

**CITY OF BURTON
FINANCIAL STATEMENTS
FOR YEAR ENDED MARCH 31, 2023**

CITY OF BURTON

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
City of 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, 2023, 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 information of the City of Burton, Texas, as of March 31, 2023, and the respective changes in financial position and, 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, 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 City of Burton'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 of Burton'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 of Burton'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 on pages 3 – 7 and 27-28 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.

A handwritten signature in black ink that reads "Medack & Oltmann, LLP". The signature is written in a cursive, flowing style.

Medack & Oltmann, LLP

Giddings, Texas
August 3, 2023

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, 2023. 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 \$15,961 as a result of this year’s operations.
- The General fund balance at year-end was \$236,413.
- The Debt Service fund balance at year-end was \$147,770.
- The Waste and Sewer Fund net position was \$772,893, 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 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 \$15,961. 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 415,633	\$ 364,827	\$ 154,401	\$ 240,910	\$ 570,034	\$ 605,737
Capital assets	212,845	218,985	645,772	634,995	858,617	853,980
Total Assets	628,478	583,812	800,173	875,905	1,428,651	1,459,717
Deferred Outflows of Resources	-	-	-	-	-	-
Current liabilities	77,000	75,000	27,280	10,519	104,280	85,519
Non-current liabilities	284,000	361,000	-	-	284,000	361,000
Total Liabilities	361,000	436,000	27,280	10,519	388,280	446,519
Deferred Inflows of Resources	11,212	-	-	-	11,212	-
Net Position:						
Net Investment in capital assets	(148,155)	(217,015)	645,772	634,995	497,617	417,980
Restricted	169,592	163,777	-	-	169,592	163,777
Unrestricted	234,829	201,050	127,121	230,391	361,950	431,441
Total Net Position	\$ 256,266	\$ 147,812	\$ 772,893	\$ 865,386	\$ 1,029,159	\$ 1,013,198

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for services	\$ -	\$ -	\$ 220,954	\$ 269,494	\$ 220,954	\$ 269,494
Operating grants & contributions	-	9,747	-	-	-	9,747
General Revenues					-	-
Property Tax	138,861	141,979	-	-	138,861	141,979
Sales, Franchise and other taxes	124,354	110,182	-	-	124,354	110,182
Fines and Fees	12	2,389	-	-	12	2,389
Investment Income	1,255	493	532	230	1,787	723
Other Revenues	3,659	19,238	-	-	3,659	19,238
Transfers	(5,000)	-	5,000	-	-	-
Total Revenues	263,141	284,028	226,486	269,724	489,627	553,752
Expenses						
General Government	144,249	122,174	-	-	144,249	122,174
Interest and fees	10,438	12,300	-	-	10,438	12,300
Water and Wastewater Expenses	-	-	318,979	211,927	318,979	211,927
Total Expenses	154,687	134,474	318,979	211,927	473,666	346,401
Change in net position	108,454	149,554	(92,493)	57,797	15,961	207,351
Net Position, beginning	147,812	(1,742)	865,386	807,589	1,013,198	805,847
Net Position, ending	<u>\$ 256,266</u>	<u>\$ 147,812</u>	<u>\$ 772,893</u>	<u>\$ 865,386</u>	<u>\$ 1,029,159</u>	<u>\$ 1,013,198</u>

THE CITY'S FUNDS

As the City completed the year on March 31, 2023, its governmental funds (as presented in the balance sheet on page 10) reported a combined fund balance of \$384,183. This is an increase of \$39,594.

