Resources</u> |
|---|---|
| Differences between expected and actual economic experience | \$ 331,729 |
| Changes in actuarial assumptions | <u>648,058</u> |
| Total | <u>\$ 979,787</u> |

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

| <u>For the Year Ended September 30,</u> | <u>Amount</u> |
|---|---------------|
| 2021 | \$ 176,470 |
| 2022 | 176,472 |
| 2023 | 176,472 |
| 2024 | 176,472 |
| 2025 | 139,834 |
| Thereafter | 134,067 |

I. DEFERRED COMPENSATION PLAN

The City participates in a deferred compensation plan which falls under Internal Revenue Code Section 475. Virtually all employees are eligible to participate in the plan. The deferred compensation plan allows the deferral of individual federal income taxes until funds are withdrawn. Funds may be withdrawn at termination, retirement, death or unforeseeable emergency. During the fiscal year 2020, employers or employees through salary reductions may contribute up to the limit of \$19,500 compensation on behalf of the participant under this plan. Employees age 50 or older may contribute up to an additional \$6,500, for a total of \$26,000. Employees taking advantage of the special pre-retirement catch-up may be eligible to contribute up to double the normal limit, for a total of \$39,000.

J. COMMITMENTS AND CONTINGENCIES

1. Contingencies

The City is a defendant in certain pending litigation. In the opinion of management, the potential claims against the City not covered by insurance would not materially affect the financial statements of the City.

The City has participated in a number of state and federally assisted grant programs. These programs were subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits it not believed to be material.

2. Construction Commitments

The City has active construction projects as of September 30, 2020. At year-end the City has \$9,332,763 of outstanding construction commitments.

3. Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| <u>Fund</u> | <u>Amount</u> |
|---------------------------------------|--------------------------|
| General | \$ 220,044 |
| Bond-Funded capital projects | 11,297,303 |
| 4A Corp special revenue | 68,406 |
| Mineral Lease Funded capital projects | 60,489 |
| Nonmajor governmental | 808,395 |
| Solid waste | 21,250 |
| Water & wastewater | 134,850 |
| Internal service | 577,718 |
| Cemetery | <u>6,250</u> |
| Total | <u>\$ 13,194,705</u> |

K. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has purchased commercial insurance to cover these general liabilities from the Texas Municipal League, a non-public entity risk pool. As an insured, the City is not obligated to reimburse the pool for losses. The TML risk pool is self-sustaining through annual member premiums and stop loss reinsurance coverage through various commercial insurers for excess claims. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years. Any losses reported, but unsettled or incurred and not reported, are believed to be insignificant to the City’s financial statements.

The City offers health coverage to its employees and retirees in a managed care plan administered by United Health Care and funded by the City with both employee and City contributions. The City retains risk for up to \$125,000 per covered enrollee per year and up to \$1,369,818 per period benefit, and transfers risk in excess of these amounts to a reinsurer. The City’s operating funds are charged with premiums for coverage provided by the Risk Management department based on approved annual budgets with adjustments based on estimates of the amounts needed to pay prior and current year claims. These interfund premiums are used to reduce the amount of actual expenditures.

L. TAX ABATEMENTS

The City enters into economic development agreements subject to the Burleson Economic Development Incentives Program adopted in 1993. Abatement incentives are provided in accordance with Chapter 312 of the Texas Tax Code.

- For the fiscal year ended September 30, 2020, the property tax abatement agreement with Jam Real Property provides a 75% tax abatement for 7 years, beginning in 2018 for development of a restaurant distribution facility. In fiscal year 2020, this agreement resulted in abated property taxes of \$6,244.

- For the fiscal year ended September 30, 2020, there was one property tax abatement agreement in place. The agreement with McLane Burleson Properties provides a 80% tax abatement for 10 years, starting now for development of a restaurant distribution facility. In fiscal year 2020, this agreement resulted in abated property taxes of \$106,606.
- For the fiscal year ended September 30, 2020, there was one property tax abatement agreement in place. The agreement with Chicken E Food Services provides a 75% tax abatement for 7 years, beginning in 2014 for development of a restaurant distribution facility. In fiscal year 2020, this agreement resulted in abated property taxes of \$38,595.
- For the fiscal year ended September 30, 2020, there was one property tax abatement agreement in place. The agreement with Chicken E Food Services provides a 75% tax abatement for 7 years, beginning in 2020 for development of a restaurant distribution facility. In fiscal year 2020, this agreement resulted in abated property taxes of \$263,842.

Other incentives are provided according to Chapter 380 of the Texas Local Government Code. These consist of incentives tied to a percentage of property taxes paid, a percentage of sales taxes generated, or some other metric such as employment. The agreements are presented here in aggregate.

- Property tax rebate incentives – \$267,523.
- Sales tax rebate incentives – \$224,028.
- Grant payments for meeting other performance targets – \$468,756.

M. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equity

As of year-end, the COVID Relief Fund had a deficit fund balance of \$1,424,708. The deficit was caused by expenditures not yet reimbursed by the granting agency. The deficit is expected to be cleared when resources are received in the subsequent fiscal year.

CITY OF BURLESON, TEXAS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | Actual Amounts GAAP Basis | Adjustments Budget Basis | Actual Amounts Budget Basis | Variance - |
|-----------------------------|-------------------|-------------------|------------------------------|-----------------------------|--------------------------------|------------------------|
| | Original | Final | | | | Positive (Negative) |
| REVENUES | | | | | | |
| Property taxes | \$ 20,201,931 | \$ 20,237,305 | \$ 20,378,819 | \$ - | \$ 20,378,819 | \$ 141,514 |
| Sales taxes | 9,990,000 | 9,988,647 | 10,491,590 | - | 10,491,590 | 502,943 |
| Franchise fees | 3,562,540 | 2,594,940 | 3,281,807 | - | 3,281,807 | 686,867 |
| Licenses and permits | 1,250,750 | 1,700,028 | 1,881,984 | - | 1,881,984 | 181,956 |
| Intergovernmental | 454,934 | 379,357 | 354,960 | - | 354,960 | (24,397) |
| Charges for services | 3,575,874 | 4,286,285 | 3,643,460 | - | 3,643,460 | (642,825) |
| Fines and forfeitures | 1,210,752 | 907,283 | 797,696 | - | 797,696 | (109,587) |
| Investment earnings | 400,000 | 317,710 | 198,422 | - | 198,422 | (119,288) |
| Miscellaneous | 766,750 | 862,780 | 738,122 | - | 738,122 | (124,658) |
| Total revenues | <u>41,413,531</u> | <u>41,274,335</u> | <u>41,766,860</u> | <u>-</u> | <u>41,766,860</u> | <u>492,525</u> |
| EXPENDITURES | | | | | | |
| General government: | | | | | | |
| City Council | 90,561 | 97,496 | 90,995 | - | 90,995 | 6,501 |
| City Manager's office | 646,724 | 664,629 | 641,938 | - | 641,938 | 22,691 |
| Legal | 349,005 | 369,150 | 543,962 | (252) | 543,710 | (174,560) |
| Communications | 351,563 | 493,251 | 444,613 | (32,750) | 411,863 | 81,388 |
| City Secretary's office | 630,653 | 636,492 | 626,862 | - | 626,862 | 9,630 |
| Records management | 129,707 | 125,525 | 105,837 | - | 105,837 | 19,688 |
| Judicial | 106,414 | 101,615 | 105,333 | (102) | 105,231 | (3,616) |
| Human resources | 535,284 | 496,795 | 472,044 | (2,240) | 469,804 | 26,991 |
| Finance | 1,144,835 | 1,324,820 | 1,276,473 | - | 1,276,473 | 48,347 |
| Tax | 370,298 | 379,580 | 379,580 | - | 379,580 | - |
| Support services | 179,482 | 112,784 | 125,529 | (55) | 125,474 | (12,690) |
| Purchasing | 90,835 | 94,516 | 93,709 | - | 93,709 | 807 |
| Non-Departmental | 1,202,767 | 583,993 | 549,717 | 8,750 | 558,467 | 25,526 |
| Risk management | 4,738,770 | 4,810,661 | 3,891,457 | (10,000) | 3,881,457 | 929,204 |
| Total general government | <u>10,566,898</u> | <u>10,291,307</u> | <u>9,348,049</u> | <u>(36,649)</u> | <u>9,311,400</u> | <u>979,907</u> |
| Public safety: | | | | | | |
| Police | 11,356,497 | 11,181,359 | 10,899,784 | (3,645) | 10,896,139 | 285,220 |
| Fire | 6,609,571 | 6,342,316 | 5,105,416 | (2,132) | 5,103,284 | 1,239,032 |
| Fire prevention | 670,438 | 571,992 | 401,671 | 750 | 402,421 | 169,571 |
| Emergency services | 237,031 | 216,038 | 197,455 | - | 197,455 | 18,583 |
| Animal services | 455,322 | 500,648 | 474,968 | (3,497) | 471,471 | 29,177 |
| Code enforcement | 295,599 | 278,770 | 262,819 | - | 262,819 | 15,951 |
| Municipal court | 318,143 | 319,100 | 352,225 | - | 352,225 | (33,125) |
| Marshals service | 354,651 | 281,365 | 277,027 | - | 277,027 | 4,338 |
| Total public safety | <u>20,297,252</u> | <u>19,691,588</u> | <u>17,971,365</u> | <u>(8,524)</u> | <u>17,962,841</u> | <u>1,728,747</u> |
| Public works: | | | | | | |
| Public works administration | 715,040 | 752,326 | 745,144 | - | 745,144 | 7,182 |
| Pavement maintenance | 2,904,380 | 2,494,398 | 2,441,965 | 2,000 | 2,443,965 | 50,433 |
| Drainage maintenance | 370,247 | 364,849 | 326,139 | - | 326,139 | 38,710 |
| Traffic control maintenance | 287,629 | 289,161 | 247,239 | (8,933) | 238,306 | 50,855 |
| Facilities maintenance | 762,487 | 765,464 | 687,203 | 8,541 | 695,744 | 69,720 |
| Total public works | <u>5,039,783</u> | <u>4,666,198</u> | <u>4,447,690</u> | <u>1,608</u> | <u>4,449,298</u> | <u>216,900</u> |
| Neighborhood services: | | | | | | |
| Neighborhood services | 205,350 | 254,434 | 228,644 | 3,720 | 232,364 | 22,070 |
| Environmental services | 329,517 | 291,105 | 279,890 | - | 279,890 | 11,215 |
| Total neighborhood services | <u>534,867</u> | <u>545,539</u> | <u>508,534</u> | <u>3,720</u> | <u>512,254</u> | <u>33,285</u> |

CITY OF BURLESON, TEXAS

D-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | Actual Amounts GAAP Basis | Adjustments Budget Basis | Actual Amounts Budget Basis | Variance - |
|--|----------------------|----------------------|------------------------------|-----------------------------|--------------------------------|------------------------|
| | Original | Final | | | | Positive (Negative) |
| Planning and engineering services: | | | | | | |
| Community Development | \$ 488,966 | \$ 456,407 | \$ 449,858 | \$ - | \$ 449,858 | \$ 6,549 |
| Planning | 707,800 | 353,620 | 330,618 | (110,161) | 220,457 | 133,163 |
| Building inspections | 595,481 | 608,229 | 577,840 | (4) | 577,836 | 30,393 |
| Engineering/capital | 595,566 | 161,392 | 134,952 | (20,469) | 114,483 | 46,909 |
| Engineering/development | - | 757,646 | 565,410 | 75,294 | 640,704 | 116,942 |
| Total planning and engineering services | <u>2,387,813</u> | <u>2,337,294</u> | <u>2,058,678</u> | <u>(55,340)</u> | <u>2,003,338</u> | <u>333,956</u> |
| Culture and recreation: | | | | | | |
| Library | 1,295,649 | 1,274,022 | 1,271,459 | (8,050) | 1,263,409 | 10,613 |
| Parks and recreation administration | 288,041 | 367,208 | 327,833 | - | 327,833 | 39,375 |
| Recreation | 245,786 | 279,346 | 251,679 | 9,500 | 261,179 | 18,167 |
| Parks maintenance | 1,266,410 | 1,265,985 | 1,182,151 | (3,120) | 1,179,031 | 86,954 |
| Senior Center | 188,413 | 175,076 | 149,703 | (3,291) | 146,412 | 28,664 |
| Total culture and recreation | <u>3,284,299</u> | <u>3,361,637</u> | <u>3,182,825</u> | <u>(4,961)</u> | <u>3,177,864</u> | <u>183,773</u> |
| Total expenditures | <u>42,110,912</u> | <u>40,893,563</u> | <u>37,517,141</u> | <u>(100,146)</u> | <u>37,416,995</u> | <u>3,476,568</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(697,381)</u> | <u>380,772</u> | <u>4,249,719</u> | <u>100,146</u> | <u>4,349,865</u> | <u>3,969,093</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 742,560 | 742,560 | 742,560 | - | 742,560 | - |
| Transfers out | (34,000) | (429,610) | (583,474) | - | (583,474) | 153,864 |
| Total other financing sources (uses) | <u>708,560</u> | <u>312,950</u> | <u>159,086</u> | <u>-</u> | <u>159,086</u> | <u>153,864</u> |
| NET CHANGE IN FUND BALANCE | 11,179 | 693,722 | 4,408,805 | 100,146 | 4,508,951 | 4,122,957 |
| FUND BALANCES - BEGINNING | <u>11,719,228</u> | <u>11,719,228</u> | <u>11,719,228</u> | <u>-</u> | <u>11,719,228</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 11,730,407</u> | <u>\$ 12,412,950</u> | <u>\$ 16,128,033</u> | <u>\$ 100,146</u> | <u>\$ 16,228,179</u> | <u>\$ 4,122,957</u> |

Explanation of differences:

Encumbrances at fiscal year-end
are recognized as expenditures for budget purposes \$ 100,146

