



# The Arbitrage Group, Inc.

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May 31, 2025

Patricia Langford CPA, CGFO  
Finance Director  
City of Burnet  
PO Box 1369  
Burnet, Texas 78611

**\$5,755,000**  
**City of Burnet, Texas**  
**Combination Tax and Revenue Certificates of Obligation,**  
**Series 2021**  
*Interim Rebate Calculation for the Period*  
*August 18, 2021 to May 31, 2025*

Dear Ms. Langford:

Attached please find an electronic copy of our rebate report for the above noted issue along with our agreed-upon invoice. The report indicates there are rebate and yield reduction payment liabilities for the Bonds as of the May 31, 2025 Interim Rebate Computation Date. However, because this is not a required minimum IRS Installment or Final computation date, no IRS payment or filing is otherwise currently required.

Due to continued investment activity in the Project Funds, future calculations will continue to be required for minimum IRS and bond document compliance. Unless you prefer otherwise, we have scheduled the Bonds for a subsequent cumulative update to August 18, 2026, the first IRS Installment Date. If there are any actual (or anticipated) changes to the Bonds beforehand, please let us know as it may impact the timing and substance of future analyses.

If you have any questions, please do not hesitate to contact either Troy Merrill at (713) 522-8527; [tmerrill@thearbitragegroup.com](mailto:tmerrill@thearbitragegroup.com) or myself at (715) 386-8044; [gichel@thearbitragegroup.com](mailto:gichel@thearbitragegroup.com). It has been our pleasure working with your team and we look forward to being of service again in the very near future regarding any other arbitrage rebate compliance or verification service needs.

Very truly yours,  
The Arbitrage Group, Inc.

Gregory A. Ichel  
Principal



The Arbitrage Group, Inc.

**\$5,755,000**

**City of Burnet, Texas**

**Combination Tax and Revenue Certificates of Obligation,  
Series 2021**

**Rebate Computation for the Period  
August 18, 2021 to May 31, 2025**



# The Arbitrage Group, Inc.

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Houston, Texas 77007

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May 31, 2025

City of Burnet, Texas

**\$5,755,000**  
**City of Burnet, Texas**  
**Combination Tax and Revenue Certificates of Obligation,**  
**Series 2021**

The City of Burnet, Texas ("Borrower") issued the above referenced certificates ("Bonds") dated and delivered on August 18, 2021. At the request of the Borrower, we have performed the procedures enumerated below for the period August 18, 2021 to May 31, 2025 ("Computation Period"). These procedures, which were agreed to by the Borrower were performed solely to assist the Borrower in evaluating compliance with the requirements of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended ("Code"). This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants for consulting services. The sufficiency of these procedures is solely the responsibility of the specified users of the report. This report is intended solely for your information and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not to be quoted or referred to without our prior written consent.

Our procedures and findings are as follows:

- (1) We read the IRS Form 8038-G ("8038"), Federal Tax Certificate ("Certificate"), excerpts from the Official Statement ("OS"), and bank statements, each provided to us by or on behalf of the Borrower.
- (2) A schedule of the sources and uses of funds (Exhibit A) was assembled based upon the 8038, Certificate, and bank statements.
- (3) Schedules of the debt service requirements of the Bonds to maturity and early redemption, as well as the original issue premium (Exhibits B-1 through B-3) were assembled based on the OS.
- (4) The yield on the Bonds was computed to be the discount rate that causes the present value of all principal and interest payments on the Bonds to equal the Issue Price to the Public. The yield on the Bonds to early redemption was computed to be 1.472930% (Exhibit B-1).



City of Burnet, Texas

May 31, 2025

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- (5) Schedules of actual earnings on the nonpurpose investments in the Project Funds purchased with gross proceeds of the Bonds during the Computation Period (Exhibits C-1 through C-10) were assembled based on the bank statements.
- (6) The allowable earnings amounts on the nonpurpose investments in the Project Funds were calculated to be the amounts that the nonpurpose investments would have earned if they had been invested at a rate equal to the yield on the Bonds to early redemption of 1.472930% (Exhibits C-1 through C-3, C-5 through C-9) and the materially higher yield of one-eighth of one percentage point above the bond yield of 1.597930% ("Restricted Yield") (Exhibits C-4 and C-10).
- (7) The arbitrage earnings amounts during the Computation Period for the Project Funds were calculated to be the difference between the actual earnings and allowable earnings for the nonpurpose investments in each Project Fund. The arbitrage earnings amounts for the Computation Period are as follows:

