

THE CITY OF  
**BURLESON**  
TEXAS



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ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT

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FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2022

THE CITY OF  
**BURLESON**  
TEXAS

**CITY OF BURLESON, TEXAS**  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2022

**CITY OFFICIALS**

Chris Fletcher  
**Mayor**

Dan McClendon	<b>Mayor Pro Tem</b>
Victoria Johnson	<b>Councilmember</b>
Rick Green	<b>Councilmember</b>
Jimmy Stanford	<b>Councilmember</b>
Tamara Payne	<b>Councilmember</b>
Ronnie Johnson	<b>Councilmember</b>

Bryan Langley  
**City Manager**

Tommy Ludwig  
**Deputy City Manager**

Martin Avila  
**Director of Finance**

Tien Nguyen  
**Controller**

Prepared by: Finance Department



THE CITY OF  
**BURLESON**  
TEXAS

**City of Burleson, Texas**  
**Annual Comprehensive Financial Report**  
**For the Year Ended September 30, 2022**

**Table of Contents**

	Page	Exhibit
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal .....	v	
GFOA Certificate of Achievement .....	viii	
Organizational Chart .....	ix	
List of Principal Officials.....	x	
<b>FINANCIAL SECTION</b>		
Independent Auditor’s Report.....	3	
Management’s Discussion and Analysis (Unaudited) .....	6	
<b>Basic Financial Statements</b>		
Government-wide Financial Statements:		
Statement of Net Position .....	15	A-1
Statement of Activities .....	16	A-2
Fund Financial Statements:		
Balance Sheet – Governmental Funds.....	18	B-1
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	19	B-2
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20	B-3
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	21	B-4
Proprietary Funds:		
Statement of Net Position .....	22	C-1
Statement of Revenues, Expenses, and Changes in Net Position.....	23	C-2
Statement of Cash Flows .....	24	C-3
Notes to the Financial Statements .....	27	
<b>Required Supplementary Information (Unaudited)</b>		
Budgetary Comparison Schedule – General Fund .....	61	D-1
Notes to Required Supplementary Information – Budgetary Schedule .....	63	
Schedule of Changes in Net Pension Liability and Related Ratios .....	64	D-2
Schedule of Pension Contributions.....	66	D-3
Schedule of Changes in Total OPEB Liability and Related Ratios - Texas Municipal Retirement System - Supplemental Death Benefits Fund .....	68	D-4
Schedule of Changes in Total OPEB Liability and Related Ratios - Texas Municipal Retirement System – Retiree Health Care Benefit Plan .....	69	D-5
<b>Other Supplementary Information</b>		
Combining and Individual Fund Financial Statements and Schedules		
Description of Nonmajor Governmental Funds.....	73	
Nonmajor Governmental Funds:		
Combining Balance Sheet.....	75	E-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	79	E-2
Budgetary Comparison Schedule – Debt Service Funds.....	82	E-3
Budgetary Comparison Schedule – Hotel/Motel Fund .....	84	E-4
Budgetary Comparison Schedule – BCSDC Special Revenue Fund .....	85	E-5
Budgetary Comparison Schedule – 4A Corp Special Revenue Fund .....	86	E-6

**City of Burleson, Texas**  
**Annual Comprehensive Financial Report**  
**For the Year Ended September 30, 2022**

**Table of Contents**

	Page	Exhibit
Budgetary Comparison Schedule – Parks Performance Fund .....	87	E-7
Budgetary Comparison Schedule – TIF 2&3 Fund .....	88	E-8
Budgetary Comparison Schedule – Municipal Court Fund .....	89	E-9
Description of Nonmajor Enterprise Funds .....	90	
Nonmajor Enterprise Funds:		
Combining Statement of Net Position .....	91	F-1
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	92	F-2
Combining Statement of Cash Flows.....	93	F-3
Description of Internal Service Funds.....	95	
Internal Service Funds:		
Combining Statement of Net Position .....	96	G-1
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position .....	97	G-2
Combining Statement of Cash Flows.....	98	G-3
	Page	Table
<b>STATISTICAL SECTION (Unaudited)</b>		
Statistical Section Index .....	99	
Net Position by Component – Last Ten Fiscal Years .....	100	1
Changes in Net Position – Last Ten Fiscal Years .....	102	2
Fund Balances – Governmental Funds – Last Ten Fiscal Years.....	106	3
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years .....	108	4
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	110	5
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	111	6
Principal Property Taxpayers – Current Year and Nine Years Ago.....	112	7
Property Tax Levies and Collections – Last Ten Fiscal Years.....	113	8
Ratios of Outstanding Debt by Type and General Bonded Debt Outstanding – Last Ten Fiscal Years.....	114	9
Net General Bonded Debt Outstanding – Last Ten Fiscal Years.....	116	10
Direct and Overlapping – Governmental Activities Debt .....	119	11
Pledged – Revenue Bond Water and Sewer Coverage – Last Ten Fiscal Years.....	120	12
Demographic and Economic Statistics – Last Ten Fiscal Years .....	122	13
Principal Employers – Current Year and Nine Years Ago .....	123	14
Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years.....	124	15
Schedule of Insurance Policies in Force .....	127	16
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	128	17
Miscellaneous Statistics – Last Ten Fiscal Years .....	130	18

# **Introductory Section**

THE CITY OF  
**BURLESON**  
TEXAS

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, 2022. 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 and Tax Increment Finance Reinvestment Zone Number Two 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 \$125 million in new taxable value added in 2022, 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 just above 50,000 belies the true size of the community's economy. The combination of highway accessibility and more than 400,000 people located within the retail trade area 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, 2022. The audit opinion is included in this report.

## AWARDS

For the year ended September 30, 2021, the Government Finance Officers Association (GFOA) recognized the City for achievement in the presentation of the annual budget document and the ACFR. This was the 31st consecutive year that the City has received this prestigious national award. To earn the Certificate of Achievement, the City published an easy-to-read and efficiently organized Annual Comprehensive Financial Report with contents that conformed to program standards. Such reports satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. The City believes that the current ACFR 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 33rd consecutive year for its annual appropriated budget dated October 1, 2021. To qualify for the Budget Award, the City's budget document was judged proficient in all categories.

## ACKNOWLEDGEMENTS

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Martin Avila". The signature is written in a cursive, flowing style.

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

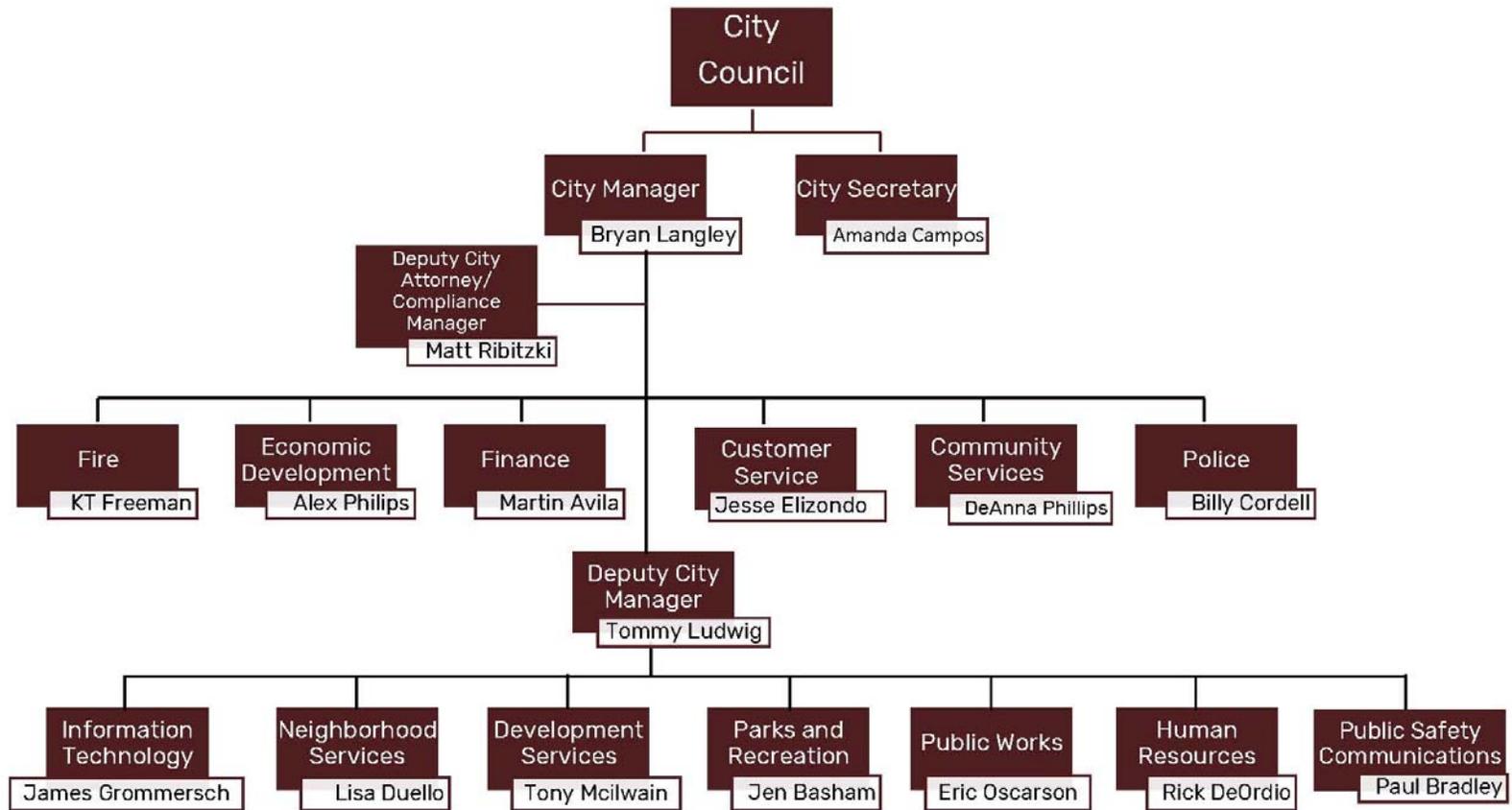
September 30, 2021

*Christopher P. Morill*

Executive Director/CEO



## Organizational Chart



Revised September 2022

**CITY OF BURLESON, TEXAS**  
LIST OF PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2022

**Elected Officials**

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

**City Officials**

City Manager	Bryan Langley
Deputy City Manager	Tommy Ludwig
Director of Finance	Martin Avila
Deputy City Attorney	Matt Ribitzki
Police Chief	Billy Cordell
City Secretary	Amanda Campos
Fire Chief	Kenneth Freeman
Director of Parks and Recreation	Jen Basham
Director of Human Resources	Rick DeOrdio
Director of Neighborhood Services	Lisa Duello
Chief Technology Officer	James Grommersch
Director of Development Services	Tony McIlwain
Director of Public Works	Eric Oscarson
Director of Economic Development	Alex Philips
Director of Community Services	DeAnna Phillips
Director of Customer Service	Jesse Elizondo
Director of Public Safety Communications	Paul Bradley

# **Financial Section**

THE CITY OF  
**BURLESON**  
TEXAS



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the accompanying financial statements 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, 2022, 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.

#### *Basis of Opinions*

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

#### *Emphasis of Matter*

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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

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

***Auditor’s Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, Texas Municipal Retirement System pension schedules, Texas Municipal Retirement System OPEB schedule, and budgetary comparison information on pages 7 through 14 and 65 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

*Supplementary Information*

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

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

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

***Other Information Included in the Annual Comprehensive Financial Report (ACFR)***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 24, 2023

THE CITY OF  
**BURLESON**  
TEXAS

## 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, 2022. 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 \$324,989,209 (net position). Of this amount, \$51,523,465 (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 \$27,493,744 or 9.24% from previous year. The City's total unrestricted net position increased by \$26,607,997, due to increases in revenues in both governmental and business-type activities which exceeded increases in expenses. \$8,032,001 increase in net investment in capital assets resulted 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 \$20,466,098 or 42% of total general fund expenditures.
- The City's total debt increased by \$1,665,000 during the current fiscal year. The increase represents the net effect of scheduled debt retirement and issuance of Series 2022 Combination Tax and Revenue Certificates of Obligation and Series 2022 General Obligation Bonds in the current year.

### 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 \$324,989,209 as of September 30, 2022.

The largest portion of the City’s net position (80%) 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.

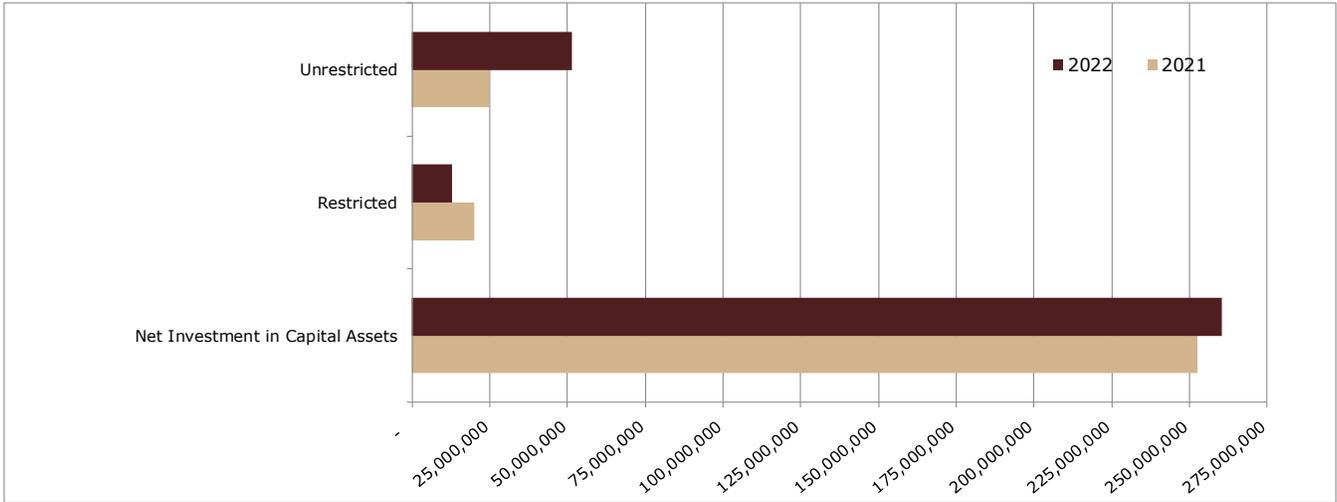
### CITY OF BURLESON, TEXAS – NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Other assets	\$ 78,488,679	\$ 94,730,804	\$ 53,477,743	\$ 57,374,088	\$ 131,966,422	\$ 152,104,892
Capital assets	240,302,688	251,050,175	116,109,033	122,829,136	356,411,721	373,879,311
<b>Total assets</b>	<b>318,791,367</b>	<b>345,780,979</b>	<b>169,586,776</b>	<b>180,203,224</b>	<b>488,378,143</b>	<b>525,984,203</b>
Total deferred outflows of resources	6,598,261	8,237,747	855,118	875,998	7,453,379	9,113,745
Noncurrent liabilities – due in more than one year	113,184,319	108,952,166	55,676,214	55,817,730	168,860,533	164,769,896
Other liabilities	18,891,148	25,652,502	7,772,080	8,984,772	26,663,228	34,637,274
<b>Total liabilities</b>	<b>132,075,467</b>	<b>134,604,668</b>	<b>63,448,294</b>	<b>64,802,502</b>	<b>195,523,761</b>	<b>199,407,170</b>
Total deferred inflows of resources	2,606,156	9,117,971	206,140	1,583,598	2,812,296	10,701,569
Net position:						
Net investment in capital asset	163,721,859	174,521,592	88,788,759	86,021,027	252,510,618	260,542,619
Restricted	12,460,606	12,617,978	7,608,773	305,147	20,069,379	12,923,125
Unrestricted	14,525,540	23,156,517	10,389,928	28,366,948	24,915,468	51,523,465
<b>Total net position</b>	<b>\$ 190,708,005</b>	<b>\$ 210,296,087</b>	<b>\$ 106,787,460</b>	<b>\$ 114,693,122</b>	<b>\$ 297,495,465</b>	<b>\$ 324,989,209</b>

An additional portion of the City’s net position (4%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net position (16%) 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.

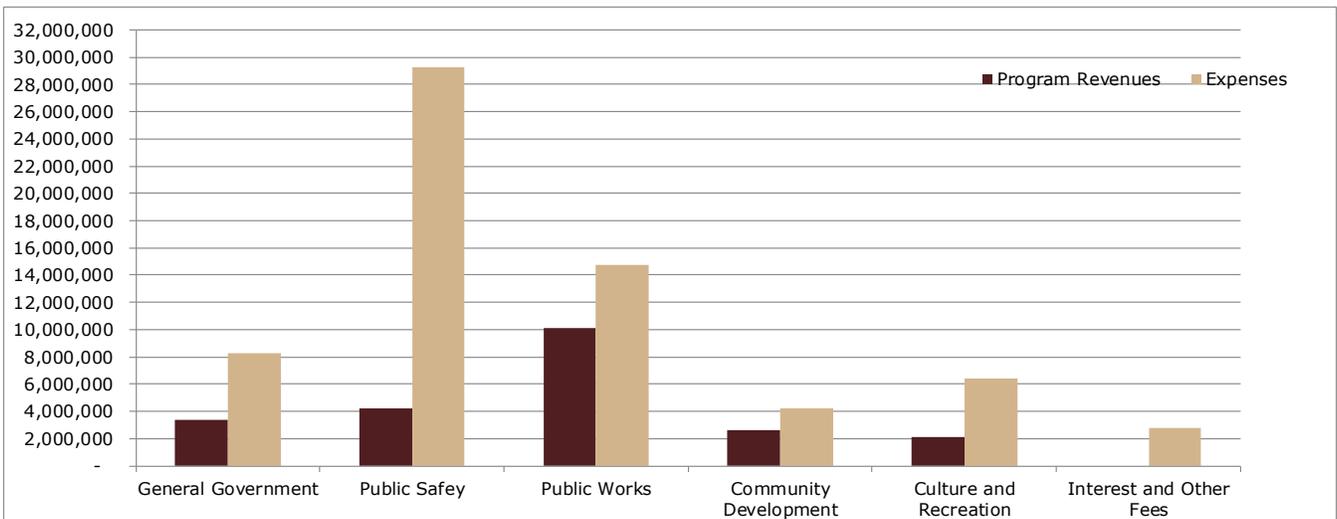
**City of Burleson Net Position  
September 30, 2021 and 2022**



The City’s overall net position increased \$27,493,744 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 \$19,588,082, an increase of \$6,114,172 from the prior fiscal year’s increase in net position for governmental activities. Increase is primarily due to a 12.94% or approximately \$3,200,000 increase in sales & use tax from the prior year due to growth and increase in cost of goods from rise in inflation rates and a transfer of \$3,100,000 excess funds from Equipment Replacement Fund to General Fund.

**Expenses and Program Revenues - Governmental Activities**



**Business-Type Activities.** During the current fiscal year, net position for business-type activities increased by \$7,905,662, an increase of \$2,064,814 from the prior fiscal year's increase in net position for business-type activities. Increase was the result of an approximately \$2,700,000 increase in water and sewer revenues from increased consumption from prior year, due to a very hot and dry summer, and approximately 2% growth in accounts.

**CITY OF BURLESON, TEXAS – CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 8,780,004	\$ 9,394,259	\$ 26,713,025	\$ 29,937,355	\$ 35,493,029	\$ 39,331,614
Operating grants and contributions	5,981,907	4,270,180	14,260	34,699	5,996,167	4,304,879
Capital grants and contributions	2,253,873	8,786,321	2,980,216	5,036,972	5,234,089	13,823,293
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property taxes levied for general purposes	29,343,869	30,311,580	-	-	29,343,869	30,311,580
Tax Increment Financing	905,662	1,175,995	-	-	905,662	1,175,995
Sales and use taxes	24,801,831	28,011,255	-	-	24,801,831	28,011,255
Hotel / motel taxes	455,115	466,584	-	-	455,115	466,584
Franchise fees	3,732,406	3,931,439	-	-	3,732,406	3,931,439
Investment income	78,034	(484,929)	44,697	(116,987)	122,731	(601,916)
Gain (loss) on sale of assets	70,477	13,402	15,575	634,561	86,052	647,963
<b>Total revenues</b>	<b>76,403,178</b>	<b>85,876,086</b>	<b>29,767,773</b>	<b>35,526,600</b>	<b>106,170,951</b>	<b>121,402,686</b>
<b>Expenses</b>						
General government	7,678,903	8,293,081	-	-	7,678,903	8,293,081
Public safety	26,227,399	29,220,408	-	-	26,227,399	29,220,408
Public works	13,597,575	14,743,553	-	-	13,597,575	14,743,553
Community development	4,587,759	4,178,055	-	-	4,587,759	4,178,055
Library	-	1,411,839	-	-	-	1,411,839
Parks and recreation	7,697,763	6,377,399	-	-	7,697,763	6,377,399
Interest and other fees	2,886,794	2,805,915	-	-	2,886,794	2,805,915
Water & wastewater	-	-	18,640,527	20,536,810	18,640,527	20,536,810
Hidden Creek Golf course	-	-	1,895,172	2,546,070	1,895,172	2,546,070
Solid Waste	-	-	3,563,473	3,780,319	3,563,473	3,780,319
Cemetery	-	-	80,828	15,493	80,828	15,493
<b>Total expenses</b>	<b>62,676,193</b>	<b>67,030,250</b>	<b>24,180,000</b>	<b>26,878,692</b>	<b>86,856,193</b>	<b>93,908,942</b>
Change in net position before transfers	13,726,985	18,845,836	5,587,773	8,647,908	19,314,758	27,493,744
Transfers	(253,075)	742,246	253,075	(742,246)	-	-
Change in net position	13,473,910	19,588,082	5,840,848	7,905,662	19,314,758	27,493,744
Net position - beginning	177,234,095	190,708,005	100,946,612	106,787,460	278,180,707	297,495,465
<b>Net position - ending</b>	<b>\$ 190,708,005</b>	<b>\$ 210,296,087</b>	<b>\$ 106,787,460</b>	<b>\$ 114,693,122</b>	<b>\$ 297,495,465</b>	<b>\$ 324,989,209</b>

## 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. Unassigned fund balance serves 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.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$67,599,984. The 70% or \$47,287,431 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, parks and recreation, library, 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 \$20,312,553, constitutes unassigned fund balance and is primarily in the General Fund.

Net change in fund balance was an increase of \$9,795,108 of which 37% is from the General Fund, 55% from Non-major Governmental Funds, and the remaining 8% is from Bond Funded Capital Projects fund.

