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INTRODUCTORY SECTION
March 26, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Boerne, Texas:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Boerne, Texas (the City) for the fiscal year ended September 30, 2023. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

This report is published to provide our citizens, our bondholders, the City Council, City staff, and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

This report consists of management’s representations concerning the finances of the City of Boerne. To provide a reasonable basis for making these representations, and assurance that the financial statements will be free from material misstatement, City management has established a comprehensive internal control framework designed both to protect the government’s assets and to compile sufficient reliable information to prepare the City’s financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

ABIP, PC, a firm of licensed certified public accountants, has audited the City’s financial statements. The goal of the independent audit was to provide reasonable assurance that the City’s financial statements for the fiscal year ended September 30, 2023 are free of material misstatement. The independent auditor rendered an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.
Profile of the Government

The City of Boerne, Texas, incorporated in 1909, is located in the south-central part of the state approximately 31 miles northwest of the San Antonio metropolis. The City acts as the service center for the neighboring community, providing retail, recreation, and food service to the surrounding population. Additionally, the City serves as the County Seat for Kendall County. The City of Boerne currently occupies a land area of 11.89 square miles and has an estimated population of 22,075 as of December 2023. The City has the power, by state statute, to extend its corporate limits by annexation, which it has done periodically when requested by property owners in the areas adjacent to the City and approved by City Council.

The City of Boerne is a home rule city and has operated under the Council-Manager form of government since 1995. Under this governance plan, the elected Mayor and City Council appoint a full-time professional City Manager responsible for the day-to-day administration of City government. The Mayor and City Council represent the legislative branch of the government and are responsible for setting City policy and allocating resources. The City Manager and staff represent the executive branch of the government and are tasked with recommending policy and implementing the City Council’s direction. The City Council is elected on a non-partisan basis from five districts, while the Mayor is elected at-large. Council members and the Mayor serve two-year staggered terms, with three council members elected every year.

The City provides a broad range of services, including public safety, highway maintenance, recreational activities, and cultural events. The City also provides electric, water, wastewater, reclaimed water, stormwater control, natural gas, and solid waste and recycling collection services to its citizens. The City is financially accountable for the Boerne Public Facility Corporation (BPFC). Therefore, the BPFC is reported within the City’s financial statements. Additional information regarding the BPFC can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City’s financial planning and control. Per the City’s Home Rule Charter, the City Manager is required to prepare and submit the proposed budget to the City Council each year in accordance with state statutes. The City Council is required to hold public hearings and to adopt a final budget by passage of a budget ordinance no later than September 30, the close of the City’s fiscal year. The legal level of budgetary control over spending is at the individual fund appropriation level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the required supplementary information section of this report. For all other governmental funds with appropriated annual budgets, this comparison is presented in the supplementary section of this report.

Economic Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates.
Local Economy – Overview

Boerne is a community that offers exceptional housing, top ranked schools, and a budding business culture, all of which are strong factors in the success of the City’s economy. The City enjoys a favorable economic environment due partially to its close proximity to the city of San Antonio, the nation’s seventh largest city and a top tourist destination in Texas. In recent years, Boerne’s economy has benefitted from an influx of tourists to the area and the migration of population to the state of Texas as a whole. Although Boerne does not have any major large manufacturers or industries within City boundaries, it does have the benefit of being strategically located between San Antonio and the very popular and beautiful Texas Hill Country along Interstate Highway 10 (IH-10). As a result, Boerne is a favorite destination for visiting tourists from all parts of Texas and all over the country. A study recently completed by the University of Texas Planet 2050 Project in cooperation with the Boerne-Kendall County Economic Development Corporation identified new opportunities for the area in seeking to bring small corporate headquarters, light manufacturing, medical, and cyber technology enterprises to Boerne.

Data from the U.S. Census Bureau’s most recent American Community Survey (2022) shows Boerne’s median household income is $82,982, which is moderately higher than the $73,035 median income for the state of Texas. According to the same survey, Boerne’s residents are well-educated with 45% of adults aged 25 and older having a bachelor’s degree or higher level of education, compared to 32.3% for Texas.

Federal and State investment in local infrastructure also plays a key role in the projected growth and economic vibrancy in the area. The City of Boerne and the Texas Department of Transportation (TxDOT) have worked proactively to address mobility along IH-10. The recent IH-10 Kendall extension represents the largest investment by TxDOT in Boerne and southern Kendall County mobility since the Interstate was constructed in the 1960s. TxDOT has also invested in the area with an expansion of Highway 46 in Boerne, which was completed in the summer of 2020. Increased mobility in the region acts as a catalyst that increases business expansion, grows tourism, and attracts commuters who adore Boerne’s Hill Country charm as a place of choice to work, live, and play.

The City’s economic outlook remains positive due to the overall improvement in the economy and continued residential and commercial growth. This is evidenced by local economic indicators such as a significant increase in tax appraisal values, the increase in residential building permits, and continued sales tax growth. Additionally, the City’s population has seen sustained growth over the last ten years in conjunction with the new residential developments within the City. Anticipated growth is expected to continue within the Boerne-Kendall County region for years to come.

Local Economy – Sales Tax Activity

Sales taxes represent the single largest source of revenue to the City’s General Fund. As illustrated by the chart below, the City’s sales tax collections have experienced varying levels of growth over the last ten years. With the exception of fiscal year 2017, sales tax revenues have risen each year. Like many cities in Texas, the City has seen record-breaking sales tax collections for the last two fiscal years due to built-up demand for various services and commodities as well as inflationary pressures on prices.
Local Economy – Property Tax Values and Rates

The second major revenue source for the City is property taxes (ad valorem taxes). The City’s sustained population growth over the last ten years has had a direct impact on the total commercial, industrial, and residential property values.
Growth in property tax, sales tax, and other revenue sources allowed the City to reduce its tax rate to a total rate of \$0.4510 per \$100 of assessed valuation, despite increased demand for services due to City growth, as evidenced in the graph below.

![Property Tax Rate History](image)

**Long-Term Financial Planning**

The City develops a Rolling Ten Year Plan as part of its long-term financial planning process. The Rolling Ten Year Plan (“the Plan”) is an organizational document that brings together and highlights key components, recommendations, and implementation priorities of all the major planning documents for the City of Boerne. The Plan summarizes each of the individual documents and provides one source for elected officials and the community to access key highlights and recommendations from each plan. Additionally, the Plan serves as a historical reminder of all the projects that have been completed to document the City’s progress with achieving its financial and organizational goals. A copy of the Rolling Ten Year Plan can be obtained on the City’s website.

**Financial Policies**

Fiscal policies establish the framework for managing the City’s financial resources and safeguarding the City’s assets in compliance with relevant regulatory mandates, industry standards, and best practices. Maintaining healthy reserves in the General Fund, as well as other City funds, is a critical component of the City’s sound financial management practices.

The City’s fund balance reserve policy requires maintaining a minimum of six (6) months of operating expenditures within the fund balance of the General Fund and a minimum of three (3) months of operating expenditures in reserve for each of the City’s Special Revenue funds. For the Utility funds, the City’s policy requires a minimum of six (6) months of operating expenditures to be held in reserve. This policy allows the City to better weather economic downturns and strategically handle contingencies and unforeseen emergencies. As of September 30, 2023, the required reserves were fully funded for each fund, except for the Gas utility fund. The Gas utility fund is a relatively young utility, and the reserve levels are still being established. The City expects to achieve the required reserve level within four years.
Major Initiatives

Acknowledging the need for continuous reinvestment in City infrastructure as well as to address important community needs, the City Council called a $36 million quality of life bond program which was approved by the voters in November 2022. The program includes $23 million to fund improvements to the City’s existing roadways, turn lanes, intersections, and traffic signals and an additional $13 million for funding the development and improvement of the City’s parks, trails, and open spaces. The bond program will begin with an initial issuance of $18 million during the fiscal year ended 2023.

Design work for both the Adler Road and Northside Community Park bond projects began during fiscal year 2023.

