

**CITY OF BURTON
FINANCIAL STATEMENTS
FOR YEAR ENDED MARCH 31, 2022**

CITY OF BURTON

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INDEPENDENT AUDITOR'S REPORT

To the City Council
Burton, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Burton, Texas as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Burton, Texas, as of March 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 of Burton, Texas, 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

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 generally accepted 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 generally accepted 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Medack & Oltmann, LLP
Giddings, Texas
September 27, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Burton's ("City") financial performance provides an overview of the City's financial activities for the fiscal year ended March 31, 2022. Please read it in conjunction with the City's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The City's net position increased by \$207,351 as a result of this year's operations.
- The General fund balance at year-end was \$219,098.
- The Debt Service fund balance at year-end was \$125,491.
- The Waste and Sewer Fund net position was \$865,386, including current and capital assets.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 10. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's two funds.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position – the difference between assets and liabilities – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we report the activities of the City as follows:

- Governmental activities – The City's basic services are reported here. Property, sales, and other taxes along with court fines and fees finance most of these activities.
- Business-type activities – The City charges a fee to customers to help cover all or most of the cost of services it provides for water, wastewater, and garbage services.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 10 and provides detailed information about the most significant funds – not the City as a whole.

- Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- Proprietary funds – The City reports the activities for which it charges users in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities.
- Notes to the 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.

The City as a Whole

The City's net position increased by \$207,351. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's activities.

Table 1
Net Position
March 31, 2022

	Governmental Activities		Business-Type Activities		Totals	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current assets	\$364,827	\$ 285,405	\$240,910	\$ 151,019	\$ 605,737	\$ 436,424
Capital assets	218,985	225,126	634,995	677,908	853,980	903,034
Total Assets	583,812	510,531	875,905	828,927	1,459,717	1,339,458
Deferred Outflows of Resources	-	-	-	-	-	-
Current liabilities	75,000	76,273	10,519	21,338	85,519	97,611
Non-current liabilities	361,000	436,000	-	-	361,000	436,000
Total Liabilities	436,000	512,273	10,519	21,338	446,519	533,611
Deferred Inflows of Resources	-	-	-	-	-	-
Net Position:						
Net Investment in capital assets	(217,015)	(284,874)	634,995	677,908	417,980	393,034
Restricted	163,777	130,322	-	-	163,777	130,322
Unrestricted	201,050	152,810	230,391	129,681	431,441	282,491
Total Net Position	<u>\$ 147,812</u>	<u>\$ (1,742)</u>	<u>\$865,386</u>	<u>\$807,589</u>	<u>\$ 1,013,198</u>	<u>\$ 805,847</u>

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for services	\$ -	\$ -	\$ 269,494	\$ 213,817	\$ 269,494	\$ 213,817
Operating grants & contributions	9,747	2,600	-	-	9,747	2,600
General Revenues					-	-
Property Tax	141,979	138,889	-	-	141,979	138,889
Sales, Franchise and other taxes	110,182	102,257	-	-	110,182	102,257
Fines and Fees	2,389	(174,721)	-	-	2,389	(174,721)
Investment Income	493	355	230	115	723	470
Other Revenues	19,238	13,383	-	-	19,238	13,383
Gain on sale of asset	-	10,476	-	-	-	10,476
Total Revenues	<u>284,028</u>	<u>93,239</u>	<u>269,724</u>	<u>213,932</u>	<u>553,752</u>	<u>307,171</u>
Expenses						
General Government	122,174	152,235	-	-	122,174	152,235
Interest and fees	12,300	14,100	-	-	12,300	14,100
Water and Wastewater Expenses	-	-	211,927	226,478	211,927	226,478
Total Expenses	<u>134,474</u>	<u>166,335</u>	<u>211,927</u>	<u>226,478</u>	<u>346,401</u>	<u>392,813</u>
Change in net position	<u>149,554</u>	<u>(73,096)</u>	<u>57,797</u>	<u>(12,546)</u>	<u>207,351</u>	<u>(85,642)</u>
Net Position, beginning	<u>(1,742)</u>	<u>71,354</u>	<u>807,589</u>	<u>820,135</u>	<u>805,847</u>	<u>891,489</u>
Net Position, ending	<u>\$ 147,812</u>	<u>\$ (1,742)</u>	<u>\$ 865,386</u>	<u>\$ 807,589</u>	<u>\$ 1,013,198</u>	<u>\$ 805,847</u>