The increase of \$3,584,856 in the General Fund is primarily due to a transfer of \$3,000,000 of excess funds from the Equipment Replacement Fund to the General Fund. The remaining is due to overall General Fund revenues exceeding overall expenditures reflecting the overall management of the governmental funds to ensure sources of funds are sufficient to meet the uses of funds.

The \$5,389,899 increase in Other Governmental Funds, due to \$1,633,874 increase in the BCSDC Special Revenue fund primarily due to a \$797,835 increase sales and use tax revenue exceeding expenditures from prior year, and \$806,363 in less debt service payments from prior year. In addition, net increase of \$3,976,618 in 4A EDC Non-bond Fund was due to a transfer from 4A Corp Special Revenue fund for \$5,000,000 for future purchase of land offset by capital outlay and transfer out of about \$1,000,000.

The Bond Funded Capital Projects fund increased by \$940,453 finishing the year at \$16,238,510. This is due to the issuance of \$8,000,000 of bonds offset with capital expenditures.

**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 \$110,074,191. Net position in the water and wastewater fund increased \$9,504,238 which is approximately \$4,000,000 more than prior year's increase. Difference is from an increase of about \$2,000,000 in developer non-cash contributions due to the City's continued growth; a \$1,000,000 transfer of excess funds from Equipment Replacement Proprietary Fund; an approximately \$3,000,000 increase in charges for services due to 2% growth in customer accounts, and an increase in consumption due to a hot and dry summer. These increases in revenue were offset by an approximately \$1,000,000 increase in expenditures from prior year due to an increase in water purchase costs from increased consumption.

### **General Fund Budgetary Highlights –**

Total actual revenue collections exceeded the revised estimates by about \$1,284,121 over the revised estimate, primarily due to sales tax revenues.

The general fund's final revised expenditure budget was approximately \$184,572 more than the figure originally adopted due to encumbrances rolled over from the prior year.

Actual year-end expenditures totaled about \$683,188 less than the revised budget total. This decrease was primarily due to budget saving in several areas including maintenance & repair, material & supplies, and capital outlays which offset other expenditures. ARPA grant reimbursement of allowable expenditure is also a factor in the decrease of expenditure overall. The overall savings reflect the 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, 2022 amounts to \$373,879,311 (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 5%.

	Capital Assets at Year End (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	\$ 38,300,084	\$ 40,312,769	5,397,686	\$ 5,413,714	\$ 43,697,770	\$ 45,726,483
Buildings & improvements	78,425,585	79,489,539	3,224,127	3,064,471	81,649,712	82,554,010
Infrastructure	107,992,652	117,002,996	-	-	107,992,652	117,002,996
Machinery & equipment	4,670,966	5,219,041	42,052	177,985	4,713,018	5,397,026
Vehicles	2,519,407	2,552,391	927,555	839,494	3,446,962	3,391,885
Other	45,000	45,000	-	-	45,000	45,000
Water distribution system	-	-	53,093,669	56,106,747	53,093,669	56,106,747
Wastewater system	-	-	43,319,080	46,783,947	43,319,080	46,783,947
Capitalized interest	-	-	-	-	-	-
Intangible assets	-	-	1,437,497	1,377,432	1,437,497	1,377,432
Construction in progress	8,348,994	6,428,439	8,667,367	9,065,346	17,016,361	15,493,785
<b>Total</b>	<b>\$ 240,302,688</b>	<b>\$ 251,050,175</b>	<b>\$ 116,109,033</b>	<b>\$ 122,829,136</b>	<b>\$ 356,411,721</b>	<b>\$ 373,879,311</b>

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

- Construction costs related to arterial roads amount to approximately \$2,757,688.
- Construction and right-of-way costs related to construction of water infrastructure amounted to approximately \$3,555,571.
- Construction and right-of-way costs related to construction of sanitary sewer lines amounted to approximately \$1,807,977.
- Cost of purchasing land and buildings to be used as City Facilities amounted to \$3,736,926.
- Costs related to construction of City recreational facilities amounted to \$4,353,312.
- Approximately \$1,607,632 of water lines were donated by developers.
- Approximately \$1,670,717 of sewer lines were donated by developers.
- Streets and sidewalks worth approximately \$8,462,744. 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 \$144,025,000. Of this amount, \$56,930,000 comprises of general obligation (GO) outstanding bonds debt backed solely by the full faith and credit of the City, \$84,600,000 represent certificate of obligation (CO) bonds secured by a combination of property taxes and a limited pledge of other revenues, and \$2,495,000 secured by revenues generated from the City's water and wastewater utility. The total GO and CO outstanding debt of \$141,530,000 includes self-supporting debt of \$53,000,000 paid with revenues generated from the City's water and wastewater utility, \$24,282,633 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 \$7,890,000 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 \$56,357,367 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 7 in the notes to basic financial statements.

**Outstanding Debt at Year End**

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
General obligation bonds	\$ 46,569,428	\$ 42,596,857	\$ 17,250,572	\$ 14,333,143	\$ 63,820,000	\$ 56,930,000
Certificate of obligation bonds	40,045,000	44,870,000	35,795,000	39,730,000	75,840,000	84,600,000
Utility system revenue bonds	-	-	2,700,000	2,495,000	2,700,000	2,495,000
	<u>\$ 86,614,428</u>	<u>\$ 87,466,857</u>	<u>\$ 55,745,572</u>	<u>\$ 56,558,143</u>	<u>\$ 142,360,000</u>	<u>\$ 144,025,000</u>

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

	Moody's Investors <u>Service</u>	Standard & Poor's <u>&amp; Poor's</u>
General obligation bonds	Aa2	AA
Water & wastewater revenue bonds	A1	AA-
4A sales tax revenue bonds	NA	AA-
4B sales tax revenue bonds	NA	AA-

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

In fiscal year 2023 budget, City adopted a property tax rate of \$0.6572 per \$100 value which was \$0.0287 less than the previous rate of \$0.6859 per \$100 value. Since 2019, the rate has been reduced by almost eight (8) cents, from \$0.7350 (2019) to \$0.6572 (2023). The budget also includes a two percent (2%) homestead exemption in FY 2023. The property tax revenues are budgeted to increase 7.8% or about \$1,749,741 from fiscal year 2022 year end projection primarily due to new growth. Sales tax revenues are budgeted to increase by about 3% or \$419,877 from fiscal year 2022 year end projections. General Fund total revenues including transfers is \$53,151,097 or 5% increase from fiscal year 2022 budget. General Fund total expenditures is \$55,328,010 or 10% increase from prior year budget. The result is a \$2,176,913 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 2023 budget. Water and Sewer Fund has a strong financial position and ability to continue meeting 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.

**City of Burleson, Texas**  
**Statement of Net Position**  
**September 30, 2022**

**Exhibit A-1**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 84,893,177	\$ 22,918,131	\$ 107,811,308
Receivables			
Taxes, net	157,889	-	157,889
Accounts, net	1,532,039	3,314,870	4,846,909
Leases	2,030,283	1,058,840	3,089,123
Due from other governmental units	5,119,140	-	5,119,140
Accrued interest	137,185	67,603	204,788
Inventories	54,943	341,004	395,947
Prepaid items	127,424	-	127,424
Internal balances	678,724	(678,724)	-
Total current assets	<u>94,730,804</u>	<u>27,021,724</u>	<u>121,752,528</u>
Noncurrent assets:			
Restricted cash and investments	-	30,352,364	30,352,364
Capital assets:			
Nondepreciable	46,786,208	14,479,060	61,265,268
Depreciable, net of depreciation	204,263,967	108,350,076	312,614,043
Total noncurrent assets	<u>251,050,175</u>	<u>153,181,500</u>	<u>404,231,675</u>
Total assets	<u>345,780,979</u>	<u>180,203,224</u>	<u>525,984,203</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	666,895	282,445	949,340
Deferred outflows related to pensions	6,743,460	528,685	7,272,145
Deferred outflows related to OPEB (RHP & SDBF)	827,392	64,868	892,260
Total deferred outflows of resources	<u>8,237,747</u>	<u>875,998</u>	<u>9,113,745</u>
<b>LIABILITIES</b>			
Accounts payable	2,823,691	2,607,638	5,431,329
Accrued liabilities	1,886,599	152,065	2,038,664
Accrued interest payable	287,959	164,191	452,150
Deposits payable	-	735,317	735,317
Unearned revenue	10,179,700	2,279	10,181,979
Current portion of:			
Bonds, leases, compensated absences	10,474,553	5,323,282	15,797,835
Total current liabilities	<u>25,652,502</u>	<u>8,984,772</u>	<u>34,637,274</u>
Noncurrent Liabilities			
Bonds, leases, compensated absences	90,306,764	54,355,940	144,662,704
Net pension liability	13,345,964	1,046,318	14,392,282
Total OPEB liability (RHP & SDBF)	5,299,438	415,472	5,714,910
Total noncurrent liabilities	<u>108,952,166</u>	<u>55,817,730</u>	<u>164,769,896</u>
Total liabilities	<u>134,604,668</u>	<u>64,802,502</u>	<u>199,407,170</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to leased assets	2,091,195	1,032,701	3,123,896
Deferred inflows related to pensions	6,418,557	503,212	6,921,769
Deferred inflows related to OPEB (RHP & SDBF)	608,219	47,685	655,904
Total deferred inflows of resources	<u>9,117,971</u>	<u>1,583,598</u>	<u>10,701,569</u>
<b>NET POSITION</b>			
Net investment in capital assets	174,521,592	86,021,027	260,542,619
Restricted for			
Debt service	2,521,806	305,147	2,826,953
Public safety	289,721	-	289,721
Other purposes	46,781	-	46,781
Economic development/tourism	9,759,670	-	9,759,670
Unrestricted	23,156,517	28,366,948	51,523,465
<b>TOTAL NET POSITION</b>	<u>\$ 210,296,087</u>	<u>\$ 114,693,122</u>	<u>\$ 324,989,209</u>

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, 2022**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>	
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>
<b>Primary Government</b>			
Governmental activities:			
General government	\$ 8,293,081	\$ 3,335,561	\$ 35,544
Public safety	29,220,408	1,143,155	3,008,621
Public works	14,743,553	398,116	1,063,307
Community development	4,178,055	2,580,560	-
Library	1,411,839	24,497	-
Parks and recreation	6,377,399	1,912,370	162,708
Interest and other fees	2,805,915	-	-
Total governmental activities	<u>67,030,250</u>	<u>9,394,259</u>	<u>4,270,180</u>
Business type activities:			
Water and wastewater	20,536,810	24,638,049	-
Hidden Creek Golf Course	2,546,070	1,925,878	-
Solid waste	3,780,319	3,323,598	-
Cemetery	15,493	49,830	34,699
Total business-type activities	<u>26,878,692</u>	<u>29,937,355</u>	<u>34,699</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 93,908,942</u>	<u>\$ 39,331,614</u>	<u>\$ 4,304,879</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
\$ -	\$ (4,921,976)	\$ -	\$ (4,921,976)
34,571	(25,034,061)	-	(25,034,061)
8,684,550	(4,597,580)	-	(4,597,580)
-	(1,597,495)	-	(1,597,495)
-	(1,387,342)	-	(1,387,342)
67,200	(4,235,121)	-	(4,235,121)
-	(2,805,915)	-	(2,805,915)
<u>8,786,321</u>	<u>(44,579,490)</u>	<u>-</u>	<u>(44,579,490)</u>
5,036,972	-	9,138,211	9,138,211
-	-	(620,192)	(620,192)
-	-	(456,721)	(456,721)
-	-	69,036	69,036
<u>5,036,972</u>	<u>-</u>	<u>8,130,334</u>	<u>8,130,334</u>
<u>\$ 13,823,293</u>	<u>(44,579,490)</u>	<u>8,130,334</u>	<u>(36,449,156)</u>
	30,311,580	-	30,311,580
	1,175,995	-	1,175,995
	28,011,255	-	28,011,255
	466,584	-	466,584
	3,931,439	-	3,931,439
	(484,929)	(116,987)	(601,916)
	13,402	634,561	647,963
	<u>742,246</u>	<u>(742,246)</u>	<u>-</u>
	<u>64,167,572</u>	<u>(224,672)</u>	<u>63,942,900</u>
	19,588,082	7,905,662	27,493,744
	<u>190,708,005</u>	<u>106,787,460</u>	<u>297,495,465</u>
	<u>\$ 210,296,087</u>	<u>\$ 114,693,122</u>	<u>\$ 324,989,209</u>

**City of Burleson, Texas**  
**Balance Sheet – Governmental Funds**  
**September 30, 2022**

**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>
<b>ASSETS</b>					
Cash and investments	\$ 21,257,878	\$ 16,911,391	\$ 9,840,197	\$ 27,957,656	\$ 75,967,122
Receivables:					
Taxes, net	-	-	-	157,889	157,889
Accounts, net	1,498,638	-	-	31,807	1,530,445
Leases	1,877,823	-	-	152,460	2,030,283
Due from other governmental units	2,420,281	-	-	2,698,859	5,119,140
Accrued interest	28,168	1,000	22,660	65,529	117,357
Due from other funds	552,146	-	-	-	552,146
Prepaid items	27,424	-	-	100,000	127,424
Total Assets	<u>\$ 27,662,358</u>	<u>\$ 16,912,391</u>	<u>\$ 9,862,857</u>	<u>\$ 31,164,200</u>	<u>\$ 85,601,806</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,292,275	\$ 673,881	\$ -	\$ 593,151	\$ 2,559,307
Accrued liabilities	1,685,749	-	-	137,168	1,822,917
Unearned revenue	-	-	9,982,957	196,743	10,179,700
Due to other funds	-	-	-	396,588	396,588
Total Liabilities	<u>2,978,024</u>	<u>673,881</u>	<u>9,982,957</u>	<u>1,323,650</u>	<u>14,958,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - mowing liens	60,905	-	-	-	60,905
Unavailable revenue - hotel occupancy taxes	-	-	-	99,847	99,847
Unavailable revenue - leased assets	1,942,472	-	-	148,723	2,091,195
Unavailable revenue - grants	-	-	-	34,571	34,571
Unavailable revenue - franchise fees	756,792	-	-	-	756,792
Total Deferred Inflows of Resources	<u>2,760,169</u>	<u>-</u>	<u>-</u>	<u>283,141</u>	<u>3,043,310</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	27,424	-	-	100,000	127,424
Restricted:					
Debt service	-	-	-	2,809,765	2,809,765
Public safety	-	-	-	289,721	289,721
Parks and recreation	-	-	-	23,405	23,405
Library	-	-	-	12,991	12,991
Economic development	-	-	-	8,739,711	8,739,711
Tourism	-	-	-	1,019,959	1,019,959
Capital projects	-	16,238,510	-	-	16,238,510
Other purposes	-	-	-	46,781	46,781
Committed:					
Capital projects	-	-	-	16,548,521	16,548,521
Debt service	405,527	-	-	-	405,527
Other purposes	1,025,116	-	-	-	1,025,116
Unassigned	20,466,098	-	(120,100)	(33,445)	20,312,553
Total Fund Balances	<u>21,924,165</u>	<u>16,238,510</u>	<u>(120,100)</u>	<u>29,557,409</u>	<u>67,599,984</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 27,662,358</u>	<u>\$ 16,912,391</u>	<u>\$ 9,862,857</u>	<u>\$ 31,164,200</u>	<u>\$ 85,601,806</u>

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, 2022**

**Exhibit B-2**

Total fund balances - governmental funds	\$ 67,599,984
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.	246,838,608
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.	12,465,949
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	952,115
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.	
	\$ (92,855,760)
Bonds payable	666,895
Deferred charge on refunding	(405,528)
Leases payable	(287,959)
Accrued interest payable	(7,412,369)
Compensated absences (net of ISF of \$107,660)	(12,729,974)
Net pension liability (net of ISF of \$615,990)	6,432,212
Deferred outflows related to pensions (net of ISF of \$311,248)	(6,122,305)
Deferred inflows related to pensions (net of ISF of \$296,252)	(5,054,838)
Total SDBF & RHP OPEB liability (net of ISF of \$244,600)	789,204
Deferred outflows related to SDBF & RHP OPEB (net of ISF of \$38,188)	(580,147)
Deferred inflows related to SDBF & RHP OPEB (net of ISF of \$28,072)	<u>(117,560,569)</u>
Combined adjustment	<u>(117,560,569)</u>
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 210,296,087</u></b>

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, 2022**

**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>
<b>REVENUES</b>					
Property taxes	\$ 22,995,972	\$ -	\$ -	\$ 8,491,603	\$ 31,487,575
Sales and use taxes	14,100,029	-	-	13,911,226	28,011,255
Hotel occupancy taxes	-	-	-	366,737	366,737
Franchise fees	3,743,615	-	-	50,174	3,793,789
Charges for services	3,149,498	-	-	1,907,846	5,057,344
Licenses and permits	1,421,318	-	-	-	1,421,318
Intergovernmental	755,523	-	1,557,116	1,019,350	3,331,989
Fines	877,635	-	-	71,066	948,701
Contributions and donations	-	-	-	995,633	995,633
Investment income (loss)	(120,108)	90,127	(120,101)	(255,231)	(405,313)
Mineral lease	-	-	-	618,527	618,527
Street assessments	-	-	-	69,999	69,999
Miscellaneous	1,052,571	-	-	789,568	1,842,139
<b>Total Revenues</b>	<b>47,976,053</b>	<b>90,127</b>	<b>1,437,015</b>	<b>28,036,498</b>	<b>77,539,693</b>
<b>EXPENDITURES</b>					
Current:					
General government	7,921,038	-	-	24,589	7,945,627
Public safety	27,272,278	-	913,212	591,566	28,777,056
Public works	7,049,142	-	-	309,331	7,358,473
Community development	3,231,431	-	-	2,623,861	5,855,292
Library	1,330,397	-	-	95,494	1,425,891
Parks and recreation	1,878,571	-	-	4,962,544	6,841,115
Capital outlay	316,576	7,759,172	643,903	2,941,354	11,661,005
Debt service:					
Principal retirement	59,901	-	-	7,242,571	7,302,472
Interest and fiscal agent charges	16,104	-	-	3,376,012	3,392,116
Debt issuance costs	-	160,505	-	-	160,505
<b>Total Expenditures</b>	<b>49,075,438</b>	<b>7,919,677</b>	<b>1,557,115</b>	<b>22,167,322</b>	<b>80,719,552</b>
Excess (deficiency) of revenues over (under) expenditures	(1,099,385)	(7,829,550)	(120,100)	5,869,176	(3,179,859)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of debt	-	8,095,000	-	-	8,095,000
Premium on debt issuance	-	675,003	-	-	675,003
Sale of capital assets	-	-	-	462,718	462,718
Transfers in	5,380,223	-	-	13,658,877	19,039,100
Transfers out	(695,982)	-	-	(14,600,872)	(15,296,854)
<b>Total other financing sources (uses)</b>	<b>4,684,241</b>	<b>8,770,003</b>	<b>-</b>	<b>(479,277)</b>	<b>12,974,967</b>
Net change in fund balance	3,584,856	940,453	(120,100)	5,389,899	9,795,108
Fund balance, beginning	18,339,309	15,298,057	-	24,167,510	57,804,876
<b>FUND BALANCE, ENDING</b>	<b>\$ 21,924,165</b>	<b>\$ 16,238,510</b>	<b>\$ (120,100)</b>	<b>\$ 29,557,409</b>	<b>\$ 67,599,984</b>

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, 2022

Net change in fund balances - total governmental funds	\$	9,795,108
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	\$	11,252,314
Depreciation (net of internal service funds)		<u>(9,675,748)</u>
		1,576,566
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is reported with governmental activities.		8,056,548
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(59,745)
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.		733,918
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(8,770,003)
Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		8,054,496
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>201,194</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>19,588,082</u></b>

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, 2022**

**Exhibit C-1**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Internal Service Funds</b>
	<b>Water &amp; Wastewater</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>ASSETS</b>				
Current assets:				
Deposits and investments	\$ 19,609,505	\$ 2,006,307	\$ 21,615,812	\$ 10,228,374
Receivables:				
Accounts, net	2,981,288	333,582	3,314,870	1,594
Leases	1,058,840	-	1,058,840	-
Accrued interest	58,938	7,132	66,070	21,361
Inventories	341,004	-	341,004	54,943
Total current assets	<u>24,049,575</u>	<u>2,347,021</u>	<u>26,396,596</u>	<u>10,306,272</u>
Noncurrent assets:				
Restricted deposits and investments	30,352,364	-	30,352,364	-
Capital assets, net	118,609,142	3,380,499	121,989,641	5,051,062
Total noncurrent assets	<u>148,961,506</u>	<u>3,380,499</u>	<u>152,342,005</u>	<u>5,051,062</u>
Total assets	<u>173,011,081</u>	<u>5,727,520</u>	<u>178,738,601</u>	<u>15,357,334</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	275,480	6,965	282,445	-
Deferred outflows related to pensions	362,880	165,805	528,685	311,248
Deferred outflows related to OPEB (RHP & SDBF)	44,525	20,343	64,868	38,188
Total deferred outflows of resources	<u>682,885</u>	<u>193,113</u>	<u>875,998</u>	<u>349,436</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,721,784	885,854	2,607,638	264,384
Accrued liabilities	101,433	50,632	152,065	63,682
Unearned revenue	1,700	579	2,279	-
Accrued interest payable	160,765	3,426	164,191	-
Customer deposits	735,317	-	735,317	-
Due to other funds	-	-	-	155,558
Bonds, compensated absences	4,944,608	378,674	5,323,282	76,136
Total current liabilities	<u>7,665,607</u>	<u>1,319,165</u>	<u>8,984,772</u>	<u>559,760</u>
Noncurrent liabilities:				
Bonds, compensated absences	53,539,994	815,946	54,355,940	31,524
Net pension liability	718,174	328,144	1,046,318	615,990
Total OPEB liability (RHP & SDBF)	285,173	130,299	415,472	244,600
Total noncurrent liabilities	<u>54,543,341</u>	<u>1,274,389</u>	<u>55,817,730</u>	<u>892,114</u>
Total liabilities	<u>62,208,948</u>	<u>2,593,554</u>	<u>64,802,502</u>	<u>1,451,874</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to leased assets	1,032,701	-	1,032,701	-
Deferred inflows related to pensions	345,396	157,816	503,212	296,252
Deferred inflows related to OPEB (RHP & SDBF)	32,730	14,955	47,685	28,072
Total deferred inflows of resources	<u>1,410,827</u>	<u>172,771</u>	<u>1,583,598</u>	<u>324,324</u>
<b>NET POSITION</b>				
Net investment in capital assets	82,895,408	2,286,124	85,181,532	5,051,062
Restricted for debt service	305,147	-	305,147	-
Unrestricted	26,873,636	868,184	27,741,820	8,879,510
<b>TOTAL NET POSITION</b>	<u>\$ 110,074,191</u>	<u>\$ 3,154,308</u>	<u>\$ 113,228,499</u>	<u>\$ 13,930,572</u>
Net position of business-type activity internal service funds			2,143,347	
Adjustment to reflect activity between governmental and business-type activities			(678,724)	
Net position of business-type activities			<u>\$ 114,693,122</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, 2022**