CITY OF BURLESON, TEXAS

MAJOR SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | BCSDC Special Revenue | | | Variance Positive (Negative) |
|--|-----------------------|---------------------|---------------------|------------------------------------|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Sales taxes | \$ 5,067,000 | \$ 4,938,323 | \$ 5,335,740 | \$ 397,417 |
| Charges for services | - | - | - | - |
| Investment earnings | 35,000 | 35,134 | 35,720 | 586 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>5,102,000</u> | <u>4,973,457</u> | <u>5,371,460</u> | <u>398,003</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | 3,500 | 7,000 | 3,499 | 3,501 |
| Culture and recreation | - | - | - | - |
| Total expenditures | <u>3,500</u> | <u>7,000</u> | <u>3,499</u> | <u>3,501</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>5,098,500</u> | <u>4,966,457</u> | <u>5,367,961</u> | <u>401,504</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 779,713 | 779,713 | - |
| Transfers out | (4,797,091) | (5,762,735) | (4,852,098) | 910,637 |
| Sale of capital assets | - | - | - | - |
| Total other financing sources (uses) | <u>(4,797,091)</u> | <u>(4,983,022)</u> | <u>(4,072,385)</u> | <u>910,637</u> |
| NET CHANGE IN FUND BALANCE | 301,409 | (16,565) | 1,295,576 | 1,312,141 |
| FUND BALANCE - BEGINNING | <u>3,311,062</u> | <u>3,311,062</u> | <u>3,311,062</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 3,612,471</u> | <u>\$ 3,294,497</u> | <u>\$ 4,606,638</u> | <u>\$ 1,312,141</u> |

| 4A Corp Special Revenue | | | | Parks Performance Fund | | | |
|-------------------------|---------------------|---------------------|------------------------------|------------------------|---------------------|---------------------|------------------------------|
| Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| \$ 5,067,000 | \$ 4,938,323 | \$ 5,335,740 | \$ 397,417 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 2,248,500 | 952,625 | 960,673 | 8,048 |
| 59,000 | 50,507 | 51,468 | 961 | 12,000 | 9,519 | 9,828 | 309 |
| <u>155,625</u> | <u>155,625</u> | <u>189,795</u> | <u>34,170</u> | <u>5,000</u> | <u>5,000</u> | <u>3,725</u> | <u>(1,275)</u> |
| <u>5,281,625</u> | <u>5,144,455</u> | <u>5,577,003</u> | <u>432,548</u> | <u>2,265,500</u> | <u>967,144</u> | <u>974,226</u> | <u>7,082</u> |
| 1,752,333 | 2,017,043 | 1,927,665 | 89,378 | - | - | - | - |
| - | - | - | - | <u>3,935,998</u> | <u>3,723,454</u> | <u>3,296,126</u> | <u>427,328</u> |
| <u>1,752,333</u> | <u>2,017,043</u> | <u>1,927,665</u> | <u>89,378</u> | <u>3,935,998</u> | <u>3,723,454</u> | <u>3,296,126</u> | <u>427,328</u> |
| <u>3,529,292</u> | <u>3,127,412</u> | <u>3,649,338</u> | <u>521,926</u> | <u>(1,670,498)</u> | <u>(2,756,310)</u> | <u>(2,321,900)</u> | <u>434,410</u> |
| - | - | - | - | 1,531,000 | 1,772,804 | 1,338,395 | (434,409) |
| (2,047,331) | (3,420,962) | (3,143,953) | 277,009 | - | - | - | - |
| - | <u>1,872,402</u> | <u>1,872,402</u> | - | - | - | - | - |
| <u>(2,047,331)</u> | <u>(1,548,560)</u> | <u>(1,271,551)</u> | <u>277,009</u> | <u>1,531,000</u> | <u>1,772,804</u> | <u>1,338,395</u> | <u>(434,409)</u> |
| 1,481,961 | 1,578,852 | 2,377,787 | 798,935 | (139,498) | (983,506) | (983,505) | 1 |
| <u>5,415,295</u> | <u>5,415,295</u> | <u>5,415,295</u> | <u>-</u> | <u>983,505</u> | <u>983,505</u> | <u>983,505</u> | <u>-</u> |
| \$ <u>6,897,256</u> | \$ <u>6,994,147</u> | \$ <u>7,793,082</u> | \$ <u>798,935</u> | \$ <u>844,007</u> | \$ <u>(1)</u> | \$ <u>-</u> | \$ <u>1</u> |

CITY OF BURLESON, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY SCHEDULES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

BUDGETARY INFORMATION - The City follows these procedures annually in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following October 1st. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to October 1st, the budget is legally adopted through passage of an ordinance. This budget is reported as the Original Budget in the budgetary comparison schedules.
4. During the fiscal year, changes to the adopted budget may be authorized as follows:
 - a. Items requiring City Council action – appropriation of fund balance commitments; transfers of appropriations between funds; transfers between departments within funds; new interfund loans or advances; and creation of new capital projects or increases to existing capital projects.
 - b. Items delegated to the City Manager – transfers within departments.
5. Annual budgets are legally adopted and amended as required for the General Fund, the following special revenue funds: the BCSDC Special Revenue Fund, the 4A Corp Special Revenue Fund, the Parks Performance Fund and the Hotel/Motel Fund, enterprise funds and internal service funds. Project-length budgets are adopted for the capital project funds. All budgets are prepared on a budgetary basis, and budgetary comparisons for the general and major special revenue funds are presented on this basis in the required supplementary information. A debt service payment schedule for the debt service funds is also approved as part of the budget process. The budget is based on the modified accrual basis of accounting with the exception of certain non-cash expenditure accruals, which are not budgeted.
6. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.
7. For each legally adopted operating budget, expenditures should not exceed budgeted appropriations at the fund level. However, the legal appropriation basis for the General Fund is at the department level. Encumbrance accounting, under which purchase orders, contracts, and the other commitments are recorded to reserve the applicable appropriations, is employed in governmental funds. The City does, however, honor the contracts represented by year-end encumbrances and the subsequent year's appropriations provide authority to complete these transactions.

THE CITY OF
BURLESON
TEXAS

CITY OF BURLESON, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| Plan Year | <u>2014</u> | <u>2015</u> |
|--|----------------------|----------------------|
| A. Total pension liability | | |
| Service Cost | \$ 2,909,890 | \$ 3,299,052 |
| Interest (on the Total Pension Liability) | 4,907,692 | 5,311,694 |
| Difference between expected and actual experience | (42,330) | 96,222 |
| Change of assumptions | - | (200,754) |
| Benefit payments, including refunds of employee contributions | <u>(2,232,107)</u> | <u>(2,164,637)</u> |
| Net change in total pension liability | 5,543,145 | 6,341,577 |
| Total pension liability - beginning | <u>69,770,993</u> | <u>75,314,138</u> |
| Total pension liability - ending (a) | <u>\$ 75,314,138</u> | <u>\$ 81,655,715</u> |
| B. Plan fiduciary net position | | |
| Contributions - employer | \$ 2,850,708 | \$ 2,973,435 |
| Contributions - employee | 1,288,039 | 1,364,856 |
| Net investment income | 3,172,873 | 89,281 |
| Benefit payments, including refunds of employee contributions | (2,232,107) | (2,164,637) |
| Administrative expenses | (33,119) | (54,372) |
| Other | <u>(2,723)</u> | <u>(2,684)</u> |
| Net change in plan fiduciary net position | 5,043,671 | 2,205,879 |
| Plan fiduciary net position - beginning | <u>55,452,334</u> | <u>60,496,005</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 60,496,005</u> | <u>\$ 62,701,884</u> |
| C. Net pension liability - ending (a) - (b) | <u>\$ 14,818,133</u> | <u>\$ 18,953,831</u> |
| D. Plan fiduciary net position as a percentage of total pension liability | 80.32% | 76.79% |
| E. Covered payroll | \$ 18,400,559 | \$ 19,497,945 |
| F. Net pension liability as a percentage of covered payroll | 80.53% | 97.21% |

Notes to Schedule:

10 years of information is required to be provided in this schedule, but information prior to 2014 is not available.

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|----|-------------------|----------------------|-----------------------|-----------------------|
| \$ | 3,628,862 | \$ 3,745,062 | \$ 3,887,921 | \$ 4,309,779 |
| | 5,536,081 | 5,991,443 | 6,464,469 | 6,966,885 |
| | 324,293 | 34,315 | 37,485 | 658,640 |
| | - | - | - | 364,920 |
| (| <u>2,908,249)</u> | <u>(2,694,216)</u> | <u>(2,974,711)</u> | <u>(3,340,504)</u> |
| | 6,580,987 | 7,076,604 | 7,415,164 | 8,959,720 |
| | <u>81,655,715</u> | <u>88,236,702</u> | <u>95,313,306</u> | <u>102,728,470</u> |
| \$ | <u>88,236,702</u> | \$ <u>95,313,306</u> | \$ <u>102,728,470</u> | \$ <u>111,688,190</u> |
| \$ | 3,195,301 | \$ 3,326,528 | \$ 3,446,107 | \$ 3,812,900 |
| | 1,459,887 | 1,510,106 | 1,565,006 | 1,732,309 |
| | 4,240,199 | 9,518,399 | (2,405,770) | 12,355,867 |
| (| <u>2,908,249)</u> | <u>(2,694,216)</u> | <u>(2,974,711)</u> | <u>(3,340,504)</u> |
| (| 47,857) | (49,301) | (46,457) | (69,735) |
| (| <u>2,578)</u> | <u>(2,499)</u> | <u>(2,430)</u> | <u>(2,096)</u> |
| | 5,936,703 | 11,609,017 | (418,255) | 14,488,741 |
| | <u>62,701,884</u> | <u>68,638,587</u> | <u>80,247,604</u> | <u>79,829,349</u> |
| \$ | <u>68,638,587</u> | \$ <u>80,247,604</u> | \$ <u>79,829,349</u> | \$ <u>94,318,090</u> |
| \$ | <u>19,598,115</u> | \$ <u>15,065,702</u> | \$ <u>22,899,121</u> | \$ <u>17,370,100</u> |
| | 77.79% | 84.19% | 77.71% | 84.45% |
| \$ | 20,855,530 | \$ 21,572,943 | \$ 22,357,225 | \$ 24,697,874 |
| | 93.97% | 69.84% | 102.42% | 70.33% |

CITY OF BURLESON TEXAS

SCHEDULE OF PENSION CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| Fiscal Year | 2014 | 2015 |
|--|------------------|------------------|
| Actuarial determined contribution | \$ 2,801,196 | \$ 2,929,061 |
| Contributions in relation to the actuarially determined contribution | <u>2,801,196</u> | <u>2,929,061</u> |
| Contribution deficiency (excess) | - | - |
| Covered payroll | 18,190,435 | 19,127,256 |
| Contributions as a percentage of covered payroll | 15.40% | 15.31% |

Notes to Schedule:

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

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 26 years |
| Asset Valuation Method | 10 Year smoothed market; 12% soft corridor |
| Inflation | 2.50% |
| Salary Increases | 3.50% to 11.50% including inflation |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018. |
| Mortality | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

Other Information There were no benefit changes during the year.
10 years of information is required to be provided in this schedule, but information prior to 2014 is not available.

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|------------------|------------------|------------------|------------------|------------------|
| \$ 3,290,623 | \$ 3,270,142 | \$ 3,413,058 | \$ 3,710,515 | \$ 4,023,849 |
| <u>3,290,623</u> | <u>3,270,142</u> | <u>3,413,058</u> | <u>3,710,515</u> | <u>4,023,849</u> |
| - | - | - | - | - |
| 21,503,209 | 21,235,212 | 21,235,212 | 24,033,514 | 26,033,943 |
| 15.30% | 15.40% | 16.07% | 15.44% | 15.46% |

CITY OF BURLESON, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| Plan Year ended December 31, | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|----------------|----------------|----------------|
| A. Total OPEB Liability | | | |
| Service Cost | \$ 32,359 | \$ 40,243 | \$ 37,047 |
| Interest (on the Total OPEB Liability) | 22,672 | 23,726 | 26,040 |
| Difference between expected and actual experience | - | (15,410) | (17,286) |
| Changes of assumptions | 62,411 | (57,141) | 156,463 |
| Benefit payments, including refunds of employee contributions | (4,315) | (4,471) | (4,940) |
| Net change in Total OPEB Liability | 113,127 | (13,053) | 197,324 |
| Total OPEB Liability - beginning | <u>585,771</u> | <u>698,898</u> | <u>685,845</u> |
| Total OPEB liability - ending | <u>698,898</u> | <u>685,845</u> | <u>883,169</u> |
| B. Covered-employee payroll | | | |
| | \$ 21,572,943 | \$ 22,357,225 | \$ 24,697,874 |
| C. Total OPEB Liability as a percentage of covered-employee payroll | | | |
| | 3.24% | 3.07% | 3.58% |

Notes to Schedule:

This schedule is required to have 10 years of information, but information prior to 2017 is not available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

CITY OF BURLESON, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH CARE BENEFIT PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| Measurement Date September 30, | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|---------------------|---------------------|---------------------|
| A. Total OPEB Liability | | | |
| Service Cost | \$ 148,455 | \$ 152,883 | \$ 152,373 |
| Interest (on the Total OPEB Liability) | 118,786 | 128,811 | 139,215 |
| Difference between expected and actual experience | 326,732 | - | 141,692 |
| Changes of assumptions and other inputs | 256,399 | 52,121 | 541,708 |
| Benefit payments | (83,018) | (42,529) | - |
| Net change in Total OPEB Liability | <u>767,354</u> | <u>291,286</u> | <u>974,988</u> |
| Total OPEB Liability - beginning | <u>2,535,980</u> | <u>3,303,334</u> | <u>3,594,620</u> |
| Total OPEB liability - ending | <u>\$ 3,303,334</u> | <u>\$ 3,594,620</u> | <u>\$ 4,569,608</u> |
| B. Covered-employee payroll | \$ 18,416,233 | \$ 22,342,123 | \$ 22,779,945 |
| C. Total OPEB liability as a percentage of covered-employee payroll | 17.94% | 16.09% | 20.06% |

Notes to Schedule:

No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

This schedule is required to have 10 years of information, but information prior to 2018 is not available.

COMBINING FINANCIAL STATEMENTS NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used by the City to account for revenues derived from specific taxes, fees, donations, and grants which are designated to finance particular functions or activities of the City. The City has four nonmajor special revenue funds which include:

The **Hotel/Motel Tax Fund** – This fund is used to account for the receipts and allocation of the City's 7% room occupancy tax imposed on the rental of hotel/motel rooms located within the corporate city limits and extraterritorial jurisdiction of the City. These funds are used to promote tourism, conventions, and related activities within the City.

The **Grants Fund** – This fund accounts for various miscellaneous grants from federal, state or local governments.

The **Covid Relief Fund** - This fund accounts for the resources received from federal and state agencies to be used to react to the COVID-19 pandemic.

The **Tax Increment Financing District (TIF) Fund** – This fund accounts for the activity of the City's TIF. Revenues collected are primarily interlocal property tax increment funding. A TIF is a public financial method used as a subsidy for development and community improvement projects.

The **Other Special Revenue Fund** – This fund accounts for the proceeds of other specific revenue sources that are legally restricted to expenditures for specified purposes. Traffic safety, public safety, public works, culture and recreation, and economic incentive funds are included under this heading.

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for capital improvements that are financed by designated resources other than City obligation bonds.

The **4A Economic Development Corporation Non-Bond Funded Fund** is a blended component unit of the City. The 4A Corporation administers a ½ cent sales tax. The proceeds of this tax are used to pay debt service on bonds issued for various capital improvements. This special revenue fund accounts for the receipts of the sales tax revenue, and subsequent transfers to the debt service fund. Funds in excess of debt service requirements are utilized on authorized capital projects.

The **Burleson Community Services Development Corporation (4B) Non-Bond Funded Fund** is another component unit of the City. The BCSDC administers ½ cents sales tax. The proceeds of this tax are used to pay debt service on bonds issued for various capital improvements. The special revenue accounts for the receipt of the sales tax revenue, and subsequent transfer of the debt service fund. Funds in excess of debt service requirements are utilized on authorized capital projects.

The **Street Paving Trust Fund** is used to account for funds deposited by developers in lieu of constructing public facilities such as streets and drainage.

The **Miscellaneous Non-Bond Funded Fund** includes the Park Dedication subfund and the miscellaneous non-bond funded capital project subfunds. These subfunds account for the proceeds of other sources of revenue and expenditures for authorized projects.

Debt Service Funds

The City's Debt Service Funds account for the accumulation of financial resources for the payment of principal and interest on the City's general obligation (property and sales tax supported) debt:

The **4A Economic Development Corporation Debt Service Fund** accounts for receipts of sales tax revenue and payment of debt service.

The **Burleson Community Service Development Corporation (4B) Debt Service Fund** accounts for the receipt of sales tax revenue and payment of debt service.

