

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025



THE CITY OF
BURLESON
TEXAS

CITY OF BURLESON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2025

CITY OFFICIALS

Chris Fletcher
Mayor

| | |
|------------------|----------------------|
| Dan McClendon | Mayor Pro Tem |
| Victoria Johnson | Councilmember |
| Phil Anderson | Councilmember |
| Alexa Boedeker | Councilmember |
| Larry Scott | Councilmember |
| Adam Russell | Councilmember |

Tommy Ludwig
City Manager

Harlan Jefferson
Deputy City Manager

Eric Oscarson
Deputy City Manager

Mark Davies
Director of Finance

Prepared by: Finance Department



THE CITY OF
BURLESON
TEXAS

City of Burleson, Texas
Annual Comprehensive Financial Report
For the Year Ended September 30, 2025

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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, 2025. 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, the enclosed data is accurate in all material respects and fairly presents the City's financial position and operational results on both 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 the 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.

Tax abatements are available from the City of Burleson for qualifying businesses and are negotiated on an individual basis. Tax abatements are limited to ten (10) years in length and the amount ranges up to 100% of real and personal property annually. Current tax abatements have resulted in hundreds of jobs created and over \$100 million dollars of investment. The City is currently experiencing a strong expansion of business with more than \$234 million in new taxable value added in 2025.

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 individuals and families residing in these adjacent areas shop, dine, and send their children to schools located in Burleson. Thus, functionally speaking, Burleson's estimated population of approximately 55,144 as of January 1, 2025, 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 provide a great opportunity for feedback and direction. Incorporating financial projections and the CIP into the budget process is essential for achieving the City's strategic focus and ensuring long-term fiscal sustainability.

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 with legal provisions embodied in the annual appropriation budget adopted by the City Council. Budgetary control is exercised at the fund level. Activities of the Governmental and Proprietary Funds are closely reviewed at mid-year. If necessary, the original budget is modified and incorporated into a proposed mid-year budget, which is then used as the working budget for the remainder of the fiscal year. The City also maintains an encumbrance accounting system as one technique to help prevent the overspending of authorized appropriations.

Information regarding general accounting policies can be found in the notes to the 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, 2025. The audit opinion is included in this report.

AWARDS

For the year ended September 30, 2024, the Government Finance Officers Association (GFOA) recognized the City for achievement in the presentation of the Annual Comprehensive Financial Report (ACFR). This was the 34th 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 36th consecutive year for its annual appropriated budget dated October 1, 2024. To qualify for the Budget Award, the City's budget document was judged proficient in all categories.

ACKNOWLEDGEMENTS

I want to express my appreciation to the Finance Department, City Management, Department Directors, Managers, and staff. Their collaborative effort and leadership were instrumental in the preparation of this report. 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 cursive script that reads "Mark Jamies".

Finance Department



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Burleson
Texas**

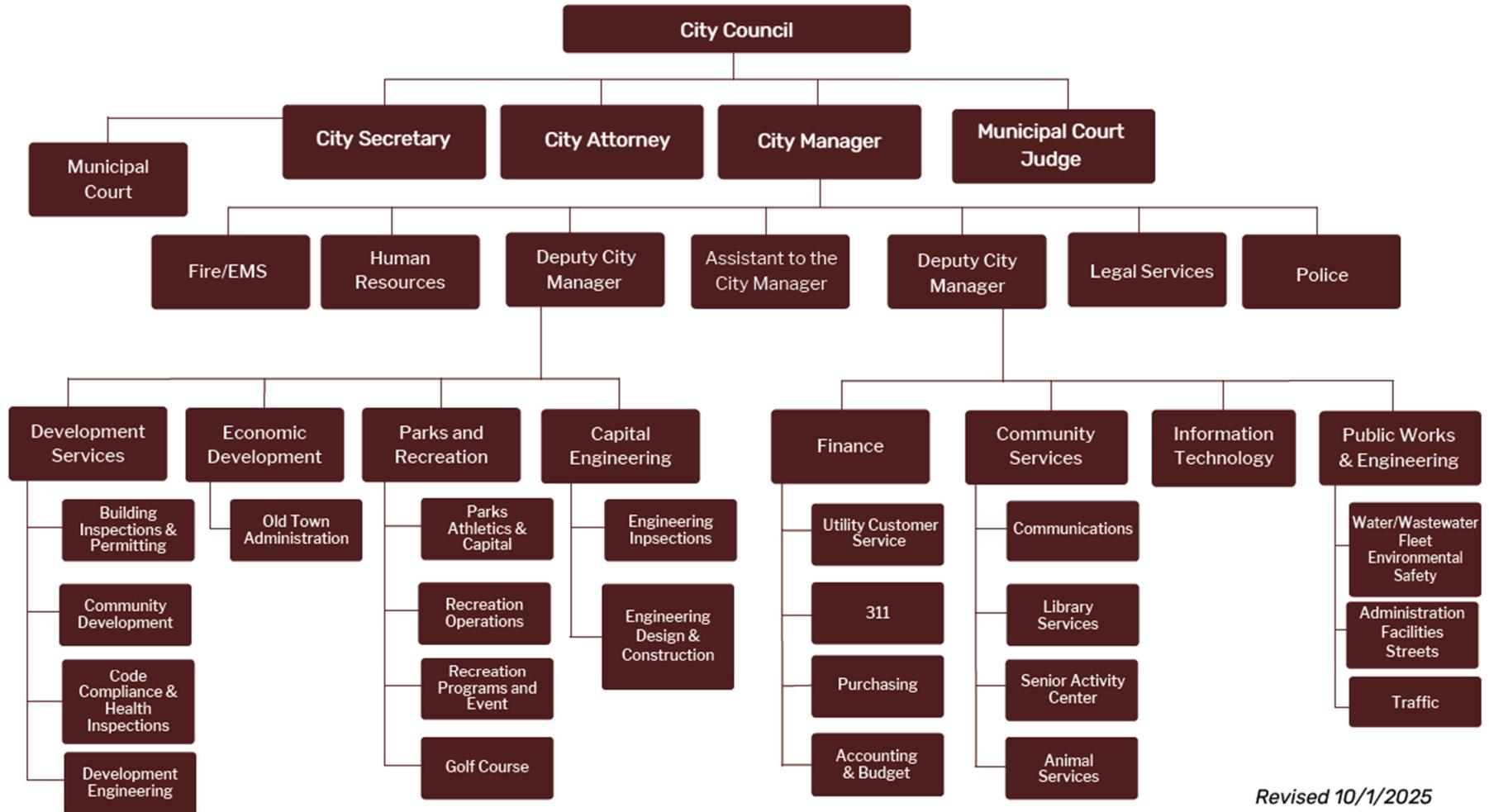
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

Organizational Chart



Revised 10/1/2025

CITY OF BURLESON, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2025

Elected Officials

| | |
|---------------|------------------|
| Mayor | Chris Fletcher |
| Mayor Pro-Tem | Dan McClendon |
| Councilmember | Victoria Johnson |
| Councilmember | Phil Anderson |
| Councilmember | Alexa Boedeker |
| Councilmember | Larry Scott |
| Councilmember | Adam Russell |

City Officials

| | |
|----------------------------------|---------------------|
| City Manager | Tommy Ludwig |
| Deputy City Manager | Harlan Jefferson |
| Deputy City Manager | Eric Oscarson |
| Deputy City Attorney | Matt Ribitzki |
| Director of Finance | Mark Davies |
| Police Chief | Billy Cordell |
| City Secretary | Amanda Campos |
| Fire Chief | Casey Davis |
| Director of Parks and Recreation | Jen Basham |
| Director of Human Resources | Cheryl Marthiljohni |
| Chief Technology Officer | James Grommersch |
| Director of Development Services | Tony McIlwain |
| Director of Public Works | Erick Thompson |
| Director of Economic Development | Alex Philips |
| Director of Community Services | DeAnna Phillips |
| Director of Capital Engineering | Randy Morrison |

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 (City), as of and for the year ended September 30, 2025, 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, 2025, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, Texas Municipal Retirement System OPEB schedule, and budgetary comparison information on pages 7 through 14 and 60 through 69 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 GAAS, 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.

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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 March 12, 2026 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 the City's 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
March 12, 2026

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, 2025. 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 \$357,666,178 (net position). Of this amount, \$37,178,012 (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 \$15,232,532 or 4.45% from previous year. The City's total unrestricted net position increased by \$6,403,812, due to increases in revenues in both governmental and business-type activities which exceeded increases in expenses. \$9,299,863 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 \$21,661,774 or 35% of total general fund expenditures.
- The City's total debt increased by \$31,240,000 during the current fiscal year. The increase represents the net effect of scheduled debt retirement and issuance of Series 2025 Tax and Limited Surplus Revenue Certificates of Obligation and Series 2025 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 twenty 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, the bond supported capital projects fund and general debt service fund, which are considered to be major funds. Data from the other seventeen 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 \$357,666,178 as of September 30, 2025.

The largest portion of the City’s net position (83%) 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.

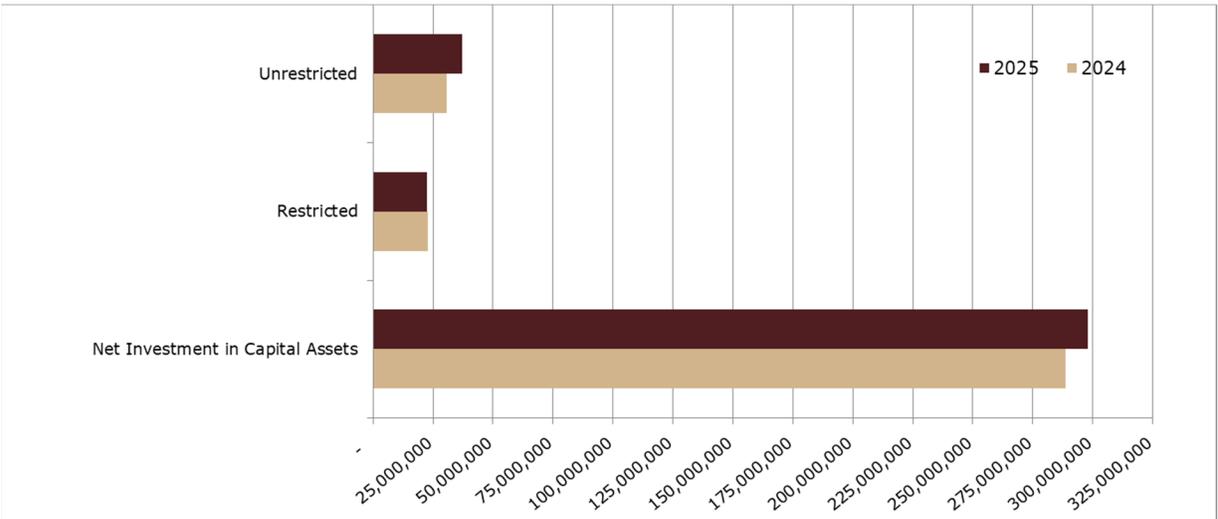
CITY OF BURLESON, TEXAS – NET POSITION

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------------------------|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Other assets | \$ 133,561,696 | \$ 153,140,195 | \$ 40,591,894 | \$ 37,511,850 | \$ 174,153,590 | \$ 190,652,045 |
| Capital assets | <u>298,275,435</u> | <u>327,091,368</u> | <u>136,083,019</u> | <u>144,695,104</u> | <u>434,358,454</u> | <u>471,786,472</u> |
| Total assets | <u>431,837,131</u> | <u>480,231,563</u> | <u>176,674,913</u> | <u>182,206,954</u> | <u>608,512,044</u> | <u>662,438,517</u> |
| Total deferred outflows of resources | <u>11,467,143</u> | <u>7,856,279</u> | <u>1,139,028</u> | <u>791,472</u> | <u>12,606,171</u> | <u>8,647,751</u> |
| Noncurrent liabilities – due in more than one year | 179,982,156 | 196,247,598 | 55,010,680 | 58,623,522 | 234,992,836 | 254,871,120 |
| Other liabilities | <u>26,236,469</u> | <u>41,982,646</u> | <u>12,395,702</u> | <u>10,150,188</u> | <u>38,632,171</u> | <u>52,132,834</u> |
| Total liabilities | <u>206,218,625</u> | <u>238,230,244</u> | <u>67,406,382</u> | <u>68,773,710</u> | <u>273,625,007</u> | <u>307,003,954</u> |
| Total deferred inflows of resources | <u>3,953,688</u> | <u>5,246,969</u> | <u>1,105,874</u> | <u>1,169,167</u> | <u>5,059,562</u> | <u>6,416,136</u> |
| Net position: | | | | | | |
| Net investment in capital asset | 196,476,618 | 203,839,036 | 92,255,311 | 94,166,336 | 288,731,929 | 298,005,372 |
| Restricted | 22,953,937 | 22,482,794 | - | - | 22,953,937 | 22,482,794 |
| Unrestricted | 13,701,406 | 18,288,799 | 17,046,374 | 18,889,213 | 30,747,780 | 37,178,012 |
| Total net position | <u>\$ 233,131,961</u> | <u>\$ 244,610,629</u> | <u>\$ 109,301,685</u> | <u>\$ 113,055,549</u> | <u>\$ 342,433,646</u> | <u>\$ 357,666,178</u> |

An additional portion of the City’s net position (6%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net position (11%) 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.

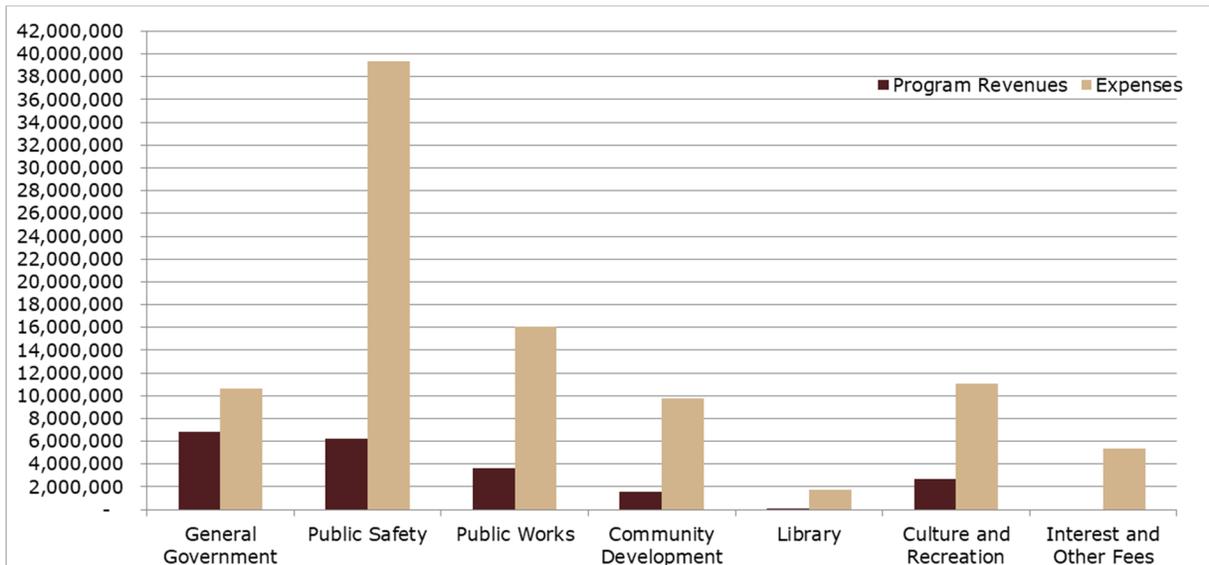
**City of Burleson Net Position
September 30, 2024 and 2025**



The City’s overall net position increased \$15,232,532 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$11,478,668, an increase of \$286,999 from the prior fiscal year’s increase in net position for governmental activities. Increase is primarily due to a 7.8% or approximately \$2,959,000 increase in property taxes collected for general maintenance and operations due to increased valuations from the prior year, an 10.9% increase or approximately \$455,000 in franchise fee revenues from the prior year, and a 14.8% increase or approximately \$1,713,000 in charges for services over the prior year due to an increase in emergency services revenue.

Expenses and Program Revenues - Governmental Activities



Business-Type Activities. During the current fiscal year, net position for business-type activities increased by \$3,753,864. The increase was the result of an approximately \$2,684,000 increase in water and sewer revenues from increased consumption from the prior year related to growth in the number of accounts, increased usage, and an approximate 6% increase to rates.

CITY OF BURLESON, TEXAS – CHANGES IN NET POSITION

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------------|----------------------------|----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 11,541,762 | \$ 13,253,952 | \$ 32,970,946 | \$ 34,102,135 | \$ 44,512,708 | \$ 47,356,087 |
| Operating grants and contributions | 4,959,441 | 5,220,897 | 7,181 | 10,319 | 4,966,622 | 5,231,216 |
| Capital grants and contributions | 3,053,302 | 2,514,257 | 2,027,093 | 2,978,237 | 5,080,395 | 5,492,494 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes levied for general purposes | 37,912,361 | 40,872,042 | - | - | 37,912,361 | 40,872,042 |
| Tax Increment Financing | 1,204,520 | 1,296,561 | - | - | 1,204,520 | 1,296,561 |
| Sales and use taxes | 30,091,181 | 31,209,336 | - | - | 30,091,181 | 31,209,336 |
| Hotel / motel taxes | 610,872 | 535,458 | - | - | 610,872 | 535,458 |
| Franchise fees | 4,168,878 | 4,623,978 | - | - | 4,168,878 | 4,623,978 |
| Investment income | 5,025,245 | 4,835,250 | 2,260,453 | 1,232,456 | 7,285,698 | 6,067,706 |
| Gain (loss) on sale of assets | (715,205) | 745,485 | (497,120) | 52,150 | (1,212,325) | 797,635 |
| Total revenues | 97,852,357 | 105,107,216 | 36,768,553 | 38,375,297 | 134,620,910 | 143,482,513 |
| Expenses | | | | | | |
| General government | 10,207,283 | 10,644,502 | - | - | 10,207,283 | 10,644,502 |
| Public safety | 38,195,557 | 39,390,009 | - | - | 38,195,557 | 39,390,009 |
| Public works | 13,891,525 | 16,088,223 | - | - | 13,891,525 | 16,088,223 |
| Community development | 8,327,647 | 9,790,718 | - | - | 8,327,647 | 9,790,718 |
| Library | 1,819,145 | 1,722,762 | - | - | 1,819,145 | 1,722,762 |
| Parks and recreation | 10,230,231 | 11,023,017 | - | - | 10,230,231 | 11,023,017 |
| Interest and other fees | 4,370,179 | 5,381,426 | - | - | 4,370,179 | 5,381,426 |
| Water & wastewater | - | - | 27,370,058 | 26,132,452 | 27,370,058 | 26,132,452 |
| Hidden Creek Golf course | - | - | 3,214,012 | 3,357,339 | 3,214,012 | 3,357,339 |
| Solid Waste | - | - | 4,260,205 | 4,626,800 | 4,260,205 | 4,626,800 |
| Cemetery | - | - | 63,563 | 92,733 | 63,563 | 92,733 |
| Total expenses | 87,041,567 | 94,040,657 | 34,907,838 | 34,209,324 | 121,949,405 | 128,249,981 |
| Change in net position before transfers | 10,810,790 | 11,066,559 | 1,860,715 | 4,165,973 | 12,671,505 | 15,232,532 |
| Transfers | (67,043) | 412,109 | 67,043 | (412,109) | - | - |
| Change in net position | 10,743,747 | 11,478,668 | 1,927,758 | 3,753,864 | 12,671,505 | 15,232,532 |
| Net position - beginning | 222,388,214 | 233,131,961 | 107,373,927 | 109,301,685 | 329,762,141 | 342,433,646 |
| Net position - ending | \$233,131,961 | \$244,610,629 | \$ 109,301,685 | \$ 113,055,549 | \$ 342,433,646 | \$ 357,666,178 |

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 \$123,819,097. The 83% or \$102,157,323 of this total has constraints on its spending 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 17% of the combined ending fund balance, or \$21,661,774, constitutes unassigned fund balance and is in the General Fund.

Net change in fund balance was an increase of \$15,520,312 of which 9% is from the General Fund, 6% from Non-major Governmental Funds, -13% from General Debt Service Fund and the remaining 99% is from Bond Funded Capital Projects fund.

The increase of \$1,348,333 in the General Fund is primarily 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 \$14,171,979 increase in Other Governmental Funds, due to the issuance of bonds in the amount of \$41,830,000 with offsetting of \$29,925,931 related expenditures.

The Bond Funded Capital Projects fund increased by \$15,318,735 finishing the year at \$69,902,508. This is primarily due to the issuance of \$41,830,000 in bonds for capital projects offset with approximately \$29,925,931 in 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 \$107,008,963. Net position in the water and wastewater fund increased \$3,551,982. Difference is primarily due to an increase in capital contributions of \$1,381,637 and a decrease in costs of collecting revenues and other administrative expenses of \$1,709,236.

General Fund Budgetary Highlights –

Total actual revenue collections exceeded the revised estimates by about \$325,603 over the revised estimate, primarily due to property tax revenues.

The general fund's final expenditures were approximately \$3,949,754 less than the revised budget due to savings in personnel and benefits cost from vacancies and lower outside services expenditures than were budgeted.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of September 30, 2025 amounts to \$471,786,472 (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 9%.

| | Capital Assets at Year End (net of depreciation) | | | | | |
|----------------------------------|------------------------------------------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Land | \$ 49,706,513 | \$ 49,955,630 | \$ 5,947,603 | \$ 6,832,320 | \$ 55,654,116 | \$ 56,787,950 |
| Buildings & improvements | 87,927,530 | 85,848,393 | 3,947,398 | 3,835,341 | 91,874,928 | 89,683,734 |
| Infrastructure | 115,984,504 | 111,348,128 | - | - | 115,984,504 | 111,348,128 |
| Right-to-use lease assets | 324,220 | 301,104 | - | - | 324,220 | 301,104 |
| Right-to-use subscription assets | 2,250,962 | 7,973,699 | - | - | 2,250,962 | 7,973,699 |
| Machinery & equipment | 11,677,586 | 10,510,999 | 1,832,108 | 2,503,074 | 13,509,694 | 13,014,073 |
| Other | 45,000 | 45,000 | - | - | 45,000 | 45,000 |
| Water system | - | - | 54,567,012 | 58,826,821 | 54,567,012 | 58,826,821 |
| Wastewater system | - | - | 48,413,465 | 48,539,901 | 48,413,465 | 48,539,901 |
| Intangible assets | - | - | 1,259,003 | 1,202,497 | 1,259,003 | 1,202,497 |
| Construction in progress | 30,359,120 | 61,108,415 | 20,116,430 | 22,955,150 | 50,475,550 | 84,063,565 |
| Total | \$ 298,275,435 | \$ 327,091,368 | \$ 136,083,019 | \$ 144,695,104 | \$ 434,358,454 | \$ 471,786,472 |

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

- Construction costs related to street and traffic improvements amount to approximately \$10,166,000
- Construction costs related to water and sewer infrastructure amounted to approximately \$10,619,000
- Cost of improvements to buildings for City Facilities amounted to approximately \$9,492,000.
- Approximately \$1,048,000 of water lines were donated by developers.
- Approximately \$2,685,000 of sewer lines were donated by developers.
- Streets and sidewalks worth approximately \$906,000 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 \$229,520,000. Of this amount, \$57,365,000 comprises of general obligation (GO) outstanding bonds debt backed solely by the full faith and credit of the City, \$170,315,000 represent certificate of obligation (CO) bonds secured by a combination of property taxes and a limited pledge of other revenues, and \$1,840,000 secured by revenues generated from the City's water and wastewater utility. The total GO and CO outstanding debt of \$227,680,000 includes self-supporting debt of \$56,565,291 paid with revenues generated from the City's water and wastewater utility, \$68,195,000 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 \$8,230,000 to be paid with tax revenues generated from the Reinvestment Zone Number Two reflected in the TIF 2 Fund, with the remaining balance of \$94,689,709 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 | |
|---------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| General obligation bonds | \$ 47,900,232 | \$ 49,089,709 | \$ 11,269,768 | \$ 8,275,291 | \$ 59,170,000 | \$ 57,365,000 |
| Certificate of obligation bonds | 96,100,000 | 122,025,000 | 40,945,000 | 48,290,000 | 137,045,000 | 170,315,000 |
| Utility system revenue bonds | - | - | 2,065,000 | 1,840,000 | 2,065,000 | 1,840,000 |
| | <u>\$ 144,000,232</u> | <u>\$ 171,114,709</u> | <u>\$ 54,279,768</u> | <u>\$ 58,405,291</u> | <u>\$ 198,280,000</u> | <u>\$ 229,520,000</u> |

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

| | Moody's Investors Service | Standard & Poor's |
|----------------------------------|---------------------------------|----------------------|
| 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 the fiscal year 2026 budget, the City adopted a property tax rate of \$0.7218 per \$100 value, which was \$0.0591 more than the previous rate of \$0.6627 per \$100 value. The 2026 budget also includes a five percent (5%) homestead exemption, increased from 3%. The 2026 budget will raise more property taxes than the prior year budget by eleven percent (11%). The taxable value of an average residential property in Burleson was unchanged. The tax revenue to be raised from new property added to the tax roll in fiscal year 2026 is \$901,697. Sales tax revenues are budgeted to increase by about 3% from fiscal year 2025 year-end projections and are budgeted at \$16,246,211. General Fund total revenues including transfers are budgeted at \$64,168,659, an (0.2%) increase from fiscal year 2025 budget. General Fund total expenditures are budgeted at \$63,956,786; a one percent (1%) increase from the prior year budget. The result is an increase to fund balance in the amount of \$211,873. This projected increase continues to maintain an unassigned fund balance at a level above the City's policy target of twenty percent (20%) of annual operating expenses.

The budget included an increase for both water and sewer utility services of 5% to align with city council's commitment to provide sufficient water and sewer capacity as the city continues to grow. Water and Sewer Fund has a strong financial position and ability to continue meeting its debt obligations.