THE CITY'S FUNDS

As the City completed the year on March 31, 2022, its governmental funds (as presented in the balance sheet on page 10) reported a combined fund balance of \$344,589. This is an increase of \$79,204.

General Fund Budgetary Highlights

The City's Council annually adopts an operating budget. There were no budget amendments made during the current year. In summary for the General Fund, actual revenues exceeded total budgeted revenues by \$23,874, and actual expenditures and other financing sources and uses were less than budgeted by \$17,308. In summary for the Water and Sewer Fund, total budgeted revenues were less than actual revenues by \$67,611, and actual expenditures exceeded budgeted expenditures by \$17,442.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of March 31, 2022, the City had \$853,980 invested in capital assets. (See Table 3 below.)

Table 3
Capital Assets at Year-end

	Governmental Activities	Business-type Activities	Totals
Furniture & Equipment	\$ 55,461	\$ 5,530	\$ 60,991
Parks	151,738	-	151,738
Buildings	158,870	-	158,870
Vehicles	-	-	-
Land	46,475	6,800	53,275
Water and sewer systems	-	1,716,568	1,716,568
Sewer Line Extension	-	-	-
	412,544	1,728,898	2,141,442
Accumulated depreciation	(193,559)	(1,093,903)	(1,287,462)
Net Capital Assets	<u>\$ 218,985</u>	<u>\$ 634,995</u>	<u>\$ 853,980</u>

Debt

Outstanding Debt at Year-end

<u>Governmental Activities</u>	
Burton State Bank	<u>\$ 436,000</u>
Compensated Absences	<u>-</u>
Total	<u><u>\$ 436,000</u></u>

Details for outstanding debt can be found in Note 5 to these financial statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

In March of 2021, the City entered into an Inter-local Agreement with the Washington County Sheriff's Department to provide law enforcement within the City. Since its approval and implementation, Burton has seen a distinct increase in law enforcement presence which has resulted in more security for our residents. The cost of this agreement is a great reduction in expenses that would have been incurred by having a city police department. These savings also provide funds for badly needed street repairs and improvements.

The development of the Laas-Weeren City Park has been a beautiful addition to our little town. The improvements at the park have been widely appreciated and citizens are encouraged to enjoy it.

Looking into the future, the City Council plans to meet with representatives of Burton ISD to better understand whether the approved bond issue for school expansion plans will require more service from our utilities system than the current school has in the past. The Council will plan accordingly for future expansion, if required.

The City's has an anticipated 2022 tax rate of \$0.32131 per \$100 valuation; which is divided to be a Maintenance and Operations tax of \$0.073738 and an Interests and Sinking tax, which funds the \$361,000 Bond Debt Service, of \$0.247572. This tax rate for 2022 is a "no-new-revenue" tax rate.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the City's citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact City Secretary, P.O. Box 255 Burton, Texas 77835.