THE CITY OF
BURLESON
TEXAS

CITY OF BURLESON, TEXAS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Special Revenue Funds | | | | |
|--|-----------------------|------------------|---------------------|-------------------|-----------------------|
| | Hotel/Motel | Grants | COVID Relief | TIF | Other Special Revenue |
| ASSETS | | | | | |
| Cash and investments | \$ 639,880 | \$ - | \$ - | \$ 538,529 | \$ 2,151,352 |
| Receivables: | | | | | |
| Taxes, net | 55,805 | - | - | - | - |
| Accounts | 2,950 | 12,140 | - | - | 15,980 |
| Accrued interest | 56 | - | - | - | - |
| Due from other governments | - | 16,244 | 1,424,707 | 3,000 | 46,666 |
| Total assets | <u>\$ 698,691</u> | <u>\$ 28,384</u> | <u>\$ 1,424,707</u> | <u>\$ 541,529</u> | <u>\$ 2,213,998</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 868 | \$ - | \$ 43,247 | \$ 1,101 | \$ 2,246 |
| Accrued liabilities | - | - | - | - | 1,458,015 |
| Due to other funds | - | 26,400 | 1,381,461 | - | - |
| Total liabilities | <u>868</u> | <u>26,400</u> | <u>1,424,708</u> | <u>1,101</u> | <u>1,460,261</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - grants | - | - | 1,424,707 | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>1,424,707</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Restricted for: | | | | | |
| Debt service | - | - | - | - | - |
| Culture and recreation | - | 1,984 | - | - | - |
| Economic development | - | - | - | 540,428 | 680,119 |
| Tourism | 697,823 | - | - | - | - |
| Committed for: | | | | | |
| Economic development | - | - | - | - | 73,618 |
| Capital projects | - | - | - | - | - |
| Unassigned | - | - | (1,424,708) | - | - |
| Total fund balances | <u>697,823</u> | <u>1,984</u> | <u>(1,424,708)</u> | <u>540,428</u> | <u>753,737</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 698,691</u> | <u>\$ 28,384</u> | <u>\$ 1,424,707</u> | <u>\$ 541,529</u> | <u>\$ 2,213,998</u> |

| Capital Projects Funds | | | | Debt Service Funds | | Total Other Governmental Funds |
|------------------------------|-----------------------------|---------------------------|-------------------------------------|------------------------|-----------------------|---|
| 4A EDC Non-bond Funded | BCSDC Non-bond Funded | Street Paving Trust | Miscellaneous Non-bond Funded | 4A EDC Debt Service | BCSDC Debt Service | |
| \$ 365,227 | \$ 262,025 | \$ 4,141,291 | \$ 2,579,763 | \$ 285,916 | \$ 465,949 | \$ 11,429,932 |
| - | - | - | - | - | - | 55,805 |
| - | - | - | 644 | - | - | 31,714 |
| 32 | 25 | 350 | 228 | - | - | 691 |
| - | - | - | - | - | - | 1,490,617 |
| <u>\$ 365,259</u> | <u>\$ 262,050</u> | <u>\$ 4,141,641</u> | <u>\$ 2,580,635</u> | <u>\$ 285,916</u> | <u>\$ 465,949</u> | <u>\$ 13,008,759</u> |
| \$ - | \$ 5,288 | \$ 2 | \$ 30,018 | \$ - | \$ - | \$ 82,770 |
| - | - | - | - | - | - | 1,458,015 |
| - | - | - | - | - | - | 1,407,861 |
| - | <u>5,288</u> | <u>2</u> | <u>30,018</u> | - | - | <u>2,948,646</u> |
| - | - | - | - | - | - | <u>1,424,707</u> |
| - | - | - | - | - | - | <u>1,424,707</u> |
| - | - | - | - | 285,916 | 465,949 | 751,865 |
| - | - | - | - | - | - | 1,984 |
| - | - | - | - | - | - | 1,220,547 |
| - | - | - | - | - | - | 697,823 |
| - | - | - | - | - | - | 73,618 |
| 365,259 | 256,762 | 4,141,639 | 2,550,617 | - | - | 7,314,277 |
| - | - | - | - | - | - | (1,424,708) |
| <u>365,259</u> | <u>256,762</u> | <u>4,141,639</u> | <u>2,550,617</u> | <u>285,916</u> | <u>465,949</u> | <u>8,635,406</u> |
| \$ <u>365,259</u> | \$ <u>262,050</u> | \$ <u>4,141,641</u> | \$ <u>2,580,635</u> | \$ <u>285,916</u> | \$ <u>465,949</u> | \$ <u>13,008,759</u> |

CITY OF BURLESON, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Special Revenue Funds | | | | Other Special Revenue |
|--|-----------------------|------------------|----------------------|---------------------|-----------------------------|
| | Hotel/Motel | Grants | COVID Relief | TIF | |
| REVENUES | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ 757,335 | \$ 1,064,141 |
| Sales and use taxes | - | - | - | - | 304,999 |
| Hotel occupancy taxes | 182,257 | - | - | - | - |
| Franchise fees | - | - | - | - | 104,873 |
| Intergovernmental | - | 156,689 | 909,887 | - | - |
| Contributions and donations | - | - | - | - | 73,009 |
| Investment earnings | 8,149 | - | - | - | - |
| Street assessments | - | - | - | - | - |
| Miscellaneous | 2,850 | - | - | 3,000 | - |
| Total revenues | <u>193,256</u> | <u>156,689</u> | <u>909,887</u> | <u>760,335</u> | <u>1,547,022</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | 67,355 |
| Community development | - | - | - | 30,657 | 1,268,573 |
| Public safety | - | 101,276 | 2,334,595 | - | 5,225 |
| Public works | - | - | - | - | 15,803 |
| Culture and recreation | 132,358 | 26,005 | - | - | 11,818 |
| Debt service: | | | | | |
| Principal retirement | - | - | - | - | - |
| Interest and fiscal agent charges | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>132,358</u> | <u>127,281</u> | <u>2,334,595</u> | <u>30,657</u> | <u>1,368,774</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>60,898</u> | <u>29,408</u> | <u>(1,424,708)</u> | <u>729,678</u> | <u>178,248</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (133,593) | (29,348) | - | (1,032,214) | (76,000) |
| Total other financing sources (uses) | <u>(133,593)</u> | <u>(29,348)</u> | <u>-</u> | <u>(1,032,214)</u> | <u>(76,000)</u> |
| NET CHANGE IN FUND BALANCE | (72,695) | 60 | (1,424,708) | (302,536) | 102,248 |
| FUND BALANCE, BEGINNING | <u>770,518</u> | <u>1,924</u> | <u>-</u> | <u>842,964</u> | <u>651,489</u> |
| FUND BALANCE, ENDING | <u>\$ 697,823</u> | <u>\$ 1,984</u> | <u>\$(1,424,708)</u> | <u>\$ 540,428</u> | <u>\$ 753,737</u> |

| Capital Projects Funds | | | | Debt Service Funds | | Total Other Governmental Funds |
|------------------------------|-----------------------------|---------------------------|-------------------------------------|------------------------|-----------------------|---|
| 4A EDC Non-bond Funded | BCSDC Non-bond Funded | Street Paving Trust | Miscellaneous Non-bond Funded | 4A EDC Debt Service | BCSDC Debt Service | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,821,476 |
| - | - | - | - | - | - | 304,999 |
| - | - | - | - | - | - | 182,257 |
| - | - | - | - | - | - | 104,873 |
| - | - | - | - | - | - | 1,066,576 |
| - | - | 881,987 | 149,400 | - | - | 1,104,396 |
| 4,444 | 3,985 | 33,182 | 26,327 | 4,803 | 14,058 | 94,948 |
| - | - | 48,425 | - | - | - | 48,425 |
| - | - | - | - | - | - | 5,850 |
| <u>4,444</u> | <u>3,985</u> | <u>963,594</u> | <u>175,727</u> | <u>4,803</u> | <u>14,058</u> | <u>4,733,800</u> |
| - | - | - | - | - | - | 67,355 |
| - | - | - | - | - | - | 1,299,230 |
| - | - | - | - | - | - | 2,441,096 |
| - | - | - | - | - | - | 15,803 |
| - | - | - | - | - | - | 170,181 |
| - | - | - | - | 1,846,648 | 1,320,000 | 3,166,648 |
| - | - | - | - | 555,474 | 500,585 | 1,056,059 |
| <u>14,999</u> | <u>165,785</u> | <u>-</u> | <u>1,303,235</u> | <u>-</u> | <u>-</u> | <u>1,484,019</u> |
| <u>14,999</u> | <u>165,785</u> | <u>-</u> | <u>1,303,235</u> | <u>2,402,122</u> | <u>1,820,585</u> | <u>9,700,391</u> |
| (10,555) | (161,800) | 963,594 | (1,127,508) | (2,397,319) | (1,806,527) | (4,966,591) |
| - | 75,000 | - | 972,211 | 2,126,922 | 1,819,875 | 4,994,008 |
| - | - | (74,283) | - | - | (779,712) | (2,125,150) |
| - | 75,000 | (74,283) | 972,211 | 2,126,922 | 1,040,163 | 2,868,858 |
| (10,555) | (86,800) | 889,311 | (155,297) | (270,397) | (766,364) | (2,097,733) |
| <u>375,814</u> | <u>343,562</u> | <u>3,252,328</u> | <u>2,705,914</u> | <u>556,313</u> | <u>1,232,313</u> | <u>10,733,139</u> |
| \$ <u>365,259</u> | \$ <u>256,762</u> | \$ <u>4,141,639</u> | \$ <u>2,550,617</u> | \$ <u>285,916</u> | \$ <u>465,949</u> | \$ <u>8,635,406</u> |

CITY OF BURLESON, TEXAS

DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | General Debt Service | | | Variance Positive (Negative) |
|---|----------------------|---------------------|---------------------|------------------------------------|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Property taxes and assessments | \$ 7,170,908 | \$ 7,195,908 | \$ 7,273,371 | \$ 77,463 |
| Investment earnings | - | - | - | - |
| Total revenues | <u>7,170,908</u> | <u>7,195,908</u> | <u>7,273,371</u> | <u>77,463</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 4,651,423 | 4,461,423 | 4,461,423 | - |
| Interest and fiscal agent charges | 2,999,908 | 2,833,308 | 2,739,341 | 93,967 |
| Bond issuance costs | - | - | 82,478 | (82,478) |
| Total expenditures | <u>7,651,331</u> | <u>7,294,731</u> | <u>7,283,242</u> | <u>11,489</u> |
| Excess (deficiency) of revenues over (under) expenditures | (480,423) | (98,823) | (9,871) | 88,952 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of debt | - | - | 4,445,000 | 4,445,000 |
| Premium on debt issuance | - | - | 937,228 | 937,228 |
| Payment to escrow agent | - | - | (5,304,194) | (5,304,194) |
| Transfers in | 395,650 | 1,407,858 | 1,803,508 | 395,650 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>395,650</u> | <u>1,407,858</u> | <u>1,881,542</u> | <u>473,684</u> |
| NET CHANGE IN FUND BALANCE | (84,773) | 1,309,035 | 1,871,671 | 562,636 |
| FUND BALANCE, BEGINNING | <u>526,482</u> | <u>526,482</u> | <u>526,482</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 441,709</u> | <u>\$ 1,835,517</u> | <u>\$ 2,398,153</u> | <u>\$ 562,636</u> |

| BCSDC Debt Service | | | | 4A EDC Debt Service | | | |
|---------------------|--------------------|--------------------|------------------------------|---------------------|--------------------|--------------------|------------------------------|
| Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <u>1,400</u> | <u>14,000</u> | <u>14,058</u> | <u>58</u> | <u>6,000</u> | <u>5,000</u> | <u>4,803</u> | <u>(197)</u> |
| <u>1,400</u> | <u>14,000</u> | <u>14,058</u> | <u>58</u> | <u>6,000</u> | <u>5,000</u> | <u>4,803</u> | <u>(197)</u> |
| 1,320,000 | 1,320,000 | 1,320,000 | - | 1,656,648 | 1,846,648 | 1,846,648 | - |
| 500,925 | 500,925 | 500,585 | 340 | 390,683 | 557,283 | 555,474 | 1,809 |
| - | - | - | - | - | - | - | - |
| <u>1,820,925</u> | <u>1,820,925</u> | <u>1,820,585</u> | <u>340</u> | <u>2,047,331</u> | <u>2,403,931</u> | <u>2,402,122</u> | <u>1,809</u> |
| <u>(1,819,525)</u> | <u>(1,806,925)</u> | <u>(1,806,527)</u> | <u>398</u> | <u>(2,041,331)</u> | <u>(2,398,931)</u> | <u>(2,397,319)</u> | <u>1,612</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,819,875 | 1,819,875 | 1,819,875 | - | 2,046,792 | 2,046,792 | 2,126,922 | 80,130 |
| - | (779,713) | (779,712) | 1 | - | - | - | - |
| <u>1,819,875</u> | <u>1,040,162</u> | <u>1,040,163</u> | <u>1</u> | <u>2,046,792</u> | <u>2,046,792</u> | <u>2,126,922</u> | <u>80,130</u> |
| 350 | (766,763) | (766,364) | 399 | 5,461 | (352,139) | (270,397) | 81,742 |
| <u>1,232,313</u> | <u>1,232,313</u> | <u>1,232,313</u> | <u>-</u> | <u>556,313</u> | <u>556,313</u> | <u>556,313</u> | <u>-</u> |
| <u>\$ 1,232,663</u> | <u>\$ 465,550</u> | <u>\$ 465,949</u> | <u>\$ 399</u> | <u>\$ -</u> | <u>\$ 204,174</u> | <u>\$ 285,916</u> | <u>\$ 81,742</u> |

CITY OF BURLESON, TEXAS

E-4

**NONMAJOR SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE**

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Hotel/Motel Fund | | | Variance Positive (Negative) |
|--|--------------------|-------------------|-------------------|------------------------------------|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Hotel occupancy taxes | \$ 207,000 | \$ 155,489 | \$ 182,257 | \$ 26,768 |
| Investment earnings | - | 7,180 | 8,149 | 969 |
| Miscellaneous | - | - | 2,850 | 2,850 |
| Total revenues | <u>207,000</u> | <u>162,669</u> | <u>193,256</u> | <u>30,587</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | <u>233,534</u> | <u>252,159</u> | <u>132,358</u> | <u>119,801</u> |
| Total expenditures | <u>233,534</u> | <u>252,159</u> | <u>132,358</u> | <u>119,801</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (26,534) | (89,490) | 60,898 | 150,388 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (133,593) | (133,593) | - |
| Total other financing sources (uses) | - | (133,593) | (133,593) | - |
| NET CHANGE IN FUND BALANCE | (26,534) | (223,083) | (72,695) | 150,388 |
| FUND BALANCE, BEGINNING | <u>770,518</u> | <u>770,518</u> | <u>770,518</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 743,984</u> | <u>\$ 547,435</u> | <u>\$ 697,823</u> | <u>\$ 150,388</u> |

COMBINING FINANCIAL STATEMENTS INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and/or services provided by one department to another department within the City:

The ***Equipment Services Fund*** accounts for a full range of services in managing and maintaining the City's fleet of vehicles and equipment. All costs associated with these operations are charged to the using department to offset the adopted budget to this fund.

The ***Governmental Vehicle Replacement Fund*** provides for the replacement of vehicles and equipment utilized by all governmental City departments. The two equipment replacement funds enable the City to fund major equipment purchases without substantially affecting the stability of the ad valorem tax rate.

The ***Business-Type Vehicle Replacement Fund*** is used as a funding, management and planning tool that provides a systematic approach to the replacement of City-owned vehicles and equipment used by the Water-Wastewater, Golf and Solid Waste funds.

