

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



THE CITY OF
BURLESON
TEXAS

CITY OF BURLESON, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2021

CITY OFFICIALS

Chris Fletcher
Mayor

Dan McClendon	Mayor Pro Tem
Victoria Johnson	Councilmember
Rick Green	Councilmember
Jimmy Stanford	Councilmember
Tamara Payne	Councilmember
Ronnie Johnson	Councilmember

Bryan Langley
City Manager

Tommy Ludwig
Deputy City Manager

Martin Avila
Director of Finance

Tien Nguyen
Accounting Manager

Prepared by: Finance Department





City of Burleson, Texas
Annual Comprehensive Financial Report
For the Year Ended September 30, 2021

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Introductory Section



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

Submitted herewith is a copy of the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. 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 ACFR 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 \$173 million in new taxable value added in 2021, 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) is comprised of approximately 35,000 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 of the City's major funds with the focus on 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 Fund 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 basic 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. Weaver and Tidwell, LLP was selected by the City Council to perform the audit for fiscal year ended September 30, 2021. The audit opinion is included in this report.

AWARDS

The Government Finance Officers Association (GFOA) is currently reviewing the City's Annual Financial Report for the year ended September 30, 2020. The current pandemic has caused delays in the review process across the nation. To earn the Certificate of Achievement, the City published an easy-to-read and efficiently organized Annual Comprehensive Financial Report with contents that conformed to program standards. Such reports satisfied both GAAP and applicable legal requirements. The City believes that the Annual Comprehensive Financial Report for the year ended September 30, 2020 meets the Certificate of Achievement Program requirements and GFOA will recognize the City for the 30th consecutive year and receive this prestigious national award.

A Certificate of Achievement is valid for one year. The City believes that the Annual Comprehensive Financial Report for the year ended September 30, 2021 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 32nd consecutive year for its annual appropriated budget dated Oct 1, 2020. 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 unflinching 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**

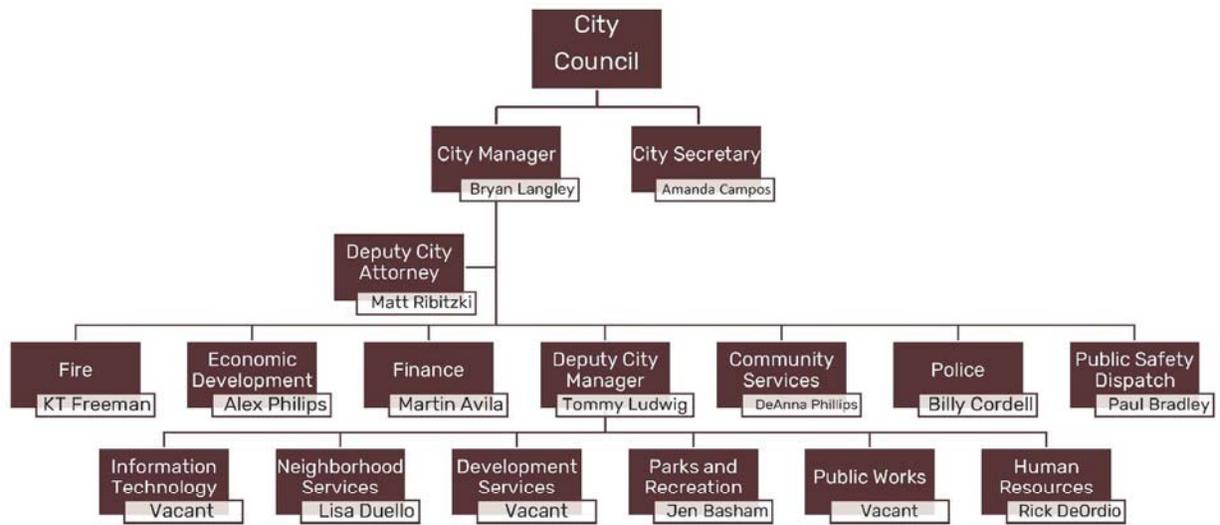
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Burleson – Organizational Chart



Revised September 2021



CITY OF BURLESON, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2021

Elected Officials

Mayor
Mayor Pro-Tem
Councilmember
Councilmember
Councilmember
Councilmember
Councilmember

Chris Fletcher
Dan McClendon
Victoria Johnson
Rick Green
Tamara Payne
Jimmy Stanford
Ronnie Johnson

City Officials

City Manager
Deputy City Manager
Director of Finance
Deputy City Attorney
Police Chief
City Secretary
Fire Chief
Director of Parks and Recreation
Director of Human Resources
Director of Neighborhood Services
Director of Information Technology
Director of Development Services
Director of Public Works
Director of Economic Development
Director of Community Services

Bryan Langlely
Tommy Ludwig
Martin Avila
Matt Ribitzki
Billy Cordell
Amanda Campos
Kenneth Freeman
Jen Basham
Rick DeOrdio
Lisa Duello
Vacant
Vacant
Vacant
Alex Philips
DeAnna Phillips

FINANCIAL SECTION





Independent Auditor's Report

Honorable Mayor, City Council
and City Manager
City of Burleson, Texas
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, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021 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.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, pension and other postemployment benefit information 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, supplemental information including the combining fund statements and budgetary comparison schedules, and the statistical section listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information including the combining fund statements and budgetary comparison schedule listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is 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 14, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
February 14, 2022

MANAGEMENT'S DISCUSSION & ANALYSIS



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, 2021. 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 \$297,495,465 (net position). Of this amount, \$24,915,468 (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 \$19,314,758 or 6.94% from previous year. The increase was from a \$19,705,882 increase in net investment in capital assets resulting from additions in construction capital cost and land acquisitions netted against the decrease of related debt.
- As of the close of the current fiscal year, unassigned fund balance for the general fund was \$17,589,905 or 41% of total general fund expenditures.
- The City's total debt decreased by \$12,560,000 during the current fiscal year. The decrease represents the net effect of scheduled debt retirement, no new debt issued in the current year and the advanced refunding of General Obligation Refunding and Improvement Bonds and Combination Tax & Revenue Certificates of Obligation with the Series 2021 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 nineteen 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, bond supported capital projects fund, and covid relief grants fund, which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor 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, for the repair and maintenance of significant components of equipment used by the organization, and for the health self-insurance program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The water & wastewater operations are considered to be a major fund of the City. All internal service funds are combined in a single presentation in the proprietary fund financial statements. Individual data for each of the nonmajor enterprise funds and 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 nonmajor 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 \$297,495,465 as of September 30, 2021.

The largest portion of the City's net position (85%) 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.

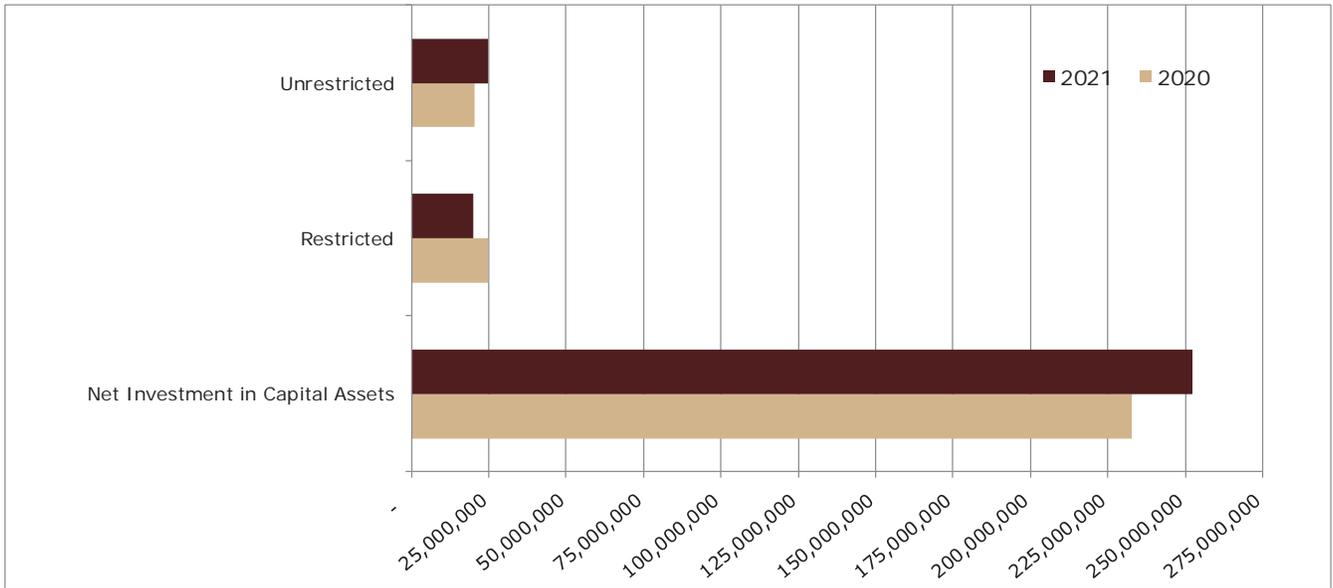
CITY OF BURLESON, TEXAS – NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current & other assets	\$ 74,719,190	\$ 78,488,679	\$ 16,261,516	\$ 25,503,949	\$ 90,980,706	\$ 103,992,628
Noncurrent assets	232,204,621	240,302,688	153,033,373	144,082,827	385,237,994	384,385,515
Total assets	306,923,811	318,791,367	169,294,889	169,586,776	476,218,700	488,378,143
Total deferred outflows of resources	5,836,978	6,598,261	840,223	855,118	6,677,201	7,453,379
Noncurrent liabilities – due in more than one year	118,752,086	113,184,319	61,103,283	55,676,214	179,855,369	168,860,533
Other liabilities	14,118,939	18,891,148	7,823,747	7,772,080	21,942,686	26,663,228
Total liabilities	132,871,025	132,075,467	68,927,030	63,448,294	201,798,055	195,523,761
Total deferred inflows of resources	2,655,669	2,606,156	261,470	206,140	2,917,139	2,812,296
Net position:						
Net investment in capital asset	153,051,846	163,721,859	79,752,890	88,788,759	232,804,736	252,510,618
Restricted	17,468,108	12,460,606	7,415,521	7,608,773	24,883,629	20,069,379
Unrestricted	6,714,141	14,525,540	13,778,201	10,389,928	20,492,342	24,915,468
Total net position	\$ 177,234,095	\$ 190,708,005	\$ 100,946,612	\$ 106,787,460	\$ 278,180,707	\$ 297,495,465

An additional portion of the City's net position (7%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net position (8%) 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.

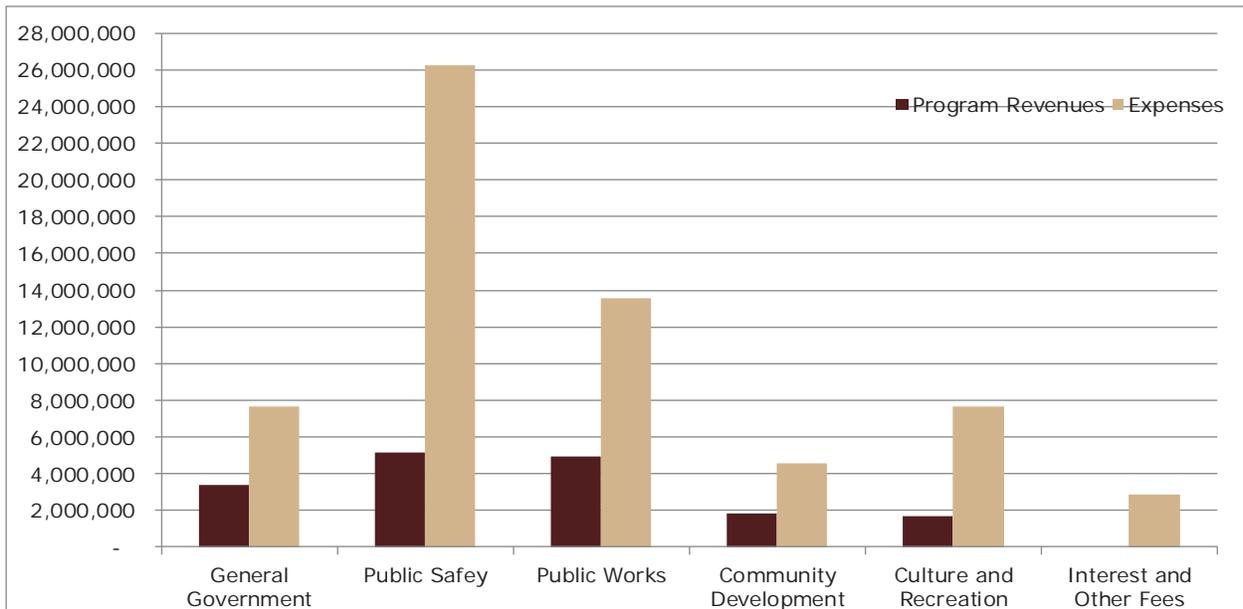
**City of Burleson Net Position
September 30, 2020 and 2021**



The City's overall net position increased \$19,314,758 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 \$13,473,910 from the prior fiscal year for an ending balance of \$190,708,005. Increase primarily due to \$10,670,013 from construction in progress capital cost and acquisitions of land offset net the reduction of outstanding debt due to no bonds issued in the current fiscal year.

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 \$106,787,460. The total increase in net position for business-type activities (water and wastewater, Hidden Creek Golf Course, solid waste, and the cemetery) was \$5,840,848 or 6% from the prior fiscal year. The increase is primarily due to revenues exceeding expenses.

Overall, fiscal year 2021 expenses had a slight decrease of \$182,583 or -0.75%. 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	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 7,845,040	\$ 8,780,004	\$ 26,532,808	\$ 26,713,025	\$ 34,377,848	\$ 35,493,029
Operating grants and contributions	2,998,564	5,981,907	8,549	14,260	3,007,113	5,996,167
Capital grants and contributions	5,699,075	2,253,873	3,818,739	2,980,216	9,517,814	5,234,089
General Revenues:						
Taxes:						
Property taxes levied for general purposes	28,894,199	29,343,869	-	-	28,894,199	29,343,869
Tax Increment Financing	777,021	905,662	-	-	777,021	905,662
Sales and use taxes	21,468,069	24,801,831	-	-	21,468,069	24,801,831
Hotel / motel taxes	190,187	455,115	-	-	190,187	455,115
Franchise fees	3,404,113	3,732,406	-	-	3,404,113	3,732,406
Investment income	1,950,288	78,034	581,231	44,697	2,531,519	122,731
Gain (loss) on sale of assets	1,877,727	70,477	16,300	15,575	1,894,027	86,052
Total revenues	75,104,283	76,403,178	30,957,627	29,767,773	106,061,910	106,170,951
Expenses						
General government	9,901,828	7,678,903	-	-	9,901,828	7,678,903
Public safety	21,647,212	26,227,399	-	-	21,647,212	26,227,399
Public works	14,839,605	13,597,575	-	-	14,839,605	13,597,575
Community development	4,216,584	4,587,759	-	-	4,216,584	4,587,759
Culture and recreation	7,940,337	7,697,763	-	-	7,940,337	7,697,763
Interest and other fees	3,122,881	2,886,794	-	-	3,122,881	2,886,794
Water & wastewater	-	-	18,543,022	18,640,527	18,543,022	18,640,527
Hidden Creek Golf course	-	-	2,321,398	1,895,172	2,321,398	1,895,172
Solid Waste	-	-	3,464,393	3,563,473	3,464,393	3,563,473
Cemetery	-	-	33,770	80,828	33,770	80,828
Total expenses	61,668,447	62,676,193	24,362,583	24,180,000	86,031,030	86,856,193
Change in net assets before transfers	13,435,836	13,726,985	6,595,044	5,587,773	20,030,880	19,314,758
Transfers	(1,768,268)	(253,075)	1,768,268	253,075	-	-
Change in net assets	11,667,568	13,473,910	8,363,312	5,840,848	20,030,880	19,314,758
Net assets - beginning	165,566,527	177,234,095	92,583,300	100,946,612	258,149,827	278,180,707
Net assets - ending	\$177,234,095	\$190,708,005	\$100,946,612	\$106,787,460	\$278,180,707	\$ 297,495,465

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 \$57,804,876. The 70% or \$40,406,482 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, public safety, culture and recreation, economic development, tourism, capital projects, and other; and (3) committed for capital projects, debt service and other. Approximately 30% of the combined ending fund balance, or \$17,398,394, constitutes unassigned fund balance.

Of the \$57,804,876 ending fund balance, \$24,167,510 of nonmajor governmental funds is accounted for in "Other Governmental Funds". The General Fund balance is \$18,339,309 at year end – an increase of \$2,211,276. Continued construction work during the period exceeded the addition of new bond proceeds resulting in a decrease of fund balances in the Bond Funded Capital Projects fund by \$6,554,637 finishing the year at \$15,298,057.

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 \$100,569,953. Net position in the water and wastewater fund increased \$5,553,164 which is approximately \$3,000,000 less than prior year's increase. Difference due to decrease in transfers from other funds of \$1,645,000 and decrease in capital contributions of \$973,000. The \$5,553,164 increase is primarily due to overall revenues exceeding expenses.

Overall, fiscal year 2021 expenses had a slight increase of \$117,252 or 1%. This reflects the overall management of the business type activities and the ability to maintain cost.

General Fund Budgetary Highlights –

Total actual revenue collections exceeded the revised estimates by about \$2,556,348 over the revised estimate, primarily due to sales tax revenues.

The general fund's final revised expenditure budget was approximately \$1,611,769 more than the figure originally adopted. The increase was due to Council approved budget amendments in the amount of \$1,500,000 to fund an incentive agreement between the City, Hill College and Burleson Independent School District in the amount of \$1,000,000 and \$500,000 for a fire alerting system. The remaining balance was from encumbrances from previous year rolled into the current year.

Actual year-end expenditures totaled about \$2,260,991 less than the revised budget total. This decrease was primarily due to due to budget savings in various sections of the budget. Economic development incentives paid out was \$871,000 less than budgeted. Economic development incentives are budgeted according to the incentive agreement, but are funded based on the actual results of the agreement. In addition, \$1,246,000 was due to savings in several areas across the operating budget including benefits, employee development, maintenance & repair and supplies and services. The overall savings is due to budget management and focus on spending needs.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of September 30, 2021 amounts to \$356,411,721 (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	
	2020	2021	2020	2021	2020	2021
Land	\$ 33,118,019	\$ 38,300,084	5,283,537	\$ 5,397,686	\$ 38,401,556	\$ 43,697,770
Buildings & improvements	65,605,849	78,425,585	3,397,683	3,224,127	69,003,532	81,649,712
Infrastructure	106,858,760	107,992,652	153	-	106,858,913	107,992,652
Machinery & equipment	4,508,353	4,670,966	64,643	42,052	4,572,996	4,713,018
Vehicles	3,647,805	2,519,407	1,017,365	927,555	4,665,170	3,446,962
Other	45,000	45,000	-	-	45,000	45,000
Water distribution system	-	-	50,577,612	53,093,669	50,577,612	53,093,669
Wastewater system	-	-	43,263,452	43,319,080	43,263,452	43,319,080
Capitalized interest	-	-	672,223	-	672,223	-
Intangible assets	-	-	1,497,562	1,437,497	1,497,562	1,437,497
Construction in progress	18,420,835	8,348,994	6,528,347	8,667,367	24,949,182	17,016,361
Total	\$ 232,204,621	\$ 240,302,688	\$ 112,302,577	\$ 116,109,033	\$ 344,507,198	\$ 356,411,721

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

- Construction costs related to arterial roads amount to approximately \$4,405,437.
- Construction and right-of-way costs related to construction of water infrastructure amounted to approximately \$2,517,155.
- Construction and right-of-way costs related to construction of sanitary sewer lines amounted to approximately \$2,840,894.
- Cost of purchasing land and buildings to be used as City Facilities amounted to \$8,993,729.
- Costs related to construction of City recreational facilities amounted to \$1,365,348.
- Approximately \$863,051 of water lines were donated by developers.
- Approximately \$442,852 of sewer lines were donated by developers.
- Streets and sidewalks worth approximately \$2,958,173. 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 \$142,360,000. Of this amount, \$63,820,000 comprises of general obligation (GO) outstanding bonds debt backed solely by the full faith and credit of the City, \$75,840,000 represent certificate of obligation (CO) bonds secured by a combination of property taxes and a limited pledge of other revenues, and \$2,700,000 secured by revenues generated from the City's water and wastewater utility. The total GO and CO outstanding debt of \$139,660,000 includes self-supporting debt of \$51,660,000 paid with revenues generated from the City's water and wastewater utility, \$23,417,641 paid with revenue generated from sales tax dedicated to the Burleson 4B Community Service Corporation (Type 4B) and Burleson 4A Economic Development Service Corporation (Type A) and \$5,120,000 to be paid with tax revenues generated from the Reinvestment Zone Number Two reflected in the TIF 2&3 fund, with the remaining balance of \$59,462,359 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	
	2020	2021	2020	2021	2020	2021
General obligation bonds	\$ 52,038,785	\$ 46,569,428	\$ 15,266,215	\$ 17,250,572	\$ 67,305,000	\$ 63,820,000
Certificate of obligation bonds	41,875,000	40,045,000	42,015,000	35,795,000	83,890,000	75,840,000
Utility system revenue bonds	-	-	2,900,000	2,700,000	2,900,000	2,700,000
Sales tax revenue bonds	825,000	-	-	-	825,000	-
	<u>\$ 94,738,785</u>	<u>\$ 86,614,428</u>	<u>\$ 60,181,215</u>	<u>\$ 55,745,572</u>	<u>\$154,920,000</u>	<u>\$142,360,000</u>

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

	Moody's Investors <u>Service</u>	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 2022 budget, City adopted a property tax rate of \$0.6859 per \$100 value which was \$0.252 less than the previous rate of \$0.7111 per \$100 value. The property tax revenues are budgeted to increase 3.4% or about \$730,000 from fiscal year 2021 primarily due to new growth. Sales tax revenues are budgeted to increase by about 3% or \$357,000 from fiscal year 2021 year end projections. General Fund total revenues including transfers is \$47,604,942 or 8.5% from fiscal year 2021 budget. General Fund total expenditures is \$50,037,653 or 9.6% from prior year budget. The result is a \$2,432,711 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.