Solids waste operations are outsourced to a third-party vendor to handle the refuse and recycling of the community. The budgeted monthly rate is \$25.11, an increase of \$0.88 from the last fiscal year. Revenues and working capital are 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, 2025

Exhibit A-1

| | Governmental Activities | Business-Type Activities | Total |
|-------------------------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 141,145,883 | \$ 28,627,406 | \$ 169,773,289 |
| Receivables | | | |
| Taxes, net | 948,661 | - | 948,661 |
| Accounts, net | 2,149,908 | 3,906,915 | 6,056,823 |
| Leases | 1,895,585 | 1,021,305 | 2,916,890 |
| Due from other governmental units | 5,216,984 | - | 5,216,984 |
| Accrued interest | 595,874 | 158,941 | 754,815 |
| Inventories | 40,738 | 476,342 | 517,080 |
| Prepaid items | 45,292 | - | 45,292 |
| Internal balances | 1,101,270 | (1,101,270) | - |
| Total current assets | <u>153,140,195</u> | <u>33,089,639</u> | <u>186,229,834</u> |
| Noncurrent assets: | | | |
| Restricted cash and investments | - | 4,422,211 | 4,422,211 |
| Capital assets: | | | |
| Nondepreciable | 111,109,045 | 29,787,470 | 140,896,515 |
| Depreciable, net of depreciation/amortization | 215,982,323 | 114,907,634 | 330,889,957 |
| Total noncurrent assets | <u>327,091,368</u> | <u>149,117,315</u> | <u>476,208,683</u> |
| Total assets | <u>480,231,563</u> | <u>182,206,954</u> | <u>662,438,517</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | - | 148,600 | 148,600 |
| Deferred outflows related to pensions | 7,621,388 | 623,649 | 8,245,037 |
| Deferred outflows related to OPEB (RHP & SDBF) | 234,891 | 19,223 | 254,114 |
| Total deferred outflows of resources | <u>7,856,279</u> | <u>791,472</u> | <u>8,647,751</u> |
| LIABILITIES | | | |
| Accounts payable | 9,382,811 | 3,673,438 | 13,056,249 |
| Accrued liabilities | 3,098,393 | 234,584 | 3,332,977 |
| Accrued interest payable | 631,926 | 189,724 | 821,650 |
| Deposits payable | - | 832,192 | 832,192 |
| Unearned revenue | 891,467 | - | 891,467 |
| Current portion of: | | | |
| Bonds, leases, subscriptions, compensated absences | 21,228,049 | 5,220,250 | 26,448,299 |
| Net pension liability | 5,824,000 | 476,000 | 6,300,000 |
| Total OPEB liability (RHP & SDBF) | 416,000 | 34,000 | 450,000 |
| Total current liabilities | <u>41,472,646</u> | <u>10,660,188</u> | <u>52,132,834</u> |
| Noncurrent Liabilities | | | |
| Bonds, leases, subscriptions compensated absences | 174,827,292 | 56,318,383 | 231,145,675 |
| Net pension liability | 17,363,992 | 1,421,443 | 18,785,435 |
| Total OPEB liability (RHP & SDBF) | 4,566,314 | 373,696 | 4,940,010 |
| Total noncurrent liabilities | <u>196,757,598</u> | <u>58,113,522</u> | <u>254,871,120</u> |
| Total liabilities | <u>238,230,244</u> | <u>68,773,710</u> | <u>307,003,954</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | 231,100 | - | 231,100 |
| Deferred inflows related to leased assets | 1,781,375 | 904,492 | 2,685,867 |
| Deferred inflows related to pensions | 1,940,544 | 158,792 | 2,099,336 |
| Deferred inflows related to OPEB (RHP & SDBF) | 1,293,950 | 105,883 | 1,399,833 |
| Total deferred inflows of resources | <u>5,246,969</u> | <u>1,169,167</u> | <u>6,416,136</u> |
| NET POSITION | | | |
| Net investment in capital assets | 203,839,036 | 94,166,336 | 298,005,372 |
| Restricted for | | | |
| Debt service | 4,350,661 | - | 4,350,661 |
| Public safety | 198,624 | - | 198,624 |
| Other purposes | 710,019 | - | 710,019 |
| Economic development/tourism | 16,329,533 | - | 16,329,533 |
| Parks and recreation | 723,597 | - | 723,597 |
| Library | 170,360 | - | 170,360 |
| Unrestricted | 18,288,799 | 18,889,213 | 37,178,012 |
| TOTAL NET POSITION | <u>\$ 244,610,629</u> | <u>\$ 113,055,549</u> | <u>\$ 357,666,178</u> |

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

City of Burleson, Texas
Statement of Activities
For the Year Ended September 30, 2025

| Functions/Programs | Expenses | Program Revenues | |
|---------------------------------|-----------------------|----------------------|------------------------------------|
| | | Charges for Services | Operating Grants and Contributions |
| Primary Government | | | |
| Governmental activities: | | | |
| General government | \$ 10,644,502 | \$ 5,809,599 | \$ 981,636 |
| Public safety | 39,390,009 | 2,728,744 | 3,318,527 |
| Public works | 16,088,223 | 367,366 | 920,734 |
| Community development | 9,790,718 | 1,589,052 | - |
| Library | 1,722,762 | 40,158 | - |
| Parks and recreation | 11,023,017 | 2,719,033 | - |
| Interest on long-term debt | 5,381,426 | - | - |
| Total governmental activities | <u>94,040,657</u> | <u>13,253,952</u> | <u>5,220,897</u> |
| Business type activities: | | | |
| Water and wastewater | 26,132,452 | 26,693,183 | - |
| Hidden Creek Golf Course | 3,357,339 | 2,633,943 | - |
| Solid waste | 4,626,800 | 4,700,410 | - |
| Cemetery | 92,733 | 74,599 | 10,319 |
| Total business-type activities | <u>34,209,324</u> | <u>34,102,135</u> | <u>10,319</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 128,249,981</u> | <u>\$ 47,356,087</u> | <u>\$ 5,231,216</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 disposal 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 |
| \$ - | \$ (3,853,267) | \$ - | \$ (3,853,267) |
| 189,206 | (33,153,532) | - | (33,153,532) |
| 2,325,051 | (12,475,072) | - | (12,475,072) |
| - | (8,201,666) | - | (8,201,666) |
| - | (1,682,604) | - | (1,682,604) |
| - | (8,303,984) | - | (8,303,984) |
| - | (5,381,426) | - | (5,381,426) |
| <u>2,514,257</u> | <u>(73,051,551)</u> | <u>-</u> | <u>(73,051,551)</u> |
| 2,978,237 | - | 3,538,968 | 3,538,968 |
| - | - | (723,396) | (723,396) |
| - | - | 73,610 | 73,610 |
| - | - | (7,815) | (7,815) |
| <u>2,978,237</u> | <u>-</u> | <u>2,881,367</u> | <u>2,881,367</u> |
| \$ 5,492,494 | \$ (73,051,551) | \$ 2,881,367 | \$ (70,170,184) |
| | 40,872,042 | - | 40,872,042 |
| | 1,296,561 | - | 1,296,561 |
| | 31,209,336 | - | 31,209,336 |
| | 535,458 | - | 535,458 |
| | 4,623,978 | - | 4,623,978 |
| | 4,835,250 | 1,232,456 | 6,067,706 |
| | 745,485 | 52,150 | 797,635 |
| | <u>412,109</u> | <u>(412,109)</u> | <u>-</u> |
| | <u>84,530,219</u> | <u>872,497</u> | <u>85,402,716</u> |
| | 11,478,668 | 3,753,864 | 15,232,532 |
| | <u>233,131,961</u> | <u>109,301,685</u> | <u>342,433,646</u> |
| | \$ <u>244,610,629</u> | \$ <u>113,055,549</u> | \$ <u>357,666,178</u> |

City of Burleson, Texas
Balance Sheet – Governmental Funds
September 30, 2025

Exhibit B-1

| | General | Bond Funded Capital Projects | General Debt Service Fund | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------------------------------------------|----------------------|-----------------------------------------|------------------------------------------|-----------------------------------------|-----------------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 20,665,203 | \$ 76,576,455 | \$ 4,786,969 | \$ 26,983,814 | \$ 129,012,441 |
| Receivables: | | | | | |
| Taxes, net | 450,179 | - | 182,921 | 315,561 | 948,661 |
| Accounts, net | 1,878,433 | - | - | 97,929 | 1,976,362 |
| Leases | 1,774,747 | - | - | 120,838 | 1,895,585 |
| Due from other governmental units | 2,629,244 | - | - | 2,587,740 | 5,216,984 |
| Accrued interest | 142,371 | 132,758 | 34,727 | 199,471 | 509,327 |
| Due from other funds | 566,847 | - | - | - | 566,847 |
| Prepaid items | 45,292 | - | - | - | 45,292 |
| Total Assets | \$ 28,152,316 | \$ 76,709,213 | \$ 5,004,617 | \$ 30,305,353 | \$ 140,171,499 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 673,346 | \$ 6,806,705 | 2,516 | \$ 1,468,434 | \$ 8,951,001 |
| Accrued liabilities | 2,591,348 | - | - | 380,964 | 2,972,312 |
| Unearned revenue | - | - | - | 891,467 | 891,467 |
| Total Liabilities | 3,264,694 | 6,806,705 | 2,516 | 2,740,865 | 12,814,780 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - mowing liens | 39,763 | - | - | - | 39,763 |
| Unavailable revenue - hotel occupancy taxes | - | - | - | 85,829 | 85,829 |
| Unavailable revenue - leased assets | 1,672,311 | - | - | 109,064 | 1,781,375 |
| Unavailable revenue - property taxes | 395,969 | - | 162,173 | - | 558,142 |
| Unavailable revenue - fines and fees | 189,206 | - | - | - | 189,206 |
| Unavailable revenue - franchise fees | 883,307 | - | - | - | 883,307 |
| Total Deferred Inflows of resources | 3,180,556 | - | 162,173 | 194,893 | 3,537,622 |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | 45,292 | - | - | - | 45,292 |
| Restricted: | | | | | |
| Debt service | - | - | 4,839,928 | 142,659 | 4,982,587 |
| Public safety | - | - | - | 198,624 | 198,624 |
| Parks and recreation | - | - | - | 723,597 | 723,597 |
| Library | - | - | - | 170,360 | 170,360 |
| Economic development | - | - | - | 15,620,296 | 15,620,296 |
| Tourism | - | - | - | 709,237 | 709,237 |
| Capital projects | - | 69,902,508 | - | - | 69,902,508 |
| Other purposes | - | - | - | 710,019 | 710,019 |
| Committed: | | | | | |
| Capital projects | - | - | - | 9,094,803 | 9,094,803 |
| Unassigned | 21,661,774 | - | - | - | 21,661,774 |
| Total Fund Balances | 21,707,066 | 69,902,508 | 4,839,928 | 27,369,595 | 123,819,097 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 28,152,316 | \$ 76,709,213 | \$ 5,004,617 | \$ 30,305,353 | \$ 140,171,499 |

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 Year Ended September 30, 2025

Exhibit B-3

| | <u>General</u> | <u>Bond Funded Capital Projects</u> | <u>General Debt Service Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------------------------------------------|----------------------|-----------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------|
| REVENUES | | | | | |
| Property taxes | \$ 30,391,302 | \$ - | 10,496,962 | \$ 1,296,561 | \$ 42,184,825 |
| Sales and use taxes | 15,745,474 | - | - | 15,463,862 | 31,209,336 |
| Hotel occupancy taxes | - | - | - | 489,671 | 489,671 |
| Franchise fees | 4,239,804 | - | - | 37,890 | 4,277,694 |
| Charges for services | 5,925,163 | - | - | 2,698,618 | 8,623,781 |
| Licenses and permits | 1,244,156 | - | - | - | 1,244,156 |
| Intergovernmental | 2,089,690 | - | - | 2,199,035 | 4,288,725 |
| Fines | 537,877 | - | - | 38,291 | 576,168 |
| Contributions and donations | - | - | - | 1,078,942 | 1,078,942 |
| Investment income | 1,117,716 | 1,686,235 | 312,306 | 1,213,779 | 4,330,036 |
| Mineral lease | - | - | - | 209,811 | 209,811 |
| Street assessments | - | - | - | 124,505 | 124,505 |
| Miscellaneous | 1,853,887 | - | - | 491,246 | 2,345,133 |
| Total Revenues | <u>63,145,069</u> | <u>1,686,235</u> | <u>10,809,268</u> | <u>25,342,211</u> | <u>100,982,783</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 8,601,741 | - | - | 326,971 | 8,928,712 |
| Public safety | 35,687,061 | - | - | 1,021,920 | 36,708,981 |
| Public works | 8,643,140 | 50,800 | - | 212,227 | 8,906,167 |
| Community development | 4,240,997 | - | - | 5,390,714 | 9,631,711 |
| Library | 1,675,151 | - | - | 10,625 | 1,685,776 |
| Parks and recreation | 2,376,372 | 115,470 | - | 6,402,701 | 8,894,543 |
| Capital outlay | 350,020 | 29,925,931 | - | 6,233,968 | 36,509,919 |
| Debt service: | | | | | |
| Principal retirement | 66,336 | - | 14,715,523 | - | 14,781,859 |
| Interest and fiscal agent charges | 9,668 | - | 5,977,176 | 1,664 | 5,988,508 |
| Debt issuance costs | - | 351,588 | - | - | 351,588 |
| Total Expenditures | <u>61,650,486</u> | <u>30,443,789</u> | <u>20,692,699</u> | <u>19,600,790</u> | <u>132,387,764</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,494,583 | (28,757,554) | (9,883,431) | 5,741,421 | (31,404,981) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Issuance of debt | - | 41,830,000 | - | - | 41,830,000 |
| Issuance of subscription-based IT arrangement | 26,420 | - | - | - | 26,420 |
| Premium on debt issuance | - | 2,246,289 | - | - | 2,246,289 |
| Proceeds from sale of land | - | - | - | 2,410,475 | 2,410,475 |
| Transfers in | 1,498,083 | - | 7,872,217 | 4,489,569 | 13,859,869 |
| Transfers out | (1,670,753) | - | - | (11,777,007) | (13,447,760) |
| Total other financing sources (uses) | <u>(146,250)</u> | <u>44,076,289</u> | <u>7,872,217</u> | <u>(4,876,963)</u> | <u>46,925,293</u> |
| Net change in fund balance | 1,348,333 | 15,318,735 | (2,011,214) | 864,458 | 15,520,312 |
| Fund balance, beginning, as previously presented | 20,358,733 | 54,583,773 | - | 33,356,279 | 108,298,785 |
| Change within financial reporting entity (nonmajor to major fund) | - | - | 6,851,142 | (6,851,142) | - |
| FUND BALANCE, ENDING, as adjusted | <u>\$ 21,707,066</u> | <u>\$ 69,902,508</u> | <u>\$ 4,839,928</u> | <u>\$ 27,369,595</u> | <u>\$ 123,819,097</u> |

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 Year Ended September 30, 2025

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| Net change in fund balances - total governmental funds | | \$ 15,520,312 |
| 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 | \$ 36,013,328 | |
| Depreciation (net of internal service funds) | <u>(11,590,204)</u> | 24,423,124 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is reported with governmental activities. | | 419,710 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 548,683 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | (2,076,119) |
| 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. | | (44,102,709) |
| 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. | | 15,861,283 |
| 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>884,384</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | | <u>\$ 11,478,668</u> |

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

City of Burleson, Texas
Statement of Net Position – Proprietary Funds
September 30, 2025

Exhibit C-1

| | Business-Type Activities Enterprise Funds | | | Internal Service Funds |
|----------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------|-------------------------|-------------------------------|
| | Water & Wastewater | Nonmajor Enterprise Funds | Total | |
| ASSETS | | | | |
| Current assets: | | | | |
| Deposits and investments | \$ 26,606,346 | \$ 1,611,142 | \$ 28,217,488 | \$ 12,543,360 |
| Receivables: | | | | |
| Accounts, net | 3,280,581 | 608,784 | 3,889,365 | 191,096 |
| Leases | 1,021,305 | - | 1,021,305 | - |
| Accrued interest | 141,745 | 14,259 | 156,004 | 89,484 |
| Inventories | 476,342 | - | 476,342 | 40,738 |
| Total current assets | 31,526,319 | 2,234,185 | 33,760,504 | 12,864,678 |
| Noncurrent assets: | | | | |
| Restricted deposits and investments | 4,422,211 | - | 4,422,211 | - |
| Capital assets, net | 138,569,164 | 4,311,461 | 142,880,625 | 13,551,477 |
| Total noncurrent assets | 142,991,375 | 4,311,461 | 147,302,836 | 13,551,477 |
| Total assets | 174,517,694 | 6,545,646 | 181,063,340 | 26,416,155 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred charge on refunding | 148,600 | - | 148,600 | - |
| Deferred outflows related to pensions | 443,910 | 179,739 | 623,649 | 412,282 |
| Deferred outflows related to OPEB (RHP & SDBF) | 13,683 | 5,540 | 19,223 | 12,705 |
| Total deferred outflows of resources | 606,193 | 185,279 | 791,472 | 424,987 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 2,798,104 | 856,547 | 3,654,651 | 450,597 |
| Accrued liabilities | 128,422 | 106,162 | 234,584 | 126,081 |
| Accrued interest payable | 189,724 | - | 189,724 | - |
| Subscription liabilities | - | - | - | 948,840 |
| Customer deposits | 832,192 | - | 832,192 | - |
| Due to other funds | - | 566,847 | 566,847 | - |
| Bonds and compensated absences | 5,144,382 | 75,868 | 5,220,250 | 157,280 |
| Net pension liability | 339,900 | 137,000 | 476,900 | 314,000 |
| Total OPEB liability (RHP & SDBF) | 24,000 | 10,000 | 34,000 | 22,000 |
| Total current liabilities | 9,455,824 | 1,752,424 | 11,208,248 | 2,018,798 |
| Noncurrent liabilities: | | | | |
| Bonds and compensated absences | 56,288,433 | 29,950 | 56,318,383 | 59,106 |
| Subscription liabilities | - | - | - | 5,453,961 |
| Net pension liability | 1,011,590 | 409,853 | 1,421,443 | 940,363 |
| Total OPEB liability (RHP & SDBF) | 266,196 | 107,500 | 373,696 | 247,520 |
| Total noncurrent liabilities | 57,566,219 | 547,303 | 58,113,522 | 6,700,950 |
| Total liabilities | 67,022,043 | 2,299,727 | 69,321,770 | 8,719,748 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to leased assets | 904,492 | - | 904,492 | - |
| Deferred inflows related to pensions | 113,027 | 45,765 | 158,792 | 104,974 |
| Deferred inflows related to OPEB (RHP & SDBF) | 75,366 | 30,517 | 105,883 | 69,996 |
| Total deferred inflows of resources | 1,092,885 | 76,282 | 1,169,167 | 174,970 |
| NET POSITION | | | | |
| Net investment in capital assets | 88,040,396 | 4,311,461 | 92,351,857 | 7,148,676 |
| Restricted for debt service | - | - | - | - |
| Unrestricted | 18,968,563 | 43,455 | 19,012,018 | 10,797,748 |
| TOTAL NET POSITION | \$ 107,008,959 | \$ 4,354,916 | \$ 111,363,875 | \$ 17,946,424 |
| Net position of business-type activity internal service funds | | | 2,226,097 | |
| Adjustment to reflect activity between governmental and business-type activities | | | (534,423) | |
| Net position of business-type activities | | | <u>\$ 1,130,555,549</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 Year Ended September 30, 2025

Exhibit C-2

| | Business-Type Activities Enterprise Funds | | | Internal Service Funds |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------|----------------|-------------------------------|
| | Water & Wastewater | Nonmajor Enterprise Funds | Total | |
| OPERATING REVENUES | | | | |
| Charges for goods and services | \$ 26,089,321 | \$ 7,408,952 | \$ 33,498,273 | \$ 19,237,563 |
| Penalties and interest | 426,811 | - | 426,811 | - |
| Miscellaneous | 176,963 | 88 | 177,051 | 1,178 |
| Mineral lease | - | 10,319 | 10,319 | - |
| Total operating revenues | 26,693,095 | 7,419,359 | 34,112,454 | 19,238,741 |
| OPERATING EXPENSES | | | | |
| Water and wastewater services | 17,196,159 | - | 17,196,159 | - |
| Cost of golf operations | - | 3,316,645 | 3,316,645 | - |
| Cost of collecting revenues and other administrative expenses | 3,894,168 | - | 3,894,168 | 12,005,035 |
| Cost of cemetery operations | - | 5,514 | 5,514 | - |
| Cost of solid waste operations | - | 4,628,194 | 4,628,194 | - |
| Cost of equipment services | - | - | - | 4,600,592 |
| Materials, supplies, and cemetery lots | - | 19,320 | 19,320 | - |
| Depreciation | 3,380,116 | 133,675 | 3,513,791 | 2,444,485 |
| Total operating expenses | 24,470,443 | 8,103,348 | 32,573,791 | 19,050,112 |
| OPERATING INCOME (LOSS) | 2,222,652 | (683,989) | 1,538,663 | 188,629 |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Gain on disposition of capital assets | - | 9,550 | 9,550 | 282,952 |
| Investment income | 1,135,901 | 74,781 | 1,210,682 | 536,625 |
| Interest and fiscal agent charges | (1,701,542) | - | (1,701,542) | (9,637) |
| Other revenue | - | 16,198 | 16,198 | - |
| Total non-operating revenues (expenses) | (565,641) | 100,529 | (465,112) | 809,940 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 1,657,011 | (583,460) | 1,073,551 | 998,569 |
| Transfers in | 46,782 | 717,943 | 764,725 | - |
| Transfers out | (1,130,052) | (46,782) | (1,176,834) | - |
| Impact fees | 664,196 | - | 664,196 | - |
| Capital contributions | 2,314,041 | - | 2,314,041 | - |
| CHANGE IN NET POSITION | 3,551,978 | 87,701 | 3,639,679 | 998,569 |
| NET POSITION AT BEGINNING OF YEAR | 103,456,981 | 4,267,215 | 107,724,196 | 16,947,855 |
| NET POSITION AT END OF YEAR | \$ 107,008,959 | \$ 4,354,916 | \$ 111,363,875 | \$ 17,946,424 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | 114,185 | |
| Change in net position of business-type activities | | | \$ 3,753,864 | |

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

City of Burleson, Texas
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2025

| | Business-Type Activities | | | Governmental |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|-------------------------------|-------------------------------|
| | Enterprise Funds | | | Internal Service Funds |
| | Water & Wastewater | Nonmajor Enterprise Funds | Total Enterprise Funds | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 27,039,104 | \$ 7,457,533 | \$ 34,496,637 | \$ - |
| Refunds of customer deposits | 100,899 | - | 100,899 | - |
| Receipts from interfund services provided | - | - | - | 19,148,872 |
| Payments to suppliers and service providers | (16,205,575) | (6,281,909) | (22,487,484) | (13,402,753) |
| Payments to employees for salaries and benefits | (3,042,789) | (1,560,124) | (4,602,913) | (3,119,938) |
| Payments to other funds for services provided | (4,517,375) | 215,810 | (4,301,565) | - |
| Other receipts | - | 10,319 | 10,319 | 1,178 |
| | <u>3,374,264</u> | <u>(158,371)</u> | <u>3,215,893</u> | <u>2,627,359</u> |
| Net cash provided by (used in) by operating activities | | | | |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Payments from other funds | 46,782 | 717,943 | 764,725 | - |
| Payments to other funds | (1,130,052) | (46,782) | (1,176,834) | - |
| | <u>(1,083,270)</u> | <u>671,161</u> | <u>(412,109)</u> | <u>-</u> |
| Net cash provided by (used in) noncapital financing activities | | | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Receipts from sale of capital assets | - | 9,550 | 9,550 | 699,606 |
| Principal paid on bonds/subscription liabilities/financed purchases | (5,309,477) | (363,827) | (5,673,304) | (486,019) |
| Interest payments on bonds/ subscription liabilities | (1,690,571) | 15,864 | (1,674,707) | (9,637) |
| Proceeds of bond issuance | 9,989,300 | - | 9,989,300 | - |
| Impact fees | 664,196 | - | 664,196 | - |
| Acquisition of capital assets | (9,643,096) | (32,596) | (9,675,692) | (2,038,437) |
| | <u>(5,989,648)</u> | <u>(371,009)</u> | <u>(6,360,657)</u> | <u>(1,834,487)</u> |
| Net cash used in capital and related financial activities | | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 1,052,443 | 68,898 | 1,121,341 | 477,024 |
| | <u>1,052,443</u> | <u>68,898</u> | <u>1,121,341</u> | <u>477,024</u> |
| Net cash provided by investing activities | | | | |
| Net increase (decrease) in cash and cash equivalents | (2,646,211) | 210,679 | (2,435,532) | 1,269,896 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR (including restricted deposits and investments of \$14,840,147 in the water and wastewater fund) | 33,674,768 | 1,400,463 | 35,075,231 | 11,273,464 |
| CASH AND CASH EQUIVALENTS - END OF YEAR (including restricted deposits and investments of \$4,422,211 in the water and wastewater fund) | <u>\$ 31,028,557</u> | <u>\$ 1,611,142</u> | <u>\$ 32,639,699</u> | <u>\$ 12,543,360</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 Year Ended September 30, 2025

Exhibit C-3

| | Business-Type Activities Enterprise Funds | | | Governmental Activities |
|-----------------------------------------------------------------------|----------------------------------------------|------------------------------|------------------------------|------------------------------|
| | Water & Wastewater | Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| Reconciliation of operating income (loss) | | | | |
| to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 2,222,652 | \$ (683,989) | \$ 1,538,663 | \$ 188,629 |
| Depreciation | 3,380,116 | 133,675 | 3,513,791 | 2,444,485 |
| Change in operating assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | 374,333 | 48,493 | 422,826 | (88,691) |
| (Increase) decrease in leases receivable | 14,412 | - | 14,412 | - |
| (Increase) decrease in inventories | 77,634 | - | 77,634 | (18,363) |
| (Increase) decrease in deferred outflows related to pension | 269,294 | 82,141 | 351,435 | 96,812 |
| (Increase) decrease in deferred outflows related to OPEB | 13,451 | 4,422 | 17,873 | 6,662 |
| Increase (decrease) in accounts payable | (2,757,968) | 65,512 | (2,692,456) | (282,981) |
| Increase (decrease) in accrued liabilities | (3,874) | 19,076 | 15,202 | 26,560 |
| Increase (decrease) in deposits payable | 100,899 | - | 100,899 | - |
| Increase (decrease) in due to other funds | - | 215,810 | 215,810 | - |
| Increase (decrease) in compensated absences | 48,741 | 5,993 | 54,734 | 91,424 |
| Increase (decrease) in net pension liability and total OPEB liability | (395,045) | (83,178) | (478,223) | 70,681 |
| Increase (decrease) in deferred inflows related to leased assets | (42,736) | - | (42,736) | - |
| Increase (decrease) in deferred inflows related to pension | 77,124 | 32,582 | 109,706 | 79,346 |
| Increase (decrease) in deferred inflows related to OPEB | (4,769) | 1,092 | (3,677) | 12,795 |
| | <u>3,374,264</u> | <u>(158,371)</u> | <u>3,215,893</u> | <u>2,627,359</u> |
| Net cash provided by (used in) operating activities | | | | |
| | <u>3,374,264</u> | <u>(158,371)</u> | <u>3,215,893</u> | <u>2,627,359</u> |
| Noncash capital and related financing activities: | | | | |
| Contributions from developers | 2,314,041 | - | 2,314,041 | - |
| Retainage payable | (75,747) | - | (75,747) | - |
| Issuance of Subscription-based IT arrangements | - | - | - | 6,136,620 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,136,620</u> |
| Total noncash capital and related financing activities | | | | |
| | <u>\$ 2,238,294</u> | <u>\$ -</u> | <u>\$ 2,238,294</u> | <u>\$ 6,136,620</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 and the primary government has operational responsibility for the component unit. 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 and the primary government has operational responsibility for the component unit. Separate financial statements for TIF 2 are not available.

B. Basic Financial Statements

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

The government-wide Statement of Net Position is, (a) presented for the primary government distinguishing between the governmental and business-type activities columns, and (b) reflected on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

City of Burleson, Texas

Notes to the Financial Statements

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

The City reports the following major enterprise 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.

City of Burleson, Texas

Notes to the Financial Statements

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, 2025, 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 reports 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 2025 levy was based, was approximately \$6,693,551,703. 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, 2025 was \$0.6627 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.

City of Burleson, Texas

Notes to the Financial Statements

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 of service, and the City accrues time that is more likely than not to be used or paid out. 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.

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 was implemented in the City's fiscal year 2025 financial statements with minimal impact.

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.

City of Burleson, Texas

Notes to the Financial Statements

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. Subscription-Based Information Technology Arrangements (SBITAs)

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

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

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, 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 SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

12. 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.