Trust Fund	Exhibit	Arbitrage Earnings	Restricted Earnings	Total Liability
Project Fund - Checking Account	C-1	(\$2,026.48)		
Project Fund - City Hall to August 18, 2024	C-2	273,738.43		
Project Fund - City Hall from August 18, 2024	C-3/C-4	61,497.47	\$58,314.77	
Project Fund - Airport Reserve Fund to September 29, 2022	C-5	(9,494.49)		
Project Fund - Airport Reserve Fund to March 13, 2023	C-6	11,412.38		
Project Fund - Airport Reserve Fund from March 13, 2023	C-7	5,110.06		
Project Fund - Airport Bond Proceeds Fund to August 18, 2024	C-8	54,107.71		
Project Fund - Airport Bond Proceeds Fund from August 18, 2024	C-9/C-10	21,502.93	20,354.45	
Computation Date Credit	D	(6,012.43)		
Deemed Yield Reduction Payment		(78,669.22)		
Total Arbitrage Liability		<u>\$331,166.36</u>	<u>\$78,669.22</u>	<u>\$409,835.58</u>

- (8) The assumptions and computational information employed in the above calculations are explained in Exhibit E.
- (9) Based on the information provided to us by the Borrower and the assumptions employed, this report shows there are rebate and yield reduction payment liabilities for the Bonds as of the May 31, 2025 Interim Rebate Computation Date. These amounts are subject to change due to future investment activity, if any, subsequent to the end of the Computation Period.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the information referred to above. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The terms of our engagement are such that we have no obligation to update this report because of events and transactions occurring subsequent to the date of this report.

Very truly yours,

# Exhibits

- A. Sources and Uses of Funds
- B. Computation of Yield on the Bonds
  - B-1. Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds
  - B-2. Debt Service Requirements of the Bonds to Maturity
  - B-3. Computation of Original Issue Premium
- C. Computation of Arbitrage Earnings on the Project Funds
  - C-1. Project Fund - Checking Account
  - C-2. Project Fund - City Hall to August 18, 2024
  - C-3. Project Fund - City Hall from August 18, 2024
  - C-4. Project Fund - City Hall from August 18, 2024 at the Restricted Yield
  - C-5. Project Fund - Airport Reserve to September 29, 2022
  - C-6. Project Fund - Airport Reserve to March 13, 2023
  - C-7. Project Fund - Airport Reserve from March 13, 2023
  - C-8. Project Fund - Airport Proceeds Fund to August 18, 2024
  - C-9. Project Fund - Airport Proceeds Fund from August 18, 2024
  - C-10. Project Fund - Airport Proceeds Fund from August 18, 2024 at the Restricted Yield
- D. Computation Date Credit
- E. Assumptions and Computational Information

# Sources and Uses of Funds

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

SOURCES	The Bonds
Principal Amount of the Bonds	\$5,755,000.00
Original Issue Premium	387,868.50
	<hr/>
	\$6,142,868.50
	<hr/>
USES	
Project Fund	\$6,000,000.00
Costs of Issuance	75,212.72
Underwriter's Discount	67,655.78
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	\$6,142,868.50
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# Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	\$5,755,000 Serial Bonds			Debt Service Requirements of the Bonds	Present Value of Future Payments at 08/18/21 Using a Rate of 1.472930%
	Principal	Coupon Rate	Interest		
02/15/22			\$68,378.54	\$68,378.54	\$67,886.94
08/15/22	\$220,000.00	4.000%	69,537.51	289,537.51	285,354.37
02/15/23			65,137.51	65,137.51	63,727.10
08/15/23	230,000.00	4.000%	65,137.51	295,137.51	286,635.97
02/15/24			60,537.51	60,537.51	58,363.88
08/15/24	240,000.00	2.250%	60,537.51	300,537.51	287,628.26
02/15/25			57,837.51	57,837.51	54,948.49
08/15/25	245,000.00	1.875%	57,837.51	302,837.51	285,607.18
02/15/26			55,540.63	55,540.63	51,997.63
08/15/26	245,000.00	1.750%	55,540.63	300,540.63	279,311.77
02/15/27			53,396.88	53,396.88	49,262.36
08/15/27	250,000.00	1.625%	53,396.88	303,396.88	277,858.53
02/15/28			51,365.63	51,365.63	46,698.03
08/15/28	260,000.00	4.000%	51,365.63	311,365.63	281,002.31
02/15/29			46,165.63	46,165.63	41,359.12
08/15/29	265,000.00	4.000%	46,165.63	311,165.63	276,730.75
02/15/30			40,865.63	40,865.63	36,077.57
08/15/30	2,150,000.00	*	40,865.63	2,190,865.63	1,920,030.52
02/15/31			15,165.63	15,165.63	13,193.69
08/15/31			15,165.63	15,165.63	13,097.23
02/15/32			15,165.63	15,165.63	13,001.48
08/15/32			15,165.63	15,165.63	12,906.43
02/15/33			15,165.63	15,165.63	12,812.07
08/15/33	305,000.00	1.500%	15,165.63	320,165.63	268,501.59
02/15/34			12,878.13	12,878.13	10,721.07
08/15/34	305,000.00	1.625%	12,878.13	317,878.13	262,699.58
02/15/35			10,400.00	10,400.00	8,531.89
08/15/35			10,400.00	10,400.00	8,469.52
02/15/36			10,400.00	10,400.00	8,407.60
08/15/36			10,400.00	10,400.00	8,346.13

# Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	\$5,755,000 Serial Bonds			Debt Service Requirements of the Bonds	Present Value of Future Payments at 08/18/21 Using a Rate of 1.472930%
	Principal	Coupon Rate	Interest		
02/15/37			10,400.00	10,400.00	8,285.12
08/15/37			10,400.00	10,400.00	8,224.54
02/15/38			10,400.00	10,400.00	8,164.42
08/15/38			10,400.00	10,400.00	8,104.73
02/15/39			10,400.00	10,400.00	8,045.48
08/15/39	335,000.00	2.000%	10,400.00	345,400.00	265,249.15
02/15/40			7,050.00	7,050.00	5,374.45
08/15/40	350,000.00	2.000%	7,050.00	357,050.00	270,201.21
02/15/41			3,550.00	3,550.00	2,666.86
08/15/41	355,000.00	2.000%	3,550.00	358,550.00	267,383.48
	<u>\$5,755,000.00</u>		<u>\$1,241,559.95</u>	<u>\$6,996,559.95</u>	<u>\$6,142,868.50</u>
			Principal Amount of the Bonds		\$5,755,000.00
			Original Issue Premium		387,868.50
					<u>\$6,142,868.50</u>

\* Certain Bonds are treated as being redeemed on 08/15/30, at par, for yield computation purposes. See Exhibit B-2 for scheduled maturity information.



# Debt Service Requirements of the Bonds to Maturity

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	\$5,755,000 Serial Bonds			Debt Service Requirements of the Bonds to Maturity
	Principal	Coupon Rate	Interest	
02/15/22			\$68,378.54	\$68,378.54
08/15/22	\$220,000.00	4.000%	69,537.50	289,537.50
02/15/23			65,137.50	65,137.50
08/15/23	230,000.00	4.000%	65,137.50	295,137.50
02/15/24			60,537.50	60,537.50
08/15/24	240,000.00	2.250%	60,537.50	300,537.50
02/15/25			57,837.50	57,837.50
08/15/25	245,000.00	1.875%	57,837.50	302,837.50
02/15/26			55,540.63	55,540.63
08/15/26	245,000.00	1.750%	55,540.63	300,540.63
02/15/27			53,396.88	53,396.88
08/15/27	250,000.00	1.625%	53,396.88	303,396.88
02/15/28			51,365.63	51,365.63
08/15/28	260,000.00	4.000%	51,365.63	311,365.63
02/15/29			46,165.63	46,165.63
08/15/29	265,000.00	4.000%	46,165.63	311,165.63
02/15/30			40,865.63	40,865.63
08/15/30	275,000.00	4.000%	40,865.63	315,865.63
02/15/31			35,365.63	35,365.63
08/15/31	290,000.00	3.000%	35,365.63	325,365.63
02/15/32			31,015.63	31,015.63
08/15/32	300,000.00	2.000%	31,015.63	331,015.63
02/15/33			28,015.63	28,015.63
08/15/33	305,000.00	1.500%	28,015.63	333,015.63
02/15/34			25,728.13	25,728.13
08/15/34	305,000.00	1.625%	25,728.13	330,728.13
02/15/35			23,250.00	23,250.00
08/15/35	310,000.00	2.000%	23,250.00	333,250.00
02/15/36			20,150.00	20,150.00
08/15/36	320,000.00	2.000%	20,150.00	340,150.00
02/15/37			16,950.00	16,950.00
08/15/37	325,000.00	2.000%	16,950.00	341,950.00

# Debt Service Requirements of the Bonds to Maturity

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	\$5,755,000 Serial Bonds			Debt Service Requirements of the Bonds to Maturity
	Principal	Coupon Rate	Interest	
02/15/38			13,700.00	13,700.00
08/15/38	330,000.00	2.000%	13,700.00	343,700.00
02/15/39			10,400.00	10,400.00
08/15/39	335,000.00	2.000%	10,400.00	345,400.00
02/15/40			7,050.00	7,050.00
08/15/40	350,000.00	2.000%	7,050.00	357,050.00
02/15/41			3,550.00	3,550.00
08/15/41	355,000.00	2.000%	3,550.00	358,550.00
	<u>\$5,755,000.00</u>		<u>\$1,429,959.88</u>	<u>\$7,184,959.88</u>