No increase in water rates nor sewer rates is proposed in the FY 2022 budget. Water and Sewer Fund has a strong financial position and ability to continue meetings its debt obligations.

Solid Waste budget has no increase in proposed rates. Revenues and working capital is sufficient to meet the obligations.

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.

BASIC FINANCIAL STATEMENTS



City of Burleson, Texas
Statement of Net Position
September 30, 2021

Exhibit A-1

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 71,513,436	\$ 21,964,152	\$ 93,477,588
Receivables			
Taxes, net	104,683	-	104,683
Accounts, net	1,381,800	3,370,454	4,752,254
Due from other governmental units	5,152,595	-	5,152,595
Accrued interest	17,757	11,583	29,340
Inventories	35,428	390,940	426,368
Prepaid items	49,800	-	49,800
Internal balances	233,180	(233,180)	-
Total current assets	78,488,679	25,503,949	103,992,628
Noncurrent assets:			
Restricted cash and investments	-	27,973,794	27,973,794
Capital assets:			
Nondepreciable	46,694,078	14,065,053	60,759,131
Depreciable, net of depreciation	193,608,610	102,043,980	295,652,590
Total noncurrent assets	240,302,688	144,082,827	384,385,515
Total assets	318,791,367	169,586,776	488,378,143
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	905,152	404,804	1,309,956
Deferred outflows related to pensions	4,688,427	370,845	5,059,272
Deferred outflows related to OPEB (RHP & SDBF)	1,004,682	79,469	1,084,151
Total deferred outflows of resources	6,598,261	855,118	7,453,379
LIABILITIES			
Accounts payable	1,892,118	1,953,937	3,846,055
Accrued liabilities	1,854,609	112,444	1,967,053
Accrued interest payable	282,641	156,419	439,060
Deposits payable	-	686,255	686,255
Unearned revenue	5,741,088	-	5,741,088
Current portion of:			
Bonds, leases, compensated absences	9,120,692	4,863,025	13,983,717
Total current liabilities	18,891,148	7,772,080	26,663,228
Noncurrent Liabilities			
Bonds, leases, compensated absences	90,936,225	53,916,438	144,852,663
Net pension liability	16,810,940	1,329,709	18,140,649
Total OPEB liability (RHP & SDBF)	5,437,154	430,067	5,867,221
Total noncurrent liabilities	113,184,319	55,676,214	168,860,533
Total liabilities	132,075,467	63,448,294	195,523,761
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,473,148	195,620	2,668,768
Deferred inflows related to OPEB (RHP & SDBF)	133,008	10,520	143,528
Total deferred inflows of resources	2,606,156	206,140	2,812,296
NET POSITION			
Net investment in capital assets	163,721,859	88,788,759	252,510,618
Restricted for			
Debt service	2,710,134	7,608,773	10,318,907
Public safety	414,059	-	414,059
Other purposes	5,203	-	5,203
Economic development/tourism	9,331,210	-	9,331,210
Unrestricted	14,525,540	10,389,928	24,915,468
TOTAL NET POSITION	\$ 190,708,005	\$ 106,787,460	\$ 297,495,465

The Notes to the Financial Statements are an integral part of this statement.

City of Burleson, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental activities:			
General government	\$ 7,678,903	\$ 3,360,440	\$ 16,505
Public safety	26,227,399	1,760,414	3,363,690
Public works	13,597,575	161,465	2,537,322
Community development	4,587,759	1,850,978	-
Culture and recreation	7,697,763	1,646,707	64,390
Interest and other fees	2,886,794	-	-
Total governmental activities	<u>62,676,193</u>	<u>8,780,004</u>	<u>5,981,907</u>
Business type activities:			
Water and wastewater	18,640,527	21,895,086	-
Hidden Creek Golf Course	1,895,172	1,519,950	-
Solid waste	3,563,473	3,242,901	-
Cemetery	80,828	55,088	14,260
Total business-type activities	<u>24,180,000</u>	<u>26,713,025</u>	<u>14,260</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 86,856,193</u>	<u>\$ 35,493,029</u>	<u>\$ 5,996,167</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

The Notes to the Financial Statements are an integral part of this statement.

Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (4,301,958)	\$ -	\$ (4,301,958)
-	(21,103,295)	-	(21,103,295)
2,249,673	(8,649,115)	-	(8,649,115)
-	(2,736,781)	-	(2,736,781)
4,200	(5,982,466)	-	(5,982,466)
-	(2,886,794)	-	(2,886,794)
<u>2,253,873</u>	<u>(45,660,409)</u>	<u>-</u>	<u>(45,660,409)</u>
2,980,216	-	6,234,775	6,234,775
-	-	(375,222)	(375,222)
-	-	(320,572)	(320,572)
-	-	(11,480)	(11,480)
<u>2,980,216</u>	<u>-</u>	<u>5,527,501</u>	<u>5,527,501</u>
<u>\$ 5,234,089</u>	<u>(45,660,409)</u>	<u>5,527,501</u>	<u>(40,132,908)</u>
	29,343,869	-	29,343,869
	905,662	-	905,662
	24,801,831	-	24,801,831
	455,115	-	455,115
	3,732,406	-	3,732,406
	78,034	44,697	122,731
	70,477	15,575	86,052
	<u>(253,075)</u>	<u>253,075</u>	<u>-</u>
	<u>59,134,319</u>	<u>313,347</u>	<u>59,447,666</u>
	13,473,910	5,840,848	19,314,758
	<u>177,234,095</u>	<u>100,946,612</u>	<u>278,180,707</u>
	<u>\$ 190,708,005</u>	<u>\$ 106,787,460</u>	<u>\$ 297,495,465</u>

City of Burleson, Texas
Balance Sheet – Governmental Funds
September 30, 2021

Exhibit B-1

	<u>General</u>	<u>Bond Funded Capital Projects</u>	<u>COVID Relief Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 16,934,796	\$ 15,629,872	\$ 5,591,665	\$ 23,437,651	\$ 61,593,984
Receivables:					
Taxes, net	27,300	-	-	77,383	104,683
Accounts, net	1,277,766	-	-	19,452	1,297,218
Due from other governmental units	2,264,647	-	-	2,887,948	5,152,595
Accrued interest	7,885	334	-	7,069	15,288
Due from other funds	500,156	-	-	-	500,156
Inventories	-	-	-	2,156	2,156
Prepaid items	49,800	-	-	-	49,800
Total Assets	\$ 21,062,350	\$ 15,630,206	\$ 5,591,665	\$ 26,431,659	\$ 68,715,880
LIABILITIES					
Accounts payable	\$ 769,621	\$ 332,149	\$ -	\$ 753,802	\$ 1,855,572
Accrued liabilities	1,269,754	-	-	532,574	1,802,328
Unearned revenue	-	-	5,591,665	149,423	5,741,088
Due to other funds	-	-	-	500,156	500,156
Total Liabilities	2,039,375	332,149	5,591,665	1,935,955	9,899,144
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - mowing liens	64,524	-	-	-	64,524
Unavailable revenue - grants	-	-	-	328,194	328,194
Unavailable revenue - franchise fees	619,142	-	-	-	619,142
Total Deferred Inflows of Resources	683,666	-	-	328,194	1,011,860
FUND BALANCES					
Nonspendable:					
Prepaid items	49,800	-	-	-	49,800
Restricted:					
Debt service	-	-	-	2,992,775	2,992,775
Public safety	-	-	-	414,059	414,059
Culture and recreation	-	-	-	1,378	1,378
Economic development	-	-	-	8,428,929	8,428,929
Tourism	-	-	-	902,281	902,281
Capital projects	-	15,298,057	-	-	15,298,057
Other purposes	-	-	-	5,203	5,203
Committed:					
Capital projects	-	-	-	11,614,396	11,614,396
Debt service	465,429	-	-	-	465,429
Other purposes	234,175	-	-	-	234,175
Unassigned	17,589,905	-	-	(191,511)	17,398,394
Total Fund Balances	18,339,309	15,298,057	-	24,167,510	57,804,876
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 21,062,350	\$ 15,630,206	\$ 5,591,665	\$ 26,431,659	\$ 68,715,880

The Notes to the Financial Statements are an integral part of this statement.

City of Burleson, Texas
**Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
September 30, 2021**
Exhibit B-2

Total fund balances - governmental funds		\$ 57,804,876
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.		237,205,494
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.		12,264,754
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,011,860
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	\$ (92,318,609)	
Deferred charge on refunding	905,152	
Obligation under capital lease	(465,429)	
Accrued interest payable	(282,641)	
Compensated absences (net of ISF of \$203,970)	(7,068,909)	
Net pension liability (net of ISF of \$712,928)	(16,098,012)	
Deferred outflows related to pensions (net of ISF of \$198,829)	4,489,598	
Deferred inflows related to pensions (net of ISF of \$104,882)	(2,368,266)	
Total SDBF & RHP OPEB liability (net of ISF of \$230,583)	(5,206,571)	
Deferred outflows related to SDBF & RHP OPEB (net of ISF of \$42,606)	962,076	
Deferred inflows related to SDBF & RHP OPEB (net of ISF of \$5,640)	(127,368)	
Combined adjustment		<u>(117,578,979)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u><u>\$ 190,708,005</u></u>

The Notes to the Financial Statements are an integral part of this statement.

City of Burleson, Texas
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended September 30, 2021

Exhibit B-3

	<u>General</u>	<u>Bond Funded Capital Projects</u>	<u>COVID Relief Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property taxes	\$ 22,320,945	\$ -	\$ -	\$ 7,928,586	\$ 30,249,531
Sales and use taxes	12,486,273	-	-	12,315,558	24,801,831
Hotel occupancy taxes	-	-	-	455,115	455,115
Franchise fees	3,329,092	-	-	242,721	3,571,813
Charges for services	2,825,427	-	-	1,095,574	3,921,001
Licenses and permits	1,600,238	-	-	-	1,600,238
Intergovernmental	517,568	-	2,026,781	1,779,734	4,324,083
Fines	1,060,102	-	-	496,986	1,557,088
Contributions and donations	-	-	-	1,224,829	1,224,829
Investment earnings	30,770	19,663	-	11,877	62,310
Mineral lease	-	-	-	275,019	275,019
Street assessments	-	-	-	59,962	59,962
Miscellaneous	1,153,360	-	-	656,135	1,809,495
Total Revenues	45,323,775	19,663	2,026,781	26,542,096	73,912,315
EXPENDITURES					
Current:					
General government	7,241,128	-	-	3,898	7,245,026
Public safety	22,845,903	-	602,073	649,847	24,097,823
Public works	6,196,547	-	-	15,862	6,212,409
Community development	2,950,879	-	-	2,049,308	5,000,187
Culture and recreation	3,128,305	-	-	4,129,103	7,257,408
Capital outlay	668,485	6,574,300	-	7,010,061	14,252,846
Debt service:					
Principal retirement	57,897	-	-	8,124,358	8,182,255
Interest and fiscal agent charges	18,107	-	-	3,691,571	3,709,678
Total Expenditures	43,107,251	6,574,300	602,073	25,674,008	75,957,632
Excess (deficiency) of revenues over (under) expenditures	2,216,524	(6,554,637)	1,424,708	868,088	(2,045,317)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,872,442	-	-	13,437,445	16,309,887
Transfers out	(2,877,690)	-	-	(16,199,580)	(19,077,270)
Total other financing sources (uses)	(5,248)	-	-	(2,762,135)	(2,767,383)
Net change in fund balance	2,211,276	(6,554,637)	1,424,708	(1,894,047)	(4,812,700)
Fund balance, beginning	16,128,033	21,852,694	(1,424,708)	26,061,557	62,617,576
FUND BALANCE, ENDING	\$ 18,339,309	\$ 15,298,057	\$ -	\$ 24,167,510	\$ 57,804,876

The Notes to the Financial Statements are an integral part of this statement.

City of Burleson, Texas**Exhibit B-4**

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended September 30, 2021

Net change in fund balances - total governmental funds		\$ (4,812,700)
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	\$ 14,084,218	
Depreciation (net of internal service funds)	<u>(8,900,244)</u>	5,183,974
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is reported with governmental activities.		3,346,186
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(941,523)
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.		(2,193,656)
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.		9,126,583
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>3,765,046</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 13,473,910</u></u>

The Notes to the Financial Statements are an integral part of this statement.

City of Burleson, Texas
Statement of Net Position – Proprietary Funds
September 30, 2021

Exhibit C-1

	Business-Type Activities Enterprise Funds			Internal Service Funds
	Water & Wastewater	Nonmajor Enterprise Funds	Total	
ASSETS				
Current assets:				
Deposits and investments	\$ 17,341,555	\$ 3,149,452	\$ 20,491,007	\$ 11,392,597
Receivables:				
Accounts, net	2,884,980	478,474	3,363,454	91,582
Accrued interest	8,880	1,843	10,723	3,329
Inventories	355,373	32,760	388,133	33,272
Land held for sale of cemetery lots	-	2,807	2,807	-
Total current assets	<u>20,590,788</u>	<u>3,665,336</u>	<u>24,256,124</u>	<u>11,520,780</u>
Noncurrent assets:				
Restricted deposits and investments	27,890,949	82,845	27,973,794	-
Capital assets, net	<u>112,386,968</u>	<u>2,794,509</u>	<u>115,181,477</u>	<u>4,024,750</u>
Total noncurrent assets	<u>140,277,917</u>	<u>2,877,354</u>	<u>143,155,271</u>	<u>4,024,750</u>
Total assets	<u>160,868,705</u>	<u>6,542,690</u>	<u>167,411,395</u>	<u>15,545,530</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	374,509	30,295	404,804	-
Deferred outflows related to pensions	245,375	125,470	370,845	198,829
Deferred outflows related to OPEB (RHP & SDBF)	<u>52,582</u>	<u>26,887</u>	<u>79,469</u>	<u>42,606</u>
Total deferred outflows of resources	<u>672,466</u>	<u>182,652</u>	<u>855,118</u>	<u>241,435</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,587,963	365,974	1,953,937	36,546
Accrued liabilities	67,758	44,686	112,444	52,281
Accrued interest payable	151,954	4,465	156,419	-
Customer deposits	668,666	17,589	686,255	-
Bonds, compensated absences	<u>4,503,634</u>	<u>359,391</u>	<u>4,863,025</u>	<u>50,993</u>
Total current liabilities	<u>6,979,975</u>	<u>792,105</u>	<u>7,772,080</u>	<u>139,820</u>
Noncurrent liabilities:				
Bonds, compensated absences	52,690,466	1,225,972	53,916,438	152,977
Net pension liability	879,821	449,888	1,329,709	712,928
Total OPEB liability (RHP & SDBF)	<u>284,560</u>	<u>145,507</u>	<u>430,067</u>	<u>230,583</u>
Total noncurrent liabilities	<u>53,854,847</u>	<u>1,821,367</u>	<u>55,676,214</u>	<u>1,096,488</u>
Total liabilities	<u>60,834,822</u>	<u>2,613,472</u>	<u>63,448,294</u>	<u>1,236,308</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	129,435	66,185	195,620	104,882
Deferred inflows related to OPEB (RHP & SDBF)	<u>6,961</u>	<u>3,559</u>	<u>10,520</u>	<u>5,640</u>
Total deferred inflows of resources	<u>136,396</u>	<u>69,744</u>	<u>206,140</u>	<u>110,522</u>
NET POSITION				
Net investment in capital assets	86,473,916	1,387,287	87,861,203	4,024,750
Restricted for debt service	7,530,393	78,380	7,608,773	-
Unrestricted	<u>6,565,644</u>	<u>2,576,459</u>	<u>9,142,103</u>	<u>10,415,385</u>
TOTAL NET POSITION	<u>\$ 100,569,953</u>	<u>\$ 4,042,126</u>	<u>\$ 104,612,079</u>	<u>\$ 14,440,135</u>
Net position of business-type activity internal service funds			2,408,561	
Adjustment to reflect activity between governmental and business-type activities			<u>(233,180)</u>	
Net position of business-type activities			<u>\$ 106,787,460</u>	

The Notes to the Financial Statements are an integral part of this statement.