An increased focus on master plan implementation, and investment in capital infrastructure, including the following key projects:

- **River Road Bank Stabilization Project** – a multi-year endeavor kicked off during fiscal year 2023 in an effort to stabilize the bank of Cibolo Creek and install new amenities in the riverside park for the public to enjoy.

- **Mobility Enhancements** – Consistent with one of the top goals in the City’s Rolling Ten Year Plan, several sidewalk projects were initiated and/or completed during the fiscal year to enhance citizen and visitor mobility throughout the City. The project areas were focused primarily in the central area of the City near downtown as well as the neighborhoods adjacent to Oak Park Road with the ultimate aim of reducing congestion, accommodating anticipated travel demand, and providing quality of life amenities. As of September 30, 2023, three sidewalk segments were substantially completed at a total cost of $1.16M.

- **Street Maintenance and Improvements** – In the current year the City relied on the comprehensive street maintenance plan based on a pavement condition index (PCI) analysis performed by staff during fiscal year 2022. The PCI analysis involves a visual survey of the number and types of distresses in a selected area of pavement, resulting in a pavement health classification ranging from Good (best) to Serious (worst). In fiscal year 2023, the City completed street maintenance activities (i.e., patching) covering approximately 4.8 total lane miles of streets which has increased the street pavement index (PCI) from 76.6 to 77.9. The street maintenance plan includes annual funding requirements to maintain and preserve the City’s streets over the next ten years to minimize the number of street failures and increase the City-wide PCI rating from Satisfactory to Good.

- **Utility System Improvements** – the City completed a substantial portion of the Scenic Loop Sewer Expansion, which included the replacement of an existing gravity sewer main and extending a new main along Scenic Loop Road. Total cost to the city during fiscal year ended September 30, 2023 was $1.68M, and is funded primarily through developer contributions.
Other key operational initiatives during the fiscal year ended September 30, 2023 included:

- **Providing for lower ad valorem tax rate from prior year, with no service-level reductions, and despite growth and inflationary pressures**
  A high inflationary environment necessitated hyper vigilance on managing budgeted expenditures, particularly high inflation expenditures such as chemical and fuel, which the City successfully managed, while maintaining service levels City-wide.

- **Upholding a competitive compensation and benefits program**
  Difficulty filling positions following the “great resignation” coupled with inflationary pressures resulted in the need for investment in “Employer of Choice” initiatives, including benefits enhancements, a cost-of-living adjustment in accordance with City Policy, and an optional, performance-based merit. Additionally, the City added a tuition reimbursement program.

- **Review of School Safety Protocols**
  Interlocal collaboration and review of safety protocols resulted in the need for strengthening of school security. The City of Boerne invested in 2 additional School Resource officers so that every Boerne Independent School District campus has a dedicated School Resource Officer.

**Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boerne for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2022. This was the thirty-sixth consecutive year that the City of Boerne has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department with oversight from the City Manager's Office. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. We would also like to express our appreciation to the Mayor and City Council for their leadership and support in maintaining the highest standards of professionalism in the management of the City's finances.
Respectfully submitted,

Ben Thatcher
City Manager

Kristy Stark
Assistant City Manager

Danny Zincke
Assistant City Manager

Sarah Buckelew, CPA
Finance Director

Karen Kochheiser
Assistant Finance Director
Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boerne Texas

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill
Executive Director/CEO
CITY OF BOERNE, TEXAS
ORGANIZATIONAL CHART
September 30, 2023

Citizens of Boerne

Frank Ritchie
Mayor

Ty Wolosin
District 1
Mayor Pro Tem

Sharon D. Wright
District 2

Quinten Scott
District 3

Bret Bunker
District 4

Joseph Macaluso
District 5

Ben Thatcher
City Manager

Communications
Engineering and Mobility
Human Resources
Information Technology
Planning
Police
Finance
Library
Parks/Community Services
Special Projects/Tourism
Utilities
CITY OF BOERNE, TEXAS
LIST OF PRINCIPAL OFFICIALS
September 30, 2023

LEGISLATIVE OFFICIALS

Frank Ritchie ....................................................................................................................................... Mayor*
Ty Wolosin ........................................................ Member of City Council – District 1, Mayor Pro Tem*
Sharon D. Wright ........................................................................... Member of City Council – District 2*
Quinten Scott .................................................................................. Member of City Council – District 3*
Bret Bunker .......................................................................................... Member of City Council – District 4*
Joseph Macaluso ............................................................................. Member of City Council – District 5*

ADMINISTRATIVE OFFICERS

Ben Thatcher ............................................................................................................................. City Manager
Kristy Stark ............................................................................................................... Assistant City Manager
Danny Zincke ........................................................................................................... Assistant City Manager
Nick Montagno ............................................................................................................ Assistant to the City Manager

DEPARTMENT HEADS

William “Mick” McKamie........................................................................................................ City Attorney
Lori Carroll .................................................................................................................. ............... City Secretary
Chris Shadrock .............................................................................................. Communications Director
Jeff Carroll ........................................................................................................... Engineering and Mobility Director
Sarah Buckelew, CPA .......................................................................................... Finance Director
Manual Casarez .................................................................................................................Fire Chief
Susan Finch ........................................................................................................ Human Resources Director
Mike Raute ........................................................................................................ Information Technology Director
Kelly Skovbjerg ..................................................................................................Library Director
Lisette Jimenez .................................................................................................. Parks and Recreation Director
Nathan Crane ........................................................................................................ Planning Director
Steve Perez ........................................................................................................ Police Chief
Paul Barwick ........................................................................................................ Special Projects Director
Michael Mann, PE ........................................................................................ Utilities Director
Larry Woods ........................................................................................................ Visit Boerne Director

*Elected Official
FINANCIAL SECTION
INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor and
Members of the City Council
City of Boerne, Texas

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boerne, Texas (the City), as of and for the year ended September 30, 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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund and Park Special Revenue Fund, Schedule of Changes in the Net Pension Liability and TMRS Related Ratios, Schedule of Contributions and Notes to Schedule of Contributions – Net Pension Liability, Schedule of Changes in the Other Postemployment Benefits Liability and TMRS Related Ratios – SDBF, and Schedule of Changes in the Other Postemployment Benefits Liability – Retiree Health Insurance, as listed in the table of contents 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.
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2024, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City’s internal control over financial reporting and compliance.

San Antonio, Texas
March 26, 2024
As management of the City of Boerne (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Boerne’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, economic development and assistance, and culture and recreation. The business-type activities of the City include electric, water, wastewater, gas, solid waste, and stormwater operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also one legally separate entity, the Boerne Public Facility Corporation (BPFC), for which the City is financially accountable. Although legally separate, the BPFC is included in the financial statements as a blended component unit because it has substantially the same governing body as the City and the City manages the BPFC in essentially the same manner as it manages its own activities. The government-wide financial statements immediately follow this discussion and analysis.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.
Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for \textit{governmental funds} with similar information presented for \textit{governmental activities} in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between \textit{governmental funds} and \textit{governmental activities}.

The City maintains various individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, park special revenue fund, and capital projects fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements immediately follow the government-wide financial statements.

\textbf{Proprietary funds} are generally used to account for services for which the City charges customers—either outside customers or internal units or departments of the City. \textit{Proprietary funds} provide the same type of information as shown in the \textit{government-wide financial statements}, only in more detail. The City maintains one type of \textit{proprietary} fund. \textit{Enterprise funds}, which are used to report the same functions presented as \textit{business-type activities} in the \textit{government-wide financial statements}. The City’s major \textit{enterprise funds} include the electric fund, water fund, wastewater fund, and gas fund. The remaining funds are combined into a single, aggregated presentation. Individual fund data for these funds is provided in the form of \textit{combining statements} elsewhere in the report.

The basic proprietary fund financial statements immediately follow the basic governmental fund financial statements.

\textbf{Fiduciary funds} are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for \textit{fiduciary funds} is like that used for \textit{proprietary funds}. The City has one fiduciary fund, the PID Custodial fund. The basic fiduciary fund financial statements immediately follow the basic proprietary fund financial statements.