The ***Support Services Fund*** is designed to record the activities of support services function (currently only Information Technology) and allow for the costs of these services to be reflected as expenditures of the "customer" departments.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2020

| | Equipment Services | Governmental Vehicle Replacement | Business-type Vehicle Replacement | Support Services | Total Internal Service Funds |
|---|-----------------------|--|---|---------------------|---------------------------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 148,441 | \$ 4,686,409 | \$ 1,260,207 | \$ 931,669 | \$ 7,026,726 |
| Receivables: | | | | | |
| Accounts | 1,063 | - | - | - | 1,063 |
| Accrued interest | 9 | 472 | 120 | 71 | 672 |
| Inventories | 14,202 | - | - | - | 14,202 |
| Total current assets | 163,715 | 4,686,881 | 1,260,327 | 931,740 | 7,042,663 |
| Noncurrent assets: | | | | | |
| Capital assets, net | 180,767 | 3,016,283 | 1,017,366 | 332,237 | 4,546,653 |
| Total noncurrent assets | 180,767 | 3,016,283 | 1,017,366 | 332,237 | 4,546,653 |
| Total assets | 344,482 | 7,703,164 | 2,277,693 | 1,263,977 | 11,589,316 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows related to pensions | 23,120 | - | - | 130,149 | 153,269 |
| Deferred outflows related to OPEB (RHP) | 5,291 | - | - | 28,806 | 34,097 |
| Deferred outflows related to OPEB (SDBF) | 938 | - | - | 5,152 | 6,090 |
| Total deferred outflows | 29,349 | - | - | 164,107 | 193,456 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 6,425 | \$ - | \$ 29,966 | \$ 7,188 | \$ 43,579 |
| Compensated absences | 993 | - | - | 67,075 | 68,068 |
| Accrued liabilities | 7,063 | - | - | 31,689 | 38,752 |
| Total OPEB liability (RHP) | 230 | - | - | 1,250 | 1,480 |
| Total OPEB liability (SDBF) | 25 | - | - | 135 | 160 |
| Total current liabilities | 14,736 | - | 29,966 | 107,337 | 152,039 |
| Noncurrent liabilities: | | | | | |
| Net pension liability | 100,747 | - | - | 571,476 | 672,223 |
| Total OPEB liability (RHP) | 24,446 | - | - | 133,097 | 157,543 |
| Total OPEB liability (SDBF) | 5,098 | - | - | 28,921 | 34,019 |
| Compensated absences | 2,902 | - | - | 86,302 | 89,204 |
| Total noncurrent liabilities | 133,193 | - | - | 819,796 | 952,989 |
| Total liabilities | 147,929 | - | 29,966 | 927,133 | 1,105,028 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to pensions | 14,310 | - | - | 74,311 | 88,621 |
| Deferred inflows related to OPEB (SDBF) | 374 | - | - | 2,103 | 2,477 |
| Total deferred inflows | 14,684 | - | - | 76,414 | 91,098 |
| NET POSITION | | | | | |
| Net investment in capital assets | 180,767 | 3,016,283 | 1,017,366 | 332,237 | 4,546,653 |
| Unrestricted | 30,451 | 4,686,881 | 1,230,361 | 92,300 | 6,039,993 |
| Total net position | \$ 211,218 | \$ 7,703,164 | \$ 2,247,727 | \$ 424,537 | \$ 10,586,646 |

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Equipment Services | Governmental Vehicle Replacement | Business-type Vehicle Replacement | Support Services | Total Internal Service Funds |
|---|-----------------------|--|---|---------------------|---------------------------------------|
| OPERATING REVENUES | | | | | |
| Charges for goods and services | \$ 485,411 | \$ 499,117 | \$ 303,313 | \$ 2,297,989 | \$ 3,585,830 |
| Total operating revenues | <u>485,411</u> | <u>499,117</u> | <u>303,313</u> | <u>2,297,989</u> | <u>3,585,830</u> |
| OPERATING EXPENSES | | | | | |
| Personnel services | 240,124 | - | - | 1,199,605 | 1,439,729 |
| Repairs and maintenance | 8,112 | - | - | 679,307 | 687,419 |
| Materials and supplies | 181,666 | - | - | 224,408 | 406,074 |
| Depreciation | <u>55,015</u> | <u>981,479</u> | <u>225,460</u> | <u>153,533</u> | <u>1,415,487</u> |
| Total operating expenses | <u>484,917</u> | <u>981,479</u> | <u>225,460</u> | <u>2,256,853</u> | <u>3,948,709</u> |
| Operating income (loss) | <u>494</u> | <u>(482,362)</u> | <u>77,853</u> | <u>41,136</u> | <u>(362,879)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Gain on sale of capital assets | - | 5,325 | 15,500 | - | 20,825 |
| Investment earnings | 809 | 66,168 | 23,857 | 8,774 | 99,608 |
| Interest and fiscal agent charges | <u>(48)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(48)</u> |
| Total nonoperating revenues | <u>761</u> | <u>71,493</u> | <u>39,357</u> | <u>8,774</u> | <u>120,385</u> |
| Income (loss) before transfers | <u>1,255</u> | <u>(410,869)</u> | <u>117,210</u> | <u>49,910</u> | <u>(242,494)</u> |
| Transfers in | 11,000 | - | - | 23,000 | 34,000 |
| Transfers out | <u>-</u> | <u>-</u> | <u>(900,000)</u> | <u>-</u> | <u>(900,000)</u> |
| Change in net position | 12,255 | <u>(410,869)</u> | <u>(782,790)</u> | 72,910 | <u>(1,108,494)</u> |
| NET POSITION - BEGINNING OF YEAR | <u>198,963</u> | <u>8,114,033</u> | <u>3,030,517</u> | <u>351,627</u> | <u>11,695,140</u> |
| NET POSITION - ENDING OF YEAR | <u>\$ 211,218</u> | <u>\$ 7,703,164</u> | <u>\$ 2,247,727</u> | <u>\$ 424,537</u> | <u>\$ 10,586,646</u> |

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Equipment Services | Vehicle Replacement Governmental | Vehicle Replacement Business-Type | Support Services | Total |
|--|-----------------------|--|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts for interfund charges | \$ 488,399 | \$ 677,817 | \$ 343,514 | \$ 2,298,569 | \$ 3,808,299 |
| Payments to vendors, suppliers and contractors | (203,728) | - | - | (938,351) | (1,142,079) |
| Payments to employees for services | (226,351) | - | - | (1,194,488) | (1,420,839) |
| Net cash provided by operating activities | <u>58,320</u> | <u>677,817</u> | <u>343,514</u> | <u>165,730</u> | <u>1,245,381</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers to other funds | - | - | (900,000) | - | (900,000) |
| Transfers from other funds | <u>11,000</u> | <u>-</u> | <u>-</u> | <u>23,000</u> | <u>34,000</u> |
| Net cash provided (used) by noncapital financing activities | <u>11,000</u> | <u>-</u> | <u>(900,000)</u> | <u>23,000</u> | <u>(866,000)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Receipts for sale of capital assets | - | 5,325 | 15,500 | - | 20,825 |
| Principal payments on capital debt | (1,519) | - | - | - | (1,519) |
| Interest payments on capital debt | (48) | - | - | - | (48) |
| Acquisition and construction of capital assets | (45,326) | (890,975) | - | (117,078) | (1,053,379) |
| Net cash used by capital and related financing activities | <u>(46,893)</u> | <u>(885,650)</u> | <u>15,500</u> | <u>(117,078)</u> | <u>(1,034,121)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | <u>833</u> | <u>68,989</u> | <u>24,938</u> | <u>9,152</u> | <u>103,912</u> |
| Net cash provided by investing activities | <u>833</u> | <u>68,989</u> | <u>24,938</u> | <u>9,152</u> | <u>103,912</u> |
| Net increase (decrease) in cash and cash equivalents | 23,260 | (138,844) | (516,048) | 80,804 | (550,828) |
| Cash and cash equivalents - beginning of year | <u>125,181</u> | <u>4,825,253</u> | <u>1,776,255</u> | <u>850,865</u> | <u>7,577,554</u> |
| Cash and cash equivalents - end of year | <u>\$ 148,441</u> | <u>\$ 4,686,409</u> | <u>\$ 1,260,207</u> | <u>\$ 931,669</u> | <u>\$ 7,026,726</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | \$ 494 | \$(482,362) | \$ 77,853 | \$ 41,136 | \$(362,879) |
| Depreciation | 55,015 | 981,479 | 225,460 | 153,533 | 1,415,487 |
| Change in operating assets and liabilities: | | | | | |
| Decrease (increase) in accounts receivable | 2,988 | 178,700 | 40,201 | 580 | 222,469 |
| Decrease (increase) in inventories | 9,746 | - | - | - | 9,746 |
| Decrease (increase) in deferred outflows related to pension | 16,059 | - | - | 82,538 | 98,597 |
| Decrease (increase) in deferred outflows related to OPEB | (3,420) | - | - | (18,672) | (22,092) |
| Increase (decrease) in accounts payable | (23,696) | - | - | (34,636) | (58,332) |
| Increase (decrease) in accrued liabilities | 2,461 | - | - | 6,418 | 8,879 |
| Increase (decrease) in compensated absences | 853 | - | - | (73,892) | (73,039) |
| Increase (decrease) in net pension liability | (16,224) | - | - | (64,206) | (80,430) |
| Increase (decrease) in deferred inflows related to pension | 14,003 | - | - | 72,638 | 86,641 |
| Increase (decrease) in deferred inflows related to OPEB | <u>41</u> | <u>-</u> | <u>-</u> | <u>293</u> | <u>334</u> |
| Net cash provided by operating activities | <u>\$ 58,320</u> | <u>\$ 677,817</u> | <u>\$ 343,514</u> | <u>\$ 165,730</u> | <u>\$ 1,245,381</u> |

CITY OF BURLESON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020
STATISTICAL SECTION INDEX
(Unaudited)

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

CONTENTS **TABLES**

FINANCIAL TRENDS 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 5-8

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

DEBT CAPACITY 9-12

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

DEMOGRAPHIC AND ECONOMIC INFORMATION 13-14

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 15-18

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 City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year.

CITY OF BURLESON, TEXAS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Governmental activities: | | | | |
| Net investment in capital assets | \$ 91,490,189 | \$ 96,854,973 | \$ 101,280,575 | \$ 102,518,051 |
| Restricted | 7,647,833 | 9,129,987 | 10,262,236 | 11,786,219 |
| Unrestricted | <u>19,728,287</u> | <u>17,251,062</u> | <u>18,176,631</u> | <u>19,052,951</u> |
| Total governmental activities net position | <u>\$ 118,866,309</u> | <u>\$ 123,236,022</u> | <u>\$ 129,719,442</u> | <u>\$ 133,357,221</u> |
| Business-type activities: | | | | |
| Net investment in capital assets | \$ 44,846,342 | \$ 45,090,529 | \$ 53,375,788 | \$ 55,348,196 |
| Restricted | 2,469,836 | 4,081,263 | 3,250,923 | 4,592,463 |
| Unrestricted | <u>8,976,274</u> | <u>10,417,168</u> | <u>6,943,042</u> | <u>7,355,782</u> |
| Total business-type activities net position | <u>\$ 56,292,452</u> | <u>\$ 59,588,960</u> | <u>\$ 63,569,753</u> | <u>\$ 67,296,441</u> |
| Primary government: | | | | |
| Net investment in capital assets | \$ 136,336,531 | \$ 141,945,502 | \$ 154,656,363 | \$ 157,866,247 |
| Restricted | 10,117,669 | 13,211,250 | 13,513,159 | 16,378,682 |
| Unrestricted | <u>28,704,561</u> | <u>27,668,230</u> | <u>25,119,673</u> | <u>26,408,733</u> |
| Total primary government net position | <u>\$ 175,158,761</u> | <u>\$ 182,824,982</u> | <u>\$ 193,289,195</u> | <u>\$ 200,653,662</u> |

TABLE 1

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| \$ 105,900,578 | \$ 111,368,435 | \$ 127,316,098 | \$ 136,812,328 | \$ 148,085,539 | \$ 153,051,846 |
| 13,626,779 | 11,548,400 | 12,262,240 | 13,166,573 | 13,232,818 | 17,468,108 |
| <u>10,915,868</u> | <u>10,908,958</u> | <u>8,167,997</u> | <u>4,245,368</u> | <u>4,248,170</u> | <u>6,714,141</u> |
| <u>\$ 130,443,225</u> | <u>\$ 133,825,793</u> | <u>\$ 147,746,335</u> | <u>\$ 154,224,269</u> | <u>\$ 165,566,527</u> | <u>\$ 177,234,095</u> |
| | | | | | |
| \$ 59,041,199 | \$ 56,061,308 | \$ 68,346,297 | \$ 69,333,794 | \$ 75,777,424 | \$ 79,752,890 |
| 3,667,415 | 4,592,463 | 1,049,746 | 1,049,746 | 5,225,080 | 7,415,521 |
| <u>7,251,796</u> | <u>12,448,245</u> | <u>10,499,641</u> | <u>15,642,520</u> | <u>11,580,796</u> | <u>13,778,201</u> |
| <u>\$ 69,960,410</u> | <u>\$ 73,102,016</u> | <u>\$ 79,895,684</u> | <u>\$ 86,026,060</u> | <u>\$ 92,583,300</u> | <u>\$ 100,946,612</u> |
| | | | | | |
| \$ 164,941,777 | \$ 167,429,743 | \$ 195,662,395 | \$ 206,146,122 | \$ 223,862,963 | \$ 232,804,736 |
| 17,294,194 | 16,140,863 | 13,311,986 | 14,216,319 | 18,457,898 | 24,883,629 |
| <u>18,167,664</u> | <u>23,357,203</u> | <u>18,667,638</u> | <u>19,887,888</u> | <u>15,828,966</u> | <u>20,492,342</u> |
| <u>\$ 200,403,635</u> | <u>\$ 206,927,809</u> | <u>\$ 227,642,019</u> | <u>\$ 240,250,329</u> | <u>\$ 258,149,827</u> | <u>\$ 278,180,707</u> |