City of Burleson, Texas
Statement of Revenues, Expenses,
and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended September 30, 2021

Exhibit C-2

	Business-Type Activities Enterprise Funds			Internal Service Funds
	Water & Wastewater	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES				
Charges for goods and services	\$ 21,430,066	\$ 4,817,939	\$ 26,248,005	\$ 10,318,772
Penalties and interest	357,823	-	357,823	-
Miscellaneous	107,197	-	107,197	-
Mineral lease	-	14,260	14,260	-
Total operating revenues	<u>21,895,086</u>	<u>4,832,199</u>	<u>26,727,285</u>	<u>10,318,772</u>
OPERATING EXPENSES				
Water and wastewater services	11,631,279	-	11,631,279	-
Cost of golf operations	-	1,764,333	1,764,333	-
Cost of collecting revenues and other administrative expenses	2,467,427	-	2,467,427	6,348,779
Cost of cemetery operations	-	5,714	5,714	-
Cost of solid waste operations	-	3,575,421	3,575,421	-
Cost of equipment services	-	-	-	1,285,324
Materials, supplies, and cemetery lots	-	64,489	64,489	-
Depreciation	2,819,093	106,313	2,925,406	1,437,082
Total operating expenses	<u>16,917,799</u>	<u>5,516,270</u>	<u>22,434,069</u>	<u>9,071,185</u>
OPERATING INCOME (LOSS)	<u>4,977,287</u>	<u>(684,071)</u>	<u>4,293,216</u>	<u>1,247,587</u>
NON-OPERATING REVENUES (EXPENSES)				
Gain (loss) on disposition of capital assets	-	11,575	11,575	74,477
Investment earnings	40,199	3,104	43,303	17,117
Interest and fiscal agent charges	(1,787,910)	(41,071)	(1,828,981)	-
Total non-operating revenues	<u>(1,747,711)</u>	<u>(26,392)</u>	<u>(1,774,103)</u>	<u>91,594</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>3,229,576</u>	<u>(710,463)</u>	<u>2,519,113</u>	<u>1,339,181</u>
Transfers in	146,382	909,703	1,056,085	2,514,308
Transfers out	(803,010)	-	(803,010)	-
Impact fees	1,583,277	-	1,583,277	-
Capital contributions	1,396,939	-	1,396,939	-
CHANGE IN NET POSITION	<u>5,553,164</u>	<u>199,240</u>	<u>5,752,404</u>	<u>3,853,489</u>
NET POSITION AT BEGINNING OF YEAR	<u>95,016,789</u>	<u>3,842,886</u>	<u>98,859,675</u>	<u>10,586,646</u>
NET POSITION AT END OF YEAR	<u>\$ 100,569,953</u>	<u>\$ 4,042,126</u>	<u>\$ 104,612,079</u>	<u>\$ 14,440,135</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>88,444</u>
Change in net position of business-type activities				<u>\$ 5,840,848</u>

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 Fiscal Year Ended September 30, 2021

Exhibit C-3

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water & Wastewater	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 21,891,519	\$ 4,839,614	\$ 26,731,133	\$ -
Refunds of customer deposits	31,276	-	31,276	-
Receipts from interfund services provided	-	-	-	10,228,255
Payments to suppliers and service providers	(9,246,144)	(4,686,574)	(13,932,718)	(5,579,035)
Payments to employees for salaries and benefits	(1,909,740)	(1,091,308)	(3,001,048)	(1,941,447)
Payments to other funds for services provided	(3,010,317)	-	(3,010,317)	-
Other receipts	-	14,260	14,260	-
Net cash provided by (used in) by operating activities	<u>7,756,594</u>	<u>(924,008)</u>	<u>6,832,586</u>	<u>2,707,773</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments from other funds	146,382	909,703	1,056,085	2,514,308
Payments to other funds	(803,010)	-	(803,010)	-
Net cash provided by (used in) noncapital financing activities	<u>(656,628)</u>	<u>909,703</u>	<u>253,075</u>	<u>2,514,308</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Receipts from sale of capital assets	-	11,575	11,575	74,477
Principal paid on bonds	(4,215,000)	(322,429)	(4,537,429)	-
Interest payments on bonds	(2,256,370)	(31,710)	(2,288,080)	-
Impact fees	1,583,277	-	1,583,277	-
Acquisition of capital assets	(5,306,297)	(80,294)	(5,386,591)	(945,146)
Net cash provided by (used in) capital and related financial activities	<u>(10,194,390)</u>	<u>(422,858)</u>	<u>(10,617,248)</u>	<u>(870,669)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	32,602	1,566	34,168	14,459
Net cash provided by investing activities	<u>32,602</u>	<u>1,566</u>	<u>34,168</u>	<u>14,459</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,061,822)</u>	<u>(435,597)</u>	<u>(3,497,419)</u>	<u>4,365,871</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR				
(including restricted deposits and investments of \$40,609,809 in the water and wastewater fund and \$82,845 in nonmajor enterprise funds)	<u>48,294,326</u>	<u>3,667,894</u>	<u>51,962,220</u>	<u>7,026,726</u>
CASH AND CASH EQUIVALENTS - END OF YEAR				
(including restricted deposits and investments of \$27,890,949 in the water and wastewater fund and \$82,845 in nonmajor enterprise funds)	<u>\$ 45,232,504</u>	<u>\$ 3,232,297</u>	<u>\$ 48,464,801</u>	<u>\$ 11,392,597</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Burleson, Texas

Statement of Cash Flows - Proprietary Funds - Continued
For the Fiscal Year Ended September 30, 2021

Exhibit C-3

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water & Wastewater	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 4,977,287	\$ (684,071)	\$ 4,293,216	\$ 1,247,587
Depreciation	2,819,093	106,313	2,925,406	1,437,082
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(3,567)	21,675	18,108	(90,517)
(Increase) decrease in inventories	47,586	70,737	118,323	(19,070)
(Increase) decrease in deferred outflows related to pension	(43,084)	29,014	(14,070)	(45,560)
(Increase) decrease in deferred outflows related to OPEB	8,697	14,089	22,786	(2,419)
Increase (decrease) in accounts payable	(139,462)	(182,135)	(321,597)	22,933
Increase (decrease) in accrued liabilities	11,360	9,511	20,871	13,529
Increase (decrease) in deposits payable	31,276	-	31,276	-
Increase (decrease) in compensated absences	55,704	(7,533)	48,171	46,698
Increase (decrease) in net pension liability and total OPEB liability	22,303	(276,877)	(254,574)	78,086
Increase (decrease) in deferred inflows related to pension	(34,277)	(25,793)	(60,070)	16,261
Increase (decrease) in deferred inflows related to OPEB	3,678	1,062	4,740	3,163
Net cash provided by (used in) operating activities	<u>7,756,594</u>	<u>(924,008)</u>	<u>6,832,586</u>	<u>2,707,773</u>
Noncash capital and related financing activities:				
Contributions from developers	<u>1,396,939</u>	<u>-</u>	<u>1,396,939</u>	<u>-</u>
Total noncash capital and related financing activities	<u>\$ 1,396,939</u>	<u>\$ -</u>	<u>\$ 1,396,939</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.



NOTES TO BASIC FINANCIAL STATEMENTS



City of Burleson, Texas

Notes to the Financial Statements

Note 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.

The government-wide Statement of Net Position is, (a) presented for the primary government distinguishing between the governmental and business-type activities columns, and (b) 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 respective 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 **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 **COVID Relief Grants Fund** - This fund accounts for the resources received from federal and state agencies to be used to react to the COVID-19 pandemic.

The City reports the following major enterprise fund:

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.

Internal Service Funds are used to account for goods and services provided to City departments such as equipment and information technology services, the purchase of vehicles and equipment, and health self-insurance program.

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 pooled deposits and investments is allocated to the individual funds primarily based on each fund's pro rata share of the total 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, 2021, 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 noncurrent 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."

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 2021 levy was based, was approximately \$4,420,528,942. 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, 2021 was \$0.7111 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 reports 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) 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.

- 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.

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

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, 2021, the General Fund unassigned fund balance equated to 149 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, COVID Relief Grants Fund, and Other Special Revenue Funds. 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.

G. Accounting Pronouncements

The Government Accounting Standards Board (GASB) has issued the following statements which will be effective in future years as described below:

The GASB issued Statement No. 84, Fiduciary Activities, which was effective for fiscal year 2021. The objective of this Statement is to establish standards of accounting and financial reporting for fiduciary activities. This Statement applies to all state and governmental entities. The City implemented this standard in fiscal year 2021 but it had no impact on the City.

The GASB issued Statement No. 87, Leases – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the City in fiscal year 2022.

The GASB issued Statement No. 90, Majority Equity Interests, An Amendment of GASB Statements No. 14 and 16, which was effective for fiscal year 2021. The objective of this Statement is 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. This Statement applies to all state and governmental entities. The City implemented this standard in fiscal year 2021 but it had no impact on the City.

The GASB issued Statement No. 92, Omnibus 2020. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. This statement will become effective for the City in fiscal year 2022.

The GASB issued Statement No. 93, Replacement of Interbank Offered Rates. This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. This statement will become effective for the City in fiscal year 2022.

The GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This statement will become effective for the City in fiscal year 2022.

The GASB issued Statement No. 98, The Annual Comprehensive Financial Report. This Statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City implemented this standard in fiscal year 2021. The implementation of this standard changed the report name to the Annual Comprehensive Financial Report.

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.

Note 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, 2021, the carrying amount of the City's deposits was \$31,750,775. 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 financial deposits 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.

As of September 30, 2021, the City had the following cash and investments:

	September 30, 2021	(Level 1)	(Level 2)	(Level 3)	Percent of Total Investment Portfolio	Weighted Average Maturity (Days)*
Cash	\$ 31,758,791	\$ -	\$ -	\$ -	0%	N/A
Investments measured at net asset value/amortized cost per share:						
Investment pools:						
TexPool	18,065,381	-	-	-	20.1%	34
TexPool Prime	7,194,256	-	-	-	8.0%	53
TexStar	8	-	-	-	0.0%	43
LOGIC	48,766,558	-	-	-	54.4%	55
Lone Star	5,871,072	-	-	-	6.6%	46
Investments by fair value level:						
Debt securities:						
Municipal bonds	9,795,316	-	9,795,316	-	10.9%	147
Total investments	89,692,591	-	9,795,316	-		
Total cash and investments	\$ 121,451,382	\$ -	\$ 9,795,316	\$ -		

* Portfolio weighted average maturity (days) = 60

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. TexPool investment pools are measured at amortized cost.

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. LOGIC investment pool is measured at net asset value.

The Lone Star Investment Pool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the pool. The fair value of the District's position in the pool is the same as the value of the pool shares. The Lone Star Investment Pool is measured at amortized cost.

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 financial 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 financial deposits 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, 2021, the City's investments in investment pools were all rated AAAM by Standard & 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.

Note 3. Receivables and Deferred Inflows of Resources

Receivables as of September 30, 2021 for the City's individual major funds, and nonmajor funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	Governmental Funds			
	General	Bond Funded Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Receivables:				
Taxes	\$ 629,254	\$ -	\$ 89,333	\$ 718,587
Accounts	1,277,766	-	31,841	1,309,607
Intergovernmental	2,264,647	-	2,887,948	5,152,595
Interest	7,885	334	7,069	15,288
Gross receivables	4,179,552	334	3,016,191	7,196,077
Less: allowance for uncollectibles	(601,954)	-	(24,339)	(626,293)
Net total receivables	<u>\$ 3,577,598</u>	<u>\$ 334</u>	<u>\$ 2,991,852</u>	<u>\$ 6,569,784</u>
Deferred inflows of resources:				
Mowing liens	\$ 64,524	\$ -	\$ -	\$ 64,524
Grants	-	-	328,194	328,194
Franchise fees	619,142	-	-	619,142
Total deferred inflows	<u>\$ 683,666</u>	<u>\$ -</u>	<u>\$ 328,194</u>	<u>\$ 1,011,860</u>
		Enterprise Funds		
		Water and Wastewater	Other Non-major	Enterprise Funds Total
Receivables:				
Accounts		\$ 1,838,968	\$ 341,484	\$ 2,180,452
Unbilled		1,051,007	142,755	1,193,762
Interest		8,880	1,843	10,723
Gross receivables		2,898,855	486,082	3,384,937
Less: Allowance for uncollectibles		(4,995)	(5,765)	(10,760)
Net total receivables		<u>\$ 2,893,860</u>	<u>\$ 480,317</u>	<u>\$ 3,374,177</u>

Note 4. Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 33,118,019	\$ 5,182,065	\$ -	\$ -	\$ 38,300,084
Construction in progress	18,420,835	8,475,182	-	(18,547,023)	8,348,994
Historical/Artwork collections	45,000	-	-	-	45,000
Total capital assets not being depreciated	51,583,854	13,657,247	-	(18,547,023)	46,694,078
Capital assets being depreciated:					
Buildings and improvements	49,258,486	2,978	-	6,169,397	55,430,861
Improvements other than buildings	41,641,323	558,754	-	8,949,050	51,149,127
Infrastructure	177,042,454	2,256,021	-	4,033,752	183,332,227
Vehicles	9,539,319	499,012	(199,155)	(631,519)	9,207,657
Machinery and equipment	17,408,268	1,232,763	(364,818)	26,343	18,302,556
Total capital assets being depreciated	294,889,850	4,549,528	(563,973)	18,547,023	317,422,428
Less accumulated depreciation for:					
Buildings	(11,612,106)	(1,050,613)	-	-	(12,662,719)
Improvements other than buildings	(13,681,854)	(1,809,830)	-	-	(15,491,684)
Infrastructure	(70,183,694)	(5,155,881)	-	-	(75,339,575)
Vehicles	(5,891,514)	(988,890)	192,154	-	(6,688,250)
Machinery and equipment	(12,899,915)	(1,096,493)	364,818	-	(13,631,590)
Total accumulated depreciation	(114,269,083)	(10,101,707)	556,972	-	(123,813,818)
Total capital assets being depreciated, net	180,620,767	(5,552,179)	(7,001)	18,547,023	193,608,610
Governmental activities capital assets, net	\$ 232,204,621	\$ 8,105,068	\$ (7,001)	\$ -	\$ 240,302,688
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 5,283,537	\$ 114,149	\$ -	\$ -	\$ 5,397,686
Construction in progress	6,528,347	5,258,318	-	(3,119,298)	8,667,367
Total capital assets not being depreciated	11,811,884	5,372,467	-	(3,119,298)	14,065,053
Capital assets being depreciated:					
Water systems	69,828,056	1,006,355	-	3,069,863	73,904,274
Wastewater systems	57,726,723	442,852	-	877,530	59,047,105
Infrastructure	30,524	-	-	-	30,524
Buildings and improvements	7,431,950	-	-	67,868	7,499,818
Machinery and equipment	920,265	-	(43,692)	-	876,573
Vehicles	3,092,843	148,809	(22,995)	-	3,218,657
Intangible assets	3,047,865	-	-	-	3,047,865
Capitalized interest	895,963	-	-	(895,963)	-
Total capital assets being depreciated	142,974,189	1,598,016	(66,687)	3,119,298	147,624,816
Less accumulated depreciation for:					
Water systems	(19,250,444)	(1,482,336)	-	(77,825)	(20,810,605)
Wastewater systems	(14,463,271)	(1,175,003)	-	(89,751)	(15,728,025)
Infrastructure	(30,371)	(153)	-	-	(30,524)
Buildings and improvements	(4,034,267)	(185,260)	-	(56,164)	(4,275,691)
Machinery and equipment	(855,622)	(22,589)	43,690	-	(834,521)
Vehicles	(2,075,478)	(235,619)	19,995	-	(2,291,102)
Intangible assets	(1,550,303)	(60,065)	-	-	(1,610,368)
Capitalized interest	(223,740)	-	-	223,740	-
Total accumulated depreciation	(42,483,496)	(3,161,025)	63,685	-	(45,580,836)
Total capital assets being depreciated, net	100,490,693	(1,563,009)	(3,002)	3,119,298	102,043,980
Business-type activities capital assets, net	\$ 112,302,577	\$ 3,809,458	\$ (3,002)	\$ -	\$ 116,109,033

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 \$927,556 and is included in the above schedule.

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 332,398
Public safety	1,634,637
Public works, which includes the depreciation of general infrastructure assets	6,999,638
Culture and recreation	<u>1,135,034</u>
Total governmental activities depreciation	<u>\$ 10,101,707</u>
Business-type activities:	
Water and wastewater	\$ 2,819,093
Golf course	94,443
Solid waste disposal and collection	1,245
Cemetery	10,625
Vehicle replacement fund	<u>235,619</u>
Total business-type activities depreciation	<u>\$ 3,161,025</u>

Note 5. Capital Leases

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.

This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the 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, 2021.

The assets acquired through these capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$ 631,520
Less: Accumulated depreciation	<u>(157,880)</u>
Total	<u>\$ 473,640</u>

Note 6. Interfund Balances and Transactions

A. Interfund Receivables/Payables

The composition of interfund balances as of September 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General Fund	Nonmajor Governmental	<u>\$ 500,156</u>
Total		<u>\$ 500,156</u>

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. Interfund receivables/payables are recorded between the governmental activities and business type activities in the government wide statement of net position resulting from allocation of interfund charges.

B. Interfund Transfers

Interfund transfers during the year ended September 30, 2021, were as follows:

<u>Transfers Out:</u>	<u>Transfers in:</u>	<u>Amount</u>
Nonmajor Governmental	General Fund	\$ 2,069,432
Water & Wastewater	General Fund	803,010
General Fund	Water & Wastewater	146,382
General Fund	Internal Service Funds	2,514,308
General Fund	Nonmajor Governmental	217,000
Nonmajor Governmental	Nonmajor Governmental	13,220,445
Nonmajor Governmental	Nonmajor Enterprise	909,703
Total		<u>\$ 19,880,280</u>

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.

C. 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	\$ 1,680,207
4A Corp Special Revenue	256,118
BCSDC Special Revenue	10,000
Parks Performance Fund	345,668
Hotel Motel	26,780
Golf Course	120,510
Solid Waste	296,260
Total	<u>\$ 2,735,543</u>

D. 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	\$ 881,504
Solid Waste	236,488
Total	<u>\$ 1,117,992</u>

E. Payments in Lieu of Property Taxes

For fiscal year 2021, the Water and Wastewater fund made a \$803,010 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 and is included in property tax revenue in the General Fund.

Note 7. Long Term Debt and Obligations

A. 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 2021 General Obligation Refunding Bonds in the amount of \$8,345,000. The bonds carry an interest rate of .96%. The proceeds were used to advance refund \$3,995,000 of General Obligation Refunding Bonds, Series 2011 and \$4,270,000 of Combination Tax & Revenue Certificates of Obligation, Series 2011. The net proceeds of \$8,431,762 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 2011 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 \$1,057,571 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$998,215.

B. 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, 2021, are summarized as follows:

	Beginning Balance	Increased	Refunded/ Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation bonds	\$ 52,038,785	\$ -	\$ 5,469,357	\$ 46,569,428	\$ 5,337,571
Certificates of obligation	41,875,000	-	1,830,000	40,045,000	1,905,000
Sales Tax revenue bonds	825,000	-	825,000	-	-
Compensated absences	5,535,177	4,113,321	2,375,619	7,272,879	1,818,220
Capital leases	523,326	-	57,897	465,429	59,901
Premium on debt	6,846,544	-	1,142,363	5,704,181	-
Governmental activities long-term debt	\$ 107,643,832	\$ 4,113,321	\$ 11,700,236	\$ 100,056,917	\$ 9,120,692
Business-type activities:					
General Obligation bonds	\$ 15,266,215	\$ 8,345,000	\$ 6,360,643	\$ 17,250,572	\$ 2,917,429
Certificates of obligation	42,015,000	-	6,220,000	35,795,000	1,675,000
Water & sewer revenue bonds	2,900,000	-	200,000	2,700,000	205,000
Compensated absences	214,210	258,454	210,284	262,380	65,596
Premium on debt	3,267,486	-	495,975	2,771,511	-
Business-type activities long-term debt	\$ 63,662,911	\$ 8,603,454	\$ 13,486,902	\$ 58,779,463	\$ 4,863,025

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, 2021, is comprised of the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Amount Outstanding
Governmental Activities:					
General obligation bonds:					
2012 Series	2.00 - 4.00	5/16/2012	5/16/2032	\$ 5,040,000	\$ 3,685,000
2014 Series	2.00 - 4.00	7/2/2014	3/1/2034	19,558,570	10,499,428
2015 Series	1.00 - 5.00	4/20/2015	3/1/2035	12,150,000	7,720,000
2016 Series	2.00 - 5.00	6/6/2016	3/1/2036	25,135,000	19,055,000
2017 Series	2.50 - 4.00	7/17/2017	3/1/2037	2,155,000	1,845,000
2020 Series	5.00	8/19/2020	3/1/2030	<u>4,445,000</u>	<u>3,765,000</u>
Total general obligated bonds				<u>68,483,570</u>	<u>46,569,428</u>
Certificates of obligation:					
2013 Tax and Revenue	2.00 - 3.00	5/1/2013	3/1/2033	4,620,000	3,035,000
2014 Tax and Revenue	2.00 - 4.00	7/2/2014	3/1/2034	4,685,000	3,475,000
2015 Tax and Revenue	1.00 - 5.00	4/20/2015	3/1/2035	6,565,000	5,160,000
2016 Tax and Revenue	2.00 - 5.00	6/6/2016	3/1/2036	3,855,000	3,150,000
2017 Tax and Revenue	2.50 - 4.00	7/17/2017	3/1/2037	2,810,000	2,385,000
2018 Tax and Revenue	3.50 - 4.00	5/16/2018	3/1/2038	13,745,000	12,400,000
2019 Tax and Revenue	3.00 - 5.00	5/6/2019	3/1/2039	7,415,000	7,010,000
2020 Tax and Revenue	2.00 - 5.00	8/19/2020	3/1/2040	<u>3,560,000</u>	<u>3,430,000</u>
Total certificates of obligation				<u>47,255,000</u>	<u>40,045,000</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>-</u>
Total Sales Tax Revenue Bonds				<u>8,565,000</u>	<u>-</u>
Total governmental activities				<u>124,303,570</u>	<u>86,614,428</u>
Business-type Activities					
General obligation bonds:					
2011 water & sewer refunding	4.00 - 4.375	5/1/2011	3/1/2027	10,770,000	-
2014 Gold Course refunding	2.00 - 4.00	7/2/2014	3/1/2034	3,006,430	1,385,572
2015 Water & Sewer refunding	1.00 - 5.00	4/20/2015	3/1/2035	10,730,000	5,645,000
2016 Water & Sewer refunding	2.00 - 5.00	6/6/2016	3/1/2036	4,435,000	1,875,000
2021 Water & Sewer refunding	0.96	7/21/2021	3/1/2031	<u>8,345,000</u>	<u>8,345,000</u>
Total general obligated bonds				<u>37,286,430</u>	<u>17,250,572</u>
Certificates of obligation:					
2011 Tax and Revenue	4.00 - 4.375	5/1/2011	3/1/2031	7,075,000	-
2013 Tax and Revenue	2.00 - 3.00	5/1/2013	3/1/2033	2,160,000	1,420,000
2014 Tax and Revenue	2.00 - 4.00	7/2/2014	3/1/2034	5,480,000	4,055,000
2015 Tax and Revenue	1.00 - 5.00	4/20/2015	3/1/2035	4,855,000	3,805,000
2016 Tax and Revenue	2.00 - 5.00	6/6/2016	3/1/2036	5,750,000	4,695,000
2017 Tax and Revenue	2.50 - 4.00	7/17/2017	3/1/2037	7,400,000	6,290,000
2018 Tax and Revenue	3.50 - 4.00	5/16/2018	3/1/2038	8,135,000	7,335,000
2019 Tax and Revenue	3.00 - 5.00	5/6/2019	3/1/2038	4,470,000	4,225,000
2020 Tax and Revenue	2.00 - 5.00	8/19/2020	3/1/2040	<u>4,090,000</u>	<u>3,970,000</u>
Total certificates of obligation				<u>49,415,000</u>	<u>35,795,000</u>
Water and sewer revenue bonds					
2012 Improvement	2.00 - 4.00	4/15/2012	3/1/2032	<u>4,300,000</u>	<u>2,700,000</u>
Total water and sewer revenue bonds				<u>4,300,000</u>	<u>2,700,000</u>
Total business-type activities				<u>\$ 91,001,430</u>	<u>\$ 55,745,572</u>