City of Burton
Statement of Net Position
March 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 290,235	174,326	\$ 464,561
Restricted cash	38,286	-	38,286
Receivables:			
Sales taxes	15,762	-	15,762
Property taxes	20,238	-	20,238
Water and wastewater	-	66,584	66,584
Other	306	-	306
Capital Assets:			
Non-depreciable	46,475	6,800	53,275
Depreciable, net of accumulated depreciation	172,510	628,195	800,705
Total Assets	<u>583,812</u>	<u>875,905</u>	<u>1,459,717</u>
Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total assets and deferred outflows of resources	<u><u>\$ 583,812</u></u>	<u><u>\$ 875,905</u></u>	<u><u>\$ 1,459,717</u></u>
Liabilities			
Accounts payable	\$ -	\$ 10,519	\$ 10,519
Noncurrent liabilities			
Due within one year	75,000	-	75,000
Due in more than one year	361,000	-	361,000
Total Liabilities	<u>436,000</u>	<u>10,519</u>	<u>446,519</u>
Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and deferred inflows of resources	<u><u>\$ 436,000</u></u>	<u><u>\$ 10,519</u></u>	<u><u>\$ 446,519</u></u>
Net Position			
Net Investment in Capital Assets	(217,015)	634,995	417,980
Restricted	163,777	-	163,777
Unrestricted	201,050	230,391	431,441
Total Net Position	<u><u>\$ 147,812</u></u>	<u><u>\$ 865,386</u></u>	<u><u>\$ 1,013,198</u></u>

See accompanying notes to the basic financial statements

City of Burton
Statement of Activities
For the Year Ended March 31, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities						
Administration	\$ 122,174	\$ -	\$ 9,747	\$ (112,427)	\$ -	\$ (112,427)
Interest on long-term debt	12,300	-	-	(12,300)	-	(12,300)
Total governmental activities	134,474	-	9,747	(124,727)	-	(124,727)
Business-type activities						
Water and Wastewater	211,927	269,494	-	-	57,567	57,567
Total business-type activities	211,927	269,494	-	-	57,567	57,567
Total government	\$ 346,401	\$ 269,494	\$ 9,747	\$ (124,727)	\$ 57,567	\$ (67,160)
General Revenues						
Sales taxes				95,467	-	95,467
Mixed beverage taxes				4,053	-	4,053
Franchise taxes				10,662	-	10,662
Property taxes				141,979	-	141,979
Fines and fees				2,389	-	2,389
Investment income				493	230	723
Miscellaneous				19,238	-	19,238
Total General Revenues and transfers				274,281	230	274,511
Change in net position				149,554	57,797	207,351
Net position - beginning				(1,742)	807,589	805,847
Net position - ending				\$ 147,812	\$ 865,386	\$ 1,013,198

See accompanying notes to the basic financial statements

**City of Burton
Balance Sheet
Governmental Funds
March 31, 2022**

	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash	\$ 164,744	\$ 125,491	\$ 290,235
Restricted Cash	38,286	-	38,286
Receivables:			
Sales taxes	15,762	-	15,762
Property taxes	4,048	16,190	20,238
Other	306	-	306
Total Assets	<u>\$ 223,146</u>	<u>\$ 141,681</u>	<u>\$ 364,827</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Property Taxes	\$ 4,048	\$ 16,190	\$ 20,238
Total Deferred Inflows of Resources	<u>4,048</u>	<u>16,190</u>	<u>20,238</u>
Fund Balance			
Non-spendable	-	-	-
Restricted	38,286	125,491	163,777
Unassigned	<u>180,812</u>	<u>-</u>	<u>180,812</u>
Total Fund Balances	<u>219,098</u>	<u>125,491</u>	<u>344,589</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 223,146</u>	<u>\$ 141,681</u>	<u>\$ 364,827</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds	218,985
Taxes receivable are offset by deferred revenues in the governmental funds and thus are not included in fund balance.	20,238
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	
Notes Payable	(436,000)
Net Position of Governmental Activities	<u>\$ 147,812</u>