# Computation of Original Issue Premium

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal	Coupon Rate	Yield	Price	Purchase Price	Accrued Interest	Original Issue Premium
08/15/22	\$220,000.00	4.000%	0.201%	103.762%	\$228,276.40	\$0.00	\$8,276.40
08/15/23	230,000.00	4.000%	0.250%	107.445%	247,123.50	0.00	17,123.50
08/15/24	240,000.00	2.250%	0.350%	105.649%	253,557.60	0.00	13,557.60
08/15/25	245,000.00	1.875%	0.450%	105.631%	258,795.95	0.00	13,795.95
08/15/26	245,000.00	1.750%	0.600%	105.646%	258,832.70	0.00	13,832.70
08/15/27	250,000.00	1.625%	0.700%	105.418%	263,545.00	0.00	13,545.00
08/15/28	260,000.00	4.000%	0.850%	121.338%	315,478.80	0.00	55,478.80
08/15/29	265,000.00	4.000%	1.000%	122.986%	325,912.90	0.00	60,912.90
08/15/30	275,000.00	4.000%	1.050%	125.248%	344,432.00	0.00	69,432.00
08/15/31	290,000.00	3.000%	1.312%	115.760%	335,704.00	0.00	45,704.00
08/15/32	300,000.00	2.000%	1.416%	105.922%	317,766.00	0.00	17,766.00
08/15/33	305,000.00	1.500%	1.462%	100.420%	306,281.00	0.00	1,281.00
08/15/34	305,000.00	1.625%	1.536%	101.047%	308,193.35	0.00	3,193.35
08/15/35	310,000.00	2.000%	1.663%	104.191%	322,992.10	0.00	12,992.10
08/15/36	320,000.00	2.000%	1.714%	103.763%	332,041.60	0.00	12,041.60
08/15/37	325,000.00	2.000%	1.760%	103.337%	335,845.25	0.00	10,845.25
08/15/38	330,000.00	2.000%	1.829%	102.491%	338,220.30	0.00	8,220.30
08/15/39	335,000.00	2.000%	1.891%	101.653%	340,537.55	0.00	5,537.55
08/15/40	350,000.00	2.000%	1.948%	100.822%	352,877.00	0.00	2,877.00
08/15/41	355,000.00	2.000%	1.975%	100.410%	356,455.50	0.00	1,455.50
	<u>\$5,755,000.00</u>				<u>\$6,142,868.50</u>	<u>\$0.00</u>	<u>\$387,868.50</u>
	<u><u>                    </u></u>				<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>

# Computation of Arbitrage Earnings on the Project Fund - Checking Account

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
08/18/21	(\$6,000,000.00)	\$0.00	\$0.00	(\$6,000,000.00)	(\$6,342,809.99)
08/26/21	6,000,000.00	39.45	0.00	6,000,039.45	6,340,783.51
05/31/25	0.00	0.00	0.00	(39.45)	(39.45)
	<u>\$0.00</u>	<u>\$39.45</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$2,065.93)</u>
	=====	=====	=====	=====	=====
		Actual Earnings			\$39.45
		Allowable Earnings			(2,065.93)
		Arbitrage Earnings			<u>(\$2,026.48)</u>
					=====

# Computation of Arbitrage Earnings on the Project Fund - City Hall to August 18, 2024

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
08/26/21	(\$4,005,809.91)	\$0.00	\$0.00	(\$4,005,809.91)	(\$4,233,301.07)
08/31/21	(15.81)	15.81	0.00	0.00	0.00
09/30/21	(91.76)	91.76	0.00	0.00	0.00
10/29/21	(120.35)	120.35	0.00	0.00	0.00
11/30/21	(125.14)	125.14	0.00	0.00	0.00
12/31/21	(127.76)	127.76	0.00	0.00	0.00
01/31/22	(127.84)	127.84	0.00	0.00	0.00
02/28/22	(194.22)	194.22	0.00	0.00	0.00
03/31/22	(522.83)	522.83	0.00	0.00	0.00
04/29/22	(1,002.08)	1,002.08	0.00	0.00	0.00
05/31/22	(2,120.06)	2,120.06	0.00	0.00	0.00
06/30/22	(3,300.33)	3,300.33	0.00	0.00	0.00
07/29/22	(5,183.30)	5,183.30	0.00	0.00	0.00
08/31/22	(7,381.77)	7,381.77	0.00	0.00	0.00
09/30/22	(7,983.82)	7,983.82	0.00	0.00	0.00
10/31/22	(10,051.05)	10,051.05	0.00	0.00	0.00
11/30/22	(12,002.78)	12,002.78	0.00	0.00	0.00
12/13/22	251,364.44	0.00	0.00	251,364.44	260,630.31
12/30/22	(13,171.89)	13,171.89	0.00	0.00	0.00
01/03/23	10,308.77	0.00	0.00	10,308.77	10,680.06
01/31/23	(13,728.03)	13,728.03	0.00	0.00	0.00
02/28/23	57,579.37	13,180.11	0.00	70,759.48	73,137.90
03/31/23	2,945.46	14,736.85	0.00	17,682.31	18,253.58
04/28/23	(14,832.44)	14,832.44	0.00	0.00	0.00
05/02/23	(1,110,386.00)	0.00	0.00	(1,110,386.00)	(1,144,812.11)
05/31/23	(702.83)	20,614.83	0.00	19,912.00	20,505.09
06/30/23	56,139.53	20,290.04	0.00	76,429.57	78,609.87
07/28/23	6,359.50	0.00	0.00	6,359.50	6,533.72
07/31/23	(21,017.79)	21,017.79	0.00	0.00	0.00