The annual requirements to amortize all debt outstanding as of September 20, 2021, are as follows:

Governmental Activities						
Year Ending September 30,	General Obligation	GO Interest	Certificate of Obligation	CO Interest	Capital Leases	Capital Lease Interest
2022	5,337,571	\$ 1,895,907	\$ 1,905,000	\$ 1,475,419	\$ 59,900	\$ 16,104
2023	5,545,143	1,679,177	1,990,000	1,399,769	61,973	14,031
2024	5,781,428	1,447,409	2,060,000	1,317,150	64,118	11,887
2025	6,160,286	1,206,162	2,150,000	1,228,688	66,336	9,669
2026	4,810,000	964,806	2,250,000	1,135,944	68,631	7,373
2027-2031	13,350,000	2,277,988	12,610,000	4,207,034	144,471	7,540
2032-2036	5,440,000	469,688	12,715,000	1,707,600	-	-
2037-2041	145,000	2,447	4,365,000	169,888	-	-
Total	<u>\$ 46,569,428</u>	<u>\$ 9,943,584</u>	<u>\$ 40,045,000</u>	<u>\$ 12,641,492</u>	<u>\$ 465,429</u>	<u>\$ 66,604</u>

Business-Type Activities						
Year Ending September 30,	General Obligation	GO Interest	Certificate of Obligation	CO Interest	Water and Wastewater Revenue Bonds	Water and Wastewater Interest
2022	\$ 2,917,429	\$ 450,302	\$ 1,675,000	\$ 1,324,769	\$ 205,000	\$ 96,325
2023	3,009,857	367,942	1,745,000	1,260,444	210,000	90,100
2024	3,093,572	276,776	1,825,000	1,188,025	220,000	83,650
2025	2,759,714	183,855	1,895,000	1,108,769	225,000	76,975
2026	1,940,000	105,618	1,980,000	1,026,094	235,000	68,900
2027-2031	3,530,000	95,306	11,190,000	3,830,497	1,310,000	194,600
2032-2036	-	-	11,880,000	1,531,194	295,000	5,900
2037-2041	-	-	3,605,000	132,731	-	-
Total	<u>\$ 17,250,572</u>	<u>\$ 1,479,799</u>	<u>\$ 35,795,000</u>	<u>\$ 11,402,523</u>	<u>\$ 2,700,000</u>	<u>\$ 616,450</u>

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, 2021, 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, 2021, 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, 2021, this requirement had been met.

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

Note 8. 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 2021, the City purchased \$4,192,400 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 2021, the City paid \$3,662,814 for the treatment and disposal of sanitary sewage under the terms of this contract.

Note 9. Employees' Retirement System

A. Texas Municipal Retirement System

Plan Description. The City participates as one of 895 plans in the defined benefit cash balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at 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 Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. 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 yers 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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently recieveing benefits	162
Inactive employees entitled to but not yet receiving benefits	179
Active employees	<u>346</u>
Total	<u><u>687</u></u>

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.61% and 16.16% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$4,144,156, and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

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

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

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

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate if Return (Arithmetic)</u>
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Flexed 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>100.00%</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 Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2019	\$ 111,688,190	\$ 94,318,090	\$ 17,370,100
Changes for the year:			
Service cost	4,785,763	-	4,785,763
Interest	7,567,698	-	7,567,698
Difference between expected and actual experience	1,555,110	-	1,555,110
Changes of assumptions	-	-	-
Contributions - employer	-	4,144,156	(4,144,156)
Contributions - employee	-	1,875,187	(1,875,187)
Net investment income	-	7,166,812	(7,166,812)
Benefit payments, including refunds of employee contributions	(3,934,066)	(3,934,066)	-
Administrative expense	-	(46,326)	46,326
Other changes	-	(1,807)	1,807
Net changes	<u>9,974,505</u>	<u>9,203,956</u>	<u>770,549</u>
Balance at 12/31/2020	<u>\$ 121,662,695</u>	<u>\$ 103,522,046</u>	<u>\$ 18,140,649</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% Decrease in Discount Rate (7.75%)
City's net pension liability	\$ 37,387,667	\$ 18,140,649	\$ 2,543,132

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.tmr.com.

Pension Expense and Deferred Outflows and Inflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2021, the City recognized pension expense of \$3,779,155. At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,683,147	\$ -
Changes in actuarial assumptions	214,126	-
Difference between projected and actual Investment earnings	-	2,668,768
Contributions subsequent to the measurement date	<u>3,161,999</u>	<u>-</u>
Total	<u>\$ 5,059,272</u>	<u>\$ 2,668,768</u>

\$3,161,999 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 measurement year ending December 31, 2021 (i.e. recognized in the City's financial statements for the year ended September 30, 2022). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ending September 30,	Amount
2022	\$ (401,238)
2023	541,291
2024	(1,064,985)
2025	150,332
2026	3,105

Note 10. Other Post-Employment Benefit Plans

A. TMRS Supplemental Death Benefits Fund

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

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

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

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

Employees Covered by Benefit Terms. At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	120
Inactive employees entitled to but not yet receiving benefits	49
Active employees	<u>346</u>
Total	<u><u>515</u></u>

Total OPEB Liability The City's total OPEB liability of \$1,121,124 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50% per annum
Discount rate	6.75%
Actuarial cost method	Entry Age Normal Method
Projected salary increase	3.50% to 11.50% including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables and due to the size of the City, rates are multiplied by an additional factor of 100%. . The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. Mortality rates for pre-retirement were based on the PUB(10) mortality tables, with the Public Safety table used for males and General Employee table used for females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements.

Discount Rate. The discount rate was to measure the total OPEB liability was 2.00%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

Discount Rate Sensitivity Analysis. The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	<u>1% Decrease in Discount Rate (1.00%)</u>	<u>Discount Rate (2.00%)</u>	<u>1% Decrease in Discount Rate (3.00%)</u>
Total OPEB Liability	\$ 1,410,816	\$ 1,121,124	\$ 903,119

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2021, the City recognized OPEB expense of \$123,331. 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 12/31/2019	\$ 883,169
Changes for the year:	
Service cost	53,562
Interest	24,950
Difference between expected and actual experience	(4,333)
Changes of assumptions	169,132
Benefit payments	<u>(5,356)</u>
Net changes	<u>237,955</u>
Balance at 12/31/2020	<u>\$ 1,121,124</u>

At September 30, 2021, 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	\$ -	\$ 24,130
Changes in actuarial assumptions	276,888	31,518
Contributions subsequent to the measurement date	<u>3,947</u>	<u>-</u>
Total	<u>\$ 280,835</u>	<u>\$ 55,648</u>

\$3,947 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 measurement year ending December 31, 2021 (i.e. recognized in the City's financial statements for the year ended September 30, 2022). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	<u>Amount</u>
2022	\$ 44,819
2023	44,819
2024	41,927
2025	38,847
2026	35,165
Thereafter	15,665

B. 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
Active employees	<u>334</u>
Total	<u><u>346</u></u>

Actuarial Assumptions. The Total OPEB Liability in the October 1, 2019 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	2.43%
Actuarial cost method	Entry Age Normal Method
Healthcare cost trend rates	8.53% 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 2.43% 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 (2.43%) in measuring the Total OPEB Liability.

	<u>1% Decrease in Discount Rate (1.43%)</u>	<u>Discount Rate (2.43%)</u>	<u>1% Decrease in Discount Rate (3.43%)</u>
Total OPEB Liability	\$ 5,107,826	\$ 4,746,097	\$ 4,408,354

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 (8.53%) 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	\$ 4,201,840	\$ 4,746,097	\$ 5,396,095

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2021, the City reported a liability of \$4,746,097 for its Total OPEB Liability for this plan. The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2019. For the year ended September 30, 2021, the City recognized OPEB expense of \$478,660. 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 9/30/2020	\$ 4,569,608
Changes for the year:	
Service cost	214,853
Interest	101,983
Difference between expected and actual experience	(102,528)
Changes of assumptions	<u>(37,819)</u>
Net changes	<u>176,489</u>
Balance at 9/30/2021	<u>\$ 4,746,097</u>

At September 30, 2021, the City reported deferred outflows and inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 276,718	\$ -
Changes in actuarial assumptions	<u>526,598</u>	<u>87,880</u>
Total	<u>\$ 803,316</u>	<u>\$ 87,880</u>

Amounts reported as deferred outflows and inflows 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>
2022	\$ 161,825
2023	161,825
2024	161,825
2025	125,187
2026	76,910
Thereafter	27,862

Note 11. Deferred Compensation Plan

The City participates in a deferred compensation plan which falls under Internal Revenue Code Section 457. 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 2021, 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.

Note 12. Commitments and Contingencies

A. 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 is not believed to be material.

B. Construction Commitments

The City has active construction projects as of September 30, 2021. At year-end the City has \$7,984,185 of outstanding construction commitments.

C. 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	\$ 236,515
Bond-Funded capital projects	4,263,913
Nonmajor governmental	1,120,299
Water & wastewater	2,948,352
Nonmajor enterprise	51,770
Internal service funds	1,142,450
Total	<u>\$ 9,763,299</u>

Note 13. 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 Human Resources 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.

Note 14. 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, 2021, 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 2021, this agreement resulted in abated property taxes of \$6,167.
- For the fiscal year ended September 30, 2021, 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 2021, this agreement resulted in abated property taxes of \$105,108.
- For the fiscal year ended September 30, 2021, 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 2021, this agreement resulted in abated property taxes of \$38,197.
- For the fiscal year ended September 30, 2021, there was one property tax abatement agreement in place. The agreement with Golden State Foods provides a 75% tax abatement for 7 years, beginning in 2020 for development of a restaurant distribution facility. In fiscal year 2021, this agreement resulted in abated property taxes of \$415,987.

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 – \$649,079.
- Sales tax rebate incentives – \$49,845.
- Grant payments for meeting other performance targets – \$380,485.

Required Supplementary Information



City of Burleson, Texas
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2021

Exhibit D-1
(Page 1 of 2)

	Budgeted Amounts		Actual Amounts	Variance -
	Original	Final	GAAP Basis	Positive (Negative)
REVENUES				
Property taxes	\$ 21,828,822	\$ 21,828,822	\$ 22,320,945	\$ 492,123
Sales taxes	10,288,306	10,288,306	12,486,273	2,197,967
Franchise fees	3,492,804	3,492,804	3,329,092	(163,712)
Licenses and permits	1,561,000	1,561,000	1,600,238	39,238
Intergovernmental	519,952	519,952	517,568	(2,384)
Charges for services	2,602,543	2,602,543	2,825,427	222,884
Fines and forfeitures	1,050,000	1,050,000	1,060,102	10,102
Investment earnings	350,000	350,000	30,770	(319,230)
Miscellaneous	1,074,000	1,074,000	1,153,360	79,360
Total revenues	42,767,427	42,767,427	45,323,775	2,556,348
EXPENDITURES				
General government:				
City Council	122,035	122,035	75,419	46,616
City Manager's office	714,319	714,070	717,793	(3,723)
Legal	384,468	384,468	539,886	(155,418)
Communications	493,952	484,837	519,442	(34,605)
City Secretary's office	793,534	778,600	751,240	27,360
Records management	104,169	126,762	115,163	11,599
Judicial	98,841	103,712	110,301	(6,589)
Human resources	624,392	669,433	741,261	(71,828)
Burleson university	146,987	156,493	132,870	23,623
Finance	1,474,724	1,473,106	1,486,048	(12,942)
Tax	400,648	400,648	387,149	13,499
Support services	130,307	130,176	155,967	(25,791)
Purchasing	221,219	203,502	179,503	23,999
Economic development	570,511	1,570,511	698,432	872,079
Non-Departmental	409,303	291,282	691,688	(400,406)
Total general government	6,689,409	7,609,635	7,302,162	307,473
Public safety:				
Police	14,396,598	13,331,823	13,072,231	259,592
Fire	7,367,863	7,403,951	7,515,427	(111,476)
Fire prevention	781,163	783,776	619,249	164,527
Emergency services	233,322	236,072	176,043	60,029
Municipal court	354,798	354,179	352,289	1,890
Dispatch services	-	1,557,724	1,367,116	190,608
Marshals service	356,258	357,101	332,675	24,426
Total public safety	23,490,002	24,024,626	23,435,030	589,596
Public works:				
Public works administration	916,223	916,894	941,874	(24,980)
Street drainage maintenance	537,061	537,061	558,073	(21,012)
Streets pavement maintenance	2,999,118	3,000,118	2,689,948	310,170
Traffic control maintenance	517,444	518,285	287,902	230,383
Engineering/capital	307,949	324,511	206,452	118,059
Engineering/development	753,572	831,166	861,401	(30,235)
Facilities maintenance	843,567	852,108	699,000	153,108
Total public works	6,874,934	6,980,143	6,244,650	735,493

City of Burleson, Texas
General Fund
Budgetary Comparison Schedule - Continued
For the Year Ended September 30, 2021

Exhibit D-1
(Page 2 of 2)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance -</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Positive (Negative)</u>
Neighborhood services:				
Neighborhood services	270,387	274,447	270,608	3,839
Environmental services	431,389	443,333	406,364	36,969
Animal services	528,905	541,975	527,883	14,092
Code enforcement	357,597	350,495	341,815	8,680
Total neighborhood services	<u>1,588,278</u>	<u>1,610,250</u>	<u>1,546,670</u>	<u>63,580</u>
Community Development				
Building inspections	\$ 726,782	\$ 730,468	\$ 739,346	\$ (8,878)
Community development	728,540	749,560	457,252	292,308
Development services	297,655	297,309	232,427	64,882
Total community development	<u>1,752,977</u>	<u>1,777,337</u>	<u>1,429,025</u>	<u>348,312</u>
Culture and recreation:				
Library	1,360,890	1,357,585	1,307,119	50,466
Parks	1,497,133	1,494,638	1,404,078	90,560
Parks and recreation administration	232,817	235,803	204,394	31,409
Recreation	83,913	93,200	82,611	10,589
Senior citizens center	186,120	185,025	151,511	33,514
Total culture and recreation	<u>3,360,873</u>	<u>3,366,251</u>	<u>3,149,713</u>	<u>216,538</u>
Total expenditures	<u>43,756,473</u>	<u>45,368,242</u>	<u>43,107,251</u>	<u>2,260,991</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(989,046)</u>	<u>(2,600,815)</u>	<u>2,216,524</u>	<u>4,817,339</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	772,262	772,262	2,872,442	(2,100,180)
Transfers out	180,381	280,381	(2,877,690)	3,158,071
Total other financing sources (uses)	<u>952,643</u>	<u>1,052,643</u>	<u>(5,248)</u>	<u>1,057,891</u>
NET CHANGE IN FUND BALANCE	<u>(36,403)</u>	<u>(1,548,172)</u>	<u>2,211,276</u>	<u>5,875,230</u>
FUND BALANCES - BEGINNING	<u>16,128,033</u>	<u>16,128,033</u>	<u>16,128,033</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 16,091,630</u>	<u>\$ 14,579,861</u>	<u>\$ 18,339,309</u>	<u>\$ 5,875,230</u>

City of Burleson, Texas

Notes to Required Supplementary Information

Budgetary Schedule

For the Year Ended September 30, 2021

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 budget is 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, the Hotel/Motel Fund, the TIF 2&3 Fund, and the Municipal Court Fund. 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. 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.

City of Burleson, Texas

Schedule of Changes in Net Pension Liability and Related Ratios - Texas Municipal Retirement System For the Year Ended September 30, 2021

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.

Exhibit D-2

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 3,628,862	\$ 3,745,062	\$ 3,887,921	\$ 4,309,779	\$ 4,785,763
5,536,081	5,991,443	6,464,469	6,966,885	7,567,698
324,293	34,315	37,485	658,640	1,555,110
-	-	-	364,920	-
<u>(2,908,249)</u>	<u>(2,694,216)</u>	<u>(2,974,711)</u>	<u>(3,340,504)</u>	<u>(3,934,066)</u>
6,580,987	7,076,604	7,415,164	8,959,720	9,974,505
<u>81,655,715</u>	<u>88,236,702</u>	<u>95,313,306</u>	<u>102,728,470</u>	<u>111,688,190</u>
<u>88,236,702</u>	<u>95,313,306</u>	<u>102,728,470</u>	<u>111,688,190</u>	<u>121,662,695</u>
\$ 3,195,301	\$ 3,326,528	\$ 3,446,107	\$ 3,812,900	\$ 4,144,156
1,459,887	1,510,106	1,565,006	1,732,309	1,875,187
4,240,199	9,518,399	(2,405,770)	12,355,867	7,166,812
(2,908,249)	(2,694,216)	(2,974,711)	(3,340,504)	(3,934,066)
(47,857)	(49,301)	(46,457)	(69,735)	(46,326)
<u>(2,578)</u>	<u>(2,499)</u>	<u>(2,430)</u>	<u>(2,096)</u>	<u>(1,807)</u>
5,936,703	11,609,017	(418,255)	14,488,741	9,203,956
<u>62,701,884</u>	<u>68,638,587</u>	<u>80,247,604</u>	<u>79,829,349</u>	<u>94,318,090</u>
<u>68,638,587</u>	<u>80,247,604</u>	<u>79,829,349</u>	<u>94,318,090</u>	<u>103,522,046</u>
<u>\$ 19,598,115</u>	<u>\$ 15,065,702</u>	<u>\$ 22,899,121</u>	<u>\$ 17,370,100</u>	<u>\$ 18,140,649</u>
77.79%	84.19%	77.71%	84.45%	85.09%
\$ 20,855,530	\$ 21,572,943	\$ 22,357,225	\$ 24,697,874	\$ 26,780,992
93.97%	69.84%	102.42%	70.33%	67.74%

City of Burleson, Texas
 Schedule of Pension Contributions
 Texas Municipal Retirement System
 For The Year Ended September 30, 2021

Fiscal Year	<u>2014</u>	<u>2015</u>
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	25 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

Exhibit D-3

2016	2017	2018	2019	2020	2021
\$ 3,290,623	\$ 3,270,142	\$ 3,413,058	\$ 3,710,515	\$ 4,023,849	\$ 4,144,156
<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>	<u>4,144,156</u>
-	-	-	-	-	-
\$ 21,503,209	\$ 21,235,212	\$ 21,235,212	\$ 24,033,514	\$ 26,033,943	\$ 26,780,992
15.30%	15.40%	16.07%	15.44%	15.46%	15.47%

City of Burleson, Texas

Exhibit D-4

Schedule of Changes In Total OPEB Liability and
 Related Ratios - Texas Municipal Retirement System –
 Supplemental Death Benefits Fund
 For the Year Ended September 30, 2021

Plan Year Ended December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
A. Total OPEB Liability				
Service Cost	\$ 32,359	\$ 40,243	\$ 37,047	\$ 53,562
Interest (on the Total OPEB Liability)	22,672	23,726	26,040	24,950
Difference between expected and actual experience	-	(15,410)	(17,286)	(4,333)
Change of assumptions	62,411	(57,141)	156,463	169,132
Benefit payments, including refunds of employee contributions	<u>(4,315)</u>	<u>(4,471)</u>	<u>(4,940)</u>	<u>(5,356)</u>
Net change in total OPEB liability	113,127	(13,053)	197,324	237,955
Total OPEB liability - beginning	<u>585,771</u>	<u>698,898</u>	<u>685,845</u>	<u>883,169</u>
Total OPEB liability - ending	<u>698,898</u>	<u>685,845</u>	<u>883,169</u>	<u>1,121,124</u>
B. Covered Payroll	\$ 21,572,943	\$ 22,357,225	\$ 24,697,874	\$ 26,780,992
C. Total OPEB Liability as a Percentage of Covered Payroll	3.24%	3.07%	3.58%	4.19%

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

Exhibit D-5

Schedule of Changes In Total OPEB Liability and
Related Ratios - Retiree Health Care Benefit Plan
For the Year Ended September 30, 2021

Measurement Date September 30,	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
A. Total OPEB Liability				
Service Cost	\$ 148,455	\$ 152,883	\$ 152,373	\$ 214,854
Interest (on the Total OPEB Liability)	118,786	128,811	139,215	101,983
Difference between expected and actual experience	326,732	-	141,692	-
Change of assumptions	256,399	52,121	541,708	(102,528)
Benefit payments	<u>(83,018)</u>	<u>(42,529)</u>	<u>-</u>	<u>(37,819)</u>
Net change in total OPEB liability	767,354	291,286	974,988	176,490
Total OPEB liability - beginning	<u>2,535,980</u>	<u>3,303,334</u>	<u>3,594,620</u>	<u>4,569,608</u>
Total OPEB liability - ending	<u>3,303,334</u>	<u>3,594,620</u>	<u>4,569,608</u>	<u>4,746,098</u>
B. Covered-Employee Payroll				
	\$ 18,416,233	\$ 22,342,123	\$ 22,779,945	\$ 26,486,753
C. Total OPEB Liability as a Percentage of Covered-Employee Payroll				
	17.94%	16.09%	20.06%	17.92%

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 & INDIVIDUAL FUND STATEMENTS & SCHEDULES



City of Burleson, Texas

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 eight nonmajor special revenue funds which include:

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 Burleson Recreation Center, Chisenhall Fields and Hidden Creek Softball Complex.