\textbf{Notes to the financial statements.} The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements immediately follow the basic fiduciary fund financial statements.

\textbf{Other information.} In addition to the basic financial statements and the accompanying notes, this report also presents required supplementary information which includes a budgetary comparison statements for the general fund and the park special revenue fund and all governmental funds with a legally adopted budget to demonstrate compliance with the annual budget as adopted (original) and amended (final), as well as information concerning the City’s annual required contribution to the defined benefit pension plan and other postemployment benefit plans. Required supplementary information immediately follows the notes to the financial statements. The combining statements and schedules referred to earlier in connection with other governmental funds and enterprise funds for nonmajor special revenue and debt service funds, permanent funds, and enterprise funds immediately follow the required supplementary information.
Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $209.5 million. Of this amount $68.1 million (unrestricted net position) may be used to meet the City’s ongoing obligations to citizens and creditors.

- The City’s total net position increased by $20.2 million, due primarily to an increase in property taxes, sales tax, and investment earnings, combined with an underruns in personnel, and professional services. Additionally, the City experienced supply chain delays with the purchase of heavy equipment, and the vehicle replacement program which resulted in further underruns.

- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of $63 million.

- At the end of the current fiscal year, the total assigned fund balance for the general fund was $15.2 million, or approximately 78% of total general fund operating expenditures.

- The City’s total general obligation debt increased by approximately $14.2 million during the current fiscal year. The increase is due to the issuance of $17,805,000 General Obligation Bonds, Series 2023.

Government-wide Financial Analysis

The government-wide financial statements provide long-term and short-term information about the City’s overall financial condition. The following table presents a summarization of the City’s assets, deferred outflows, liabilities, deferred inflows, and net position for its governmental and business-type activities, with comparative data from the previous year:

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$66,472,074</td>
<td>$35,336,853</td>
<td>$102,851,165</td>
</tr>
<tr>
<td>Capital assets</td>
<td>83,786,711</td>
<td>95,788,115</td>
<td>179,574,826</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>150,258,785</td>
<td>172,151,632</td>
<td>322,410,417</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td>8,709,558</td>
<td>3,648,739</td>
<td>12,358,297</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>8,301,339</td>
<td>7,007,609</td>
<td>15,308,948</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>70,576,335</td>
<td>37,094,246</td>
<td>107,670,581</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>78,877,674</td>
<td>44,101,855</td>
<td>122,979,529</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td>1,730,371</td>
<td>543,886</td>
<td>2,274,257</td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>49,557,666</td>
<td>64,878,785</td>
<td>114,436,451</td>
</tr>
<tr>
<td>Restricted</td>
<td>9,774,696</td>
<td>17,211,153</td>
<td>26,985,849</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>19,027,936</td>
<td>43,032,521</td>
<td>62,060,457</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$78,360,298</td>
<td>$125,313,572</td>
<td>$209,514,928</td>
</tr>
</tbody>
</table>
Net Position

Net position may serve over time as a useful indicator of a government’s financial condition. In the case of the City, as of September 30, 2023, assets and deferred outflows exceeded liabilities and deferred inflows by $209.5 million. Approximately $114.4 million of the City’s net position reflects its net investment in capital assets (e.g., land, buildings and plant, infrastructure, machinery, vehicles, and construction in progress; less any related outstanding debt used to acquire those assets). The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City’s net position, $27.0 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $68.1 million is unrestricted net position and may be used to meet the City’s ongoing obligations to citizens or creditors.

At the end of the current fiscal year, the City reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The major components of the changes in net position are explained in more detail on the following pages.

(the remainder of the page intentionally left blank)
During the fiscal year ended September 30, 2023, the net position of the City increased by $20.2 million to $209.5 million, as summarized in the following condensed statement of activities:

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td>2023</td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$12,809,521</td>
<td>$5,350,780</td>
<td>$44,509,978</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>413,589</td>
<td>5,677,645</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>3,196,975</td>
<td>5,520,721</td>
<td>-</td>
</tr>
<tr>
<td><strong>General revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>13,150,643</td>
<td>10,907,162</td>
<td>-</td>
</tr>
<tr>
<td>Sales taxes</td>
<td>11,531,095</td>
<td>10,119,996</td>
<td>-</td>
</tr>
<tr>
<td>Other taxes</td>
<td>1,163,602</td>
<td>1,123,631</td>
<td>-</td>
</tr>
<tr>
<td>Franchise fees</td>
<td>3,311,807</td>
<td>3,136,495</td>
<td>-</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>2,123,308</td>
<td>151,568</td>
<td>2,618,635</td>
</tr>
<tr>
<td>Other revenues</td>
<td>2,514,777</td>
<td></td>
<td>23,750</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>50,215,317</td>
<td>42,989,304</td>
<td>47,128,613</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>9,612,661</td>
<td>6,706,056</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>13,738,764</td>
<td>12,453,125</td>
<td>-</td>
</tr>
<tr>
<td>Highways/streets</td>
<td>5,425,718</td>
<td>4,476,566</td>
<td>-</td>
</tr>
<tr>
<td>Economic development</td>
<td>1,344,552</td>
<td>1,086,012</td>
<td>-</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>6,580,381</td>
<td>5,087,280</td>
<td>-</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>1,240,309</td>
<td>1,074,130</td>
<td>-</td>
</tr>
<tr>
<td>Electric</td>
<td>-</td>
<td>-</td>
<td>15,113,513</td>
</tr>
<tr>
<td>Water</td>
<td>-</td>
<td>-</td>
<td>8,114,157</td>
</tr>
<tr>
<td>Wastewater</td>
<td>-</td>
<td>-</td>
<td>9,715,037</td>
</tr>
<tr>
<td>Gas</td>
<td>-</td>
<td>-</td>
<td>4,777,064</td>
</tr>
<tr>
<td>Solid waste</td>
<td>-</td>
<td>-</td>
<td>1,404,384</td>
</tr>
<tr>
<td>Stormwater</td>
<td>-</td>
<td>-</td>
<td>51,911</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>37,942,385</td>
<td>30,883,169</td>
<td>39,176,066</td>
</tr>
<tr>
<td>Increase (decrease) in net position</td>
<td>12,272,932</td>
<td>12,106,135</td>
<td>7,952,547</td>
</tr>
<tr>
<td>Transfers</td>
<td>2,111,489</td>
<td>(2,439,920)</td>
<td>(2,111,489)</td>
</tr>
<tr>
<td>Increase (decrease) in net position</td>
<td>14,384,421</td>
<td>9,666,215</td>
<td>5,841,058</td>
</tr>
<tr>
<td>Beginning net position</td>
<td>63,975,877</td>
<td>54,309,662</td>
<td>125,313,572</td>
</tr>
<tr>
<td>Ending net position</td>
<td>$78,360,298</td>
<td>$63,975,877</td>
<td>$131,154,630</td>
</tr>
</tbody>
</table>
Revenues related to the City’s governmental activities totaled $50.2 million for the fiscal year ended September 30, 2023, an increase of $7.2 million, or 17 percent, from the prior year. The primary causes for the overall increase were:

- Ad valorem taxes increased by $2.2 million from the prior year as the market values of homes and commercial properties continued to increase consistent with statewide and national trends.

- Sales taxes increased by $1.4 million as consumer demand for goods and services remained strong in the current year.

- Capital grants and contributions from developers for street, curb, and sidewalk infrastructure in various residential subdivisions within the City were $3.2 million as residential development activity remained strong.

- Investment earnings increased $2 million due to favorable economic conditions, specifically rising interest rates on variable rate investments.

The chart below illustrates the City’s governmental activities revenues by source:
Expenses related to the City’s governmental activities totaled $37.9 million for the fiscal year ended September 30, 2023, an increase of $7.1 million, or 23 percent, from the prior year. The primary causes for the overall increase were:

- Expenses for public safety increased by $1.3 million due to the addition of 3 firefighter positions, as well as a school resource officer. Additionally, supplies and materials expenses—particularly fuel—increased as the price of goods and materials rose sharply with strong inflationary pressures during the year.