# Computation of Arbitrage Earnings on the Project Fund - City Hall to August 18, 2024

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
08/31/23	(21,640.02)	21,830.02	0.00	190.00	194.94
09/29/23	(17,787.34)	21,287.34	0.00	3,500.00	3,586.95
10/31/23	(22,232.14)	22,232.14	0.00	0.00	0.00
11/30/23	(21,667.53)	21,667.53	0.00	0.00	0.00
12/29/23	(22,476.29)	22,476.29	0.00	0.00	0.00
01/31/24	(22,477.92)	22,477.92	0.00	0.00	0.00
02/29/24	(21,042.62)	21,042.62	0.00	0.00	0.00
03/01/24	6,995.20	0.00	0.00	6,995.20	7,124.70
03/27/24	3,145.00	0.00	0.00	3,145.00	3,199.83
03/28/24	(22,516.83)	22,516.83	0.00	0.00	0.00
04/30/24	(21,869.85)	21,869.85	0.00	0.00	0.00
05/01/24	2,940.00	0.00	0.00	2,940.00	2,987.11
05/29/24	10,629.64	0.00	0.00	10,629.64	10,787.66
05/31/24	(22,687.53)	22,687.53	0.00	0.00	0.00
06/28/24	(13,921.61)	21,992.43	0.00	8,070.82	8,181.12
07/31/24	(22,814.70)	22,814.70	0.00	0.00	0.00
08/16/24	12,341.00	0.00	0.00	12,341.00	12,485.21
08/18/24	5,062,386.26	13,668.63	0.00	5,076,054.89	5,134,953.56
05/31/25	0.00	0.00	0.00	(460,486.71)	(460,486.71)
	\$0.00	\$460,486.71	\$0.00	\$0.00	(\$186,748.28)

Actual Earnings	\$460,486.71
Allowable Earnings	(186,748.28)
Arbitrage Earnings	\$273,738.43

# Computation of Arbitrage Earnings on the Project Fund - City Hall from August 18, 2024

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
08/18/24	(\$5,062,386.26)	(\$13,668.63)	\$0.00	(\$5,076,054.89)	(\$5,134,953.56)
08/19/24	12,538.15	0.00	0.00	12,538.15	12,683.11
08/30/24	(22,781.05)	22,781.05	0.00	0.00	0.00
09/03/24	772,929.60	0.00	0.00	772,929.60	781,420.12
09/12/24	572,300.38	0.00	0.00	572,300.38	578,374.78
09/30/24	(16,954.56)	16,954.56	0.00	0.00	0.00
10/01/24	83,178.71	0.00	0.00	83,178.71	83,996.48
10/16/24	259,681.68	0.00	0.00	259,681.68	262,074.45
10/31/24	(14,720.65)	14,720.65	0.00	0.00	0.00
11/01/24	35,800.38	0.00	0.00	35,800.38	36,108.16
11/18/24	628,040.55	0.00	0.00	628,040.55	633,001.21
11/27/24	38,753.05	0.00	0.00	38,753.05	39,044.81
11/29/24	(12,077.55)	12,077.55	0.00	0.00	0.00
12/30/24	558,383.41	0.00	0.00	558,383.41	561,808.22
12/31/24	(578.38)	10,212.11	0.00	9,633.73	9,692.81
01/31/25	(8,086.44)	8,086.44	0.00	0.00	0.00
02/03/25	49,311.70	0.00	0.00	49,311.70	49,549.47
02/13/25	694,555.34	0.00	0.00	694,555.34	697,619.92
02/14/25	292,010.01	0.00	0.00	292,010.01	293,286.49
02/28/25	(5,271.56)	5,271.56	0.00	0.00	0.00
03/03/25	8,431.49	0.00	0.00	8,431.49	8,461.79
03/24/25	452,155.45	0.00	0.00	452,155.45	453,392.08
03/31/25	(3,757.26)	3,757.26	0.00	0.00	0.00
05/31/25	688,543.81	7,393.32	0.00	695,937.13	695,937.13
05/31/25	0.00	0.00	0.00	(87,585.87)	(87,585.87)
	\$0.00	\$87,585.87	\$0.00	\$0.00	(\$26,088.40)
Actual Earnings					\$87,585.87
Allowable Earnings					(26,088.40)
Arbitrage Earnings					\$61,497.47

# Computation of Arbitrage Earnings on the Project Fund - City Hall from August 18, 2024 at the Restricted Yield

City of Burnet, Texas  
Combination Tax and Revenue Certificates of Obligation,  
Series 2021