City of Burleson, Texas

Notes to the Financial Statements

Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. 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.

14. 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 assets 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.
- Pension and OPEB 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.
- Pension and OPEB 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.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

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 assets 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.

- Pension and OPEB 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.
- OPEB 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.

City of Burleson, Texas

Notes to the Financial Statements

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

15. 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.

16. 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.

17. 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, 2025, the General Fund unassigned fund balance equated to 128 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.

City of Burleson, Texas

Notes to the Financial Statements

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 2025 and beyond are listed below:

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 was implemented in the City's fiscal year 2025 financial statements.

GASB Statement No. 102, Certain Risk Disclosures (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 102 was implemented in the City's fiscal year 2025 financial statements with minimal impact.

GASB Statement No. 103, Financial Reporting Model Improvements (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, Disclosure of Certain Capital Assets (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

City of Burleson, Texas

Notes to the Financial Statements

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, 2025, the carrying amount of the City's deposits was \$103,957,509. 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 fair 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.

City of Burleson, Texas

Notes to the Financial Statements

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, 2025, the City had the following cash and investments:

| | September 30, 2025 | (Level 1) | (Level 2) | (Level 3) | Percent of Total Investment | Weighted Average Maturity (Days)* |
|-------------------------------------------------------------------|-----------------------|-----------------------|-------------|-------------|-----------------------------|-----------------------------------|
| Cash | \$ 60,672,220 | \$ - | \$ - | \$ - | N/A | N/A |
| Investments measured at net asset value/amortized cost per share: | | | | | | |
| Investment pools: | | | | | | |
| TexPool | 410,347 | - | - | - | 0.4% | 41 |
| LOGIC | 6,633,242 | - | - | - | 5.8% | 54 |
| Investments by fair value level: | | | | | | |
| Certificates of Deposit | 51,223,191 | 51,223,191 | - | - | 45.1% | 376 |
| U.S. Agency Securities | 20,135,000 | 20,135,000 | - | - | 17.7% | 333 |
| U.S. Treasury Notes | 35,121,500 | 35,121,500 | - | - | 30.9% | 264 |
| Total investments | 113,523,280 | 106,479,691 | - | - | | |
| Total cash and investments | \$ 174,195,500 | \$ 106,479,691 | \$ - | \$ - | | |

* Portfolio weighted average maturity (days) = 314

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.

City of Burleson, Texas

Notes to the Financial Statements

Investment income 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, 2025, net investment income includes \$5,813,130 in realized gains resulting from the City's sale and/or redemption of its investments and \$48,093 in unrealized gains 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, 2025, 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 fair 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 fair 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.

City of Burleson, Texas
Notes to the Financial Statements

Note 3. Receivables and Deferred Inflows of Resources

Receivables as of September 30, 2025 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 | Debt Service Fund | Other Nonmajor Governmental Funds | Total Governmental Funds |
| Receivables: | | | | | |
| Taxes | \$ 579,132 | \$ - | \$ 232,131 | \$ 315,561 | \$ 1,126,824 |
| Accounts | 2,201,850 | - | - | 101,031 | 2,302,881 |
| Leases | 1,774,747 | - | - | 120,838 | 1,895,585 |
| Intergovernmental | 2,629,244 | - | - | 2,587,740 | 5,216,984 |
| Interest | 142,371 | 132,758 | 34,727 | 199,471 | 509,327 |
| Gross receivables | <u>7,327,344</u> | <u>132,758</u> | <u>266,858</u> | <u>3,324,641</u> | <u>11,051,601</u> |
| Less: allowance for uncollectibles | <u>(452,370)</u> | <u>-</u> | <u>(49,210)</u> | <u>(3,102)</u> | <u>(504,682)</u> |
| Net total receivables | <u>\$ 6,874,974</u> | <u>\$ 132,758</u> | <u>\$ 217,648</u> | <u>\$ 3,321,539</u> | <u>\$ 10,546,919</u> |
| Deferred inflows of resources: | | | | | |
| Mowing liens | \$ 39,763 | \$ - | \$ - | \$ - | \$ 39,763 |
| Hotel occupancy taxes | - | - | - | 85,829 | 85,829 |
| Leases | 1,672,311 | - | - | 109,064 | 1,781,375 |
| Property taxes | 395,969 | - | 162,173 | - | 558,142 |
| Fines and fees | 189,206 | - | - | - | 189,206 |
| Franchise fees | 883,307 | - | - | - | 883,307 |
| Total deferred inflows | <u>\$ 3,180,556</u> | <u>\$ -</u> | <u>\$ 162,173</u> | <u>\$ 194,893</u> | <u>\$ 3,537,622</u> |
| | | Enterprise Funds | | | |
| | Water and Wastewater | Other Non-major | Enterprise Funds Total | Internal Service Funds | |
| Receivables: | | | | | |
| Accounts | \$ 2,245,625 | \$ 449,382 | \$ 2,695,007 | \$ 191,096 | |
| Unbilled | 1,175,275 | 192,778 | 1,368,053 | - | |
| Leases | 1,021,305 | - | 1,021,305 | - | |
| Interest | 141,745 | 14,259 | 156,004 | 89,484 | |
| Gross receivables | <u>4,583,950</u> | <u>656,419</u> | <u>5,240,369</u> | <u>280,580</u> | |
| Less: allowance for uncollectibles | <u>(140,319)</u> | <u>(33,376)</u> | <u>(173,695)</u> | <u>-</u> | |
| Net total receivables | <u>\$ 4,443,631</u> | <u>\$ 623,043</u> | <u>\$ 5,066,674</u> | <u>\$ 280,580</u> | |

City of Burleson, Texas
Notes to the Financial Statements

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, 2025, the City has \$1,774,747 remaining in lease receivables and \$1,672,311 remaining in deferred inflows recorded in the General Fund, \$120,838 remaining in lease receivables and \$109,064 remaining in deferred inflows recorded in the Nonmajor Governmental Funds, and \$1,021,305 remaining in lease receivables and \$904,492 remaining in deferred inflows recorded in the Water and Wastewater Fund.

As of September 30, 2025, expectation of lease receipts through the expiration of all leases is as follows:

| Fiscal Year Ending | Lease Principal | Lease Interest | Totals |
|--------------------------------------|---------------------|-------------------|---------------------|
| 2026 | \$ 56,914 | \$ 66,155 | \$ 123,069 |
| 2027 | 63,255 | 64,157 | 127,412 |
| 2028 | 70,005 | 61,936 | 131,941 |
| 2029 | 78,398 | 59,464 | 137,862 |
| 2030 | 86,489 | 56,700 | 143,189 |
| 2031-2035 | 534,050 | 232,873 | 766,923 |
| 2036-2040 | 740,977 | 128,484 | 869,461 |
| 2041-2045 | 265,497 | 12,041 | 277,538 |
| Total governmental activities | \$ 1,895,585 | \$ 681,810 | \$ 2,577,395 |

| Fiscal Year Ending | Lease Principal | Lease Interest | Totals |
|---------------------------------------|---------------------|-------------------|---------------------|
| 2026 | \$ 16,462 | \$ 35,488 | \$ 51,950 |
| 2027 | 18,631 | 34,878 | 53,509 |
| 2028 | 20,924 | 34,189 | 55,113 |
| 2029 | 23,349 | 33,418 | 56,767 |
| 2030 | 25,910 | 32,560 | 58,470 |
| 2031-2035 | 173,205 | 146,534 | 319,739 |
| 2036-2040 | 261,722 | 108,942 | 370,664 |
| 2041-2045 | 232,289 | 60,240 | 292,529 |
| 2046-2050 | 190,449 | 28,113 | 218,562 |
| 2051-2055 | 58,364 | 1,377 | 59,741 |
| Total business-type activities | \$ 1,021,305 | \$ 515,739 | \$ 1,537,044 |

City of Burleson, Texas
Notes to the Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended September 30, 2025 was as follows:

| | Beginning Balance | Additions | Deletions | Transfers | Ending Balance |
|-----------------------------------------------------------------|-----------------------|----------------------|-----------------------|--------------------|-----------------------|
| Governmental activities: | | | | | |
| Capital assets not being depreciated or amortized: | | | | | |
| Land | \$ 49,706,513 | \$ 1,693,498 | \$ (1,444,381) | \$ - | \$ 49,955,630 |
| Construction in progress | 30,359,120 | 31,332,561 | (68,043) | (515,223) | 61,108,415 |
| Historical/Artwork collections | 45,000 | - | - | - | 45,000 |
| Total capital assets not being depreciated or amortized | 80,110,633 | 33,026,059 | (1,512,424) | (515,223) | 111,109,045 |
| Capital assets being depreciated or amortized: | | | | | |
| Buildings and improvements | 125,659,680 | 663,650 | - | 1,022,291 | 127,345,621 |
| Infrastructure | 208,625,784 | 2,351,873 | - | (1,167,445) | 209,810,212 |
| Machinery and equipment | 38,488,577 | 2,824,903 | (2,235,291) | 660,377 | 39,738,566 |
| Right-to-use lease assets - equipment | 631,520 | - | - | - | 631,520 |
| Right-to-use subscription assets | 2,798,370 | 6,064,677 | - | - | 8,863,047 |
| Total capital assets being depreciated or amortized | 376,203,931 | 11,905,103 | (2,235,291) | 515,223 | 386,388,966 |
| Less accumulated depreciation/amortization for: | | | | | |
| Buildings | (37,732,150) | (3,812,540) | 47,462 | - | (41,497,228) |
| Infrastructure | (92,641,280) | (6,035,728) | 214,924 | - | (98,462,084) |
| Machinery and equipment | (26,810,991) | (3,343,310) | 926,734 | - | (29,227,567) |
| Right-to-use lease assets - equipment | (307,300) | (23,116) | - | - | (330,416) |
| Right-to-use subscription assets | (547,408) | (341,940) | - | - | (889,348) |
| Total accumulated depreciation/amortization | (158,039,129) | (13,556,634) | 1,189,120 | - | (170,406,643) |
| Total capital assets being depreciated or amortized, net | 218,164,802 | (1,651,531) | (1,046,171) | 515,223 | 215,982,323 |
| Governmental activities capital assets, net | \$ 298,275,435 | \$ 31,374,528 | \$ (2,558,595) | \$ - | \$ 327,091,368 |
| | Beginning Balance | Additions | Deletions | Transfers | Ending Balance |
| Business-type activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 5,947,603 | \$ 1,275,000 | \$ (390,283) | \$ - | \$ 6,832,320 |
| Construction in progress | 20,116,430 | 8,717,083 | (535,974) | (5,342,389) | 22,955,150 |
| Total capital assets not being depreciated | 26,064,033 | 9,992,083 | (926,257) | (5,342,389) | 29,787,470 |
| Capital assets being depreciated: | | | | | |
| Water systems | 80,310,797 | 1,047,884 | - | 4,927,424 | 86,286,105 |
| Wastewater systems | 68,055,906 | 1,266,157 | - | 323,385 | 69,645,448 |
| Infrastructure | 30,524 | - | - | - | 30,524 |
| Buildings and improvements | 8,418,009 | - | - | 91,580 | 8,509,589 |
| Machinery and equipment | 5,307,358 | 1,226,567 | (214,354) | - | 6,319,571 |
| Intangible assets | 3,047,865 | - | - | - | 3,047,865 |
| Total capital assets being depreciated | 165,170,459 | 3,540,608 | (214,354) | 5,342,389 | 173,839,102 |
| Less accumulated depreciation for: | | | | | |
| Water systems | (25,743,785) | (1,715,499) | - | - | (27,459,284) |
| Wastewater systems | (19,642,441) | (1,463,106) | - | - | (21,105,547) |
| Infrastructure | (30,524) | - | - | - | (30,524) |
| Buildings and improvements | (4,470,611) | (203,637) | - | - | (4,674,248) |
| Machinery and equipment | (3,475,250) | (553,100) | 211,853 | - | (3,816,497) |
| Intangible assets | (1,788,862) | (56,506) | - | - | (1,845,368) |
| Total accumulated depreciation | (55,151,473) | (3,991,848) | 211,853 | - | (58,931,468) |
| Total capital assets being depreciated, net | 110,018,986 | (451,240) | (2,501) | 5,342,389 | 114,907,634 |
| Business-type activities capital assets, net | \$ 136,083,019 | \$ 9,540,843 | \$ (928,758) | \$ - | \$ 144,695,104 |

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City of Burleson, Texas
Notes to the Financial Statements

Because the City maintains an internal service fund solely for the purpose of servicing business-type activities of the City, capital assets in this schedule are not equal to those reported in the statement of net position for proprietary funds. The net value of capital assets in the Proprietary Vehicle Replacement fund is \$1,814,479 and is included in the above schedule.

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

| | |
|-----------------------------------------------------------------------------------|----------------------------|
| Governmental activities: | |
| General government | \$ 2,362,504 |
| Public safety | 1,957,623 |
| Public works, which includes the depreciation of general infrastructure assets | 7,124,774 |
| Parks and recreation | <u>2,111,733</u> |
| Total governmental activities depreciation and amortization | <u><u>13,556,634</u></u> |
| Business-type activities: | |
| Water and wastewater | 3,380,116 |
| Golf course | 65,569 |
| Solid waste disposal and collection | 207 |
| Cemetery | 67,899 |
| Vehicle replacement fund | <u>478,057</u> |
| Total business-type activities depreciation | <u><u>\$ 3,991,848</u></u> |

Note 5. Lease Liabilities

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:

| | Interest Rate | Liability at Commencement | Lease Term in Years | Ending Balance September 30, 2025 |
|--------------------------------------|------------------|------------------------------|------------------------|--------------------------------------|
| Machinery and equipment | 3.46% | \$ 465,427 | 2023-2028 | <u>\$ 213,099</u> |
| Total governmental activities | | | | <u><u>\$ 213,099</u></u> |

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

| Fiscal Year Ending | Lease Principal | Lease Interest | Totals |
|--------------------------------------|--------------------------|-------------------------|--------------------------|
| 2026 | \$ 68,631 | \$ 7,373 | \$ 76,004 |
| 2027 | 71,006 | 4,999 | 76,005 |
| 2028 | 73,462 | 2,542 | 76,004 |
| 2029 | - | - | - |
| Total governmental activities | <u><u>\$ 213,099</u></u> | <u><u>\$ 14,914</u></u> | <u><u>\$ 228,013</u></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 \$330,416.

City of Burleson, Texas
Notes to the Financial Statements

Note 6. Interfund Balances and Transactions

A. Interfund Receivables/Payables

The composition of interfund balances as of September 30, 2025, is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Total</u> |
|------------------------|---------------------|-------------------|
| General Fund | Nonmajor Enterprise | <u>\$ 566,847</u> |
| Total | | <u>\$ 566,847</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, 2025, were as follows:

| <u>Transfers Out:</u> | <u>Transfers in:</u> | <u>Amount</u> |
|-----------------------|----------------------|----------------------|
| General Fund | Nonmajor Gov | \$ 1,670,753 |
| Water & Wastewater | General Fund | 1,130,052 |
| Nonmajor Gov | Nonmajor Enterprise | 717,943 |
| Nonmajor Gov | General Fund | 368,031 |
| Nonmajor Gov | Debt Service | 7,872,217 |
| Nonmajor Gov | Nonmajor Gov | 2,818,816 |
| Nonmajor Enterprise | Water & Wastewater | <u>46,782</u> |
| Total | | <u>\$ 14,624,594</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.

City of Burleson, Texas
Notes to the Financial Statements

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

| Fund | Amount |
|-----------------------|---------------------|
| Water and Wastewater | \$ 1,313,390 |
| Nonmajor Governmental | 1,102,850 |
| Nonmajor Enterprise | 342,220 |
| Internal Service Fund | 1,014,370 |
| <hr/> | |
| Total | <u>\$ 3,772,830</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:

| Fund | Amount |
|----------------------|---------------------|
| Water and Wastewater | \$ 1,094,835 |
| Solid Waste | 323,484 |
| <hr/> | |
| Total | <u>\$ 1,418,319</u> |

E. Payments in Lieu of Property Taxes

For fiscal year 2025, the Water and Wastewater fund made a \$1,130,052 payment in lieu of property taxes to 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 2025 Combination Tax and Limited Surplus Revenue Certificates of Obligation in the amount of \$43,210,000 and Series 2025, General Obligation Bonds of \$8,055,000. The certificates of obligation carry an interest rates of 5% and the proceeds will be used for (i) acquiring, constructing, renovating, installing and equipping additions, extensions and improvements for the City’s waterworks and sewer system; (ii) acquiring, constructing, renovating and equipping public safety improvements for the police and fire departments, including police station and fire station improvements, the acquisition of fire engines and storm sirens, and related infrastructure and equipment; (iii) acquiring, constructing, renovating and equipping municipal park and recreational improvements, including open space, ball fields, and related infrastructure; (iv) acquiring, constructing, improving, and equipping streets, including related sidewalks, landscaping, streetscaping, drainage, utility line relocations, drainage, public mobility infrastructure improvements, including traffic lighting and signalization, parking, and median improvements; (v) acquiring, constructing, renovating, and equipping administrative offices for the City; (vi) acquiring land and interests in land necessary for such projects; and (vii) paying the legal, fiscal, design and engineering fees in connection with such projects and the Certificates.

The bonds carry an interest rates of 5% and the proceeds will be used for (i) designing, constructing, 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 (ii) paying the costs of issuance of the Bonds.

City of Burleson, Texas
Notes to the Financial Statements

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, 2025, are summarized as follows:

| | Beginning Balance | Increased | Refunded/ Retired | Ending Balance | Due Within One Year |
|----------------------------------------------------|-----------------------|----------------------|----------------------|-----------------------|------------------------|
| Governmental Activities: | | | | | |
| General Obligation bonds | \$ 47,900,232 | \$ 8,055,000 | \$ 6,865,523 | \$ 49,089,709 | \$ 5,759,606 |
| Certificates of obligation | 96,100,000 | 33,775,000 | 7,850,000 | 122,025,000 | 9,665,000 |
| Compensated absences* | 8,434,614 | 627,937 | - | 9,062,551 | 4,785,972 |
| Lease liabilities | 279,435 | - | 66,336 | 213,099 | 68,631 |
| Financed purchases | 1,223,463 | - | 1,223,463 | - | - |
| Subscription liabilities | 752,200 | 6,163,040 | 486,019 | 6,429,221 | 948,840 |
| Premium on debt | 8,089,400 | 2,246,289 | 1,099,928 | 9,235,761 | - |
| | <u>\$ 162,779,344</u> | <u>\$ 50,867,266</u> | <u>\$ 17,591,269</u> | <u>\$ 196,055,341</u> | <u>\$ 21,228,049</u> |
| Governmental activities long-term debt | | | | | |
| Business-type activities: | | | | | |
| General Obligation bonds | \$ 11,269,768 | \$ - | \$ 2,994,477 | \$ 8,275,291 | \$ 2,190,394 |
| Certificates of obligation | 40,945,000 | 9,435,000 | 2,090,000 | 48,290,000 | 2,485,000 |
| Water & sewer revenue bonds | 2,065,000 | - | 225,000 | 1,840,000 | 235,000 |
| Compensated absences* | 325,597 | 75,305 | - | 400,902 | 309,856 |
| Premium on debt | 2,562,538 | 553,285 | 383,383 | 2,732,440 | - |
| | <u>\$ 57,167,903</u> | <u>\$ 10,063,590</u> | <u>\$ 5,692,860</u> | <u>\$ 61,538,633</u> | <u>\$ 5,220,250</u> |
| Business-type activities Long-term debt | | | | | |

*Compensated absences are reported as a net change for the year as allowed under the provisions of GASB 101, paragraph 30.

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

The City's direct borrowings (lease liabilities and subscription liabilities) 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.

City of Burleson, Texas
Notes to the Financial Statements

Bonds payable at September 30, 2025, is comprised of the following individual issues:

| | Interest Rate % | Issue Date | Maturity Date | Original Issue | Amount Outstanding |
|-------------------------------------|--------------------|---------------|------------------|----------------------|-----------------------|
| Governmental Activities: | | | | | |
| General obligation bonds: | | | | | |
| 2012 Series | 2.00 - 4.00 | 5/16/2012 | 5/16/2032 | \$ 5,040,000 | \$ 535,000 |
| 2015 Series | 1.00 - 5.00 | 4/20/2015 | 3/1/2035 | 12,150,000 | 3,185,000 |
| 2016 Series | 2.00 - 5.00 | 6/6/2016 | 3/1/2036 | 25,135,000 | 10,345,000 |
| 2017 Series | 2.50 - 4.00 | 7/17/2017 | 3/1/2037 | 2,155,000 | 1,475,000 |
| 2020 Series | 5.00 | 8/19/2020 | 3/1/2030 | 4,445,000 | 2,300,000 |
| 2022 Series | 4.00 - 5.00 | 9/15/2022 | 3/1/2042 | 1,365,000 | 1,230,000 |
| 2023 Series | 4.00 - 5.00 | 9/20/2023 | 3/1/2043 | 9,030,000 | 8,455,000 |
| 2024 Series | 4.00 - 5.00 | 8/19/2024 | 3/1/2044 | 14,735,232 | 13,509,709 |
| 2025 Series | 5.00 | 9/11/2025 | 3/1/2045 | 8,055,000 | 8,055,000 |
| Total general obligation bonds | | | | <u>82,110,232</u> | <u>49,089,709</u> |
| Certificates of obligation: | | | | | |
| 2013 Tax and Revenue | 2.00 - 3.00 | 5/1/2013 | 3/1/2033 | 4,620,000 | 2,125,000 |
| 2015 Tax and Revenue | 1.00 - 5.00 | 4/20/2015 | 3/1/2035 | 6,565,000 | 3,995,000 |
| 2016 Tax and Revenue | 2.00 - 5.00 | 6/6/2016 | 3/1/2036 | 3,855,000 | 2,490,000 |
| 2017 Tax and Revenue | 2.50 - 4.00 | 7/17/2017 | 3/1/2037 | 2,810,000 | 1,905,000 |
| 2018 Tax and Revenue | 3.50 - 4.00 | 5/16/2018 | 3/1/2038 | 13,745,000 | 10,120,000 |
| 2019 Tax and Revenue | 3.00 - 5.00 | 5/6/2019 | 3/1/2039 | 7,415,000 | 5,900,000 |
| 2020 Tax and Revenue | 2.00 - 5.00 | 8/19/2020 | 3/1/2040 | 3,560,000 | 2,805,000 |
| 2022 Tax and Revenue | 4.00 - 5.00 | 9/15/2022 | 3/1/2042 | 6,730,000 | 6,075,000 |
| 2023 Tax and Revenue | 4.00 - 5.00 | 9/20/2023 | 3/1/2043 | 22,740,000 | 21,290,000 |
| 2024 Tax and Revenue | 4.00 - 5.00 | 8/19/2024 | 3/1/2044 | 36,535,000 | 31,545,000 |
| 2025 Tax and Revenue | 5.00 | 9/11/2025 | 3/1/2045 | 33,775,000 | 33,775,000 |
| Total certificates of obligation | | | | <u>142,350,000</u> | <u>122,025,000</u> |
| Total governmental activities | | | | <u>224,460,232</u> | <u>171,114,709</u> |
| Business-type Activities | | | | | |
| General obligation bonds: | | | | | |
| 2015 Water & Sewer Refunding | 1.00 - 5.00 | 4/20/2015 | 3/1/2035 | 10,730,000 | 1,215,000 |
| 2016 Water & Sewer Refunding | 2.00 - 5.00 | 6/6/2016 | 3/1/2036 | 4,435,000 | 875,000 |
| 2021 Water & Sewer Refunding | 0.96 | 7/21/2021 | 3/1/2031 | 8,345,000 | 3,380,000 |
| 2024 General Obligation Refunding | 4.00 - 5.00 | 8/19/2024 | 3/1/2044 | 3,414,768 | 2,805,291 |
| Total general obligation bonds | | | | <u>26,924,768</u> | <u>8,275,291</u> |
| Certificates of obligation: | | | | | |
| 2013 Tax and Revenue | 2.00 - 3.00 | 5/1/2013 | 3/1/2033 | 2,160,000 | 990,000 |
| 2015 Tax and Revenue | 1.00 - 5.00 | 4/20/2015 | 3/1/2035 | 4,855,000 | 2,945,000 |
| 2016 Tax and Revenue | 2.00 - 5.00 | 6/6/2016 | 3/1/2036 | 5,750,000 | 3,710,000 |
| 2017 Tax and Revenue | 2.50 - 4.00 | 7/17/2017 | 3/1/2037 | 7,400,000 | 5,030,000 |
| 2018 Tax and Revenue | 3.50 - 4.00 | 5/16/2018 | 3/1/2038 | 8,135,000 | 5,990,000 |
| 2019 Tax and Revenue | 3.00 - 5.00 | 5/6/2019 | 3/1/2038 | 4,470,000 | 3,555,000 |
| 2020 Tax and Revenue | 2.00 - 5.00 | 8/19/2020 | 3/1/2040 | 4,090,000 | 3,400,000 |
| 2022 Tax and Revenue | 4.00 - 5.00 | 9/15/2022 | 3/1/2042 | 5,610,000 | 5,060,000 |
| 2023 Tax and Revenue | 4.00 - 5.00 | 9/20/2023 | 3/1/2043 | 8,735,000 | 8,175,000 |
| 2025 Tax and Revenue | 5.00 | 9/11/2025 | 3/1/2045 | 9,435,000 | 9,435,000 |
| Total certificates of obligation | | | | <u>60,640,000</u> | <u>48,290,000</u> |
| Water and sewer revenue bonds | | | | | |
| 2012 Improvement | 2.00 - 4.00 | 4/15/2012 | 3/1/2032 | 4,300,000 | 1,840,000 |
| Total water and sewer revenue bonds | | | | <u>4,300,000</u> | <u>1,840,000</u> |
| Total business-type activities | | | | <u>\$ 91,864,768</u> | <u>\$ 58,405,291</u> |

City of Burleson, Texas
Notes to the Financial Statements

The annual requirements to amortize all debt outstanding as of September 30, 2025, are as follows:

| Governmental Activities | | | | | | |
|------------------------------|-----------------------|----------------------|------------------------------|----------------------|--|--|
| Year Ending September 30, | General Obligation | GO Interest | Certificate of Obligation | CO Interest | | |
| 2026 | \$ 5,759,606 | \$ 2,158,377 | \$ 9,665,000 | \$ 5,364,209 | | |
| 2027 | 5,417,486 | 1,892,087 | 5,110,000 | 5,048,103 | | |
| 2028 | 5,094,523 | 1,632,937 | 5,360,000 | 4,795,756 | | |
| 2029 | 2,829,285 | 1,442,329 | 5,605,000 | 4,536,025 | | |
| 2030 | 2,971,281 | 1,306,921 | 5,880,000 | 4,266,100 | | |
| 2031-2035 | 12,777,528 | 4,645,196 | 32,545,000 | 16,897,375 | | |
| 2036-2040 | 7,680,000 | 2,331,203 | 32,615,000 | 9,256,688 | | |
| 2041-2045 | 6,560,000 | 631,394 | 25,245,000 | 2,416,250 | | |
| Total | \$ 49,089,709 | \$ 16,040,444 | \$ 122,025,000 | \$ 52,580,506 | | |

| 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 |
| 2026 | \$ 2,190,394 | \$ 239,622 | \$ 2,485,000 | \$ 1,951,415 | \$ 235,000 | \$ 68,900 |
| 2027 | 1,717,514 | 174,346 | 2,580,000 | 1,852,997 | 240,000 | 59,400 |
| 2028 | 1,020,477 | 129,935 | 2,695,000 | 1,736,763 | 250,000 | 49,600 |
| 2029 | 730,715 | 103,830 | 2,800,000 | 1,620,613 | 260,000 | 39,400 |
| 2030 | 753,719 | 84,596 | 2,925,000 | 1,503,263 | 275,000 | 28,700 |
| 2031-2035 | 1,862,472 | 147,175 | 16,275,000 | 5,585,419 | 580,000 | 23,400 |
| 2036-2040 | - | - | 12,525,000 | 2,501,694 | - | - |
| 2041-2045 | - | - | 6,005,000 | 576,925 | - | - |
| Total | \$ 8,275,291 | \$ 879,504 | \$ 48,290,000 | \$ 17,329,089 | \$ 1,840,000 | \$ 269,400 |

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, 2025, 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, 2025, 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, 2025, this requirement had been met.