CITY OF BURLESON, TEXAS

CHANGE IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

| | Fiscal Year | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2011 | 2012 | 2013 | 2014 |
| Expenses: | | | | |
| Governmental activities: | | | | |
| General government | \$ 5,985,553 | \$ 4,579,709 | \$ 4,779,683 | \$ 6,027,808 |
| Public safety | 12,597,427 | 13,755,003 | 14,505,108 | 14,793,251 |
| Public works | 9,414,047 | 9,400,406 | 9,476,476 | 10,025,105 |
| Community development | 1,483,991 | 1,443,045 | 1,534,915 | 2,071,758 |
| Culture and recreation | 5,671,656 | 6,050,849 | 6,148,475 | 6,851,657 |
| Interest and other fees | <u>3,643,362</u> | <u>3,490,537</u> | <u>3,256,327</u> | <u>3,319,768</u> |
| Total governmental activities expenses | <u>38,796,036</u> | <u>38,719,549</u> | <u>39,700,984</u> | <u>43,089,347</u> |
| Business-type activities: | | | | |
| Water and wastewater | 13,776,701 | 13,858,927 | 14,553,979 | 14,699,969 |
| Hidden Creek Golf Course | 1,872,971 | 1,774,465 | 2,100,255 | 1,922,102 |
| Solid waste | 2,385,558 | 2,451,503 | 2,595,756 | 2,742,100 |
| Cemetery | <u>13,598</u> | <u>17,743</u> | <u>10,994</u> | <u>11,498</u> |
| Total business-type activities expenses | <u>18,048,828</u> | <u>18,102,638</u> | <u>19,260,984</u> | <u>19,375,669</u> |
| Total primary government expenses | \$ <u>56,844,864</u> | \$ <u>56,822,187</u> | \$ <u>58,961,968</u> | \$ <u>62,465,016</u> |
| Program Revenues: | | | | |
| Governmental activities: | | | | |
| Charges for services | \$ 8,948,079 | \$ 7,799,248 | \$ 8,127,467 | \$ 8,036,809 |
| Operating grants and contributions | 621,034 | 721,595 | 603,962 | 294,371 |
| Capital grants and contributions | <u>2,265,193</u> | <u>2,624,666</u> | <u>3,769,399</u> | <u>3,752,163</u> |
| Total governmental activities program revenues | <u>11,834,306</u> | <u>11,145,509</u> | <u>12,500,828</u> | <u>12,083,343</u> |
| Business-type activities: | | | | |
| Charges for services | 19,924,565 | 18,442,552 | 19,788,547 | 20,526,744 |
| Operating grants and contributions | 359,271 | 364,359 | 561,332 | 1,004,948 |
| Capital grants and contributions | <u>920,504</u> | <u>1,800,117</u> | <u>2,976,121</u> | <u>1,938,294</u> |
| Total business-type activities program revenues | <u>21,204,340</u> | <u>20,607,028</u> | <u>23,326,000</u> | <u>23,469,986</u> |
| Total primary government program revenues | \$ <u>33,038,646</u> | \$ <u>31,752,537</u> | \$ <u>35,826,828</u> | \$ <u>35,553,329</u> |
| Net (expense)/revenue | | | | |
| Governmental activities | \$(26,961,730) | \$(27,574,040) | \$(27,200,156) | \$(31,006,004) |
| Business-type activities | <u>3,155,512</u> | <u>2,504,390</u> | <u>4,065,016</u> | <u>4,094,317</u> |
| Total primary government net expense | \$(<u>23,806,218</u>) | \$(<u>25,069,650</u>) | \$(<u>23,135,140</u>) | \$(<u>26,911,687</u>) |

TABLE 2

| Fiscal Year | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| \$ 5,567,804 | \$ 3,406,957 | \$ 7,611,844 | \$ 7,801,767 | \$ 8,762,392 | \$ 9,901,828 |
| 15,587,330 | 18,135,674 | 18,619,648 | 19,356,978 | 20,396,702 | 21,647,212 |
| 10,344,069 | 11,100,276 | 11,263,930 | 12,173,830 | 12,650,861 | 14,839,605 |
| 2,467,564 | 4,701,517 | 2,740,816 | 4,902,487 | 5,138,466 | 4,216,584 |
| 7,062,534 | 7,801,924 | 8,091,904 | 8,134,817 | 8,053,419 | 7,940,337 |
| <u>3,218,658</u> | <u>3,237,341</u> | <u>3,118,052</u> | <u>2,954,294</u> | <u>3,242,540</u> | <u>3,122,881</u> |
| <u>44,247,959</u> | <u>48,383,689</u> | <u>51,446,194</u> | <u>55,324,173</u> | <u>58,244,380</u> | <u>61,668,447</u> |
| 15,692,100 | 16,333,488 | 16,349,125 | 17,605,194 | 18,910,941 | 18,543,022 |
| 1,983,682 | 2,049,089 | 2,141,509 | 2,046,511 | 2,194,026 | 2,321,398 |
| 2,779,193 | 2,846,497 | 2,957,738 | 3,047,978 | 3,179,444 | 3,464,393 |
| <u>11,891</u> | <u>11,152</u> | <u>11,910</u> | <u>12,528</u> | <u>28,894</u> | <u>33,770</u> |
| <u>20,466,866</u> | <u>21,240,226</u> | <u>21,460,282</u> | <u>22,712,211</u> | <u>24,313,305</u> | <u>24,362,583</u> |
| \$ <u>64,714,825</u> | \$ <u>69,623,915</u> | \$ <u>72,906,476</u> | \$ <u>78,036,384</u> | \$ <u>82,557,685</u> | \$ <u>86,031,030</u> |
| \$ 7,773,637 | \$ 7,566,246 | \$ 8,782,144 | \$ 8,784,594 | \$ 8,480,206 | \$ 7,845,040 |
| 829,724 | 971,500 | 1,592,388 | 1,426,293 | 738,026 | 2,998,564 |
| <u>2,983,243</u> | <u>2,144,534</u> | <u>11,440,915</u> | <u>6,353,066</u> | <u>7,595,136</u> | <u>5,699,075</u> |
| <u>11,586,604</u> | <u>10,682,280</u> | <u>21,815,447</u> | <u>16,563,953</u> | <u>16,813,368</u> | <u>16,542,679</u> |
| 21,331,913 | 22,263,652 | 23,108,557 | 25,809,983 | 25,405,060 | 26,532,808 |
| 846,581 | 827,614 | 1,108,892 | - | 16,442 | 8,549 |
| <u>1,766,788</u> | <u>1,067,383</u> | <u>4,020,669</u> | <u>2,272,247</u> | <u>3,512,382</u> | <u>3,818,739</u> |
| <u>23,945,282</u> | <u>24,158,649</u> | <u>28,238,118</u> | <u>28,082,230</u> | <u>28,933,884</u> | <u>30,360,096</u> |
| \$ <u>35,531,886</u> | \$ <u>34,840,929</u> | \$ <u>50,053,565</u> | \$ <u>44,646,183</u> | \$ <u>45,747,252</u> | \$ <u>46,902,775</u> |
| \$(32,661,355) | \$(37,701,409) | \$(29,630,747) | \$(38,760,220) | \$(41,431,012) | \$(45,125,768) |
| <u>3,478,416</u> | <u>2,918,423</u> | <u>6,777,836</u> | <u>5,370,019</u> | <u>4,620,579</u> | <u>5,997,513</u> |
| \$ <u>(29,182,939)</u> | \$ <u>(34,782,986)</u> | \$ <u>(22,852,911)</u> | \$ <u>(33,390,201)</u> | \$ <u>(36,810,433)</u> | \$ <u>(39,128,255)</u> |

CITY OF BURLESON, TEXAS

CHANGE IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

| | Fiscal Year | | | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 |
| General Revenues and Other | | | | |
| Changes in Net Position: | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property taxes | \$ 15,074,189 | \$ 15,414,948 | \$ 15,853,216 | \$ 16,377,575 |
| Tax increment financing | 320,737 | 199,229 | 254,600 | 406,445 |
| Sales and use taxes | 13,453,923 | 14,818,398 | 14,110,028 | 16,051,878 |
| Hotel/motel taxes | 144,520 | 146,202 | 146,986 | 165,550 |
| Franchise fees | 2,844,181 | 2,760,074 | 2,659,237 | 2,968,801 |
| Investment income | 92,091 | 105,892 | 536,572 | 80,273 |
| Gain on sale of assets | - | - | - | - |
| Transfers | <u>(504,712)</u> | <u>(263,167)</u> | <u>122,937</u> | <u>(258,909)</u> |
| Total governmental activities | <u>31,424,929</u> | <u>33,181,576</u> | <u>33,683,576</u> | <u>35,791,613</u> |
| Business-type activities: | | | | |
| Investment income | 37,765 | 48,613 | 38,714 | 26,334 |
| Gain on sale of assets | - | - | - | - |
| Transfers | <u>504,712</u> | <u>263,167</u> | <u>(122,937)</u> | <u>258,909</u> |
| Total business-type activities | <u>542,477</u> | <u>311,780</u> | <u>(84,223)</u> | <u>285,243</u> |
| Total primary government | <u>\$ 31,967,406</u> | <u>\$ 33,493,356</u> | <u>\$ 33,599,353</u> | <u>\$ 36,076,856</u> |
| Change in Net Position: | | | | |
| Governmental activities | \$ 4,463,199 | \$ 5,607,536 | \$ 6,483,420 | \$ 4,785,609 |
| Business-type activities | <u>3,697,989</u> | <u>2,816,170</u> | <u>3,980,793</u> | <u>4,379,560</u> |
| Total primary government | <u>\$ 8,161,188</u> | <u>\$ 8,423,706</u> | <u>\$ 10,464,213</u> | <u>\$ 9,165,169</u> |

TABLE 2

| Fiscal Year | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| \$ 19,171,938 | \$ 20,510,482 | \$ 21,776,804 | \$ 21,776,804 | \$ 26,785,864 | \$ 28,894,199 | |
| 423,586 | 457,438 | 536,812 | 536,812 | 683,559 | 777,021 | |
| 16,689,391 | 16,595,528 | 17,099,917 | 17,099,917 | 19,660,908 | 21,468,069 | |
| 192,639 | 219,250 | 222,652 | 222,652 | 237,665 | 190,187 | |
| 3,242,051 | 3,166,620 | 3,113,999 | 3,113,999 | 3,383,906 | 3,404,113 | |
| 95,192 | 243,568 | 471,436 | 471,436 | 1,772,832 | 1,950,288 | |
| - | - | - | - | 105,767 | 1,877,727 | |
| (244,589) | (108,909) | 329,669 | 329,669 | (780,753) | (1,768,268) | |
| <u>39,570,208</u> | <u>41,083,977</u> | <u>43,551,289</u> | <u>43,551,289</u> | <u>51,849,748</u> | <u>56,793,336</u> | |
| 29,790 | 114,274 | 311,582 | 311,582 | 1,114,808 | 581,231 | |
| - | - | 33,919 | 33,919 | 41,100 | 16,300 | |
| <u>244,589</u> | <u>108,909</u> | (329,669) | (329,669) | <u>780,753</u> | <u>1,768,268</u> | |
| <u>274,379</u> | <u>223,183</u> | <u>15,832</u> | <u>15,832</u> | <u>1,936,661</u> | <u>2,365,799</u> | |
| \$ <u>39,844,587</u> | \$ <u>41,307,160</u> | \$ <u>43,567,121</u> | \$ <u>43,567,121</u> | \$ <u>53,786,409</u> | \$ <u>59,159,135</u> | |
| \$ 6,908,853 | \$ 3,382,568 | \$ 13,920,542 | \$ 4,791,069 | \$ 10,418,736 | \$ 11,667,568 | |
| <u>3,752,795</u> | <u>3,141,606</u> | <u>6,793,668</u> | <u>5,385,851</u> | <u>6,557,240</u> | <u>8,363,312</u> | |
| \$ <u>10,661,648</u> | \$ <u>6,524,174</u> | \$ <u>20,714,210</u> | \$ <u>10,176,920</u> | \$ <u>16,975,976</u> | \$ <u>20,030,880</u> | |

CITY OF BURLESON, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| General Fund: | | | | |
| Nonspendable | \$ 59,832 | \$ 59,031 | \$ 53,769 | \$ 24,806 |
| Committed to: | | | | |
| Debt service | 872,880 | 791,215 | 703,824 | 610,445 |
| Other Purposes | 63,826 | 149,771 | 718,732 | 513,332 |
| Assigned to: | | | | |
| Risk management | 1,007,782 | 733,781 | 874,825 | 1,047,047 |
| Unassigned | <u>6,442,458</u> | <u>8,796,643</u> | <u>8,841,408</u> | <u>9,945,249</u> |
| Total general fund | \$ <u>8,446,778</u> | \$ <u>10,530,441</u> | \$ <u>11,192,558</u> | \$ <u>12,140,879</u> |
| All Other Governmental Funds: | | | | |
| Nonspendable | \$ - | \$ - | \$ 300 | \$ 1,437 |
| Restricted for: | | | | |
| Debt service | 2,666,165 | 2,677,418 | 2,704,260 | 2,576,315 |
| Culture and recreation | - | - | - | - |
| Economic development | 4,714,757 | 6,066,072 | 7,074,668 | 8,702,328 |
| Tourism | 293,192 | 386,497 | 483,308 | 507,576 |
| Capital projects | 11,340,114 | - | - | - |
| Committed to: | | | | |
| Culture and recreation | 362,472 | 539,541 | 723,587 | 530,845 |
| Economic development | 283,046 | 67,249 | 140,743 | 272,383 |
| Capital projects | 6,269,916 | 13,779,002 | 19,994,818 | 27,119,647 |
| Debt service | 4,063,471 | 2,872,822 | 511,000 | - |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total all other governmental funds | \$ <u>29,993,133</u> | \$ <u>26,388,601</u> | \$ <u>31,632,684</u> | \$ <u>39,710,531</u> |

TABLE 3

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| \$ 32,024 | \$ 28,174 | \$ 26,769 | \$ 40,389 | \$ 14,997 | \$ 4,080 |
| 510,802 | 404,607 | 291,558 | 802,860 | 622,908 | 523,325 |
| 809,956 | 251,257 | 299,254 | 586,007 | 320,191 | 220,044 |
| 1,047,047 | 1,047,047 | 1,047,047 | 1,047,047 | 1,369,818 | 1,260,078 |
| <u>9,023,255</u> | <u>9,273,423</u> | <u>8,334,083</u> | <u>7,534,128</u> | <u>9,391,334</u> | <u>14,120,506</u> |
| <u>\$ 11,423,084</u> | <u>\$ 11,004,508</u> | <u>\$ 9,998,711</u> | <u>\$ 10,010,431</u> | <u>\$ 11,719,248</u> | <u>\$ 16,128,033</u> |
| \$ 1,389 | \$ 2,617 | \$ 5,190 | \$ 1,412 | \$ 1,620 | \$ - |
| 2,580,870 | 2,530,494 | 2,545,853 | 2,682,681 | 2,315,108 | 3,150,018 |
| 10,000 | 1,096 | 408 | 409 | 1,924 | 1,984 |
| 10,473,189 | 8,406,131 | 9,597,492 | 10,428,389 | 10,147,192 | 13,620,267 |
| 572,720 | 623,803 | 647,895 | 721,237 | 770,518 | 697,823 |
| 18,992,927 | 16,233,204 | 15,166,607 | 27,103,803 | 28,908,327 | 21,852,694 |
| 585,144 | 683,099 | 889,250 | 875,940 | 981,885 | - |
| 409,834 | 484,485 | 395,759 | 73,618 | 73,618 | 73,618 |
| 8,843,780 | 8,325,229 | 8,127,991 | 6,416,935 | 8,263,131 | 8,517,847 |
| - | - | - | - | - | - |
| - | - | - | - | - | (1,424,708) |
| <u>\$ 42,469,853</u> | <u>\$ 37,290,158</u> | <u>\$ 37,376,445</u> | <u>\$ 48,304,424</u> | <u>\$ 51,463,323</u> | <u>\$ 46,489,543</u> |