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Restricted Yield of 1.597930%
		Interest	Gain (Loss)		
08/18/24	(\$5,062,386.26)	(\$13,668.63)	\$0.00	(\$5,076,054.89)	(\$5,139,963.37)
08/19/24	12,538.15	0.00	0.00	12,538.15	12,695.44
08/30/24	(22,781.05)	22,781.05	0.00	0.00	0.00
09/03/24	772,929.60	0.00	0.00	772,929.60	782,142.07
09/12/24	572,300.38	0.00	0.00	572,300.38	578,891.18
09/30/24	(16,954.56)	16,954.56	0.00	0.00	0.00
10/01/24	83,178.71	0.00	0.00	83,178.71	84,065.97
10/16/24	259,681.68	0.00	0.00	259,681.68	262,277.72
10/31/24	(14,720.65)	14,720.65	0.00	0.00	0.00
11/01/24	35,800.38	0.00	0.00	35,800.38	36,134.30
11/18/24	628,040.55	0.00	0.00	628,040.55	633,422.32
11/27/24	38,753.05	0.00	0.00	38,753.05	39,069.58
11/29/24	(12,077.55)	12,077.55	0.00	0.00	0.00
12/30/24	558,383.41	0.00	0.00	558,383.41	562,098.68
12/31/24	(578.38)	10,212.11	0.00	9,633.73	9,697.82
01/31/25	(8,086.44)	8,086.44	0.00	0.00	0.00
02/03/25	49,311.70	0.00	0.00	49,311.70	49,569.62
02/13/25	694,555.34	0.00	0.00	694,555.34	697,879.59
02/14/25	292,010.01	0.00	0.00	292,010.01	293,394.64
02/28/25	(5,271.56)	5,271.56	0.00	0.00	0.00
03/03/25	8,431.49	0.00	0.00	8,431.49	8,464.35
03/24/25	452,155.45	0.00	0.00	452,155.45	453,496.76
03/31/25	(3,757.26)	3,757.26	0.00	0.00	0.00
05/31/25	688,543.81	7,393.32	0.00	695,937.13	695,937.13
05/31/25	0.00	0.00	0.00	(87,585.87)	(87,585.87)
Total		\$87,585.87	\$0.00	\$0.00	(\$28,312.07)

Actual Earnings	\$87,585.87
Allowable Earnings	(28,312.07)
Total Arbitrage Earnings	\$59,273.80
Percentage allocable to the Bonds	x 98.382036%
Arbitrage Earnings	\$58,314.77



# Computation of Arbitrage Earnings on the Project Fund - Airport Reserve to September 29, 2022

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
08/26/21	(\$1,625,981.80)	\$0.00	\$0.00	(\$1,625,981.80)	(\$1,718,321.80)
08/31/21	(15.69)	15.69	0.00	0.00	0.00
09/30/21	(37.29)	37.29	0.00	0.00	0.00
10/29/21	(48.89)	48.89	0.00	0.00	0.00
11/30/21	(50.79)	50.79	0.00	0.00	0.00
12/31/21	(51.92)	51.92	0.00	0.00	0.00
01/31/22	(51.86)	51.86	0.00	0.00	0.00
02/28/22	(78.82)	78.82	0.00	0.00	0.00
03/31/22	(212.20)	212.20	0.00	0.00	0.00
04/29/22	(406.74)	406.74	0.00	0.00	0.00
05/31/22	(860.53)	860.53	0.00	0.00	0.00
06/30/22	(1,339.64)	1,339.64	0.00	0.00	0.00
07/29/22	(2,103.97)	2,103.97	0.00	0.00	0.00
08/31/22	(2,996.29)	2,996.29	0.00	0.00	0.00
09/29/22	1,634,236.43	3,160.13	0.00	1,637,396.56	1,702,883.94
05/31/25	0.00	0.00	0.00	(11,414.76)	(11,414.76)
	<u>\$0.00</u>	<u>\$11,414.76</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$26,852.62)</u>

Actual Earnings	\$11,414.76
Allowable Earnings	(26,852.62)
Arbitrage Earnings	<u>(\$15,437.86)</u>
Percentage allocable to the Bonds	x 61.501303%
Arbitrage Earnings	<u><u>(\$9,494.49)</u></u>

# Computation of Arbitrage Earnings on the Project Fund - Airport Reserve to March 13, 2023

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
09/29/22	(\$1,816,614.45)	(\$3,160.13)	\$0.00	(\$1,819,774.58)	(\$1,892,556.14)
09/30/22	(3,269.10)	3,269.10	0.00	0.00	0.00
10/31/22	(4,534.27)	4,534.27	0.00	0.00	0.00
11/30/22	(5,414.72)	5,414.72	0.00	0.00	0.00
12/30/22	(6,185.11)	6,185.11	0.00	0.00	0.00
01/31/23	(6,618.34)	6,618.34	0.00	0.00	0.00
02/28/23	(6,359.61)	6,359.61	0.00	0.00	0.00
03/13/23	1,848,995.60	2,952.68	0.00	1,851,948.28	1,913,183.32
05/31/25	0.00	0.00	0.00	(32,173.70)	(32,173.70)
	<u>\$0.00</u>	<u>\$32,173.70</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$11,546.52)</u>

Actual Earnings	\$32,173.70
Allowable Earnings	(11,546.52)

Total Arbitrage Earnings	<u>\$20,627.18</u>
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Percentage allocable to the Bonds	x 55.326913%
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Arbitrage Earnings	<u><u>\$11,412.38</u></u>
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# Computation of Arbitrage Earnings on the Project Fund - Airport Reserve from March 13, 2023