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 **Tax Increment Financing District (TIF) 2&3 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 **Municipal Court Fund** – This fund accounts for the Municipal Court fees assessed that are legally restricted to the purchase/maintenance of the Court's technology enhancements, Court security, improving the collections of court fees, and funding a portion of the juvenile case manager position.

The **Other Special Revenue Fund** – This fund accounts for the proceeds of other specific revenue sources that are legally restricted or committed to expenditures for specified purposes. Traffic safety, public safety, public works, culture and recreation, economic incentive funds, PEG fund, and PID 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 **Mineral Lease-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 **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.

City of Burleson, Texas

Combining Financial Statements - Continued

Nonmajor Governmental Funds

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

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.

City of Burleson, Texas
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2021

Exhibit E-1

	<u>Special Revenue Funds</u>				
	<u>BCSDC</u>	<u>4A Corp</u>	<u>Parks</u>	<u>Hotel/Motel</u>	<u>Grants</u>
	<u>Special Revenue</u>	<u>Special Revenue</u>	<u>Performance</u>	<u>Hotel/Motel</u>	<u>Grants</u>
ASSETS					
Cash and investments	\$ 3,900,984	\$ 1,386,266	\$ 487,200	\$ 837,717	\$ -
Receivables:					
Taxes, net	-	-	-	65,682	-
Accounts	-	-	4,153	1,900	-
Accrued interest	32	2	-	482	-
Due from other governments	1,124,140	1,124,140	-	-	637,655
Inventories	-	-	2,156	-	-
Total assets	<u>5,025,156</u>	<u>2,510,408</u>	<u>493,509</u>	<u>905,781</u>	<u>637,655</u>
LIABILITIES					
Current liabilities:					
Accounts payable	83,908	25,891	267,203	3,500	-
Accrued liabilities	-	9,725	76,883	-	-
Unearned revenue	-	-	149,423	-	-
Due to other funds	-	-	-	-	500,156
Total liabilities	<u>83,908</u>	<u>35,616</u>	<u>493,509</u>	<u>3,500</u>	<u>500,156</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - grants	-	-	-	-	328,194
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,194</u>
FUND BALANCES					
Restricted for:					
Debt service	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	816
Economic development	4,941,248	2,474,792	-	-	-
Tourism	-	-	-	902,281	-
Other purposes	-	-	-	-	-
Committed for:					
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	(191,511)
Total fund balances	<u>4,941,248</u>	<u>2,474,792</u>	<u>-</u>	<u>902,281</u>	<u>(190,695)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,025,156</u>	<u>\$ 2,510,408</u>	<u>\$ 493,509</u>	<u>\$ 905,781</u>	<u>\$ 637,655</u>

City of Burleson, Texas
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2021

Exhibit E-1
(Continued)

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>	
	<u>TIF 2&3</u>	<u>Municipal Court</u>	<u>Other Special Revenue</u>	<u>Mineral Lease Funded Capital Projects</u>	<u>4A EDC Non-bond Funded</u>
ASSETS					
Cash and investments	967,253	\$ 415,789	581,665	\$ 1,226,183	\$ 2,395,989
Receivables:					
Taxes, net	-	-	-	-	-
Accounts	-	-	13,399	-	-
Accrued interest	-	-	-	525	1,417
Due from other governments	2,013	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>969,266</u>	<u>415,789</u>	<u>595,064</u>	<u>1,226,708</u>	<u>2,397,406</u>
LIABILITIES					
Current liabilities:					
Accounts payable	6,254	178	95,008	16,442	-
Accrued liabilities	3,081	1,552	441,333	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>9,335</u>	<u>1,730</u>	<u>536,341</u>	<u>16,442</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - grants	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Debt service	-	-	-	-	-
Public safety	-	414,059	-	-	-
Culture and recreation	-	-	562	-	-
Economic development	959,931	-	52,958	-	-
Tourism	-	-	-	-	-
Other purposes	-	-	5,203	-	-
Committed for:					
Capital projects	-	-	-	1,210,266	2,397,406
Unassigned	-	-	-	-	-
Total fund balances	<u>959,931</u>	<u>414,059</u>	<u>58,723</u>	<u>1,210,266</u>	<u>2,397,406</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 969,266</u>	<u>\$ 415,789</u>	<u>\$ 595,064</u>	<u>\$ 1,226,708</u>	<u>\$ 2,397,406</u>

Exhibit E-1
(Continued)

Capital Projects Funds			Debt Service Funds			Total Other Governmental Funds
BCSDC 4B Non-bond Funded	Street Paving Trust	Miscellaneous Non-bond Funded	General Debt Service	4A EDC Debt Service	BCSDC 4B Debt Service	
\$ 31,291	\$ 3,360,914	\$ 4,864,876	\$ 2,229,872	\$ 286,049	\$ 465,603	\$ 23,437,651
-	-	-	11,701	-	-	77,383
-	-	-	-	-	-	19,452
76	1,774	2,761	-	-	-	7,069
-	-	-	-	-	-	2,887,948
-	-	-	-	-	-	2,156
<u>31,367</u>	<u>3,362,688</u>	<u>4,867,637</u>	<u>2,241,573</u>	<u>286,049</u>	<u>465,603</u>	<u>26,431,659</u>
-	1,999	252,969	450	-	-	753,802
-	-	-	-	-	-	532,574
-	-	-	-	-	-	149,423
-	-	-	-	-	-	500,156
-	<u>1,999</u>	<u>252,969</u>	<u>450</u>	-	-	<u>1,935,955</u>
-	-	-	-	-	-	328,194
-	-	-	-	-	-	328,194
-	-	-	2,241,123	286,049	465,603	2,992,775
-	-	-	-	-	-	414,059
-	-	-	-	-	-	1,378
-	-	-	-	-	-	8,428,929
-	-	-	-	-	-	902,281
-	-	-	-	-	-	5,203
31,367	3,360,689	4,614,668	-	-	-	11,614,396
-	-	-	-	-	-	(191,511)
<u>31,367</u>	<u>3,360,689</u>	<u>4,614,668</u>	<u>2,241,123</u>	<u>286,049</u>	<u>465,603</u>	<u>24,167,510</u>
<u>\$ 31,367</u>	<u>\$ 3,362,688</u>	<u>\$ 4,867,637</u>	<u>\$ 2,241,573</u>	<u>\$ 286,049</u>	<u>\$ 465,603</u>	<u>\$ 26,431,659</u>

City of Burleson, Texas

Exhibit E-2

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue Funds				
	BCSDC	4A Corp	Parks	Hotel/Motel	Grants
	Special Revenue	Special Revenue	Performance	Hotel/Motel	Grants
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	6,157,779	6,157,779	-	-	-
Hotel occupancy taxes	-	-	-	455,115	-
Franchise fees	-	-	-	-	-
Charges for services	-	-	1,095,574	-	-
Intergovernmental	-	-	-	-	1,779,734
Fines	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Investment earnings	796	2,602	649	471	-
Mineral lease	-	-	-	-	-
Street assessments	-	-	-	-	-
Miscellaneous	-	189,795	1,989	26,250	-
	<u>6,158,575</u>	<u>6,350,176</u>	<u>1,098,212</u>	<u>481,836</u>	<u>1,779,734</u>
Total revenues					
	<u>6,158,575</u>	<u>6,350,176</u>	<u>1,098,212</u>	<u>481,836</u>	<u>1,779,734</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Community development	393,082	1,381,491	-	-	-
Public safety	-	-	-	-	558,663
Public works	-	-	-	-	-
Culture and recreation	-	-	3,774,847	277,378	9,568
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Capital outlay	-	4,448,768	-	-	-
	<u>393,082</u>	<u>5,830,259</u>	<u>3,774,847</u>	<u>277,378</u>	<u>568,231</u>
Total expenditures					
	<u>393,082</u>	<u>5,830,259</u>	<u>3,774,847</u>	<u>277,378</u>	<u>568,231</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,765,493</u>	<u>519,917</u>	<u>(2,676,635)</u>	<u>204,458</u>	<u>1,211,503</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	2,676,635	-	-
Transfers out	(5,430,883)	(5,838,207)	-	-	(1,404,182)
	<u>(5,430,883)</u>	<u>(5,838,207)</u>	<u>2,676,635</u>	<u>-</u>	<u>(1,404,182)</u>
Total other financing sources (uses)					
	<u>(5,430,883)</u>	<u>(5,838,207)</u>	<u>2,676,635</u>	<u>-</u>	<u>(1,404,182)</u>
NET CHANGE IN FUND BALANCE	334,610	(5,318,290)	-	204,458	(192,679)
FUND BALANCE, BEGINNING	<u>4,606,638</u>	<u>7,793,082</u>	<u>-</u>	<u>697,823</u>	<u>1,984</u>
FUND BALANCE, ENDING	<u>\$ 4,941,248</u>	<u>\$ 2,474,792</u>	<u>\$ -</u>	<u>\$ 902,281</u>	<u>\$ (190,695)</u>

City of Burleson, Texas

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2021

Exhibit E-2
(Continued)

	Special Revenue Funds			Capital Projects Funds	
	TIF 2&3	Municipal Court	Other Special Revenue	Mineral Lease Funded Capital Projects	4A EDC Non-bond Funded
REVENUES					
Property taxes	\$ 905,662	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-	-
Hotel occupancy taxes	-	-	-	-	-
Franchise fees	-	-	242,721	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Fines	-	496,986	-	-	-
Contributions and donations	-	-	87,488	-	-
Investment earnings	-	-	-	813	457
Mineral lease	-	-	-	275,019	-
Street assessments	-	-	43,777	-	-
Miscellaneous	13,579	-	424,522	-	-
Total revenues	919,241	496,986	798,508	275,832	457
EXPENDITURES					
Current:					
General government	-	-	3,898	-	-
Community development	181,217	-	93,518	-	-
Public safety	-	82,927	8,257	-	-
Public works	-	-	15,862	-	-
Culture and recreation	-	-	54,305	13,005	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Capital outlay	-	-	-	256,131	14,070
Total expenditures	181,217	82,927	175,840	269,136	14,070
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	738,024	414,059	622,668	6,696	(13,613)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	2,045,760
Transfers out	(397,249)	-	(1,238,954)	-	-
Total other financing sources (uses)	(397,249)	-	(1,238,954)	-	2,045,760
NET CHANGE IN FUND BALANCE	340,775	414,059	(616,286)	6,696	2,032,147
FUND BALANCE, BEGINNING	619,156	-	675,009	1,203,570	365,259
FUND BALANCE, ENDING	\$ 959,931	\$ 414,059	\$ 58,723	\$ 1,210,266	\$ 2,397,406

Exhibit E-2
(Continued)

Capital Projects Funds			Debt Service Funds			Total
BCSDC 4B Non-bond Funded	Street Paving Trust	Miscellaneous Non-bond Funded	General Debt Service	4A EDC Debt Service	BCSDC 4B Debt Service	Other Governmental Funds
\$ -	\$ -	\$ -	\$ 7,022,924	\$ -	\$ -	\$ 7,928,586
-	-	-	-	-	-	12,315,558
-	-	-	-	-	-	455,115
-	-	-	-	-	-	242,721
-	-	-	-	-	-	1,095,574
-	-	-	-	-	-	1,779,734
-	-	-	-	-	-	496,986
-	1,133,141	4,200	-	-	-	1,224,829
388	3,829	1,351	-	134	387	11,877
-	-	-	-	-	-	275,019
-	16,185	-	-	-	-	59,962
-	-	-	-	-	-	656,135
<u>388</u>	<u>1,153,155</u>	<u>5,551</u>	<u>7,022,924</u>	<u>134</u>	<u>387</u>	<u>26,542,096</u>
-	-	-	-	-	-	3,898
-	-	-	-	-	-	2,049,308
-	-	-	-	-	-	649,847
-	-	-	-	-	-	15,862
-	-	-	-	-	-	4,129,103
-	-	-	4,838,771	1,905,587	1,380,000	8,124,358
-	-	-	2,738,432	487,861	465,278	3,691,571
225,783	44,000	2,021,309	-	-	-	7,010,061
<u>225,783</u>	<u>44,000</u>	<u>2,021,309</u>	<u>7,577,203</u>	<u>2,393,448</u>	<u>1,845,278</u>	<u>25,674,008</u>
<u>(225,395)</u>	<u>1,109,155</u>	<u>(2,015,758)</u>	<u>(554,279)</u>	<u>(2,393,314)</u>	<u>(1,844,891)</u>	<u>868,088</u>
-	-	4,079,809	397,249	2,393,447	1,844,545	13,437,445
-	(1,890,105)	-	-	-	-	(16,199,580)
-	(1,890,105)	4,079,809	397,249	2,393,447	1,844,545	(2,762,135)
(225,395)	(780,950)	2,064,051	(157,030)	133	(346)	(1,894,047)
256,762	4,141,639	2,550,617	2,398,153	285,916	465,949	26,061,557
<u>\$ 31,367</u>	<u>\$ 3,360,689</u>	<u>\$ 4,614,668</u>	<u>\$ 2,241,123</u>	<u>\$ 286,049</u>	<u>\$ 465,603</u>	<u>\$ 24,167,510</u>

City of Burleson, Texas
 Debt Service Funds
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2021

Exhibit E-3

	General Debt Service			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Property taxes and assessments	\$ 6,986,296	\$ 6,986,296	\$ 7,022,924	\$ 36,628
Investment earnings	-	-	-	-
Total revenues	<u>6,986,296</u>	<u>6,986,296</u>	<u>7,022,924</u>	<u>36,628</u>
EXPENDITURES				
Debt service:				
Principal retirement	4,838,770	4,838,770	4,838,771	(1)
Interest and fiscal agent charges	2,654,522	2,654,522	2,738,432	(83,910)
Bond issuance costs	-	90,000	-	90,000
Total expenditures	<u>7,493,292</u>	<u>7,583,292</u>	<u>7,577,203</u>	<u>6,089</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(506,996)</u>	<u>(596,996)</u>	<u>(554,279)</u>	<u>42,717</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	397,250	397,250	397,249	(1)
Total other financing sources (uses)	<u>397,250</u>	<u>397,250</u>	<u>397,249</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCE	<u>(109,746)</u>	<u>(199,746)</u>	<u>(157,030)</u>	<u>42,716</u>
FUND BALANCE, BEGINNING	<u>2,398,153</u>	<u>2,398,153</u>	<u>2,398,153</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,288,407</u>	<u>\$ 2,198,407</u>	<u>\$ 2,241,123</u>	<u>\$ 42,716</u>

**Exhibit E-3
(Continued)**

BCSDC Debt Service				4A EDC Debt Service			
Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,500	8,500	387	(8,113)	1,000	1,000	134	(866)
8,500	8,500	387	(8,113)	1,000	1,000	134	(866)
1,380,000	1,380,000	1,380,000	-	1,905,587	1,905,587	1,905,587	-
465,594	465,594	465,278	316	488,144	488,144	487,861	283
-	-	-	-	-	-	-	-
1,845,594	1,845,594	1,845,278	316	2,393,731	2,393,731	2,393,448	283
(1,837,094)	(1,837,094)	(1,844,891)	(7,797)	(2,392,731)	(2,392,731)	(2,393,314)	(583)
1,844,545	1,844,545	1,844,545	-	2,393,731	2,393,731	2,393,447	(284)
1,844,545	1,844,545	1,844,545	-	2,393,731	2,393,731	2,393,447	(284)
7,451	7,451	(346)	(7,797)	1,000	1,000	133	(867)
465,949	465,949	465,949	-	285,916	285,916	285,916	-
<u>\$ 473,400</u>	<u>\$ 473,400</u>	<u>\$ 465,603</u>	<u>\$ (7,797)</u>	<u>\$ 286,916</u>	<u>\$ 286,916</u>	<u>\$ 286,049</u>	<u>\$ (867)</u>

City of Burleson, Texas
Hotel/Motel Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2021

Exhibit E-4

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Hotel occupancy taxes	\$ 190,000	\$ 190,000	\$ 455,115	\$ 265,115
Investment earnings	1,415	1,415	471	(944)
Miscellaneous	-	-	26,250	26,250
	<u>191,415</u>	<u>191,415</u>	<u>481,836</u>	<u>290,421</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>365,631</u>	<u>365,631</u>	<u>277,378</u>	<u>88,253</u>
	<u>365,631</u>	<u>365,631</u>	<u>277,378</u>	<u>88,253</u>
NET CHANGE IN FUND BALANCE	(174,216)	(174,216)	204,458	378,674
FUND BALANCE, BEGINNING	<u>697,823</u>	<u>697,823</u>	<u>697,823</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 523,607</u>	<u>\$ 523,607</u>	<u>\$ 902,281</u>	<u>\$ 378,674</u>

City of Burleson, Texas
 BCSDC Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2021

Exhibit E-5

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Sales tax	\$ 5,086,473	\$ 5,086,473	\$ 6,157,779	\$ 1,071,306
Investment earnings	25,000	25,000	796	(24,204)
Total revenues	<u>5,111,473</u>	<u>5,111,473</u>	<u>6,158,575</u>	<u>1,047,102</u>
EXPENDITURES				
Current:				
Community development	<u>373,500</u>	<u>373,500</u>	<u>393,082</u>	<u>(19,582)</u>
Total expenditures	<u>373,500</u>	<u>373,500</u>	<u>393,082</u>	<u>(19,582)</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,737,973	4,737,973	5,765,493	1,027,520
OTHER FINANCING USES				
Transfers out	<u>(6,359,604)</u>	<u>(6,359,604)</u>	<u>(5,430,883)</u>	<u>(928,721)</u>
Total other financing uses	<u>(6,359,604)</u>	<u>(6,359,604)</u>	<u>(5,430,883)</u>	<u>(928,721)</u>
NET CHANGE IN FUND BALANCE	(1,621,631)	(1,621,631)	334,610	1,956,241
FUND BALANCE, BEGINNING	<u>4,606,638</u>	<u>4,606,638</u>	<u>4,606,638</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,985,007</u>	<u>\$ 2,985,007</u>	<u>\$ 4,941,248</u>	<u>\$ 1,956,241</u>