General Fund Budgetary Highlights

The City's Council annually adopts an operating budget. Budget amendments made during the current year. In summary for the General Fund, budgeted revenues exceeded total actual revenues by \$81, and actual expenditures and other financing sources and uses were more than budgeted by \$13,071. In summary for the Water and Sewer Fund, total budgeted revenues were more than actual revenues by \$40,344, and actual expenditures exceeded budgeted expenditures by \$603.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of March 31, 2023, the City had \$858,618 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	\$ 59,673	\$ 115,134
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	1,783,041	2,195,585
Accumulated depreciation	(199,699)	(1,137,268)	(1,336,967)
Net Capital Assets	<u>\$ 212,845</u>	<u>\$ 645,773</u>	<u>\$ 858,618</u>

Debt

Outstanding Debt at Year-end

<u>Governmental Activities</u>	
Burton State Bank	<u>\$ 361,000</u>
Compensated Absences	<u>-</u>
Total	<u>\$ 361,000</u>

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

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

In August, City Council approved the estimates provided by Washington County for street repairs and improvements within the city limits. Subsequently, the City entered into an Inter-local Agreement to have those repairs and improvements completed. This allowed for San Marcos St., N. Railroad St. and portions of E. Texas and W. Burton Streets to be repaired, paved or chip sealed; as well as having potholes patched on several other city streets.

The City will also be seeking to contract with the County to continue its improvements on other city streets in the coming fiscal year. Streets currently being considered for possible improvement in the 2023-2024 fiscal year are Brandy Lane, S. Main, W. Mulberry St. @ Spur 125 and E. Branch St.

In September, City Council and its Utility Contractor met with Burton ISD Superintendent Edna Kennedy and Engineers, Architects and Contractors of the ISD expansion project. The City sought to find out if our current water and sewer system infrastructures are able to provide the services that the expansion will demand. According to the school district's engineers, the city's current water and sewer infrastructure are more than adequate to handle the needs of the school once the expansion is complete and as it grows in the future..

An obstacle that the city overcame was a leak in our well pipe. This required the City to go into Stage 3 Drought Contingency and Preparedness Plan to conserve water for necessary uses only for about 14 days. The leak was repaired on Columbus Day. All restrictions have been lifted and there are no continuing issues. The City has submitted an application with the GLO Mitigation Method of Distribution through the Brazos Valley Council of Governments to use allocated funds for the installation of a second well.

The City Water & Sewer Utility Department is excited to roll out a new system to provide our customers with the capability to view and/or pay their utility bill online. This system was implemented in March 2023 with much positive feedback.

Funds from the 2021-2022 Texas Department of Agriculture Community Development Block Grant have been awarded to the City of Burton for the installation of new 8" water lines down S. Railroad St. and S. Main St.

The City has been told by the Brazos Valley Council of Governments that Burton has been allocated over \$575K of General Land Office CDBG Mitigation funds. At the time of this writing, an application has been submitted to use these funds for the installation of a 2nd (back-up) water well.

Our new Mayor elected in May of 2023, Karen Buck, since entering office has been very active in searching and finding additional grant opportunities with much success. We hope to be reporting some favorable results from her efforts in the fiscal year 2023-2024.

COVID-19 has had no effect on the operation of the City of Burton.

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, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 342,519	116,307	\$ 458,826
Restricted cash	21,822	-	21,822
Receivables:			
Sales taxes	19,367	-	19,367
Property taxes	20,238	-	20,238
Water and wastewater	-	38,094	38,094
Lease	11,379	-	11,379
Other	308	-	308
Capital Assets:			
Non-depreciable	46,475	6,800	53,275
Depreciable, net of accumulated depreciation	166,370	638,972	805,342
Total Assets	<u>628,478</u>	<u>800,173</u>	<u>1,428,651</u>
Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total assets and deferred outflows of resources	<u><u>\$ 628,478</u></u>	<u><u>\$ 800,173</u></u>	<u><u>\$ 1,428,651</u></u>
Liabilities			
Accounts payable	\$ -	\$ 27,280	\$ 27,280
Noncurrent liabilities			
Due within one year	77,000	-	77,000
Due in more than one year	284,000	-	284,000
Total Liabilities	<u>361,000</u>	<u>27,280</u>	<u>388,280</u>
Deferred Inflows of Resources			
Long-term leases	<u>\$ 11,212</u>	<u>\$ -</u>	<u>\$ 11,212</u>
Total liabilities and deferred inflows of resources	<u><u>\$ 372,212</u></u>	<u><u>\$ 27,280</u></u>	<u><u>\$ 399,492</u></u>
Net Position			
Net Investment in Capital Assets	(148,155)	645,772	497,617
Restricted	169,592	-	169,592
Unrestricted	234,829	127,121	361,950
Total Net Position	<u><u>\$ 256,266</u></u>	<u><u>\$ 772,893</u></u>	<u><u>\$ 1,029,159</u></u>