See accompanying notes to the basic financial statements

City of Burton
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Taxes:			
Sales taxes	\$ 95,467	\$ -	\$ 95,467
Mixed beverage taxes	4,053	-	4,053
Franchise taxes	10,662	-	10,662
Property taxes	30,833	108,656	139,489
Fines and fees	2,389	-	2,389
Contribution revenue	9,747	-	9,747
Miscellaneous	19,229	9	19,238
Investment income	298	195	493
Total Revenues	<u>172,678</u>	<u>108,860</u>	<u>281,538</u>
EXPENDITURES			
Advertising	\$ 389	\$ -	\$ 389
Collection agency expense	540	-	540
Dues and subscriptions	2,108	-	2,108
EMS expense	1,037	-	1,037
Equipment rental	1,914	-	1,914
Insurance	2,987	-	2,987
Payroll and benefits	43,951	-	43,951
Police equipment and canine expense	2,500	-	2,500
Professional fees	11,520	-	11,520
Repairs and maintenance	11,156	-	11,156
Security expense	10,300	-	10,300
State criminal costs and fees	534	-	534
Street lights and repairs	5,366	-	5,366
Supplies	6,349	-	6,349
Tax collection fees	4,637	-	4,637
Telephone and communications	993	-	993
Utilities	2,985	-	2,985
Miscellaneous	6,768	-	6,768
Debt service			
Principal	-	74,000	74,000
Interest	-	12,300	12,300
Total expenditures	<u>116,034</u>	<u>86,300</u>	<u>202,334</u>
Excess of revenues over expenditures	<u>56,644</u>	<u>22,560</u>	<u>79,204</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 104	\$ 104
Transfers out	(104)	-	(104)
Total Other Financing Sources (Uses)	<u>(104)</u>	<u>104</u>	<u>-</u>
Net change in fund balance	56,540	22,664	79,204
Fund balances - beginning	162,558	102,827	265,385
Fund balances - ending	<u>\$ 219,098</u>	<u>\$ 125,491</u>	<u>\$ 344,589</u>

See accompanying notes to the basic financial statements

City of Burton
Reconciliation of Net Changes in Fund Balances of Governmental Funds to
Change in Net Position of Governmental Activities
For the Year Ended March 31, 2022

Reconciliation of the change in fund balances - total governmental funds
to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ 79,204
Because some property taxes will not be collected for several months after the City's fiscal year-end, they are not considered as "available" revenues in the governmental funds. Adjustment for property taxes collected after year-end	\$ 2,490
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets Depreciation expense	\$ (6,140)
Repayments of long-term debt is reported as an expenditure for governmental funds but is reported as a reduction of debt in government-wide financial statements Note principal payments	\$ 74,000
Change in Net Position of Governmental Activities	\$ 149,554

See accompanying notes to the basic financial statements

City of Burton
Statement of Net Position
Proprietary Fund
March 31, 2022

	Water & Sewer Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 174,326
Receivables	66,584
Total current assets	240,910
Capital Assets	
Water and sewer system property, plant and equipment	\$ 1,728,899
Accumulated Depreciation	(1,093,904)
Net Capital Assets	634,995
Total Assets	\$ 875,905
Liabilities	
Current liabilities:	
Accounts payable	\$ 10,519
Total current liabilities	10,519
Long-Term liabilities:	
Total Liabilities	-
	\$ 10,519
Net Position	
Net Investment in Capital Assets	\$ 634,995
Restricted	-
Unrestricted	230,391
Total Net Position	\$ 865,386

See accompanying notes to the basic financial statements

City of Burton
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended March 31, 2022

	<u>Water & Sewer Fund</u>
Operating revenues:	
Charges for services	\$ 269,494
Total operating revenue	<u>\$ 269,494</u>
Operating expenses:	
Insurance	1,617
Supplies	16,444
Utilities	18,133
Repairs and maintenance	52,286
Garbage and Collection Cost	37,208
Fees and Permits	1,765
Testing	1,398
Contract Labor	36,274
Professional Services	113
Miscellaneous	3,775
Depreciation	42,914
Total operating expenses	<u>\$ 211,927</u>
Operating income (loss)	<u>\$ 57,567</u>
Non-operating revenues and expenses	
Interest revenues	\$ 230
Total Non-operating revenues and expenses	<u>\$ 230</u>
Increase (decrease) in net position	<u>\$ 57,797</u>
Net position at beginning of year	<u>\$ 807,589</u>
Net position at end of year	<u><u>\$ 865,386</u></u>