City of Burleson, Texas
4A Corp Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2021

Exhibit E-6

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Sales tax	\$ 5,086,472	\$ 5,086,472	\$ 6,157,779	\$ 1,071,307
Investment earnings	25,000	25,000	2,602	(22,398)
Miscellaneous	155,625	155,625	189,795	34,170
	<u>5,267,097</u>	<u>5,267,097</u>	<u>6,350,176</u>	<u>1,083,079</u>
EXPENDITURES				
Current:				
Community development	1,764,194	1,832,600	1,381,491	451,109
Capital outlay	<u>-</u>	<u>5,900,000</u>	<u>4,448,768</u>	<u>1,451,232</u>
	<u>1,764,194</u>	<u>7,732,600</u>	<u>5,830,259</u>	<u>1,902,341</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,502,903	(2,465,503)	519,917	2,985,420
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,393,731)</u>	<u>(4,439,491)</u>	<u>(5,838,207)</u>	<u>1,398,716</u>
	<u>(2,393,731)</u>	<u>(4,439,491)</u>	<u>(5,838,207)</u>	<u>1,398,716</u>
NET CHANGE IN FUND BALANCE	1,109,172	(6,904,994)	(5,318,290)	1,586,704
FUND BALANCE, BEGINNING	<u>7,793,082</u>	<u>7,793,082</u>	<u>7,793,082</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 8,902,254</u>	<u>\$ 888,088</u>	<u>\$ 2,474,792</u>	<u>\$ 1,586,704</u>

City of Burleson, Texas
Parks Performance Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2021

Exhibit E-7

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for services	\$ 1,185,024	\$ 1,185,024	\$ 1,095,574	\$ (89,450)
Investment earnings	1,946	1,946	649	(1,297)
Miscellaneous	5,000	5,000	1,989	(3,011)
	<u>1,191,970</u>	<u>1,191,970</u>	<u>1,098,212</u>	<u>(93,758)</u>
EXPENDITURES				
Current:				
Culture and recreation	4,553,355	4,553,355	3,774,847	778,508
	<u>4,553,355</u>	<u>4,553,355</u>	<u>3,774,847</u>	<u>778,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(3,361,385)	(3,361,385)	(2,676,635)	684,750
OTHER FINANCING SOURCES (USES)				
Transfers in	3,361,385	3,361,385	2,676,635	684,750
	<u>3,361,385</u>	<u>3,361,385</u>	<u>2,676,635</u>	<u>684,750</u>
NET CHANGE IN FUND BALANCE				
	-	-	-	-
FUND BALANCE, BEGINNING				
	-	-	-	-
FUND BALANCE, ENDING				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Burleson, Texas
TIF 2&3 Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2021

Exhibit E-8

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Property taxes	\$ 983,463	\$ 983,463	\$ 905,662	\$ (77,801)
Miscellaneous	-	-	13,579	13,579
	<u>983,463</u>	<u>983,463</u>	<u>919,241</u>	<u>(64,222)</u>
EXPENDITURES				
Current:				
Community development	235,762	235,762	181,217	54,545
	<u>235,762</u>	<u>235,762</u>	<u>181,217</u>	<u>54,545</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	747,701	747,701	738,024	(9,677)
OTHER FINANCING USES				
Transfers out	(598,800)	(598,800)	(397,249)	(201,551)
	<u>(598,800)</u>	<u>(598,800)</u>	<u>(397,249)</u>	<u>(201,551)</u>
NET CHANGE IN FUND BALANCE				
	148,901	148,901	340,775	191,874
FUND BALANCE, BEGINNING				
	<u>619,156</u>	<u>619,156</u>	<u>619,156</u>	<u>-</u>
FUND BALANCE, ENDING				
	<u>\$ 768,057</u>	<u>\$ 768,057</u>	<u>\$ 959,931</u>	<u>\$ 191,874</u>

City of Burleson, Texas
Municipal Court Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2021

Exhibit E-9

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Fines	\$ 442,500	\$ 442,500	\$ 496,986	\$ 54,486
Total revenues	<u>442,500</u>	<u>442,500</u>	<u>496,986</u>	<u>54,486</u>
EXPENDITURES				
Current:				
Public safety	<u>115,846</u>	<u>117,178</u>	<u>82,927</u>	<u>34,251</u>
Total expenditures	<u>115,846</u>	<u>117,178</u>	<u>82,927</u>	<u>34,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	326,654	325,322	414,059	88,737
NET CHANGE IN FUND BALANCE	326,654	325,322	414,059	88,737
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 326,654</u>	<u>\$ 325,322</u>	<u>\$ 414,059</u>	<u>\$ 88,737</u>

City of Burleson, Texas
Combining Financial Statements
Nonmajor Enterprise Funds

Nonmajor Enterprise Funds

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** accounts for the operations of the City's cemetery.

City of Burleson, Texas
Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2021

Exhibit F-1

	<u>Hidden Creek Golf Course</u>	<u>Solid Waste</u>	<u>Cemetery</u>	<u>Total</u>
ASSETS				
Current assets:				
Deposits and investments	\$ 190,927	\$ 1,314,298	\$ 1,644,227	\$ 3,149,452
Receivables:				
Accounts	11,512	456,177	10,785	478,474
Accrued interest	-	873	970	1,843
Inventories	32,760	-	-	32,760
Land held for sale of cemetery lots	-	-	2,807	2,807
Total current assets	<u>235,199</u>	<u>1,771,348</u>	<u>1,658,789</u>	<u>3,665,336</u>
Noncurrent assets:				
Restricted deposits and investments	82,845	-	-	82,845
Capital assets, net	2,544,367	19,051	231,091	2,794,509
Total noncurrent assets	<u>2,627,212</u>	<u>19,051</u>	<u>231,091</u>	<u>2,877,354</u>
Total assets	<u>2,862,411</u>	<u>1,790,399</u>	<u>1,889,880</u>	<u>6,542,690</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	30,295	-	-	30,295
Deferred outflows related to pensions	125,470	-	-	125,470
Deferred outflows related to OPEB (RHP & SDBF)	26,887	-	-	26,887
Total deferred outflows of resources	<u>182,652</u>	<u>-</u>	<u>-</u>	<u>182,652</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 87,162	\$ 272,337	\$ 6,475	\$ 365,974
Accrued liabilities	44,686	-	-	44,686
Accrued interest payable	4,465	-	-	4,465
Customer deposits	-	-	17,589	17,589
Bonds and compensated absences	359,391	-	-	359,391
Total current liabilities	<u>495,704</u>	<u>272,337</u>	<u>24,064</u>	<u>792,105</u>
Noncurrent liabilities:				
Bonds and compensated absences	1,225,972	-	-	1,225,972
Net pension liability	449,888	-	-	449,888
Total OPEB liability (RHP & SDBF)	145,507	-	-	145,507
Total noncurrent liabilities	<u>1,821,367</u>	<u>-</u>	<u>-</u>	<u>1,821,367</u>
Total liabilities	<u>2,317,071</u>	<u>272,337</u>	<u>24,064</u>	<u>2,613,472</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	66,185	-	-	66,185
Deferred inflows related to OPEB (RHP & SDBF)	3,559	-	-	3,559
Total deferred inflows of resources	<u>69,744</u>	<u>-</u>	<u>-</u>	<u>69,744</u>
NET POSITION				
Net investment in capital assets	1,137,145	19,051	231,091	1,387,287
Restricted for debt service	78,380	-	-	78,380
Unrestricted	(557,277)	1,499,011	1,634,725	2,576,459
TOTAL NET POSITION	<u>\$ 658,248</u>	<u>\$ 1,518,062</u>	<u>\$ 1,865,816</u>	<u>\$ 4,042,126</u>

City of Burleson, Texas
 Nonmajor Enterprise Funds
 Combining Statement of Revenues, Expenses,
 and Changes in Net Position
 For the Year Ended September 30, 2021

Exhibit F-2

	Hidden Creek			
	Golf Course	Solid Waste	Cemetery	Total
OPERATING REVENUES				
Charges for goods and services	\$ 1,519,950	\$ 3,242,901	\$ 55,088	\$ 4,817,939
Mineral lease	-	-	14,260	14,260
Total operating revenues	<u>1,519,950</u>	<u>3,242,901</u>	<u>69,348</u>	<u>4,832,199</u>
OPERATING EXPENSES				
Cost of golf operations	1,764,333	-	-	1,764,333
Cost of cemetery operations	-	-	5,714	5,714
Cost of solid waste operations	-	3,575,421	-	3,575,421
Materials, supplies, and cemetery lots	-	-	64,489	64,489
Depreciation	94,443	1,245	10,625	106,313
Total operating expenses	<u>1,858,776</u>	<u>3,576,666</u>	<u>80,828</u>	<u>5,516,270</u>
OPERATING LOSS	<u>(338,826)</u>	<u>(333,765)</u>	<u>(11,480)</u>	<u>(684,071)</u>
NON-OPERATING REVENUES (EXPENSES)				
Gain on disposition of capital assets	11,575	-	-	11,575
Investment earnings	104	1,820	1,180	3,104
Interest and fiscal agent charges	(41,071)	-	-	(41,071)
Total non-operating revenues (expenses)	<u>(29,392)</u>	<u>1,820</u>	<u>1,180</u>	<u>(26,392)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS				
	(368,218)	(331,945)	(10,300)	(710,463)
Transfers in	<u>909,703</u>	<u>-</u>	<u>-</u>	<u>909,703</u>
CHANGE IN NET POSITION	541,485	(331,945)	(10,300)	199,240
NET POSITION AT BEGINNING OF YEAR	<u>116,763</u>	<u>1,850,007</u>	<u>1,876,116</u>	<u>3,842,886</u>
NET POSITION AT END OF YEAR	<u>\$ 658,248</u>	<u>\$ 1,518,062</u>	<u>\$ 1,865,816</u>	<u>\$ 4,042,126</u>

City of Burleson, Texas
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2021

Exhibit F-3

	<u>Hidden Creek Golf Course</u>	<u>Solid Waste</u>	<u>Cemetery</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,511,755	\$ 3,266,903	\$ 60,956	\$ 4,839,614
Payments to suppliers and service providers	(877,823)	(3,808,354)	(397)	(4,686,574)
Payments to employees for salaries and benefits	(1,090,804)	(504)	-	(1,091,308)
Other receipts	-	-	14,260	14,260
Net cash provided by (used in) operating activities	<u>(456,872)</u>	<u>(541,955)</u>	<u>74,819</u>	<u>(924,008)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments from other funds	909,703	-	-	909,703
Net cash provided by noncapital financing activities	<u>909,703</u>	<u>-</u>	<u>-</u>	<u>909,703</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Receipts from sale of capital assets	11,575	-	-	11,575
Principal paid on bonds	(322,429)	-	-	(322,429)
Interest payments on bonds	(31,710)	-	-	(31,710)
Acquisition of capital assets	-	-	(80,294)	(80,294)
Net cash used in capital and related financial activities	<u>(342,564)</u>	<u>-</u>	<u>(80,294)</u>	<u>(422,858)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	108	1,105	353	1,566
Net cash provided by investing activities	<u>108</u>	<u>1,105</u>	<u>353</u>	<u>1,566</u>
Net increase (decrease) in cash and cash equivalents	110,375	(540,850)	(5,122)	(435,597)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR				
(including those reported in restricted accounts)	<u>163,397</u>	<u>1,855,148</u>	<u>1,649,349</u>	<u>3,667,894</u>
CASH AND CASH EQUIVALENTS - END OF YEAR				
(including restricted deposits and investments of \$82,845 in the hidden creek golf course fund)	<u>\$ 273,772</u>	<u>\$ 1,314,298</u>	<u>\$ 1,644,227</u>	<u>\$ 3,232,297</u>

City of Burleson, Texas
Combining Financial Statements
Nonmajor Enterprise Funds
Combining Statement of Cash Flows – Continued
For the Year Ended September 30, 2021

Exhibit F-3

	<u>Hidden Creek Golf Course</u>	<u>Solid Waste</u>	<u>Cemetery</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating loss				
to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (338,826)	\$ (333,765)	\$ (11,480)	\$ (684,071)
Depreciation	94,443	1,245	10,625	106,313
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(8,195)	24,002	5,868	21,675
(Increase) decrease in inventories	6,249	-	64,488	70,737
(Increase) decrease in deferred outflows related to pension	29,014	-	-	29,014
(Increase) decrease in deferred outflows related to OPEB	14,089	-	-	14,089
Increase (decrease) in accounts payable	45,984	(233,437)	5,318	(182,135)
Increase (decrease) in accrued liabilities	9,511	-	-	9,511
Increase (decrease) in compensated absences	(7,533)	-	-	(7,533)
Increase (decrease) in net pension liability and total OPEB liability	(276,877)	-	-	(276,877)
Increase (decrease) in deferred inflows related to pension	(25,793)	-	-	(25,793)
Increase (decrease) in deferred inflows related to OPEB	1,062	-	-	1,062
Net cash provided by (used in) operating activities	<u>\$ (456,872)</u>	<u>\$ (541,955)</u>	<u>\$ 74,819</u>	<u>\$ (924,008)</u>

City of Burleson, Texas
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.

The **Health Insurance Fund** accounts for the City's self health insurance program.

City of Burleson, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2021

Exhibit G-1

	Equipment Services	Governmental Vehicle Replacement	Business-type Vehicle Replacement	Support Services	Health Insurance	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 73,078	\$ 5,901,992	\$ 1,473,145	\$ 761,726	\$ 3,182,656	\$ 11,392,597
Receivables:						
Accounts	-	47,200	7,000	33,438	3,944	91,582
Accrued interest	42	1,512	860	472	443	3,329
Inventories	33,272	-	-	-	-	33,272
Total current assets	106,392	5,950,704	1,481,005	795,636	3,187,043	11,520,780
Noncurrent assets:						
Capital assets, net	123,801	2,519,405	927,556	453,988	-	4,024,750
Total noncurrent assets	123,801	2,519,405	927,556	453,988	-	4,024,750
Total assets	230,193	8,470,109	2,408,561	1,249,624	3,187,043	15,545,530
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	40,474	-	-	158,355	-	198,829
Deferred outflows related to OPEB (RHP & SDBF)	8,674	-	-	33,932	-	42,606
Total deferred outflows	49,148	-	-	192,287	-	241,435
LIABILITIES						
Current liabilities:						
Accounts payable	10,282	-	-	23,694	2,570	36,546
Compensated absences	2,091	-	-	48,902	-	50,993
Accrued liabilities	12,193	-	-	39,810	278	52,281
Total current liabilities	24,566	-	-	112,406	2,848	139,820
Noncurrent liabilities:						
Net pension liability	145,126	-	-	567,802	-	712,928
Total OPEB liability (RHP & SDBF)	46,938	-	-	183,645	-	230,583
Compensated absences	6,273	-	-	146,704	-	152,977
Total noncurrent liabilities	198,337	-	-	898,151	-	1,096,488
Total liabilities	222,903	-	-	1,010,557	2,848	1,236,308
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	21,350	-	-	83,532	-	104,882
Deferred inflows related to OPEB (RHP & SDBF)	1,147	-	-	4,493	-	5,640
Total deferred inflows	22,497	-	-	88,025	-	110,522
NET POSITION						
Net investment in capital assets	123,801	2,519,405	927,556	453,988	-	4,024,750
Unrestricted	(89,860)	5,950,704	1,481,005	(110,659)	3,184,195	10,415,385
Total net position	\$ 33,941	\$ 8,470,109	\$ 2,408,561	\$ 343,329	\$ 3,184,195	\$ 14,440,135

City of Burleson, Texas

Exhibit G-2

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position - Internal Service Funds
September 30, 2021

	<u>Equipment Services</u>	<u>Governmental Vehicle Replacement</u>	<u>Business-type Vehicle Replacement</u>	<u>Support Services</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES						
Charges for goods and services	\$ 454,688	\$ 1,678,171	\$ 391,059	\$ 2,285,978	\$ 5,508,876	\$ 10,318,772
Total operating revenues	454,688	1,678,171	391,059	2,285,978	5,508,876	10,318,772
OPERATING EXPENSES						
Personnel services	373,310	-	-	1,229,457	448,438	2,051,205
Professional and contracted services	-	-	-	-	72,786	72,786
Insurance	-	-	-	-	4,224,788	4,224,788
Repairs and maintenance	193,835	-	-	737,719	-	931,554
Materials and supplies	7,977	-	-	345,793	-	353,770
Depreciation	56,966	988,890	235,619	155,607	-	1,437,082
Total operating expenses	632,088	988,890	235,619	2,468,576	4,746,012	9,071,185
Operating income (loss)	(177,400)	689,281	155,440	(182,598)	762,864	1,247,587
NONOPERATING REVENUES (EXPENSES)						
Gain on sale of capital assets	-	69,750	4,000	727	-	74,477
Investment earnings	123	7,914	1,394	663	7,023	17,117
Total nonoperating revenues	123	77,664	5,394	1,390	7,023	91,594
Income (loss) before transfers	(177,277)	766,945	160,834	(181,208)	769,887	1,339,181
Transfers in	-	-	-	100,000	2,414,308	2,514,308
Change in net position	(177,277)	766,945	160,834	(81,208)	3,184,195	3,853,489
NET POSITION - BEGINNING OF YEAR	211,218	7,703,164	2,247,727	424,537	-	10,586,646
NET POSITION - ENDING OF YEAR	\$ 33,941	\$ 8,470,109	\$ 2,408,561	\$ 343,329	\$ 3,184,195	\$ 14,440,135

City of Burleson, Texas
Combining Statement of Cash Flows
Internal Service Funds
September 30, 2021

Exhibit G-3

	Equipment Services	Vehicle Replacement Governmental	Vehicle Replacement Business-Type	Support Services	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts for interfund charges	\$ 455,751	\$ 1,630,971	\$ 384,060	\$ 2,252,540	\$ 5,504,933	\$ 10,228,255
Payments to vendors, suppliers and contractors	(217,025)	-	-	(1,067,006)	(4,295,004)	(5,579,035)
Payments to employees for services	(314,179)	-	-	(1,179,108)	(448,160)	(1,941,447)
Net cash provided by (used in) operating activities	(75,453)	1,630,971	384,060	6,426	761,769	2,707,773
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	-	-	100,000	2,414,308	2,514,308
Net cash provided by (used in) noncapital financing activities	-	-	-	100,000	2,414,308	2,514,308
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Receipts for sale of capital assets	-	69,750	4,000	727	-	74,477
Acquisition and construction of capital assets	-	(492,012)	(175,776)	(277,358)	-	(945,146)
Net cash used by capital and related financing activities	-	(422,262)	(171,776)	(276,631)	-	(870,669)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	90	6,874	654	262	6,579	14,459
Net cash provided by investing activities	90	6,874	654	262	6,579	14,459
Net increase (decrease) in cash and cash equivalents	(75,363)	1,215,583	212,938	(169,943)	3,182,656	4,365,871
CASH AND CASH EQUIVALENTS, beginning of year	148,441	4,686,409	1,260,207	931,669	-	7,026,726
CASH AND CASH EQUIVALENTS, end of year	\$ 73,078	\$ 5,901,992	\$ 1,473,145	\$ 761,726	\$ 3,182,656	\$ 11,392,597
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (177,400)	\$ 689,281	\$ 155,440	\$ (182,598)	\$ 762,864	\$ 1,247,587
Depreciation	56,966	988,890	235,619	155,607	-	1,437,082
Change in operating assets and liabilities:						
Decrease (increase) in accounts receivable	1,063	(47,200)	(6,999)	(33,438)	(3,943)	(90,517)
Decrease (increase) in inventories	(19,070)	-	-	-	-	(19,070)
Decrease (increase) in deferred outflows related to pension	(17,354)	-	-	(28,206)	-	(45,560)
Decrease (increase) in deferred outflows related to OPEB	(2,445)	-	-	26	-	(2,419)
Increase (decrease) in accounts payable	3,857	-	-	16,506	2,570	22,933
Increase (decrease) in accrued liabilities	5,130	-	-	8,121	278	13,529
Increase (decrease) in compensated absences	4,469	-	-	42,229	-	46,698
Increase (decrease) in net pension liability	61,518	-	-	16,568	-	78,086
Increase (decrease) in deferred inflows related to pension	-	-	-	-	-	-
Increase (decrease) in deferred inflows related to OPEB	7,040	-	-	9,221	-	16,261
	773	-	-	2,390	-	3,163
Net cash provided by (used in) operating activities	\$ (75,453)	\$ 1,630,971	\$ 384,060	\$ 6,426	\$ 761,769	\$ 2,707,773