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
03/13/23	(\$1,916,380.36)	(\$2,952.68)	\$0.00	(\$1,919,333.04)	(\$1,982,796.17)
03/31/23	(7,404.13)	7,404.13	0.00	0.00	0.00
04/28/23	(7,587.19)	7,587.19	0.00	0.00	0.00
05/02/23	1,931,371.68	1,083.88	0.00	1,932,455.56	1,992,368.90
05/31/25	0.00	0.00	0.00	(13,122.52)	(13,122.52)
	<u>\$0.00</u>	<u>\$13,122.52</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$3,549.79)</u>
		Actual Earnings			\$13,122.52
		Allowable Earnings			(3,549.79)
		Total Arbitrage Earnings			<u>\$9,572.73</u>
		Percentage allocable to the Bonds			x 53.381480%
		Arbitrage Earnings			<u><u>\$5,110.06</u></u>

# Computation of Arbitrage Earnings on the Project Fund - Airport Bond Proceeds to August 18, 2024

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
05/02/23	(\$1,031,286.43)	\$0.00	\$0.00	(\$1,031,286.43)	(\$1,063,260.16)
05/31/23	(4,246.88)	4,246.88	0.00	0.00	0.00
06/30/23	(4,301.84)	4,301.84	0.00	0.00	0.00
07/31/23	(4,525.01)	4,525.01	0.00	0.00	0.00
08/31/23	(4,705.30)	4,705.30	0.00	0.00	0.00
09/29/23	(4,588.68)	4,588.68	0.00	0.00	0.00
10/31/23	(4,795.57)	4,795.57	0.00	0.00	0.00
11/30/23	(4,673.76)	4,673.76	0.00	0.00	0.00
12/29/23	(4,848.25)	4,848.25	0.00	0.00	0.00
01/31/24	(4,848.56)	4,848.56	0.00	0.00	0.00
02/29/24	(4,538.97)	4,538.97	0.00	0.00	0.00
03/28/24	(4,864.28)	4,864.28	0.00	0.00	0.00
04/30/24	(4,726.98)	4,726.98	0.00	0.00	0.00
05/31/24	(4,907.58)	4,907.58	0.00	0.00	0.00
06/28/24	(4,767.11)	4,767.11	0.00	0.00	0.00
07/31/24	(4,952.45)	4,952.45	0.00	0.00	0.00
08/18/24	1,101,577.65	2,973.85	0.00	1,104,551.50	1,117,367.87
05/31/25	0.00	0.00	0.00	(73,265.07)	(73,265.07)
	\$0.00	\$73,265.07	\$0.00	\$0.00	(\$19,157.36)
Actual Earnings					\$73,265.07
Allowable Earnings					(19,157.36)
Arbitrage Earnings					\$54,107.71

# Computation of Arbitrage Earnings on the Project Fund - Airport Bond Proceeds from August 18, 2024

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Bond Yield of 1.472930%
		Interest	Gain (Loss)		
08/18/24	(\$1,101,577.65)	(\$2,973.85)	\$0.00	(\$1,104,551.50)	(\$1,117,367.87)
08/30/24	(4,956.42)	4,956.42	0.00	0.00	0.00
09/30/24	(4,696.26)	4,696.26	0.00	0.00	0.00
10/31/24	(4,636.80)	4,636.80	0.00	0.00	0.00
11/29/24	(4,338.34)	4,338.34	0.00	0.00	0.00
12/31/24	(4,339.35)	4,339.35	0.00	0.00	0.00
01/31/25	(4,194.68)	4,194.68	0.00	0.00	0.00
02/28/25	(3,771.34)	3,771.34	0.00	0.00	0.00
03/03/25	908,101.08	0.00	0.00	908,101.08	911,364.56
03/31/25	(1,043.38)	1,043.38	0.00	0.00	0.00
05/31/25	225,453.14	2,053.10	0.00	227,506.24	227,506.24
05/31/25	0.00	0.00	0.00	(31,055.82)	(31,055.82)
	\$0.00	\$31,055.82	\$0.00	\$0.00	(\$9,552.89)
Actual Earnings					\$31,055.82
Allowable Earnings					(9,552.89)
Arbitrage Earnings					\$21,502.93

# Computation of Arbitrage Earnings on the Project Fund - Airport Bond Proceeds from August 18, 2024 at the Restricted Yield

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 05/31/25 Using a Restricted Yield of 1.597930%
		Interest	Gain (Loss)		
08/18/24	(\$1,101,577.65)	(\$2,973.85)	\$0.00	(\$1,104,551.50)	(\$1,118,458.01)
08/30/24	(4,956.42)	4,956.42	0.00	0.00	0.00
09/30/24	(4,696.26)	4,696.26	0.00	0.00	0.00
10/31/24	(4,636.80)	4,636.80	0.00	0.00	0.00
11/29/24	(4,338.34)	4,338.34	0.00	0.00	0.00
12/31/24	(4,339.35)	4,339.35	0.00	0.00	0.00
01/31/25	(4,194.68)	4,194.68	0.00	0.00	0.00
02/28/25	(3,771.34)	3,771.34	0.00	0.00	0.00
03/03/25	908,101.08	0.00	0.00	908,101.08	911,640.95
03/31/25	(1,043.38)	1,043.38	0.00	0.00	0.00
05/31/25	225,453.14	2,053.10	0.00	227,506.24	227,506.24
05/31/25	0.00	0.00	0.00	(31,055.82)	(31,055.82)
	<u>\$0.00</u>	<u>\$31,055.82</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$10,366.64)</u>
		Actual Earnings			\$31,055.82
		Allowable Earnings			(10,366.64)
		Total Arbitrage Earnings			<u>\$20,689.18</u>
		Percentage allocable to the Bonds			x 98.382036%
		Arbitrage Earnings			<u>\$20,354.45</u>