See accompanying notes to the basic financial statements

City of Burton
Statement of Cash Flows
Proprietary Fund
For the Year Ended March 31, 2022

	<u>Water & Sewer Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 236,572
Cash payments to suppliers for goods and services	<u>(179,833)</u>
Net cash provided by (used in) operating activities	\$ 56,739
Cash flows from non-capital financing activities	\$ -
Cash flows from capital and related financing activities	\$ -
Cash flows from investing activities:	
Interest earned	\$ 230
Net cash provided by (used in) investing activities	<u>\$ 230</u>
Net increase (decrease) in cash and equivalents	\$ 56,969
Cash and equivalents at beginning of year	<u>\$ 117,357</u>
Cash and equivalents at end of year	<u><u>\$ 174,326</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 57,567
Adjustments to reconcile to net cash provided by operating activities:	
Depreciation	42,914
Changes in assets and liabilities:	
Increase in accounts receivable	(32,922)
Decrease in accounts payable	<u>(10,820)</u>
Net cash provided by (used in) operating activities	<u><u>\$ 56,739</u></u>

See accompanying notes to the basic financial statements

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Burton ("City") is a municipality under the provision of the State of Texas. The City operates as a Council government. All powers of the City are vested in the Mayor and elective Council members. This body enacts local legislation, adopts budgets, and determines policies. The City provides the following services to its citizens: public safety, street maintenance, solid waste collection and disposal, municipal court, community development, public improvements, water and sewer services, and general administrative services.

For financial reporting purposes, in conformance with generally accepted accounting principles, the City's financial statements include all funds and other organizations over which the Council is financially accountable. In addition, component units which may be included are organizations for which the nature and the significance of their operational or financial relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The City has no component units based on the foregoing criteria.

B. Basis of Presentation

Government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. The effect of interfund activity has been eliminated. Governmental activities, which normally are supported by taxes, assessments, and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Fund financial statements

Fund financial statements report detailed information about the City's funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The emphasis in fund financial statements is on the major funds in

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

either the governmental or proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Since the City maintains only a few funds, all are considered major and reported in separate columns in the fund financial statements. These governmental funds are described below:

The City reports the following major governmental funds:

General Fund – The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long term debt paid primarily from property taxes.

The following major proprietary funds are presented:

Water and Sewer Fund – The Water and Sewer Fund is used to account for water and wastewater services. Activities of the fund include administration, operations and maintenance of the water and wastewater system, billing, and collection activities.

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. The City considers revenue as available if it is collected within 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The City reports the systems fund as a proprietary fund. The City applies all Governmental Accounting Standards Board (GASB) pronouncements. GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, offers the option of following all Financial Accounting Standards Board (FASB) standards issued after November 30, 1989, unless the latter conflict with or contradict GASB pronouncements, or not following FASB standards issued after such date. The City has elected the option to not follow FASB standards after November 30, 1989.

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 a proprietary funds' principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Revenue Recognition and Receivables

All water and wastewater revenues are recognized on the accrual basis when the related services are provided and the earning process is complete. Services are provided to customers under a rate structure designed to produce revenue sufficient for operating and maintenance costs.

All receivables are reported at their gross value and are reduced when a portion is expected to be uncollectible.

D. Budgets

An annual fiscal budget is prepared for all income and expense general ledger accounts. A draft of the budget is populated with the actual income and expense totals incurred in the previous fiscal year by month. The draft is reviewed, and all previous fiscal year one-time extra-ordinary items are identified and removed from the draft, and accommodates the effect of any new price, rate, fee, and salary changes. The resulting revised draft of the budget is presented to the City Council in their annual open meeting Budget Workshop. Any noted changes and the estimated cost for various projects proposed by City Council are then added to the latest budget draft thereby creating the proposed budget.

The City Mayor then submits the proposed budget for all funds to the City Council. The proposed budget with any changes is then approved by City Council. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All annual appropriations lapse at fiscal year-end.

