



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
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March 25, 2025

The Members of the City Council
City of Burnet, Texas
1001 Buchanan Drive Suite 4
Burnet, TX 78611

Dear Members of the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Burnet, Texas (the “City”) as of and for the year ended September 30, 2024, and have issued our report thereon dated March 25, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated October 3, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Significant Risks Identified

We have identified the following significant risks:

1. Management override of controls – This is a presumed risk for all audit engagements.
2. Net pension and total other post-retirement employee benefit (“OPEB”) liabilities and their related deferred outflows and inflows of resources – This is a significant accounting estimate which involves a higher degree of uncertainty and subjectivity as well as reliance on completeness and accuracy of census data provided to a third-party actuary.

Qualitative Aspects of the City’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

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

The most sensitive accounting estimates affecting the City's financial statements were the actuarial assumptions used in pensions and other post-employment benefits ("OPEB") liabilities and related deferred inflows and outflows. Management's estimate of actuarial assumptions is based upon historical experience and industry suggested standards (inflation, payroll growth, investment expected rate of return, morbidity, mortality, etc.). We evaluated the key factors and assumptions used to develop the estimates described above and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

The following material misstatements to convert from the modified accrual to full accrual basis of accounting for proprietary funds and the Burnet Economic Development Corporation and others that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- Properly recognize gain on sales of properties held for resale by the Burnet Economic Development Corporation.
- Adjust beginning fund balance / net position for the general fund, electric fund, and water and sewer fund to audited amounts from prior year.
- Properly recognize transfers from general fund to general capital projects for capital projects funded with local funds.
- Adjust pension and OPEB liabilities and related deferred inflows and outflows to amounts provided by consulting actuaries.
- Properly recognize depreciation expense for enterprise funds.

Disagreements with Management

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis and the pension/OPEB related schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information appears to be materially misstated. If, based upon the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Restriction on Use

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

Respectfully,

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



CITY OF BURNET

P.O. Box 1369 • 1001 Buchanan Drive, Suite 4 • Burnet, TX 78611 • (512) 756-6093

March 25, 2025

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

This representation letter is provided in connection with your audit of the financial statements of the City of Burnet, Texas (the “City”), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, “the financial statements”), for the purpose of expressing opinions on whether the financial statements present fairly, in all material respects, the financial position and results of operations of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (“U.S. GAAP”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, having made such inquiries as we consider necessary for the purpose of appropriately informing ourselves as of March 25, 2025:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 3, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.



5. With respect to preparation of the financial statements, note disclosures, and the schedule of expenditures of federal awards, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including a process to monitor the system of internal control.
6. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
7. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of uncorrected misstatements summarized in the attached schedules and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied;
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP; and
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures in the financial statements.
12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.

14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All net position components and fund balance classifications have been properly reported.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Deposit and investment risks have been properly and fully disclosed.
21. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
22. All required supplementary information is measured and presented within the prescribed guidelines.
23. Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
24. With regard to pensions and OPEB:
 - a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.
25. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Information Provided

26. We have provided you with:

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

27. The financial statements and any other information included in the annual comprehensive financial report are consistent with one another, and the other information does not contain any material misstatements.

28. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

29. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

30. We have provided to you our evaluation of the City's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.

31. We have no knowledge of any fraud or suspected fraud that affects the City and involves:

- a. Management;
- b. Employees who have significant roles in internal control; or
- c. Others where the fraud could have a material effect on the financial statements.

32. We have no knowledge of any instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.

33. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
34. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
35. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
36. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
37. We have disclosed to you the identity of all the City's related parties and the nature of all the related party relationships and transactions of which we are aware.
38. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
39. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
40. We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
41. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
42. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.

43. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you and reported in the notes to the financial statements.
44. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
45. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Required Supplementary Information

46. With respect to management's discussion and analysis, the schedules of changes in net pension and total OPEB liabilities and related ratios, and the schedules of pension and OPEB contributions and notes to schedules of pension and OPEB contributions (collectively, the required supplementary information or "RSI") accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP;
 - b. We believe the RSI, including its form and content, is fairly presented in accordance with U.S. GAAP;
 - c. The methods of measurement or presentation have not changed from those used in the prior period; and
 - d. The significant assumptions or interpretations underlying measurement or presentation of the RSI and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Supplementary Information

47. With respect to the schedule of federal awards and the other supplementary information as listed in the table of contents (collectively, "the supplementary information") accompanying the financial statements :
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP;
 - b. We believe the supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP;
 - c. The methods of measurement or presentation have not changed from those used in the prior period; and

- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- e. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the City of the supplementary information and the auditor's report thereon.

Single Audit

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

- a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").
- b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- d. The methods of measurement or presentation have not changed from those used in the prior period.
- e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. We have notified you of federal awards and funding increments that were received before December 26, 2014 (if any) and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- i. When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the City of the schedule of expenditures of federal awards and the auditor's report thereon.

- j. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- k. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- l. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- m. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- n. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
- o. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- p. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards.
- r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.

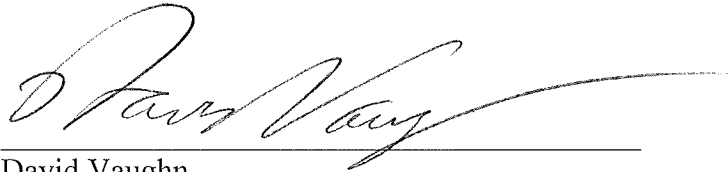
- u. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- v. The reporting package does not contain personally identifiable information.
- w. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the City.
- x. We have reviewed, approved, and taken responsibility for the financial statements, related notes, and the schedule of expenditures of federal awards, and have an acknowledgment of the auditor's role in the preparation of this information.
- y. We have reviewed, approved, and taken responsibility for adjustments to convert to the government-wide financial statements and have an acknowledgment of the auditor's role in the preparation of the adjustments to convert to the government-wide financial statements.
- z. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- aa. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- bb. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- cc. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form.

Respectfully,

CITY OF BURNET, TEXAS

A handwritten signature in cursive script, reading "David Vaughn", written over a horizontal line.

David Vaughn
City Manager

A handwritten signature in cursive script, reading "Patricia Langford", written over a horizontal line.

Patricia Langford, C.P.A.
Director of Finance

Summary of Uncorrected Misstatements - General Fund

		<i>Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement</i>					
		<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Fund Balance</i>	<i>Revenues and Other Financing Sources</i>	<i>Expenditures and Other Financing Uses</i>	<i>Net Change in Fund Balance</i>
Amounts Per Financial Statements		12,257,500	1,190,599	11,066,901	16,992,380	15,395,951	1,596,429
Effect of Current Period Uncorrected Misstatements		(94,200)	(4,000)	(90,200)	(90,000)	-	(90,000)
Effect of Prior Period Uncorrected Misstatements					20,000	-	20,000
Net Effect of Uncorrected Misstatements		(94,200)	(4,000)	(90,200)	(70,000)	-	(70,000)
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued franchise tax revenues and related deferred inflow - historically not accrued by the City	(94,200)	(72,000)	(22,200)	(22,000)	-	(22,000)
2	Overstatement of unavailable property taxes - City does not recognize 60 day collections.	-	68,000	(68,000)	(68,000)	-	(68,000)

Summary of Uncorrected Misstatements - Debt Service Fund

		<i>Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement</i>					
		<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Fund Balance</i>	<i>Revenues and Other Financing Sources</i>	<i>Expenditures and Other Financing Uses</i>	<i>Net Change in Fund Balance</i>
Amounts Per Financial Statements		769,705	380,055	389,650	1,232,522	1,088,545	143,977
Effect of Current Period Uncorrected Misstatements		-	12,240	(12,240)	(12,240)	-	(12,240)
Effect of Prior Period Uncorrected Misstatements					-	-	-
Net Effect of Uncorrected Misstatements		-	12,240	(12,240)	(12,240)	-	(12,240)
<i>No.</i>	<i>Description</i>						
1	Overstatement of unavailable property taxes - City does not recognize 60 day collections.	-	12,240	(12,240)	(12,240)	-	(12,240)