**Exhibit C-2**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Internal Service Funds</b>
	<b>Water &amp; Wastewater</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>				
Charges for goods and services	\$ 24,062,535	\$ 5,299,306	\$ 29,361,841	\$ 14,259,556
Penalties and interest	395,555	-	395,555	-
Miscellaneous	156,828	23,131	179,959	219,741
Mineral lease	-	34,699	34,699	-
<b>Total operating revenues</b>	<b>24,614,918</b>	<b>5,357,136</b>	<b>29,972,054</b>	<b>14,479,297</b>
<b>OPERATING EXPENSES</b>				
Water and wastewater services	12,837,839	-	12,837,839	-
Cost of golf operations	-	2,420,931	2,420,931	-
Cost of collecting revenues and other administrative expenses	2,952,938	-	2,952,938	7,196,401
Cost of cemetery operations	-	2,061	2,061	-
Cost of solid waste operations	-	3,752,644	3,752,644	-
Cost of equipment services	-	-	-	2,699,141
Materials, supplies, and cemetery lots	-	2,807	2,807	-
Depreciation	2,974,292	75,394	3,049,686	1,432,799
<b>Total operating expenses</b>	<b>18,765,069</b>	<b>6,253,837</b>	<b>25,018,906</b>	<b>11,328,341</b>
<b>OPERATING INCOME (LOSS)</b>	<b>5,849,849</b>	<b>(896,701)</b>	<b>4,953,148</b>	<b>3,150,956</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Gain on disposition of capital assets	-	167,341	167,341	424,100
Investment income (loss)	(83,768)	(28,608)	(112,376)	(84,619)
Interest and fiscal agent charges	(1,635,387)	(51,032)	(1,686,419)	-
<b>Total non-operating revenues</b>	<b>(1,719,155)</b>	<b>87,701</b>	<b>(1,631,454)</b>	<b>339,481</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>4,130,694</b>	<b>(809,000)</b>	<b>3,321,694</b>	<b>3,490,437</b>
Transfers in	1,146,382	936,630	2,083,012	-
Transfers out	(809,810)	(1,015,448)	(1,825,258)	(4,000,000)
Impact fees	1,664,917	-	1,664,917	-
Capital contributions	3,372,055	-	3,372,055	-
<b>CHANGE IN NET POSITION</b>	<b>9,504,238</b>	<b>(887,818)</b>	<b>8,616,420</b>	<b>(509,563)</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>100,569,953</b>	<b>4,042,126</b>	<b>104,612,079</b>	<b>14,440,135</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 110,074,191</b>	<b>\$ 3,154,308</b>	<b>\$ 113,228,499</b>	<b>\$ 13,930,572</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(710,758)
Change in net position of business-type activities				<u>\$ 7,905,662</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, 2022**

**Exhibit C-3**

	<b>Business-Type Activities</b>			<b>Governmental</b>
	<b>Enterprise Funds</b>			<b>Activities</b>
	<b>Water &amp; Wastewater</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 24,492,471	\$ 5,443,619	\$ 29,936,090	\$ -
Refunds of customer deposits	68,351	(17,589)	50,762	-
Receipts from interfund services provided	-	-	-	14,349,546
Payments to suppliers and service providers	(9,283,872)	(4,522,970)	(13,806,842)	(7,465,748)
Payments to employees for salaries and benefits	(2,189,105)	(1,209,237)	(3,398,342)	(2,285,656)
Payments to other funds for services provided	(4,100,708)	-	(4,100,708)	-
Other receipts	-	58,409	58,409	219,741
Net cash provided by (used in) by operating activities	<u>8,987,137</u>	<u>(247,768)</u>	<u>8,739,369</u>	<u>4,817,883</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments from other funds	1,146,382	936,630	2,083,012	-
Payments to other funds	(809,810)	(1,015,448)	(1,825,258)	(3,844,442)
Net cash provided by (used in) noncapital financing activities	<u>336,572</u>	<u>(78,818)</u>	<u>257,754</u>	<u>(3,844,442)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Receipts from sale of capital assets	-	180,392	180,392	424,100
Principal paid on bonds	(4,475,000)	(339,357)	(4,814,357)	-
Interest payments on bonds	(1,436,024)	(32,106)	(1,468,130)	-
Proceeds of bond issuance	5,610,000	-	5,610,000	-
Impact fees	1,664,917	-	1,664,917	-
Acquisition of capital assets	(5,824,411)	(674,436)	(6,498,847)	(2,459,110)
Net cash provided by capital and related financial activities	<u>(4,460,518)</u>	<u>(865,507)</u>	<u>(5,326,025)</u>	<u>(2,035,010)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received (paid)	(133,826)	(33,897)	(167,723)	(102,654)
Net cash used in investing activities	<u>(133,826)</u>	<u>(33,897)</u>	<u>(167,723)</u>	<u>(102,654)</u>
Net increase (decrease) in cash and cash equivalents	4,729,365	(1,225,990)	3,503,375	(1,164,223)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>				
(including restricted deposits and investments of \$27,890,949 in the water and wastewater fund and \$82,845 in nonmajor enterprise funds)	45,232,504	3,232,297	48,464,801	11,392,597
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>				
(including restricted deposits and investments of \$13,742,661 in the water and wastewater fund and \$0 in nonmajor enterprise funds)	<u>\$ 49,961,869</u>	<u>\$ 2,006,307</u>	<u>\$ 51,968,176</u>	<u>\$ 10,228,374</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, 2022**

**Exhibit C-3**

	<b>Business-Type Activities</b>			<b>Governmental</b>
	<b>Enterprise Funds</b>			<b>Activities</b>
	<b>Water &amp; Wastewater</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Reconciliation of operating income (loss)</b>				
<b>to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 5,849,849	\$ (896,701)	\$ 4,953,148	\$ 3,150,956
Depreciation	2,974,292	75,394	3,049,686	1,432,799
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(96,308)	144,892	48,584	89,990
(Increase) decrease in leases receivable	(1,058,840)	-	(1,058,840)	-
(Increase) decrease in inventories	14,369	35,567	49,936	(21,671)
(Increase) decrease in deferred outflows related to pension	(117,505)	(40,335)	(157,840)	(112,419)
(Increase) decrease in deferred outflows related to OPEB	8,057	6,544	14,601	4,418
Increase (decrease) in accounts payable	133,821	519,881	653,702	227,838
Increase (decrease) in accrued liabilities	33,675	5,946	39,621	11,401
Increase (decrease) in unearned revenue	1,700	579	2,279	-
Increase (decrease) in deposits payable	66,651	(17,589)	49,062	-
Increase (decrease) in compensated absences	63,979	(48,021)	15,958	(96,310)
Increase (decrease) in net pension liability and total OPEB liability	(161,034)	(136,952)	(297,986)	(82,921)
Increase (decrease) in deferred inflows related to leased assets	1,032,701	-	1,032,701	-
Increase (decrease) in deferred inflows related to pension	215,961	91,631	307,592	191,370
Increase (decrease) in deferred inflows related to OPEB	25,769	11,396	37,165	22,432
Net cash provided by (used in) operating activities	<u>8,987,137</u>	<u>(247,768)</u>	<u>8,739,369</u>	<u>4,817,883</u>
<b>Noncash capital and related financing activities:</b>				
Contributions from developers	<u>3,372,055</u>	<u>-</u>	<u>3,372,055</u>	<u>-</u>
Total noncash capital and related financing activities	<u>\$ 3,372,055</u>	<u>\$ -</u>	<u>\$ 3,372,055</u>	<u>\$ -</u>

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

THE CITY OF  
**BURLESON**  
TEXAS

# 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. The TIF was terminated and the board of directors dissolved effective July 5, 2022.

#### 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, 2022, the City did not own any types of securities other than those permitted by state law.

##### **2. Interfund 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."

##### **3. Receivables – Property Taxes**

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 2022 levy was based, was approximately \$4,781,489,823. 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, 2022 was \$0.6859 per \$100 of assessed valuation.

##### **4. Lease Receivable – Lessor**

The City is a lessor for noncancelable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.

Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### 5. Inventories

All inventories are valued using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

#### 6. 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.

#### 7. 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.

#### 8. 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. Right-to-use assets are amortized over the shorter of the useful life or duration of the lease using the straight-line method.

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.

#### 9. 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.

#### 10. Leases Payable - Lessee

The City is a lessee for noncancelable leases of equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset, reported with other capital assets, in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

#### 11. 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.

#### 12. 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.

### 13. 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

### 14. 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.

### 15. 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.

### 16. 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, 2022, the General Fund unassigned fund balance equated to 152 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) pronouncements effective in fiscal years 2022 and beyond are listed below:

GASB Statement No. 87, Leases (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was implemented in the City's 2022 financial statements with no impact to amounts reported under previous standards.

GASB Statement No. 91, Conduit Debt Obligations (GASB 91), provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 91 to reporting periods beginning after December 15, 2021, with earlier application encouraged. GASB 91 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 92, Omnibus 2020 (GASB 92), enhances comparability in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB pronouncements. The requirements for parts of this statement were originally effective for reporting periods beginning after June 15, 2020; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 92 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 92 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 93, Replacement of Interbank Offered Rates (GASB 93), addresses accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The requirements of this statement were originally effective for reporting periods beginning after June 15, 2020; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 93 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 93 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94), improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 94 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (GASB 97), increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. It also provides for 1) mitigation of costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and 2) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of paragraph 4 of this statement were effective immediately upon issuance in June 2020. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 97 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 99, Omnibus 2022 (GASB 99), enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. These requirements were implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported. The requirements related to leases were implemented in the City's fiscal year 2022 financial statements in conjunction with GASB 87 as discussed above. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. These requirements for GASB 99 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements for GASB 99 will be implemented in the City's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 100, Accounting Changes and Error Corrections (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the City's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, Compensated Absences (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the City's fiscal year 2025 financial statements and the impact has not yet been determined.

#### **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, 2022, the carrying amount of the City's deposits was \$36,163,660. 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 (PFIA) and the City's investment policy, the City invests in:

- a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.
- b. Direct obligations of the State of Texas or its agencies and instrumentalities.
- c. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States.
- d. Obligations of states, agencies, counties, cities, and other political subdivisions of the State of Texas rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- e. Financial institution deposits that, are issued by a state or national bank that a) has its main office or a branch office in Texas and is guaranteed or insured by the FDIC or its successor, b) is secured by obligations in a manner and amount provided by law and this Investment Policy for deposits of the City, or c) is placed in a manner that meets the requirements of the PFIA.
- f. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities. These shall be pledged to the City, held in the City's account, and deposited at the time the investment is made with the City or with a third party selected and approved by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Repurchase Agreement must be signed by the counter-party prior to investment in a repurchase agreement. All repurchase agreement transactions must have a market value of purchased securities greater than or equal to 102 percent of the total balance of the agreement.
- g. Money Market Mutual funds that: (1) are registered and regulated by the Securities and Exchange Commission, (2) seek to maintain a net asset value of \$1.0000 per share, and (3) are rated AAA by at least one nationally recognized rating service.

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, 2022, the City had the following cash and investments:

	September 30, 2022	(Level 1)	(Level 2)	(Level 3)	Percent of Total Investment Portfolio	Weighted Average Maturity (Days)*
Cash	\$ 36,171,500	\$ -	\$ -	\$ -	N/A	N/A
Investments measured at net asset value/amortized cost per share:						
Investment pools:						
TexPool	8,895,389	-	-	-	8.7%	25
LOGIC	34,600,919	-	-	-	33.9%	19
Investments by fair value level:						
Debt securities:						
Municipal bonds	58,495,864	-	58,495,864	-	57.4%	356
Total investments	101,992,172	-	58,495,864	-		
Total cash and investments	\$ 138,163,672	\$ -	\$ 58,495,864	\$ -		

\* Portfolio weighted average maturity (days) = 213

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 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 income (loss) includes realized and unrealized gains and losses on investments during the fiscal year. The calculation of realized gains and losses is independent of the calculation of the change in fair value of investments. Realized gains and losses of the current year include the cumulative effects of unrealized gains and losses incurred in prior years as a result of changes in fair value. For the fiscal year ended September 30, 2022, net investment income (loss) includes \$849,443 in realized gains resulting from the City’s sale and/or redemption of its investments and \$1,451,359 in unrealized losses resulting from non-cash, temporary changes in fair value that are expected to smooth out over the long term life of the investments.

#### Credit Risk and Concentration of 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.

The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, and concentration risk, the risk of loss attributed to the magnitude of investment in a single issuer, by limiting investments to the safest types of issuers, pre-qualifying the financial institutions and brokers/dealers with which the City will do business, and diversifying the investment portfolio so that potential losses on individual issuers will be minimized, as appropriate.

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, 2022, the City's investments in investment pools were all rated AAAM by Standard & Poor's.

#### Interest Rate Risk

The City will manage the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates. The City will structure the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity; invest funds primarily in certificates of deposit, shorter term securities, financial institution deposits, or money market mutual funds and local government investment pools whose investment objectives include maintaining a stable \$1.00 net share value; and diversify maturities and stagger purchase dates to minimize the impact of market movements over time.

#### Safekeeping and Custodial Agreements

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the City shall be held in the City's account as evidenced by safekeeping receipts of the institution holding the securities. The City shall approve all third party custodians for the holding of securities pledged to the City as collateral to secure financial institution deposits.

#### Collateral Policy

The City has established a collateral policy in compliance with Government Code Chapter 2257, Public Funds Collateral Act. Deposits secured with irrevocable letters of credit shall have 100% of principal plus anticipated interest of the deposit, less any amount insured by the FDIC. Deposits secured with pledged marketable securities shall have a market value 13 equal to or greater than 102% of the principal plus accrued interest of the deposit, less any amount insured by the FDIC. All deposits shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards financial institution deposits. Financial institutions serving as City Depositories will be required to sign a depository agreement with the City. The collateralized deposit portion of the agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a perfected security interest in compliance with Federal and State regulations, including: the agreement must be in writing, the agreement has to be executed by the Depository and City contemporaneously with the acquisition of the asset, the agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City, and the agreement must be part of the Depository's "official record" continuously since its execution.

### Note 3. Receivables and Deferred Inflows of Resources

Receivables as of September 30, 2022 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	COVID Relief Grants	Other Nonmajor Governmental Funds	Total Governmental Funds
Receivables:					
Taxes	642,651	\$ -	\$ -	\$ 183,309	\$ 825,960
Accounts	1,498,638	-	-	46,022	1,544,660
Leases	1,877,823	-	-	152,460	2,030,283
Intergovernmental	2,420,281	-	-	2,698,859	5,119,140
Interest	28,168	1,000	22,660	65,529	117,357
Gross receivables	6,467,561	1,000	22,660	3,146,179	9,637,400
Less: allowance for uncollectibles	(642,651)	-	-	(39,635)	(682,286)
Net total receivables	\$ 5,824,910	\$ 1,000	\$ 22,660	\$ 3,106,544	\$ 8,955,114
Deferred inflows of resources:					
Mowing liens	\$ 60,905	\$ -	\$ -	\$ -	\$ 60,905
Hotel occupancy taxes	-	-	-	99,847	99,847
Leases	1,942,472	-	-	148,723	2,091,195
Grants	-	-	-	34,571	34,571
Franchise fees	756,792	-	-	-	756,792
Total deferred inflows	\$ 2,760,169	\$ -	\$ -	\$ 283,141	\$ 3,043,310
	Enterprise Funds				
	Water and Wastewater	Other Non-major	Enterprise Funds Total	Internal Service Funds	
Receivables:					
Accounts	\$ 1,849,445	\$ 307,417	\$ 2,156,862	\$ 1,594	
Unbilled	1,196,330	54,786	1,251,116	-	
Leases	1,058,840	-	1,058,840	21,361	
Interest	58,938	7,132	66,070	54,943	
Gross receivables	4,163,553	369,335	4,532,888	77,898	
Less: allowance for uncollectibles	(64,487)	(28,621)	(93,108)	-	
Net total receivables	\$ 4,099,066	\$ 340,714	\$ 4,439,780	\$ 77,898	

**Leases Receivable**

The City has entered into multiple lease agreements as lessor. The leases allow the right-to-use of land, buildings, and infrastructure to other organizations over the term of the lease. The City receives annual and monthly payments at the interest rate stated or implied within the leases. The interest rates for these leases is 3.5%. As of September 30, 2022, the City has \$1,877,823 remaining in lease receivables and \$1,942,472 remaining in deferred inflows recorded in the General Fund, \$152,460 remaining in lease receivables and \$148,723 remaining in deferred inflows recorded in the Nonmajor Governmental Funds, and \$1,058,840 remaining in lease receivables and \$1,032,701 remaining in deferred inflows recorded in the Water and Wastewater Fund.

As of September 30, 2022, expectation of lease receipts through the expiration of all leases is as follows:

	Lease Principal	Lease Interest	Totals
2023	\$ 38,722	\$ 70,911	\$ 109,633
2024	45,013	69,538	114,551
2025	50,961	67,945	118,906
2026	56,914	66,155	123,069
2027	63,255	64,157	127,412
2028-2032	432,909	282,106	715,015
2033-2037	596,622	194,953	791,575
2038-2042	745,887	74,439	820,326
<b>Total governmental activities</b>	<b>\$ 2,030,283</b>	<b>\$ 890,204</b>	<b>\$ 2,920,487</b>
	Lease Principal	Lease Interest	Totals
2023	\$ 10,647	\$ 36,894	\$ 47,541
2024	12,475	36,493	48,968
2025	14,412	36,025	50,437
2026	16,462	35,488	51,950
2027	18,631	34,878	53,509
2028-2032	130,263	162,343	292,606
2033-2037	205,877	133,334	339,211
2038-2042	304,010	89,229	393,239
2043-2047	165,638	46,159	211,797
2048-2052	180,425	14,310	194,735
<b>Total business-type activities</b>	<b>\$ 1,058,840</b>	<b>\$ 625,153</b>	<b>\$ 1,683,993</b>

## Note 4. Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated or amortized:					
Land	\$ 38,300,084	\$ 2,239,311	\$ (226,626)	\$ -	\$ 40,312,769
Construction in progress	8,348,994	9,468,881	-	(11,389,436)	6,428,439
Historical/Artwork collections	45,000	-	-	-	45,000
<b>Total capital assets not being depreciated or amortized</b>	<b>46,694,078</b>	<b>11,708,192</b>	<b>(226,626)</b>	<b>(11,389,436)</b>	<b>46,786,208</b>
Capital assets being depreciated or amortized:					
Buildings and improvements	55,430,861	112,349	(599,520)	-	54,943,690
Improvements other than buildings	51,149,127	858,779	-	3,449,256	55,457,162
Infrastructure	183,332,227	6,812,057	-	7,698,991	197,843,275
Vehicles	9,207,657	952,969	(363,944)	-	9,796,682
Machinery and equipment	18,302,556	1,613,017	(55,592)	241,189	20,101,170
<b>Total capital assets being depreciated or amortized</b>	<b>317,422,428</b>	<b>10,349,171</b>	<b>(1,019,056)</b>	<b>11,389,436</b>	<b>338,141,979</b>
Less accumulated depreciation/amortization for:					
Buildings	(12,662,719)	(1,107,518)	419,950	-	(13,350,287)
Improvements other than buildings	(15,491,684)	(2,069,342)	-	-	(17,561,026)
Infrastructure	(75,339,575)	(5,500,704)	-	-	(80,840,279)
Vehicles	(6,688,250)	(876,865)	320,824	-	(7,244,291)
Machinery and equipment	(13,631,590)	(1,306,131)	55,592	-	(14,882,129)
<b>Total accumulated depreciation/amortization</b>	<b>(123,813,818)</b>	<b>(10,860,560)</b>	<b>796,366</b>	<b>-</b>	<b>(133,878,012)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>193,608,610</b>	<b>(511,389)</b>	<b>(222,690)</b>	<b>11,389,436</b>	<b>204,263,967</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 240,302,688</b>	<b>\$ 11,196,803</b>	<b>\$ (449,316)</b>	<b>\$ -</b>	<b>\$ 251,050,175</b>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 5,397,686	\$ 26,028	\$ (10,000)	\$ -	\$ 5,413,714
Construction in progress	8,667,367	6,334,264	-	(5,936,285)	9,065,346
<b>Total capital assets not being depreciated</b>	<b>14,065,053</b>	<b>6,360,292</b>	<b>(10,000)</b>	<b>(5,936,285)</b>	<b>14,479,060</b>
Capital assets being depreciated:					
Water systems	73,904,274	1,782,354	-	2,800,447	78,487,075
Wastewater systems	59,047,105	1,670,717	-	3,024,786	63,742,608
Infrastructure	30,524	-	-	-	30,524
Buildings and improvements	7,499,818	-	(8,247)	-	7,491,571
Machinery and equipment	876,573	57,538	(127,990)	111,052	917,173
Vehicles	3,218,657	250,200	(314,341)	-	3,154,516
Intangible assets	3,047,865	-	-	-	3,047,865
<b>Total capital assets being depreciated</b>	<b>147,624,816</b>	<b>3,760,809</b>	<b>(450,578)</b>	<b>5,936,285</b>	<b>156,871,332</b>
Less accumulated depreciation for:					
Water systems	(20,810,605)	(1,569,723)	-	-	(22,380,328)
Wastewater systems	(15,728,025)	(1,230,636)	-	-	(16,958,661)
Infrastructure	(30,524)	-	-	-	(30,524)
Buildings and improvements	(4,275,691)	(156,605)	5,196	-	(4,427,100)
Machinery and equipment	(834,521)	(32,657)	127,990	-	(739,188)
Vehicles	(2,291,102)	(248,014)	224,094	-	(2,315,022)
Intangible assets	(1,610,368)	(60,065)	-	-	(1,670,433)
Capitalized interest	-	-	-	-	-
<b>Total accumulated depreciation</b>	<b>(45,580,836)</b>	<b>(3,297,700)</b>	<b>357,280</b>	<b>-</b>	<b>(48,521,256)</b>
<b>Total capital assets being depreciated, net</b>	<b>102,043,980</b>	<b>463,109</b>	<b>(93,298)</b>	<b>5,936,285</b>	<b>108,350,076</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 116,109,033</b>	<b>\$ 6,823,401</b>	<b>\$ (103,298)</b>	<b>\$ -</b>	<b>\$ 122,829,136</b>

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 \$839,495 and is included in the above schedule.