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

City of Burleson, Texas
Notes to the Financial Statements

Subscription Based Information Technology Arrangements (SBITA)

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor’s information technology software over the subscription term. The City is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

| | <u>Interest Rate</u> | <u>Liability at Commencement</u> | <u>Lease Term in Years</u> | <u>Ending Balance September 30, 2025</u> |
|--------------------------------------|----------------------|----------------------------------|----------------------------|------------------------------------------|
| Software | 3.4-5.1% | \$ 8,112,170 | 2023-2035 | <u>\$ 6,429,221</u> |
| Total governmental activities | | | | <u><u>\$ 6,429,221</u></u> |

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

| <u>Fiscal Year Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|--------------------------------------|----------------------------|----------------------------|----------------------------|
| 2026 | \$ 948,840 | \$ 15,076 | \$ 963,916 |
| 2027 | 435,753 | 227,299 | 663,052 |
| 2028 | 397,138 | 209,352 | 606,490 |
| 2029 | 413,619 | 192,871 | 606,490 |
| 2030 | 430,786 | 175,706 | 606,492 |
| 2031-2035 | <u>3,803,085</u> | <u>486,310</u> | <u>4,289,395</u> |
| Total governmental activities | <u><u>\$ 6,429,221</u></u> | <u><u>\$ 1,306,614</u></u> | <u><u>\$ 7,735,835</u></u> |

The value of the subscription assets as of the end of the current fiscal year was \$8,863,047 and had accumulated amortization of \$889,348.

Financed Purchases

In a prior year, the City has entered into an agreement for the financed purchase of equipment, with the agreement having a maximum allowable amount equal to the principal due as scheduled. During year ended September 30, 2025, this agreement was moved to subscription-based IT arrangement.

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 2025, the City purchased \$4,451,381 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 2025, the City paid \$6,183,230 for the treatment and disposal of sanitary sewage under the terms of this contract.

City of Burleson, Texas
Notes to the Financial Statements

Note 9. Employees' Retirement System

Texas Municipal Retirement System

Plan Description. The City participates as one of 938 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the 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 TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at 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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 236 |
| Inactive employees entitled to but not yet receiving benefits | 249 |
| Active employees | <u>407</u> |
| Total | <u><u>892</u></u> |

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

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 17.67% and 17.79% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$6,663,887, and were equal to the required contributions.

City of Burleson, Texas
Notes to the Financial Statements

Net Pension Liability. The City’s Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 the most recent Scale MP- 2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, 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 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2025 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate if Return (Arithmetic)</u> |
|----------------------------------|--------------------------|------------------------------------------------------------|
| Global Public Equity | 35.0% | 7.10% |
| Core Fixed Income | 6.0% | 5.00% |
| Non-Core Fixed Income | 6.0% | 6.80% |
| Hedge Funds | 5.0% | 6.40% |
| Private Equity | 13.0% | 8.50% |
| Private Debt | 13.0% | 8.20% |
| Real Estate | 12.0% | 6.70% |
| Infrastructure | 6.0% | 6.00% |
| Other Public and Private Markets | <u>4.0%</u> | 7.30% |
| Total | <u>100.00%</u> | |

City of Burleson, Texas
Notes to the Financial Statements

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 12/31/2023 | \$ 157,335,053 | \$ 128,488,366 | \$ 28,846,687 |
| Changes for the year: | | | |
| Service cost | 6,996,934 | - | 6,996,934 |
| Interest | 10,638,169 | - | 10,638,169 |
| Difference between expected and actual experience | 920,206 | - | 920,206 |
| Changes of assumptions | - | - | - |
| Contributions - employer | - | 6,442,798 | (6,442,798) |
| Contributions - employee | - | 2,585,984 | (2,585,984) |
| Net investment income | - | 13,375,404 | (13,375,404) |
| Benefit payments, including refunds of employee contributions | (6,462,047) | (6,462,047) | - |
| Administrative expense | - | (85,622) | 85,622 |
| Other changes | - | (2,003) | 2,003 |
| Net changes | <u>12,093,262</u> | <u>15,854,514</u> | <u>(3,761,252)</u> |
| Balance at 12/31/2024 | <u>\$ 169,428,315</u> | <u>\$ 144,342,880</u> | <u>\$ 25,085,435</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%) or 1 percentage point higher (7.75%) than the current rate:

| | 1% Decrease in Discount Rate (5.75%) | Discount Rate (6.75%) | 1% Increase in Discount Rate (7.75%) |
|------------------------------|-----------------------------------------|--------------------------|-----------------------------------------|
| City's net pension liability | \$ 51,150,357 | \$ 25,085,435 | \$ 3,950,262 |

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 trms.com.

City of Burleson, Texas
Notes to the Financial Statements

Pension Expense and Deferred Outflows and Inflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2025, the City recognized pension expense of \$8,173,713. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|-------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual economic experience | \$ 3,361,369 | \$ - |
| Changes in actuarial assumptions | - | 442,505 |
| Difference between projected and actual Investment earnings | - | 1,656,831 |
| Contributions subsequent to the measurement date | <u>4,883,668</u> | <u>-</u> |
| Total | <u>\$ 8,245,037</u> | <u>\$ 2,099,336</u> |

\$4,883,668 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending September 30,</u> | <u>Amount</u> |
|--------------------------------------|---------------|
| 2026 | \$ 1,493,004 |
| 2027 | 2,238,131 |
| 2028 | (1,681,981) |
| 2029 | (787,121) |

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.

City of Burleson, Texas
Notes to the Financial Statements

Employees Covered by Benefit Terms. At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 176 |
| Inactive employees entitled to but not yet receiving benefits | 65 |
| Active employees | <u>407</u> |
| Total | <u><u>648</u></u> |

Total OPEB Liability. The City’s total OPEB liability of \$915,579 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total OPEB liability in the December 31, 2024 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 | 4.08% |
| Actuarial cost method | Entry Age Normal Method |
| Projected salary increase | 3.60% to 11.85% 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 to measure the total OPEB liability was 4.08%. 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 4.08%, 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 (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

| | <u>1% Decrease in Discount Rate (3.08%)</u> | <u>Discount Rate (4.08%)</u> | <u>1% Increase in Discount Rate (5.08%)</u> |
|----------------------|-------------------------------------------------|----------------------------------|-------------------------------------------------|
| Total OPEB Liability | \$ 1,109,971 | \$ 915,579 | \$ 765,770 |

City of Burleson, Texas
Notes to the Financial Statements

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2025, the City recognized OPEB expense of \$47,442. 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

| | Total OPEB Liability |
|------------------------------------------------------|-------------------------|
| Balance at 12/31/2023 | \$ 927,889 |
| Changes for the year: | |
| Service cost | 48,025 |
| Interest | 35,469 |
| Difference between expected and actual experience | (18,861) |
| Changes of assumptions | (54,777) |
| Benefit payments | <u>(22,166)</u> |
| Net changes | <u>(12,310)</u> |
| Balance at 12/31/2024 | <u>\$ 915,579</u> |

At September 30, 2025, the City reported deferred outflows and inflows of resources related to other post-employment benefits from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience | \$ - | \$ 29,318 |
| Changes in actuarial assumptions | 103,399 | 305,956 |
| Contributions subsequent to the measurement date | <u>16,649</u> | <u>-</u> |
| Total | <u>\$ 120,048</u> | <u>\$ 335,274</u> |

\$16,649 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| For the Year Ended September 30, | Amount |
|-------------------------------------|-------------|
| 2026 | \$ (39,734) |
| 2027 | (59,236) |
| 2028 | (76,503) |
| 2029 | (41,710) |
| 2030 | (8,721) |
| Thereafter | (5,971) |

City of Burleson, Texas
Notes to the Financial Statements

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>399</u> |
| Total | <u><u>408</u></u> |

Actuarial Assumptions. The Total OPEB Liability in the October 1, 2023 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 | 4.90% |
| Actuarial cost method | Entry Age Normal Method |
| Healthcare cost trend rates | 5.92% 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.

City of Burleson, Texas
Notes to the Financial Statements

Discount Rate. The discount rate of 4.90% 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 (4.06%) in measuring the Total OPEB Liability.

| | <u>1% Decrease in Discount Rate (3.90%)</u> | <u>Discount Rate (4.90%)</u> | <u>1% Increase in Discount Rate (5.90%)</u> |
|----------------------|-------------------------------------------------|----------------------------------|-------------------------------------------------|
| Total OPEB Liability | \$ 4,869,323 | \$ 4,474,431 | \$ 4,115,515 |

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 in measuring the Total OPEB Liability.

| | <u>1% Decrease in Rate</u> | <u>Healthcare Cost Trend Rate</u> | <u>1% Increase in Rate</u> |
|----------------------|--------------------------------|---------------------------------------|--------------------------------|
| Total OPEB Liability | \$ 3,976,388 | \$ 4,474,431 | \$ 5,065,520 |

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2025, the City reported a liability of \$4,474,431 for its Total OPEB Liability for this plan. The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2024. For the year ended September 30, 2025, the City recognized OPEB expense of \$115,608. 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 9/30/2024 | \$ 4,541,981 |
| Changes for the year: | |
| Service cost | 194,070 |
| Interest | 227,579 |
| Difference between expected and actual experience | - |
| Changes of assumptions | (306,041) |
| Benefit payments | <u>(183,158)</u> |
| Net changes | <u>(67,550)</u> |
| Balance at 9/30/2025 | <u>\$ 4,474,431</u> |

City of Burleson, Texas
Notes to the Financial Statements

At September 30, 2025, the City reported deferred outflows and inflows of resources related to this OPEB plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience | \$ 56,678 | \$ 672,530 |
| Changes in actuarial assumptions | 77,388 | 392,029 |
| Total | \$ 134,066 | \$ 1,064,559 |

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

| For the Year Ended September 30, | Amount |
|-------------------------------------|--------------|
| 2026 | \$ (139,002) |
| 2027 | (216,389) |
| 2028 | (201,742) |
| 2029 | (195,167) |
| 2030 | (134,472) |
| Thereafter | (43,721) |

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 2025, employers or employees through salary reductions may contribute up to the limit of \$23,500 compensation on behalf of the participant under this plan. Employees age 50 or older may contribute up to an additional \$7,500, for a total of \$31,000. Employees may take advantage of the special 457(b) catch-up deferrals by selecting a special "last 3-year catch-up," which allows the participant to defer enhanced limits in the three years before they reach the plan's normal retirement age. For employees within three years of normal retirement age, contributions can reach up to \$47,000, depending on unused deferrals from past years. If a governmental 457(b) allows both the age-50 catch-up and the 3-year catch-up, the participant can use the one that allows a larger deferral but not both. 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 is not believed to be material.

B. Construction Commitments

The City has active construction projects as of September 30, 2025. At year-end the City has \$19,528,997 of outstanding construction commitments.

City of Burleson, Texas
 Notes to the Financial Statements

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:

| Fund | Amount |
|------------------------------|----------------------|
| General | \$ 837,669 |
| Bond-Funded capital projects | 41,245,750 |
| Nonmajor governmental | 1,214,173 |
| Water & wastewater | 563,483 |
| Nonmajor enterprise | 27,919 |
| Internal service funds | 1,371,582 |
| | <hr/> |
| Total | <u>\$ 45,260,576</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 120% of the total expected medical and Rx claims 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 City’s benefit consultant, HUB International. The City’s benefit consultant determines the premium structures by working closely with the City of Burleson Human Resources department and the City Manager’s Office 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, 2025, the property tax abatement agreement with Yukon provides a 50% tax abatement for 5 years, beginning in 2022 for development of a cold storage facility. In fiscal year 2025, this agreement resulted in abated property taxes of \$255,000.
- For the fiscal year ended September 30, 2025, The property tax abatement agreement with McLane Burleson Properties provides a 80% tax abatement for 10 years, beginning in 2020 for the development of a restaurant distribution facility. In fiscal year 2025, this agreement resulted in abated property taxes of \$275,333.
- For the fiscal year ended September 30, 2025, The property tax abatement 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 2025, this agreement resulted in abated property taxes of \$337,928.

City of Burleson, Texas

Notes to the Financial Statements

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 – \$744,932.
- Sales tax rebate incentives – \$87,956.
- Grant payments for meeting other performance targets – \$1,485,055.

Note 15. Changes to or Within the Financial Reporting Entity

The City's General Debt Service fund met the quantitative threshold for reporting as a major fund for the year ended September 30, 2025. The effect of this change is displayed on the financial statements.

Required Supplementary Information

City of Burleson, Texas
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2025

Exhibit D-1
(Page 1 of 2)

| | Budgeted Amounts | | Actual Amounts | Variance - |
|---------------------------------|-------------------------|----------------------|-----------------------|----------------------------|
| | Original | Final | GAAP Basis | Positive (Negative) |
| REVENUES | | | | |
| Property taxes | \$ 30,111,223 | \$ 30,111,223 | \$ 30,391,302 | \$ 280,079 |
| Sales taxes | 15,503,578 | 15,503,578 | 15,745,474 | 241,896 |
| Franchise fees | 4,254,115 | 4,254,115 | 4,239,804 | (14,311) |
| Licenses and permits | 1,470,168 | 1,470,168 | 1,244,156 | (226,012) |
| Intergovernmental | 2,069,436 | 2,069,436 | 2,089,690 | 20,254 |
| Charges for services | 5,929,241 | 5,929,241 | 5,925,163 | (4,078) |
| Fines and forfeitures | 850,000 | 850,000 | 537,877 | (312,123) |
| Investment income | 640,000 | 640,000 | 1,117,716 | 477,716 |
| Miscellaneous | 1,991,705 | 1,991,705 | 1,853,887 | (137,818) |
| Total revenues | 62,819,466 | 62,819,466 | 63,145,069 | 325,603 |
| EXPENDITURES | | | | |
| General government: | | | | |
| City Council | 92,394 | 89,749 | 70,800 | 18,949 |
| City Manager's office | 1,357,479 | 1,357,529 | 1,436,954 | (79,425) |
| Legal | 848,920 | 965,673 | 800,247 | 165,426 |
| Communications | 643,436 | 638,436 | 596,026 | 42,410 |
| City Secretary's office | 904,534 | 907,179 | 854,798 | 52,381 |
| Records management | 130,494 | 130,494 | 154,964 | (24,470) |
| Judicial | 137,369 | 137,369 | 133,948 | 3,421 |
| Human resources | 1,338,294 | 1,338,294 | 1,257,661 | 80,633 |
| Finance | 1,694,932 | 1,702,008 | 1,573,749 | 128,259 |
| Purchasing | 322,931 | 337,674 | 292,467 | 45,207 |
| Non-Departmental | 647,303 | 681,853 | 1,430,127 | (748,274) |
| Total general government | 8,118,086 | 8,286,258 | 8,601,741 | (315,483) |
| Public safety: | | | | |
| Police | 19,520,439 | 19,520,439 | 19,080,087 | 440,352 |
| Fire | 11,565,440 | 11,546,036 | 11,502,281 | 43,755 |
| Public Safety Communications | 3,069,572 | 3,069,572 | 2,777,801 | 291,771 |
| Medical transport | 2,604,333 | 2,604,333 | 1,808,591 | 795,742 |
| Municipal court | 567,280 | 567,280 | 514,891 | 52,389 |
| Marshals service | - | - | 3,410 | (3,410) |
| Total public safety | 37,327,064 | 37,307,660 | 35,687,061 | 1,620,599 |
| Public works: | | | | |
| Public works administration | 986,813 | 988,813 | 965,579 | 23,234 |
| Street drainage maintenance | 613,009 | 621,572 | 575,124 | 46,448 |
| Streets pavement maintenance | 3,421,069 | 3,415,161 | 3,311,808 | 103,353 |
| Traffic control maintenance | 1,316,607 | 1,825,518 | 1,264,057 | 561,461 |
| Engineering/capital | 1,325,753 | 1,467,797 | 419,264 | 1,048,533 |
| Engineering/development | 797,380 | 955,534 | 712,227 | 243,307 |
| Engineering/inspections | 605,476 | 605,476 | 287,233 | 318,243 |
| Facilities maintenance | 953,348 | 1,160,818 | 1,107,848 | 52,970 |
| Total public works | \$ 10,019,455 | \$ 11,040,689 | \$ 8,643,140 | \$ 2,397,549 |

The Notes to the Required Supplementary Information are an integral part of this schedule.

City of Burleson, Texas
General Fund
Budgetary Comparison Schedule - Continued
For the Year Ended September 30, 2025

Exhibit D-1
(Page 2 of 2)

| | Budgeted Amounts | | Actual Amounts | Variance - |
|----------------------------------------------------------------------|-------------------------|--------------------|-----------------------|--------------------------------|
| | Original | Final | GAAP Basis | Positive (Negative) |
| Community development: | | | | |
| Neighborhood services | - | - | 1,014 | (1,014) |
| Environmental services | 149,848 | 154,848 | 157,469 | (2,621) |
| Animal services | 803,528 | 814,528 | 753,851 | 60,677 |
| Code enforcement | 798,381 | 798,381 | 800,167 | (1,786) |
| Building inspections | 895,477 | 895,477 | 869,786 | 25,691 |
| Economic development | 1,009,440 | 1,009,440 | 891,116 | 118,324 |
| Community development | 767,650 | 767,650 | 751,017 | 16,633 |
| Development services | 15,340 | 15,340 | 16,577 | (1,237) |
| Total community development | <u>4,439,664</u> | <u>4,455,664</u> | <u>4,240,997</u> | <u>214,667</u> |
| Parks and recreation: | | | | |
| Parks | 1,666,498 | 1,695,687 | 1,803,042 | (107,355) |
| Parks and recreation administration | - | - | 1,034 | (1,034) |
| ROW Maintenance | 610,413 | 610,413 | 572,296 | 38,117 |
| Total parks and recreation | <u>2,276,911</u> | <u>2,306,100</u> | <u>2,376,372</u> | <u>(70,272)</u> |
| Library: | | | | |
| Senior citizens center | 226,726 | 228,226 | 239,424 | (11,198) |
| Library | 1,485,517 | 1,487,067 | 1,435,727 | 51,340 |
| Total Library | <u>1,712,243</u> | <u>1,715,293</u> | <u>1,675,151</u> | <u>40,142</u> |
| Capital Outlay | 257,000 | 412,571 | 350,020 | 62,551 |
| Debt service: | | | | |
| Principal retirement | 64,118 | 64,118 | 66,336 | (2,218) |
| Interest and fiscal agent charges | 11,887 | 11,887 | 9,668 | 2,219 |
| Total debt service | <u>76,005</u> | <u>76,005</u> | <u>76,004</u> | <u>1</u> |
| Total expenditures | <u>64,226,428</u> | <u>65,600,240</u> | <u>61,650,486</u> | <u>3,949,754</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(1,406,962)</u> | <u>(2,780,774)</u> | <u>1,494,583</u> | <u>4,275,357</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of subscription-based IT arrangement | - | - | 26,420 | 26,420 |
| Transfers in | 3,838,097 | 3,838,097 | 1,498,083 | (2,340,014) |
| Transfers out | (1,645,833) | (1,645,833) | (1,670,753) | (24,920) |
| Total other financing sources (uses) | <u>2,192,264</u> | <u>2,192,264</u> | <u>(146,250)</u> | <u>(2,338,514)</u> |
| NET CHANGE IN FUND BALANCE | 785,302 | (588,510) | 1,348,333 | 1,936,843 |
| FUND BALANCES - BEGINNING | <u>20,358,733</u> | <u>20,358,733</u> | <u>20,358,733</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>21,144,035</u> | <u>19,770,223</u> | <u>21,707,066</u> | <u>1,936,843</u> |

The Notes to the Required Supplementary Information are an integral part of this schedule.

City of Burleson, Texas
 General Debt Service Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2025

Exhibit D-2

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--------------------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 10,322,724 | \$ 10,322,724 | \$ 10,496,962 | \$ 174,238 |
| Investment income | 150,000 | 150,000 | 312,306 | 162,306 |
| Total revenues | <u>10,472,724</u> | <u>10,472,724</u> | <u>10,809,268</u> | <u>336,544</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 14,755,286 | 14,755,286 | 14,715,523 | 39,763 |
| Interest and fiscal agent charges | <u>6,016,880</u> | <u>6,016,880</u> | <u>5,977,176</u> | <u>39,704</u> |
| Total expenditures | <u>20,772,166</u> | <u>20,772,166</u> | <u>20,692,699</u> | <u>79,467</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(10,299,442)</u> | <u>(10,299,442)</u> | <u>(9,883,431)</u> | <u>416,011</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>7,854,415</u> | <u>7,854,415</u> | <u>7,872,217</u> | <u>17,802</u> |
| Total other financing sources | <u>7,854,415</u> | <u>7,854,415</u> | <u>7,872,217</u> | <u>17,802</u> |
| NET CHANGE IN FUND BALANCE | <u>(2,445,027)</u> | <u>(2,445,027)</u> | <u>(2,011,214)</u> | <u>433,813</u> |
| FUND BALANCE, BEGINNING | <u>6,851,142</u> | <u>6,851,142</u> | <u>6,851,142</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 4,406,115</u> | <u>\$ 4,406,115</u> | <u>\$ 4,839,928</u> | <u>\$ 433,813</u> |

The Notes to the Required Supplementary Information are an integral part of this schedule.

City of Burleson, Texas

Notes to Required Supplementary Information

Budgetary Schedule

For the Year Ended September 30, 2025

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 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, 2025

| Plan Year | 2015 | 2016 | 2017 |
|----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| A. Total Pension Liability | | | |
| Service Cost | \$ 3,299,052 | \$ 3,628,862 | \$ 3,745,062 |
| Interest (on the Total Pension Liability) | 5,311,694 | 5,536,081 | 5,991,443 |
| Difference between expected and actual experience | 96,222 | 324,293 | 34,315 |
| Change of assumptions | (200,754) | - | - |
| Benefit payments, including refunds of employee contributions | (2,164,637) | (2,908,249) | (2,694,216) |
| Net change in total pension liability | 6,341,577 | 6,580,987 | 7,076,604 |
| Total pension liability - beginning | 75,314,138 | 81,655,715 | 88,236,702 |
| Total pension liability - ending (a) | 81,655,715 | 88,236,702 | 95,313,306 |
| B. Plan Fiduciary Net Position | | | |
| Contributions - employer | \$ 2,973,435 | \$ 3,195,301 | \$ 3,326,528 |
| Contributions - employee | 1,364,856 | 1,459,887 | 1,510,106 |
| Net investment income | 89,281 | 4,240,199 | 9,518,399 |
| Benefit payments, including refunds of employee contributions | (2,164,637) | (2,908,249) | (2,694,216) |
| Administrative expenses | (54,372) | (47,857) | (49,301) |
| Other | (2,684) | (2,578) | (2,499) |
| Net change in plan fiduciary net position | 2,205,879 | 5,936,703 | 11,609,017 |
| Plan fiduciary net position - beginning | 60,496,005 | 62,701,884 | 68,638,587 |
| Plan fiduciary net position - ending (b) | 62,701,884 | 68,638,587 | 80,247,604 |
| C. Net Pension Liability - Ending (a) - (b) | \$ 18,953,831 | \$ 19,598,115 | \$ 15,065,702 |
| D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 76.79% | 77.79% | 84.19% |
| E. Covered Payroll | \$ 19,497,945 | \$ 20,855,530 | \$ 21,572,943 |
| F. Net Pension Liability as a Percentage of Covered Payroll | 97.21% | 93.97% | 69.84% |

Exhibit D-3

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | \$ 3,887,921 | \$ 4,309,779 | \$ 4,785,763 | \$ 5,012,736 | \$ 5,695,227 | \$ 6,517,109 | \$ 6,996,934 |
| | 6,464,469 | 6,966,885 | 7,567,698 | 8,224,864 | 9,002,871 | 9,852,041 | 10,638,169 |
| | 37,485 | 658,640 | 1,555,110 | 2,834,678 | 2,790,245 | 1,786,872 | 920,206 |
| | - | 364,920 | - | - | - | (767,877) | - |
| | <u>(2,974,711)</u> | <u>(3,340,504)</u> | <u>(3,934,066)</u> | <u>(4,638,440)</u> | <u>(5,136,560)</u> | <u>(5,501,408)</u> | <u>(6,462,047)</u> |
| | 7,415,164 | 8,959,720 | 9,974,505 | 11,433,838 | 12,351,783 | 11,886,737 | 12,093,262 |
| | <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> | <u>145,448,316</u> | <u>157,335,053</u> |
| | <u>102,728,470</u> | <u>111,688,190</u> | <u>121,662,695</u> | <u>133,096,533</u> | <u>145,448,316</u> | <u>157,335,053</u> | <u>169,428,315</u> |
| | \$ 3,446,107 | \$ 3,812,900 | \$ 4,144,156 | \$ 4,434,554 | \$ 5,225,616 | \$ 6,224,928 | \$ 6,442,798 |
| | 1,565,006 | 1,732,309 | 1,875,187 | 1,936,487 | 2,197,717 | 2,494,246 | 2,585,984 |
| | (2,405,770) | 12,355,867 | 7,166,812 | 13,511,620 | (8,677,016) | 13,025,384 | 13,375,404 |
| | (2,974,711) | (3,340,504) | (3,934,066) | (4,638,440) | (5,136,560) | (5,501,408) | (6,462,047) |
| | (46,457) | (69,735) | (46,326) | (62,444) | (74,981) | (82,709) | (85,622) |
| | <u>(2,430)</u> | <u>(2,096)</u> | <u>(1,807)</u> | <u>428</u> | <u>89,476</u> | <u>(578)</u> | <u>(2,003)</u> |
| | (418,255) | 14,488,741 | 9,203,956 | 15,182,205 | (6,375,748) | 16,159,863 | 15,854,514 |
| | <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>112,328,503</u> | <u>128,488,366</u> |
| | <u>79,829,349</u> | <u>94,318,090</u> | <u>103,522,046</u> | <u>118,704,251</u> | <u>112,328,503</u> | <u>128,488,366</u> | <u>144,342,880</u> |
| | <u>\$ 22,899,121</u> | <u>\$ 17,370,100</u> | <u>\$ 18,140,649</u> | <u>\$ 14,392,282</u> | <u>\$ 33,119,813</u> | <u>\$ 28,846,687</u> | <u>\$ 25,085,435</u> |
| | 77.71% | 84.45% | 85.09% | 89.19% | 77.23% | 81.67% | 85.19% |
| | \$ 22,357,225 | \$ 24,697,874 | \$ 26,780,992 | \$ 27,664,104 | \$ 31,395,959 | \$ 35,632,091 | \$ 36,942,630 |
| | 102.42% | 70.33% | 67.74% | 52.03% | 105.49% | 80.96% | 67.90% |

City of Burleson, Texas
Schedule of Pension Contributions
Texas Municipal Retirement System
For The Year Ended September 30, 2025

| Fiscal Year | 2016 | 2017 | 2018 |
|----------------------------------------------------------------------|------------------|------------------|------------------|
| Actuarial determined contribution | \$ 3,290,623 | \$ 3,270,142 | \$ 3,413,058 |
| Contributions in relation to the actuarially determined contribution | <u>3,290,623</u> | <u>3,270,142</u> | <u>3,413,058</u> |
| Contribution deficiency (excess) | - | - | - |
| Covered payroll | \$ 21,503,209 | \$ 21,235,212 | \$ 21,235,212 |
| Contributions as a percentage of covered payroll | 15.30% | 15.40% | 16.07% |

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 | 21 years (longest amortization ladder) |
| Asset Valuation Method | 10 Year smoothed market; 12% soft corridor |
| Inflation | 2.50% |
| Salary Increases | 3.60% to 11.85% 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 2023 valuation pursuant to an experience study of the period ending 2022. |

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.