- Expenses for highways and streets increased by $1 million due to the implementation of the City’s comprehensive street maintenance program in the current year, along with additional leases of vehicles and equipment during the year.

- Culture and recreation expenses increased by $1.5 million due to additional park and library programs in the current year, specifically the transfer from parks to the capital fund of $1.2 million for the River Road Bank Stabilization project.

- Expenses for general government increased $2.9 million due to an increase in personnel costs, $700 thousand increase in professional services, and $900 thousand increase for maintenance expenses.

The following chart depicts governmental activity program revenues relative to program expenses:

**Expenses - Governmental Activities**

<table>
<thead>
<tr>
<th>General government</th>
<th>Public safety</th>
<th>Highways and streets</th>
<th>Economic development</th>
<th>Culture and recreation</th>
<th>Interest on long-term debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14,500,000</td>
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<td>$3,000,000</td>
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<tr>
<td>$5,000,000</td>
<td>$4,500,000</td>
<td>$4,000,000</td>
<td>$3,500,000</td>
<td>$3,000,000</td>
<td>$2,500,000</td>
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<tr>
<td>$4,500,000</td>
<td>$4,000,000</td>
<td>$3,500,000</td>
<td>$3,000,000</td>
<td>$2,500,000</td>
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<tr>
<td>$4,000,000</td>
<td>$3,500,000</td>
<td>$3,000,000</td>
<td>$2,500,000</td>
<td>$2,000,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>$3,500,000</td>
<td>$3,000,000</td>
<td>$2,500,000</td>
<td>$2,000,000</td>
<td>$1,500,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>$3,000,000</td>
<td>$2,500,000</td>
<td>$2,000,000</td>
<td>$1,500,000</td>
<td>$1,000,000</td>
<td>$500,000</td>
</tr>
</tbody>
</table>
Changes in Net Position – Business-Type Activities

Revenues related to the City’s business-type activities totaled $47.1 million for the fiscal year ending September 30, 2023, a decrease of $9.2 million, or 16 percent, from the prior year. The primary causes for the overall decrease were:

- Capital grants and contributions from developers for electric, water, sewer, and natural gas infrastructure in various residential subdivisions within the City decreased by $13 million from the prior year due to unusually high one time developer contributions in fiscal year 2022.

### Revenues by Source - Business-type Activities

<table>
<thead>
<tr>
<th>Source</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted investment earnings and other</td>
<td>$2,618,635</td>
<td>$326,367</td>
</tr>
<tr>
<td>Capital contributions/grant</td>
<td>$-</td>
<td>$12,997,889</td>
</tr>
<tr>
<td>Charges for services</td>
<td>$44,509,978</td>
<td>$42,934,237</td>
</tr>
</tbody>
</table>
Fund Financial Analysis

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, assigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of September 30, 2023, the City’s governmental funds reported total combined ending fund balances of $63 million, an increase of $29.6 million from the prior year. The change is due to the increase in property and sales tax while holding expenditures fairly consistent with prior year. Approximately 58 percent of the City’s governmental funds’ fund balances, or $36.8 million, constitutes assigned fund balance, which is available for spending at the government’s discretion. An additional $26.2 million is either nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws, or regulations of other governments or through enabling legislation.
General Fund Financial Highlights

The general fund is the chief operating fund of the City. As of September 30, 2023, assigned fund balance of the general fund was $15.2 million, while the total fund balance was $15.8 million. As a measure of the general fund's liquidity, it is useful to compare assigned fund balance to total fund expenditures and operating expenditures. Assigned fund balance represents 57 percent of the total general fund expenditures and 78 percent of operating expenditures. All of the assigned fund balances have been designated for specified purposes.

The fund balance of the general fund increased by $2 million during the current fiscal year, primarily due to the sale of a public works office building and additions of capital leases, right to use assets and SBITAs. The general fund also experienced increased property and sales tax revenues, which continued to grow as a result of higher assessed valuations and increased consumer spending in addition to upward inflationary pressures on the prices of retail goods, building materials, and other business inputs.

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad valorem taxes</td>
<td>$7,487,422</td>
<td>$5,778,224</td>
</tr>
<tr>
<td>Sales tax</td>
<td>11,531,095</td>
<td>10,119,996</td>
</tr>
<tr>
<td>Franchise taxes</td>
<td>3,311,807</td>
<td>3,136,495</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>1,773,034</td>
<td>1,776,284</td>
</tr>
<tr>
<td>Fines</td>
<td>243,158</td>
<td>245,383</td>
</tr>
<tr>
<td>Grants</td>
<td>16,555</td>
<td>4,908</td>
</tr>
<tr>
<td>Contributions and donations</td>
<td>3,548,979</td>
<td>2,917,801</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,150,931</td>
<td>827,775</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1,416,395</td>
<td>81,774</td>
</tr>
<tr>
<td>Total revenues</td>
<td>32,479,376</td>
<td>24,888,640</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>8,412,713</td>
<td>6,110,561</td>
</tr>
<tr>
<td>Public safety</td>
<td>12,429,797</td>
<td>11,416,642</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>2,816,843</td>
<td>1,832,161</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>509,156</td>
<td>-</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal retirement</td>
<td>694,275</td>
<td>189,407</td>
</tr>
<tr>
<td>Interest</td>
<td>40,188</td>
<td>2,417</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>1,585,567</td>
<td>1,121,073</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>26,488,539</td>
<td>20,672,261</td>
</tr>
</tbody>
</table>

| Excess of revenues over expenditures          | 5,990,837  | 4,216,379  |

| OTHER FINANCING SOURCES (USES)                |            |            |
| Transfers in                                  | 260,963    | 5,535,292  |
| Transfers out                                 | (7,253,928)| (12,605,275)|
| Sale of capital assets                        | 1,919,658  | 83,287     |
| Lease/subscription proceeds                   | 1,067,590  | 511,459    |
| Total other financing sources (uses)          | (4,005,717)| (6,475,237)|

| Net change in fund balance                    | $1,985,120 | $(2,258,858)|
General fund revenues for the fiscal year ended September 30, 2023, increased by $7.6 million, or approximately 23 percent, over the prior year. The overall increase was due to the following factors:

- Ad valorem taxes increased by $1.7 million, or 30 percent, over the prior year primarily due to an average increase in assessed taxable property values of approximately 4.3 percent as the market values of homes and commercial properties continue to increase consistent with statewide and national trends.

- Sales tax increased by $1.4 million, or approximately 14 percent, from the prior year as factors such as built-up demand for various services and commodities and inflationary pressures lead to record collections for the fourth consecutive year, with sales tax collections exceeding $11 million for the first time in the City’s history.

- Franchise tax revenues increased by $0.17 million, or 5.6 percent, from the prior year primarily due to the franchise taxes received from the City’s six utility funds, which experienced revenue growth due to increased customer counts and customer utility usage.

- Contributions and donations increased by $0.63 million, or 21 percent, from the prior year primarily due to an increase in the City’s interlocal agreement to provide public safety and utility communications services to regional partners.

- Investment earnings increased by $1.3 million or 163 percent from the prior year due to favorable market conditions, specifically increased interest rates on variable rate investments.

- Proceeds from leases increased by $0.56 million from the prior year as a result of the City’s implementation of GASB Statement No. 96, Subscription-Based Information Technology Agreements and additions to capital leases in the current year. For further details, see note 7 in the notes to the financial statements.

General fund expenditures for the fiscal year ended September 30, 2023, increased by $5.8 million, or approximately 28 percent, over the prior year. The overall increase was due to the following factors:

- General government expenditures increased by $2.3 million, or 38 percent, from the prior year due to increased professional services costs associated with comprehensive updates of the City’s transportation plan and rebranding initiative in addition to equipment and implementation costs for a new City-wide telecommunications system, all of which were identified as major projects and initiatives in the current year budget.