STATISTICAL SECTION



City of Burleson, Texas
Statistical Section (Unaudited)

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

Contents:

Financial Trends 1

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

Revenue Capacity 5

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

Debt Capacity 9

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

Demographic and Economic Information 13

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

Operating Information 15

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

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

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

Table 1

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:				
Net investment in capital assets	\$ 96,854,973	\$101,280,575	\$102,518,051	\$105,900,578
Restricted	9,129,987	10,262,236	11,786,219	13,626,779
Unrestricted	<u>17,251,062</u>	<u>18,176,631</u>	<u>19,052,951</u>	<u>10,915,868</u>
Total governmental activities net position	<u>\$123,236,022</u>	<u>\$129,719,442</u>	<u>\$133,357,221</u>	<u>\$130,443,225</u>
Business-type activities:				
Net investment in capital assets	\$ 45,090,529	\$ 53,375,788	\$ 55,348,196	\$ 59,041,199
Restricted	4,081,263	3,250,923	4,592,463	3,667,415
Unrestricted	<u>10,417,168</u>	<u>6,943,042</u>	<u>7,355,782</u>	<u>7,251,796</u>
Total business-type activities net position	<u>\$ 59,588,960</u>	<u>\$ 63,569,753</u>	<u>\$ 67,296,441</u>	<u>\$ 69,960,410</u>
Primary government:				
Net investment in capital assets	\$141,945,502	\$154,656,363	\$157,866,247	\$164,941,777
Restricted	13,211,250	13,513,159	16,378,682	17,294,194
Unrestricted	<u>27,668,230</u>	<u>25,119,673</u>	<u>26,408,733</u>	<u>18,167,664</u>
Total primary government activities net position	<u>\$182,824,982</u>	<u>\$193,289,195</u>	<u>\$200,653,662</u>	<u>\$200,403,635</u>

**Table 1
(Continued)**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$111,368,435	\$127,316,098	\$136,812,328	\$148,085,539	\$153,051,846	\$163,721,859
11,548,400	12,262,240	13,166,573	13,232,818	17,468,108	12,460,606
<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>14,525,540</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>	<u>\$190,708,005</u>
\$ 56,061,308	\$ 68,346,297	\$ 69,333,764	\$ 75,777,424	\$ 79,752,890	\$ 88,788,759
4,592,463	1,049,746	1,049,746	5,225,080	7,415,521	7,608,773
<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>10,389,928</u>
<u>\$ 73,102,016</u>	<u>\$ 79,895,684</u>	<u>\$ 86,026,030</u>	<u>\$ 92,583,300</u>	<u>\$100,946,612</u>	<u>\$106,787,460</u>
\$167,429,743	\$195,662,395	\$206,146,122	\$223,862,963	\$232,804,736	\$252,510,618
16,140,863	13,311,986	14,216,319	18,457,898	24,883,629	20,069,379
<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>24,915,468</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>	<u>\$297,495,465</u>

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

Table 2

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses				
Governmental activities:				
General government	\$ 4,579,709	\$ 4,779,683	\$ 6,027,808	\$ 5,567,804
Public safety	13,755,003	14,505,108	14,793,251	15,587,330
Public works	9,400,406	9,476,476	10,025,105	10,344,069
Community Development	1,443,045	1,534,915	2,071,758	2,467,564
Culture and recreation	6,050,849	6,148,475	6,851,657	7,062,534
Interest and other fees	<u>3,490,537</u>	<u>3,256,327</u>	<u>3,319,768</u>	<u>3,218,658</u>
Total governmental activities expenses	<u>38,719,549</u>	<u>39,700,984</u>	<u>43,089,347</u>	<u>44,247,959</u>
Business-type activities:				
Water and wastewater	13,858,927	14,553,979	14,699,969	15,692,100
Hidden Creek Golf Course	1,774,465	2,100,255	1,922,102	1,983,682
Solid Waste	2,451,503	2,595,756	2,742,100	2,779,193
Cemetery	<u>17,743</u>	<u>10,994</u>	<u>11,498</u>	<u>11,891</u>
Total business-type activities expenses	<u>18,102,638</u>	<u>19,260,984</u>	<u>19,375,669</u>	<u>20,466,866</u>
Total primary government expenses	<u>\$ 56,822,187</u>	<u>\$ 58,961,968</u>	<u>\$ 62,465,016</u>	<u>\$ 64,714,825</u>
Program Revenues:				
Governmental activities:				
Charges for services	\$ 7,799,248	\$ 8,127,467	\$ 8,036,809	\$ 7,773,637
Operating grants and contributions	721,595	603,962	294,371	829,724
Capital grants and contributions	<u>2,624,666</u>	<u>3,769,399</u>	<u>3,752,163</u>	<u>2,983,243</u>
Total governmental activities program revenues	<u>11,145,509</u>	<u>12,500,828</u>	<u>12,083,343</u>	<u>11,586,604</u>
Business-type activities				
Charges for services	18,442,552	19,788,547	20,526,744	21,331,913
Operating grants and contributions	364,359	561,332	1,004,948	846,581
Capital grants and contributions	<u>1,800,117</u>	<u>2,976,121</u>	<u>1,938,294</u>	<u>1,766,788</u>
Total business-type activities program revenues	<u>20,607,028</u>	<u>23,326,000</u>	<u>23,469,986</u>	<u>23,945,282</u>
Total primary government program revenues	<u>\$ 31,752,537</u>	<u>\$ 35,826,828</u>	<u>\$ 35,553,329</u>	<u>\$ 35,531,886</u>
Net (expense)/revenue				
Governmental activities	\$(27,574,040)	\$(27,200,156)	\$(31,006,004)	\$(32,661,355)
Business-type activities	<u>2,504,390</u>	<u>4,065,016</u>	<u>4,094,317</u>	<u>3,478,416</u>
Total primary government net expense	<u>\$(25,069,650)</u>	<u>\$(23,135,140)</u>	<u>\$(26,911,687)</u>	<u>\$(29,182,939)</u>

**Table 2
(Continued)**

2016	2017	2018	2019	2020	2021
\$ 3,406,957	\$ 7,611,844	\$ 7,801,767	\$ 8,762,392	\$ 9,901,828	\$ 7,678,903
18,135,674	18,619,648	19,356,978	20,396,702	21,647,212	26,227,399
11,100,276	11,263,930	12,173,830	12,650,861	14,839,605	13,597,575
4,701,517	2,740,816	4,902,487	5,138,466	4,216,584	4,587,759
7,801,924	8,091,904	8,134,817	8,053,419	7,940,337	7,697,763
3,237,341	3,118,052	2,954,294	3,242,540	3,122,881	2,886,794
<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>	<u>62,676,193</u>
16,333,488	16,349,125	17,605,194	18,910,941	18,543,022	18,640,527
2,049,089	2,141,509	2,046,511	2,194,026	2,321,398	1,895,172
2,846,497	2,957,738	3,047,978	3,179,444	3,464,393	3,563,473
11,152	11,910	12,528	28,894	33,770	80,828
<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>24,180,000</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>	<u>\$ 86,856,193</u>
\$ 7,566,246	\$ 8,782,144	\$ 8,784,594	\$ 8,480,206	\$ 7,845,040	\$ 8,780,004
971,500	1,592,388	1,426,293	738,026	2,998,564	5,981,907
2,144,534	11,440,915	6,353,066	7,595,136	5,699,075	2,253,873
<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>	<u>17,015,784</u>
22,263,652	23,108,557	25,809,983	25,405,060	26,532,808	26,713,025
827,614	1,108,892	-	16,442	8,549	14,260
1,067,383	4,020,669	2,272,247	3,512,382	3,818,739	2,980,216
<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>29,707,501</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>	<u>\$ 46,723,285</u>
\$(37,701,409)	\$(29,630,747)	\$(38,760,220)	\$(41,431,012)	\$(45,125,768)	\$(45,660,409)
2,918,423	6,777,836	5,370,019	4,620,579	5,997,513	5,527,501
<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>	<u>\$(40,132,908)</u>

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

Table 2
(Continued)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 15,414,948	\$ 15,853,216	\$ 16,377,575	\$ 19,171,938
Tax Increment Financing	199,229	254,600	406,445	423,586
Sales and use taxes	14,818,398	14,110,028	16,051,878	16,689,391
Hotel/motel taxes	146,202	146,986	165,550	192,639
Franchise fees	2,760,074	2,659,237	2,968,801	3,242,051
Investment income	105,892	536,572	80,273	95,192
Gain on sale of assets	-	-	-	-
Lawsuit settlement	-	-	-	-
Transfers	<u>(263,167)</u>	<u>122,937</u>	<u>(258,909)</u>	<u>(244,589)</u>
Total governmental activities	<u>33,181,576</u>	<u>33,683,576</u>	<u>35,791,613</u>	<u>39,570,208</u>
Business-type activities:				
Investment income	48,613	38,714	26,334	29,790
Gain on sale of assets	-	-	-	-
Transfers	<u>263,167</u>	<u>(122,937)</u>	<u>258,909</u>	<u>244,589</u>
Total business-type revenues	<u>311,780</u>	<u>(84,223)</u>	<u>285,243</u>	<u>274,379</u>
Total primary government	<u>\$ 33,493,356</u>	<u>\$ 33,599,353</u>	<u>\$ 36,076,856</u>	<u>\$ 39,844,587</u>
Change in Net Position				
Governmental activities	\$ 5,607,536	\$ 6,483,420	\$ 4,785,609	\$ 6,908,853
Business-type activities	<u>2,816,170</u>	<u>3,980,793</u>	<u>4,379,560</u>	<u>3,752,795</u>
Total primary government	<u>\$ 8,423,706</u>	<u>\$ 10,464,213</u>	<u>\$ 9,165,169</u>	<u>\$ 10,661,648</u>

Table 2
(Continued)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 20,510,482	\$ 21,776,804	\$ 21,776,804	\$ 26,785,864	\$ 28,894,199	\$ 29,343,869
457,438	536,812	536,812	683,559	777,021	905,662
16,595,528	17,099,917	17,099,917	19,660,908	21,468,069	24,801,831
219,250	222,652	222,652	237,665	190,187	455,115
3,166,620	3,113,999	3,113,999	3,383,906	3,404,113	3,732,406
243,568	471,436	471,436	1,772,832	1,950,288	78,034
-	-	-	105,767	1,877,727	70,477
-	-	-	-	-	-
<u>(108,909)</u>	<u>329,669</u>	<u>329,669</u>	<u>(780,753)</u>	<u>(1,768,268)</u>	<u>(253,075)</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>	<u>59,134,319</u>
114,274	311,582	311,582	1,114,808	581,231	44,697
-	33,919	33,919	41,100	16,300	15,575
<u>108,909</u>	<u>(329,669)</u>	<u>(329,669)</u>	<u>780,753</u>	<u>1,768,268</u>	<u>253,075</u>
<u>223,183</u>	<u>15,832</u>	<u>15,832</u>	<u>1,936,661</u>	<u>2,365,799</u>	<u>313,347</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>	<u>\$ 59,447,666</u>
\$ 3,382,568	\$ 13,920,542	\$ 4,791,069	\$ 10,418,736	\$ 11,667,568	\$ 13,473,910
<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>5,840,848</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>	<u>\$ 19,314,758</u>

City of Burleson, Texas

Table 3

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:				
Nonspendable	\$ 59,031	\$ 53,769	\$ 24,806	\$ 32,024
Committed to:				
Debt service	791,215	703,824	610,445	510,802
Other Purposes	149,771	718,732	513,332	809,956
Assigned to:				
Risk management	733,781	874,825	1,047,047	1,047,047
Unassigned	<u>8,796,643</u>	<u>8,841,408</u>	<u>9,945,249</u>	<u>9,023,255</u>
Total general fund	<u>\$ 10,530,441</u>	<u>\$ 11,192,558</u>	<u>\$ 12,140,879</u>	<u>\$ 11,423,084</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ 300	\$ 1,437	\$ 1,389
Restricted for:				
Debt service	2,677,418	2,704,260	2,576,315	2,580,870
Public safety	-	-	-	-
Culture and recreation	-	-	-	10,000
Economic development	6,066,072	7,074,668	8,702,328	10,473,189
Tourism	386,497	483,308	507,576	572,720
Capital projects	-	-	-	18,992,927
Other purposes	-	-	-	-
Committed to:				
Culture and recreation	539,541	723,587	530,845	585,144
Economic development	67,249	140,743	272,383	409,834
Capital projects	13,779,002	19,994,818	27,119,647	8,843,780
Debt service	2,872,822	511,000	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 26,388,601</u>	<u>\$ 31,632,684</u>	<u>\$ 39,710,531</u>	<u>\$ 42,469,853</u>

**Table 3
(Continued)**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 28,174	\$ 26,769	\$ 40,389	\$ 14,997	\$ 4,080	\$ 49,800
404,607	291,558	802,860	622,908	523,325	465,429
251,257	299,254	586,007	320,191	220,044	234,175
1,047,047	1,047,047	1,047,047	1,369,818	1,260,078	-
9,273,423	8,334,083	7,534,128	9,391,334	14,120,506	17,589,905
<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>	<u>\$ 18,339,309</u>
\$ 2,617	\$ 5,190	\$ 1,412	\$ 1,620	\$ -	\$ -
2,530,494	2,545,853	2,682,681	2,315,108	3,150,018	2,992,775
-	-	-	-	-	414,059
1,096	408	409	1,924	1,984	1,378
8,406,131	9,597,492	10,428,389	10,147,192	13,620,267	8,428,929
623,803	647,895	721,237	770,518	697,823	902,281
16,233,204	15,166,607	27,103,803	28,908,327	21,852,694	15,298,057
-	-	-	-	-	5,203
683,099	889,250	875,940	981,885	-	-
484,485	395,759	73,618	73,618	73,618	-
8,325,229	8,127,991	6,416,935	8,263,131	8,517,847	11,614,396
-	-	-	-	-	-
-	-	-	-	(1,424,708)	(191,511)
<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>	<u>\$ 39,465,567</u>

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

Table 4

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:				
Property taxes	\$ 15,659,684	\$ 16,247,528	\$ 16,980,934	\$ 19,856,938
Sales and use taxes	14,964,599	14,257,015	16,216,375	16,880,929
Franchise fees	2,755,431	2,714,231	2,940,465	3,193,511
Licenses and permits	1,014,677	1,147,361	1,446,281	1,415,034
Intergovernmental	278,234	212,609	242,262	287,832
Fines and forfeitures	1,212,414	1,127,906	1,282,599	1,422,084
Donations	443,361	391,353	52,110	533,822
Charges for services	3,394,823	3,267,802	3,555,560	3,727,378
Investment income	101,182	81,002	74,873	88,026
Mineral lease	1,096,666	1,058,233	969,979	521,976
Street assessments	80,031	86,535	70,473	166,226
Miscellaneous	1,391,018	2,296,743	1,581,916	1,874,647
	<u>42,392,120</u>	<u>42,888,318</u>	<u>45,413,827</u>	<u>49,968,403</u>
Total revenues				
Expenditures:				
Current:				
General government	4,698,889	5,109,652	4,596,577	5,178,035
Public safety	13,189,268	13,916,985	14,734,093	17,829,372
Public works	5,088,899	5,434,287	5,755,348	5,869,224
Community development	1,645,680	1,790,790	2,401,704	2,834,550
Culture and recreation	5,102,392	5,527,597	6,249,210	6,275,252
Capital outlay	4,986,097	1,723,052	11,310,554	10,414,349
Debt service:				
Principal	4,890,666	5,106,392	4,627,379	5,230,643
Interest and fiscal agent charges	3,493,688	3,262,591	3,202,770	3,815,653
Debt issuance costs	-	-	-	-
	<u>43,095,579</u>	<u>41,871,346</u>	<u>52,877,635</u>	<u>57,447,078</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(703,459)</u>	<u>1,016,972</u>	<u>(7,463,808)</u>	<u>(7,478,675)</u>
Other financing sources (uses):				
Transfers in	7,482,456	7,193,956	6,214,654	8,009,497
Transfers out	(7,767,346)	(7,096,019)	(6,486,563)	(8,288,086)
Issuance of capital lease	-	-	-	-
Issuance of bonds	5,040,000	4,620,000	24,243,570	18,715,000
Payment to refunded bonds escrow agent	(5,239,802)	-	(10,009,448)	(11,047,964)
Premium	241,346	171,291	2,527,764	2,131,755
Sale of capital assets	-	-	-	-
	<u>(243,346)</u>	<u>4,889,228</u>	<u>16,489,977</u>	<u>9,520,202</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ (946,805)</u>	<u>\$ 5,906,200</u>	<u>\$ 9,026,169</u>	<u>\$ 2,041,527</u>
Debt service as a percentage of non-capital expenditures (1)	21.09%	22.65%	15.47%	19.75%

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

**Table 4
(Continued)**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 21,228,368	\$ 22,662,335	\$ 25,189,670	\$ 27,469,423	\$ 29,671,220	\$ 30,249,531
16,798,919	17,305,748	18,729,392	19,878,538	21,650,326	25,256,946
3,150,851	3,089,998	3,249,704	3,353,554	3,386,680	3,571,813
1,335,198	1,356,969	1,351,498	1,408,566	1,855,309	1,600,238
599,310	1,345,592	1,022,835	535,884	1,421,536	4,324,083
1,402,152	1,543,257	1,445,053	1,116,297	600,142	1,557,088
251,840	133,652	227,283	859,829	1,104,396	1,224,829
3,840,360	4,127,562	4,046,803	4,191,285	4,631,276	3,921,001
223,806	428,422	920,364	1,535,153	731,941	62,310
268,183	311,715	308,858	274,053	164,269	275,019
143,429	47,481	27,947	686,010	48,425	59,962
1,578,783	1,831,166	1,787,707	1,635,999	937,024	1,809,495
<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>	<u>73,912,315</u>
5,356,449	6,958,826	7,467,748	8,133,737	9,344,073	7,245,026
18,320,238	17,536,369	19,465,973	18,304,389	20,336,457	24,097,823
6,416,556	6,020,703	6,807,958	6,711,307	6,196,124	6,212,409
5,057,885	3,159,634	5,449,827	5,189,610	4,010,870	5,000,187
6,867,778	7,076,266	7,186,446	7,200,075	6,707,818	7,257,408
14,986,952	9,629,088	5,084,668	9,574,077	12,831,619	14,252,846
5,741,552	6,295,335	663,791	7,270,453	7,727,653	8,182,255
3,558,020	3,901,892	3,536,470	3,946,604	3,816,809	3,709,678
-	-	173,355	123,526	152,729	-
<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>75,957,632</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>	<u>(2,045,317)</u>
12,017,189	10,673,496	6,990,660	8,750,700	9,658,184	16,309,887
(12,160,098)	(10,377,827)	(7,289,423)	(9,439,453)	(11,460,452)	(19,077,270)
-	-	631,520	-	-	-
30,051,092	4,965,000	13,745,000	7,415,000	8,005,000	-
(23,304,563)	-	-	-	(5,304,194)	-
3,282,340	214,037	278,976	727,114	1,585,693	-
-	-	212,088	-	1,872,402	-
<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>(2,767,383)</u>
<u>\$ (5,598,271)</u>	<u>\$ (919,510)</u>	<u>\$ 17,039,699</u>	<u>\$ 3,944,174</u>	<u>\$ (564,975)</u>	<u>\$ (4,812,700)</u>
19.22%	19.84%	18.71%	20.20%	19.54%	19.27%

City of Burleson, Texas
 Assessed and Estimated Actual
 Value of Taxable Property (Unaudited)
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Table 5

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Industrial/ Commercial Property</u>	<u>Mineral Reserves</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
2012	1,907,739,189	629,673,799	111,060,424	347,152,435	2,301,320,977	0.6900	2,301,320,977	100.0%
2013	1,949,702,876	690,001,727	111,483,802	341,644,076	2,409,544,329	0.6900	2,409,544,329	100.0%
2014	2,039,186,901	723,992,280	84,403,921	358,372,460	2,489,210,642	0.6900	2,488,710,642	100.0%
2015	2,237,761,861	730,854,710	184,302,872	369,333,494	2,783,585,949	0.7400	2,783,585,949	100.0%
2016	2,423,710,740	809,276,528	160,436,595	381,084,153	3,012,339,710	0.7400	3,012,339,710	100.0%
2017	2,770,858,176	865,977,924	42,719,357	435,249,706	3,244,305,751	0.7350	3,244,305,751	100.0%
2018	3,151,831,317	889,341,356	43,348,115	452,988,413	3,631,532,375	0.7350	3,631,532,375	100.0%
2019	3,561,153,075	939,220,256	50,736,216	543,091,182	4,008,018,365	0.7350	4,008,018,365	100.0%
2020	3,818,515,400	1,045,167,320	84,822,524	555,160,175	4,393,345,069	0.7200	4,393,345,069	100.0%
2021	4,106,205,404	1,180,701,936	52,344,989	631,482,062	4,707,770,267	0.7111	4,707,770,267	100.0%

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.