Exhibit D-4

| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ | 3,710,515 | \$ 4,023,849 | \$ 4,144,156 | \$ 4,434,554 | \$ 5,225,616 | \$ 6,224,926 | \$ 6,442,798 |
| | <u>3,710,515</u> | <u>4,023,849</u> | <u>4,144,156</u> | <u>4,434,554</u> | <u>5,225,616</u> | <u>6,224,926</u> | <u>6,442,798</u> |
| | - | - | - | - | - | - | - |
| \$ | 24,033,514 | \$ 26,033,943 | \$ 26,780,992 | \$ 27,664,104 | \$ 34,804,970 | \$ 36,619,030 | \$ 36,942,630 |
| | 15.44% | 15.46% | 15.47% | 16.03% | 15.01% | 17.00% | 17.44% |

City of Burleson, Texas

Exhibit D-5

Schedule of Changes In Total OPEB Liability and Related Ratios - Texas Municipal Retirement System - Supplemental Death Benefits Fund For the Year Ended September 30, 2025

| Plan Year Ended December 31, | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| A. Total OPEB Liability | | | | | | | | |
| Service Cost | \$ 32,359 | \$ 40,243 | \$ 37,047 | \$ 53,562 | \$ 71,927 | \$ 78,490 | \$ 42,759 | \$ 48,025 |
| Interest (on the Total OPEB Liability) | 22,672 | 23,726 | 26,040 | 24,950 | 23,003 | 23,092 | 33,845 | 35,469 |
| Difference between expected and actual experience | - | (15,410) | (17,286) | (4,333) | (21,562) | (3,076) | (1,518) | (18,861) |
| Change of assumptions | 62,411 | (57,141) | 156,463 | 169,132 | 42,939 | (481,420) | 49,195 | (54,777) |
| Benefit payments, including refunds of employee contributions | (4,315) | (4,471) | (4,940) | (5,356) | (13,832) | (15,698) | (21,379) | (22,166) |
| Net change in total OPEB liability | 113,127 | (13,053) | 197,324 | 237,955 | 102,475 | (398,612) | 102,902 | (12,310) |
| Total OPEB liability - beginning | 585,771 | 698,898 | 685,845 | 883,169 | 1,121,124 | 1,223,599 | 824,987 | 927,889 |
| Total OPEB liability - ending | 698,898 | 685,845 | 883,169 | 1,121,124 | 1,223,599 | 824,987 | 927,889 | 915,579 |
| B. Covered-employee Payroll | | | | | | | | |
| | \$ 21,572,943 | \$ 22,357,225 | \$ 24,697,874 | \$ 26,780,992 | \$ 27,664,104 | \$ 31,395,959 | \$ 35,632,091 | \$ 36,942,630 |
| C. Total OPEB Liability as a Percentage of Covered Payroll | | | | | | | | |
| | 3.24% | 3.07% | 3.58% | 4.19% | 4.42% | 2.63% | 2.60% | 2.48% |

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, 2025

Exhibit D-6

| Measurement Date September 30, | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| A. Total OPEB Liability | | | | | | | | |
| Service Cost | \$ 148,455 | \$ 152,883 | \$ 152,373 | \$ 214,854 | \$ 221,335 | \$ 182,225 | \$ 189,337 | \$ 194,070 |
| Interest (on the Total OPEB Liability) | 118,786 | 128,811 | 139,215 | 101,983 | 107,463 | 220,783 | 214,438 | 227,579 |
| Difference between expected and actual experience | 326,732 | - | 141,692 | - | (552,588) | - | (554,732) | - |
| Change of assumptions | 256,399 | 52,121 | 541,708 | (102,528) | (45,996) | (40,566) | (80,532) | (306,041) |
| Benefit payments | (83,018) | (42,529) | - | (37,819) | 14,999 | (89,925) | 9,642 | (183,158) |
| Net change in total OPEB liability | 767,354 | 291,286 | 974,988 | 176,490 | (254,787) | 272,517 | (221,847) | (67,550) |
| Total OPEB liability - beginning | 2,535,980 | 3,303,334 | 3,594,620 | 4,569,608 | 4,746,098 | 4,491,311 | 4,763,828 | 4,541,981 |
| Total OPEB liability - ending | 3,303,334 | 3,594,620 | 4,569,608 | 4,746,098 | 4,491,311 | 4,763,828 | 4,541,981 | 4,474,431 |
| B. Covered- employee Payroll | | | | | | | | |
| | \$ 18,416,233 | \$ 22,342,123 | \$ 22,779,945 | \$ 26,486,753 | \$ 27,030,000 | \$ 30,328,507 | \$ 36,619,030 | \$ 37,899,084 |
| C. Total OPEB Liability as a Percentage of Covered-Employee Payroll | | | | | | | | |
| | 17.94% | 16.09% | 20.06% | 17.92% | 16.62% | 15.71% | 12.40% | 11.81% |

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
BURLESON
TEXAS

Other Supplementary Information

THE CITY OF
BURLESON
TEXAS

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 **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 **Tax Increment Financing District (TIF) 2 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 (EDC) 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 **BCSDC (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 **Street Maintenance Fund** is used to account for funds transferred from the General Fund that were committed for street maintenance.

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

Debt Service Funds

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

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

The **BCSDC (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, 2025

Exhibit E-1
(Page 1 of 2)

| | Special Revenue Funds | | | | | |
|-----------------------------------------------------------------------|----------------------------------|------------------------------------|------------------------------|--------------------|------------------|--------------------------------|
| | BCSDC Special Revenue | 4A Corp Special Revenue | Parks Performance | Hotel/Motel | Grants | COVID Relief Grants |
| ASSETS | | | | | | |
| Cash and investments | \$ 4,364,847 | \$ 7,293,984 | \$ 1,161,612 | \$ 482,275 | \$ 5,277 | \$ 1,853,100 |
| Receivables: | | | | | | |
| Taxes, net | - | - | - | 315,561 | - | - |
| Accounts | - | 23,738 | 36,050 | 3,700 | 8,494 | - |
| Leases | - | 120,838 | - | - | - | - |
| Accrued interest | 22,253 | 52,096 | 10,510 | 3,449 | - | 13,252 |
| Due from other governments | 1,293,870 | 1,293,870 | - | - | - | - |
| Total assets | <u>5,680,970</u> | <u>8,784,526</u> | <u>1,208,172</u> | <u>804,985</u> | <u>13,771</u> | <u>1,866,352</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 8,587 | 37,191 | 161,095 | 9,919 | - | 630,000 |
| Accrued liabilities | 17,655 | 33,141 | 146,851 | - | - | - |
| Unearned revenue | - | 3,625 | 176,629 | - | - | 711,213 |
| Total liabilities | <u>26,242</u> | <u>73,957</u> | <u>484,575</u> | <u>9,919</u> | <u>-</u> | <u>1,341,213</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - hotel occupancy taxes | - | - | - | 85,829 | - | - |
| Unavailable revenue - leased assets | - | 109,064 | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>109,064</u> | <u>-</u> | <u>85,829</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | |
| Restricted for: | | | | | | |
| Debt service | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Parks and recreation | - | - | 723,597 | - | - | - |
| Library | - | - | - | - | - | - |
| Economic development | 5,654,728 | 8,601,505 | - | - | - | - |
| Tourism | - | - | - | 709,237 | - | - |
| Other purposes | - | - | - | - | 13,771 | 525,139 |
| Committed for: | | | | | | |
| Capital projects | - | - | - | - | - | - |
| Total fund balances | <u>5,654,728</u> | <u>8,601,505</u> | <u>723,597</u> | <u>709,237</u> | <u>13,771</u> | <u>525,139</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 5,680,970</u> | <u>\$ 8,784,526</u> | <u>\$ 1,208,172</u> | <u>\$ 804,985</u> | <u>\$ 13,771</u> | <u>\$ 1,866,352</u> |

City of Burleson, Texas
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2025

| | Special Revenue Funds | | | Capital Projects Funds | |
|--------------------------------------------------------------------|------------------------------|------------------------|------------------------------|----------------------------------------------|-------------------------------|
| | TIF 2 | Municipal Court | Other Special Revenue | Mineral Lease Funded Capital Projects | 4A EDC Non-bond Funded |
| ASSETS | | | | | |
| Cash and investments | \$ 1,082,843 | \$ 197,177 | \$ 800,654 | \$ 478,331 | \$ 278,497 |
| Receivables: | | | | | |
| Taxes, net | - | - | - | - | - |
| Accounts | 10,500 | - | 15,447 | - | - |
| Leases | - | - | - | - | - |
| Accrued interest | 7,749 | 1,447 | 3,225 | 18,690 | 1,996 |
| Due from other governments | - | - | - | - | - |
| Total assets | <u>1,101,092</u> | <u>198,624</u> | <u>819,326</u> | <u>497,021</u> | <u>280,493</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | - | - | 31,569 | 180,785 | 21,121 |
| Accrued liabilities | - | - | 183,317 | - | - |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>214,886</u> | <u>180,785</u> | <u>21,121</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - hotel occupancy taxes | - | - | - | - | - |
| Unavailable revenue - leased assets | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Restricted for: | | | | | |
| Debt service | - | - | - | - | - |
| Public safety | - | 198,624 | - | - | - |
| Parks and recreation | - | - | - | - | - |
| Library | - | - | 170,360 | - | - |
| Economic development | 1,101,092 | - | 262,971 | - | - |
| Tourism | - | - | - | - | - |
| Other purposes | - | - | 171,109 | - | - |
| Committed for: | | | | | |
| Capital projects | - | - | - | 316,236 | 259,372 |
| Total fund balances | <u>1,101,092</u> | <u>198,624</u> | <u>604,440</u> | <u>316,236</u> | <u>259,372</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 1,101,092</u> | <u>\$ 198,624</u> | <u>\$ 819,326</u> | <u>\$ 497,021</u> | <u>\$ 280,493</u> |

Exhibit E-1
(Page 2 of 2)

| BCSDC 4B Non-bond Funded | Capital Projects Funds | | | Debt Service Funds | | Total Other Governmental Funds |
|--------------------------------|---------------------------|-----------------------|-------------------------------------|------------------------|--------------------------|-----------------------------------------|
| | Street Paving Trust | Street Maintenance | Miscellaneous Non-bond Funded | 4A EDC Debt Service | BCSDC 4B Debt Service | |
| \$ 164,474 | \$ 3,904,732 | \$ 37,317 | \$ 4,736,389 | \$ 12,269 | \$ 130,036 | \$ 26,983,814 |
| - | - | - | - | - | - | 315,561 |
| - | - | - | - | - | - | 97,929 |
| - | - | - | - | - | - | 120,838 |
| 1,176 | 27,922 | 267 | 34,421 | 88 | 930 | 199,471 |
| - | - | - | - | - | - | 2,587,740 |
| <u>165,650</u> | <u>3,932,654</u> | <u>37,584</u> | <u>4,770,810</u> | <u>12,357</u> | <u>130,966</u> | <u>30,305,353</u> |
| - | 1 | - | 387,502 | 433 | 231 | 1,468,434 |
| - | - | - | - | - | - | 380,964 |
| - | - | - | - | - | - | 891,467 |
| - | <u>1</u> | <u>-</u> | <u>387,502</u> | <u>433</u> | <u>231</u> | <u>2,740,865</u> |
| - | - | - | - | - | - | 85,829 |
| - | - | - | - | - | - | 109,064 |
| - | - | - | - | - | - | 194,893 |
| - | - | - | - | 11,924 | 130,735 | 142,659 |
| - | - | - | - | - | - | 198,624 |
| - | - | - | - | - | - | 723,597 |
| - | - | - | - | - | - | 170,360 |
| - | - | - | - | - | - | 15,620,296 |
| - | - | - | - | - | - | 709,237 |
| - | - | - | - | - | - | 710,019 |
| <u>165,650</u> | <u>3,932,653</u> | <u>37,584</u> | <u>4,383,308</u> | <u>-</u> | <u>-</u> | <u>9,094,803</u> |
| <u>165,650</u> | <u>3,932,653</u> | <u>37,584</u> | <u>4,383,308</u> | <u>11,924</u> | <u>130,735</u> | <u>27,369,595</u> |
| <u>\$ 165,650</u> | <u>\$ 3,932,654</u> | <u>\$ 37,584</u> | <u>\$ 4,770,810</u> | <u>\$ 12,357</u> | <u>\$ 130,966</u> | <u>\$ 30,305,353</u> |

THE CITY OF
BURLESON
TEXAS

City of Burleson, Texas
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances – Nonmajor Governmental Funds
 For the Year Ended September 30, 2025

Exhibit E-2
 (Page 1 of 2)

| | Special Revenue Funds | | | | | |
|----------------------------------------------------------------------|----------------------------------|------------------------------------|------------------------------|--------------------|------------------|--------------------------------|
| | BCSDC Special Revenue | 4A Corp Special Revenue | Parks Performance | Hotel/Motel | Grants | COVID Relief Grants |
| REVENUES | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales and use taxes | 7,731,931 | 7,731,931 | - | - | - | - |
| Hotel occupancy taxes | - | - | - | 489,671 | - | - |
| Franchise fees | - | - | - | - | - | - |
| Charges for services | - | - | 2,698,618 | - | - | - |
| Intergovernmental | - | - | - | - | 62,000 | 2,137,035 |
| Fines | - | - | - | - | - | - |
| Contributions and donations | - | - | - | - | - | - |
| Investment income | 147,015 | 305,007 | 64,888 | 21,790 | - | 102,275 |
| Mineral lease | - | - | - | - | - | - |
| Street assessments | - | - | - | - | - | - |
| Miscellaneous | 45,906 | 379,101 | 41,639 | 6,350 | - | - |
| Total revenues | 7,924,852 | 8,416,039 | 2,805,145 | 517,811 | 62,000 | 2,239,310 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | 118,709 | - | - | - | - |
| Community development | 41,517 | 3,044,495 | - | 352,440 | - | - |
| Public safety | - | - | - | - | 60,372 | 928,530 |
| Public works | - | - | - | - | - | - |
| Library | - | - | - | - | 4,395 | - |
| Parks and recreation | 711,577 | - | 5,577,672 | - | - | - |
| Debt service: | | | | | | |
| Interest and fiscal agent charges | - | - | - | - | - | - |
| Capital outlay | 39,773 | 2,806,220 | 46,289 | - | - | 1,208,505 |
| Total expenditures | 792,867 | 5,969,424 | 5,623,961 | 352,440 | 64,767 | 2,137,035 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 7,131,985 | 2,446,615 | (2,818,816) | 165,371 | (2,767) | 102,275 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of land | - | 2,410,475 | - | - | - | - |
| Transfers in | - | - | 2,818,816 | - | - | - |
| Transfers out | (6,562,242) | (4,291,739) | - | - | - | - |
| Total other financing sources (uses) | (6,562,242) | (1,881,264) | 2,818,816 | - | - | - |
| NET CHANGE IN FUND BALANCE | 569,743 | 565,351 | - | 165,371 | (2,767) | 102,275 |
| FUND BALANCE, BEGINNING, as previously presented | 5,084,985 | 8,036,154 | 723,597 | 543,866 | 16,538 | 422,864 |
| Change within financial reporting entity | - | - | - | - | - | - |
| FUND BALANCE, ENDING | \$ 5,654,728 | \$ 8,601,505 | \$ 723,597 | \$ 709,237 | \$ 13,771 | \$ 525,139 |

City of Burleson, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds For the Year Ended September 30, 2025

| | Special Revenue Funds | | | Capital Projects Funds | |
|----------------------------------------------------------------------|-----------------------|-------------------|-----------------------|---------------------------------------|------------------------|
| | TIF 2 | Municipal Court | Other Special Revenue | Mineral Lease Funded Capital Projects | 4A EDC Non-bond Funded |
| REVENUES | | | | | |
| Property taxes | \$ 1,296,561 | \$ - | \$ - | \$ - | \$ - |
| Sales and use taxes | - | - | - | - | - |
| Hotel occupancy taxes | - | - | - | - | - |
| Franchise fees | - | - | 37,890 | - | - |
| Charges for services | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Fines | - | 38,291 | - | - | - |
| Contributions and donations | - | - | 158,208 | - | - |
| Investment income | 58,486 | 8,799 | 21,745 | 34,554 | 13,972 |
| Mineral lease | - | - | - | 209,811 | - |
| Street assessments | - | - | 124,505 | - | - |
| Miscellaneous | 18,250 | - | - | - | - |
| Total revenues | <u>1,373,297</u> | <u>47,090</u> | <u>342,348</u> | <u>244,365</u> | <u>13,972</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | 2,286 | 205,976 | - | - |
| Community development | 272,630 | - | - | - | - |
| Public safety | - | 33,018 | - | - | - |
| Public works | - | - | 40,455 | - | 562 |
| Library | - | - | 6,230 | - | - |
| Parks and recreation | 17,685 | - | 10,190 | 18,295 | - |
| Debt service: | | | | | |
| Interest and fiscal agent charges | - | - | - | - | - |
| Capital outlay | - | - | - | 839,263 | 90,271 |
| Total expenditures | <u>290,315</u> | <u>35,304</u> | <u>262,851</u> | <u>857,558</u> | <u>90,833</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,082,982</u> | <u>11,786</u> | <u>79,497</u> | <u>(613,193)</u> | <u>(76,861)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of land | - | - | - | - | - |
| Transfers in | - | - | - | - | - |
| Transfers out | (923,026) | - | - | - | - |
| Total other financing sources (uses) | <u>(923,026)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>159,956</u> | <u>11,786</u> | <u>79,497</u> | <u>(613,193)</u> | <u>(76,861)</u> |
| FUND BALANCE, BEGINNING, as previously presented | <u>941,136</u> | <u>186,838</u> | <u>524,943</u> | <u>929,429</u> | <u>336,233</u> |
| Change within financial reporting entity | - | - | - | - | - |
| FUND BALANCE, ENDING | <u>\$ 1,101,092</u> | <u>\$ 198,624</u> | <u>\$ 604,440</u> | <u>\$ 316,236</u> | <u>\$ 259,372</u> |

Exhibit E-2
(Page 2 of 2)

| Capital Projects Funds | | | | Debt Service Funds | | | Total Other Governmental Funds |
|--------------------------------|---------------------------|-----------------------|-------------------------------------|-----------------------------------------------|------------------------|--------------------------|-----------------------------------------|
| BCSDC 4B Non-bond Funded | Street Paving Trust | Street Maintenance | Miscellaneous Non-bond Funded | Formerly Non-major General Debt Service | 4A EDC Debt Service | BCSDC 4B Debt Service | |
| \$ - | \$ - | \$ - | \$ - | | \$ - | \$ - | \$ 1,296,561 |
| - | - | - | - | | - | - | 15,463,862 |
| - | - | - | - | | - | - | 489,671 |
| - | - | - | - | | - | - | 37,890 |
| - | - | - | - | | - | - | 2,698,618 |
| - | - | - | - | | - | - | 2,199,035 |
| - | - | - | - | | - | - | 38,291 |
| - | 920,734 | - | - | | - | - | 1,078,942 |
| 8,406 | 157,940 | 32,107 | 230,421 | | 572 | 5,802 | 1,213,779 |
| - | - | - | - | | - | - | 209,811 |
| - | - | - | - | | - | - | 124,505 |
| - | - | - | - | | - | - | 491,246 |
| <u>8,406</u> | <u>1,078,674</u> | <u>32,107</u> | <u>230,421</u> | | <u>572</u> | <u>5,802</u> | <u>25,342,211</u> |
| - | - | - | - | | - | - | 326,971 |
| - | - | 1,659,221 | 20,411 | | - | - | 5,390,714 |
| - | - | - | - | | - | - | 1,021,920 |
| - | - | - | 171,210 | | - | - | 212,227 |
| - | - | - | - | | - | - | 10,625 |
| 67,282 | - | - | - | | - | - | 6,402,701 |
| - | - | - | - | | 1,293 | 371 | 1,664 |
| - | - | 6,055 | 1,197,592 | | - | - | 6,233,968 |
| <u>67,282</u> | <u>-</u> | <u>1,665,276</u> | <u>1,389,213</u> | | <u>1,293</u> | <u>371</u> | <u>19,600,790</u> |
| <u>(58,876)</u> | <u>1,078,674</u> | <u>(1,633,169)</u> | <u>(1,158,792)</u> | | <u>(721)</u> | <u>5,431</u> | <u>5,741,421</u> |
| - | - | - | - | | - | - | 2,410,475 |
| - | - | 1,670,753 | - | | - | - | 4,489,569 |
| - | - | - | - | | - | - | (11,777,007) |
| - | - | 1,670,753 | - | | - | - | (4,876,963) |
| <u>(58,876)</u> | <u>1,078,674</u> | <u>37,584</u> | <u>(1,158,792)</u> | | <u>(721)</u> | <u>5,431</u> | <u>864,458</u> |
| 224,526 | 2,853,979 | - | 5,542,100 | 6,851,142 | 12,645 | 125,304 | 33,356,279 |
| - | - | - | - | (6,851,142) | - | - | (6,851,142) |
| <u>\$ 165,650</u> | <u>\$ 3,932,653</u> | <u>\$ 37,584</u> | <u>\$ 4,383,308</u> | <u>\$ -</u> | <u>\$ 11,924</u> | <u>\$ 130,735</u> | <u>\$ 27,369,595</u> |

City of Burleson, Texas
 Debt Service Funds
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2025

| | BCSDC Debt Service | | | |
|--------------------------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | |
| Investment income | \$ - | \$ - | \$ 5,802 | \$ 5,802 |
| Total revenues | - | - | 5,802 | 5,802 |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Interest and fiscal agent charges | - | - | 371 | (371) |
| Total expenditures | - | - | 371 | (371) |
| Excess (deficiency) of revenues over (under) expenditures | - | - | 5,431 | 5,431 |
| NET CHANGE IN FUND BALANCE | - | - | 5,431 | 5,431 |
| FUND BALANCE, BEGINNING | 125,304 | 125,304 | 125,304 | - |
| FUND BALANCE, ENDING | \$ 125,304 | \$ 125,304 | \$ 130,735 | \$ 5,431 |

| 4A EDC Debt Service | | | |
|---------------------|------------------|------------------|------------------------------|
| Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ 572 | \$ 572 |
| - | - | 572 | 572 |
| - | - | 1,293 | (1,293) |
| - | - | 1,293 | (1,293) |
| - | - | (721) | (721) |
| - | - | (721) | (721) |
| 12,645 | 12,645 | 12,645 | - |
| <u>\$ 12,645</u> | <u>\$ 12,645</u> | <u>\$ 11,924</u> | <u>\$ (721)</u> |

City of Burleson, Texas
Hotel/Motel Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2025

Exhibit E-4

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------------|
| REVENUES | | | | |
| Hotel occupancy taxes | \$ 515,000 | \$ 515,000 | \$ 489,671 | \$ (25,329) |
| Investment income | 10,000 | 10,000 | 21,790 | 11,790 |
| Miscellaneous | 5,000 | 5,000 | 6,350 | 1,350 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 530,000 | 530,000 | 517,811 | (12,189) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | 574,393 | 574,393 | 352,440 | 221,953 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 574,393 | 574,393 | 352,440 | 221,953 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | | | | |
| | (44,393) | (44,393) | 165,371 | 209,764 |
| FUND BALANCE, BEGINNING | | | | |
| | 543,866 | 543,866 | 543,866 | - |
| FUND BALANCE, ENDING | | | | |
| | <u>\$ 499,473</u> | <u>\$ 499,473</u> | <u>\$ 709,237</u> | <u>\$ 209,764</u> |

City of Burleson, Texas
 BCSDC Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2025

Exhibit E-5

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|-------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------|
| REVENUES | | | | |
| Sales tax | \$ 7,643,839 | \$ 7,643,839 | \$ 7,731,931 | \$ 88,092 |
| Investment income | 130,000 | 130,000 | 147,015 | 17,015 |
| Miscellaneous | 41,467 | 41,467 | 45,906 | 4,439 |
| Total revenues | <u>7,815,306</u> | <u>7,815,306</u> | <u>7,924,852</u> | <u>109,546</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | 208,750 | 208,750 | 41,517 | 167,233 |
| Parks and recreation | 671,268 | 671,268 | 711,577 | (40,309) |
| Capital outlay | 50,000 | 70,148 | 39,773 | 30,375 |
| Total expenditures | <u>930,018</u> | <u>950,166</u> | <u>792,867</u> | <u>157,299</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 6,885,288 | 6,865,140 | 7,131,985 | 266,845 |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(7,451,587)</u> | <u>(7,451,587)</u> | <u>(6,562,242)</u> | <u>889,345</u> |
| Total other financing uses | <u>(7,451,587)</u> | <u>(7,451,587)</u> | <u>(6,562,242)</u> | <u>889,345</u> |
| NET CHANGE IN FUND BALANCE | (566,299) | (586,447) | 569,743 | 1,156,190 |
| FUND BALANCE, BEGINNING | <u>5,084,985</u> | <u>5,084,985</u> | <u>5,084,985</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 4,518,686</u> | <u>\$ 4,498,538</u> | <u>\$ 5,654,728</u> | <u>\$ 1,156,190</u> |

City of Burleson, Texas
4A Corp Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2025

Exhibit E-6

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------|
| REVENUES | | | | |
| Sales tax | \$ 7,643,839 | \$ 7,643,839 | \$ 7,731,931 | \$ 88,092 |
| Investment income | 75,000 | 75,000 | 305,007 | 230,007 |
| Miscellaneous | 301,575 | 301,575 | 379,101 | 77,526 |
| Total revenues | 8,020,414 | 8,020,414 | 8,416,039 | 395,625 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 112,519 | 112,519 | 118,709 | (6,190) |
| Community development | 6,601,363 | 7,908,148 | 3,044,495 | 4,863,653 |
| Capital outlay | - | 1,100,000 | 2,806,220 | (1,706,220) |
| Total expenditures | 6,713,882 | 9,120,667 | 5,969,424 | 3,151,243 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,306,532 | (1,100,253) | 2,446,615 | 3,546,868 |
| OTHER FINANCING USES | | | | |
| Proceeds from sale of land | 2,375,000 | 2,375,000 | 2,410,475 | 35,475 |
| Transfers out | (4,262,836) | (4,262,836) | (4,291,739) | (28,903) |
| Total other financing uses | (1,887,836) | (1,887,836) | (1,881,264) | 6,572 |
| NET CHANGE IN FUND BALANCE | (581,304) | (2,988,089) | 565,351 | 3,553,440 |
| FUND BALANCE, BEGINNING | 8,036,154 | 8,036,154 | 8,036,154 | - |
| FUND BALANCE, ENDING | \$ 7,454,850 | \$ 5,048,065 | \$ 8,601,505 | \$ 3,553,440 |