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 614,101
Public safety	1,696,443
Public works, which includes the depreciation of general infrastructure assets	7,316,352
Parks and recreation	<u>1,233,664</u>
Total governmental activities depreciation and amortization	<u>\$ 10,860,560</u>
Business-type activities:	
Water and wastewater	\$ 2,974,292
Golf course	64,307
Solid waste disposal and collection	462
Cemetery	10,625
Vehicle replacement fund	<u>248,014</u>
Total business-type activities depreciation	<u>\$ 3,297,700</u>

### Note 5. Leases Payable

The City has entered into a lease agreement as a lessee. The leases allow the right-to-use assets over the term of the lease. The City is required to make payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	<u>Interest Rate</u>	<u>Liability at Commencement</u>	<u>Lease Term in Years</u>	<u>Ending Balance September 30, 2022</u>
Machinery and equipment	3.46%	\$ 465,427	2023-2028	<u>\$ 405,528</u>
<b>Total governmental activities</b>				<u>\$ 405,528</u>

The future principal and interest lease payments as of fiscal year end are as follows:

	<u>Lease Principal</u>	<u>Lease Interest</u>	<u>Totals</u>
2023	\$ 61,973	\$ 14,031	\$ 76,004
2024	64,118	11,887	76,005
2025	66,336	9,668	76,004
2026	68,631	7,373	76,004
2027	71,006	4,999	76,005
2028-2032	<u>73,464</u>	<u>2,542</u>	<u>76,006</u>
<b>Total governmental activities</b>	<u>\$ 405,528</u>	<u>\$ 50,500</u>	<u>\$ 456,028</u>

The value of the right-to-use leased assets as of the end of the current fiscal year was \$631,520 and had accumulated amortization of \$221,032.

**Note 6. Interfund Balances and Transactions**

**A. Interfund Receivables/Payables**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General Fund	Nonmajor Governmental	\$ 396,588
General Fund	Internal Service Funds	<u>155,558</u>
Total		<u>\$ 552,146</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, 2022, were as follows:

<u>Transfers Out:</u>	<u>Transfers in:</u>	<u>Amount</u>
Nonmajor Governmental	General Fund	\$ 1,570,413
Water & Wastewater	General Fund	809,810
Internal Service Funds	General Fund	3,000,000
General Fund	Water & Wastewater	146,382
Internal Service Funds	Water & Wastewater	1,000,000
Nonmajor Governmental	Nonmajor Enterprise	936,630
General Fund	Nonmajor Governmental	549,600
Nonmajor Enterprise	Nonmajor Governmental	1,015,448
Nonmajor Governmental	Nonmajor Governmental	<u>12,093,829</u>
Total		<u>\$ 21,122,112</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) pay the water and solid waste utilities' payments in lieu of taxes, (5) transfer excess fund balance from internal service funds to the general fund, (6) and transfer fund balance from special revenue funds to capital projects funds for land purchase. 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	\$ 1,752,134
4A Corp Special Revenue	366,203
BCSDC Special Revenue	15,450
Municipal Court	37,327
Parks Performance Fund	359,838
Hotel Motel	27,583
Golf Course	125,925
Solid Waste	<u>305,148</u>
Total	<u>\$ 2,989,608</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	\$ 963,074
Solid Waste	<u>265,000</u>
Total	<u>\$ 1,228,074</u>

**E. Payments in Lieu of Property Taxes**

For fiscal year 2022, the Water and Wastewater fund made a \$809,810 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**

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 2022 Combination Tax and Revenue Certificates of Obligation in the amount of \$12,340,000, split between the governmental activities and business-type activities. The bonds carry interest rates ranging from 4% to 5% and the proceeds will be used for the construction of improvements and extensions to the City’s water and wastewater system, the construction, installation, and equipment of park and recreational improvements in the City, including parking and related infrastructure, the construction, installation, and equipment of public safety facilities in the City, the construction, installation and equipment of City facilities and offices within tax increment revenue zone number two, and paying the legal, fiscal, design, and engineering fees in connection with such projects and the certificates.

In the current year, the City issued Series 2022 General Obligation Bonds in the amount of \$1,365,000. The bonds carry interest rates ranging from 4% to 5% and the proceeds will be used for designing, constructing, reconstructing, improving, extending, expanding, upgrading and developing streets, roads, bridges, thoroughfares and related improvements in the City, including utility relocation, landscaping, sidewalks and pedestrian walkways, lighting, signalization, drainage, and the purchase of any necessary land or right-of-way, and the costs of issuance of the 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, 2022, are summarized as follows:

	Beginning Balance	Increased	Refunded/ Retired	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation bonds	\$ 46,569,428	\$ 1,365,000	\$ 5,337,571	\$ 42,596,857	\$ 5,590,143
Certificates of obligation	40,045,000	6,730,000	1,905,000	44,870,000	2,205,000
Compensated absences	7,272,879	3,030,720	2,783,570	7,520,029	2,617,437
Leases payable	465,429	-	59,901	405,528	61,973
Premium on debt	5,704,181	675,003	990,281	5,388,903	-
<b>Governmental activities long-term debt</b>	<b>\$ 100,056,917</b>	<b>\$ 11,800,723</b>	<b>\$ 11,076,323</b>	<b>\$ 100,781,317</b>	<b>\$ 10,474,553</b>
<b>Business-type activities:</b>					
General Obligation bonds	\$ 17,250,572	\$ -	\$ 2,917,429	\$ 14,333,143	\$ 3,009,857
Certificates of obligation	35,795,000	5,610,000	1,675,000	39,730,000	1,925,000
Water & sewer revenue bonds	2,700,000	-	205,000	2,495,000	210,000
Compensated absences	262,380	249,950	233,991	278,339	178,425
Premium on debt	2,771,511	477,979	406,750	2,842,740	-
<b>Business-type activities long-term debt</b>	<b>\$ 58,779,463</b>	<b>\$ 6,337,929</b>	<b>\$ 5,438,170</b>	<b>\$ 59,679,222</b>	<b>\$ 5,323,282</b>

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

The City's direct borrowings (leases payable) related to governmental activities are secured with equipment as collateral.

The City's outstanding certificates of obligations 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, 2022, is comprised of the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Amount Outstanding
<b>Governmental Activities:</b>					
General obligation bonds:					
2012 Series	2.00 - 4.00	5/16/2012	5/16/2032	\$ 5,040,000	\$ 3,575,000
2014 Series	2.00 - 4.00	7/2/2014	3/1/2034	19,558,570	8,821,857
2015 Series	1.00 - 5.00	4/20/2015	3/1/2035	12,150,000	6,655,000
2016 Series	2.00 - 5.00	6/6/2016	3/1/2036	25,135,000	16,995,000
2017 Series	2.50 - 4.00	7/17/2017	3/1/2037	2,155,000	1,760,000
2020 Series	5.00	8/19/2020	3/1/2030	4,445,000	3,425,000
2022 Series	4.00 - 5.00	9/15/2022	3/1/2042	1,365,000	1,365,000
Total general obligation bonds				69,848,570	42,596,857
Certificates of obligation:					
2013 Tax and Revenue	2.00 - 3.00	5/1/2013	3/1/2033	4,620,000	2,815,000
2014 Tax and Revenue	2.00 - 4.00	7/2/2014	3/1/2034	4,685,000	3,270,000
2015 Tax and Revenue	1.00 - 5.00	4/20/2015	3/1/2035	6,565,000	4,885,000
2016 Tax and Revenue	2.00 - 5.00	6/6/2016	3/1/2036	3,855,000	2,995,000
2017 Tax and Revenue	2.50 - 4.00	7/17/2017	3/1/2037	2,810,000	2,270,000
2018 Tax and Revenue	3.50 - 4.00	5/16/2018	3/1/2038	13,745,000	11,865,000
2019 Tax and Revenue	3.00 - 5.00	5/6/2019	7/1/2039	7,415,000	6,755,000
2020 Tax and Revenue	2.00 - 5.00	8/19/2020	3/1/2040	3,560,000	3,285,000
2022 Tax and Revenue	4.00 - 5.00	9/15/2022	3/1/2042	6,730,000	6,730,000
Total certificates of obligation				53,985,000	44,870,000
Total governmental activities				123,833,570	87,466,857
<b>Business-type Activities</b>					
General obligation bonds:					
2014 Golf Course Refunding	2.00 - 4.00	7/2/2014	3/1/2034	3,006,430	1,063,143
2015 Water & Sewer Refunding	1.00 - 5.00	4/20/2015	3/1/2035	10,730,000	4,615,000
2016 Water & Sewer Refunding	2.00 - 5.00	6/6/2016	3/1/2036	4,435,000	1,640,000
2021 Water & Sewer Refunding	0.96	7/21/2021	3/1/2031	8,345,000	7,015,000
Total general obligation bonds				26,516,430	14,333,143
Certificates of obligation:					
2013 Tax and Revenue	2.00 - 3.00	5/1/2013	3/1/2033	2,160,000	1,315,000
2014 Tax and Revenue	2.00 - 4.00	7/2/2014	3/1/2034	5,480,000	3,815,000
2015 Tax and Revenue	1.00 - 5.00	4/20/2015	3/1/2035	4,855,000	3,605,000
2016 Tax and Revenue	2.00 - 5.00	6/6/2016	3/1/2036	5,750,000	4,465,000
2017 Tax and Revenue	2.50 - 4.00	7/17/2017	3/1/2037	7,400,000	5,990,000
2018 Tax and Revenue	3.50 - 4.00	5/16/2018	3/1/2038	8,135,000	7,020,000
2019 Tax and Revenue	3.00 - 5.00	5/6/2019	3/1/2038	4,470,000	4,070,000
2020 Tax and Revenue	2.00 - 5.00	8/19/2020	3/1/2040	4,090,000	3,840,000
2022 Tax and Revenue	4.00 - 5.00	9/15/2022	3/1/2042	5,610,000	5,610,000
Total certificates of obligation				47,950,000	39,730,000
Water and sewer revenue bonds					
2012 Improvement	2.00 - 4.00	4/15/2012	3/1/2032	4,300,000	2,495,000
Total water and sewer revenue bonds				4,300,000	2,495,000
Total business-type activities				\$ 78,766,430	\$ 56,558,143

The annual requirements to amortize all debt outstanding as of September 20, 2022, are as follows:

Governmental Activities						
Year Ending September 30,	General Obligation	GO Interest	Certificate of Obligation	CO Interest	Leases Payable	Leases Payable Interest
2023	\$ 5,590,143	\$ 1,736,488	\$ 2,205,000	\$ 1,690,993	\$ 61,973	\$ 14,031
2024	5,826,428	1,504,834	2,275,000	1,609,625	64,118	11,887
2025	6,205,286	1,261,337	2,375,000	1,510,163	66,336	9,669
2026	4,860,000	1,017,606	2,490,000	1,406,994	68,631	7,373
2027	4,480,000	791,631	2,585,000	1,300,853	71,006	4,999
2028-2032	10,625,000	1,957,007	14,480,000	4,813,056	73,464	2,542
2033-2037	4,545,000	412,209	13,580,000	1,973,663	-	-
2038-2042	465,000	47,900	4,880,000	303,275	-	-
<b>Total</b>	<b>\$ 42,596,857</b>	<b>\$ 8,729,012</b>	<b>\$ 44,870,000</b>	<b>\$ 14,608,621</b>	<b>\$ 405,528</b>	<b>\$ 50,501</b>

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
2023	\$ 3,009,857	\$ 367,942	\$ 1,925,000	\$ 1,503,142	\$ 210,000	\$ 90,100
2024	3,093,572	276,776	2,005,000	1,431,725	220,000	83,650
2025	2,759,714	183,855	2,085,000	1,343,219	225,000	76,975
2026	1,940,000	105,618	2,180,000	1,251,794	235,000	68,900
2027	1,450,000	53,289	2,275,000	1,158,397	240,000	59,400
2028-2032	2,080,000	42,017	12,835,000	4,306,469	1,365,000	141,100
2033-2037	-	-	12,490,000	1,702,431	-	-
2038-2042	-	-	3,935,000	251,975	-	-
<b>Total</b>	<b>\$ 14,333,143</b>	<b>\$ 1,029,497</b>	<b>\$ 39,730,000</b>	<b>\$ 12,949,152</b>	<b>\$ 2,495,000</b>	<b>\$ 520,125</b>

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, 2022, 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, 2022, 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, 2022, 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 2022, the City purchased \$5,134,033 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 2022, the City paid \$2,938,206 for the treatment and disposal of sanitary sewage under the terms of this contract.

**Note 9. Employees' Retirement System**

**Texas Municipal Retirement System**

**Plan Description.** The City participates as one of 901 plans in the defined benefit cash balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is 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.tmrs.com](http://www.tmrs.com).

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

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

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

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 years at age 60 and above
Updated service credit	100% Repeating, Transfers
Annuity increase to retirees	70% of CPI Repeating

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

Inactive employees or beneficiaries currently receiving benefits	180
Inactive employees entitled to but not yet receiving benefits	188
Active employees	<u>369</u>
Total	<u><u>737</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 16.16% and 16.64% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$4,955,929.

**Net Pension Liability.** The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases 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, 2109 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 building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate if Return (Arithmetic)
Global Public Equity	35.00%	7.55%
Core Fixed Income	6.00%	2.00%
Non-Core Fixed Income	20.00%	5.68%
Other Public and Private Markets	12.00%	7.22%
Real Estate	12.00%	6.85%
Hedge Funds	5.00%	5.35%
Private Equity	10.00%	10.00%
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 12/31/2020	\$ 121,662,695	\$ 103,522,046	\$ 18,140,649
Changes for the year:			
Service cost	5,012,736	-	5,012,736
Interest	8,224,864	-	8,224,864
Difference between expected and actual experience	2,834,678	-	2,834,678
Changes of assumptions	-	-	-
Contributions - employer	-	4,434,554	(4,434,554)
Contributions - employee	-	1,936,487	(1,936,487)
Net investment income	-	13,511,620	(13,511,620)
Benefit payments, including refunds of employee contributions	(4,638,440)	(4,638,440)	-
Administrative expense	-	(62,444)	62,444
Other changes	-	428	(428)
Net changes	<u>11,433,838</u>	<u>15,182,205</u>	<u>(3,748,367)</u>
Balance at 12/31/2021	<u>\$ 133,096,533</u>	<u>\$ 118,704,251</u>	<u>\$ 14,392,282</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	\$ 35,424,800	\$ 14,392,282	\$ (2,637,497)

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at [www.tmr.com](http://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, 2022, the City recognized pension expense of \$3,250,252. At September 30, 2022, 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	\$ 3,447,479	\$ -
Changes in actuarial assumptions	138,729	-
Difference between projected and actual Investment earnings	-	6,921,769
Contributions subsequent to the measurement date	<u>3,685,937</u>	<u>-</u>
Total	<u>\$ 7,272,145</u>	<u>\$ 6,921,769</u>

\$3,685,937 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, 2022 (i.e. recognized in the City’s financial statements for the year ended September 30, 2023). 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
2023	\$ (182,609)
2024	(1,788,886)
2025	(573,568)
2026	(790,498)
2027	-
Thereafter	-

**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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiveing benefits	130
Inactive employees entitled to but not yet receiving benefits	58
Active employees	<u>369</u>
Total	<u><u>557</u></u>

**Total OPEB Liability.** The City’s total OPEB liability of \$1,223,599 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions.** The total OPEB liability in the December 31, 2021 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	1.84%
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 used to measure the total OPEB liability was 1.84%. 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 1.84%, 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 (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	<u>1% Decrease in Discount Rate (0.84%)</u>	<u>Discount Rate (1.84%)</u>	<u>1% Decrease in Discount Rate (2.84%)</u>
Total OPEB Liability	\$ 1,540,462	\$ 1,223,599	\$ 984,964

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the year ended September 30, 2022, the City recognized OPEB expense of \$143,032. 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 12/31/2020	\$ 1,121,124
Changes for the year:	
Service cost	71,927
Interest	23,003
Difference between expected and actual experience	(21,562)
Changes of assumptions	42,939
Benefit payments	<u>(13,832)</u>
Net changes	<u>102,475</u>
Balance at 12/31/2021	<u>\$ 1,223,599</u>

At September 30, 2022, 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	\$ -	\$ 36,754
Changes in actuarial assumptions	254,247	22,977
Contributions subsequent to the measurement date	<u>11,169</u>	<u>-</u>
Total	<u>\$ 265,416</u>	<u>\$ 59,731</u>

\$11,169 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, 2022 (i.e. recognized in the City’s financial statements for the year ended September 30, 2023). 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>
2023	\$ 48,102
2024	45,210
2025	42,130
2026	38,448
2027	18,946
Thereafter	1,680

**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	9
Active employees	<u>370</u>
Total	<u>379</u>

**Actuarial Assumptions.** The Total OPEB Liability in the October 1, 2021 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
Salary increases	2.50% per annum
Discount rate	4.77%
Actuarial cost method	Entry Age Normal Method
Healthcare cost trend rates	7.10% initial medical trend rate for pre-65 retirees decreasing to an ultimate rate of 4.14% 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-2021. 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 4.77% 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 (4.77%) in measuring the Total OPEB Liability.

	<u>1% Decrease in Discount Rate (3.77%)</u>	<u>Discount Rate (4.77%)</u>	<u>1% Increase in Discount Rate (5.77%)</u>
Total OPEB Liability	\$ 4,882,085	\$ 4,491,311	\$ 4,139,039

**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 (7.10%) 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	\$ 4,017,550	\$ 4,491,311	\$ 5,052,734

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs.** At September 30, 2022, the City reported a liability of \$4,491,311 for its Total OPEB Liability for this plan. The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2021. For the year ended September 30, 2022, the City recognized OPEB expense of \$414,978. 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 9/30/2021	\$ 4,746,097
Changes for the year:	
Service cost	221,336
Interest	107,463
Difference between expected and actual experience	(552,588)
Changes of assumptions	(45,996)
Benefit payments	<u>14,999</u>
Net changes	<u>(254,786)</u>
Balance at 9/30/2022	<u>\$ 4,491,311</u>

At September 30, 2022, 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	\$ 221,706	\$ 483,514
Changes in actuarial assumptions	<u>405,138</u>	<u>112,659</u>
Total	<u>\$ 626,844</u>	<u>\$ 596,173</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>
2023	\$ 86,180
2024	86,180
2025	49,542
2026	1,265
2027	(76,122)
Thereafter	(116,374)

**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 2022, employers or employees through salary reductions may contribute up to the limit of \$20,500 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 \$27,000. 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 \$41,000. In accordance with GASB 97, the plan is not recorded in the City's financial statements.

## 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 it not believed to be material.

### B. Construction Commitments

The City has active construction projects as of September 30, 2022. At year-end the City has \$8,052,862 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	\$ 961,803
Bond-Funded capital projects	4,486,851
COVID relief grants	2,094,067
Nonmajor governmental	9,098,273
Water & wastewater	3,117,104
Nonmajor enterprise	568,416
Internal service funds	<u>1,739,283</u>
Total	<u>\$ 22,065,797</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, 2022, 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 2022, this agreement resulted in abated property taxes of \$5,948.
- For the fiscal year ended September 30, 2022, there was one property tax abatement agreement in place. The agreement with McLane Burleson Properties provides a 80% tax abatement for 10 years, beginning in 2020 for development of a restaurant distribution facility. In fiscal year 2022, this agreement resulted in abated property taxes of \$135,817.
- For the fiscal year ended September 30, 2022, 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 2022, this agreement resulted in abated property taxes of \$474,207.

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 – \$792,231.
- Sales tax rebate incentives – \$84,393.
- Grant payments for meeting other performance targets – \$544,667.

#### **Note 15. Subsequent Events**

On October 2017, City of Burleson approved a cost participation agreement with the City for Fort Worth for a sewer relief line. This cost participation agreement allows the City of Burleson to increase capacity for future growth. Subsequent to September 30, 2022, the City of Burleson paid the City of Fort Worth \$12,681,217 in accordance with the agreement.