- Capital outlay expenditures and principal and interest payments on lease obligations increased by $0.46 million and $0.50 million, respectively, from the prior year primarily as a result of the City’s implementation of GASB Statement No. 96, Subscription-Based Information Technology Agreements and additions to capital leases in the current year. For further details, see note 7 in the notes to the financial statements.
General Fund Budgetary Highlights

The general fund budget and actual analysis can be found below. During the year, the City’s adopted general fund revenue and expenditure budgets were amended by a $0.94 million decrease and a $0.194 million increase, respectively. All amendments to original budgeted appropriations were authorized by City Council or the City Manager in compliance with the City’s Home Rule Charter. Major differences between the amended budget and actual results are discussed in further detail below:

### Variance with Actual

<table>
<thead>
<tr>
<th>Variance with Actual</th>
<th>Amounts on Final Budget Basis</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budgetary Rates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>REVENUES</td>
<td>$7,202,386</td>
<td>$7,297,021</td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>10,348,111</td>
<td>10,348,111</td>
</tr>
<tr>
<td>Sales tax</td>
<td>2,799,533</td>
<td>2,799,533</td>
</tr>
<tr>
<td>Franchise taxes</td>
<td>1,269,000</td>
<td>1,269,000</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>244,400</td>
<td>244,400</td>
</tr>
<tr>
<td>Grants</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Contributions and donations</td>
<td>3,504,096</td>
<td>3,504,096</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,539,470</td>
<td>2,539,470</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>130,000</td>
<td>130,000</td>
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<tr>
<td>Total revenues</td>
<td>28,044,996</td>
<td>28,139,631</td>
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</table>

EXPENDITURES

Current:

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>GAAP Basis</th>
<th>Rates</th>
<th>Final Budget</th>
<th>Positive</th>
<th>(Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>8,412,713</td>
<td>-</td>
<td>8,412,713</td>
<td>-</td>
<td>8,412,713</td>
<td>1,407,917</td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>12,429,797</td>
<td>-</td>
<td>12,429,797</td>
<td>-</td>
<td>12,429,797</td>
<td>551,759</td>
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<tr>
<td>Highways and streets</td>
<td>2,816,843</td>
<td>-</td>
<td>2,816,843</td>
<td>-</td>
<td>2,816,843</td>
<td>815,608</td>
<td></td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>509,156</td>
<td>-</td>
<td>509,156</td>
<td>-</td>
<td>509,156</td>
<td>17,395</td>
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<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal retirement</td>
<td>-</td>
<td>-</td>
<td>694,275</td>
<td>(694,275)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>40,188</td>
<td>(40,188)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>1,252,440</td>
<td>(474,475)</td>
<td>1,252,440</td>
<td>(474,475)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td>27,544,833</td>
<td>27,739,153</td>
<td>26,488,539</td>
<td>(1,067,590)</td>
<td>25,420,949</td>
<td>2,318,204</td>
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Excess of revenues over expenditures

<table>
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<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>GAAP Basis</th>
<th>Rates</th>
<th>Final Budget</th>
<th>Positive</th>
<th>(Negative)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>500,163</td>
<td>400,478</td>
<td>5,990,837</td>
<td>1,067,590</td>
<td>7,058,427</td>
<td>6,657,949</td>
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OTHER FINANCING SOURCES (USES)

<table>
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<th></th>
<th>Original</th>
<th>Final</th>
<th>GAAP Basis</th>
<th>Rates</th>
<th>Final Budget</th>
<th>Positive</th>
<th>(Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>180,000</td>
<td>180,000</td>
<td>260,963</td>
<td>-</td>
<td>260,963</td>
<td>80,963</td>
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<tr>
<td>Transfers out</td>
<td>(989,464)</td>
<td>(989,464)</td>
<td>(7,253,928)</td>
<td>-</td>
<td>(7,253,928)</td>
<td>(6,264,464)</td>
<td></td>
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<tr>
<td>Sale of capital assets</td>
<td>5,000</td>
<td>5,000</td>
<td>1,919,658</td>
<td>-</td>
<td>1,919,658</td>
<td>1,914,658</td>
<td></td>
</tr>
<tr>
<td>Lease/subscription proceeds</td>
<td>-</td>
<td>-</td>
<td>1,067,590</td>
<td>(1,067,590)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(804,464)</td>
<td>(804,464)</td>
<td>(4,005,717)</td>
<td>(1,067,590)</td>
<td>(5,073,307)</td>
<td>(4,268,843)</td>
<td></td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$ (304,301)</td>
<td>$ (403,986)</td>
<td>$1,985,120</td>
<td>$</td>
<td>$1,985,120</td>
<td>$2,389,106</td>
<td></td>
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</tbody>
</table>

FUND BALANCE

<table>
<thead>
<tr>
<th></th>
<th>Beginning of year</th>
<th>End of year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13,834,318</td>
<td>$15,819,438</td>
</tr>
</tbody>
</table>

16
Revenues were $4.4 million higher than budgetary estimates as a result of the following:

- Ad valorem taxes exceeded budget by $0.19 million due to better-than-expected collections during the year. The City’s budgeted collection rate was 98 percent whereas the actual collection rate was 99.3 percent.

- Sales tax was $1.2 million greater than budget as a result of continued strong demand combined with inflation impacts on costs of goods and services, and a strong December month of sales for the City’s annual Dickens on Main event.

- Franchise taxes exceeded budget by $0.51 million as a result of the revenue performance of the City’s utility funds, which experienced revenue growth due to increased connection counts and customer utility usage. In the current fiscal year, the electric fund added 325 new connections and experienced a .7 percent increase in power sold; the water fund added 246 new connections, and saw a 1.2 percent increase in usage; the wastewater fund added 324 new connections with an overall increase in usage of 4 percent; and the gas fund added 323 new customers and experienced an increase of less than 1 percent in overall usage.

- Revenues from licenses and permits exceeded budget by $0.50 million as both residential and commercial construction activity were greater than expected, and engineering review fees saw an increase of $.215 million over prior year.

- Interest revenue was $1.3 million higher than budget due to favorable economic conditions specifically rising interest rates on variable rate investments.

- Miscellaneous grants were $0.45 million greater than budget due to reimbursements from various state and local agencies for mutual aid provided by the City’s public safety function, particularly the fire department, in response to several state emergencies during the year.

- Sale of a public works office building generated $1.9 million in proceeds from the sale of the asset.

Expenditures were $2.3 million, or 8 percent, lower than budgetary estimates as a result of the following:

- Personnel savings of $901 million due to vacant positions during the year in public safety, streets, code enforcement, and general government.

- Savings of $.6 million in maintenance and lease expense due to supply chain delays in the vehicle maintenance program and software maintenance items.

Other Major Governmental Fund Financial Highlights

The park fund is used to account for proceeds of specific park revenue sources that are intended to be spent for maintenance of the City’s parks and recreation programs. Current year revenues totaled $7.1 million and current year expenditures totaled $3.1 million, resulting in an increase in fund balance of $3 million for the current year. On September 30, 2023, the fund balance was $5.7 million.
The capital projects fund is used to account for the acquisition and construction of major governmental capital facilities, sidewalks, road improvements, and other infrastructure projects. Current year revenues (including transfers and the issuance of General Obligation Bonds and the related premium) totaled $27 million and current year expenditures, primarily for street and sidewalk projects, totaled $3.1 million resulting in an increase in fund balance of $24 million for the current year. At September 30, 2023, the fund balance was $34.3 million, all of which was assigned for future infrastructure investments to meet the increased demand for City services as the City’s population continues to grow.

Proprietary Funds

As of September 30, 2023, the City’s proprietary funds reported total combined ending net position of $131.2 million, an increase of $5.8 million from the prior year, driven by strong operating results, particularly in the electric and water funds. Further details on the operating results for each major fund are discussed below. At September 30, 2023, approximately 49 percent of the City’s proprietary funds’ fund balances, or $64.9 million, represents the funds’ net investment in capital assets.