See accompanying notes to the basic financial statements

City of Burton
Statement of Activities
For the Year Ended March 31, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities						
Administration	\$ 144,249	\$ -	\$ -	\$ (144,249)	\$ -	\$ (144,249)
Interest on long-term debt	10,438	-	-	(10,438)	-	(10,438)
Total governmental activities	154,687	-	-	(154,687)	-	(154,687)
Business-type activities						
Water and Wastewater	318,979	220,954	-	-	(98,025)	(98,025)
Total business-type activities	318,979	220,954	-	-	(98,025)	(98,025)
Total government	\$ 473,666	\$ 220,954	\$ -	\$ (154,687)	\$ (98,025)	\$ (252,712)
General Revenues						
Sales taxes				109,404	-	109,404
Mixed beverage taxes				3,438	-	3,438
Franchise taxes				11,512	-	11,512
Property taxes				138,861	-	138,861
Fines and fees				12	-	12
Investment income				1,255	532	1,787
Miscellaneous				3,659		3,659
Transfers				(5,000)	5,000	0
Total General Revenues and transfers				263,141	5,532	268,673
Change in net position				108,454	(92,493)	15,961
Net position - beginning				147,812	865,386	1,013,198
Net position - ending				\$ 256,266	\$ 772,893	\$ 1,029,159

See accompanying notes to the basic financial statements

**City of Burton
Balance Sheet
Governmental Funds
March 31, 2023**

	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash	\$ 194,749	\$ 147,770	\$ 342,519
Restricted Cash	21,822	-	21,822
Receivables:			
Sales taxes	19,367	-	19,367
Property taxes	4,048	16,190	20,238
Lease	11,379	-	11,379
Other	308	-	308
Total Assets	<u>\$ 251,673</u>	<u>\$ 163,960</u>	<u>\$ 415,633</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Property Taxes	\$ 4,048	\$ 16,190	\$ 20,238
Long-term leases	11,212	-	11,212
Total Deferred Inflows of Resources	<u>15,260</u>	<u>16,190</u>	<u>31,450</u>
Fund Balance			
Non-spendable	-	-	-
Restricted	21,822	147,770	169,592
Unassigned	214,591	-	214,591
Total Fund Balances	<u>236,413</u>	<u>147,770</u>	<u>384,183</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 251,673</u>	<u>\$ 163,960</u>	<u>\$ 415,633</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	212,845
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	(361,000)
Net Position of Governmental Activities	<u>\$ 256,266</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, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Taxes:			
Sales taxes	\$ 109,404	\$ -	\$ 109,404
Mixed beverage taxes	3,438	-	3,438
Franchise taxes	11,512	-	11,512
Property taxes	31,947	106,914	138,861
Fines and fees	12	-	12
Contribution revenue	-	-	-
Miscellaneous	3,659	-	3,659
Investment income	452	803	1,255
Total Revenues	<u>160,424</u>	<u>107,717</u>	<u>268,141</u>
EXPENDITURES			
Advertising	\$ 1,055	\$ -	\$ 1,055
Dues and subscriptions	7,031	-	7,031
EMS expense	1,939	-	1,939
Equipment rental	2,088	-	2,088
Insurance	2,779	-	2,779
Payroll and benefits	25,370	-	25,370
Police equipment and canine expense	16,250	-	16,250
Professional fees	12,670	-	12,670
Repairs and maintenance	12,602	-	12,602
Security expense	696	-	696
State criminal costs and fees	-	-	-
Street lights and repairs	34,651	-	34,651
Supplies	2,877	-	2,877
Tax collection fees	5,257	-	5,257
Telephone and communications	1,078	-	1,078
Utilities	2,297	-	2,297
Miscellaneous	9,469	-	9,469
Debt service			
Principal	-	75,000	75,000
Interest	-	10,438	10,438
Total expenditures	<u>138,109</u>	<u>85,438</u>	<u>223,547</u>
Excess of revenues over expenditures	<u>22,315</u>	<u>22,279</u>	<u>44,594</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ -	\$ -
Transfers out	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balance	17,315	22,279	39,594
Fund balances - beginning	219,098	125,491	344,589
Fund balances - ending	<u>\$ 236,413</u>	<u>\$ 147,770</u>	<u>\$ 384,183</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, 2023