E. Cash, cash equivalents and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

F. Fair Value Measurements

The City complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity
- Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

There are three general valuation techniques that may be used to measure fair value:

- Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations

G. Property taxes

Property taxes attach as an enforceable lien on property located in the City as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. Washington County Appraisal District's office bills and Burton ISD collects the City's property taxes.

H. Restricted assets

Amounts in governmental funds which are legally identified for specific purposes either by City ordinance or contractual obligation are reflected as restricted assets.

I. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in applicable governmental or business-like activities columns in the government-wide financial statements. The City defines capital assets as assets with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the time received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Infrastructure	20-40 years
Buildings & Improvements	20-40 years
Machinery and equipment	10 years
Vehicles	5 years

J. Net Position/ Fund Balances

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- Restricted net position – consist of net position that are restricted by the City's creditors, by the state enabling legislation, by grantors and by other contributors.
- Unrestricted net position – all other net position are reported in this category. When both restricted and unrestricted resources are available for use it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance.
- Assigned – Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council.
- Unassigned – All amounts not included in other spendable classifications.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

K. Interfund Activity

Interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

M. Deferred Outflows and Inflows of Resources

The City complies with GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred inflows of resources and Net Position, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the City's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the City's acquisition of net position applicable to a future reporting period.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The City complies with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or resources or inflows of resources, certain items that were previously reported as assets and liabilities.

N. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases its insurance through Texas Municipal League intergovernmental Risk Pool (TMLRIP). As of March 31, 2022, no claims or losses have been incurred that were not covered by insurance. There is no liability due to any claim or suit having ever been filed.

O. Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks and certain related disclosures:

Credit Risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year-end, the City was not exposed to credit risk.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Its deposits at year-end were fully covered by depository insurance or by pledged collateral held by the City's agent bank in the City's name. Therefore, at year-end, the City was not exposed to custodial credit risk.

Concentration of Credit Risk. The risk of loss attributed to the magnitude of a government's investment in a single issuer. At year-end, the City was not exposed to concentration of credit risk.

Interest Rate Risk. The risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to interest rate risk.

Foreign Currency Risk. The risk that exchange rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to foreign currency risk.

P. 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 additional to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Q. Recently Issued Accounting Pronouncements

In June 2017, the GASB issued GASB Statement No. 87, Leases, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by required recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended March 31, 2023.

2. CASH

Deposits were with a contracted depository bank, Burton State Bank. As of year-end, deposits exceeded FDIC coverage and the City had adequate pledged collateral (Category 2). At March 31, 2022, the carrying amount of the City's deposits was \$287,899 (General and Debt Service Fund) and \$125,788 (Proprietary) the bank balance was \$281,455 (General and Debt Service Funds) and \$140,828 (Proprietary).

The collateral pledged is represented by specific identifiable investment securities and classified as to credit risk by the three categories described below:

- Category 1 - Insured by FDIC or collateralized with securities held by the City or by its agent in its name.
- Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 - Uncollateralized.

	Carrying Value	Bank Balance
Category 1	\$250,000	\$250,000
Category 2	163,687	172,283
Category 3	-	-
	<u>\$413,687</u>	<u>\$422,283</u>

Restricted Cash. The City had received funds in the current and prior year which were restricted as listed below. The balances of the restricted assets at March 31, 2022, were as follows:

Governmental Funds -Education	\$4,451
-Municipal Court	5,008
-Pavement	2,797
-Security	297
-Technology	3,798
-Police & Road Repair	1,130
-BOCC	10,495
-Seized Money	<u>10,310</u>
Total	\$38,286

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

2. CASH – continued

Investment Policy. The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

The **Public Funds Investment Act** contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. It requires the City to adopt, implement, and publicize an investment policy. The policy must address the following: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk level, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. Agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds.