# Computation Date Credit

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

Date	Annual Computation Credit	Future Value of Annual Computation Credit Amounts at 05/31/25 Using a Bond Yield of 1.472930%
08/18/22	(\$1,830.00)	(\$1,906.37)
08/18/23	(1,960.00)	(2,012.05)
08/18/24	(2,070.00)	(2,094.01)
	<hr/> (\$5,860.00) <hr/>	<hr/> (\$6,012.43) <hr/>
	<hr/> <hr/>	<hr/> <hr/>
Computation Date Credit		(\$6,012.43) <hr/> <hr/>

# Assumptions and Computational Information

*City of Burnet, Texas  
Combination Tax and Revenue Certificates of Obligation,  
Series 2021*

*Unless otherwise noted, the following computational assumptions are based upon Borrower-provided representations, Certificate, bank statement, or investment activity details.*

- (1) Present value and future value computations were made on the basis of a 30/360 day year and semiannual compounding. The Bonds constitute one issue for arbitrage purposes and remain outstanding through the end of the Computation Period ("Computation Date").
- (2) A bond year ending on August 18th has been assumed for arbitrage computation purposes. August 18, 2026 is the first expected IRS Installment Computation Date.
- (3) In calculating the bond yield (Exhibit B-1), we have assumed: (i) there are no includable qualified guarantee or hedge amounts; (ii) in calculating the original issue premium, we utilized applicable prices or yields as detailed in the OS; and, (iii) certain bonds were called earlier at their optional redemption date as detailed therein.
- (4) It was assumed that the only funds which were funded and contained gross proceeds of the Bonds were the allocable portions of the Project Funds and Bond Fund. All proceeds designated for issuance costs were allocated prior to being invested. No arbitrage earnings were computed for those amounts. No allowable spending exceptions or earlier allocation of proceeds could be utilized.
- (5) The Project Fund was, at times, commingled with other amounts. Only the amounts allocable to proceeds of the Bonds were included in the computation of arbitrage earnings. The proceeds deposited to the City Hall Project Fund on May 2, 2023 represent a return of Bond proceeds and were subject to the rebate requirements. Also on May 2, 2023, the proceeds solely allocable to the Bonds in the commingled Airport Reserve Project Fund were released to the Airport Bond Proceeds Project Fund.
- (6) The Project Funds were afforded an initial three-year temporary period with respect to yield. Subsequent to this initial three-year temporary period, the Project Funds (Exhibits C-4 and C-10) were assumed restricted to the Restricted Yield after allocation of the allowable \$100,000 minor portion. Other than the Bond Fund (as detailed below), there are no other amounts or accounts (including reserve or similar funds) pledged with respect to debt service on the Bonds to otherwise constitute replacement proceeds.
- (7) The transaction amounts in the Principal Amounts, Interest, and Gain (Loss) columns shown in Exhibits C-1 through C-10 for each date represent the net transaction activity for that date. Net investment and interest purchases are denoted by parentheses. The Gain (Loss) columns represent the net gains and losses, if any, on investments purchased and/or sold at discounts and premiums.
- (8) The purchase price of each non-purpose investment was at fair market value and represented an arm's length transaction, which did not reduce any arbitrage amounts otherwise deemed payable to the United States Treasury. Brokerage, acquisition, or other similar fees (if applicable) were assumed to constitute qualified administrative costs paid on the Borrower's behalf. Such fees (if any) are deemed reasonable and within applicable safe harbor limitations, which do not otherwise increase or decrease the investment yield on any includable nonpurpose investments for arbitrage purposes. The scope of our engagement specifically does not analyze or reflect any arbitrage analyses related to purpose investments nor does it address any analyses related to private use or related regulations.
- (9) All amounts withdrawn from the bond accounts were assumed to be allocated for the purpose of the bond issue on the day they were withdrawn.



# Assumptions and Computational Information

*City of Burnet, Texas*  
*Combination Tax and Revenue Certificates of Obligation,*  
*Series 2021*

- (10) Investments outstanding on the Computation Date were assumed to be sold at the purchase price of the investment plus accrued interest to this date.
- (11) The Income Tax Regulations are silent as to the treatment of imputed earnings for uninvested bond proceeds. No interest earnings were imputed on uninvested amounts, if any.
- (12) The collective Bond Fund was assumed not subject to arbitrage because it operated as a bona fide debt service fund, which also satisfied the applicable yearly \$100,000 limitation.