City of Burleson, Texas
Parks Performance Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2025

Exhibit E-7

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------------------------------------------|----------------------------|-------------------------|--------------------|---------------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 2,373,747 | \$ 2,373,747 | \$ 2,698,618 | \$ 324,871 |
| Investment income | 10,300 | 10,300 | 64,888 | 54,588 |
| Miscellaneous | - | - | 41,639 | 41,639 |
| Total revenues | 2,384,047 | 2,384,047 | 2,805,145 | 421,098 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks and recreation | 5,627,109 | 5,758,364 | 5,577,672 | 180,692 |
| Capital outlay | 6,886 | 283,308 | 46,289 | 237,019 |
| Total expenditures | 5,633,995 | 6,041,672 | 5,623,961 | 417,711 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (3,249,948) | (3,657,625) | (2,818,816) | 838,809 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 3,249,948 | 3,249,948 | 2,818,816 | (431,132) |
| Total other financing sources | 3,249,948 | 3,249,948 | 2,818,816 | (431,132) |
| NET CHANGE IN FUND BALANCE | - | (407,677) | - | 407,677 |
| FUND BALANCE, BEGINNING | 723,597 | 723,597 | 723,597 | - |
| FUND BALANCE, ENDING | \$ 723,597 | \$ 315,920 | \$ 723,597 | \$ 407,677 |

City of Burleson, Texas

Exhibit E-8

TIF 2 Fund

Budgetary Comparison Schedule

For the Year Ended September 30, 2025

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|-------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 1,327,673 | \$ 1,327,673 | \$ 1,296,561 | \$ (31,112) |
| Investment income | 25,000 | 25,000 | 58,486 | 33,486 |
| Miscellaneous | 10,000 | 10,000 | 18,250 | 8,250 |
| Total revenues | 1,362,673 | 1,362,673 | 1,373,297 | 10,624 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community development | 229,415 | 229,415 | 272,630 | (43,215) |
| Public safety | 18,700 | 18,700 | - | 18,700 |
| Parks and recreation | 41,348 | 41,348 | 17,685 | 23,663 |
| Total expenditures | 289,463 | 289,463 | 290,315 | (852) |
| EXCESS OF REVENUES OVER EXPENDITURES | 1,073,210 | 1,073,210 | 1,082,982 | 9,772 |
| OTHER FINANCING USES | | | | |
| Transfers out | (923,878) | (923,878) | (923,026) | 852 |
| Total other financing uses | (923,878) | (923,878) | (923,026) | 852 |
| NET CHANGE IN FUND BALANCE | 149,332 | 149,332 | 159,956 | 10,624 |
| FUND BALANCE, BEGINNING | 941,136 | 941,136 | 941,136 | - |
| FUND BALANCE, ENDING | \$ 1,090,468 | \$ 1,090,468 | \$ 1,101,092 | \$ 10,624 |

City of Burleson, Texas
Municipal Court Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2025

Exhibit E-9

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|----------------------------------------------------------------------|----------------------------|-------------------------|-------------------|---------------------------------------------|
| REVENUES | | | | |
| Fines | \$ 71,585 | \$ 71,585 | \$ 38,291 | \$ (33,294) |
| Investment income | 4,700 | 4,700 | 8,799 | 4,099 |
| Total revenues | <u>76,285</u> | <u>76,285</u> | <u>47,090</u> | <u>(29,195)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 43,760 | 43,760 | 33,018 | 10,742 |
| General Government | - | - | 2,286 | (2,286) |
| Total expenditures | <u>43,760</u> | <u>43,760</u> | <u>35,304</u> | <u>8,456</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 32,525 | 32,525 | 11,786 | (20,739) |
| FUND BALANCE, BEGINNING | <u>186,838</u> | <u>186,838</u> | <u>186,838</u> | <u>-</u> |
| FUND BALANCE, ENDING | <u>\$ 219,363</u> | <u>\$ 219,363</u> | <u>\$ 198,624</u> | <u>\$ (20,739)</u> |

City of Burleson, Texas
Combining Financial Statements
Nonmajor Enterprise Funds

Nonmajor Enterprise Funds

The **Hidden Creek 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, 2025

Exhibit F-1

| | Hidden Creek Golf Course | Solid Waste | Cemetery | Total |
|------------------------------------------------|-------------------------------------|--------------------|---------------------|---------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Deposits and investments | \$ - | \$ 805,541 | \$ 805,601 | \$ 1,611,142 |
| Receivables: | | | | |
| Accounts | 10,318 | 583,984 | 14,482 | 608,784 |
| Accrued interest | <u>1,671</u> | <u>5,789</u> | <u>6,799</u> | <u>14,259</u> |
| Total current assets | <u>11,989</u> | <u>1,395,314</u> | <u>826,882</u> | <u>2,234,185</u> |
| Noncurrent assets: | | | | |
| Capital assets, net | <u>3,046,970</u> | <u>4,917</u> | <u>1,259,574</u> | <u>4,311,461</u> |
| Total noncurrent assets | <u>3,046,970</u> | <u>4,917</u> | <u>1,259,574</u> | <u>4,311,461</u> |
| Total assets | <u>3,058,959</u> | <u>1,400,231</u> | <u>2,086,456</u> | <u>6,545,646</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows related to pensions | 179,739 | - | - | 179,739 |
| Deferred outflows related to OPEB (RHP & SDBF) | <u>5,540</u> | <u>-</u> | <u>-</u> | <u>5,540</u> |
| Total deferred outflows of resources | <u>185,279</u> | <u>-</u> | <u>-</u> | <u>185,279</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 110,596 | \$ 745,951 | \$ - | \$ 856,547 |
| Accrued liabilities | 106,162 | - | - | 106,162 |
| Due to other funds | 566,847 | - | - | 566,847 |
| Compensated absences | 75,868 | - | - | 75,868 |
| Net pension liability | 137,000 | - | - | 137,000 |
| Total OPEB liability (RHP & SDBF) | <u>10,000</u> | <u>-</u> | <u>-</u> | <u>10,000</u> |
| Total current liabilities | <u>1,006,473</u> | <u>745,951</u> | <u>-</u> | <u>1,752,424</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences | 29,950 | - | - | 29,950 |
| Net pension liability | 409,853 | - | - | 409,853 |
| Total OPEB liability (RHP & SDBF) | <u>107,500</u> | <u>-</u> | <u>-</u> | <u>107,500</u> |
| Total noncurrent liabilities | <u>547,303</u> | <u>-</u> | <u>-</u> | <u>547,303</u> |
| Total liabilities | <u>1,553,776</u> | <u>745,951</u> | <u>-</u> | <u>2,299,727</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to pensions | 45,765 | - | - | 45,765 |
| Deferred inflows related to OPEB (RHP & SDBF) | <u>30,517</u> | <u>-</u> | <u>-</u> | <u>30,517</u> |
| Total deferred inflows of resources | <u>76,282</u> | <u>-</u> | <u>-</u> | <u>76,282</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 3,046,970 | 4,917 | 1,259,574 | 4,311,461 |
| Unrestricted | <u>(1,432,790)</u> | <u>649,363</u> | <u>826,882</u> | <u>43,455</u> |
| TOTAL NET POSITION | <u>\$ 1,614,180</u> | <u>\$ 654,280</u> | <u>\$ 2,086,456</u> | <u>\$ 4,354,916</u> |

City of Burleson, Texas

Exhibit F-2

Nonmajor Enterprise Funds
 Combining Statement of Revenues, Expenses,
 and Changes in Net Position
 For the Year Ended September 30, 2025

| | Hidden Creek | | | |
|------------------------------------------|---------------------|--------------------|---------------------|---------------------|
| | Golf Course | Solid Waste | Cemetery | Total |
| OPERATING REVENUES | | | | |
| Charges for goods and services | \$ 2,633,943 | \$ 4,700,410 | \$ 74,599 | \$ 7,408,952 |
| Miscellaneous | 88 | - | - | 88 |
| Mineral lease | - | - | 10,319 | 10,319 |
| Total operating revenues | <u>2,634,031</u> | <u>4,700,410</u> | <u>84,918</u> | <u>7,419,359</u> |
| OPERATING EXPENSES | | | | |
| Cost of golf operations | 3,316,645 | - | - | 3,316,645 |
| Cost of cemetery operations | - | - | 5,514 | 5,514 |
| Cost of solid waste operations | - | 4,628,194 | - | 4,628,194 |
| Materials, supplies, and cemetery lots | - | - | 19,320 | 19,320 |
| Depreciation | 65,569 | 207 | 67,899 | 133,675 |
| Total operating expenses | <u>3,382,214</u> | <u>4,628,401</u> | <u>92,733</u> | <u>8,103,348</u> |
| OPERATING INCOME (LOSS) | <u>(748,183)</u> | <u>72,009</u> | <u>(7,815)</u> | <u>(683,989)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Gain on disposition of capital assets | 9,550 | - | - | 9,550 |
| Investment income | 4,492 | 35,254 | 35,035 | 74,781 |
| Other revenue | 16,198 | - | - | 16,198 |
| Total non-operating revenues | <u>30,240</u> | <u>35,254</u> | <u>35,035</u> | <u>100,529</u> |
| INCOME (LOSS) BEFORE TRANSFERS | <u>(717,943)</u> | <u>107,263</u> | <u>27,220</u> | <u>(583,460)</u> |
| Transfers in | 717,943 | - | - | 717,943 |
| Transfers out | - | (46,782) | - | (46,782) |
| CHANGE IN NET POSITION | - | 60,481 | 27,220 | 87,701 |
| NET POSITION AT BEGINNING OF YEAR | <u>1,614,180</u> | <u>593,799</u> | <u>2,059,236</u> | <u>4,267,215</u> |
| NET POSITION AT END OF YEAR | <u>\$ 1,614,180</u> | <u>\$ 654,280</u> | <u>\$ 2,086,456</u> | <u>\$ 4,354,916</u> |

City of Burleson, Texas
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2025

Exhibit F-3
(Page 1 of 2)

| | <u>Hidden Creek Golf Course</u> | <u>Solid Waste</u> | <u>Cemetery</u> | <u>Total Nonmajor Enterprise Funds</u> |
|-----------------------------------------------------------------|-------------------------------------|--------------------|-------------------|------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 2,649,367 | \$ 4,721,968 | \$ 86,198 | \$ 7,457,533 |
| Payments to suppliers and service providers | (1,696,653) | (4,560,388) | (24,868) | (6,281,909) |
| Payments to employees for salaries and benefits | (1,560,124) | - | - | (1,560,124) |
| Payments to other funds for services provided | 215,810 | - | - | 215,810 |
| Other receipts | - | - | 10,319 | 10,319 |
| Net cash provided by (used in) operating activities | <u>(391,600)</u> | <u>161,580</u> | <u>71,649</u> | <u>(158,371)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Payments from other funds | 717,943 | - | - | 717,943 |
| Payments to other funds | - | (46,782) | - | (46,782) |
| Net cash provided by (used in) noncapital financing activities | <u>717,943</u> | <u>(46,782)</u> | <u>-</u> | <u>671,161</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Receipts from sale of capital assets | 9,550 | - | - | 9,550 |
| Principal paid on bonds | (363,827) | - | - | (363,827) |
| Interest payments on bonds | 15,864 | - | - | 15,864 |
| Acquisition of capital assets | (32,596) | - | - | (32,596) |
| Net cash (used in) capital and related financial activities | <u>(371,009)</u> | <u>-</u> | <u>-</u> | <u>(371,009)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 2,964 | 31,247 | 34,687 | 68,898 |
| Net cash provided by investing activities | <u>2,964</u> | <u>31,247</u> | <u>34,687</u> | <u>68,898</u> |
| Net increase (decrease) in cash and cash equivalents | (41,702) | 146,045 | 106,336 | 210,679 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>41,702</u> | <u>659,496</u> | <u>699,265</u> | <u>1,400,463</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ -</u> | <u>\$ 805,541</u> | <u>\$ 805,601</u> | <u>\$ 1,611,142</u> |

City of Burleson, Texas
Combining Financial Statements
Nonmajor Enterprise Funds
Combining Statement of Cash Flows – Continued
For the Year Ended September 30, 2025

Exhibit F-3
(Page 2 of 2)

| | <u>Hidden Creek Golf Course</u> | <u>Solid Waste</u> | <u>Cemetery</u> | <u>Total Nonmajor Enterprise Funds</u> |
|-----------------------------------------------------------------------|-------------------------------------|--------------------|------------------|------------------------------------------------|
| Reconciliation of operating loss | | | | |
| to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ (748,183) | \$ 72,009 | \$ (7,815) | \$ (683,989) |
| Depreciation | 65,569 | 207 | 67,899 | 133,675 |
| Change in operating assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | 15,336 | 21,558 | 11,599 | 48,493 |
| (Increase) decrease in deferred outflows related to pension | 82,141 | - | - | 82,141 |
| (Increase) decrease in deferred outflows related to OPEB | 4,422 | - | - | 4,422 |
| Increase (decrease) in accounts payable | (2,260) | 67,806 | (34) | 65,512 |
| Increase (decrease) in accrued liabilities | 19,076 | - | - | 19,076 |
| Increase (decrease) in due to other funds | 215,810 | - | - | 215,810 |
| Increase (decrease) in compensated absences | 5,993 | - | - | 5,993 |
| Increase (decrease) in net pension liability and total OPEB liability | (83,178) | - | - | (83,178) |
| Increase (decrease) in deferred inflows related to pension | 32,582 | - | - | 32,582 |
| Increase (decrease) in deferred inflows related to OPEB | 1,092 | - | - | 1,092 |
| Net cash provided by (used in) operating activities | <u>\$ (391,600)</u> | <u>\$ 161,580</u> | <u>\$ 71,649</u> | <u>\$ (158,371)</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, 2025

Exhibit G-1

| | Equipment Services | Governmental Vehicle Replacement | Business-type Vehicle Replacement | Support Services | Health Insurance | Total Internal Service Funds |
|------------------------------------------------|-------------------------------|-------------------------------------------------|--------------------------------------------------|-----------------------------|-----------------------------|-------------------------------------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 575,155 | \$ 6,230,222 | \$ 409,918 | \$ 2,018,656 | \$ 3,309,409 | \$ 12,543,360 |
| Receivables: | | | | | | |
| Accounts | - | 82,594 | 17,550 | - | 90,952 | 191,096 |
| Accrued interest | 4,050 | 44,574 | 2,937 | 14,251 | 23,672 | 89,484 |
| Inventories | 40,738 | - | - | - | - | 40,738 |
| Total current assets | 619,943 | 6,357,390 | 430,405 | 2,032,907 | 3,424,033 | 12,864,678 |
| Noncurrent assets: | | | | | | |
| Capital assets, net | 42,007 | 3,195,064 | 1,814,479 | 8,499,927 | - | 13,551,477 |
| Total noncurrent assets | 42,007 | 3,195,064 | 1,814,479 | 8,499,927 | - | 13,551,477 |
| Total assets | 661,950 | 9,552,454 | 2,244,884 | 10,532,834 | 3,424,033 | 26,416,155 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred outflows related to pensions | 97,249 | - | - | 315,033 | - | 412,282 |
| Deferred outflows related to OPEB (RHP & SDBF) | 2,998 | - | - | 9,707 | - | 12,705 |
| Total deferred outflows | 100,247 | - | - | 324,740 | - | 424,987 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 135,814 | - | 18,787 | 230,033 | 65,963 | 450,597 |
| Net pension liability | 74,000 | - | - | 240,000 | - | 314,000 |
| Total OPEB liability (RHP & SDBF) | 5,000 | - | - | 17,000 | - | 22,000 |
| Compensated absences | 22,024 | - | - | 135,256 | - | 157,280 |
| Subscription liabilities | - | - | - | 948,840 | - | 948,840 |
| Accrued liabilities | 29,973 | - | - | 96,108 | - | 126,081 |
| Total current liabilities | 266,811 | - | 18,787 | 1,667,237 | 65,963 | 2,018,798 |
| Noncurrent liabilities: | | | | | | |
| Net pension liability | 221,879 | - | - | 718,484 | - | 940,363 |
| Total OPEB liability (RHP & SDBF) | 58,574 | - | - | 188,946 | - | 247,520 |
| Subscription liabilities | - | - | - | 5,453,961 | - | 5,453,961 |
| Compensated absences | - | - | - | 59,106 | - | 59,106 |
| Total noncurrent liabilities | 280,453 | - | - | 6,420,497 | - | 6,700,950 |
| Total liabilities | 547,264 | - | 18,787 | 8,087,734 | 65,963 | 8,719,748 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred inflows related to pensions | 24,761 | - | - | 80,213 | - | 104,974 |
| Deferred inflows related to OPEB (RHP & SDBF) | 16,511 | - | - | 53,485 | - | 69,996 |
| Total deferred inflows | 41,272 | - | - | 133,698 | - | 174,970 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 42,007 | 3,195,064 | 1,814,479 | 2,097,126 | - | 7,148,676 |
| Unrestricted | 131,654 | 6,357,390 | 411,618 | 539,016 | 3,358,070 | 10,797,748 |
| Total net position | \$ 173,661 | \$ 9,552,454 | \$ 2,226,097 | \$ 2,636,142 | \$ 3,358,070 | \$ 17,946,424 |

City of Burleson, Texas

Exhibit G-2

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position - Internal Service Funds
For the Year Ended September 30, 2025

| | Equipment Services | Governmental Vehicle Replacement | Business-type Vehicle Replacement | Support Services | Health Insurance | Total Internal Service Funds |
|-----------------------------------------|-------------------------------|-------------------------------------------------|--------------------------------------------------|-----------------------------|-----------------------------|-------------------------------------------------|
| OPERATING REVENUES | | | | | | |
| Charges for goods and services | \$ 2,394,790 | \$ 1,763,190 | \$ 489,250 | \$ 6,688,816 | \$ 7,901,517 | \$ 19,237,563 |
| Miscellaneous | - | - | - | 1,178 | - | 1,178 |
| Total operating revenues | <u>2,394,790</u> | <u>1,763,190</u> | <u>489,250</u> | <u>6,689,994</u> | <u>7,901,517</u> | <u>19,238,741</u> |
| OPERATING EXPENSES | | | | | | |
| Personnel services | 736,447 | - | - | 2,392,769 | 375,002 | 3,504,218 |
| Professional and contracted services | 257,793 | - | - | 141,369 | 110,875 | 510,037 |
| Administrative and IT | 174,220 | 5,850 | - | 263,000 | - | 443,070 |
| Insurance | - | - | - | - | 7,547,710 | 7,547,710 |
| Repairs and maintenance | 253,047 | - | - | 2,714,920 | - | 2,967,967 |
| Materials and supplies | 995,131 | 114,056 | 22,550 | 500,888 | - | 1,632,625 |
| Depreciation/amortization | 7,451 | 1,101,085 | 478,057 | 857,892 | - | 2,444,485 |
| Total operating expenses | <u>2,424,089</u> | <u>1,220,991</u> | <u>500,607</u> | <u>6,870,838</u> | <u>8,033,587</u> | <u>19,050,112</u> |
| Operating income (loss) | <u>(29,299)</u> | <u>542,199</u> | <u>(11,357)</u> | <u>(180,844)</u> | <u>(132,070)</u> | <u>188,629</u> |
| NONOPERATING REVENUES | | | | | | |
| Gain on sale of capital assets | 30,518 | 209,834 | 42,600 | - | - | 282,952 |
| Investment income | 23,045 | 276,280 | 21,774 | 65,942 | 149,584 | 536,625 |
| Interest and fiscal agent charges | - | - | - | (9,637) | - | (9,637) |
| Total nonoperating revenues | <u>53,563</u> | <u>486,114</u> | <u>64,374</u> | <u>56,305</u> | <u>149,584</u> | <u>809,940</u> |
| Change in net position | 24,264 | 1,028,313 | 53,017 | (124,539) | 17,514 | 998,569 |
| NET POSITION - BEGINNING OF YEAR | <u>149,397</u> | <u>8,524,141</u> | <u>2,173,080</u> | <u>2,760,681</u> | <u>3,340,556</u> | <u>16,947,855</u> |
| NET POSITION - ENDING OF YEAR | <u>\$ 173,661</u> | <u>\$ 9,552,454</u> | <u>\$ 2,226,097</u> | <u>\$ 2,636,142</u> | <u>\$ 3,358,070</u> | <u>\$ 17,946,424</u> |

City of Burleson, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2025

Exhibit G-3

| | Equipment Services | Vehicle Replacement Governmental | Vehicle Replacement Business-Type | Support Services | Health Insurance | Total |
|----------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------|--------------------------------------------------|-----------------------------|-----------------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts for interfund charges | \$ 2,394,790 | \$ 1,680,596 | \$ 471,700 | \$ 6,779,936 | \$ 7,821,850 | \$ 19,148,872 |
| Other receipts | - | - | - | 1,178 | - | 1,178 |
| Payments to suppliers and service providers | (1,601,627) | (119,906) | (22,550) | (4,065,030) | (7,593,640) | (13,402,753) |
| Payments to employees for salaries and benefits | (663,466) | - | - | (2,081,470) | (375,002) | (3,119,938) |
| Net cash provided by (used in) operating activities | <u>129,697</u> | <u>1,560,690</u> | <u>449,150</u> | <u>634,614</u> | <u>(146,792)</u> | <u>2,627,359</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Receipts for sale of capital assets | 30,518 | 209,834 | 42,600 | 416,654 | - | 699,606 |
| Principal payments on subscription liabilities/financed purchases | - | - | - | (486,019) | - | (486,019) |
| Interest payments on subscription liabilities | - | - | - | (9,637) | - | (9,637) |
| Acquisition and construction of capital assets | (9,919) | (1,113,012) | (595,413) | (320,093) | - | (2,038,437) |
| Net cash used by capital and related financing activities | <u>20,599</u> | <u>(903,178)</u> | <u>(552,813)</u> | <u>(399,095)</u> | <u>-</u> | <u>(1,834,487)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest received | <u>20,054</u> | <u>245,862</u> | <u>20,148</u> | <u>56,240</u> | <u>134,720</u> | <u>477,024</u> |
| Net cash provided by investing activities | <u>20,054</u> | <u>245,862</u> | <u>20,148</u> | <u>56,240</u> | <u>134,720</u> | <u>477,024</u> |
| Net increase (decrease) in cash and cash equivalents | 170,350 | 903,374 | (83,515) | 291,759 | (12,072) | 1,269,896 |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>404,805</u> | <u>5,326,848</u> | <u>493,433</u> | <u>1,726,897</u> | <u>3,321,481</u> | <u>11,273,464</u> |
| CASH AND CASH EQUIVALENTS, end of year | <u>\$ 575,155</u> | <u>\$ 6,230,222</u> | <u>\$ 409,918</u> | <u>\$ 2,018,656</u> | <u>\$ 3,309,409</u> | <u>\$ 12,543,360</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | | |
| Operating income (loss) | \$ (29,299) | \$ 542,199 | \$ (11,357) | \$ (180,844) | \$ (132,070) | \$ 188,629 |
| Depreciation | 7,451 | 1,101,085 | 478,057 | 857,892 | - | 2,444,485 |
| Change in operating assets and liabilities: | | | | | | |
| Decrease (increase) in accounts receivable | - | (82,594) | (17,550) | 91,120 | (79,667) | (88,691) |
| Decrease (increase) in inventories | (18,363) | - | - | - | - | (18,363) |
| Decrease (increase) in deferred outflows related to pension | 21,470 | - | - | 75,342 | - | 96,812 |
| Decrease (increase) in deferred outflows related to OPEB | 1,520 | - | - | 5,142 | - | 6,662 |
| Increase (decrease) in accounts payable | 96,927 | - | - | (444,853) | 64,945 | (282,981) |
| Increase (decrease) in accrued liabilities | 3,798 | - | - | 22,762 | - | 26,560 |
| Increase (decrease) in compensated absences | 3,665 | - | - | 87,759 | - | 91,424 |
| Increase (decrease) in net pension and OPEB liability | 20,571 | - | - | 50,110 | - | 70,681 |
| Increase (decrease) in deferred inflows related to pension | 18,785 | - | - | 60,561 | - | 79,346 |
| Increase in deferred inflows related to OPEB | 3,172 | - | - | 9,623 | - | 12,795 |
| Net cash provided by (used in) operating activities | <u>\$ 129,697</u> | <u>\$ 1,560,690</u> | <u>\$ 449,150</u> | <u>\$ 634,614</u> | <u>\$ (146,792)</u> | <u>\$ 2,627,359</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: | Table |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Financial Trends | 1 |
| <p>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</p> | |
| Revenue Capacity..... | 5 |
| <p>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</p> | |
| Debt Capacity | 9 |
| <p>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.</p> | |
| Demographic and Economic Information | 13 |
| <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p> | |
| Operating Information..... | 15 |
| <p>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.</p> | |

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>2016</u> | <u>2017</u> | <u>2018</u> |
|--------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities: | | | |
| Net investment in capital assets | \$ 111,368,435 | \$ 127,316,098 | \$ 136,812,328 |
| Restricted | 11,548,400 | 12,262,240 | 13,166,573 |
| Unrestricted | <u>10,908,958</u> | <u>8,167,997</u> | <u>4,245,368</u> |
| Total governmental activities net position | <u>\$ 133,825,793</u> | <u>\$ 147,746,335</u> | <u>\$ 154,224,269</u> |
| Business-type activities: | | | |
| Net investment in capital assets | \$ 56,061,308 | \$ 68,346,297 | \$ 69,333,764 |
| Restricted | 4,592,463 | 1,049,746 | 1,049,746 |
| Unrestricted | <u>12,448,245</u> | <u>10,499,641</u> | <u>15,642,520</u> |
| Total business-type activities net position | <u>\$ 73,102,016</u> | <u>\$ 79,895,684</u> | <u>\$ 86,026,030</u> |
| Primary government: | | | |
| Net investment in capital assets | \$ 167,429,743 | \$ 195,662,395 | \$ 206,146,122 |
| Restricted | 16,140,863 | 13,311,986 | 14,216,319 |
| Unrestricted | <u>23,357,203</u> | <u>18,667,638</u> | <u>19,887,888</u> |
| Total primary government activities net position | <u>\$ 206,927,809</u> | <u>\$ 227,642,019</u> | <u>\$ 240,250,329</u> |