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	\$ 39,594
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	<u>\$ 75,000</u>
Change in Net Position of Governmental Activities	<u><u>\$ 108,454</u></u>

See accompanying notes to the basic financial statements

City of Burton
Statement of Net Position
Proprietary Fund
March 31, 2023

	Assets	Water & Sewer Fund
Current assets:		
Cash and cash equivalents		\$ 116,307
Receivables		38,094
Total current assets		<u>154,401</u>
Capital Assets		
Water and sewer system property, plant and equipment		\$ 1,783,041
Accumulated Depreciation		<u>(1,137,269)</u>
Net Capital Assets		<u>645,772</u>
Total Assets		<u>\$ 800,173</u>
	Liabilities	
Current liabilities:		
Accounts payable		\$ 27,280
Total current liabilities		<u>27,280</u>
Long-Term liabilities:		<u>-</u>
Total Liabilities		<u>\$ 27,280</u>
	Net Position	
Net Investment in Capital Assets		\$ 645,772
Restricted		-
Unrestricted		<u>127,121</u>
Total Net Position		<u><u>\$ 772,893</u></u>

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, 2023

	<u>Water & Sewer Fund</u>
Operating revenues:	
Charges for services	\$ 220,954
Total operating revenue	<u>\$ 220,954</u>
Operating expenses:	
Insurance	3,476
Supplies	10,791
Utilities	20,434
Repairs and maintenance	120,813
Garbage and Collection Cost	38,995
Fees and Permits	1,765
Testing	6,763
Contract Labor	52,500
Payroll	15,822
Professional Services	992
Miscellaneous	3,263
Depreciation	43,365
Total operating expenses	<u>\$ 318,979</u>
Operating income (loss)	<u>\$ (98,025)</u>
Non-operating revenues and expenses	
Interest revenues	\$ 532
Total Non-operating revenues and expenses	<u>\$ 532</u>
Transfers in from / (out to) general fund	<u>\$ 5,000</u>
Increase (decrease) in net position	<u>\$ (92,493)</u>
Net position at beginning of year	<u>\$ 865,386</u>
Net position at end of year	<u><u>\$ 772,893</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, 2023

	<u>Water & Sewer Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 254,444
Cash payments to suppliers for goods and services	(258,853)
Net cash provided by (used in) operating activities	<u>\$ (4,409)</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	\$ (54,142)
Net cash provided (used) by investing activities:	<u>\$ (54,142)</u>
Cash flows from investing activities:	
Interest earned	\$ 532
Net cash provided by (used in) investing activities	<u>\$ 532</u>
Net increase (decrease) in cash and equivalents	\$ (58,019)
Cash and equivalents at beginning of year	<u>\$ 174,326</u>
Cash and equivalents at end of year	<u><u>\$ 116,307</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (98,025)
Adjustments to reconcile to net cash provided by operating activities:	
Depreciation	43,365
Transfers in	5,000
Changes in assets and liabilities:	
Decrease in accounts receivable	28,490
Increase in accounts payable	16,761
Net cash provided by (used in) operating activities	<u><u>\$ (4,409)</u></u>

See accompanying notes to the basic financial statements

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2023

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, 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, 2023

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, 2023

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, 2023

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

Lease arrangements assets are amortized over the life of the associated contract.

When capital assets are disposed of, the cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is recognized in the government-wide and proprietary fund financial statements.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.
- 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.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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.

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, 2023, 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.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

Q. Recently Adopted 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. The implementation of GASB Statement No. 87 did not result in a restatement of previously reported net position.