CITY OF BURLESON, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| | Fiscal Year | | | |
|---|--------------------|----------------------|---------------------|---------------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Revenues: | | | | |
| Property taxes | \$ 15,430,774 | \$ 15,659,684 | \$ 16,247,528 | \$ 16,980,934 |
| Sales and use taxes | 13,598,440 | 14,964,599 | 14,257,015 | 16,216,375 |
| Franchise fees | 2,842,740 | 2,755,431 | 2,714,231 | 2,940,465 |
| Licenses and permits | 1,017,237 | 1,014,677 | 1,147,361 | 1,446,281 |
| Intergovernmental | 369,865 | 278,234 | 212,609 | 242,262 |
| Fines and forfeitures | 1,267,346 | 1,212,414 | 1,127,906 | 1,282,599 |
| Donations | 251,169 | 443,361 | 391,353 | 52,110 |
| Charges for services | 2,911,172 | 3,394,823 | 3,267,802 | 3,555,560 |
| Investment income | 88,992 | 101,182 | 81,002 | 74,873 |
| Mineral lease | 2,113,091 | 1,096,666 | 1,058,233 | 969,979 |
| Street assessments | 24,285 | 80,031 | 86,535 | 70,473 |
| Miscellaneous | 1,783,682 | 1,391,018 | 2,296,743 | 1,581,916 |
| Total revenues | <u>41,698,793</u> | <u>42,392,120</u> | <u>42,888,318</u> | <u>45,413,827</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 5,697,945 | 4,698,889 | 5,109,652 | 4,596,577 |
| Public safety | 12,269,841 | 13,189,268 | 13,916,985 | 14,734,093 |
| Public works | 5,110,274 | 5,088,899 | 5,434,287 | 5,755,348 |
| Community development | 1,700,475 | 1,645,680 | 1,790,790 | 2,401,704 |
| Culture and recreation | 4,929,907 | 5,102,392 | 5,527,597 | 6,249,210 |
| Capital outlay | 2,674,837 | 4,986,097 | 1,723,052 | 11,310,554 |
| Debt service: | | | | |
| Principal | 4,835,507 | 4,890,666 | 5,106,392 | 4,627,379 |
| Interest and fiscal agent charges | 3,726,968 | 3,493,688 | 3,262,591 | 3,202,770 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>40,945,754</u> | <u>43,095,579</u> | <u>41,871,346</u> | <u>52,877,635</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>753,039</u> | <u>(703,459)</u> | <u>1,016,972</u> | <u>(7,463,808)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 6,825,205 | 7,482,456 | 7,193,956 | 6,214,654 |
| Transfers out | (6,734,919) | (7,767,346) | (7,096,019) | (6,486,563) |
| Issuance of capital lease | 1,673 | - | - | - |
| Issuance of bonds | - | 5,040,000 | 4,620,000 | 24,243,570 |
| Payment to refunded bonds escrow agent | - | (5,239,802) | - | (10,009,448) |
| Premium | - | 241,346 | 171,291 | 2,527,764 |
| Sale of capital assets | - | - | - | - |
| Total other financing sources (uses) | <u>91,959</u> | <u>(243,346)</u> | <u>4,889,228</u> | <u>16,489,977</u> |
| Net change in fund balances | <u>\$ 844,998</u> | <u>\$ (946,805)</u> | <u>\$ 5,906,200</u> | <u>\$ 9,026,169</u> |
| Debt service as a percentage of non-capital expenditures (1) | 69.16% | 21.09% | 22.65% | 15.47% |

(1) There are some capital expenditures reported in various functional expenditure line items and are included in this calculation.

TABLE 4

| | | Fiscal Year | | | | | | | | | | |
|----|---------------------|--------------------|---------------------|------|---------------------|------|--------------------|----|--------------------|----|---------------------|--------------------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | | | |
| \$ | 19,856,938 | \$ | 21,228,368 | \$ | 22,662,335 | \$ | 25,189,670 | \$ | 27,469,423 | \$ | 29,671,220 | |
| | 16,880,929 | | 16,798,919 | | 17,305,748 | | 18,729,392 | | 19,878,538 | | 21,650,326 | |
| | 3,193,511 | | 3,150,851 | | 3,089,998 | | 3,249,704 | | 3,353,554 | | 3,386,680 | |
| | 1,415,034 | | 1,335,198 | | 1,356,969 | | 1,351,498 | | 1,408,566 | | 1,855,309 | |
| | 287,832 | | 599,310 | | 1,345,592 | | 1,022,835 | | 535,884 | | 1,421,536 | |
| | 1,422,084 | | 1,402,152 | | 1,543,257 | | 1,445,053 | | 1,116,297 | | 600,142 | |
| | 533,822 | | 251,840 | | 133,652 | | 227,283 | | 859,829 | | 1,104,396 | |
| | 3,727,378 | | 3,840,360 | | 4,127,562 | | 4,046,803 | | 4,191,285 | | 4,631,276 | |
| | 88,026 | | 223,806 | | 428,422 | | 920,364 | | 1,535,153 | | 731,941 | |
| | 521,976 | | 268,183 | | 311,715 | | 308,858 | | 274,053 | | 164,269 | |
| | 166,226 | | 143,429 | | 47,481 | | 27,947 | | 686,010 | | 48,425 | |
| | 1,874,647 | | 1,578,783 | | 1,831,166 | | 1,787,707 | | 1,635,999 | | 937,024 | |
| | <u>49,968,403</u> | | <u>50,821,199</u> | | <u>54,183,897</u> | | <u>58,307,114</u> | | <u>62,944,591</u> | | <u>66,202,544</u> | |
| | 5,178,035 | | 5,356,449 | | 6,958,826 | | 7,467,748 | | 8,133,737 | | 9,344,073 | |
| | 17,829,372 | | 18,320,238 | | 17,536,369 | | 19,465,973 | | 18,304,389 | | 20,336,457 | |
| | 5,869,224 | | 6,416,556 | | 6,020,703 | | 6,807,958 | | 6,711,307 | | 6,196,124 | |
| | 2,834,550 | | 5,057,885 | | 3,159,634 | | 5,449,827 | | 5,189,610 | | 4,010,870 | |
| | 6,275,252 | | 6,867,778 | | 7,076,266 | | 7,186,446 | | 7,200,075 | | 6,707,818 | |
| | 10,414,349 | | 14,986,952 | | 9,629,088 | | 5,084,668 | | 9,574,077 | | 12,831,619 | |
| | 5,230,643 | | 5,741,552 | | 6,295,335 | | 663,791 | | 7,270,453 | | 7,727,653 | |
| | 3,815,653 | | 3,558,020 | | 3,901,892 | | 3,536,470 | | 3,946,604 | | 3,816,809 | |
| | - | | - | | - | | 173,355 | | 123,526 | | 152,729 | |
| | <u>57,447,078</u> | | <u>66,305,430</u> | | <u>60,578,113</u> | | <u>55,836,236</u> | | <u>66,453,778</u> | | <u>71,124,152</u> | |
| (| <u>7,478,675</u>) | (| <u>15,484,231</u>) | (| <u>6,394,216</u>) | | <u>2,470,878</u> | (| <u>3,509,187</u>) | (| <u>4,921,608</u>) | |
| | 8,009,497 | | 12,017,189 | | 10,673,496 | | 6,990,660 | | 8,750,700 | | 9,658,184 | |
| (| <u>8,288,086</u>) | (| <u>12,160,098</u>) | (| <u>10,377,827</u>) | (| <u>7,289,423</u>) | (| <u>9,439,453</u>) | (| <u>11,460,452</u>) | |
| | - | | - | | - | | 631,520 | | - | | - | |
| | 18,715,000 | | 30,051,092 | | 4,965,000 | | 13,745,000 | | 7,415,000 | | 8,005,000 | |
| (| <u>11,047,964</u>) | (| <u>23,304,563</u>) | | - | | - | | - | | (| <u>5,304,194</u>) |
| | 2,131,755 | | 3,282,340 | | 214,037 | | 278,976 | | 727,114 | | 1,585,693 | |
| | - | | - | | - | | 212,088 | | - | | 1,872,402 | |
| | <u>9,520,202</u> | | <u>9,885,960</u> | | <u>5,474,706</u> | | <u>14,568,821</u> | | <u>7,453,361</u> | | <u>4,356,633</u> | |
| \$ | <u>2,041,527</u> | \$ | <u>(5,598,271)</u> | \$ | <u>(919,510)</u> | \$ | <u>17,039,699</u> | \$ | <u>3,944,174</u> | \$ | <u>(564,975)</u> | |
| | 19.75% | | 19.22% | | 19.84% | | 18.71% | | 20.20% | | 19.54% | |

CITY OF BURLESON, TEXAS

ASSESSED AND ACTUAL
VALUE OF TAXABLE PROPERTY (Unaudited)

LAST TEN FISCAL YEARS

| Fiscal Year | Residential Property | Industrial/ Commercial Property | Mineral Reserves | Less: Tax-Exempt Property |
|-------------|----------------------|---------------------------------|------------------|---------------------------|
| 2011 | \$ 1,770,352,770 | \$ 579,118,177 | \$ 93,920,686 | \$ 220,261,774 |
| 2012 | 1,907,739,189 | 629,673,799 | 111,060,424 | 347,152,435 |
| 2013 | 1,949,702,876 | 690,001,727 | 111,483,802 | 341,644,076 |
| 2014 | 2,039,186,901 | 723,992,280 | 84,403,921 | 358,372,460 |
| 2015 | 2,237,761,861 | 730,854,710 | 184,302,872 | 369,333,494 |
| 2016 | 2,423,710,740 | 809,276,528 | 160,436,595 | 381,084,153 |
| 2017 | 2,770,858,176 | 865,977,924 | 42,719,357 | 435,249,706 |
| 2018 | 3,151,831,317 | 889,341,356 | 43,348,115 | 452,988,413 |
| 2019 | 3,561,153,075 | 939,220,256 | 50,736,216 | 543,091,182 |
| 2020 | 3,818,515,400 | 1,045,167,320 | 84,822,524 | 555,160,175 |

Source: Johnson County Appraisal District

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Table 5

| | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|----|---------------------------------------|--------------------------------|---|---|
| \$ | 2,223,129,859 | 0.7100 | \$ 2,223,129,859 | 100% |
| | 2,301,320,977 | 0.6900 | 2,301,320,977 | 100% |
| | 2,409,544,329 | 0.6900 | 2,409,544,329 | 100% |
| | 2,488,710,642 | 0.6900 | 2,488,710,642 | 100% |
| | 2,783,585,949 | 0.7400 | 2,783,585,949 | 100% |
| | 3,012,339,710 | 0.7400 | 3,012,339,710 | 100% |
| | 3,244,305,751 | 0.7350 | 3,244,305,751 | 100% |
| | 3,631,532,375 | 0.7350 | 3,631,532,375 | 100% |
| | 4,008,018,365 | 0.7350 | 4,008,018,365 | 100% |
| | 4,393,345,069 | 0.7200 | 4,393,345,069 | 100% |

CITY OF BURLESON, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Unaudited)

LAST TEN FISCAL YEARS

| | Fiscal Year | | | |
|--|--------------------|---------------|---------------|---------------|
| | 2011 | 2012 | 2013 | 2014 |
| OVERLAPPING RATES | | | | |
| Tarrant County | 0.2640 | 0.2640 | 0.2640 | 0.2640 |
| Tarrant County Hospital District | 0.2279 | 0.2279 | 0.2279 | 0.2279 |
| Tarrant County College | 0.1379 | 0.1490 | 0.1495 | 0.1495 |
| Tarrant County Regional Water District | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| Johnson County | 0.3275 | 0.3305 | 0.3332 | 0.3712 |
| Burleson Independent School District | 1.5400 | 1.5400 | 1.5400 | 1.5400 |
| Joshua Independent School District | 1.3900 | 1.4900 | 1.4900 | 1.4900 |
| Crowley Independent School District | 1.5350 | 1.6700 | 1.6700 | 1.6700 |
| CITY DIRECT RATES | | | | |
| Operating & Maintenance | 0.5478 | 0.5278 | 0.5278 | 0.5278 |
| Interest & Sinking | 0.1622 | 0.1622 | 0.1622 | 0.1622 |
| Total Direct Rate | 0.7100 | 0.6900 | 0.6900 | 0.6900 |

Sources: Tarrant Appraisal District, Johnson County Tax Office, City records

Note: All rates per \$100 assessed value.
Some of the jurisdictions are mutually exclusive.

TABLE 6

| Fiscal Year | | | | | |
|--------------------|--------|--------|--------|--------|--------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 0.2640 | 0.2640 | 0.2540 | 0.2440 | 0.2340 | 0.2340 |
| 0.2279 | 0.2279 | 0.2279 | 0.2244 | 0.2244 | 0.2244 |
| 0.1495 | 0.1495 | 0.1447 | 0.1401 | 0.1361 | 0.1302 |
| 0.0200 | 0.0200 | 0.0194 | 0.0194 | 0.0194 | 0.0287 |
| 0.4054 | 0.4077 | 0.4227 | 0.4417 | 0.4417 | 0.3847 |
| 1.5400 | 1.5400 | 1.5400 | 1.6700 | 1.6700 | 1.5684 |
| 1.4200 | 1.6000 | 1.6100 | 1.6000 | 1.5200 | 1.4400 |
| 1.6500 | 1.6500 | 1.6500 | 1.6700 | 1.6700 | 1.5684 |
| 0.5278 | 0.5278 | 0.5228 | 0.5228 | 0.5228 | 0.5106 |
| 0.2122 | 0.2122 | 0.2122 | 0.2122 | 0.2122 | 0.2094 |
| 0.7400 | 0.7400 | 0.7350 | 0.7350 | 0.7350 | 0.7200 |

CITY OF BURLESON, TEXAS

TABLE 7

PRINCIPAL PROPERTY TAX PAYERS (Unaudited)

CURRENT AND NINE YEARS AGO

| Taxpayer | 2020 | | | 2011 | | |
|---------------------------------|----------------------------|--|--------------|----------------------------|--|--------------|
| | Taxable Assessed Valuation | Percentage of Total Taxable Assessed Valuation | | Taxable Assessed Valuation | Percentage of Total Taxable Assessed Valuation | |
| TEP Barnett USA LLC | \$ 34,649,445 | 1 | 0.86% | | | |
| ABBY Burleson MF LLC | 16,230,639 | 2 | 0.37% | | | |
| RMA Holdings | 12,882,691 | 3 | 0.29% | | | |
| Wagner Smith Equipment Co. | 28,237,011 | 4 | 0.64% | \$ 12,589,615 | 8 | 0.52% |
| HEB Grocery Company LLP | 13,007,516 | 5 | 0.30% | 12,816,248 | 9 | 0.53% |
| Encore MF Burleson LP | 13,313,376 | 6 | 0.30% | - | | - |
| MA Summercrest at Burleson LLC | 16,538,853 | 7 | 0.38% | - | | - |
| Oncor Electric Delivery Co | 12,826,814 | 8 | 0.29% | 14,589,396 | 6 | 0.60% |
| EB Reserve LLC & RL Reserve LLC | 15,533,048 | 9 | 0.35% | - | | - |
| CAR Transport Inc. | <u>13,329,325</u> | 10 | <u>0.30%</u> | - | | - |
| Chesapeake Operating LP | | | | 60,051,922 | 1 | 2.48% |
| EE Burleson LP | | | | 23,455,871 | 2 | 0.97% |
| WalMart | | | | 20,186,738 | 3 | 0.83% |
| Williams Production Golf | | | | 17,107,714 | 4 | 0.71% |
| Burleson Commons LP | | | | 15,459,801 | 5 | 0.64% |
| Target Corporation | | | | 11,305,765 | 9 | 0.47% |
| Burleson Hidden Vistas LP | | | | <u>6,919,489</u> | 10 | <u>0.29%</u> |
| Total | \$ <u>176,548,718</u> | | <u>4.02%</u> | \$ <u>194,482,559</u> | | <u>8.02%</u> |

Source: Johnson County Appraisal District

CITY OF BURLESON, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)