Table 1

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 148,085,539 | \$ 153,051,846 | \$ 163,721,859 | \$ 174,521,592 | \$ 202,912,185 | \$ 196,476,618 | \$ 203,839,036 |
| 13,232,818 | 17,468,108 | 12,460,606 | 12,617,978 | 17,576,662 | 22,953,937 | 22,482,794 |
| 4,248,170 | 6,714,141 | 14,525,540 | 23,156,517 | 1,899,367 | 13,701,406 | 18,288,799 |
| <u>\$ 165,566,527</u> | <u>\$ 177,234,095</u> | <u>\$ 190,708,005</u> | <u>\$ 210,296,087</u> | <u>\$ 222,388,214</u> | <u>\$ 233,131,961</u> | <u>\$ 244,610,629</u> |
| \$ 75,777,424 | \$ 79,752,890 | \$ 88,788,759 | \$ 86,021,027 | \$ 75,413,705 | \$ 92,255,311 | \$ 94,166,336 |
| 5,225,080 | 7,415,521 | 7,608,773 | 305,147 | - | - | - |
| 11,580,796 | 13,778,201 | 10,389,928 | 28,366,948 | 31,960,222 | 17,046,374 | 18,889,213 |
| <u>\$ 92,583,300</u> | <u>\$ 100,946,612</u> | <u>\$ 106,787,460</u> | <u>\$ 114,693,122</u> | <u>\$ 107,373,927</u> | <u>\$ 109,301,685</u> | <u>\$ 113,055,549</u> |
| \$ 223,862,963 | \$ 232,804,736 | \$ 252,510,618 | \$ 260,542,619 | \$ 278,325,890 | \$ 288,731,929 | \$ 298,005,372 |
| 18,457,898 | 24,883,629 | 20,069,379 | 12,923,125 | 17,576,662 | 22,953,937 | 22,482,794 |
| 15,828,966 | 20,492,342 | 24,915,468 | 51,523,465 | 33,859,589 | 30,747,780 | 37,178,012 |
| <u>\$ 258,149,827</u> | <u>\$ 278,180,707</u> | <u>\$ 297,495,465</u> | <u>\$ 324,989,209</u> | <u>\$ 329,762,141</u> | <u>\$ 342,433,646</u> | <u>\$ 357,666,178</u> |

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

| | 2016 | 2017 | 2018 |
|-------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | |
| Governmental activities: | | | |
| General government | \$ 3,406,957 | \$ 7,611,844 | \$ 7,801,767 |
| Public safety | 18,135,674 | 18,619,648 | 19,356,978 |
| Public works | 11,100,276 | 11,263,930 | 12,173,830 |
| Community development | 4,701,517 | 2,740,816 | 4,902,487 |
| Culture and recreation | 7,801,924 | 8,091,904 | 8,134,817 |
| Parks and recreation | - | - | - |
| Library | - | - | - |
| Interest on long-term debt | 3,237,341 | 3,118,052 | 2,954,294 |
| Total governmental activities expenses | <u>48,383,689</u> | <u>51,446,194</u> | <u>55,324,173</u> |
| Business-type activities: | | | |
| Water and wastewater | 16,333,488 | 16,349,125 | 17,605,194 |
| Hidden Creek Golf Course | 2,049,089 | 2,141,509 | 2,046,511 |
| Solid Waste | 2,846,497 | 2,957,738 | 3,047,978 |
| Cemetery | 11,152 | 11,910 | 12,528 |
| Total business-type activities expenses | <u>21,240,226</u> | <u>21,460,282</u> | <u>22,712,211</u> |
| Total primary government expenses | <u>\$ 69,623,915</u> | <u>\$ 72,906,476</u> | <u>\$ 78,036,384</u> |
| Program Revenues: | | | |
| Governmental activities: | | | |
| Charges for services | \$ 7,566,246 | \$ 8,782,144 | \$ 8,784,594 |
| Operating grants and contributions | 971,500 | 1,592,388 | 1,426,293 |
| Capital grants and contributions | 2,144,534 | 11,440,915 | 6,353,066 |
| Total governmental activities program revenues | <u>10,682,280</u> | <u>21,815,447</u> | <u>16,563,953</u> |
| Business-type activities | | | |
| Charges for services | 22,263,652 | 23,108,557 | 25,809,983 |
| Operating grants and contributions | 827,614 | 1,108,892 | - |
| Capital grants and contributions | 1,067,383 | 4,020,669 | 2,272,247 |
| Total business-type activities program revenues | <u>24,158,649</u> | <u>28,238,118</u> | <u>28,082,230</u> |
| Total primary government program revenues | <u>\$ 34,840,929</u> | <u>\$ 50,053,565</u> | <u>\$ 44,646,183</u> |
| Net (expense)/revenue | | | |
| Governmental activities | \$(37,701,409) | \$(29,630,747) | \$(38,760,220) |
| Business-type activities | <u>2,918,423</u> | <u>6,777,836</u> | <u>5,370,019</u> |
| Total primary government net expense | <u>\$(34,782,986)</u> | <u>\$(22,852,911)</u> | <u>\$(33,390,201)</u> |

Table 2

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 8,762,392 | \$ 9,901,828 | \$ 7,678,903 | \$ 8,293,081 | \$ 9,606,894 | \$ 10,207,283 | \$ 10,644,502 |
| 20,396,702 | 21,647,212 | 26,227,399 | 29,220,408 | 36,454,820 | 38,195,557 | 39,390,009 |
| 12,650,861 | 14,839,605 | 13,597,575 | 14,743,553 | 15,162,754 | 13,891,525 | 16,088,223 |
| 5,138,466 | 4,216,584 | 4,587,759 | 4,178,055 | 7,100,096 | 8,327,647 | 9,790,718 |
| 8,053,419 | 7,940,337 | 7,697,763 | - | - | - | - |
| - | - | - | 6,377,399 | 9,625,261 | 10,230,231 | 11,023,017 |
| - | - | - | 1,411,839 | 1,753,245 | 1,819,145 | 1,722,762 |
| <u>3,242,540</u> | <u>3,122,881</u> | <u>2,886,794</u> | <u>2,805,915</u> | <u>3,319,651</u> | <u>4,370,179</u> | <u>5,381,426</u> |
| <u>58,244,380</u> | <u>61,668,447</u> | <u>62,676,193</u> | <u>67,030,250</u> | <u>83,022,721</u> | <u>87,041,567</u> | <u>94,040,657</u> |
| 18,910,941 | 18,543,022 | 18,640,527 | 20,536,810 | 36,231,989 | 27,370,058 | 26,132,452 |
| 2,194,026 | 2,321,398 | 1,895,172 | 2,546,070 | 2,937,323 | 3,214,012 | 3,357,339 |
| 3,179,444 | 3,464,393 | 3,563,473 | 3,780,319 | 3,966,031 | 4,260,205 | 4,626,800 |
| 28,894 | 33,770 | 80,828 | 15,493 | 69,725 | 63,563 | 92,733 |
| <u>24,313,305</u> | <u>24,362,583</u> | <u>24,180,000</u> | <u>26,878,692</u> | <u>43,205,068</u> | <u>34,907,838</u> | <u>34,209,324</u> |
| <u>\$ 82,557,685</u> | <u>\$ 86,031,030</u> | <u>\$ 86,856,193</u> | <u>\$ 93,908,942</u> | <u>\$ 126,227,789</u> | <u>\$121,949,405</u> | <u>\$128,249,981</u> |
| \$ 8,480,206 | \$ 7,845,040 | \$ 8,780,004 | \$ 9,394,259 | \$ 10,296,569 | \$ 11,541,762 | \$ 13,253,952 |
| 738,026 | 2,998,564 | 5,981,907 | 4,270,180 | 6,847,951 | 4,959,441 | 5,220,897 |
| 7,595,136 | 5,699,075 | 2,253,873 | 8,786,321 | 6,156,887 | 3,053,302 | 2,514,257 |
| <u>16,813,368</u> | <u>16,542,679</u> | <u>17,015,784</u> | <u>22,450,760</u> | <u>23,301,407</u> | <u>19,554,505</u> | <u>20,989,106</u> |
| 25,405,060 | 26,532,808 | 26,713,025 | 29,937,355 | 30,286,310 | 32,970,946 | 34,102,135 |
| 16,442 | 8,549 | 14,260 | 34,699 | 21,856 | 7,181 | 10,319 |
| 3,512,382 | 3,818,739 | 2,980,216 | 5,036,972 | 3,528,969 | 2,027,093 | 2,978,237 |
| <u>28,933,884</u> | <u>30,360,096</u> | <u>29,707,501</u> | <u>35,009,026</u> | <u>33,837,135</u> | <u>35,005,220</u> | <u>37,090,691</u> |
| <u>\$ 45,747,252</u> | <u>\$ 46,902,775</u> | <u>\$ 46,723,285</u> | <u>\$ 57,459,786</u> | <u>\$ 57,138,542</u> | <u>\$ 54,559,725</u> | <u>\$ 58,079,797</u> |
| \$(41,431,012) | \$(45,125,768) | \$ (45,660,409) | \$ (44,579,490) | \$ (59,721,314) | \$ (67,487,062) | \$ (73,051,551) |
| 4,620,579 | 5,997,513 | 5,527,501 | 8,130,334 | (9,367,933) | 97,382 | 2,881,367 |
| <u>\$(36,810,433)</u> | <u>\$(39,128,255)</u> | <u>\$ (40,132,908)</u> | <u>\$ (36,449,156)</u> | <u>\$ (69,089,247)</u> | <u>\$ (67,389,680)</u> | <u>\$ (70,170,184)</u> |

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

| | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------------------------------------------|----------------------|----------------------|----------------------|
| General Revenues and Other Changes in Net Position | | | |
| Governmental activities: | | | |
| Taxes | | | |
| Property taxes | \$ 20,510,482 | \$ 21,776,804 | \$ 21,776,804 |
| Tax Increment Financing | 457,438 | 536,812 | 536,812 |
| Sales and use taxes | 16,595,528 | 17,099,917 | 17,099,917 |
| Hotel/motel taxes | 219,250 | 222,652 | 222,652 |
| Franchise fees | 3,166,620 | 3,113,999 | 3,113,999 |
| Investment income | 243,568 | 471,436 | 471,436 |
| Gain (loss) on disposal of assets | - | - | - |
| Transfers | <u>(108,909)</u> | <u>329,669</u> | <u>329,669</u> |
| Total governmental activities | <u>41,083,977</u> | <u>43,551,289</u> | <u>43,551,289</u> |
| Business-type activities: | | | |
| Investment income | 114,274 | 311,582 | 311,582 |
| Gain on disposal of assets | - | 33,919 | 33,919 |
| Transfers | <u>108,909</u> | <u>(329,669)</u> | <u>(329,669)</u> |
| Total business-type revenues | <u>223,183</u> | <u>15,832</u> | <u>15,832</u> |
| Total primary government | <u>\$ 41,307,160</u> | <u>\$ 43,567,121</u> | <u>\$ 43,567,121</u> |
| Change in Net Position | | | |
| Governmental activities | \$ 3,382,568 | \$ 13,920,542 | \$ 4,791,069 |
| Business-type activities | <u>3,141,606</u> | <u>6,793,668</u> | <u>5,385,851</u> |
| Total primary government | <u>\$ 6,524,174</u> | <u>\$ 20,714,210</u> | <u>\$ 10,176,920</u> |

Table 2
(Continued)

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 26,785,864 | \$ 28,894,199 | \$ 29,343,869 | \$ 30,311,580 | \$ 33,341,352 | \$ 37,912,361 | \$ 40,872,042 |
| 683,559 | 777,021 | 905,662 | 1,175,995 | 1,076,556 | 1,204,520 | 1,296,561 |
| 19,660,908 | 21,468,069 | 24,801,831 | 28,011,255 | 29,598,444 | 30,091,181 | 31,209,336 |
| 237,665 | 190,187 | 455,115 | 466,584 | 583,802 | 610,872 | 535,458 |
| 3,383,906 | 3,404,113 | 3,732,406 | 3,931,439 | 3,754,462 | 4,168,878 | 4,623,978 |
| 1,772,832 | 1,950,288 | 78,034 | (484,929) | 3,260,690 | 5,025,245 | 4,835,250 |
| 105,767 | 1,877,727 | 70,477 | 13,402 | 439,368 | (715,205) | 745,485 |
| (780,753) | (1,768,268) | (253,075) | 742,246 | (241,233) | (67,043) | 412,109 |
| <u>51,849,748</u> | <u>56,793,336</u> | <u>59,134,319</u> | <u>64,167,572</u> | <u>71,813,441</u> | <u>78,230,809</u> | <u>84,530,219</u> |
| 1,114,808 | 581,231 | 44,697 | (116,987) | 1,804,091 | 2,260,453 | 1,232,456 |
| 41,100 | 16,300 | 15,575 | 634,561 | 3,414 | (497,120) | 52,150 |
| 780,753 | 1,768,268 | 253,075 | (742,246) | 241,233 | 67,043 | (412,109) |
| <u>1,936,661</u> | <u>2,365,799</u> | <u>313,347</u> | <u>(224,672)</u> | <u>2,048,738</u> | <u>1,830,376</u> | <u>872,497</u> |
| <u>\$ 53,786,409</u> | <u>\$ 59,159,135</u> | <u>\$ 59,447,666</u> | <u>\$ 63,942,900</u> | <u>\$ 73,862,179</u> | <u>\$ 80,061,185</u> | <u>\$ 85,402,716</u> |
| \$ 10,418,736 | \$ 11,667,568 | \$ 13,473,910 | \$ 19,588,082 | \$ 12,092,127 | \$ 10,743,747 | \$ 11,478,668 |
| 6,557,240 | 8,363,312 | 5,840,848 | 7,905,662 | (7,319,195) | 1,927,758 | 3,753,864 |
| <u>\$ 16,975,976</u> | <u>\$ 20,030,880</u> | <u>\$ 19,314,758</u> | <u>\$ 27,493,744</u> | <u>\$ 4,772,932</u> | <u>\$ 12,671,505</u> | <u>\$ 15,232,532</u> |

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

| | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|------------------------------------|----------------------|----------------------|----------------------|
| General Fund: | | | |
| Nonspendable | \$ 28,174 | \$ 26,769 | \$ 40,389 |
| Committed to: | | | |
| Debt service | 404,607 | 291,558 | 802,860 |
| Other Purposes | 251,257 | 299,254 | 586,007 |
| Assigned to: | | | |
| Risk management | 1,047,047 | 1,047,047 | 1,047,047 |
| Unassigned | <u>9,273,423</u> | <u>8,334,083</u> | <u>7,534,128</u> |
| Total general fund | <u>\$ 11,004,508</u> | <u>\$ 9,998,711</u> | <u>\$ 10,010,431</u> |
| All Other Governmental Funds: | | | |
| Nonspendable | \$ 2,617 | \$ 5,190 | \$ 1,412 |
| Restricted for: | | | |
| Debt service | 2,530,494 | 2,545,853 | 2,682,681 |
| Public safety | - | - | - |
| Parks and recreation | - | - | - |
| Library | 1,096 | 408 | 409 |
| Economic development | 8,406,131 | 9,597,492 | 10,428,389 |
| Tourism | 623,803 | 647,895 | 721,237 |
| Capital projects | 16,233,204 | 15,166,607 | 27,103,803 |
| Other purposes | - | - | - |
| Committed to: | | | |
| Culture and recreation | 683,099 | 889,250 | 875,940 |
| Economic development | 484,485 | 395,759 | 73,618 |
| Capital projects | 8,325,229 | 8,127,991 | 6,416,935 |
| Debt service | - | - | - |
| Unassigned | - | - | - |
| Total all other governmental funds | <u>\$ 37,290,158</u> | <u>\$ 37,376,445</u> | <u>\$ 48,304,424</u> |

Table 3

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| \$ 14,997 | \$ 4,080 | \$ 49,800 | \$ 27,424 | \$ 28,000 | \$ 42,000 | \$ 45,292 |
| 622,908 | 523,325 | 465,429 | 405,527 | - | - | - |
| 320,191 | 220,044 | 234,175 | 1,025,116 | - | - | - |
| 1,369,818 | 1,260,078 | - | - | - | - | - |
| <u>9,391,334</u> | <u>14,120,506</u> | <u>17,589,905</u> | <u>20,466,098</u> | <u>18,467,600</u> | <u>20,316,733</u> | <u>21,661,774</u> |
| <u>\$ 11,719,248</u> | <u>\$ 16,128,033</u> | <u>\$ 18,339,309</u> | <u>\$ 21,924,165</u> | <u>\$ 18,495,600</u> | <u>\$ 20,358,733</u> | <u>\$ 21,707,066</u> |
| \$ 1,620 | \$ - | \$ - | \$ 100,000 | \$ 11,646 | \$ 4,903 | \$ - |
| 2,315,108 | 3,150,018 | 2,992,775 | 2,809,765 | 5,625,357 | 6,989,091 | 4,982,587 |
| - | 1,123 | 414,059 | 289,721 | 271,657 | 186,838 | 198,624 |
| 1,402 | 618 | 563 | 23,405 | 36,682 | 723,597 | 723,597 |
| 522 | 243 | 815 | 12,991 | 1,685 | 87,575 | 170,360 |
| 10,147,192 | 13,620,267 | 8,428,929 | 8,739,711 | 11,360,769 | 14,367,405 | 15,620,296 |
| 770,518 | 697,823 | 902,281 | 1,019,959 | 404,094 | 543,866 | 709,237 |
| 28,908,327 | 21,852,694 | 15,298,057 | 16,238,510 | 25,598,738 | 54,583,773 | 69,902,508 |
| - | - | 5,203 | 46,781 | 288,550 | 566,737 | 710,019 |
| 981,885 | - | - | - | - | - | - |
| 73,618 | 73,618 | - | - | - | - | - |
| 8,263,131 | 8,517,847 | 11,614,396 | 16,548,521 | 9,458,569 | 9,886,267 | 9,094,803 |
| - | - | - | - | - | - | - |
| - | (1,424,708) | (191,511) | (153,545) | - | - | - |
| <u>\$ 51,463,323</u> | <u>\$ 46,489,543</u> | <u>\$ 39,465,567</u> | <u>\$ 45,675,819</u> | <u>\$ 53,057,747</u> | <u>\$ 87,940,052</u> | <u>\$ 102,112,031</u> |

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

| | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------------------------------------|---------------------|-----------------------|---------------------|----------------------|
| Revenues: | | | | |
| Property taxes | \$ 19,856,938 | \$ 21,228,368 | \$ 22,662,335 | \$ 25,189,670 |
| Sales and use taxes | 16,880,929 | 16,798,919 | 17,305,748 | 18,729,392 |
| Franchise fees | 3,193,511 | 3,150,851 | 3,089,998 | 3,249,704 |
| Licenses and permits | 1,415,034 | 1,335,198 | 1,356,969 | 1,351,498 |
| Intergovernmental | 287,832 | 599,310 | 1,345,592 | 1,022,835 |
| Fines and forfeitures | 1,422,084 | 1,402,152 | 1,543,257 | 1,445,053 |
| Donations | 533,822 | 251,840 | 133,652 | 227,283 |
| Charges for services | 3,727,378 | 3,840,360 | 4,127,562 | 4,046,803 |
| Investment income | 88,026 | 223,806 | 428,422 | 920,364 |
| Mineral lease | 521,976 | 268,183 | 311,715 | 308,858 |
| Street assessments | 166,226 | 143,429 | 47,481 | 27,947 |
| Miscellaneous | 1,874,647 | 1,578,783 | 1,831,166 | 1,787,707 |
| Total revenues | 49,968,403 | 50,821,199 | 54,183,897 | 58,307,114 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 5,178,035 | 5,356,449 | 6,958,826 | 7,467,748 |
| Public safety | 17,829,372 | 18,320,238 | 17,536,369 | 19,465,973 |
| Public works | 5,869,224 | 6,416,556 | 6,020,703 | 6,807,958 |
| Community development | 2,834,550 | 5,057,885 | 3,159,634 | 5,449,827 |
| Culture and recreation | 6,275,252 | 6,867,778 | 7,076,266 | 7,186,446 |
| Library | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | 10,414,349 | 14,986,952 | 9,629,088 | 5,084,668 |
| Debt service: | | | | |
| Principal | 5,230,643 | 5,741,552 | 6,295,335 | 663,791 |
| Interest and fiscal agent charges | 3,815,653 | 3,558,020 | 3,901,892 | 3,536,470 |
| Debt issuance costs | - | - | - | 173,355 |
| Total expenditures | 57,447,078 | 66,305,430 | 60,578,113 | 55,836,236 |
| Excess (deficiency) of revenues over (under) expenditures | (7,478,675) | (15,484,231) | (6,394,216) | 2,470,878 |
| Other financing sources (uses): | | | | |
| Transfers in | 8,009,497 | 12,017,189 | 10,673,496 | 6,990,660 |
| Transfers out | (8,288,086) | (12,160,098) | (10,377,827) | (7,289,423) |
| Issuance of subscription-based IT arrangement | - | - | - | - |
| Issuance of leases payable | - | - | - | 631,520 |
| Issuance of bonds | 18,715,000 | 30,051,092 | 4,965,000 | 13,745,000 |
| Payment to refunded bonds escrow agent | (11,047,964) | (23,304,563) | - | - |
| Premium | 2,131,755 | 3,282,340 | 214,037 | 278,976 |
| Sale of capital assets | - | - | - | 212,088 |
| Total other financing sources (uses) | 9,520,202 | 9,885,960 | 5,474,706 | 14,568,821 |
| Net change in fund balances | \$ 2,041,527 | \$ (5,598,271) | \$ (919,510) | \$ 17,039,699 |
| Debt service as a percentage of non-capital expenditures (1) | 19.75% | 19.22% | 19.84% | 18.71% |

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

Table 4

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|---------------------|-----------------------|---------------------|---------------------|----------------------|----------------------|
| \$ 27,469,423 | \$ 29,671,220 | \$ 30,249,531 | \$ 31,487,575 | \$ 34,417,908 | \$ 38,542,517 | \$ 42,184,825 |
| 19,878,538 | 21,650,326 | 25,256,946 | 28,377,992 | 30,182,246 | 30,662,011 | 31,699,007 |
| 3,353,554 | 3,386,680 | 3,571,813 | 3,793,789 | 3,995,654 | 4,147,735 | 4,277,694 |
| 1,408,566 | 1,855,309 | 1,600,238 | 1,421,318 | 1,432,439 | 1,562,939 | 1,244,156 |
| 535,884 | 1,421,536 | 4,324,083 | 3,331,989 | 6,127,900 | 3,435,969 | 4,288,725 |
| 1,116,297 | 600,142 | 1,557,088 | 948,701 | 884,397 | 789,365 | 576,168 |
| 859,829 | 1,104,396 | 1,224,829 | 995,633 | 895,153 | 915,508 | 1,078,942 |
| 4,191,285 | 4,631,276 | 3,921,001 | 5,057,344 | 6,382,068 | 7,726,627 | 8,623,781 |
| 1,535,153 | 731,941 | 62,310 | (405,313) | 2,889,432 | 4,548,370 | 4,330,036 |
| 274,053 | 164,269 | 275,019 | 618,527 | 459,240 | 178,153 | 209,811 |
| 686,010 | 48,425 | 59,962 | 69,999 | 121,551 | 112,303 | 124,505 |
| 1,635,999 | 937,024 | 1,809,495 | 1,842,139 | 1,118,505 | 1,785,109 | 2,345,133 |
| <u>62,944,591</u> | <u>66,202,544</u> | <u>73,912,315</u> | <u>77,539,693</u> | <u>88,906,493</u> | <u>94,406,606</u> | <u>100,982,783</u> |
| 8,133,737 | 9,344,073 | 7,245,026 | 7,945,627 | 8,364,483 | 8,715,758 | 8,928,712 |
| 18,304,389 | 20,336,457 | 24,097,823 | 28,777,056 | 33,535,061 | 35,109,851 | 36,708,981 |
| 6,711,307 | 6,196,124 | 6,212,409 | 7,358,473 | 8,738,881 | 7,409,804 | 8,906,167 |
| 5,189,610 | 4,010,870 | 5,000,187 | 5,855,292 | 7,336,498 | 8,156,699 | 9,631,711 |
| 7,200,075 | 6,707,818 | 7,257,408 | - | - | - | - |
| - | - | - | 1,425,891 | 1,701,953 | 1,681,197 | 1,685,776 |
| - | - | - | 6,841,115 | 8,238,979 | 8,692,869 | 8,894,543 |
| 9,574,077 | 12,831,619 | 14,252,846 | 11,661,005 | 37,814,845 | 18,849,165 | 36,509,919 |
| 7,270,453 | 7,727,653 | 8,182,255 | 7,302,472 | 7,857,118 | 9,190,547 | 14,781,859 |
| 3,946,604 | 3,816,809 | 3,709,678 | 3,392,116 | 3,447,403 | 4,547,859 | 5,988,508 |
| 123,526 | 152,729 | - | 160,505 | 523,259 | 477,265 | 351,588 |
| <u>66,453,778</u> | <u>71,124,152</u> | <u>75,957,632</u> | <u>80,719,552</u> | <u>117,558,480</u> | <u>102,831,014</u> | <u>132,387,764</u> |
| <u>(3,509,187)</u> | <u>(4,921,608)</u> | <u>(2,045,317)</u> | <u>(3,179,859)</u> | <u>(28,651,987)</u> | <u>(8,424,408)</u> | <u>(31,404,981)</u> |
| 8,750,700 | 9,658,184 | 16,309,887 | 19,039,100 | 14,505,226 | 11,335,964 | 13,859,869 |
| (9,439,453) | (11,460,452) | (19,077,270) | (15,296,854) | (15,333,559) | (11,403,007) | (13,447,760) |
| - | - | - | - | - | - | 26,420 |
| - | - | - | - | - | - | - |
| 7,415,000 | 8,005,000 | - | 8,095,000 | 31,770,000 | 51,270,232 | 41,830,000 |
| - | (5,304,194) | - | - | - | (9,571,767) | - |
| 727,114 | 1,585,693 | - | 675,003 | 1,555,215 | 3,538,424 | 2,246,289 |
| - | 1,872,402 | - | 462,718 | 108,468 | - | 2,410,475 |
| <u>7,453,361</u> | <u>4,356,633</u> | <u>(2,767,383)</u> | <u>12,974,967</u> | <u>32,605,350</u> | <u>45,169,846</u> | <u>46,925,293</u> |
| <u>\$ 3,944,174</u> | <u>\$ (564,975)</u> | <u>\$ (4,812,700)</u> | <u>\$ 9,795,108</u> | <u>\$ 3,953,363</u> | <u>\$ 36,745,438</u> | <u>\$ 15,520,312</u> |
| 20.20% | 19.54% | 19.22% | 15.40% | 14.18% | 16.36% | 21.66% |

City of Burleson, Texas

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

Table 5

| Fiscal Year | Residential Property | Industrial/ Commercial Property | Mineral Reserves | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|--------------------|-----------------------------|----------------------------------------|-------------------------|----------------------------------|-------------------------------------|------------------------------|---------------------------------------|-----------------------------------------------------------------------|
| 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% |
| 2023 | 5,350,824,672 | 1,280,170,658 | 75,817,913 | 665,146,032 | 6,041,667,211 | 0.6572 | 6,041,667,211 | 100.0% |
| 2024 | 5,674,249,392 | 1,578,118,928 | 107,772,429 | 1,006,405,362 | 6,353,735,387 | 0.6325 | 6,353,735,387 | 100.0% |
| 2025 | 5,911,024,366 | 1,727,376,649 | 36,117,408 | 941,464,170 | 6,733,054,253 | 0.6627 | 6,733,054,253 | 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>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|----------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| OVERLAPPING RATES | | | | | | | | | | |
| Tarrant County | 0.2640 | 0.2540 | 0.2440 | 0.2340 | 0.2340 | 0.2340 | 0.2290 | 0.2240 | 0.1945 | 0.1875 |
| Tarrant County Hospital District | 0.2279 | 0.2279 | 0.2244 | 0.2244 | 0.2244 | 0.2244 | 0.2244 | 0.2244 | 0.1945 | 0.1825 |
| Tarrant County College | 0.1495 | 0.1447 | 0.1401 | 0.1361 | 0.1302 | 0.1302 | 0.1302 | 0.1302 | 0.1122 | 0.1123 |
| Tarrant County Regional Water District | 0.0200 | 0.0194 | 0.0194 | 0.0194 | 0.0287 | 0.0287 | 0.0287 | 0.0269 | 0.0267 | 0.0267 |
| Johnson County | 0.4077 | 0.4227 | 0.4417 | 0.4417 | 0.3847 | 0.3847 | 0.3797 | 0.3350 | 0.3293 | 0.3293 |
| Burleson Independent School District | 1.5400 | 1.5400 | 1.6700 | 1.6700 | 1.5684 | 1.5383 | 1.4946 | 1.2575 | 1.2575 | 1.2552 |
| Joshua Independent School District | 1.6000 | 1.6100 | 1.6000 | 1.5200 | 1.4400 | 1.3960 | 1.2900 | 1.0872 | 1.0872 | 1.2575 |
| Crowley Independent School District | 1.6500 | 1.6500 | 1.6700 | 1.6700 | 1.5684 | 1.5398 | 1.4841 | 1.2575 | 1.2575 | 1.2552 |
| CITY DIRECT RATES | | | | | | | | | | |
| Operating & Maintenance | 0.5278 | 0.5228 | 0.5228 | 0.5228 | 0.5106 | 0.5187 | 0.4974 | 0.4649 | 0.4402 | 0.4704 |
| Interest & Sinking | 0.2122 | 0.2122 | 0.2122 | 0.2122 | 0.2094 | 0.1924 | 0.1885 | 0.1923 | 0.1923 | 0.1923 |
| Total Direct Rate | 0.7400 | 0.7350 | 0.7350 | 0.7350 | 0.7200 | 0.7111 | 0.6859 | 0.6572 | 0.6325 | 0.6627 |