2. CASH

Deposits were with a contracted depository bank, Citizens State Bank. As of year-end, deposits exceeded FDIC coverage and the City had adequate pledged collateral (Category 2). At March 31, 2023, the carrying amount of the City's deposits was \$364,205 (General and Debt Service Fund) and \$115,997 (Proprietary) the bank balance was \$365,050 (General and Debt Service Funds) and \$167,134 (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	230,202	282,184
Category 3	-	-
	<u>\$480,202</u>	<u>\$532,184</u>

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2023

3. CASH – continued

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, 2023, were as follows:

Governmental Funds -BOCC	\$2,954
-CDV21	8,500
-Seized Money	<u>10,368</u>
Total	\$21,822

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.

2. RECEIVABLES

The following comprise receivable balances at year-end:

	Governmental Activities	Business-Type Activities
Receivables:		
Taxes:		
Sales	\$19,367	-
Property	20,238	-
Wastewater	-	38,094
Other	308	-
Leases	11,379	-
Gross Receivable	<u>\$51,292</u>	<u>\$38,094</u>
Less: Allow for Uncollectible	-	-
Net Total Receivables	<u>\$51,292</u>	<u>\$38,094</u>

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2023

3. CAPITAL ASSETS

	Balance 3/31/2022	Additions/ Completions	Retirements/ Adjustments	Balance 3/31/2023
<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	(38,394)	(3,972)	-	(42,366)
Parks	(99,704)	(2,168)	-	(101,872)
Furnitures and Fixtures	(55,461)	-	-	(55,461)
Total accumulated depreciation	(193,559)	(6,140)	-	(199,699)
Total capital assets, being depreciated, net	172,510	(6,140)	-	166,370
Governmental activities capital assets, net	218,985	(6,140)	-	212,845
<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	54,143	-	59,673
Water and sewer systems	1,716,568	-	-	1,716,568
Total capital assets being depreciated	1,722,098	54,143	-	1,776,241
Less accumulated depreciation for:				
Equipment	(5,530)	-	-	(5,530)
Water and sewer systems	(1,088,373)	(43,365)	-	(1,131,738)
Total accumulated depreciation	(1,093,903)	(43,365)	-	(1,137,268)
Total capital assets, being depreciated, net	628,195	10,778	-	638,973
Business activities capital assets, net	634,995	10,778	-	645,773
<i>Total Activities:</i>				
Total capital assets not being depreciated	53,275	-	-	53,275
Total capital assets being depreciated	2,088,167	54,143	-	2,142,310
Total capital assets (prior to depreciation)	2,141,442	54,143	-	2,195,585
Total accumulated depreciation	(1,336,516)	(49,505)	-	(1,336,967)
Total capital assets, being depreciated, net	751,651	4,638	-	805,343
All Activities capital assets, net	804,926	4,638	-	858,618

Total depreciation for the year was \$6,140 for administration of the governmental activities and \$49,505 was charged to the water and wastewater business-type activities.

City of Burton
Notes to Basic Financial Statements
For the Year Ending March 31, 2023

4. LONG-TERM DEBT

The City of Burton had the following long-term debt outstanding as of March 31, 2023:

	Balance March 31, 2022	Additions	Retirements	Balance March 31, 2023	Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Refunding Bonds					
Burton State Bank - 2.5%					
Maturing Sept. 2027	\$ 436,000	\$ -	\$ (75,000)	\$ 361,000	\$ 77,000
<i>Total Governmental Activities</i>	<u>\$ 436,000</u>	<u>\$ -</u>	<u>\$ (75,000)</u>	<u>\$ 361,000</u>	<u>\$ 77,000</u>

The annual debt service requirements to maturity as of March 31, 2023, are as follows:

	<u>Governmental Activities</u>	
Year Ended	Principal	Interest
March 31,		
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>361,000</u>	<u>22,925</u>

5. 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.tmrs.com.

In a 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 \$42.

6. 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, 2023

7. TDEM Grant

In a prior fiscal year, 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, 2023, the City has spent \$39,920 with plans to expend the remainder of the grant during fiscal year 2024.

8. LEASES

In the fiscal year 2023, the City implemented GASB 87 and has one lease as a lessor.