3. RECEIVABLES

The following comprise receivable balances at year-end:

	Governmental Activities	Business-Type Activities
Receivables:		
Taxes:		
Sales	\$15,762	-
Property	20,238	-
Wastewater	-	66,584
Other	306	
Gross Receivable	\$36,306	\$66,584
Less: Allow for Uncollectible	-	-
Net Total Receivables	\$36,306	\$66,584

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

4. CAPITAL ASSETS

	Balance 3/31/2021	Additions/ Completions	Retirements/ Adjustments	Balance 3/31/2022
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Land and Improvement	46,475	-	-	46,475
Total capital assets not being depreciated	46,475	-	-	46,475
Capital assets, being depreciated				
Buildings	158,870	-	-	158,870
Parks	151,738		-	151,738
Furnitures and Fixtures	55,461			55,461
Total capital assets being depreciated	366,069	-	-	366,069
Less accumulated depreciation for:				
Buildings	(34,422)	(3,972)	-	(38,394)
Parks	(97,536)	(2,168)	-	(99,704)
Furnitures and Fixtures	(55,461)	-	-	(55,461)
Total accumulated depreciation	(187,419)	(6,140)	-	(193,559)
Total capital assets, being depreciated, net	178,650	(6,140)	-	172,510
Governmental activities capital assets, net	225,125	(6,140)	-	218,985
<i>Business-type Activities:</i>				
Capital assets not being depreciated:				
Land	6,800	-	-	6,800
Total capital assets not being depreciated	6,800	-	-	6,800
Capital assets, being depreciated				
Equipment	5,530	-	-	5,530
Water and sewer systems	1,716,568	-	-	1,716,568
Total capital assets being depreciated	1,722,098	-	-	1,722,098
Less accumulated depreciation for:				
Equipment	(5,530)	-	-	(5,530)
Water and sewer systems	(1,045,459)	(42,914)	-	(1,088,373)
Total accumulated depreciation	(1,050,989)	(42,914)	-	(1,093,903)
Total capital assets, being depreciated, net	671,109	(42,914)	-	628,195
Business activities capital assets, net	677,909	(42,914)	-	634,995
<i>Total Activities:</i>				
Total capital assets not being depreciated	53,275	-	-	53,275
Total capital assets being depreciated	2,088,167	-	-	2,088,167
Total capital assets (prior to depreciation)	2,141,442	-	-	2,141,442
Total accumulated depreciation	(1,238,408)	(49,054)	-	(1,287,462)
Total capital assets, being depreciated, net	849,759	(49,054)	-	800,705
All Activities capital assets, net	903,034	(49,054)	-	853,980

Total depreciation for the year was \$6,140 for administration of the governmental activities and \$42,914 was charged to the water and wastewater business-type activities.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

5. LONG-TERM DEBT

The City of Burton had the following long-term debt outstanding as of March 31, 2022:

	Balance March 31, 2021	Additions	Retirements	Balance March 31, 2022	Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Refunding Bonds					
Burton State Bank - 2.5%					
Maturing Sept. 2027	\$ 510,000	\$ -	\$ (74,000)	\$ 436,000	\$ 75,000
<i>Total Governmental Activities</i>	<u>\$ 510,000</u>	<u>\$ -</u>	<u>\$ (74,000)</u>	<u>\$ 436,000</u>	<u>\$ 75,000</u>

The annual debt service requirements to maturity as of March 31, 2022, are as follows:

	<u>Governmental Activities</u>	
Year Ended March 31,	Principal	Interest
2023	75,000	10,438
2024	77,000	8,550
2025	79,000	6,613
2026	80,000	4,624
2027	83,000	2,613
2028	42,000	525
Totals	<u>436,000</u>	<u>33,363</u>

6. PENSION PLAN

The City of Burton participates in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Governments Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TRMS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

In the prior year, the City elected to no longer participate in the pension plan for current or future employees. The existing pension liability will continue to be funded by future actuarial valuations.

The amount included in payroll expenditures is \$279.