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 | 2025 | | | 2016 | | |
|---------------------------------------|----------------------------|------|------------------------------------------------|----------------------------|------|------------------------------------------------|
| | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation |
| Shannon Creek Apartments II LLC | \$ 68,772,734 | 1 | 1.02 % | | | |
| Wagner Smith Equipment Co. | 42,316,977 | 2 | 0.63 | \$ 29,847,294 | 1 | 0.79 % |
| Burleson Gateway Station LP | 40,868,905 | 3 | 0.61 | \$ 25,445,562 | 2 | 0.67 % |
| Abby Burleson LLC | 30,916,435 | 4 | 0.46 | | | |
| Burleson Cold Storage II LP | 27,812,292 | 5 | 0.41 | | | |
| Burleson Cold Storage LP | 25,997,292 | 6 | 0.39 | | | |
| TJC DFW Vercanta LLC | 24,896,335 | 7 | 0.37 | | | |
| Abby Burleson MF LLC | 22,328,637 | 8 | 0.33 | | | |
| Peak Burleson 85 BFR Property LLC | 22,123,046 | 9 | 0.33 | | | |
| Depot On Main Holdings LLC | 21,790,195 | 10 | 0.32 | | | |
| Halliburton Energy Services | - | | - | 21,436,431 | 3 | 0.57 |
| H E BUTT Grocery Company | - | | - | 20,725,568 | 4 | 0.55 |
| Sam's Real Estate Business/Sam's East | - | | - | 18,817,470 | 5 | 0.50 |
| Baker Hughes Oilfield Operations INC | - | | - | 18,605,022 | 6 | 0.49 |
| EB Reserve LLC & RL Reserve LLC | - | | - | 15,808,651 | 7 | 0.42 |
| Dolce Living at Burleson | - | | - | 13,454,590 | 8 | 0.36 |
| JAHCO Burleson Town Center | - | | - | 13,400,000 | 9 | 0.36 |
| Encore MF Burleson LP | - | | - | 13,313,376 | 10 | 0.35 |
| Total | \$ 327,822,848 | | 4.87 % | \$ 190,853,964 | | 5.06 % |

Source: Johnson County Appraisal District/Tarrant County Appraisal District

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 |
| 2016 | 2015 | \$ 20,896,042 | \$ 20,713,371 | 99.13% | \$ 78,741 | \$ 20,792,112 | 99.50% |
| 2017 | 2016 | 22,079,157 | 21,915,940 | 99.26% | 36,989 | 21,952,930 | 99.43% |
| 2018 | 2017 | 24,363,253 | 24,227,984 | 99.44% | 50,431 | 24,278,414 | 99.65% |
| 2019 | 2018 | 26,776,792 | 26,583,649 | 99.28% | 90,112 | 26,673,761 | 99.62% |
| 2020 | 2019 | 28,878,855 | 28,571,233 | 98.93% | 27,507 | 28,598,740 | 99.03% |
| 2021 | 2020 | 29,922,991 | 29,874,354 | 99.84% | 39,891 | 29,914,245 | 99.97% |
| 2022 | 2021 | 31,353,198 | 31,152,307 | 99.36% | 39,986 | 31,192,293 | 99.49% |
| 2023 | 2022 | 34,224,910 | 34,074,994 | 99.56% | 66,279 | 34,141,273 | 99.76% |
| 2024 | 2023 | 38,449,694 | 38,270,937 | 99.54% | 94,816.00 | 38,365,753 | 99.78% |
| 2025 | 2024 | 42,062,637 | 41,658,357 | 99.04% | - | 41,658,357 | 99.04% |

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 | Financed Purchases | Subscription Liabilities | Unamortized Premium | General Obligation Bonds | Certificates of Obligation |
| 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 |
| 2023 | 46,036,714 | 65,405,000 | - | 343,553 | - | 1,058,729 | 6,005,511 | 11,323,286 | 46,540,000 |
| 2024 | 47,900,232 | 96,100,000 | - | 279,435 | 1,223,463 | 752,102 | 8,089,400 | 11,269,768 | 40,945,000 |
| 2025 | 49,089,709 | 122,025,000 | - | 213,100 | - | 6,429,221 | 9,235,761 | 8,275,291 | 48,290,000 |

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

| BUSINESS-TYPE ACTIVITIES | | | | | | |
|---------------------------------|----------------------------|----------------------------|-------------------------------------|------------------------------------------|-----------------------|--|
| Leases | Water Revenue Bonds | Unamortized Premium | Total Primary Government (2) | Percentage of Personal Income (3) | Per Capita (3) | |
| \$ 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 | |
| - | 2,285,000 | 2,860,670 | 181,858,463 | 9.58% | 3,517 | |
| - | 2,065,000 | 2,562,538 | 211,186,938 | 9.99% | 3,947 | |
| - | 1,840,000 | 2,733,191 | 248,131,273 | 11.10% | 4,500 | |

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) |
| 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 | 2,521,806 | 14,333,143 | 39,730,000 |
| 2023 | 46,036,714 | 65,405,000 | 6,005,511 | 5,251,592 | 11,323,286 | 46,540,000 |
| 2024 | 47,900,232 | 96,100,000 | 8,089,400 | 6,477,919 | 11,269,768 | 40,945,000 |
| 2025 | 49,089,709 | 122,025,000 | 9,235,761 | 6,790,691 | 8,275,291 | 48,290,000 |

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

| BUSINESS-TYPE ACTIVITIES | | | | | |
|---------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|---------------------------|
| Unamortized Premium | Total General Bonded Debt | Less: Self-supported Debt (4) | Net General Bonded Debt Outstanding | Percentage of Actual Property Value (1) | Per Capita (2) |
| \$ 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 | 2.18% | 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 | 147,239,837 | 85,172,633 | 62,067,204 | 1.23% | 1,236 |
| 2,860,670 | 172,919,589 | 108,414,374 | 64,505,215 | 1.07% | 1,247 |
| 2,562,538 | 200,389,019 | 126,368,357 | 74,020,662 | 1.16% | 1,383 |
| 2,733,191 | 232,858,261 | 139,235,366 | 93,622,895 | 1.39% | 1,698 |

THE CITY OF
BURLESON
TEXAS

City of Burleson, Texas
 Direct and Overlapping
 Governmental Activities Debt (Unaudited)
 September 30, 2025

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 | \$ 186,992,791 | 100% | \$ 186,992,791 |
| Johnson County | 45,490,000 | 21.61% | 9,830,389 |
| Tarrant County | 345,130,000 | 0.35% | 1,207,955 |
| Tarrant County Hospital District | 438,230,000 | 0.35% | 1,533,805 |
| Tarrant County Junior College District | 569,915,000 | 0.35% | 1,994,703 |
| Burleson ISD | 232,880,000 | 61.61% | 143,477,368 |
| Joshua ISD | 183,475,000 | 25.22% | 46,272,395 |
| Total overlapping debt | | | <u>\$ 204,316,615</u> |
| Total direct and overlapping debt | | | <u>\$ 391,309,406</u> |
| Per capita direct and overlapping debt | | | <u>\$ 7,096</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: 55,144

Source: Hilltop Securities

City of Burleson, Texas

Pledged – Revenue Bond Water and Sewer Coverage (Unaudited)

Last Ten Fiscal Years

WATER AND SEWER DEBT

| Fiscal Year | Gross Revenues(1) | Direct Operating Expenses (2) | Net Revenue Available for Debt Service | Revenue Bonds Debt Service | |
|-------------|-------------------|-------------------------------|----------------------------------------|----------------------------|------------|
| | | | | Principal | Interest |
| 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 |
| 2023 | 26,288,132 | 24,353,880 | 1,934,252 | 210,000 | 90,100 |
| 2024 | 28,403,739 | 20,881,191 | 7,522,548 | 220,000 | 83,650 |
| 2025 | 27,828,996 | 21,090,327 | 6,738,669 | 225,000 | 76,412 |

Notes:

- (1) Includes operating revenues and investment income from Table C-2
- (2) Direct operating expenses are total operating expenses excluding depreciation expense and net pension obligation expense.

Table 12

WATER AND SEWER DEBT

| Revenue Bonds | | Combination Tax & Revenue Bonds | | | | Total Water & Sewer Bond Coverage |
|----------------------|-----------------|--------------------------------------------|-----------------|--------------|-----------------|------------------------------------------------------|
| Debt Service | | Debt Service | | | | |
| Total | Coverage | Principal | Interest | Total | Coverage | |
| \$ 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 |
| 300,100 | 6.45 | 1,925,000 | 1,503,142 | 3,428,142 | 0.56 | 0.52 |
| 303,650 | 24.77 | 2,290,000 | 1,716,725 | 4,006,725 | 1.88 | 1.75 |
| 301,412 | 22.36 | 2,090,000 | 1,624,891 | 3,714,891 | 1.81 | 1.68 |

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

Table 13

| Fiscal Year | Population (1) | Personal Income (thousands of dollars) (2) | Per Capita Income (6) | Median Age (3) | Public School Enrollment (4) | Unemployment Rate (5) |
|--------------------|-----------------------|---------------------------------------------------|------------------------------|-----------------------|-------------------------------------|------------------------------|
| 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% |
| 2023 | 51,715 | 1,897,941 | 36,700 | 35.4 | 12,631 | 3.3% |
| 2024 | 53,504 | 2,114,916 | 39,528 | 36.6 | 12,492 | 3.4% |
| 2025 | 55,144 | 2,235,427 | 40,538 | 36.7 | 12,492 | 3.2% |

- 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

| Employer | 2025 | | | 2016 | | |
|--------------------------------------|------------------|-------------|----------------|------------------|-------------|----------------|
| | Employees | Rank | Percent | Employees | Rank | Percent |
| Burleson Independent School District | 1,800 | 1 | 8.73 % | 1,500 | 1 | 10.96 % |
| City of Burleson | 650 | 2 | 3.15 | 408 | 2 | 2.98 |
| H.E.B. Grocery | 600 | 3 | 2.91 | 370 | 4 | 2.70 |
| Wal-Mart | 500 | 4 | 2.43 | 375 | 3 | 2.74 |
| Jellystone RV Ranch/Pirates Cove | 400 | 5 | 1.94 | | | |
| Golden State Foods | 320 | 6 | 1.55 | | | |
| Champion Buildings Mfg | 300 | 7 | 1.46 | 335 | 5 | 2.45 |
| Air Center Helicopter | 229 | 8 | 1.11 | | | |
| Basden Steel | 150 | 9 | 0.73 | 161 | 7 | 1.18 |
| Hayes & Stolz | 105 | 10 | 0.51 | | | |
| Target | | | | 175 | 6 | 1.28 |
| Lowe's | | | | 140 | 8 | 1.02 |
| KWS Manufacturing | | | | 135 | 9 | 0.99 |
| Thomas Conveyor Mfg | | | | 130 | 10 | 0.95 |
| Total | 5,054 | | 24.52 % | 3,729 | | 27.25 % |

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

| Function/Program | 2016 | 2017 | 2018 |
|-------------------------------------------------|-------------|--------------|--------------|
| General government and Administration | | | |
| City manager's office | 5.00 | 4.00 | 4.00 |
| City secretary's office | 5.00 | 4.00 | 4.00 |
| Support Services | 1.00 | 1.00 | 1.00 |
| Records management | 1.00 | 1.00 | 1.00 |
| Information technology | 8.00 | 8.00 | 9.00 |
| Economic development | 2.50 | 2.50 | 2.50 |
| Human resources | 4.00 | 4.00 | 4.00 |
| Communications | 1.00 | 2.00 | 2.00 |
| Library | 11.00 | 11.00 | 11.00 |
| Judicial | 1.50 | 1.00 | - |
| Legal | 1.00 | 1.00 | 1.00 |
| Finance | 8.00 | 8.00 | 8.00 |
| Purchasing | 1.00 | 1.00 | 1.00 |
| Public Safety | | | |
| Police | 84.00 | 84.50 | 85.50 |
| Dispatch** | - | - | - |
| Fire | 40.00 | 48.00 | 48.00 |
| Fire prevention | 3.00 | 3.00 | 3.00 |
| Emergency Services | - | - | - |
| Municipal court | 3.00 | 4.00 | 4.00 |
| Marshals Service | 3.00 | 3.00 | 3.00 |
| Public Works | | | |
| Public works administration | 6.00 | 6.00 | 6.00 |
| Street maintenance | 17.00 | 18.00 | 17.00 |
| Neighborhood services | 2.00 | 2.00 | 2.00 |
| Animal services | 5.00 | 5.50 | 5.50 |
| Environmental services | 1.50 | 2.00 | 2.00 |
| Facility maintenance | 3.00 | 5.00 | 5.00 |
| Planning | 5.00 | 5.00 | 5.00 |
| Building code enforcement | 9.00 | 9.00 | 10.00 |
| Community development | 2.50 | 2.50 | 2.50 |
| Engineering | 12.00 | 12.00 | 12.00 |
| Parks & Recreation | | | |
| Parks & recreation administration | 2.00 | 2.00 | 2.00 |
| Recreation | 41.90 | 38.10 | 38.60 |
| Park maintenance | 12.00 | 12.00 | 12.00 |
| Senior citizens center | 2.00 | 2.00 | 3.00 |
| Athletic Fields | 8.80 | 8.10 | 7.10 |
| Russell Farm | 1.00 | 1.00 | 1.40 |
| Enterprise Operations and Administration | | | |
| Water/Wastewater | | | |
| Water & sewer services | 21.00 | 21.00 | 21.00 |
| Utility billing | 8.00 | 8.00 | 8.00 |
| Hidden Creek Golf Course | | | |
| Golf course administration | 2.00 | 2.00 | 2.00 |
| Golf course club house & pro shop | 6.50 | 6.50 | 6.50 |
| Golf course maintenance | 8.50 | 9.00 | 9.00 |
| Golf course food & beverage | 4.30 | 4.20 | 4.20 |
| Solid Waste | | | |
| Solid Waste | 1.00 | 1.00 | 1.00 |
| Internal Service Operations | | | |
| Equipment services | 3.00 | 3.00 | 3.00 |
| Total | 368 | 375.9 | 377.8 |

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

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

Table 15

| 2019* | 2020* | 2021* | 2022* | 2023* | 2024* | 2025* |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 4.00 | 3.00 | 3.00 | 3.00 | 2.00 | 4.00 | 4.00 |
| 4.00 | 4.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 1.00 | - | - | - | - | - | - |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 10.00 | 10.00 | 10.00 | 11.00 | 12.00 | 14.00 | 15.00 |
| 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 |
| 4.00 | 4.00 | 5.00 | 6.00 | 6.00 | 7.00 | 7.00 |
| 2.50 | 4.00 | 4.00 | 4.50 | 4.50 | 4.50 | 4.50 |
| 12.00 | 12.00 | 11.00 | 11.00 | 12.00 | 12.00 | 12.00 |
| - | - | - | 0.50 | 0.50 | 0.50 | 0.50 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 |
| 9.00 | 9.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| 90.76 | 95.76 | 86.50 | 92.50 | 100.50 | 104.50 | 104.50 |
| - | - | 19.26 | 19.26 | 22.26 | 22.00 | 22.00 |
| 49.00 | 49.00 | 49.00 | 56.00 | 67.00 | 61.00 | 61.00 |
| 3.00 | 4.00 | 4.00 | 4.00 | - | - | - |
| 1.00 | 1.00 | 1.00 | 1.00 | - | 18.00 | 18.00 |
| 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 |
| 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | - | - |
| 6.00 | 6.00 | 6.00 | 6.00 | 7.00 | 6.00 | 6.00 |
| 17.00 | 20.00 | 22.00 | 22.00 | 23.00 | 22.00 | 23.00 |
| 2.00 | 2.00 | 2.00 | 1.00 | 1.00 | - | - |
| 5.00 | 5.50 | 5.50 | 5.50 | 6.00 | 6.00 | 6.50 |
| 2.00 | 3.00 | 3.00 | 2.00 | 2.00 | 1.00 | 1.00 |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 4.00 | 4.00 | 3.00 | 3.00 | 3.00 | 5.00 | 5.00 |
| 10.00 | 10.00 | 10.00 | 12.00 | 12.00 | 14.00 | 14.00 |
| 5.00 | 4.00 | 2.00 | 2.00 | 2.00 | - | - |
| 11.50 | 10.00 | 10.00 | 12.00 | 14.00 | 15.00 | 15.00 |
| 2.00 | 2.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| 42.26 | 42.26 | 43.76 | 45.76 | 44.76 | 44.76 | 44.76 |
| 11.91 | 11.91 | 11.91 | 14.91 | 15.41 | 16.91 | 16.91 |
| 2.84 | 2.84 | 2.84 | 2.84 | 2.84 | 2.84 | 2.84 |
| 8.83 | 8.83 | 7.83 | 8.83 | 8.83 | 8.83 | 8.83 |
| 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 |
| 21.00 | 21.00 | 21.00 | 21.00 | 24.00 | 25.00 | 25.00 |
| 8.00 | 8.00 | 8.00 | 9.00 | 11.00 | 9.00 | 9.00 |
| 2.00 | 2.00 | 1.00 | - | - | - | - |
| 6.80 | 6.80 | 6.80 | 6.80 | 6.80 | 7.80 | 7.80 |
| 8.68 | 8.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 |
| 4.19 | 4.19 | 4.19 | 4.19 | 4.19 | 4.19 | 4.19 |
| 1.00 | - | - | - | - | - | - |
| 3.00 | 3.00 | 4.00 | 4.00 | 5.00 | 7.00 | 7.00 |
| 394.55 | 401.05 | 409.55 | 433.55 | 462.55 | 485.79 | 489.29 |

THE CITY OF
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City of Burleson, Texas

Table 16

Schedule of Insurance Policies in Force (Unaudited)

As of September 30, 2025

| | AM Best Rating | Policy Number | Policy Period | Coverage | Deductibles | Liability Limits |
|-------------------------------------------------------|-----------------------|----------------------|------------------------|-------------------------------------|--------------------|-------------------------|
| Texas Municipal League Intergovernmental Risk Pool | A++ | 3511 | 10/1/2024 10/1/2025 | General Liability | - | \$ 2,000,000 |
| | | | | Real & Personal Property | \$ 2,500 | As Scheduled |
| | | | | Flood | 25,000 | 5,000,000 |
| | | | | Earthquake | 25,000 | 10,000,000 |
| | | | | Boiler and Machinery | 2,500 | 100,000 |
| | | | | Mobile Equipment | 500 | As Scheduled |
| | | | | Auto Liability | - | 2,000,000 |
| | | | | Auto Physical Damage | - | 50,000 |
| | | | | Auto Physical Damage | 1,000 | - |
| | | | | Law Enforcement Liability | 1,000 | 4,000,000 |
| | | | | Errors & Omissions | 5,000 | 4,000,000 |
| | | | | Public Employee Dishonesty | 250 | 500,000 |
| | | | | Theft Disappearance and Destruction | 100 | 20,000 |
| | | | | Computer Fraud | 50,000 | 100,000 |
| | | | | Cyber Coverage | 25,000 | 3,000,000 |
| Workers' Compensation | N/A | N/A | | | | |

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>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------------------------------|-------------|-------------|-------------|
| Public safety | | | |
| Police | | | |
| Total calls | 72,900 | 63,460 | 59,062 |
| Arrests | 1,089 | 1,045 | 1,107 |
| Traffic enforcement | 6,312 | 11,374 | 8,733 |
| Fire | | | |
| Number of calls for service | 4,338 | 4,491 | 4,274 |
| Inspections | 4,012 | 2,895 | 1,427 |
| Animal Control | | | |
| Animals Adopted | 457 | 564 | 719 |
| Animals Impounded | 2,041 | 2,352 | 1,777 |
| Environmental Health | | | |
| Permits ¹ | - | 265 | 294 |
| Inspections | 182 | 521 | 507 |
| Community Development | | | |
| Permits Issued ³ | 7,088 | 4,829 | 4,844 |
| Inspections Made | 15,186 | 14,225 | 13,104 |
| Parks and Recreation | | | |
| Recreation | | | |
| Special Event Participants | 41,300 | 44,225 | 44,500 |
| Senior Citizen Participants ⁴ | 37,688 | 36,450 | 35,247 |
| Library | | | |
| Books in Collection | 70,828 | 70,210 | 68,980 |
| Materials borrowed ² | 436,033 | 333,290 | 338,654 |
| Water and Sewer | | | |
| Number of water customers | 14,224 | 14,432 | 14,588 |
| Number of sewer connections | 14,457 | 14,513 | 14,849 |
| Gas Well | | | |
| Number of Permits | - | - | - |
| Number of Pad Site Inspections ⁵ | 2,964 | 3,380 | 3,276 |

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

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------|----------------|-------------|-------------|-------------|-------------|-------------|
| 45,349 | 44,477 | 56,916 | 54,364 | 57,780 | 49,916 | 44,868 |
| 1,210 | 1,276 | 1,221 | 1,314 | 1,458 | 1,626 | 1,635 |
| 6,672 | 5,162 | 7,754 | 6,864 | 6,749 | 5,409 | 3,481 |
| 4,505 | 4,473 | 5,174 | 6,387 | 7,105 | 9,150 | 9,379 |
| 3,281 | 2,139 | 2,170 | 2,132 | 2,129 | 2,853 | 1,854 |
| 799 | 674 | 660 | 678 | 699 | 663 | 621 |
| 1,860 | 1,585 | 1,697 | 1,704 | 1,775 | 1,312 | 1,590 |
| 336 | 334 | 388 | 468 | 525 | 633 | 585 |
| 447 | 529 | 670 | 690 | 663 | 607 | 805 |
| 4,560 | 4,610 | 3,864 | 4,279 | 3,970 | 4,243 | 3,707 |
| 12,276 | 15,207 | 13,495 | 14,090 | 13,626 | 16,440 | 11,552 |
| 45,200 | 17,585 | 19,295 | 37,161 | 65,534 | 69,478 | 83,525 |
| 55,032 | Closed - Covid | 14,749 | 38,195 | 50,870 | 55,899 | 56,982 |
| 65,951 | 65,107 | 63,559 | 53,849 | 50,207 | 47,918 | 48,758 |
| 348,100 | 287,183 | 278,508 | 267,053 | 296,857 | 317,594 | 321,773 |
| 15,185 | 15,437 | 15,641 | 15,908 | 16,110 | 16,474 | 16,375 |
| 15,666 | 16,050 | 16,304 | 16,635 | 16,972 | 17,105 | 17,149 |
| - | - | - | - | - | - | - |
| 1,000 | 1,000 | 126 | 126 | 126 | 70 | 63 |

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

| | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-------------------------------------|-----------------|-------------|-------------|
| Date of incorporation | May 12, 1912 | | |
| Date of charter | April 5, 1989 | | |
| Area incorporated (square miles) | 28.06 | 28.21 | 28.28 |
| Form of government | Council/Manager | | |
| Education: | | | |
| Attendance centers | 16 | 16 | 16 |
| Number of teachers | 706 | 759 | 773 |
| Number of students | 11,376 | 11,748 | 12,054 |
| Miles of streets | 192.76 | 196.86 | 201.10 |
| Miles of sewers: | | | |
| Sanitary sewers | 203.38 | 209.15 | 213.42 |
| Storm sewers | 50.68 | 55.74 | 60.17 |
| Culture and recreation: | | | |
| Parks - number of acres | 486.19 | 477.66 | 542.8 |
| Number of municipal pools | 2 | 2 | 2 |
| Number of lighted ball diamonds | 16 | 16 | 16 |
| Number of community centers | 2 | 2 | 2 |
| Municipal water system: | | | |
| Number of water customers | 14,224 | 14,432 | 14,588 |
| Daily average consumption (gallons) | 4,196,295 | 4,582,278 | 4,928,277 |
| System capacity (gallons per day) | 17,500,000 | 17,500,000 | 17,500,000 |
| Miles of water mains | 204.72 | 208.61 | 211.44 |
| Number of fire hydrants | 1,497 | 1,553 | 1,568 |
| Municipal sewer system: | | | |
| Number of sewer connections | 14,457 | 14,513 | 14,849 |
| System capacity (gallons per day) | 11,890,000 | 11,890,000 | 11,890,000 |
| Number of street lights | 1,539 | 1,576 | 1,588 |

Source: Various City Departments

Table 18

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 28.33 | 28.37 | 28.39 | 28.46 | 29.26 | 29.41 | 29.55 |
| 17 | 17 | 18 | 18 | 18 | 18 | 18 |
| 780 | 800 | 813 | 828 | 818 | 956 | 836 |
| 12,340 | 12,775 | 12,474 | 12,532 | 12,631 | 12,718 | 12,759 |
| 209.05 | 212.96 | 215.45 | 222.03 | 223.16 | 225.46 | 229.09 |
| 214.99 | 215.49 | 217.59 | 225.08 | 227.63 | 231.46 | 229.60 |
| 59.97 | 60.70 | 62.48 | 62.76 | 66.73 | 69.63 | 69.85 |
| 554.49 | 565.05 | 562.1 | 554.65 | 555.8 | 560.25 | 572.9 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 15,185 | 15,437 | 15,641 | 15,908 | 16,110 | 16,474 | 16,375 |
| 4,354,776 | 4,544,416 | 4,502,115 | 5,256,882 | 5,587,416 | 5,150,025 | 5,218,510 |
| 17,500,000 | 17,500,000 | 17,500,000 | 17,500,000 | 17,500,000 | 17,500,000 | 17,500,000 |
| 212.49 | 216.14 | 220.73 | 223.32 | 227.34 | 228.22 | 227.72 |
| 1,587 | 1,628 | 1,661 | 1,692 | 1,739 | 1,780 | 1,782 |
| 15,666 | 16,050 | 16,304 | 16,635 | 16,972 | 16,797 | 17,149 |
| 11,890,000 | 11,890,000 | 11,890,000 | 11,890,000 | 11,890,000 | 11,890,000 | 11,890,000 |
| 1,638 | 1,640 | 1,638 | 1,628 | 1,690 | 2,029 | 1,727 |

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