Major Fund Financial Highlights

The electric fund is used to account for the activities necessary to provide electric services to the residents of the City within the City’s service territory. These activities include administration, billing and collections, distribution system operations and maintenance, transmission system operations and maintenance, new construction, and financing and related debt services. As of September 30, 2023, total net position was $29.3 million, an increase of $3.6 million from the prior year. The overall increase was due primarily to higher operating revenues as a result of much higher summer temperatures than average. The National Weather Service reported the summer of 2023 as one of the hottest summers in recorded history for the Boerne-San Antonio area. Consequently, customer demand for electric service to cool homes and businesses remained high throughout the months of May to August, resulting in a .7 percent in power sold for the year.

The water fund is used to account for the activities necessary to provide water services to the residents of the City within the City’s service territory. These activities include administrative services, billing and collections, water production and distribution system operation and maintenance, new construction, and financing and related debt services. As of September 30, 2023, total net position was $54.5 million, an increase of $870k from the prior year. The overall increase was also due in part to the hot and dry conditions discussed above. In addition to the hotter than average summer temperatures, severe drought conditions continued throughout the Texas Hill Country, resulting in City rainfall totals nearly 13 inches below historical averages and creating increased demand for water. Additionally, capital contributions for the year totaled $1.2 million.

The wastewater fund is used to account for the activities necessary to provide wastewater services to the residents of the City within the City’s service territory. These activities include administrative services, billing and collections, wastewater production and distribution system operation and maintenance, new construction, and financing and related debt services. As of September 30, 2023, total net position was $29.8 million, a decrease of $113k from the prior year.

The gas fund is used to account for the activities necessary to provide natural gas services to the residents of the City within the City’s service territory. These activities include administrative services, billing and collections, distribution system operation and maintenance, new construction, and financing and related debt services. As of September 30, 2023, total net position was $10.4 million, an increase of $778k from the prior year.
Capital Assets

Capital assets, including the infrastructure of the City, are those assets that are used in the performance of the City’s functions. At September 30, 2023, capital assets totaled $83.8 million for governmental activities and $95.8 million for business-type activities, net of accumulated depreciation on capital assets, which is recognized in the government-wide financial statements. The City’s capital assets include land, buildings and plant, improvements other than buildings, machinery and equipment, and construction in progress. The net decrease over the prior fiscal year in the City’s capital assets was $247k.

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2023</th>
<th>2022</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$10,782,215</td>
<td>$10,782,215</td>
<td>$7,363,128</td>
<td>$7,237,877</td>
<td>$18,145,343</td>
<td>$18,020,092</td>
</tr>
<tr>
<td>Improvements other than</td>
<td>3,689,845</td>
<td>4,091,484</td>
<td>-</td>
<td>-</td>
<td>3,689,845</td>
<td>4,091,484</td>
</tr>
<tr>
<td>buildings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>2,210,945</td>
<td>1,838,725</td>
<td>1,105,307</td>
<td>1,826,072</td>
<td>3,316,252</td>
<td>3,664,797</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>34,109,863</td>
<td>33,101,189</td>
<td>68,239,234</td>
<td>69,992,971</td>
<td>102,349,097</td>
<td>103,094,160</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>3,694,855</td>
<td>901,529</td>
<td>1,464,298</td>
<td>601,228</td>
<td>5,159,153</td>
<td>1,502,757</td>
</tr>
<tr>
<td>Leased vehicles and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>equipment</td>
<td>1,128,239</td>
<td>763,567</td>
<td>274,197</td>
<td>113,581</td>
<td>1,402,436</td>
<td>877,148</td>
</tr>
<tr>
<td>SBITAs</td>
<td>259,752</td>
<td>-</td>
<td>146,297</td>
<td>-</td>
<td>406,049</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$83,786,711</td>
<td>$80,935,005</td>
<td>$95,788,115</td>
<td>$98,886,711</td>
<td>$179,574,826</td>
<td>$179,821,716</td>
</tr>
</tbody>
</table>

Major governmental capital asset transactions during the current fiscal year included the following:

➢ The City sold a substantially depreciated office building, which had little impact to the balance sheet, but resulted in $1.9 million in proceeds from the sale of the asset.

➢ Developers contributed infrastructure totaling $3,170,435 to the City’s streets.

➢ The City completed street patching and resurfacing projects, totaling $293,688.

➢ The City completed the Scenic Loop Sewer Expansion project, capitalizing total costs of $1,953,829.

➢ The City acquired equipment with a total cost of $247,442 during the fiscal year.

➢ Accumulated depreciation exceeded additions to capital assets during the year by a total of $247k.

Additional information on the City’s capital assets can be found under note 5 in the notes to the financial statements.
Long-Term Liabilities

As of September 30, 2023, the City had $75.9 million in long-term debt outstanding. The total debt is backed by the full faith and credit of the government, however, $28.9 million is being paid for by the business-type activities. During the current year, total long-term debt increased by $14.2 million due to the issuance of General Obligation Bonds, Series 2023 in the amount of $17,805,000.

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
<td>2023</td>
</tr>
<tr>
<td>General obligation bonds</td>
<td>$47,040,000</td>
<td>$31,230,000</td>
<td>$28,895,000</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>$47,040,000</td>
<td>$31,230,000</td>
<td>$28,895,000</td>
</tr>
</tbody>
</table>

The City maintains an Aa2 credit rating from Moody’s Investors Services, which exceeds a median rating of AA3 for U.S. cities. This rating reflects the City’s strong and stable operating reserves maintained by prudent financial management coupled with robust economic growth.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the City of Boerne is approximately $249 million, which is significantly more than the City of Boerne’s outstanding $76 million in general obligation debt.

Additional information on the City’s long-term liabilities can be found under note 6 in the notes to the financial statements.

Economic Factors and Next Year’s Budgets

The City’s elected and appointed officials considered many factors when setting the fiscal year 2023 budget appropriation, tax rates, and fees that will be charged for the City’s governmental and business-type activities. Among these factors were inflationary pressures faced by the City and nation as a whole, and ongoing investment in a strong culture to retain and attract new employees, as well as the City’s focus on its strategic priorities.

The $141M total City Budget is comprised of sixteen funds, of which eleven are governmental funds and seven are enterprise (utility) funds. The governmental funds account for $71M of the budget, while the utility funds account for $70M of the budget.

The Fiscal Year 2024 budget increased the total property tax rate from $0.4510/$100 value to $0.4720/$100 value. With this increase to the overall rate, there was also a decrease to the Maintenance and Operations rate of 3.24 cents per $100 value that was used to help fund the 2022 bond initiatives as voted favorably by the voters in November 2022. This recommendation came after many months of dedication and hard work by City staff to maximize investment in infrastructure and other key initiatives while balancing cost pressures of the current economy and job market.
Below is an infographic of the key budget highlights for fiscal year 2024:
BUILDING A SUCCESSFUL BUDGET

The budget is structurally balanced. When deciding what is placed within the budget each year, the City of Boerne must take into account numerous requests, requirements, and restrictions to align with its strategies.

WHAT MAKES A SUCCESSFUL BUDGET?

- Strategic Alignment
- Operational Discipline
- Aa2 Bond Rating
- Multi-Year Budget Stability
- Strong Reserves
- Transparency

STATEGIC FOCUS

The primary goal of this budget is to achieve the results that Council has identified as priorities and advance the City's strategic goals. We are focusing on allocating resources to align with our goals and commitment to excellence, while balancing our needs with financial discipline.

- $2.8M - Fire Station No. 2 Design
- $10M - Utilities Investments
- $750K - Street Maintenance Programs
- $5M - Street Bond Projects

- Safety & Security
- Fiscal Excellence
- Environmental Responsibility
- Unique Community Charm

- $2.3M - River Road Bank Stabilization
- $3M - Drainage Projects
- Park Improvements
- $5M - Parks Bond Projects

- $425K - Allocated to Beautification
- $850K - Sidewalk Improvements
- $150K - Waterworks Terrace Parks Project Matching Funds

- Ability to manage tax rate with debt issuance
- Maintain Aa2 Bond Rating
- $23M - Non-bond infrastructure funded with cash
- $50K - Business Incubator per ED Master Plan
The primary goal of this budget is to deliver on the promises made in the November 2022 election when residents approved two bond propositions to fund streets and parks infrastructure. Design work is already underway for 2022 bond projects, with $18M of the bonds issued.