- In fiscal year 2020, the City entered into a 10-year water tower lease where the City receives monthly lease payments. The lease receivable balance as of March 31, 2023, is \$11,379.

The City recognized \$1,608 in lease revenue and \$359 in interest revenue for governmental activities during the current fiscal year. As of March 31, 2023, the City's lease receivable for lease payments is \$11,379 and the related deferred inflow of resources is \$11,212.

REQUIRED SUPPLEMENTARY INFORMATION

City of Burton
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2023

	<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				
Taxes:				
Sales taxes	\$ 86,739	\$ 103,023	\$ 109,404	\$ 6,381
Mixed beverage taxes	2,709	3,402	3,438	36
Franchise taxes	10,671	11,547	11,512	(35)
Property taxes	42,369	33,204	31,947	(1,257)
Fines and fees	-	-	12	12
Contribution revenues	-	-	-	-
Miscellaneous	18,013	8,571	3,659	(4,912)
Investment income	287	758	452	(306)
Total Revenues	<u>160,788</u>	<u>160,505</u>	<u>160,424</u>	<u>(81)</u>
Expenditures				
Advertising	179	1,105	1,055	50
Dues and subscriptions	2,874	2,526	7,031	(4,505)
EMS expense	1,540	3,118	1,939	1,179
Equipment Rental	2,088	2,088	2,088	-
Insurance	5,881	2,779	2,779	-
Payroll and benefits	47,022	26,387	25,370	1,017
Police equipment and canine expense	16,058	15,000	16,250	(1,250)
Professional Fees	18,600	12,970	12,670	300
Repairs and maintenance	9,104	13,699	12,602	1,097
Security expense	300	621	696	(75)
Street lights and repairs	47,807	34,643	34,651	(8)
Supplies	900	2,710	2,877	(167)
Tax collection fees	5,293	5,207	5,257	(50)
Telephone and communications	1,678	196	1,078	(882)
Utilities	2,331	2,260	2,297	(37)
Miscellaneous	46	4,729	9,469	(4,740)
Total Expenditures	<u>161,701</u>	<u>130,038</u>	<u>138,109</u>	<u>(8,071)</u>
Excess of revenues over expenditures	(913)	30,467	22,315	(8,152)
Other Financing Sources/(Uses)				
Transfers in/(out)	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Net change in Fund Balance	<u>(913)</u>	<u>30,467</u>	<u>17,315</u>	<u>(13,152)</u>
Fund Balance - Beginning			<u>219,098</u>	
Fund Balance - Ending			<u>\$ 236,413</u>	

City of Burton
Budgetary Comparison Schedule
Water and Sewer Fund
For the Year Ended March 31, 2023

	<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	\$ 215,002	\$ 261,674	\$ 220,954	\$ (40,720)
Interest revenues	115	156	532	376
Total Revenues	<u>215,117</u>	<u>261,830</u>	<u>221,486</u>	<u>(40,344)</u>
Expenditures				
Insurance	2,641	3,319	3,476	(157)
Supplies	11,458	11,789	10,791	998
Utilities	17,767	20,095	20,434	(339)
Repairs and maintenance	62,120	164,200	120,813	43,387
Garbage and collection costs	39,250	38,780	38,995	(215)
Fees and permits	1,765	1,765	1,765	-
Testing	4,656	6,247	6,763	(516)
Contract labor	53,589	52,050	52,500	(450)
Payroll	19,200	15,821	15,822	(1)
Professional services	452	991	992	(1)
Miscellaneous	2,219	3,319	3,263	56
Depreciation	-	-	43,365	(43,365)
Total expenditures	<u>215,117</u>	<u>318,376</u>	<u>318,979</u>	<u>(603)</u>
Operating Income	-	(56,546)	(97,493)	(40,947)
Non-operating revenues and expenses				
Transfers In/(Out)	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net change in fund balance	<u>-</u>	<u>(56,546)</u>	<u>(92,493)</u>	<u>(35,947)</u>
Beginning Fund Balance			<u>865,386</u>	
Ending Fund Balance			<u>\$ 772,893</u>	