THE CITY OF  
**BURLESON**  
TEXAS

## **Required Supplementary Information**

THE CITY OF  
**BURLESON**  
TEXAS

**City of Burleson, Texas**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended September 30, 2022**

**Exhibit D-1**  
**(Page 1 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</u> <u>(Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 22,568,177	\$ 22,568,177	\$ 22,995,972	\$ 427,795
Sales taxes	12,414,500	12,414,500	14,100,029	1,685,529
Franchise fees	3,400,000	3,400,000	3,743,615	343,615
Licenses and permits	1,918,500	1,918,500	1,421,318	(497,182)
Intergovernmental	775,127	775,127	755,523	(19,604)
Charges for services	3,113,448	3,113,448	3,149,498	36,050
Fines and forfeitures	1,081,500	1,081,500	877,635	(203,865)
Investment income (loss)	300,000	300,000	(120,108)	(420,108)
Miscellaneous	1,120,680	1,120,680	1,052,571	(68,109)
Total revenues	<u>46,691,932</u>	<u>46,691,932</u>	<u>47,976,053</u>	<u>1,284,121</u>
<b>EXPENDITURES</b>				
General government:				
City Council	107,516	107,516	111,978	(4,462)
City Manager's office	840,647	840,647	879,074	(38,427)
Legal	432,962	432,962	516,327	(83,365)
Communications	727,577	728,877	667,656	61,221
City Secretary's office	789,532	804,532	728,919	75,613
Records management	115,449	115,449	102,181	13,268
Judicial	108,853	108,853	120,075	(11,222)
Human resources	951,260	964,953	920,848	44,105
Burleson university	13,693	-	-	-
Finance	1,661,154	1,678,310	1,654,419	23,891
Tax	400,648	383,492	383,492	-
Purchasing	308,875	307,575	305,618	1,957
Non-Departmental	227,378	68,578	653,797	(585,219)
Total general government	<u>6,685,544</u>	<u>6,541,744</u>	<u>7,044,385</u>	<u>(502,641)</u>
Public safety:				
Police	14,556,137	14,682,839	15,091,248	(408,409)
Fire	9,161,400	9,220,433	8,526,523	693,910
Fire prevention	800,800	800,800	874,331	(73,531)
Emergency services	236,792	236,792	203,700	33,092
Municipal court	370,045	370,045	376,477	(6,432)
Dispatch services	2,075,368	2,075,368	2,091,990	(16,622)
Marshals service	368,059	368,059	363,332	4,727
Total public safety	<u>27,568,601</u>	<u>27,754,336</u>	<u>27,527,601</u>	<u>226,735</u>
Public works:				
Public works administration	960,718	964,527	1,034,737	(70,210)
Street drainage maintenance	555,463	555,463	577,022	(21,559)
Streets pavement maintenance	3,337,708	3,289,108	2,770,241	518,867
Traffic control maintenance	635,385	635,385	527,867	107,518
Engineering/capital	244,354	255,832	183,860	71,972
Engineering/development	1,281,359	1,351,442	1,188,523	162,919
Facilities maintenance	894,000	894,000	835,517	58,483
Total public works	<u>7,908,987</u>	<u>7,945,757</u>	<u>7,117,767</u>	<u>827,990</u>

**City of Burleson, Texas**  
**General Fund**  
**Budgetary Comparison Schedule - Continued**  
**For the Year Ended September 30, 2022**

**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</u> <u>(Negative)</u>
Neighborhood services:				
Neighborhood services	\$ 285,695	\$ 285,695	\$ 236,128	\$ 49,567
Environmental services	360,960	355,360	320,898	34,462
Animal services	578,395	601,795	585,105	16,690
Code enforcement	391,968	374,143	373,865	278
Total neighborhood services	<u>1,617,018</u>	<u>1,616,993</u>	<u>1,515,995</u>	<u>100,998</u>
Community development:				
Building inspections	1,012,456	1,012,456	921,549	90,907
Economic development	800,000	800,000	876,654	(76,654)
Community development	475,958	541,194	467,096	74,098
Development services	323,406	347,906	344,790	3,116
Total community development	<u>2,611,820</u>	<u>2,701,556</u>	<u>2,610,089</u>	<u>91,467</u>
Parks and recreation:				
Parks	1,482,160	1,487,760	1,599,041	(111,281)
Parks and recreation administration	258,861	258,861	251,952	6,909
Recreation	79,379	79,379	67,652	11,727
Total parks and recreation	<u>1,820,400</u>	<u>1,826,000</u>	<u>1,918,645</u>	<u>(92,645)</u>
Library:				
Senior citizens center	203,697	203,697	186,126	17,571
Library	1,157,987	1,168,543	1,154,830	13,713
Total Library	<u>1,361,684</u>	<u>1,372,240</u>	<u>1,340,956</u>	<u>31,284</u>
Total expenditures	<u>49,574,054</u>	<u>49,758,626</u>	<u>49,075,438</u>	<u>775,833</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,882,122)</u>	<u>(3,066,694)</u>	<u>(1,099,385)</u>	<u>2,059,954</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	913,010	3,913,010	5,380,223	(1,467,213)
Transfers out	(463,602)	(513,202)	(695,982)	182,780
Total other financing sources (uses)	<u>449,408</u>	<u>3,399,808</u>	<u>4,684,241</u>	<u>(1,284,433)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(2,432,714)</u>	<u>333,114</u>	<u>3,584,856</u>	<u>775,521</u>
<b>FUND BALANCES - BEGINNING</b>	<u>18,339,309</u>	<u>18,339,309</u>	<u>18,339,309</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 15,906,595</u>	<u>\$ 18,672,423</u>	<u>\$ 21,924,165</u>	<u>\$ 775,521</u>

**City of Burleson, Texas**  
Notes to Required Supplementary Information  
Budgetary Schedule  
For the Year Ended September 30, 2022

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, 2022**

<b>Plan Year</b>	<b>2014</b>	<b>2015</b>
<b>A. Total Pension Liability</b>		
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>B. Plan Fiduciary Net Position</b>		
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>
<b>C. Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 14,818,133</u>	<u>\$ 18,953,831</u>
<b>D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	80.32%	76.79%
<b>E. Covered Payroll</b>	\$ 18,400,559	\$ 19,497,945
<b>F. Net Pension Liability as a Percentage of Covered Payroll</b>	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>	<u>2021</u>
\$	3,628,862	\$ 3,745,062	\$ 3,887,921	\$ 4,309,779	\$ 4,785,763	\$ 5,012,736
	5,536,081	5,991,443	6,464,469	6,966,885	7,567,698	8,224,864
	324,293	34,315	37,485	658,640	1,555,110	2,834,678
	-	-	-	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>	<u>(4,638,440)</u>
	6,580,987	7,076,604	7,415,164	8,959,720	9,974,505	11,433,838
	<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>121,662,695</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>	<u>133,096,533</u>
\$	3,195,301	\$ 3,326,528	\$ 3,446,107	\$ 3,812,900	\$ 4,144,156	\$ 4,434,554
	1,459,887	1,510,106	1,565,006	1,732,309	1,875,187	1,936,487
	4,240,199	9,518,399	(2,405,770)	12,355,867	7,166,812	13,511,620
	(2,908,249)	(2,694,216)	(2,974,711)	(3,340,504)	(3,934,066)	(4,638,440)
	(47,857)	(49,301)	(46,457)	(69,735)	(46,326)	(62,444)
	<u>(2,578)</u>	<u>(2,499)</u>	<u>(2,430)</u>	<u>(2,096)</u>	<u>(1,807)</u>	<u>428</u>
	5,936,703	11,609,017	(418,255)	14,488,741	9,203,956	15,182,205
	<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>103,522,046</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>118,704,251</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>	<u>14,392,282</u>
	77.79%	84.19%	77.71%	84.45%	85.09%	89.19%
\$	20,855,530	\$ 21,572,943	\$ 22,357,225	\$ 24,697,874	\$ 26,780,992	\$ 27,664,104
	93.97%	69.84%	102.42%	70.33%	67.74%	52.03%

**City of Burleson, Texas**  
**Schedule of Pension Contributions**  
**Texas Municipal Retirement System**  
**For The Year Ended September 30, 2022**

<b>Fiscal Year</b>	<u><b>2014</b></u>	<u><b>2015</b></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	24 years (longest amortization ladder)
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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 3,290,623	\$ 3,270,142	\$ 3,413,058	\$ 3,710,515	\$ 4,023,849	\$ 4,144,156	\$ 4,434,554
<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>	<u>4,955,929</u>
-	-	-	-	-	-	(521,375)
\$ 21,503,209	\$ 21,235,212	\$ 21,235,212	\$ 24,033,514	\$ 26,033,943	\$ 26,780,992	\$ 27,664,104
15.30%	15.40%	16.07%	15.44%	15.46%	15.47%	17.91%

**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, 2022**

Plan Year Ended December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>A. Total OPEB Liability</b>					
Service Cost	\$ 32,359	\$ 40,243	\$ 37,047	\$ 53,562	\$ 71,927
Interest (on the Total OPEB Liability)	22,672	23,726	26,040	24,950	23,003
Difference between expected and actual experience	-	(15,410)	(17,286)	(4,333)	(21,562)
Change of assumptions	62,411	(57,141)	156,463	169,132	42,939
Benefit payments, including refunds of employee contributions	<u>(4,315)</u>	<u>(4,471)</u>	<u>(4,940)</u>	<u>(5,356)</u>	<u>(13,832)</u>
Net change in total OPEB liability	113,127	(13,053)	197,324	237,955	102,475
Total OPEB liability - beginning	<u>585,771</u>	<u>698,898</u>	<u>685,845</u>	<u>883,169</u>	<u>1,121,124</u>
Total OPEB liability - ending	<u>698,898</u>	<u>685,845</u>	<u>883,169</u>	<u>1,121,124</u>	<u>1,223,599</u>
<b>B. Covered Payroll</b>	\$ 21,572,943	\$ 22,357,225	\$ 24,697,874	\$ 26,780,992	\$ 27,664,104
<b>C. Total OPEB Liability as a Percentage of Covered Payroll</b>	3.24%	3.07%	3.58%	4.19%	4.42%

**Notes to Schedule:**

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

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

**City of Burleson, Texas**  
**Schedule of Changes In Total OPEB Liability and**  
**Related Ratios - Retiree Health Care Benefit Plan**  
**For the Year Ended September 30, 2022**

**Exhibit D-5**

Measurement Date September 30,	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>A. Total OPEB Liability</b>					
Service Cost	\$ 148,455	\$ 152,883	\$ 152,373	\$ 214,854	\$ 221,335
Interest (on the Total OPEB Liability)	118,786	128,811	139,215	101,983	107,463
Difference between expected and actual experience	326,732	-	141,692	-	(552,588)
Change of assumptions	256,399	52,121	541,708	(102,528)	(45,996)
Benefit payments	<u>(83,018)</u>	<u>(42,529)</u>	<u>-</u>	<u>(37,819)</u>	<u>14,999</u>
Net change in total OPEB liability	767,354	291,286	974,988	176,490	(254,787)
Total OPEB liability - beginning	<u>2,535,980</u>	<u>3,303,334</u>	<u>3,594,620</u>	<u>4,569,608</u>	<u>4,746,098</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>	<u>4,491,311</u>
<b>B. Covered-Employee Payroll</b>	\$ 18,416,233	\$ 22,342,123	\$ 22,779,945	\$ 26,486,753	\$ 27,030,000
<b>C. Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	17.94%	16.09%	20.06%	17.92%	16.62%

**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.

THE CITY OF  
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TEXAS

## **Other Supplementary Information**

THE CITY OF  
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# 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 and to subsidize the Parks Performance Special Revenue Fund and the Golf Course Fund operations.

**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, 2022**

**Exhibit E-1**  
**(Page 1 of 2)**

	<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>
<b>ASSETS</b>					
Cash and investments	\$ 5,436,667	\$ -	\$ 426,792	\$ 961,880	\$ -
Receivables:					
Taxes, net	-	-	-	157,889	-
Accounts	-	-	14,615	-	-
Leases	-	152,460	-	-	-
Accrued interest	11,540	10,964	969	2,154	-
Due from other governments	1,202,371	1,202,371	-	-	294,117
Prepaid items	-	100,000	-	-	-
Total assets	<u>6,650,578</u>	<u>1,465,795</u>	<u>442,376</u>	<u>1,121,923</u>	<u>294,117</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	69,121	52,831	137,314	2,117	-
Accrued liabilities	6,335	12,133	108,319	-	-
Unearned revenue	-	-	196,743	-	-
Due to other funds	-	103,597	-	-	292,991
Total liabilities	<u>75,456</u>	<u>168,561</u>	<u>442,376</u>	<u>2,117</u>	<u>292,991</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - hotel occupancy taxes	-	-	-	99,847	-
Unavailable revenue - leased assets	-	148,723	-	-	-
Unavailable revenue - grants	-	-	-	-	34,571
Total deferred inflows of resources	<u>-</u>	<u>148,723</u>	<u>-</u>	<u>99,847</u>	<u>34,571</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	-	100,000	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Library	-	-	-	-	-
Economic development	6,575,122	1,048,511	-	-	-
Tourism	-	-	-	1,019,959	-
Other purposes	-	-	-	-	-
Committed for:					
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	(33,445)
Total fund balances	<u>6,575,122</u>	<u>1,148,511</u>	<u>-</u>	<u>1,019,959</u>	<u>(33,445)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,650,578</u>	<u>\$ 1,317,072</u>	<u>\$ 442,376</u>	<u>\$ 1,022,076</u>	<u>\$ 294,117</u>

**City of Burleson, Texas**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2022**

	Special Revenue Funds			Capital Projects Funds	
	TIF 2&3	Municipal Court	Other Special Revenue	Mineral Lease Funded Capital Projects	4A EDC Non-bond Funded
<b>ASSETS</b>					
Cash and investments	\$ 1,036,291	\$ 234,836	\$ 260,445	\$ 1,011,276	\$ 6,396,513
Receivables:					
Taxes, net	-	-	-	-	-
Accounts	5,454	-	11,738	-	-
Leases	-	-	-	-	-
Accrued interest	2,522	872	359	2,264	3,127
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>1,044,267</u>	<u>235,708</u>	<u>272,542</u>	<u>1,013,540</u>	<u>6,399,640</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	48,935	217	4,008	28,231	25,616
Accrued liabilities	3,817	-	6,564	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>52,752</u>	<u>217</u>	<u>10,572</u>	<u>28,231</u>	<u>25,616</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - hotel occupancy taxes	-	-	-	-	-
Unavailable revenue - leased assets	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Public safety	-	235,491	54,230	-	-
Parks and recreation	-	-	23,405	-	-
Library	-	-	12,991	-	-
Economic development	991,515	-	124,563	-	-
Tourism	-	-	-	-	-
Other purposes	-	-	46,781	-	-
Committed for:					
Capital projects	-	-	-	985,309	6,374,024
Unassigned	-	-	-	-	-
Total fund balances	<u>991,515</u>	<u>235,491</u>	<u>261,970</u>	<u>985,309</u>	<u>6,374,024</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,044,267</u>	<u>\$ 235,708</u>	<u>\$ 272,542</u>	<u>\$ 1,013,540</u>	<u>\$ 6,399,640</u>

**Exhibit E-1**  
(Page 2 of 2)

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
\$ 9,808	\$ 3,937,504	\$ 5,441,511	\$ 2,677,601	\$ 14,331	\$ 112,201	\$ 27,957,656
-	-	-	-	-	-	157,889
-	-	-	-	-	-	31,807
-	-	-	-	-	-	152,460
22	11,434	13,030	5,993	32	247	65,529
-	-	-	-	-	-	2,698,859
-	-	-	-	-	-	100,000
<u>9,830</u>	<u>3,948,938</u>	<u>5,454,541</u>	<u>2,683,594</u>	<u>14,363</u>	<u>112,448</u>	<u>31,164,200</u>
-	-	224,121	640	-	-	593,151
-	-	-	-	-	-	137,168
-	-	-	-	-	-	196,743
-	-	-	-	-	-	396,588
-	-	<u>224,121</u>	<u>640</u>	-	-	<u>1,323,650</u>
-	-	-	-	-	-	99,847
-	-	-	-	-	-	148,723
-	-	-	-	-	-	34,571
-	-	-	-	-	-	283,141
-	-	-	-	-	-	100,000
-	-	-	2,682,954	14,363	112,448	2,809,765
-	-	-	-	-	-	289,721
-	-	-	-	-	-	23,405
-	-	-	-	-	-	12,991
-	-	-	-	-	-	8,739,711
-	-	-	-	-	-	1,019,959
-	-	-	-	-	-	46,781
9,830	3,948,938	5,230,420	-	-	-	16,548,521
-	-	-	-	-	-	(33,445)
<u>9,830</u>	<u>3,948,938</u>	<u>5,230,420</u>	<u>2,682,954</u>	<u>14,363</u>	<u>112,448</u>	<u>29,557,409</u>
<u>\$ 9,830</u>	<u>\$ 3,948,938</u>	<u>\$ 5,454,541</u>	<u>\$ 2,683,594</u>	<u>\$ 14,363</u>	<u>\$ 112,448</u>	<u>\$ 31,164,200</u>

THE CITY OF  
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**City of Burleson, Texas**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2022**

**Exhibit E-2**  
**(Page 1 of 2)**

	<b>Special Revenue Funds</b>				
	<b>BCSDC</b>	<b>4A Corp</b>	<b>Parks</b>	<b>Hotel/Motel</b>	<b>Grants</b>
	<b>Special Revenue</b>	<b>Special Revenue</b>	<b>Performance</b>	<b>Special Revenue</b>	<b>Special Revenue</b>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	6,955,613	6,955,613	-	-	-
Hotel occupancy taxes	-	-	-	366,737	-
Franchise fees	-	-	-	-	-
Charges for services	-	-	1,907,846	-	-
Intergovernmental	-	-	-	-	1,019,350
Fines	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Investment income (loss)	(49,740)	(48,351)	(4,034)	(8,449)	-
Mineral lease	-	-	-	-	-
Street assessments	-	-	-	-	-
Miscellaneous	-	193,532	99	18,999	-
<b>Total revenues</b>	<b>6,905,873</b>	<b>7,100,794</b>	<b>1,903,911</b>	<b>377,287</b>	<b>1,019,350</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Community development	341,652	1,722,429	-	259,609	-
Public safety	-	-	-	-	445,940
Public works	-	-	-	-	278,317
Library	-	-	-	-	77,689
Parks and recreation	223,132	-	4,612,416	-	46
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Capital outlay	23,897	343,631	-	-	-
<b>Total expenditures</b>	<b>588,681</b>	<b>2,066,060</b>	<b>4,612,416</b>	<b>259,609</b>	<b>801,992</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,317,192</b>	<b>5,034,734</b>	<b>(2,708,505)</b>	<b>117,678</b>	<b>217,358</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	-	5,000	-	-	-
Transfers in	-	352,139	2,708,505	-	278,317
Transfers out	(4,683,318)	(6,718,154)	-	-	(338,425)
<b>Total other financing sources (uses)</b>	<b>(4,683,318)</b>	<b>(6,361,015)</b>	<b>2,708,505</b>	<b>-</b>	<b>(60,108)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,633,874</b>	<b>(1,326,281)</b>	<b>-</b>	<b>117,678</b>	<b>157,250</b>
<b>FUND BALANCE, BEGINNING</b>	<b>4,941,248</b>	<b>2,474,792</b>	<b>-</b>	<b>902,281</b>	<b>(190,695)</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 6,575,122</b>	<b>\$ 1,148,511</b>	<b>\$ -</b>	<b>\$ 1,019,959</b>	<b>\$ (33,445)</b>

**City of Burleson, Texas**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2022**

	Special Revenue Funds			Capital Projects Funds	
	TIF 2&3	Municipal Court	Other Special Revenue	Mineral Lease Funded Capital Projects	4A EDC Non-bond Funded
<b>REVENUES</b>					
Property taxes	\$ 1,175,995	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-	-
Hotel occupancy taxes	-	-	-	-	-
Franchise fees	-	-	50,174	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Fines	-	71,066	-	-	-
Contributions and donations	-	-	290,039	-	-
Investment income (loss)	(12,590)	(3,978)	(1,786)	(8,523)	(10,191)
Mineral lease	-	-	-	618,527	-
Street assessments	-	-	69,999	-	-
Miscellaneous	26,938	-	-	-	-
<b>Total revenues</b>	<b>1,190,343</b>	<b>67,088</b>	<b>408,426</b>	<b>610,004</b>	<b>(10,191)</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	24,589	-	-
Community development	291,381	-	8,790	-	-
Public safety	14,844	128,076	2,706	-	-
Public works	-	-	31,014	-	-
Library	-	-	17,805	-	-
Parks and recreation	19,501	-	20,438	87,011	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Capital outlay	-	-	-	747,950	661,052
<b>Total expenditures</b>	<b>325,726</b>	<b>128,076</b>	<b>105,342</b>	<b>834,961</b>	<b>661,052</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>864,617</b>	<b>(60,988)</b>	<b>303,084</b>	<b>(224,957)</b>	<b>(671,243)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	2,344	-	5,000,000
Transfers out	(833,033)	(117,580)	(102,181)	-	(352,139)
<b>Total other financing sources (uses)</b>	<b>(833,033)</b>	<b>(117,580)</b>	<b>(99,837)</b>	<b>-</b>	<b>4,647,861</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>31,584</b>	<b>(178,568)</b>	<b>203,247</b>	<b>(224,957)</b>	<b>3,976,618</b>
<b>FUND BALANCE, BEGINNING</b>	<b>959,931</b>	<b>414,059</b>	<b>58,723</b>	<b>1,210,266</b>	<b>2,397,406</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 991,515</b>	<b>\$ 235,491</b>	<b>\$ 261,970</b>	<b>\$ 985,309</b>	<b>\$ 6,374,024</b>

**Exhibit E-2**  
(Page 2 of 2)

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
\$ -	\$ -	\$ -	\$ 7,315,608	\$ -	\$ -	\$ 8,491,603
-	-	-	-	-	-	13,911,226
-	-	-	-	-	-	366,737
-	-	-	-	-	-	50,174
-	-	-	-	-	-	1,907,846
-	-	-	-	-	-	1,019,350
-	-	-	-	-	-	71,066
-	620,574	85,020	-	-	-	995,633
(37)	(32,325)	(45,306)	(32,634)	(19)	2,732	(255,231)
-	-	-	-	-	-	618,527
-	-	-	-	-	-	69,999
-	-	550,000	-	-	-	789,568
<u>(37)</u>	<u>588,249</u>	<u>589,714</u>	<u>7,282,974</u>	<u>(19)</u>	<u>2,732</u>	<u>28,036,498</u>
-	-	-	-	-	-	24,589
-	-	-	-	-	-	2,623,861
-	-	-	-	-	-	591,566
-	-	-	-	-	-	309,331
-	-	-	-	-	-	95,494
-	-	-	-	-	-	4,962,544
-	-	-	4,689,991	1,572,580	980,000	7,242,571
-	-	-	2,544,701	417,241	414,070	3,376,012
<u>21,500</u>	<u>-</u>	<u>1,143,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,941,354</u>
<u>21,500</u>	<u>-</u>	<u>1,143,324</u>	<u>7,234,692</u>	<u>1,989,821</u>	<u>1,394,070</u>	<u>22,167,322</u>
<u>(21,537)</u>	<u>588,249</u>	<u>(553,610)</u>	<u>48,282</u>	<u>(1,989,840)</u>	<u>(1,391,338)</u>	<u>5,869,176</u>
-	-	457,718	-	-	-	462,718
-	-	2,167,686	393,549	1,718,154	1,038,183	13,658,877
-	-	(1,456,042)	-	-	-	(14,600,872)
-	-	1,169,362	393,549	1,718,154	1,038,183	(479,277)
(21,537)	588,249	615,752	441,831	(271,686)	(353,155)	5,389,899
<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>\$ 9,830</u>	<u>\$ 3,948,938</u>	<u>\$ 5,230,420</u>	<u>\$ 2,682,954</u>	<u>\$ 14,363</u>	<u>\$ 112,448</u>	<u>\$ 29,557,409</u>

**City of Burleson, Texas**  
**Debt Service Funds**  
**Budgetary Comparison Schedule**  
**For the Year Ended September 30, 2022**