Summary of Uncorrected Misstatements - General Capital Projects Fund

Amounts Per Financial Statements Effect of Current Period Uncorrected Misstatements Effect of Prior Period Uncorrected Misstatements Net Effect of Uncorrected Misstatements		Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement					
		Total Assets and Deferred Outflows	Total Liabilities and Deferred Inflows	Fund Balance	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Net Change in Fund Balance
		7,871,427	1,145,874	6,725,553	9,129,239	9,810,620	(681,381)
		-	(81,800)	81,800	-	(81,800)	81,800
					-	(44,400)	44,400
		-	(81,800)	81,800	-	(126,200)	126,200
No.	Description						
1	Understatement of accrued retainage for construction contract - City recognizes expense when cash is paid.	-	(81,800)	81,800	-	(81,800)	81,800

Summary of Uncorrected Misstatements - Electric Fund

		<i>Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement</i>					
		<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Net Position</i>	<i>Revenues and Transfers In</i>	<i>Expenses and Transfers Out</i>	<i>Change in Net Position</i>
Amounts Per Financial Statements		9,005,145	1,467,405	7,537,740	11,267,370	10,076,985	1,190,385
Effect of Current Period Uncorrected Misstatements		45,700	-	45,700	-	(45,700)	45,700
Effect of Prior Period Uncorrected Misstatements					-	(84,500)	84,500
Net Effect of Uncorrected Misstatements		45,700	-	45,700	-	(130,200)	130,200
<i>No.</i>	<i>Description</i>						
1	Results of test counts for inventory - projected estimate of overstatement of inventory.	19,500	-	19,500	-	(19,500)	19,500
2	Results of subsequent collection testwork - projected estimate of allowance for bad debts.	26,200	-	26,200	-	(26,200)	26,200

Summary of Uncorrected Misstatements - Business-Type Activities

		<i>Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement</i>					
		<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Net Position</i>	<i>Revenues</i>	<i>Expenses and Transfers Out</i>	<i>Change in Net Position</i>
Amounts Per Financial Statements		42,783,179	18,903,638	23,879,541	19,170,003	17,875,359	1,294,644
Effect of Current Period Uncorrected Misstatements		45,700	-	45,700	-	(45,700)	45,700
Effect of Prior Period Uncorrected Misstatements					167,275	(84,500)	251,775
Net Effect of Uncorrected Misstatements		45,700	-	45,700	167,275	(130,200)	297,475
<i>No.</i>	<i>Description</i>						
1	Results of price test for inventory - projected estimate of overstatement of inventory.	19,500	-	19,500	-	(19,500)	19,500
2	Results of subsequent collection testwork - projected estimate of allowance for bad debts.	26,200	-	26,200	-	(26,200)	26,200

Summary of Uncorrected Misstatements - Governmental Activities

		<i>Financial Statement Effect of Uncorrected Misstatements: Over (Under) Statement</i>					
		<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Net Position</i>	<i>Revenues and Transfers In</i>	<i>Expenses</i>	<i>Change in Net Position</i>
Amounts Per Financial Statements		74,226,929	26,331,293	47,895,636	23,165,150	16,403,434	6,761,716
Effect of Current Period Uncorrected Misstatements		(94,200)	(81,800)	(12,400)	(94,200)	(81,800)	(12,400)
Effect of Prior Period Uncorrected Misstatements					249,675	44,400	205,275
Net Effect of Uncorrected Misstatements		(94,200)	(81,800)	(12,400)	155,475	(37,400)	192,875
<i>No.</i>	<i>Description</i>						
1	Understatement of accrued franchise tax revenues - historically not accrued by the City	(94,200)	-	(94,200)	(94,200)	-	(94,200)
2	Understatement of accrued retainage for construction contract - City recognizes expense when cash is paid.	-	(81,800)	81,800	-	(81,800)	81,800