In order to maintain an employer of choice status, this budget proposes a cost of living (COLA) adjustment for all regular employees of 4.5%. By policy, the COLA is based on the Employment Cost Index (ECI) one year percentage change for the period ended June 30, as found on the Bureau of Labor Statistics website. For June 30, 2023, the ECI was 4.7%. Additionally, regular employees who earn a merit through the evaluation process would receive 1-3% merit increases in January. The City’s benefits package will also modestly increase with a rise in the increase of health insurance premiums.

The economic and inflationary challenges facing our nation in 2023 have impacted the City’s ability to conduct our business. Managing these challenges has been an emphasis when developing the Fiscal Year 2024 budget. These challenges include managing cost increases, investing in a strong culture to retain and attract new employees (reviewing benefit offerings), and increasing the City’s investment in public safety services by funding three new firefighter positions, an additional School Resource Officer, and an animal control officer. Additional budgetary focus has also been on increasing the percentage of the budget spent on capital infrastructure projects (shifting some unrestricted reserves to the Capital Improvement Program) as well as preparing for funding and the start of our 2022 Bond projects. The budget proposes $33M in infrastructure improvements, which represents over 23% of the total budget spend for the upcoming fiscal year. City leadership has made a concerted effort to increase the percentage of infrastructure investment over the past several years, and this proposed budget represents another year of increased investment.

With support and leadership from the Mayor and City Council, the FY 2024 budget was developed in adherence with the City's established financial principles and with the City's strategy map in mind. It implemented or moved forward many of the recommendations of the City’s Ten-Year Rolling Plan, managed costs in a period of continued high inflation, and provided high quality service delivery for ongoing programs and services. It incorporated initiatives to provide for long-term financial sustainability, including multi-year financial planning and targeted utilization of City reserves for key infrastructure projects. It also addressed employee compensation and benefits to ensure that the City of Boerne continues to be an employer of choice.

The FY 2024 budget strengthens the commitment to build “an exemplary Hill Country community by delivering high quality, customer-focused essential services to all who live, work and play in Boerne.”

Requests for Information

This financial report is designed to provide a general overview of the City of Boerne’s finances for all those with an interest in the government’s finances and to show the City’s accountability for the financial resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Boerne, Finance Director, 447 North Main Street, Boerne, Texas 78006.
BASIC FINANCIAL STATEMENTS
CITY OF BOERNE, TEXAS
STATEMENT OF NET POSITION

September 30, 2023

The accompanying notes are an integral part of these financial statements.
CITY OF BOERNE, TEXAS

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

The accompanying notes are an integral part of these financial statements.
CITY OF BOERNE, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>Functions/programs</th>
<th>Governmental</th>
<th>Business</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary government:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$7,844,922</td>
<td>$-</td>
<td>$7,844,922</td>
</tr>
<tr>
<td>Public safety</td>
<td>7,527,311</td>
<td>-</td>
<td>7,527,311</td>
</tr>
<tr>
<td>Highway and streets</td>
<td>2,228,743</td>
<td>-</td>
<td>2,228,743</td>
</tr>
<tr>
<td>Economic development</td>
<td>1,344,552</td>
<td>-</td>
<td>1,344,552</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>1,336,463</td>
<td>-</td>
<td>1,336,463</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>1,240,309</td>
<td>-</td>
<td>1,240,309</td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>(21,522,300)</td>
<td>-</td>
<td>(21,522,300)</td>
</tr>
<tr>
<td>Business-type activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>4,842,712</td>
<td></td>
<td>4,842,712</td>
</tr>
<tr>
<td>Water</td>
<td>833,044</td>
<td></td>
<td>833,044</td>
</tr>
<tr>
<td>Wastewater</td>
<td>(990,502)</td>
<td></td>
<td>(990,502)</td>
</tr>
<tr>
<td>Gas</td>
<td>93,091</td>
<td></td>
<td>93,091</td>
</tr>
<tr>
<td>Solid waste</td>
<td>(19,213)</td>
<td></td>
<td>(19,213)</td>
</tr>
<tr>
<td>Stormwater</td>
<td>574,780</td>
<td></td>
<td>574,780</td>
</tr>
<tr>
<td>Total business-type activities</td>
<td>-</td>
<td>5,333,912</td>
<td>5,333,912</td>
</tr>
<tr>
<td>Total primary government</td>
<td>(21,522,300)</td>
<td>5,333,912</td>
<td>(16,188,388)</td>
</tr>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>13,150,643</td>
<td>-</td>
<td>13,150,643</td>
</tr>
<tr>
<td>Sales taxes</td>
<td>11,531,095</td>
<td>-</td>
<td>11,531,095</td>
</tr>
<tr>
<td>Franchise taxes</td>
<td>3,311,807</td>
<td>-</td>
<td>3,311,807</td>
</tr>
<tr>
<td>Other taxes</td>
<td>1,163,602</td>
<td>-</td>
<td>1,163,602</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>2,123,308</td>
<td>2,618,635</td>
<td>4,741,943</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>573,746</td>
<td>-</td>
<td>573,746</td>
</tr>
<tr>
<td>Gain on sale of assets</td>
<td>1,941,031</td>
<td>-</td>
<td>1,941,031</td>
</tr>
<tr>
<td>Transfers</td>
<td>2,111,489</td>
<td>(2,111,489)</td>
<td>-</td>
</tr>
<tr>
<td>Total general revenues and transfers</td>
<td>35,906,721</td>
<td>507,146</td>
<td>36,413,867</td>
</tr>
<tr>
<td>Change in net position</td>
<td>14,384,421</td>
<td>5,841,058</td>
<td>20,225,479</td>
</tr>
<tr>
<td>Net position - beginning</td>
<td>63,975,877</td>
<td>125,313,572</td>
<td>189,289,449</td>
</tr>
<tr>
<td>Net position - ending</td>
<td>$78,360,298</td>
<td>$131,154,630</td>
<td>$209,514,928</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CITY OF BOERNE, TEXAS

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2023

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these financial statements.
CITY OF BOERNE, TEXAS

RECONCILIATION OF BALANCE SHEET-
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

September 30, 2023

Total fund balances - governmental funds           $  63,002,672

Amounts reported for governmental funds in the statement of net
position are different because:

Capital assets net of accumulated depreciation used in governmental
activities are not current financial resources and, therefore, are not
reported in governmental funds.

Cost of capital assets                              $ 147,575,573
Accumulated depreciation                           (65,176,853)
Leased assets and SBITA assets                     2,088,199
Accumulated amortization on leased assets           (700,208)

                                      83,786,711

Deferred outflows (inflows) related to refunding changes, pension,
and OPEB are not available resources and, therefore, are not
reported in the funds.

Deferred charge on refunding                        325,202
Deferred outflows (inflows) related to pension      7,627,699
Deferred outflows (inflows) related to OPEB plans   (973,714)

                                      6,979,187

Long-term liabilities, as listed below, are not due and payable in the
current period and therefore are not reported in the governmental
funds.

Bonds payable                                     (47,040,000)
Bond premium                                      (3,526,257)
Lease purchase agreements                        (583,961)
Lease liabilities                                 (1,072,270)
SBITA liabilities                                 (224,507)
Compensated absences                              (1,336,618)
Net pension liability                             (18,573,623)
Postemployment liabilities                       (3,146,351)

                                      (75,503,587)

Accrued interest payable for the current portion of interest due on
various debt issues, including leases, has not been reported in the
governmental funds.                                (86,760)

Other long-term assets are not available resources and, therefore, are
reported as unavailable revenue in the funds.