LAST TEN FISCAL YEARS

| Fiscal Year Ended 9/30 | Actual Levy Year | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collection in Subsequent Years | Total Collections to Date | |
|---------------------------------|------------------------|--|---|-----------------------|--------------------------------------|---------------------------|-----------------------|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2011 | 2010 | \$ 15,357,850 | \$ 15,112,059 | 98.40% | \$ 130,192 | \$ 15,242,251 | 99.25% |
| 2012 | 2011 | 15,505,272 | 15,313,022 | 98.76% | 146,048 | 15,459,070 | 99.70% |
| 2013 | 2012 | 16,055,008 | 15,864,234 | 98.81% | 126,985 | 15,991,220 | 99.60% |
| 2014 | 2013 | 16,528,604 | 16,348,465 | 98.91% | 161,390 | 16,509,855 | 99.89% |
| 2015 | 2014 | 19,537,616 | 19,313,610 | 98.85% | 119,028 | 19,432,638 | 99.46% |
| 2016 | 2015 | 20,896,042 | 20,713,371 | 99.13% | 74,875 | 20,788,246 | 99.48% |
| 2017 | 2016 | 22,079,157 | 21,915,940 | 99.26% | 35,962 | 21,951,902 | 99.42% |
| 2018 | 2017 | 24,363,253 | 24,227,984 | 99.44% | 48,184 | 24,276,168 | 99.64% |
| 2019 | 2018 | 26,776,792 | 26,583,649 | 99.88% | 86,510 | 26,670,159 | 99.60% |
| 2020 | 2019 | 28,878,855 | 28,571,233 | 98.93% | - | 28,571,233 | 98.93% |

Sources: Johnson County Tax Office reports

CITY OF BURLESON, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE
AND GENERAL BONDED DEBT OUTSTANDING (Unaudited)

LAST TEN FISCAL YEARS

| Fiscal Year | Governmental Activities | | | | Business-type Activities |
|-------------|--------------------------|--------------------------------|-------------------------|----------------|--------------------------|
| | General Obligation Bonds | Certificates of Obligation (1) | Sales Tax Revenue Bonds | Capital Leases | General Obligation Bonds |
| 2011 | \$ 35,910,000 | \$ 39,825,000 | \$ 7,645,000 | \$ 1,261,524 | \$ 14,945,000 |
| 2012 | 36,836,000 | 35,220,000 | 6,725,000 | 896,606 | 14,499,000 |
| 2013 | 34,692,000 | 37,925,000 | 5,765,000 | 762,991 | 13,608,000 |
| 2014 | 49,584,570 | 33,800,000 | 5,140,000 | 621,676 | 11,770,430 |
| 2015 | 55,518,570 | 31,685,000 | 4,490,000 | 520,372 | 21,561,430 |
| 2016 | 68,653,213 | 20,895,000 | 3,815,000 | 419,067 | 24,816,787 |
| 2017 | 73,129,176 | 23,256,570 | 3,179,150 | 297,396 | 24,159,171 |
| 2018 | 63,172,356 | 33,695,000 | 2,380,000 | 806,613 | 20,087,644 |
| 2019 | 58,076,855 | 39,880,000 | 1,615,000 | 624,426 | 17,638,144 |
| 2020 | 52,038,785 | 41,875,000 | 825,000 | 523,326 | 15,266,215 |

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

- (1) Includes certificate of obligation secured by a combination of property and sales tax revenue.
- (2) Includes governmental activities and business-type activities debt.
- (3) See Table 13 for population and personal income data.

TABLE 9

| Business-type Activities | | | | | |
|----------------------------------|-------------------|---------------------------|------------------------------------|--|-------------------|
| Certificates of Obligation | Capital Leases | Water Revenue Bonds | Total Primary Government (2) | Percentage of Personal Income (3) | Per Capita (3) |
| \$ 21,365,000 | \$ 307,838 | \$ 10,590,000 | \$ 131,849,362 | 12.84% | \$ 3,458 |
| 20,555,000 | 230,132 | 13,660,000 | 128,621,738 | 11.56% | 3,297 |
| 21,780,000 | 171,101 | 12,740,000 | 127,444,092 | 11.06% | 3,130 |
| 23,220,000 | 17,198 | 12,340,000 | 136,493,874 | 11.61% | 3,312 |
| 22,520,000 | 14,653 | 6,520,000 | 142,830,025 | 11.76% | 3,356 |
| 24,050,000 | 12,108 | 3,655,000 | 146,316,175 | 11.33% | 3,328 |
| 31,672,038 | 8,937 | 3,582,475 | 159,284,913 | 11.54% | 3,551 |
| 36,690,000 | 5,748 | 3,285,000 | 160,122,361 | 10.81% | 3,510 |
| 39,665,000 | 2,326 | 2,708,028 | 160,209,779 | 10.81% | 3,512 |
| 42,015,000 | - | 2,900,000 | 155,443,326 | 9.98% | 3,340 |

CITY OF BURLESON, TEXAS

NET GENERAL BONDED DEBT OUTSTANDING (Unaudited)

LAST TEN FISCAL YEARS

| Fiscal Year | Governmental Activities | | | Business-type Activities | |
|-------------|--------------------------|--------------------------------|--|------------------------------|--------------------------------|
| | General Obligation Bonds | Certificates of Obligation (3) | Less: Amounts Available in Debt Service Fund | General Obligation Bonds (3) | Certificates of Obligation (3) |
| 2011 | \$ 35,910,000 | \$ 39,825,000 | \$ 778,717 | \$ 14,945,000 | \$ 21,365,000 |
| 2012 | 36,836,000 | 35,220,000 | 819,907 | 14,499,000 | 20,555,000 |
| 2013 | 34,692,000 | 37,925,000 | 846,752 | 13,608,000 | 21,780,000 |
| 2014 | 49,584,570 | 33,800,000 | 857,274 | 11,770,430 | 26,220,000 |
| 2015 | 55,518,570 | 31,685,000 | 873,316 | 21,561,430 | 22,520,000 |
| 2016 | 68,653,213 | 20,895,000 | 815,726 | 24,816,787 | 24,050,000 |
| 2017 | 73,129,176 | 23,256,570 | 821,623 | 22,564,073 | 30,030,000 |
| 2018 | 63,172,356 | 33,695,000 | 935,135 | 20,087,644 | 36,690,000 |
| 2019 | 58,076,856 | 39,880,000 | 526,482 | 17,638,144 | 39,665,000 |
| 2020 | 52,038,785 | 41,875,000 | 2,398,153 | 15,266,215 | 42,015,000 |

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

- (1) See Table 5 for taxable value of property data.
- (2) See Table 13 for population and personal income data.
- (3) Includes debt secured by a combination tax and revenue pledge.
- (4) These bonds are serviced completely by revenue streams other than general property taxes.

TABLE 10

| Total General Bonded Debt | Less: Self-supported Debt (4) | Net General Bonded Debt Outstanding | Percentage of Actual Property Value (1) | Per Capita (2) |
|------------------------------------|-------------------------------------|---|--|-------------------|
| \$ 111,266,283 | \$ 64,809,846 | \$ 46,456,437 | 2.09% | \$ 1,266 |
| 106,290,093 | 62,455,146 | 43,834,947 | 1.90% | 1,150 |
| 107,158,248 | 61,140,001 | 46,018,247 | 1.91% | 1,180 |
| 120,517,726 | 66,191,289 | 54,326,437 | 2.18% | 1,334 |
| 130,411,684 | 73,906,740 | 56,504,944 | 2.03% | 1,371 |
| 137,599,274 | 70,561,740 | 67,037,534 | 2.23% | 1,575 |
| 148,158,196 | 72,145,034 | 76,013,162 | 2.34% | 1,729 |
| 152,709,865 | 83,101,740 | 69,608,125 | 2.15% | 1,552 |
| 154,733,518 | 90,211,289 | 64,522,229 | 1.61% | 1,414 |
| 148,796,847 | 73,562,446 | 75,234,401 | 1.71% | 1,617 |

CITY OF BURLESON, TEXAS

DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT (Unaudited)

SEPTEMBER 30, 2020

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percent Applicable (1)</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|---|-----------------------------|---|---|
| City of Burleson | \$ 102,108,655 | 100% | \$ 102,108,655 |
| Johnson County | 21,340,000 | 24.43% | 5,213,362 |
| Tarrant County | 240,445,000 | 0.40% | 961,780 |
| Tarrant County Hospital District | 16,135,000 | 0.40% | 64,540 |
| Tarrant County Junior College District | 264,175,000 | 0.40% | 1,056,700 |
| Burleson ISD | 324,055,852 | 81.74% | 264,883,253 |
| Joshua ISD | 97,670,000 | 25.58% | <u>24,983,986</u> |
| Total overlapping debt | | | \$ 297,163,621 |
| Total direct and overlapping debt | | | \$ 399,272,276 |
| Per capita direct and overlapping debt | | | \$ 8,579 |

(1) Overlapping percentage calculated as follows:

$$\frac{\text{Overlapping portion of the government's tax base}}{\text{Total tax base of the overlapping government}}$$

Population: 46,540

** Less than 0.01%

THE CITY OF
BURLESON
TEXAS

CITY OF BURLESON, TEXAS

PLEGGED - REVENUE BOND WATER AND SEWER COVERAGE (Unaudited)

LAST TEN FISCAL YEARS

| Water and Sewer Debt | | | | | |
|----------------------|-------------------|-------------------------------|--|---------------|------------|
| Fiscal Year | Gross Revenues(1) | Direct Operating Expenses (2) | Net Revenue Available for Debt Service | Revenue Bonds | |
| | | | | Debt Service | |
| | | | | Principal | Interest |
| 2011 | \$ 16,616,846 | \$ 9,903,505 | \$ 6,713,341 | \$ 1,360,000 | \$ 977,872 |
| 2012 | 15,465,869 | 10,028,487 | 5,437,382 | 1,230,000 | 874,716 |
| 2013 | 16,213,617 | 10,741,772 | 5,471,845 | 920,000 | 565,957 |
| 2014 | 17,263,299 | 10,908,767 | 6,354,532 | 400,000 | 492,016 |
| 2015 | 17,792,538 | 11,053,011 | 6,739,527 | 1,070,000 | 492,014 |
| 2016 | 18,593,177 | 10,989,736 | 7,603,441 | 890,000 | 365,595 |
| 2017 | 19,789,388 | 10,568,950 | 9,220,438 | 185,000 | 118,625 |
| 2018 | 22,369,878 | 11,552,023 | 10,817,855 | 185,000 | 114,925 |
| 2019 | 23,030,483 | 12,765,375 | 10,265,108 | 190,000 | 111,175 |
| 2020 | 22,316,565 | 12,719,362 | 9,597,203 | 195,000 | 106,838 |

- Notes:
- (1) Includes operating revenues and interest income.
 - (2) Direct operating expenses are total operating expenses excluding depreciation expense and pension expense.

TABLE 12

Water and Sewer Debt

| Revenue Bonds | | Combination Tax & Revenue Bonds | | | | Total Water & Sewer Bond Coverage |
|---------------|----------|---------------------------------|------------|--------------|----------|---|
| Debt Service | | Debt Service | | | | |
| Total | Coverage | Principal | Interest | Total | Coverage | |
| \$ 2,337,872 | 2.87 | \$ 620,000 | \$ 622,481 | \$ 1,242,481 | 5.40 | 1.88 |
| 2,104,716 | 2.58 | 810,000 | 967,528 | 1,777,528 | 3.06 | 1.40 |
| 1,485,957 | 3.68 | 935,000 | 842,308 | 1,777,308 | 3.08 | 1.68 |
| 892,016 | 7.12 | 1,040,000 | 777,845 | 1,817,845 | 3.50 | 2.34 |
| 1,562,014 | 4.31 | 1,250,000 | 871,317 | 2,121,317 | 3.18 | 1.83 |
| 1,255,595 | 6.06 | 1,450,000 | 924,667 | 2,374,667 | 3.20 | 2.09 |
| 303,625 | 30.37 | 1,420,000 | 941,453 | 2,361,453 | 3.90 | 3.46 |
| 299,925 | 36.07 | 1,475,000 | 1,115,842 | 2,590,842 | 4.18 | 3.74 |
| 301,175 | 34.08 | 1,495,000 | 1,429,433 | 2,924,433 | 3.51 | 3.18 |
| 301,838 | 31.80 | 1,740,000 | 1,517,402 | 3,257,402 | 2.95 | 2.70 |

CITY OF BURLESON, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)
LAST TEN FISCAL YEARS

| Fiscal Year | Population (1) | Personal Income (thousands of dollars) (2) | Per Capita Income (6) | Median Age (3) | Education Level In School (3) | Public School Enrollment (4) | Unemployment Rate (5) |
|-------------|----------------|--|-----------------------|----------------|-------------------------------|------------------------------|-----------------------|
| 2011 | 36,690 | \$ 966,194 | \$ 26,334 | 32.9 | 14.0 | 9,833 | 7.4% |
| 2012 | 38,130 | 1,027,260 | 26,941 | 33.1 | 14.2 | 10,211 | 5.2% |
| 2013 | 39,010 | 1,112,955 | 28,530 | 32.9 | 14.2 | 10,457 | 4.6% |
| 2014 | 40,714 | 1,152,369 | 28,304 | 33.0 | 14.2 | 10,618 | 3.9% |
| 2015 | 41,213 | 1,175,807 | 28,530 | 33.0 | 14.2 | 11,363 | 3.2% |
| 2016 | 42,560 | 1,214,833 | 28,544 | 32.9 | 14.2 | 11,376 | 3.1% |
| 2017 | 43,960 | 1,291,589 | 29,381 | 32.8 | 14.2 | 11,748 | 3.2% |
| 2018 | 44,860 | 1,380,162 | 30,766 | 33.0 | 14.2 | 12,054 | 3.2% |
| 2019 | 45,620 | 1,481,783 | 32,481 | 33.0 | 14.2 | 12,440 | 2.9% |
| 2020 | 46,540 | 1,557,461 | 33,465 | 33.0 | 14.2 | 12,775 | 6.9% |

Sources: (1) North Central Texas Council of Governments (Census 2000 information average)
(2) Personal Income is derived by multiplying per capita income by the estimated population
(3) City of Burleson Economic Development
(4) Burleson Independent School District
(5) Texas Workforce Commission
(6) U.S. Census Bureau

CITY OF BURLESON, TEXAS

PRINCIPAL EMPLOYERS (Unaudited)

CURRENT YEAR AND NINE YEARS AGO

| Employer | 2020 | | | 2011 | | |
|--------------------------------------|--------------|------|---------------|--------------|------|---------------|
| | Employees | Rank | Percent | Employees | Rank | Percent |
| Burleson Independent School District | 1,700 | 1 | 10.65% | 1,491 | 1 | 10.90% |
| Wal-Mart | 560 | 2 | 3.51% | 380 | 3 | 2.78% |
| City of Burleson | 440 | 3 | 2.76% | 405 | 2 | 2.96% |
| H.E.B. Grocery | 370 | 4 | 2.32% | 353 | 4 | 2.58% |
| Champion Buildings Mfg | 320 | 5 | 2.01% | 340 | 5 | 2.48% |
| Air Center Helicopter | 250 | 6 | 1.57% | | | |
| Lowe's Companies | 195 | 7 | 1.22% | 150 | 8 | 1.10% |
| Basden Steel | 150 | 8 | 0.94% | 150 | 7 | 1.10% |
| KWS Manufacturing | 150 | 9 | 0.94% | 150 | 9 | 1.10% |
| Golden State Foods | <u>130</u> | 10 | <u>0.81%</u> | | | |
| Thomas Conveyor Mfg | | | | 126 | 10 | 0.92% |
| Target | | | | <u>175</u> | 6 | <u>1.28%</u> |
| Total | <u>4,265</u> | | <u>26.73%</u> | <u>3,720</u> | | <u>27.19%</u> |