	<b>General Debt Service</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes and assessments	\$ 7,234,969	\$ 7,234,969	\$ 7,315,608	\$ 80,639
Investment income (loss)	-	-	(32,634)	(32,634)
<b>Total revenues</b>	<b>7,234,969</b>	<b>7,234,969</b>	<b>7,282,974</b>	<b>48,005</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	4,689,991	4,689,991	4,689,991	-
Interest and fiscal agent charges	2,547,356	2,547,356	2,544,701	2,655
<b>Total expenditures</b>	<b>7,237,347</b>	<b>7,237,347</b>	<b>7,234,692</b>	<b>2,655</b>
Excess (deficiency) of revenues over (under) expenditures	(2,378)	(2,378)	48,282	50,660
<b>OTHER FINANCING SOURCES</b>				
Transfers in	393,550	393,550	393,549	(1)
<b>Total other financing sources</b>	<b>393,550</b>	<b>393,550</b>	<b>393,549</b>	<b>(1)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>391,172</b>	<b>391,172</b>	<b>441,831</b>	<b>50,659</b>
<b>FUND BALANCE, BEGINNING</b>	<b>2,241,123</b>	<b>2,241,123</b>	<b>2,241,123</b>	<b>-</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 2,632,295</b>	<b>\$ 2,632,295</b>	<b>\$ 2,682,954</b>	<b>\$ 50,659</b>

## Exhibit E-3

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	2,732	(5,768)	1,000	1,000	(19)	(1,019)
8,500	8,500	2,732	(5,768)	1,000	1,000	(19)	(1,019)
980,000	980,000	980,000	-	1,572,580	1,572,580	1,572,580	-
414,724	414,724	414,070	654	417,795	417,795	417,241	554
1,394,724	1,394,724	1,394,070	654	1,990,375	1,990,375	1,989,821	554
(1,386,224)	(1,386,224)	(1,391,338)	(5,114)	(1,989,375)	(1,989,375)	(1,989,840)	(465)
1,393,675	1,393,675	1,038,183	(355,492)	1,990,375	1,990,375	1,718,154	(272,221)
1,393,675	1,393,675	1,038,183	(355,492)	1,990,375	1,990,375	1,718,154	(272,221)
7,451	7,451	(353,155)	(360,606)	1,000	1,000	(271,686)	(272,686)
465,603	465,603	465,603	-	286,049	286,049	286,049	-
<u>\$ 473,054</u>	<u>\$ 473,054</u>	<u>\$ 112,448</u>	<u>\$ (360,606)</u>	<u>\$ 287,049</u>	<u>\$ 287,049</u>	<u>\$ 14,363</u>	<u>\$ (272,686)</u>

**City of Burleson, Texas**  
Hotel/Motel Fund  
Budgetary Comparison Schedule  
For the Year Ended September 30, 2022

**Exhibit E-4**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Hotel occupancy taxes	\$ 244,625	\$ 244,625	\$ 366,737	\$ 122,112
Investment income (loss)	1,415	1,415	(8,449)	(9,864)
Miscellaneous	20,000	20,000	18,999	(1,001)
	<u>266,040</u>	<u>266,040</u>	<u>377,287</u>	<u>111,247</u>
<b>EXPENDITURES</b>				
Current:				
Community development	351,795	576,795	259,609	317,186
	<u>351,795</u>	<u>576,795</u>	<u>259,609</u>	<u>317,186</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(85,755)	(310,755)	117,678	428,433
<b>NET CHANGE IN FUND BALANCE</b>	(85,755)	(310,755)	117,678	428,433
<b>FUND BALANCE, BEGINNING</b>	<u>902,281</u>	<u>902,281</u>	<u>902,281</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 816,526</u>	<u>\$ 591,526</u>	<u>\$ 1,019,959</u>	<u>\$ 428,433</u>

**City of Burleson, Texas**  
 BCSDC Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Year Ended September 30, 2022

**Exhibit E-5**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Sales tax	\$ 6,128,500	\$ 6,128,500	\$ 6,955,613	\$ 827,113
Investment income (loss)	15,000	15,000	(49,740)	(64,740)
Total revenues	<u>6,143,500</u>	<u>6,143,500</u>	<u>6,905,873</u>	<u>762,373</u>
<b>EXPENDITURES</b>				
Current:				
Community development	818,778	783,775	341,652	442,123
Parks and recreation	263,510	263,510	223,132	40,378
Capital outlay	-	50,000	23,897	26,103
Total expenditures	<u>1,082,288</u>	<u>1,097,285</u>	<u>588,681</u>	<u>508,604</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	5,061,212	5,046,215	6,317,192	1,270,977
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(5,326,811)</u>	<u>(5,326,811)</u>	<u>(4,683,318)</u>	<u>(643,493)</u>
Total other financing uses	<u>(5,326,811)</u>	<u>(5,326,811)</u>	<u>(4,683,318)</u>	<u>(643,493)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(265,599)	(280,596)	1,633,874	1,914,470
<b>FUND BALANCE, BEGINNING</b>	<u>4,941,248</u>	<u>4,941,248</u>	<u>4,941,248</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 4,675,649</u>	<u>\$ 4,660,652</u>	<u>\$ 6,575,122</u>	<u>\$ 1,914,470</u>

**City of Burleson, Texas**  
**4A Corp Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended September 30, 2022**

**Exhibit E-6**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Sales tax	\$ 6,128,500	\$ 6,128,500	\$ 6,955,613	\$ 827,113
Investment income (loss)	25,750	25,750	(48,351)	(74,101)
Miscellaneous	188,200	188,200	193,532	5,332
	<u>6,342,450</u>	<u>6,342,450</u>	<u>7,100,794</u>	<u>758,344</u>
<b>EXPENDITURES</b>				
Current:				
Community development	2,501,207	2,572,749	1,722,429	850,320
Capital outlay	-	5,000,000	343,631	4,656,369
	<u>2,501,207</u>	<u>7,572,749</u>	<u>2,066,060</u>	<u>5,506,689</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	3,841,243	(1,230,299)	5,034,734	6,265,033
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	5,000	(5,000)
Transfers in	-	-	352,139	(352,139)
Transfers out	(1,990,375)	(1,990,375)	(6,718,154)	4,727,779
	<u>(1,990,375)</u>	<u>(1,990,375)</u>	<u>(6,361,015)</u>	<u>4,370,640</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	1,850,868	(3,220,674)	(1,326,281)	1,894,393
<b>FUND BALANCE, BEGINNING</b>				
	<u>2,474,792</u>	<u>2,474,792</u>	<u>2,474,792</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>				
	<u>\$ 4,325,660</u>	<u>\$ (745,882)</u>	<u>\$ 1,148,511</u>	<u>\$ 1,894,393</u>

**City of Burleson, Texas**  
**Parks Performance Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended September 30, 2022**

**Exhibit E-7**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 2,014,006	\$ 2,014,006	\$ 1,907,846	\$ (106,160)
Investment income (loss)	721	721	(4,034)	(4,755)
Miscellaneous	5,000	5,000	99	(4,901)
	<u>2,019,727</u>	<u>2,019,727</u>	<u>1,903,911</u>	<u>(115,816)</u>
<b>EXPENDITURES</b>				
Current:				
Parks and recreation	4,735,145	4,807,399	4,612,416	194,983
	<u>4,735,145</u>	<u>4,807,399</u>	<u>4,612,416</u>	<u>194,983</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(2,715,418)	(2,787,672)	(2,708,505)	79,167
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,715,416	2,715,416	2,708,505	6,911
	<u>2,715,416</u>	<u>2,715,416</u>	<u>2,708,505</u>	<u>6,911</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	(2)	(72,256)	-	72,256
<b>FUND BALANCE, BEGINNING</b>				
	-	-	-	-
<b>FUND BALANCE, ENDING</b>				
	<u>\$ (2)</u>	<u>\$ (72,256)</u>	<u>\$ -</u>	<u>\$ 72,256</u>

**City of Burleson, Texas**  
TIF 2&3 Fund  
Budgetary Comparison Schedule  
For the Year Ended September 30, 2022

**Exhibit E-8**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 1,149,080	\$ 1,149,080	\$ 1,175,995	\$ 26,915
Investment income (loss)	-	-	(12,590)	(12,590)
Miscellaneous	-	-	26,938	26,938
	<u>1,149,080</u>	<u>1,149,080</u>	<u>1,190,343</u>	<u>41,263</u>
<b>EXPENDITURES</b>				
Current:				
Community development	321,939	321,939	291,381	30,558
Public safety	230,275	230,275	14,844	215,431
Parks and recreation	-	-	19,501	(19,501)
	<u>552,214</u>	<u>552,214</u>	<u>325,726</u>	<u>226,488</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	596,866	596,866	864,617	267,751
<b>OTHER FINANCING USES</b>				
Transfers out	(393,550)	(393,550)	(833,033)	439,483
	<u>(393,550)</u>	<u>(393,550)</u>	<u>(833,033)</u>	<u>439,483</u>
<b>NET CHANGE IN FUND BALANCE</b>	203,316	203,316	31,584	(171,732)
<b>FUND BALANCE, BEGINNING</b>	<u>959,931</u>	<u>959,931</u>	<u>959,931</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,163,247</u>	<u>\$ 1,163,247</u>	<u>\$ 991,515</u>	<u>\$ (171,732)</u>

**City of Burleson, Texas**  
Municipal Court Fund  
Budgetary Comparison Schedule  
For the Year Ended September 30, 2022

**Exhibit E-9**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Fines	\$ 106,500	\$ 106,500	\$ 71,066	\$ (35,434)
Investment income (loss)	-	-	(3,978)	(3,978)
Total revenues	<u>106,500</u>	<u>106,500</u>	<u>67,088</u>	<u>(39,412)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>138,588</u>	<u>186,838</u>	<u>128,076</u>	<u>58,762</u>
Total expenditures	<u>138,588</u>	<u>186,838</u>	<u>128,076</u>	<u>58,762</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(32,088)	(80,338)	(60,988)	19,350
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(117,580)</u>	<u>(117,580)</u>	<u>(117,580)</u>	-
Total other financing uses	<u>(117,580)</u>	<u>(117,580)</u>	<u>(117,580)</u>	-
<b>NET CHANGE IN FUND BALANCE</b>	(149,668)	(197,918)	(178,568)	19,350
<b>FUND BALANCE, BEGINNING</b>	<u>414,059</u>	<u>414,059</u>	<u>414,059</u>	-
<b>FUND BALANCE, ENDING</b>	<u>\$ 264,391</u>	<u>\$ 216,141</u>	<u>\$ 235,491</u>	<u>\$ 19,350</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, 2022**

**Exhibit F-1**

	<u>Hidden Creek Golf Course</u>	<u>Solid Waste</u>	<u>Cemetery</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Deposits and investments	\$ 244,319	\$ 707,541	\$ 1,054,447	\$ 2,006,307
Receivables:				
Accounts	9,123	319,792	4,667	333,582
Accrued interest	<u>1,309</u>	<u>3,462</u>	<u>2,361</u>	<u>7,132</u>
Total current assets	<u>254,751</u>	<u>1,030,795</u>	<u>1,061,475</u>	<u>2,347,021</u>
Noncurrent assets:				
Capital assets, net	<u>2,480,059</u>	<u>5,538</u>	<u>894,902</u>	<u>3,380,499</u>
Total noncurrent assets	<u>2,480,059</u>	<u>5,538</u>	<u>894,902</u>	<u>3,380,499</u>
Total assets	<u>2,734,810</u>	<u>1,036,333</u>	<u>1,956,377</u>	<u>5,727,520</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	6,965	-	-	6,965
Deferred outflows related to pensions	165,805	-	-	165,805
Deferred outflows related to OPEB (RHP & SDBF)	<u>20,343</u>	<u>-</u>	<u>-</u>	<u>20,343</u>
Total deferred outflows of resources	<u>193,113</u>	<u>-</u>	<u>-</u>	<u>193,113</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 66,508	\$ 810,099	\$ 9,247	\$ 885,854
Accrued liabilities	50,632	-	-	50,632
Unearned revenue	579	-	-	579
Accrued interest payable	3,426	-	-	3,426
Bonds and compensated absences	<u>378,674</u>	<u>-</u>	<u>-</u>	<u>378,674</u>
Total current liabilities	<u>499,819</u>	<u>810,099</u>	<u>9,247</u>	<u>1,319,165</u>
Noncurrent liabilities:				
Bonds and compensated absences	815,946	-	-	815,946
Net pension liability	328,144	-	-	328,144
Total OPEB liability (RHP & SDBF)	<u>130,299</u>	<u>-</u>	<u>-</u>	<u>130,299</u>
Total noncurrent liabilities	<u>1,274,389</u>	<u>-</u>	<u>-</u>	<u>1,274,389</u>
Total liabilities	<u>1,774,208</u>	<u>810,099</u>	<u>9,247</u>	<u>2,593,554</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	157,816	-	-	157,816
Deferred inflows related to OPEB (RHP & SDBF)	<u>14,955</u>	<u>-</u>	<u>-</u>	<u>14,955</u>
Total deferred inflows of resources	<u>172,771</u>	<u>-</u>	<u>-</u>	<u>172,771</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,392,229	5,538	888,357	2,286,124
Unrestricted	<u>(411,285)</u>	<u>220,696</u>	<u>1,058,773</u>	<u>868,184</u>
<b>TOTAL NET POSITION</b>	<u>\$ 980,944</u>	<u>\$ 226,234</u>	<u>\$ 1,947,130</u>	<u>\$ 3,154,308</u>

**City of Burleson, Texas**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Net Position**  
**For the Year Ended September 30, 2022**

**Exhibit F-2**

	<b>Hidden Creek</b>			
	<b>Golf Course</b>	<b>Solid Waste</b>	<b>Cemetery</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Charges for goods and services	\$ 1,925,878	\$ 3,323,598	\$ 49,830	\$ 5,299,306
Miscellaneous	2,522	-	20,609	23,131
Mineral lease	-	-	34,699	34,699
Total operating revenues	<u>1,928,400</u>	<u>3,323,598</u>	<u>105,138</u>	<u>5,357,136</u>
<b>OPERATING EXPENSES</b>				
Cost of golf operations	2,420,931	-	-	2,420,931
Cost of cemetery operations	-	-	2,061	2,061
Cost of solid waste operations	-	3,752,644	-	3,752,644
Materials, supplies, and cemetery lots	-	-	2,807	2,807
Depreciation	64,307	462	10,625	75,394
Total operating expenses	<u>2,485,238</u>	<u>3,753,106</u>	<u>15,493</u>	<u>6,253,837</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(556,838)</u>	<u>(429,508)</u>	<u>89,645</u>	<u>(896,701)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Gain on disposition of capital assets	-	167,341	-	167,341
Investment income (loss)	(6,064)	(14,213)	(8,331)	(28,608)
Interest and fiscal agent charges	(51,032)	-	-	(51,032)
Total non-operating revenues (expenses)	<u>(57,096)</u>	<u>153,128</u>	<u>(8,331)</u>	<u>87,701</u>
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>(613,934)</u>	<u>(276,380)</u>	<u>81,314</u>	<u>(809,000)</u>
Transfers in	936,630	-	-	936,630
Transfers out	-	(1,015,448)	-	(1,015,448)
<b>CHANGE IN NET POSITION</b>	<u>322,696</u>	<u>(1,291,828)</u>	<u>81,314</u>	<u>(887,818)</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>658,248</u>	<u>1,518,062</u>	<u>1,865,816</u>	<u>4,042,126</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 980,944</u>	<u>\$ 226,234</u>	<u>\$ 1,947,130</u>	<u>\$ 3,154,308</u>

**City of Burleson, Texas**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended September 30, 2022**

**Exhibit F-3**

	<u>Hidden Creek Golf Course</u>	<u>Solid Waste</u>	<u>Cemetery</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,927,688	\$ 3,459,983	\$ 55,948	\$ 5,443,619
Refunds of customer deposits	-	-	(17,589)	(17,589)
Payments to suppliers and service providers	(1,308,799)	(3,214,882)	711	(4,522,970)
Payments to employees for salaries and benefits	(1,209,237)	-	-	(1,209,237)
Other receipts	3,101	-	55,308	58,409
Net cash provided by (used in) operating activities	<u>(587,247)</u>	<u>245,101</u>	<u>94,378</u>	<u>(247,768)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments from other funds	936,630	-	-	936,630
Payments to other funds	-	(1,015,448)	-	(1,015,448)
Net cash provided by noncapital financing activities	<u>936,630</u>	<u>(1,015,448)</u>	<u>-</u>	<u>(78,818)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Receipts from sale of capital assets	-	180,392	-	180,392
Principal paid on bonds	(339,357)	-	-	(339,357)
Interest payments on bonds	(32,106)	-	-	(32,106)
Acquisition of capital assets	-	-	(674,436)	(674,436)
Net cash provided by (used in) capital and related financial activities	<u>(371,463)</u>	<u>180,392</u>	<u>(674,436)</u>	<u>(865,507)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received (paid)	<u>(7,373)</u>	<u>(16,802)</u>	<u>(9,722)</u>	<u>(33,897)</u>
Net cash provided by investing activities activities	<u>(7,373)</u>	<u>(16,802)</u>	<u>(9,722)</u>	<u>(33,897)</u>
Net increase (decrease) in cash and cash equivalents	(29,453)	(606,757)	(589,780)	(1,225,990)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>273,772</u>	<u>1,314,298</u>	<u>1,644,227</u>	<u>3,232,297</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 244,319</u>	<u>\$ 707,541</u>	<u>\$ 1,054,447</u>	<u>\$ 2,006,307</u>

**City of Burleson, Texas**  
**Combining Financial Statements**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows – Continued**  
**For the Year Ended September 30, 2022**

**Exhibit F-3**

	<u>Hidden Creek Golf Course</u>	<u>Solid Waste</u>	<u>Cemetery</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of operating loss</b>				
<b>to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (556,838)	\$ (429,508)	\$ 89,645	\$ (896,701)
Depreciation	64,307	462	10,625	75,394
Change in operating assets and liabilities:				
(Increase) decrease in accounts receivable	2,389	136,385	6,118	144,892
(Increase) decrease in inventories	32,760	-	2,807	35,567
(Increase) decrease in deferred outflows related to pension	(40,335)	-	-	(40,335)
(Increase) decrease in deferred outflows related to OPEB	6,544	-	-	6,544
Increase (decrease) in accounts payable	(20,653)	537,762	2,772	519,881
Increase (decrease) in accrued liabilities	5,946	-	-	5,946
Increase (decrease) in customer deposits	-	-	(17,589)	(17,589)
Increase (decrease) in unearned revenue	579	-	-	579
Increase (decrease) in compensated absences	(48,021)	-	-	(48,021)
Increase (decrease) in net pension liability and total OPEB liability	(136,952)	-	-	(136,952)
Increase (decrease) in deferred inflows related to pension	91,631	-	-	91,631
Increase (decrease) in deferred inflows related to OPEB	11,396	-	-	11,396
Net cash provided by (used in) operating activities	<u>\$ (587,247)</u>	<u>\$ 245,101</u>	<u>\$ 94,378</u>	<u>\$ (247,768)</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, 2022**

**Exhibit G-1**

	Equipment Services	Governmental Vehicle Replacement	Business-type Vehicle Replacement	Support Services	Health Insurance	Total Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ -	\$ 3,685,494	\$ 1,302,319	\$ 1,419,549	\$ 3,821,012	\$ 10,228,374
Receivables:						
Accounts	-	-	-	-	1,594	1,594
Accrued interest	-	8,105	1,533	3,179	8,544	21,361
Inventories	54,943	-	-	-	-	54,943
Total current assets	<u>54,943</u>	<u>3,693,599</u>	<u>1,303,852</u>	<u>1,422,728</u>	<u>3,831,150</u>	<u>10,306,272</u>
Noncurrent assets:						
Capital assets, net	76,986	2,552,390	839,495	1,582,191	-	5,051,062
Total noncurrent assets	<u>76,986</u>	<u>2,552,390</u>	<u>839,495</u>	<u>1,582,191</u>	<u>-</u>	<u>5,051,062</u>
Total assets	<u>131,929</u>	<u>6,245,989</u>	<u>2,143,347</u>	<u>3,004,919</u>	<u>3,831,150</u>	<u>15,357,334</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions	61,813	-	-	249,435	-	311,248
Deferred outflows related to OPEB (RHP & SDBF)	7,585	-	-	30,603	-	38,188
Total deferred outflows	<u>69,398</u>	<u>-</u>	<u>-</u>	<u>280,038</u>	<u>-</u>	<u>349,436</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	93,904	-	-	165,726	4,754	264,384
Compensated absences	6,761	-	-	69,375	-	76,136
Due to other funds	155,558	-	-	-	-	155,558
Accrued liabilities	14,627	-	-	48,873	182	63,682
Total current liabilities	<u>270,850</u>	<u>-</u>	<u>-</u>	<u>283,974</u>	<u>4,936</u>	<u>559,760</u>
Noncurrent liabilities:						
Net pension liability	122,335	-	-	493,655	-	615,990
Total OPEB liability (RHP & SDBF)	48,578	-	-	196,022	-	244,600
Compensated absences	-	-	-	31,524	-	31,524
Total noncurrent liabilities	<u>170,913</u>	<u>-</u>	<u>-</u>	<u>721,201</u>	<u>-</u>	<u>892,114</u>
Total liabilities	<u>441,763</u>	<u>-</u>	<u>-</u>	<u>1,005,175</u>	<u>4,936</u>	<u>1,451,874</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions	58,835	-	-	237,417	-	296,252
Deferred inflows related to OPEB (RHP & SDBF)	5,574	-	-	22,498	-	28,072
Total deferred inflows	<u>64,409</u>	<u>-</u>	<u>-</u>	<u>259,915</u>	<u>-</u>	<u>324,324</u>
<b>NET POSITION</b>						
Net investment in capital assets	76,986	2,552,390	839,495	1,582,191	-	5,051,062
Unrestricted	<u>(381,831)</u>	<u>3,693,599</u>	<u>1,303,852</u>	<u>437,676</u>	<u>3,826,214</u>	<u>8,879,510</u>
Total net position	<u>\$ (304,845)</u>	<u>\$ 6,245,989</u>	<u>\$ 2,143,347</u>	<u>\$ 2,019,867</u>	<u>\$ 3,826,214</u>	<u>\$ 13,930,572</u>

**City of Burleson, Texas**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Fund Net Position - Internal Service Funds**  
**September 30, 2022**