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

Table 6

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
OVERLAPPING RATES										
Tarrant County	0.2640	0.2640	0.2640	0.2640	0.2640	0.2540	0.2440	0.2340	0.2340	0.2340
Tarrant County Hospital District	0.2279	0.2279	0.2279	0.2279	0.2279	0.2279	0.2244	0.2244	0.2244	0.2244
Tarrant County College	0.1490	0.1495	0.1495	0.1495	0.1495	0.1447	0.1401	0.1361	0.1302	0.1302
Tarrant County Regional Water District	0.0200	0.0200	0.0200	0.0200	0.0200	0.0194	0.0194	0.0194	0.0287	0.0287
Johnson County	0.3305	0.3332	0.3712	0.4054	0.4077	0.4227	0.4417	0.4417	0.3847	0.3847
Burleson Independent School District	1.5400	1.5400	1.5400	1.5400	1.5400	1.5400	1.6700	1.6700	1.5684	1.5383
Joshua Independent School District	1.4900	1.4900	1.4900	1.4200	1.6000	1.6100	1.6000	1.5200	1.4400	1.3960
Crowley Independent School District	1.6700	1.6700	1.6700	1.6500	1.6500	1.6500	1.6700	1.6700	1.5684	1.5398
CITY DIRECT RATES										
Operating & Maintenance	0.5278	0.5278	0.5278	0.5278	0.5278	0.5228	0.5228	0.5228	0.5106	0.5187
Interest & Sinking	0.1622	0.1622	0.1622	0.2122	0.2122	0.2122	0.2122	0.2122	0.2094	0.1924
Total Direct Rate	0.6900	0.6900	0.6900	0.7400	0.7400	0.7350	0.7350	0.7350	0.7200	0.7111

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

Note: All rates per \$100 assessed value
 Totals are not provided for columns since they would be meaningless.
 Some of the jurisdictions are mutually exclusive

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

Table 7

Taxpayer	2021			2012		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assesed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assesed Valuation
Halliburton Energy Services	\$ 36,919,698	1	0.78 %	\$ -		0.00 %
Burleson Gateway Station LP	34,966,413	2	0.74	-		0.00
Wagner Smith Equipment Co.	28,867,753	3	0.61	15,397,358	3	0.67
ABBY Burleson MF LLC	21,675,415	4	0.46			0.00
TEP Barnett USA LLC	20,052,129	5	0.43			0.00
MA Summercrest at Burleson LLC	18,866,285	6	0.40			0.00
Sam's Real Estate Business Tr/Sam's East Inc	16,238,679	7	0.34			0.00
Oncor Electric Delivery Co	15,629,982	8	0.33			0.00
EB Reserve LLC & RL Reserve LLC	15,533,048	9	0.33			0.00
JAHCO Burleson Town Center LLC	15,500,000	10	0.33			0.00
Chesapeake Operating LP	-		-	30,004,168	1	1.30
Burleson Commons LP	-		-	16,143,641	2	0.70
Encore MF Burleson LP	-		-	14,000,000	4	0.61
Devon Energy Production CO LP	-		-	13,892,871	5	0.60
Target Corporation	-		-	11,403,854	6	0.50
Baker Hughes Oilfield Operations, Inc/	-		-	10,843,996	7	0.47
Dragon Products	-		-	10,676,174	8	0.46
WalMart Stores Inc. #220	-		-	10,322,460	9	0.45
HEB Grocery Company LLP	-		-	10,139,455	10	0.44
Total	\$224,249,402		4.75 %	\$142,823,977		6.20 %

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

Table 8

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
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	15,991,219	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	99.28%	86,510	26,670,159	99.60%
2020	2019	28,878,855	28,571,233	98.93%	22,239	28,593,472	99.01%
2021	2020	29,922,991	29,874,354	99.84%	32,536	29,906,890	99.95%

Sources: Johnson County Tax Office reports

City of Burleson, Texas

Table 9

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	Certificates of Obligation
2011	35,910,000	39,825,000	7,645,000	1,261,524	14,945,000	21,365,000
2012	36,836,000	35,220,000	6,725,000	896,606	14,499,000	20,555,000
2013	34,692,000	37,925,000	5,765,000	762,991	13,608,000	21,780,000
2014	49,584,570	33,800,000	5,140,000	621,676	11,770,430	23,220,000
2015	55,518,570	31,685,000	4,490,000	520,372	21,561,430	22,520,000
2016	68,653,213	20,895,000	3,815,000	419,067	24,816,787	24,050,000
2017	73,129,176	23,256,570	3,179,150	297,396	24,159,171	31,672,038
2018	63,172,356	33,695,000	2,380,000	806,613	20,087,644	36,690,000
2019	58,076,855	39,880,000	1,615,000	624,426	17,638,144	39,665,000
2020	52,038,785	41,875,000	825,000	523,326	15,266,215	42,015,000
2021	46,569,428	40,045,000	-	497,353	17,250,572	35,795,000

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
(Continued)**

BUSINESS-TYPE ACTIVITIES				
Capital Leases	Water Revenue Bonds	Total Primary Government (2)	Percentage of Personal Income (3)	Per Capita (3)
307,838	10,590,000	131,849,362	13.65%	3,594
230,132	13,660,000	128,621,738	12.52%	3,373
171,101	12,740,000	127,444,092	11.45%	3,267
17,198	12,340,000	136,493,874	11.84%	3,353
14,653	6,520,000	142,830,025	12.15%	3,466
12,108	3,655,000	146,316,175	12.04%	3,438
8,937	3,582,475	159,284,913	12.33%	3,623
5,748	3,285,000	160,122,361	11.60%	3,569
2,326	2,708,028	160,209,779	10.81%	3,512
-	2,900,000	155,443,326	9.98%	3,340
-	2,700,000	142,857,353	8.94%	2,993

City of Burleson, Texas

Table 10

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)
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
2021	46,569,428	40,045,000	2,241,124	17,250,572	35,795,000

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
(Continued)**

Total General Bonded Debt	Less: Self-supported Debt (4)	Net General Bonded Debt Outstanding	Percentage of Actual Property Value (1)	Per Capita (2)
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
137,418,876	68,218,869	69,200,007	1.59%	1,450

City of Burleson, Texas
 Direct and Overlapping
 Governmental Activities Debt (Unaudited)
 September 30, 2021

Table 11

<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	\$ 68,972,359	100%	\$ 68,972,359
Johnson County	20,140,000	22.77%	4,585,878
Tarrant County	213,675,000	0.39%	833,333
Tarrant County Hospital District	14,495,000	0.39%	56,531
Tarrant County Junior College District	255,995,000	0.39%	998,381
Burleson ISD	317,767,015	62.03%	197,110,879
Joshua ISD	93,485,000	23.46%	<u>21,931,581</u>
Total overlapping debt			<u>\$ 225,516,582</u>
Total direct and overlapping debt			<u>\$ 294,488,941</u>
Per capita direct and overlapping debt			<u>\$ 6,170</u>

(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: 47,730

City of Burleson, Texas

Pledged – Revenue Bond Water and Sewer Coverage (Unaudited)
Last Ten Fiscal Years

Table 12

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
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
2021	21,935,286	12,878,090	9,057,196	200,000	101,900

Notes:

- (1) Includes operating revenues and interest income from pg. 21
- (2) Direct operating expenses are total operating expenses excluding depreciation expense and net pension obligation expense.

**Table 12
(Continued)**

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	
2,104,716	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
301,900	30.00	1,950,000	1,489,023	3,439,023	2.63	2.42

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

Table 13

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)
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%
2021	47,730	1,597,284	33,465	35.3	14.2	12,474	4.0%

- 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

Table 14

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent</u>
Burleson Independent School District	1,720	1	9.95 %	1,480	1	9.69 %
Wal-Mart	565	2	3.27	416	3	2.72
City of Burleson	443	3	2.56	383	2	2.51
H.E.B. Grocery	370	4	2.14	375	4	2.45
Champion Buildings Mfg	340	5	1.97	125	7	0.82
Lowe's Companies	195	6	1.13			
Basden Steel	150	7	0.87			
KWS Manufacturing	150	8	0.87	145	5	0.95
Golden State Foods	125	9	0.72			
Target	95	10	0.55			
Thomas Conveyor Mfg				115	8	0.75
Target				144	6	0.94
Idicom Buildings Mfg				85	9	0.56
Industrial Screw Conveyor Mfg				65	10	0.43
Total	4,153		24.03 %	3,333		21.82 %

Source: City of Burleson Economic Development Department (JobsEQ Report)

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

Table 15

Function/Program	2012	2013	2014	2015	2016
General government and Administration					
City manager's office	4.50	4.50	4.00	4.00	5.00
City secretary's office	3.00	3.00	3.50	4.50	5.00
Support Services	1.00	1.00	1.00	1.00	1.00
Records management	1.00	1.00	1.00	1.00	1.00
Information technology	7.00	7.00	8.00	8.00	8.00
Economic development	1.00	2.50	2.00	2.00	2.50
Human resources	3.50	4.00	3.00	4.00	4.00
Communications	1.00	1.00	1.00	1.00	1.00
Library	10.00	10.46	11.50	12.50	11.00
Judicial	-	1.15	0.50	0.50	1.50
Legal	-	0.50	1.00	1.00	1.00
Finance	9.00	9.00	9.00	9.00	8.00
Purchasing	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	76.50	79.00	82.00	78.50	84.00
Dispatch**	-	-	-	-	-
Fire	34.00	34.00	36.00	38.00	40.00
Fire prevention	2.00	2.00	2.00	3.00	3.00
Emergency Services	-	-	-	-	-
Municipal court	8.00	8.50	6.50	8.00	3.00
Marshals Service	-	-	-	-	3.00
Public Works					
Public works administration	3.50	5.00	5.00	5.00	6.00
Street maintenance	19.00	20.00	18.00	17.00	17.00
Neighborhood services	1.00	2.00	2.00	2.00	2.00
Animal services	5.00	5.00	5.00	5.00	5.00
Environmental services	1.00	3.00	1.00	1.00	1.50
Facility maintenance	6.50	2.00	2.00	2.00	3.00
Planning	3.00	4.00	4.00	4.00	5.00
Building code enforcement	6.50	6.50	6.50	9.00	9.00
Community development	5.00	5.00	3.00	2.00	2.50
Engineering	9.70	10.00	9.00	9.00	12.00
Culture & Recreation					
Parks & recreation administration	3.30	3.25	2.00	3.00	2.00
Recreation	38.80	39.10	34.70	42.20	41.90
Park maintenance	9.50	12.50	11.00	11.50	12.00
Senior citizens center	1.50	1.50	2.00	2.00	2.00
Athletic Fields	3.50	8.90	9.10	9.20	8.80
Russell Farm	1.00	1.00	1.00	1.00	1.00
Enterprise Operations and Administration					
Water/Wastewater					
Water & sewer services	22.00	21.00	19.00	19.00	21.00
Utility billing	8.00	8.00	8.00	8.00	8.00
Hidden Creek Golf Course					
Golf course administration	2.00	2.00	1.00	1.00	2.00
Golf course club house & pro shop	7.40	6.07	6.25	6.25	6.50
Golf course maintenance	8.00	8.00	7.00	6.00	8.50
Golf course food & beverage	6.00	5.70	4.50	4.50	4.30
Solid Waste	2.00	0.78	1.00	2.00	1.00
Internal Service Operations					
Equipment services	5.00	5.00	5.00	4.00	3.00
Total	340.7	354.91	340.05	352.65	368

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

**Dispatch separated from Police into separate department beginning in FY2021

**Table 15
(Continued)**

<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>
4.00	4.00	4.00	3.00	3.00
4.00	4.00	4.00	4.00	3.00
1.00	1.00	1.00	-	-
1.00	1.00	1.00	1.00	1.00
8.00	9.00	10.00	10.00	10.00
2.50	2.50	2.00	2.00	3.00
4.00	4.00	4.00	4.00	5.00
2.00	2.00	2.50	4.00	4.00
11.00	11.00	12.00	12.00	11.00
1.00	-	-	-	-
1.00	1.00	1.00	1.00	1.00
8.00	8.00	9.00	9.00	10.00
1.00	1.00	1.00	1.00	1.00
84.50	85.50	90.76	95.76	86.50
-	-	-	-	19.26
48.00	48.00	49.00	49.00	49.00
3.00	3.00	3.00	4.00	4.00
-	-	1.00	1.00	1.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
6.00	6.00	6.00	6.00	6.00
18.00	17.00	17.00	20.00	22.00
2.00	2.00	2.00	2.00	2.00
5.50	5.50	5.00	5.50	5.50
2.00	2.00	2.00	3.00	3.00
5.00	5.00	5.00	5.00	5.00
5.00	5.00	4.00	4.00	3.00
9.00	10.00	10.00	10.00	10.00
2.50	2.50	5.00	4.00	2.00
12.00	12.00	11.50	10.00	10.00
2.00	2.00	2.00	2.00	1.00
38.10	38.60	42.26	42.26	43.76
12.00	12.00	11.91	11.91	11.91
2.00	3.00	2.84	2.84	2.84
8.10	7.10	8.83	8.83	7.83
1.00	1.40	2.28	2.28	2.28
21.00	21.00	21.00	21.00	21.00
8.00	8.00	8.00	8.00	8.00
2.00	2.00	2.00	2.00	1.00
6.50	6.50	6.80	6.80	6.80
9.00	9.00	8.68	8.68	7.68
4.20	4.20	4.19	4.19	4.19
1.00	1.00	1.00	-	-
3.00	3.00	3.00	3.00	4.00
<u>375.9</u>	<u>377.8</u>	<u>394.55</u>	<u>401.05</u>	<u>409.55</u>

City of Burleson, Texas

Table 16

Schedule of Insurance Policies in Force (Unaudited)

As of September 30, 2021

	<u>AM Best Rating</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage</u>	<u>Deductibles</u>	<u>Liability Limits</u>
Texas Municipal League	A++	3511	10/1/2020	General Liability	-	\$1,000,000
Intergovernmental Risk Pool			9/30/2021	Real & Personal Property	\$2,500	89,225,798
				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
				Public Employee Dishonesty	250	500,000
				Workers' Compensation	N/A	500,000

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

City of Burleson, Texas

Table 17

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public safety					
Police					
Total calls	75,506	78,426	83,937	82,340	72,900
Arrests	1,192	1,068	1,050	1,077	1,089
Traffic enforcement	7,380	7,929	8,981	6,470	6,312
Fire					
Number of calls for service	3,096	3,622	3,821	4,121	4,338
Inspections	1,152	2,038	2,719	3,957	4,012
Animal Control					
Animals Adopted	452	352	426	478	457
Animals Impounded	1,870	1,900	1,907	1,942	2,041
Environmental Health					
Permits ¹	-	-	-	-	-
Inspections	-	-	131	162	182
Community Development					
Permits Issued ³	4,028	4,627	4,734	4,826	7,088
Inspections Made	8,065	11,015	13,827	15,071	15,186
Culture and Recreation					
Recreation					
Special Event Participants	45,800	33,725	28,415	38,181	41,300
Senior Citizen Participants ⁴	33,357	34,219	35,124	33,535	37,688
Library					
Books in Collection	64,327	64,640	66,435	70,545	70,828
Materials borrowed ²	437,547	406,379	432,189	413,732	436,033
Water and Sewer					
Number of water customers	12,844	13,251	13,501	13,877	14,224
Number of sewer connections	13,086	13,396	13,495	14,087	14,457
Gas Well					
Number of Permits	18	-	7	-	-
Number of Pad Site Inspections ⁵	5,928	6,350	6,032	3,033	2,964

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
(Continued)**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
63,460	59,062	45,349	44,477	56,916
1,045	1,107	1,210	1,276	1,221
11,374	8,733	6,672	5,162	7,754
4,491	4,274	4,505	4,473	5,174
2,895	1,427	3,281	2,139	2,170
564	719	799	674	660
2,352	1,777	1,860	1,585	1,697
265	294	336	334	388
521	507	447	529	670
4,829	4,844	4,560	4,610	3,864
14,225	13,104	12,276	15,207	13,495
44,225	44,500	45,200	17,585	19,295
36,450	35,247	55,032	Closed - Covid	14,749
70,210	68,980	65,951	65,107	63,559
333,290	338,654	348,100	287,183	278,508
14,432	14,588	15,185	15,437	15,641
14,513	14,849	15,666	16,050	16,304
-	-	-	-	-
3,380	3,276	1,000	1,000	126

City of Burleson, Texas
 Miscellaneous Statistics (Unaudited)
 Last Ten Fiscal Years

Table 18

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Date of incorporation	May 12, 1912			
Date of charter	April 5, 1989			
Area incorporated (square miles)	26.34	26.17	26.17	26.33
Form of government	Council/Manager			
Education:				
Attendance centers	15	15	15	15
Number of teachers	669	665	675	685
Number of students	10,211	10,457	10,618	10,807
Miles of streets ⁽¹⁾	200.00	185.00	181.00	185.17
Miles of sewers:				
Sanitary sewers	197.64	200.00	199.39	202.39
Storm sewers	54.50	49.00	49.70	49.47
Culture and recreation:				
Parks - number of acres	364	454	463.44	463.44
Number of municipal pools	2	2	2	2
Number of lighted ball diamonds	23	16	16	16
Number of community centers	1	2	2	2
Municipal water system:				
Number of water customers	12,844	13,251	13,501	13,877
Daily average consumption (gallons)	4,315,099	4,227,154	4,344,483	4,129,146
System capacity (gallons per day)	14,550,000	14,550,000	14,550,000	17,500,000
Miles of water mains	193.68	189.00	192.09	205.24
Number of fire hydrants	1,348	1,349	1,431	1,463
Municipal sewer system:				
Number of sewer connections	13,086	13,396	13,495	14,087
System capacity (gallons per day)	11,890,000	11,890,000	11,890,000	11,890,000
Number of street lights	1,421	1,421	1,442	1,457

**Table 18
(Continued)**

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
28.06	28.21	28.28	28.33	28.37	28.39
16	16	16	17	17	18
706	759	773	780	800	813
11,376	11,748	12,054	12,340	12,775	12,474
192.76	196.86	201.10	209.05	212.96	215.45
203.38	209.15	213.42	214.99	215.49	217.59
50.68	55.74	60.17	59.97	60.70	62.48
486.19	477.66	542.8	554.49	565.05	562.1
2	2	2	2	2	2
16	16	16	18	18	18
2	2	2	2	2	2
14,224	14,432	14,588	15,185	15,437	15,641
4,196,295	4,582,278	4,928,277	4,354,776	4,544,416	4,502,115
17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
204.72	208.61	211.44	212.49	216.14	220.73
1,497	1,553	1,568	1,587	1,628	1,661
14,457	14,513	14,849	15,666	16,050	16,304
11,890,000	11,890,000	11,890,000	11,890,000	11,890,000	11,890,000
1,539	1,576	1,588	1,638	1,640	1,638