7. MANAGEMENT EVALUATION

Management has evaluated subsequent events through the date of this report, the date of which the financial statements were available to be issued.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2022

8. SUBSEQUENT EVENT

COVID-19

The Coronavirus (COVID-19) pandemic impacted the nation, leading to consumer uncertainties and financial setbacks for many businesses and individuals. COVID-19 may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. Management continues to monitor and evaluate the continually evolving environment associated with the virus. While it is not possible at this time to estimate the impact that COVID-19 will have on the District's operations, the pandemic could adversely affect the District's financial position and activities.

GRANTS

The City applied for and was awarded a \$72,352 grant from the Texas Department of Emergency Management (TDEM) to be used for Water & Sewer Infrastructure Investments or Improvements. As of March 31, 2022, the City has received \$36,177, and is expecting to receive the remaining funds before the end of 2022.

REQUIRED SUPPLEMENTARY INFORMATION

City of Burton
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes:				
Sales taxes	\$ 86,586	\$ 86,586	\$ 95,467	\$ 8,881
Mixed beverage taxes	2,451	2,451	4,053	1,602
Franchise taxes	11,483	11,483	10,662	(821)
Property taxes	31,304	31,304	30,833	(471)
Fines and fees	3,517	3,517	2,389	(1,128)
Contribution revenues	-	-	9,747	9,747
Miscellaneous	13,217	13,217	19,229	6,012
Investment income	246	246	298	52
Total Revenues	148,804	148,804	172,678	23,874
Expenditures				
Advertising	105	105	389	(284)
Collection agency expense	1,022	1,022	540	482
Dues and subscriptions	4,788	4,788	2,108	2,680
EMS expense	1,509	1,509	1,037	472
Equipment Rental	2,088	2,088	1,914	174
Insurance	2,695	2,695	2,987	(292)
Payroll and benefits	38,255	38,255	43,951	(5,696)
Police equipment and canine expense	1,521	1,521	2,500	(979)
Professional Fees	18,500	18,500	11,520	6,980
Repairs and maintenance	7,964	7,964	11,156	(3,192)
Security expense	15,300	15,300	10,300	5,000
State criminal costs and fees	639	639	534	105
Street lights and repairs	27,956	27,956	5,366	22,590
Supplies	1,180	1,180	6,349	(5,169)
Tax collection fees	4,754	4,754	4,637	117
Telephone and communications	2,998	2,998	993	2,005
Utilities	1,560	1,560	2,985	(1,425)
Miscellaneous	508	508	6,768	(6,260)
Total Expenditures	133,342	133,342	116,034	17,308
Excess of revenues over expenditures	15,462	15,462	56,644	41,182
Other Financing Sources/(Uses)				
Transfers in/(out)	-	-	(104)	(104)
Total other financing sources/(uses)	-	-	(104)	(104)
Net change in Fund Balance	15,462	15,462	56,540	41,078
Fund Balance - Beginning			162,558	
Fund Balance - Ending			<u>\$ 219,098</u>	

City of Burton
Budgetary Comparison Schedule
Water and Sewer Fund
For the Year Ended March 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues				
Charges for services	\$ 201,040	\$ 201,040	\$ 269,494	\$ 68,454
Interest revenues	1,073	1,073	230	(843)
Total Revenues	202,113	202,113	269,724	67,611
Expenditures				
Insurance	2,487	2,487	1,617	870
Supplies	3,455	3,455	16,444	(12,989)
Utilities	18,726	18,726	18,133	593
Repairs and maintenance	36,546	36,546	52,286	(15,740)
Garbage and collection costs	38,119	38,119	37,208	911
Fees and permits	1,730	1,730	1,765	(35)
Testing	3,787	3,787	1,398	2,389
Contract labor	44,300	44,300	36,274	8,026
Professional services	1,524	1,524	113	1,411
Miscellaneous	1,861	1,861	3,775	(1,914)
Depreciation	41,950	41,950	42,914	(964)
Total expenditures	194,485	194,485	211,927	(17,442)
Operating Income	7,628	7,628	57,797	50,169
Net change in fund balance	7,628	7,628	57,797	50,169
Beginning Fund Balance			807,589	
Ending Fund Balance			<u>\$ 865,386</u>	