**Exhibit G-2**

	<b>Equipment Services</b>	<b>Governmental Vehicle Replacement</b>	<b>Business-type Vehicle Replacement</b>	<b>Support Services</b>	<b>Health Insurance</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>						
Charges for goods and services	\$ 1,314,361	\$ 1,730,182	\$ 520,191	\$ 4,957,431	\$ 5,737,391	\$ 14,259,556
Miscellaneous	-	-	-	138,582	81,159	219,741
Total operating revenues	<u>1,314,361</u>	<u>1,730,182</u>	<u>520,191</u>	<u>5,096,013</u>	<u>5,818,550</u>	<u>14,479,297</u>
<b>OPERATING EXPENSES</b>						
Personnel services	387,332	-	-	1,410,052	426,243	2,223,627
Professional and contracted services	-	-	-	256,714	97,916	354,630
Insurance	-	-	-	-	4,618,144	4,618,144
Repairs and maintenance	538,767	-	-	1,142,223	-	1,680,990
Materials and supplies	680,304	-	-	337,847	-	1,018,151
Depreciation	46,817	876,865	248,014	261,103	-	1,432,799
Total operating expenses	<u>1,653,220</u>	<u>876,865</u>	<u>248,014</u>	<u>3,407,939</u>	<u>5,142,303</u>	<u>11,328,341</u>
Operating income (loss)	<u>(338,859)</u>	<u>853,317</u>	<u>272,177</u>	<u>1,688,074</u>	<u>676,247</u>	<u>3,150,956</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Gain (loss) on sale of capital assets	-	(43,120)	467,220	-	-	424,100
Investment income (loss)	73	(34,317)	(4,611)	(11,536)	(34,228)	(84,619)
Total nonoperating revenues	<u>73</u>	<u>(77,437)</u>	<u>462,609</u>	<u>(11,536)</u>	<u>(34,228)</u>	<u>339,481</u>
Income (loss) before transfers	<u>(338,786)</u>	<u>775,880</u>	<u>734,786</u>	<u>1,676,538</u>	<u>642,019</u>	<u>3,490,437</u>
Transfers out	-	(3,000,000)	(1,000,000)	-	-	(4,000,000)
Change in net position	<u>(338,786)</u>	<u>(2,224,120)</u>	<u>(265,214)</u>	<u>1,676,538</u>	<u>642,019</u>	<u>(509,563)</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>33,941</u>	<u>8,470,109</u>	<u>2,408,561</u>	<u>343,329</u>	<u>3,184,195</u>	<u>14,440,135</u>
<b>NET POSITION - ENDING OF YEAR</b>	<u>\$ (304,845)</u>	<u>\$ 6,245,989</u>	<u>\$ 2,143,347</u>	<u>\$ 2,019,867</u>	<u>\$ 3,826,214</u>	<u>\$ 13,930,572</u>

**City of Burleson, Texas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**September 30, 2022**

**Exhibit G-3**

	<b>Equipment Services</b>	<b>Vehicle Replacement Governmental</b>	<b>Vehicle Replacement Business-Type</b>	<b>Support Services</b>	<b>Health Insurance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts for interfund charges	\$ 1,314,361	\$ 1,777,382	\$ 527,192	\$ 4,990,869	\$ 5,739,742	\$ 14,349,546
Other receipts	-	-	-	138,582	81,159	219,741
Payments to vendors, suppliers and contractors	(1,157,120)	-	-	(1,594,752)	(4,713,876)	(7,465,748)
Payments to employees for services	(385,990)	-	-	(1,473,327)	(426,339)	(2,285,656)
Net cash provided by (used in) operating activities	<u>(228,749)</u>	<u>1,777,382</u>	<u>527,192</u>	<u>2,061,372</u>	<u>680,686</u>	<u>4,817,883</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Payments to other funds	<u>155,558</u>	<u>(3,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>(3,844,442)</u>
Net cash provided by (used in) noncapital financing activities	<u>155,558</u>	<u>(3,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>(3,844,442)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Receipts for sale of capital assets	-	(43,120)	467,220	-	-	424,100
Acquisition and construction of capital assets	-	(909,850)	(159,954)	(1,389,306)	-	(2,459,110)
Net cash used by capital and related financing activities	<u>-</u>	<u>(952,970)</u>	<u>307,266</u>	<u>(1,389,306)</u>	<u>-</u>	<u>(2,035,010)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received (paid)	<u>113</u>	<u>(40,910)</u>	<u>(5,284)</u>	<u>(14,243)</u>	<u>(42,330)</u>	<u>(102,654)</u>
Net cash provided by (used in) investing activities	<u>113</u>	<u>(40,910)</u>	<u>(5,284)</u>	<u>(14,243)</u>	<u>(42,330)</u>	<u>(102,654)</u>
Net increase (decrease) in cash and cash equivalents	(73,078)	(2,216,498)	(170,826)	657,823	638,356	(1,164,223)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>73,078</u>	<u>5,901,992</u>	<u>1,473,145</u>	<u>761,726</u>	<u>3,182,656</u>	<u>11,392,597</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ -</u>	<u>\$ 3,685,494</u>	<u>\$ 1,302,319</u>	<u>\$ 1,419,549</u>	<u>\$ 3,821,012</u>	<u>\$ 10,228,374</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (338,859)	\$ 853,317	\$ 272,177	\$ 1,688,074	\$ 676,247	\$ 3,150,956
Depreciation	46,817	876,865	248,014	261,103	-	1,432,799
Change in operating assets and liabilities:						
Decrease (increase) in accounts receivable	-	47,200	7,001	33,438	2,351	89,990
Decrease (increase) in inventories	(21,671)	-	-	-	-	(21,671)
Decrease (increase) in deferred outflows related to pension	(21,339)	-	-	(91,080)	-	(112,419)
Decrease (increase) in deferred outflows related to OPEB	1,089	-	-	3,329	-	4,418
Increase (decrease) in accounts payable	83,622	-	-	142,032	2,184	227,838
Increase (decrease) in accrued liabilities	2,434	-	-	9,063	(96)	11,401
Increase (decrease) in compensated absences	(1,603)	-	-	(94,707)	-	(96,310)
Increase (decrease) in net pension liability	(21,151)	-	-	(61,770)	-	(82,921)
Increase (decrease) in deferred inflows related to pension	37,485	-	-	153,885	-	191,370
Increase (decrease) in deferred inflows related to OPEB	4,427	-	-	18,005	-	22,432
Net cash provided by (used in) operating activities	<u>\$ (228,749)</u>	<u>\$ 1,777,382</u>	<u>\$ 527,192</u>	<u>\$ 2,061,372</u>	<u>\$ 680,686</u>	<u>\$ 4,817,883</u>

**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)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$101,280,575	\$102,518,051	\$105,900,578	\$111,368,435
Restricted	10,262,236	11,786,219	13,626,779	11,548,400
Unrestricted	<u>18,176,631</u>	<u>19,052,951</u>	<u>10,915,868</u>	<u>10,908,958</u>
Total governmental activities net position	<u>\$129,719,442</u>	<u>\$133,357,221</u>	<u>\$130,443,225</u>	<u>\$133,825,793</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 53,375,788	\$ 55,348,196	\$ 59,041,199	\$ 56,061,308
Restricted	3,250,923	4,592,463	3,667,415	4,592,463
Unrestricted	<u>6,943,042</u>	<u>7,355,782</u>	<u>7,251,796</u>	<u>12,448,245</u>
Total business-type activities net position	<u>\$ 63,569,753</u>	<u>\$ 67,296,441</u>	<u>\$ 69,960,410</u>	<u>\$ 73,102,016</u>
<b>Primary government:</b>				
Net investment in capital assets	\$154,656,363	\$157,866,247	\$164,941,777	\$167,429,743
Restricted	13,513,159	16,378,682	17,294,194	16,140,863
Unrestricted	<u>25,119,673</u>	<u>26,408,733</u>	<u>18,167,664</u>	<u>23,357,203</u>
Total primary government activities net position	<u>\$193,289,195</u>	<u>\$200,653,662</u>	<u>\$200,403,635</u>	<u>\$206,927,809</u>

**Table 1**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$127,316,098	\$136,812,328	\$148,085,539	\$153,051,846	\$163,721,859	\$174,521,592
12,262,240	13,166,573	13,232,818	17,468,108	12,460,606	12,617,978
8,167,997	4,245,368	4,248,170	6,714,141	14,525,540	23,156,517
<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>	<u>\$210,296,087</u>
\$ 68,346,297	\$ 69,333,764	\$ 75,777,424	\$ 79,752,890	\$ 88,788,759	\$ 86,021,027
1,049,746	1,049,746	5,225,080	7,415,521	7,608,773	305,147
10,499,641	15,642,520	11,580,796	13,778,201	10,389,928	28,366,948
<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>	<u>\$114,693,122</u>
\$195,662,395	\$206,146,122	\$223,862,963	\$232,804,736	\$252,510,618	\$260,542,619
13,311,986	14,216,319	18,457,898	24,883,629	20,069,379	12,923,125
18,667,638	19,887,888	15,828,966	20,492,342	24,915,468	51,523,465
<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>	<u>\$324,989,209</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses				
Governmental activities:				
General government	\$ 4,779,683	\$ 6,027,808	\$ 5,567,804	\$ 3,406,957
Public safety	14,505,108	14,793,251	15,587,330	18,135,674
Public works	9,476,476	10,025,105	10,344,069	11,100,276
Community Development	1,534,915	2,071,758	2,467,564	4,701,517
Culture and recreation	6,148,475	6,851,657	7,062,534	7,801,924
Parks and recreation	-	-	-	-
Library	-	-	-	-
Interest and other fees	3,256,327	3,319,768	3,218,658	3,237,341
Total governmental activities expenses	<u>39,700,984</u>	<u>43,089,347</u>	<u>44,247,959</u>	<u>48,383,689</u>
Business-type activities:				
Water and wastewater	14,553,979	14,699,969	15,692,100	16,333,488
Hidden Creek Golf Course	2,100,255	1,922,102	1,983,682	2,049,089
Solid Waste	2,595,756	2,742,100	2,779,193	2,846,497
Cemetery	10,994	11,498	11,891	11,152
Total business-type activities expenses	<u>19,260,984</u>	<u>19,375,669</u>	<u>20,466,866</u>	<u>21,240,226</u>
Total primary government expenses	<u>\$ 58,961,968</u>	<u>\$ 62,465,016</u>	<u>\$ 64,714,825</u>	<u>\$ 69,623,915</u>
Program Revenues:				
Governmental activities:				
Charges for services	\$ 8,127,467	\$ 8,036,809	\$ 7,773,637	\$ 7,566,246
Operating grants and contributions	603,962	294,371	829,724	971,500
Capital grants and contributions	3,769,399	3,752,163	2,983,243	2,144,534
Total governmental activities program revenues	<u>12,500,828</u>	<u>12,083,343</u>	<u>11,586,604</u>	<u>10,682,280</u>
Business-type activities				
Charges for services	19,788,547	20,526,744	21,331,913	22,263,652
Operating grants and contributions	561,332	1,004,948	846,581	827,614
Capital grants and contributions	2,976,121	1,938,294	1,766,788	1,067,383
Total business-type activities program revenues	<u>23,326,000</u>	<u>23,469,986</u>	<u>23,945,282</u>	<u>24,158,649</u>
Total primary government program revenues	<u>\$ 35,826,828</u>	<u>\$ 35,553,329</u>	<u>\$ 35,531,886</u>	<u>\$ 34,840,929</u>
Net (expense)/revenue				
Governmental activities	\$(27,200,156)	\$(31,006,004)	\$(32,661,355)	\$(37,701,409)
Business-type activities	4,065,016	4,094,317	3,478,416	2,918,423
Total primary government net expense	<u>\$(23,135,140)</u>	<u>\$(26,911,687)</u>	<u>\$(29,182,939)</u>	<u>\$(34,782,986)</u>

Table 2

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 7,611,844	\$ 7,801,767	\$ 8,762,392	\$ 9,901,828	\$ 7,678,903	\$ 8,293,081
18,619,648	19,356,978	20,396,702	21,647,212	26,227,399	29,220,408
11,263,930	12,173,830	12,650,861	14,839,605	13,597,575	14,743,553
2,740,816	4,902,487	5,138,466	4,216,584	4,587,759	4,178,055
8,091,904	8,134,817	8,053,419	7,940,337	7,697,763	-
-	-	-	-	-	6,377,399
-	-	-	-	-	1,411,839
<u>3,118,052</u>	<u>2,954,294</u>	<u>3,242,540</u>	<u>3,122,881</u>	<u>2,886,794</u>	<u>2,805,915</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>	<u>67,030,250</u>
16,349,125	17,605,194	18,910,941	18,543,022	18,640,527	20,536,810
2,141,509	2,046,511	2,194,026	2,321,398	1,895,172	2,546,070
2,957,738	3,047,978	3,179,444	3,464,393	3,563,473	3,780,319
<u>11,910</u>	<u>12,528</u>	<u>28,894</u>	<u>33,770</u>	<u>80,828</u>	<u>15,493</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>26,878,692</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>	<u>\$ 93,908,942</u>
\$ 8,782,144	\$ 8,784,594	\$ 8,480,206	\$ 7,845,040	\$ 8,780,004	\$ 9,394,259
1,592,388	1,426,293	738,026	2,998,564	5,981,907	4,270,180
<u>11,440,915</u>	<u>6,353,066</u>	<u>7,595,136</u>	<u>5,699,075</u>	<u>2,253,873</u>	<u>8,786,321</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>	<u>22,450,760</u>
23,108,557	25,809,983	25,405,060	26,532,808	26,713,025	29,937,355
1,108,892	-	16,442	8,549	14,260	34,699
<u>4,020,669</u>	<u>2,272,247</u>	<u>3,512,382</u>	<u>3,818,739</u>	<u>2,980,216</u>	<u>5,036,972</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>35,009,026</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>	<u>\$ 57,459,786</u>
\$(29,630,747)	\$(38,760,220)	\$(41,431,012)	\$(45,125,768)	\$(45,660,409)	\$(44,579,490)
<u>6,777,836</u>	<u>5,370,019</u>	<u>4,620,579</u>	<u>5,997,513</u>	<u>5,527,501</u>	<u>8,130,334</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>	<u>\$(36,449,156)</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 15,853,216	\$ 16,377,575	\$ 19,171,938	\$ 20,510,482
Tax Increment Financing	254,600	406,445	423,586	457,438
Sales and use taxes	14,110,028	16,051,878	16,689,391	16,595,528
Hotel/motel taxes	146,986	165,550	192,639	219,250
Franchise fees	2,659,237	2,968,801	3,242,051	3,166,620
Investment income	536,572	80,273	95,192	243,568
Gain on sale of assets	-	-	-	-
Transfers	122,937	(258,909)	(244,589)	(108,909)
Total governmental activities	<u>33,683,576</u>	<u>35,791,613</u>	<u>39,570,208</u>	<u>41,083,977</u>
Business-type activities:				
Investment income	38,714	26,334	29,790	114,274
Gain on sale of assets	-	-	-	-
Transfers	(122,937)	258,909	244,589	108,909
Total business-type revenues	<u>(84,223)</u>	<u>285,243</u>	<u>274,379</u>	<u>223,183</u>
Total primary government	<u>\$ 33,599,353</u>	<u>\$ 36,076,856</u>	<u>\$ 39,844,587</u>	<u>\$ 41,307,160</u>
Change in Net Position				
Governmental activities	\$ 6,483,420	\$ 4,785,609	\$ 6,908,853	\$ 3,382,568
Business-type activities	<u>3,980,793</u>	<u>4,379,560</u>	<u>3,752,795</u>	<u>3,141,606</u>
Total primary government	<u>\$ 10,464,213</u>	<u>\$ 9,165,169</u>	<u>\$ 10,661,648</u>	<u>\$ 6,524,174</u>

**Table 2**  
(Continued)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 21,776,804	\$ 21,776,804	\$ 26,785,864	\$ 28,894,199	\$ 29,343,869	\$ 30,311,580
536,812	536,812	683,559	777,021	905,662	1,175,995
17,099,917	17,099,917	19,660,908	21,468,069	24,801,831	28,011,255
222,652	222,652	237,665	190,187	455,115	466,584
3,113,999	3,113,999	3,383,906	3,404,113	3,732,406	3,931,439
471,436	471,436	1,772,832	1,950,288	78,034	(484,929)
-	-	105,767	1,877,727	70,477	13,402
<u>329,669</u>	<u>329,669</u>	<u>(780,753)</u>	<u>(1,768,268)</u>	<u>(253,075)</u>	<u>742,246</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>	<u>64,167,572</u>
311,582	311,582	1,114,808	581,231	44,697	(116,987)
33,919	33,919	41,100	16,300	15,575	634,561
<u>(329,669)</u>	<u>(329,669)</u>	<u>780,753</u>	<u>1,768,268</u>	<u>253,075</u>	<u>(742,246)</u>
<u>15,832</u>	<u>15,832</u>	<u>1,936,661</u>	<u>2,365,799</u>	<u>313,347</u>	<u>(224,672)</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>	<u>\$ 63,942,900</u>
\$ 13,920,542	\$ 4,791,069	\$ 10,418,736	\$ 11,667,568	\$ 13,473,910	\$ 19,588,082
<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>7,905,662</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>	<u>\$ 27,493,744</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund:				
Nonspendable	\$ 53,769	\$ 24,806	\$ 32,024	\$ 28,174
Committed to:				
Debt service	703,824	610,445	510,802	404,607
Other Purposes	718,732	513,332	809,956	251,257
Assigned to:				
Risk management	874,825	1,047,047	1,047,047	1,047,047
Unassigned	<u>8,841,408</u>	<u>9,945,249</u>	<u>9,023,255</u>	<u>9,273,423</u>
 Total general fund	 <u>\$ 11,192,558</u>	 <u>\$ 12,140,879</u>	 <u>\$ 11,423,084</u>	 <u>\$ 11,004,508</u>
 All Other Governmental Funds:				
Nonspendable	\$ 300	\$ 1,437	\$ 1,389	\$ 2,617
Restricted for:				
Debt service	2,704,260	2,576,315	2,580,870	2,530,494
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Library	-	-	10,000	1,096
Economic development	7,074,668	8,702,328	10,473,189	8,406,131
Tourism	483,308	507,576	572,720	623,803
Capital projects	-	-	18,992,927	16,233,204
Other purposes	-	-	-	-
Committed to:				
Culture and recreation	723,587	530,845	585,144	683,099
Economic development	140,743	272,383	409,834	484,485
Capital projects	19,994,818	27,119,647	8,843,780	8,325,229
Debt service	511,000	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total all other governmental funds	 <u>\$ 31,632,684</u>	 <u>\$ 39,710,531</u>	 <u>\$ 42,469,853</u>	 <u>\$ 37,290,158</u>

**Table 3**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 26,769	\$ 40,389	\$ 14,997	\$ 4,080	\$ 49,800	\$ 27,424
291,558	802,860	622,908	523,325	465,429	405,527
299,254	586,007	320,191	220,044	234,175	1,025,116
1,047,047	1,047,047	1,369,818	1,260,078	-	-
<u>8,334,083</u>	<u>7,534,128</u>	<u>9,391,334</u>	<u>14,120,506</u>	<u>17,589,905</u>	<u>20,466,098</u>
\$ 9,998,711	\$ 10,010,431	\$ 11,719,248	\$ 16,128,033	\$ 18,339,309	\$ 21,924,165
\$ 5,190	\$ 1,412	\$ 1,620	\$ -	\$ -	\$ 100,000
2,545,853	2,682,681	2,315,108	3,150,018	2,992,775	2,809,765
-	-	-	1,123	414,059	289,721
-	-	1,402	618	563	23,405
408	409	522	243	815	12,991
9,597,492	10,428,389	10,147,192	13,620,267	8,428,929	8,739,711
647,895	721,237	770,518	697,823	902,281	1,019,959
15,166,607	27,103,803	28,908,327	21,852,694	15,298,057	16,238,510
-	-	-	-	5,203	46,781
889,250	875,940	981,885	-	-	-
395,759	73,618	73,618	73,618	-	-
8,127,991	6,416,935	8,263,131	8,517,847	11,614,396	16,548,521
-	-	-	-	-	-
-	-	-	(1,424,708)	(191,511)	(153,545)
<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>	<u>\$ 45,675,819</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues:				
Property taxes	\$ 16,247,528	\$ 16,980,934	\$ 19,856,938	\$ 21,228,368
Sales and use taxes	14,257,015	16,216,375	16,880,929	16,798,919
Franchise fees	2,714,231	2,940,465	3,193,511	3,150,851
Licenses and permits	1,147,361	1,446,281	1,415,034	1,335,198
Intergovernmental	212,609	242,262	287,832	599,310
Fines and forfeitures	1,127,906	1,282,599	1,422,084	1,402,152
Donations	391,353	52,110	533,822	251,840
Charges for services	3,267,802	3,555,560	3,727,378	3,840,360
Investment income	81,002	74,873	88,026	223,806
Mineral lease	1,058,233	969,979	521,976	268,183
Street assessments	86,535	70,473	166,226	143,429
Miscellaneous	2,296,743	1,581,916	1,874,647	1,578,783
Total revenues	<u>42,888,318</u>	<u>45,413,827</u>	<u>49,968,403</u>	<u>50,821,199</u>
Expenditures:				
Current:				
General government	5,109,652	4,596,577	5,178,035	5,356,449
Public safety	13,916,985	14,734,093	17,829,372	18,320,238
Public works	5,434,287	5,755,348	5,869,224	6,416,556
Community development	1,790,790	2,401,704	2,834,550	5,057,885
Culture and recreation	5,527,597	6,249,210	6,275,252	6,867,778
Library	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	1,723,052	11,310,554	10,414,349	14,986,952
Debt service:				
Principal	5,106,392	4,627,379	5,230,643	5,741,552
Interest and fiscal agent charges	3,262,591	3,202,770	3,815,653	3,558,020
Debt issuance costs	-	-	-	-
Total expenditures	<u>41,871,346</u>	<u>52,877,635</u>	<u>57,447,078</u>	<u>66,305,430</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,016,972</u>	<u>(7,463,808)</u>	<u>(7,478,675)</u>	<u>(15,484,231)</u>
Other financing sources (uses):				
Transfers in	7,193,956	6,214,654	8,009,497	12,017,189
Transfers out	(7,096,019)	(6,486,563)	(8,288,086)	(12,160,098)
Issuance of leases payable	-	-	-	-
Issuance of bonds	4,620,000	24,243,570	18,715,000	30,051,092
Payment to refunded bonds escrow agent	-	(10,009,448)	(11,047,964)	(23,304,563)
Premium	171,291	2,527,764	2,131,755	3,282,340
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>4,889,228</u>	<u>16,489,977</u>	<u>9,520,202</u>	<u>9,885,960</u>
Net change in fund balances	<u>\$ 5,906,200</u>	<u>\$ 9,026,169</u>	<u>\$ 2,041,527</u>	<u>\$ (5,598,271)</u>
Debt service as a percentage of non-capital expenditures (1)	22.65%	15.47%	19.75%	19.22%