Source: City of Burleson Economic Development Department

CITY OF BURLESON, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM (Unaudited)

| Function/Program | LAST TEN FISCAL YEARS | | | | |
|--|-----------------------|--------------|---------------|---------------|---------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| General government and Administration: | | | | | |
| City manager's office | 6.5 | 4.5 | 4.5 | 4 | 4 |
| City secretary's office | 2 | 3 | 3 | 3.5 | 4.5 |
| Support Services | 1.5 | 1 | 1 | 1 | 1 |
| Records management | 1 | 1 | 1 | 1 | 1 |
| Information technology | 7 | 7 | 7 | 8 | 8 |
| Economic development | 1 | 1 | 2.5 | 2 | 2 |
| Human resources | 3.5 | 3.5 | 4 | 3 | 4 |
| Communications | 1 | 1 | 1 | 1 | 1 |
| Judicial | - | - | 1.15 | 0.5 | 0.5 |
| Legal | - | - | 0.5 | 1 | 1 |
| Finance | 9 | 9 | 9 | 9 | 9 |
| Purchasing | 1 | 1 | 1 | 1 | 1 |
| Public Safety: | | | | | |
| Police | 76.5 | 76.5 | 79 | 82 | 78.5 |
| Fire | 34 | 34 | 34 | 36 | 38 |
| Fire prevention | 2 | 2 | 2 | 2 | 3 |
| Emergency Services | - | - | - | - | - |
| Municipal Court | 8 | 8 | 8.5 | 6.5 | 8 |
| Marshals Service | - | - | - | - | - |
| Public Works: | | | | | |
| Public works administration | 4.5 | 3.5 | 5 | 5 | 5 |
| Street maintenance | 20 | 19 | 20 | 18 | 17 |
| Neighborhood services | 1 | 1 | 2 | 2 | 2 |
| Animal services | 5 | 5 | 5 | 5 | 5 |
| Environmental services | 1 | 1 | 3 | 1 | 1 |
| Facility maintenance | 6.5 | 6.5 | 2 | 2 | 2 |
| Planning | 5 | 3 | 4 | 4 | 4 |
| Building code enforcement | 8.5 | 6.5 | 6.5 | 6.5 | 9 |
| Community development | 5 | 5 | 5 | 3 | 2 |
| Engineering | 9.7 | 9.7 | 10 | 9 | 9 |
| Culture & Recreation: | | | | | |
| Library | 10 | 10 | 10.46 | 11.5 | 12.5 |
| Parks & recreation administration | 4.3 | 3.3 | 3.25 | 2 | 3 |
| Recreation | 38.5 | 38.8 | 39.1 | 34.7 | 42.2 |
| Park maintenance | 9.5 | 9.5 | 12.5 | 11 | 11.5 |
| Senior citizens center | 1.5 | 1.5 | 1.5 | 2 | 2 |
| Athletic Fields | 2.5 | 3.5 | 8.9 | 9.1 | 9.2 |
| Russell Farm | - | 1 | 1 | 1 | 1 |
| Enterprise Operations and Administration: | | | | | |
| Water/Wastewater: | | | | | |
| Water & sewer services | 22 | 22 | 21 | 19 | 19 |
| Utility billing | 8 | 8 | 8 | 8 | 8 |
| Hidden Creek Golf Course: | | | | | |
| Golf course administration | 2 | 2 | 2 | 1 | 1 |
| Golf course club house & pro shop | 7.4 | 7.4 | 6.07 | 6.25 | 6.25 |
| Golf course maintenance | 8 | 8 | 8 | 7 | 6 |
| Golf course food & beverage | 5.6 | 6 | 5.7 | 4.5 | 4.5 |
| Solid Waste | 2 | 2 | 0.78 | 1 | 2 |
| Internal Service Operations: | | | | | |
| Equipment services | 6 | 5 | 5 | 5 | 4 |
| Total | 347.5 | 340.7 | 354.91 | 340.05 | 352.65 |

*Source: City of Burleson Adopted Annual Operating Budget (beginning in FY 2019)

TABLE 15

| 2016 | 2017 | 2018 | 2019* | 2020* |
|------------|--------------|--------------|---------------|---------------|
| 5 | 4 | 4 | 4 | 3 |
| 5 | 4 | 4 | 4 | 4 |
| 1 | 1 | 1 | 1 | - |
| 1 | 1 | 1 | 1 | 1 |
| 8 | 8 | 9 | 10 | 10 |
| 2.5 | 2.5 | 2.5 | 2 | 2 |
| 4 | 4 | 4 | 4 | 4 |
| 1 | 2 | 2 | 2.5 | 4 |
| 1.5 | 1 | - | - | - |
| 1 | 1 | 1 | 1 | 1 |
| 8 | 8 | 8 | 9 | 9 |
| 1 | 1 | 1 | 1 | 1 |
| 84 | 84.5 | 85.5 | 90.76 | 95.76 |
| 40 | 48 | 48 | 49 | 49 |
| 3 | 3 | 3 | 3 | 4 |
| - | - | - | 1 | 1 |
| 3 | 4 | 4 | 4 | 4 |
| 3 | 3 | 3 | 3 | 3 |
| 6 | 6 | 6 | 6 | 6 |
| 17 | 18 | 17 | 17 | 20 |
| 2 | 2 | 2 | 2 | 2 |
| 5 | 5.5 | 5.5 | 5 | 5.5 |
| 1.5 | 2 | 2 | 2 | 3 |
| 3 | 5 | 5 | 5 | 5 |
| 5 | 5 | 5 | 4 | 4 |
| 9 | 9 | 10 | 10 | 10 |
| 2.5 | 2.5 | 2.5 | 5 | 4 |
| 12 | 12 | 12 | 11.5 | 10 |
| 11 | 11 | 11 | 12 | 12 |
| 2 | 2 | 2 | 2 | 2 |
| 41.9 | 38.1 | 38.6 | 42.26 | 42.26 |
| 12 | 12 | 12 | 11.91 | 11.91 |
| 2 | 2 | 3 | 2.84 | 2.84 |
| 8.8 | 8.1 | 7.1 | 8.83 | 8.83 |
| 1 | 1 | 1.4 | 2.28 | 2.28 |
| 21 | 21 | 21 | 21 | 21 |
| 8 | 8 | 8 | 8 | 8 |
| 2 | 2 | 2 | 2 | 2 |
| 6.5 | 6.5 | 6.5 | 6.8 | 6.8 |
| 8.5 | 9 | 9 | 8.68 | 8.68 |
| 4.3 | 4.2 | 4.2 | 4.19 | 4.19 |
| 1 | 1 | 1 | 1 | - |
| 3 | 3 | 3 | 3 | 3 |
| 368 | 375.9 | 377.8 | 394.55 | 401.05 |

CITY OF BURLESON, TEXAS

SCHEDULE OF INSURANCE POLICIES IN FORCE (Unaudited)

AS OF SEPTEMBER 30, 2020

| | AM Best Rating | Policy Number | Policy Period |
|---|-------------------|---------------------|------------------------|
| Texas Municipal League Intergovernmental Risk Pool | A++ | 3511 | 10/1/2019 9/30/2020 |
| Coverage | Deductibles | Liability Limits | |
| General Liability | \$ - | \$ | 1,000,000 |
| Real & Personal Property | 2,500 | | 84,247,604 |
| Auto Liability | - | | 1,000,000 |
| Auto Physical Damage | 1,000 | | Per schedule |
| Law Enforcement Liability | 1,000 | | 2,000,000 |
| Errors & Omissions | 5,000 | | 2,000,000 |
| Employee Fidelity Bond | 250 | | 500,000 |
| Workers' Compensation | N/A | | 500,000 |

Source: Claims administrators - Workers Compensation
TML Claims, 18601 LBJ Freeway, Suite 210, Tower East Tower, Mesquite, TX 75150

THE CITY OF
BURLESON
TEXAS

CITY OF BURLESON, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

| | Fiscal Year | | | | |
|---|--------------------|---------|---------|---------|---------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Public safety: | | | | | |
| Police: | | | | | |
| Total calls | 76,570 | 75,506 | 78,426 | 83,937 | 82,340 |
| Arrests | 1,243 | 1,192 | 1,068 | 1,050 | 1,077 |
| Traffic enforcement | 8,440 | 7,380 | 7,929 | 8,981 | 6,470 |
| Fire: | | | | | |
| Number of calls for service | 3,400 | 3,096 | 3,622 | 3,821 | 4,121 |
| Inspections | 830 | 1,152 | 2,038 | 2,719 | 3,957 |
| Animal Control: | | | | | |
| Animals Adopted | 558 | 452 | 352 | 426 | 478 |
| Animals Impounded | 2,930 | 1,870 | 1,900 | 1,907 | 1,942 |
| Environmental Health: | | | | | |
| Permits ¹ | - | - | - | - | - |
| Inspections | - | - | - | 131 | 162 |
| Community Development: | | | | | |
| Permits Issued ³ | 3,660 | 4,028 | 4,627 | 4,734 | 4,826 |
| Inspections Made | 9,365 | 8,065 | 11,015 | 13,827 | 15,071 |
| Culture and Recreation: | | | | | |
| Recreation: | | | | | |
| Special Event Participants | 33,216 | 45,800 | 33,725 | 28,415 | 38,181 |
| Senior Citizen Participants ⁴ | 31,500 | 33,357 | 34,219 | 35,124 | 33,535 |
| Library: | | | | | |
| Books in Collection | 65,832 | 64,327 | 64,640 | 66,435 | 70,545 |
| Materials borrowed ² | 418,977 | 437,547 | 406,379 | 432,189 | 413,732 |
| Water and Sewer: | | | | | |
| Number of water customers | 12,693 | 12,844 | 13,251 | 13,501 | 13,877 |
| Number of sewer connections | 12,975 | 13,086 | 13,396 | 13,495 | 14,087 |
| Gas Well: | | | | | |
| Number of Permits | 64 | 18 | - | 7 | - |
| Number of Pad Site Inspections ⁵ | 1,350 | 5,928 | 6,350 | 6,032 | 3,033 |

Source: Various City Departments (1) All permits collected by Tarrant County Health Department
(2) Beginning 2017, Library discontinued counting in-house circulations.
(3) Permits issued include building, fire prevention, and garage sales.
(4) People counters installed in 2019 to track attendance.
(5) Frequency of Gas Well Pad Site Inspections changed beginning in 2019.

TABLE 17

| Fiscal Year | | | | |
|--------------------|---------|---------|---------|---------------|
| 2016 | 2017 | 2018 | 2019 | 2020 |
| 72,900 | 63,460 | 59,062 | 45,349 | 44,477 |
| 1,089 | 1,045 | 1,107 | 1,210 | 1,276 |
| 6,312 | 11,374 | 8,733 | 6,672 | 5,162 |
| 4,338 | 4,491 | 4,274 | 4,505 | 4,473 |
| 4,012 | 2,895 | 1,427 | 3,281 | 2,139 |
| 457 | 564 | 719 | 799 | 674 |
| 2,041 | 2,352 | 1,777 | 1,860 | 1,585 |
| - | 265 | 294 | 336 | 334 |
| 182 | 521 | 507 | 447 | 529 |
| 7,088 | 4,829 | 4,844 | 4,560 | 4,610 |
| 15,186 | 14,225 | 13,104 | 12,276 | 15,207 |
| 41,300 | 44,225 | 44,500 | 45,200 | 17,585 |
| 37,688 | 36,450 | 35,247 | 55,032 | Closed -Covid |
| 70,828 | 70,210 | 68,980 | 65,951 | 68,226 |
| 436,033 | 333,290 | 338,654 | 348,100 | 350,375 |
| 14,224 | 14,432 | 14,588 | 15,185 | 15,437 |
| 14,457 | 14,513 | 14,849 | 15,666 | 16,050 |
| - | - | - | - | - |
| 2,964 | 3,380 | 3,276 | 1,000 | 1,000 |

CITY OF BURLESON, TEXAS

MISCELLANEOUS STATISTICS

LAST TEN FISCAL YEARS
(Unaudited)

| | | Fiscal Year | | | |
|-------------------------------------|-----------------|--------------------|-------------|-------------|-------------|
| | | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Date of incorporation | May 12, 1912 | | | | |
| Date of charter | April 5, 1989 | | | | |
| Area incorporated (square miles) | | 26.06 | 26.34 | 26.17 | 26.17 |
| Form of government | Council/Manager | | | | |
| Education: | | | | | |
| Attendance centers | | 15 | 15 | 15 | 15 |
| Number of teachers | | 658 | 669 | 665 | 675 |
| Number of students | | 9,833 | 10,211 | 10,457 | 10,618 |
| Miles of streets ⁽¹⁾ | | 200.00 | 200.00 | 185.00 | 181.00 |
| Miles of sewers: | | | | | |
| Sanitary sewers | | 190.91 | 197.64 | 200.00 | 199.39 |
| Storm sewers | | 52.44 | 54.50 | 49.00 | 49.70 |
| Culture and recreation: | | | | | |
| Parks - number of acres | | 348 | 364 | 454 | 463.44 |
| Number of municipal pools | | 2 | 2 | 2 | 2 |
| Number of lighted ball diamonds | | 23 | 23 | 16 | 16 |
| Number of community centers | | 1 | 1 | 2 | 2 |
| Municipal water system: | | | | | |
| Number of water customers | | 12,475 | 12,844 | 13,251 | 13,501 |
| Daily average consumption (gallons) | | 4,931,611 | 4,315,099 | 4,227,154 | 4,344,483 |
| System capacity (gallons per day) | | 14,550,000 | 14,550,000 | 14,550,000 | 14,550,000 |
| Miles of water mains | | 192.36 | 193.68 | 189.00 | 192.09 |
| Number of fire hydrants | | 1,331 | 1,348 | 1,349 | 1,431 |
| Municipal sewer system: | | | | | |
| Number of sewer connections | | 12,693 | 13,086 | 13,396 | 13,495 |
| System capacity (gallons per day) | | 11,890,000 | 11,890,000 | 11,890,000 | 11,890,000 |
| Number of street lights | | 1,415 | 1,421 | 1,421 | 1,442 |

TABLE 18

| Fiscal Year | | | | | |
|--------------------|------------|------------|------------|------------|------------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 26.33 | 28.06 | 28.21 | 28.28 | 28.33 | 28.37 |
| 15 | 16 | 16 | 16 | 17 | 17 |
| 685 | 706 | 759 | 773 | 780 | 800 |
| 10,807 | 11,376 | 11,748 | 12,054 | 12,340 | 12,775 |
| 185.17 | 192.76 | 196.86 | 201.10 | 209.05 | 212.96 |
| 202.39 | 203.38 | 209.15 | 213.42 | 214.99 | 215.49 |
| 49.47 | 50.68 | 55.74 | 60.17 | 59.97 | 60.70 |
| 463.44 | 486.19 | 477.66 | 542.8 | 554.49 | 565.05 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 16 | 16 | 16 | 16 | 18 | 18 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 13,877 | 14,224 | 14,432 | 14,588 | 15,185 | 15,437 |
| 4,129,146 | 4,196,295 | 4,582,278 | 4,928,277 | 4,354,776 | 4,544,416 |
| 17,500,000 | 17,500,000 | 17,500,000 | 17,500,000 | 17,500,000 | 17,500,000 |
| 205.24 | 204.72 | 208.61 | 211.44 | 212.49 | 216.14 |
| 1,463 | 1,497 | 1,553 | 1,568 | 1,587 | 1,628 |
| 14,087 | 14,457 | 14,513 | 14,849 | 15,666 | 16,050 |
| 11,890,000 | 11,890,000 | 11,890,000 | 11,890,000 | 11,890,000 | 11,890,000 |
| 1,457 | 1,539 | 1,576 | 1,588 | 1,638 | 1,640 |

THE CITY OF
BURLESON
TEXAS