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

Table 4

2017	2018	2019	2020	2021	2022
\$ 22,662,335	\$ 25,189,670	\$ 27,469,423	\$ 29,671,220	\$ 30,249,531	\$ 31,487,575
17,305,748	18,729,392	19,878,538	21,650,326	25,256,946	28,377,992
3,089,998	3,249,704	3,353,554	3,386,680	3,571,813	3,793,789
1,356,969	1,351,498	1,408,566	1,855,309	1,600,238	1,421,318
1,345,592	1,022,835	535,884	1,421,536	4,324,083	3,331,989
1,543,257	1,445,053	1,116,297	600,142	1,557,088	948,701
133,652	227,283	859,829	1,104,396	1,224,829	995,633
4,127,562	4,046,803	4,191,285	4,631,276	3,921,001	5,057,344
428,422	920,364	1,535,153	731,941	62,310	(405,313)
311,715	308,858	274,053	164,269	275,019	618,527
47,481	27,947	686,010	48,425	59,962	69,999
1,831,166	1,787,707	1,635,999	937,024	1,809,495	1,842,139
54,183,897	58,307,114	62,944,591	66,202,544	73,912,315	77,539,693
6,958,826	7,467,748	8,133,737	9,344,073	7,245,026	7,945,627
17,536,369	19,465,973	18,304,389	20,336,457	24,097,823	28,777,056
6,020,703	6,807,958	6,711,307	6,196,124	6,212,409	7,358,473
3,159,634	5,449,827	5,189,610	4,010,870	5,000,187	5,855,292
7,076,266	7,186,446	7,200,075	6,707,818	7,257,408	-
-	-	-	-	-	1,425,891
-	-	-	-	-	6,841,115
9,629,088	5,084,668	9,574,077	12,831,619	14,252,846	11,661,005
6,295,335	663,791	7,270,453	7,727,653	8,182,255	7,302,472
3,901,892	3,536,470	3,946,604	3,816,809	3,709,678	3,392,116
-	173,355	123,526	152,729	-	160,505
60,578,113	55,836,236	66,453,778	71,124,152	75,957,632	80,719,552
(6,394,216)	2,470,878	(3,509,187)	(4,921,608)	(2,045,317)	(3,179,859)
10,673,496	6,990,660	8,750,700	9,658,184	16,309,887	19,039,100
(10,377,827)	(7,289,423)	(9,439,453)	(11,460,452)	(19,077,270)	(15,296,854)
-	631,520	-	-	-	-
4,965,000	13,745,000	7,415,000	8,005,000	-	8,095,000
-	-	-	(5,304,194)	-	-
214,037	278,976	727,114	1,585,693	-	675,003
-	212,088	-	1,872,402	-	462,718
5,474,706	14,568,821	7,453,361	4,356,633	(2,767,383)	12,974,967
\$ (919,510)	\$ 17,039,699	\$ 3,944,174	\$ (564,975)	\$ (4,812,700)	\$ 9,795,108
19.84%	18.71%	20.20%	19.80%	19.22%	15.63%

**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>
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%
2022	4,480,842,613	1,175,303,208	44,893,534	637,057,424	5,063,981,931	0.6859	5,063,981,931	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>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>	<u>2022</u>
<b>OVERLAPPING RATES</b>										
Tarrant County	0.2640	0.2640	0.2640	0.2640	0.2540	0.2440	0.2340	0.2340	0.2340	0.2290
Tarrant County Hospital District	0.2279	0.2279	0.2279	0.2279	0.2279	0.2244	0.2244	0.2244	0.2244	0.2244
Tarrant County College	0.1495	0.1495	0.1495	0.1495	0.1447	0.1401	0.1361	0.1302	0.1302	0.1302
Tarrant County Regional Water District	0.0200	0.0200	0.0200	0.0200	0.0194	0.0194	0.0194	0.0287	0.0287	0.0287
Johnson County	0.3332	0.3712	0.4054	0.4077	0.4227	0.4417	0.4417	0.3847	0.3847	0.3797
Burleson Independent School District	1.5400	1.5400	1.5400	1.5400	1.5400	1.6700	1.6700	1.5684	1.5383	1.4946
Joshua Independent School District	1.4900	1.4900	1.4200	1.6000	1.6100	1.6000	1.5200	1.4400	1.3960	1.2900
Crowley Independent School District	1.6700	1.6700	1.6500	1.6500	1.6500	1.6700	1.6700	1.5684	1.5398	1.4841
<b>CITY DIRECT RATES</b>										
Operating & Maintenance	0.5278	0.5278	0.5278	0.5278	0.5228	0.5228	0.5228	0.5106	0.5187	0.4974
Interest & Sinking	0.1622	0.1622	0.2122	0.2122	0.2122	0.2122	0.2122	0.2094	0.1924	0.1885
Total Direct Rate	0.6900	0.6900	0.7400	0.7400	0.7350	0.7350	0.7350	0.7200	0.7111	0.6859

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	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assesed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assesed Valuation
Burleson Gateway Station LP	\$ 38,959,448	1	0.77 %			
Wagner Smith Equipment Co.	26,578,261	2	0.52	\$ 19,988,208	3	0.83 %
ABBY Burleson MF LLC	22,328,637	3	0.44			
Burleson Commons LLC	20,966,323	4	0.41	20,498,927	2	0.85
Golden State Foods Corp	19,187,746	5	0.38			
MA Summercrest at Burleson LLC	18,866,285	6	0.37			
TEP Barnett USA LLC	17,804,101	7	0.35			
Sam's Real Estate Business Tr/Sam's East Inc	17,240,704	8	0.34			
Oncor Electric Delivery Co	16,750,695	9	0.33			
JAHCO Burleson Town Center LLC	15,750,000	10	0.31			
Chesapeake Operating LP	-		-	23,241,473	1	0.96
Encore MF Burleson LP	-		-	14,747,820	4	0.61
Devon Energy Production CO LP	-		-	11,782,434	5	0.49
Target Corporation	-		-	11,306,138	6	0.47
Baker Hughes Oilfield Operations, Inc/	-		-	11,121,637	7	0.46
Dragon Products	-		-	10,929,120	8	0.45
WalMart Stores Inc. #220	-		-	10,474,522	9	0.43
HEB Grocery Company LLP	-		-	10,142,394	10	0.42
<b>Total</b>	<b>\$ 214,432,200</b>		<b>4.22 %</b>	<b>\$144,232,673</b>		<b>5.97 %</b>

**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
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%
2022	2021	31,353,198	31,152,307	99.36%	25,571	31,177,878	99.44%

Sources: Johnson County Tax Office reports

**City of Burleson, Texas**  
**Ratios of Outstanding Debt by Type**  
**and General Bonded Debt Outstanding (Unaudited)**  
**Last Ten Fiscal Years**

Fiscal Year	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES	
	General Obligation Bonds	Certificates of Obligation (1)	Sales Tax Revenue Bonds	Leases	Unamortized Premium	General Obligation Bonds	Certificates of Obligation
2013	\$ 34,692,000	\$ 37,925,000	\$ 5,765,000	\$ 762,991	\$ 1,191,961	\$ 13,608,000	\$ 21,780,000
2014	49,584,570	33,800,000	5,140,000	621,676	3,149,960	11,770,430	23,220,000
2015	55,518,570	31,685,000	4,490,000	520,372	4,790,377	21,561,430	22,520,000
2016	68,653,213	20,895,000	3,815,000	419,067	8,325,210	24,816,787	24,050,000
2017	73,129,176	23,256,570	3,179,150	297,396	7,418,969	24,159,171	31,672,038
2018	63,172,356	33,695,000	2,380,000	806,613	6,599,717	20,087,644	36,690,000
2019	58,076,855	39,880,000	1,615,000	624,426	6,294,038	17,638,144	39,665,000
2020	52,038,785	41,875,000	825,000	523,326	6,846,544	15,266,215	42,015,000
2021	46,569,428	40,045,000	-	465,429	5,704,181	17,250,572	35,795,000
2022	42,596,857	44,870,000	-	405,528	5,388,903	14,333,143	39,730,000

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**

<b>BUSINESS-TYPE ACTIVITIES</b>					
<u>Leases</u>	<u>Water Revenue Bonds</u>	<u>Unamortized Premium</u>	<u>Total Primary Government (2)</u>	<u>Percentage of Personal Income (3)</u>	<u>Per Capita (3)</u>
\$ 171,101	\$ 12,740,000	\$ 482,612	\$129,118,665	11.60%	3,310
17,198	12,340,000	1,254,735	140,898,569	12.23%	3,461
14,653	6,520,000	2,860,630	150,481,032	12.80%	3,651
12,108	3,655,000	3,548,319	158,189,704	13.02%	3,717
8,937	3,582,475	3,349,611	170,053,493	13.17%	3,868
5,748	3,285,000	3,028,819	169,750,897	12.30%	3,784
2,326	2,708,028	3,002,559	169,506,376	11.44%	3,716
-	2,900,000	3,267,486	165,557,356	10.63%	3,557
-	2,700,000	2,771,511	151,301,121	8.94%	2,993
-	2,495,000	2,842,740	152,662,171	9.51%	3,040

**City of Burleson, Texas**  
**Net General Bonded Debt Outstanding (Unaudited)**  
**Last Ten Fiscal Years**

Fiscal Year	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES	
	General Obligation Bonds	Certificates of Obligation (3)	Unamortized Premium	Less: Amounts Available in Debt Service Fund	General Obligation Bonds (3)	Certificates of Obligation (3)
2013	\$ 34,692,000	\$ 37,925,000	\$ 1,191,961	\$ 846,752	\$ 13,608,000	\$ 21,780,000
2014	49,584,570	33,800,000	3,149,960	857,274	11,770,430	26,220,000
2015	55,518,570	31,685,000	4,790,377	873,316	21,561,430	22,520,000
2016	68,653,213	20,895,000	8,325,210	815,726	24,816,787	24,050,000
2017	73,129,176	23,256,570	7,418,969	821,623	22,564,073	30,030,000
2018	63,172,356	33,695,000	6,599,717	935,135	20,087,644	36,690,000
2019	58,076,856	39,880,000	6,294,038	526,482	17,638,144	39,665,000
2020	52,038,785	41,875,000	6,846,544	2,398,153	15,266,215	42,015,000
2021	46,569,428	40,045,000	5,704,181	2,241,124	17,250,572	35,795,000
2022	42,596,857	44,870,000	5,388,903	2,682,953	14,333,143	39,730,000

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**

<b>BUSINESS-TYPE ACTIVITIES</b>			<b>Net General Bonded Debt Outstanding</b>	<b>Percentage of Actual Property Value (1)</b>	<b>Per Capita (2)</b>
<b>Unamortized Premium</b>	<b>Total General Bonded Debt</b>	<b>Less: Self-supported Debt (4)</b>			
\$ 482,612	\$108,832,821	\$ 61,140,001	\$ 47,692,820	1.98%	1,223
1,254,735	124,922,421	66,191,289	58,731,132	2.36%	1,443
2,860,630	138,062,691	73,906,740	64,155,951	2.30%	1,557
3,548,319	149,472,803	70,561,740	78,911,063	2.62%	1,854
3,349,611	158,926,776	72,145,034	86,781,742	2.67%	1,974
3,028,819	162,338,401	83,101,740	79,236,661	2.44%	1,766
3,002,559	164,030,115	90,211,289	73,818,826	1.84%	1,618
3,267,486	158,910,877	73,562,446	85,348,431	1.94%	1,834
2,771,511	145,894,568	68,218,869	77,675,699	1.59%	1,450
2,842,740	147,078,690	85,172,633	61,906,057	1.52%	1,233

THE CITY OF  
**BURLESON**  
TEXAS

**City of Burleson, Texas**  
 Direct and Overlapping  
 Governmental Activities Debt (Unaudited)  
 September 30, 2022

**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	\$ 93,261,288	100%	\$ 93,261,288
Johnson County	18,735,000	22.77%	4,265,960
Tarrant County	433,175,000	0.39%	1,689,383
Tarrant County Hospital District	255,995,000	0.39%	998,381
Tarrant County Junior College District	12,825,000	0.39%	50,018
Burleson ISD	309,726,599	62.03%	192,123,409
Joshua ISD	92,755,000	22.50%	<u>20,869,875</u>
<b>Total overlapping debt</b>			<u>\$ 219,997,024</u>
<b>Total direct and overlapping debt</b>			<u>\$ 313,258,312</u>
Per capita direct and overlapping debt			<u>\$ 6,239</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: 50,210

Source: Hilltop Securities

**City of Burleson, Texas**

**Pledged – Revenue Bond Water and Sewer Coverage (Unaudited)**

**Last Ten Fiscal Years**

<b>WATER AND SEWER DEBT</b>					
<b>Fiscal Year</b>	<b>Gross Revenues(1)</b>	<b>Direct Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Revenue Bonds</b>	
				<b>Debt Service</b>	
				<b>Principal</b>	<b>Interest</b>
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
2022	24,505,013	13,749,990	10,755,023	205,000	96,325

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**

**WATER AND SEWER DEBT**

<u>Revenue Bonds</u>		<u>Combination Tax &amp; Revenue Bonds</u>				<u>Total Water &amp; Sewer Bond Coverage</u>
<u>Debt Service</u>		<u>Debt Service</u>				
<u>Total</u>	<u>Coverage</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>	
\$ 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
301,325	35.69	1,675,000	1,324,769	2,999,769	3.59	3.26

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

**Table 13**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars) (2)</b>	<b>Per Capita Income (6)</b>	<b>Median Age (3)</b>	<b>Public School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2013	39,010	\$ 1,112,955	\$ 28,530	32.9	10,457	4.6%
2014	40,714	1,152,369	28,304	33.0	10,618	3.9%
2015	41,213	1,175,807	28,530	33.0	11,363	3.2%
2016	42,560	1,214,833	28,544	32.9	11,376	3.1%
2017	43,960	1,291,589	29,381	32.8	11,748	3.2%
2018	44,860	1,380,162	30,766	33.0	12,054	3.2%
2019	45,620	1,481,783	32,481	33.0	12,440	2.9%
2020	46,540	1,557,461	33,465	33.0	12,775	6.9%
2021	47,730	1,597,284	33,465	35.3	12,474	4.0%
2022	50,210	1,606,017	31,986	35.3	12,532	2.9%

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

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

**Table 14**

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent</u>
Burleson Independent School District	1,800	1	9.56 %	1,512	1	11.05 %
Wal-Mart	480	2	2.55	520	2	3.80
City of Burleson	479	3	2.54	374	3	2.73
H.E.B. Grocery	400	4	2.12	320	4	2.34
Jellystone RV Ranch/Pirates Cove	400	5	2.12			
Golden State Foods	320	6	1.70			
Champion Buildings Mfg	300	7	1.59	310	5	2.27
KWS Manufacturing	170	8	0.90	140	8	1.02
McLane Classic Foods	120	9	0.64			
Lowe's Companies	100	10	0.53	141	7	1.03
Basden Steel				150	6	1.10
Home Depot				100	9	0.73
Thomas Conveyor Mfg				90	10	0.66
<b>Total</b>	<b>4,569</b>		<b>24.27 %</b>	<b>3,657</b>		<b>26.72 %</b>

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**

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

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

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

Table 15

2017	2018	2019*	2020*	2021*	2022*
4.00	4.00	4.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	3.00	3.00
1.00	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	11.00
2.50	2.50	2.00	2.00	3.00	3.00
4.00	4.00	4.00	4.00	5.00	6.00
2.00	2.00	2.50	4.00	4.00	4.50
11.00	11.00	12.00	12.00	11.00	11.00
1.00	-	-	-	-	0.50
1.00	1.00	1.00	1.00	1.00	1.00
8.00	8.00	9.00	9.00	10.00	10.00
1.00	1.00	1.00	1.00	1.00	1.00
84.50	85.50	90.76	95.76	86.50	92.50
-	-	-	-	19.26	19.26
48.00	48.00	49.00	49.00	49.00	56.00
3.00	3.00	3.00	4.00	4.00	4.00
-	-	1.00	1.00	1.00	1.00
4.00	4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00	3.00
6.00	6.00	6.00	6.00	6.00	6.00
18.00	17.00	17.00	20.00	22.00	22.00
2.00	2.00	2.00	2.00	2.00	1.00
5.50	5.50	5.00	5.50	5.50	5.50
2.00	2.00	2.00	3.00	3.00	2.00
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	4.00	4.00	3.00	3.00
9.00	10.00	10.00	10.00	10.00	12.00
2.50	2.50	5.00	4.00	2.00	2.00
12.00	12.00	11.50	10.00	10.00	12.00
2.00	2.00	2.00	2.00	1.00	1.00
38.10	38.60	42.26	42.26	43.76	45.76
12.00	12.00	11.91	11.91	11.91	14.91
2.00	3.00	2.84	2.84	2.84	2.84
8.10	7.10	8.83	8.83	7.83	8.83
1.00	1.40	2.28	2.28	2.28	2.28
21.00	21.00	21.00	21.00	21.00	21.00
8.00	8.00	8.00	8.00	8.00	9.00
2.00	2.00	2.00	2.00	1.00	-
6.50	6.50	6.80	6.80	6.80	6.80
9.00	9.00	8.68	8.68	7.68	7.68
4.20	4.20	4.19	4.19	4.19	4.19
1.00	1.00	1.00	-	-	-
3.00	3.00	3.00	3.00	4.00	4.00
375.9	377.8	394.55	401.05	409.55	433.55

THE CITY OF  
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**City of Burleson, Texas**  
**Schedule of Insurance Policies in Force (Unaudited)**  
**As of September 30, 2022**

**Table 16**

	<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 Intergovernmental Risk Pool	A++	3511	10/1/2021 9/30/2022	General Liability	-	\$1,000,000
				Real & Personal Property	\$2,500	91,701,089
				Flood and Earthquake	25,000	5,000
				Boiler and Machinery	2,500	100,000
				Mobile Equipment	2,500	100,000
				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
				Theft Disappearance and Destr	100	20,000
				Computer Fraud	50,000	100,000
				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**  
**Operating Indicators by Function/Program (Unaudited)**  
**Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety					
Police					
Total calls	78,426	83,937	82,340	72,900	63,460
Arrests	1,068	1,050	1,077	1,089	1,045
Traffic enforcement	7,929	8,981	6,470	6,312	11,374
Fire					
Number of calls for service	3,622	3,821	4,121	4,338	4,491
Inspections	2,038	2,719	3,957	4,012	2,895
Animal Control					
Animals Adopted	352	426	478	457	564
Animals Impounded	1,900	1,907	1,942	2,041	2,352
Environmental Health					
Permits <sup>1</sup>	-	-	-	-	265
Inspections	-	131	162	182	521
Community Development					
Permits Issued <sup>3</sup>	4,627	4,734	4,826	7,088	4,829
Inspections Made	11,015	13,827	15,071	15,186	14,225
Parks and Recreation					
Recreation					
Special Event Participants	33,725	28,415	38,181	41,300	44,225
Senior Citizen Participants <sup>4</sup>	34,219	35,124	33,535	37,688	36,450
Library					
Books in Collection	64,640	66,435	70,545	70,828	70,210
Materials borrowed <sup>2</sup>	406,379	432,189	413,732	436,033	333,290
Water and Sewer					
Number of water customers	13,251	13,501	13,877	14,224	14,432
Number of sewer connections	13,396	13,495	14,087	14,457	14,513
Gas Well					
Number of Permits	-	7	-	-	-
Number of Pad Site Inspections <sup>5</sup>	6,350	6,032	3,033	2,964	3,380

- Notes:
- (1) All permits collected by Tarrant County Health Department prior to June 2020.
  - (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.

Source: Various City Departments

**Table 17**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
59,062	45,349	44,477	56,916	54,364
1,107	1,210	1,276	1,221	1,314
8,733	6,672	5,162	7,754	6,864
4,274	4,505	4,473	5,174	6,387
1,427	3,281	2,139	2,170	2,132
719	799	674	660	678
1,777	1,860	1,585	1,697	1,704
294	336	334	388	468
507	447	529	670	690
4,844	4,560	4,610	3,864	4,279
13,104	12,276	15,207	13,495	14,090
44,500	45,200	17,585	19,295	37,161
35,247	55,032	Closed - Covid	14,749	38,195
68,980	65,951	65,107	63,559	53,849
338,654	348,100	287,183	278,508	267,053
14,588	15,185	15,437	15,641	15,908
14,849	15,666	16,050	16,304	16,635
-	-	-	-	-
3,276	1,000	1,000	126	126

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Date of incorporation	May 12, 1912			
Date of charter	April 5, 1989			
Area incorporated (square miles)	26.17	26.17	26.33	28.06
Form of government	Council/Manager			
Education:				
Attendance centers	15	15	15	16
Number of teachers	665	675	685	706
Number of students	10,457	10,618	10,807	11,376
Miles of streets	185.00	181.00	185.17	192.76
Miles of sewers:				
Sanitary sewers	200.00	199.39	202.39	203.38
Storm sewers	49.00	49.70	49.47	50.68
Culture and recreation:				
Parks - number of acres	454	463.44	463.44	486.19
Number of municipal pools	2	2	2	2
Number of lighted ball diamonds	16	16	16	16
Number of community centers	2	2	2	2
Municipal water system:				
Number of water customers	13,251	13,501	13,877	14,224
Daily average consumption (gallons)	4,227,154	4,344,483	4,129,146	4,196,295
System capacity (gallons per day)	14,550,000	14,550,000	17,500,000	17,500,000
Miles of water mains	189.00	192.09	205.24	204.72
Number of fire hydrants	1,349	1,431	1,463	1,497
Municipal sewer system:				
Number of sewer connections	13,396	13,495	14,087	14,457
System capacity (gallons per day)	11,890,000	11,890,000	11,890,000	11,890,000
Number of street lights	1,421	1,442	1,457	1,539

**Table 18**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
28.21	28.28	28.33	28.37	28.39	28.46
16	16	17	17	18	18
759	773	780	800	813	828
11,748	12,054	12,340	12,775	12,474	12,532
196.86	201.10	209.05	212.96	215.45	222.03
209.15	213.42	214.99	215.49	217.59	225.08
55.74	60.17	59.97	60.70	62.48	62.76
477.66	542.8	554.49	565.05	562.1	554.65
2	2	2	2	2	2
16	16	18	18	18	18
2	2	2	2	2	2
14,432	14,588	15,185	15,437	15,641	15,908
4,582,278	4,928,277	4,354,776	4,544,416	4,502,115	5,256,882
17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
208.61	211.44	212.49	216.14	220.73	223.32
1,553	1,568	1,587	1,628	1,661	1,692
14,513	14,849	15,666	16,050	16,304	16,635
11,890,000	11,890,000	11,890,000	11,890,000	11,890,000	11,890,000
1,576	1,588	1,638	1,640	1,638	1,628

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