Unavailable property tax revenue                  173,252
Unavailable lease revenue                          8,823

                                      182,075

Net position of governmental activities            $  78,360,298

The accompanying notes are an integral part of these financial statements.
CITY OF BOERNE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Park Fund</th>
<th>Capital Projects Fund</th>
<th>Other Governmental Fund</th>
<th>Total Governmental Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$ 7,487,422</td>
<td>$ 2,540,452</td>
<td>-</td>
<td>$ 3,039,248</td>
</tr>
<tr>
<td>Sales tax</td>
<td>11,531,095</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hotel/motel tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,049,976</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>4,381,716</td>
<td>-</td>
<td>218,821</td>
</tr>
<tr>
<td>Franchise taxes</td>
<td>3,311,807</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>1,773,034</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fines</td>
<td>243,158</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants</td>
<td>16,555</td>
<td>-</td>
<td>-</td>
<td>39,872</td>
</tr>
<tr>
<td>Contributions and donations</td>
<td>3,548,979</td>
<td>250</td>
<td>-</td>
<td>356,912</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,150,931</td>
<td>1,710</td>
<td>131,760</td>
<td>46,698</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1,416,395</td>
<td>170,623</td>
<td>273,549</td>
<td>262,827</td>
</tr>
<tr>
<td>Total revenues</td>
<td>32,479,376</td>
<td>7,094,751</td>
<td>405,309</td>
<td>5,014,354</td>
</tr>
</tbody>
</table>

EXPENDITURES

Current:
  General government | 8,412,713 | - | - | - | 8,412,713 |
  Public safety      | 12,429,797 | - | - | 39,586 | 12,469,383 |
  Highways and streets | 2,816,843 | - | - | - | 2,816,843 |
  Economic development | - | - | - | 1,294,132 | 1,294,132 |
  Culture and recreation | 509,156 | 2,892,694 | - | 1,683,319 | 5,085,169 |
  Debt service:
    Principal retirement | 694,275 | 60,715 | - | 2,032,859 | 2,787,849 |
    Interest            | 40,188 | 2,039 | - | 1,058,471 | 1,100,698 |
    Bond issue costs    | - | - | 317,058 | - | 317,058 |
  Capital outlay       | 1,585,567 | 144,383 | 2,793,326 | 88,759 | 4,612,035 |
  Total expenditures   | 26,488,539 | 3,099,831 | 3,110,384 | 6,197,126 | 38,985,880 |

Excess/(deficiency) of revenues over (under) expenditures | 5,990,837 | 3,994,920 | (2,705,075) | (1,182,772) | 6,097,910 |

(continued)
CITY OF BOERNE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>General Fund</th>
<th>Park Projects Fund</th>
<th>Capital Governmental Fund</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>$260,963</td>
<td>$218,804</td>
<td>$8,240,810</td>
<td>$2,397,840</td>
<td>$11,118,417</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(7,253,928)</td>
<td>(1,300,000)</td>
<td>-</td>
<td>(453,000)</td>
<td>(9,006,928)</td>
</tr>
<tr>
<td>Sale of capital assets</td>
<td>1,919,658</td>
<td>22,988</td>
<td>-</td>
<td>-</td>
<td>1,942,646</td>
</tr>
<tr>
<td>Lease/subscription proceeds</td>
<td>1,067,590</td>
<td>33,004</td>
<td>17,805,000</td>
<td>20,348</td>
<td>17,805,000</td>
</tr>
<tr>
<td>Issuance of debt</td>
<td>-</td>
<td>-</td>
<td>17,805,000</td>
<td>-</td>
<td>17,805,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>-</td>
<td>512,058</td>
<td>-</td>
<td>512,058</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(4,005,717)</td>
<td>(1,025,204)</td>
<td>26,557,868</td>
<td>1,965,188</td>
<td>23,492,135</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>1,985,120</td>
<td>2,969,716</td>
<td>23,852,793</td>
<td>782,416</td>
<td>29,590,045</td>
</tr>
<tr>
<td>Fund balances - beginning</td>
<td>$13,834,318</td>
<td>$2,692,330</td>
<td>$10,496,536</td>
<td>$6,389,443</td>
<td>$33,412,627</td>
</tr>
<tr>
<td>Fund balances - ending</td>
<td>$15,819,438</td>
<td>$5,662,046</td>
<td>$34,349,329</td>
<td>$7,171,859</td>
<td>$63,002,672</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Net change in fund balances—total governmental funds $ 29,590,045

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current year, the City reported the following amounts for capital asset additions and depreciation:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital asset additions</td>
<td>$ 3,895,887</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(4,863,965)</td>
</tr>
<tr>
<td>Leased/SBITA assets</td>
<td>716,148</td>
</tr>
<tr>
<td>Amortization expense</td>
<td>(457,708)</td>
</tr>
</tbody>
</table>

(709,638)

Donations of capital assets and capital contributions increase net position in the statement of activities, but do not appear in the governmental funds because they do not represent current financial resources. 3,196,975

The issuance of long-term debt (i.e., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of the governmental funds. Neither transaction, however, has an effect on net position. Also, governmental funds immediately report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the government-wide statement of activities. The net effect of these differences in the treatment of long-term debt and related item is listed below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal payments on long-term debt</td>
<td>1,995,000</td>
</tr>
<tr>
<td>Principal payments on lease purchase agreements</td>
<td>279,910</td>
</tr>
<tr>
<td>Principal payments on lease/SBITA liabilities</td>
<td>512,939</td>
</tr>
<tr>
<td>Change in accrued interest payable, including leases</td>
<td>7,240</td>
</tr>
<tr>
<td>Changes in pension and related items</td>
<td>(1,050,394)</td>
</tr>
<tr>
<td>Changes in OPEB and related items</td>
<td>(218,650)</td>
</tr>
<tr>
<td>Amortization of bond premium/discount</td>
<td>210,857</td>
</tr>
<tr>
<td>Amortization of deferred gain/loss on refunding of long-term debt</td>
<td>(40,650)</td>
</tr>
<tr>
<td>Lease purchase proceeds</td>
<td>(440,857)</td>
</tr>
<tr>
<td>Lease/SBITA proceeds</td>
<td>(680,085)</td>
</tr>
<tr>
<td>Issuance of long-term debt</td>
<td>(17,805,000)</td>
</tr>
<tr>
<td>Bond premium/discount</td>
<td>(512,058)</td>
</tr>
</tbody>
</table>

(17,741,748)

Some revenues and expenses reported in the government-wide statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues in governmental funds.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in compensated absences</td>
<td>(33,119)</td>
</tr>
<tr>
<td>Changes in unavailable revenues</td>
<td>83,521</td>
</tr>
<tr>
<td>Sale of capital asset</td>
<td>(1,615)</td>
</tr>
</tbody>
</table>

48,787

Change in net position of governmental activities $ 14,384,421

The accompanying notes are an integral part of these financial statements.
CITY OF BOERNE, TEXAS

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Electric</th>
<th>Water</th>
<th>Wastewater</th>
<th>Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$13,316,356</td>
<td>$3,574,599</td>
<td>$5,033,491</td>
<td>$2,041,963</td>
</tr>
<tr>
<td>Investments</td>
<td>4,217,121</td>
<td>2,002,130</td>
<td>2,000,086</td>
<td>-</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>3,348,260</td>
<td>1,151,926</td>
<td>919,174</td>
<td>414,453</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>500,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,347,475</td>
<td>287,368</td>
<td>20,205</td>
<td>226,255</td>
</tr>
<tr>
<td>Prepaids</td>
<td>2,115</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer deposits</td>
<td>986,028</td>
<td>553,715</td>
<td>-</td>
<td>213,888</td>
</tr>
<tr>
<td>Debt service reserve</td>
<td>407</td>
<td>24,728</td>
<td>5,176</td>
<td>1,026</td>
</tr>
<tr>
<td>Total current assets</td>
<td>23,717,762</td>
<td>7,594,466</td>
<td>7,978,132</td>
<td>2,897,585</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital improvements</td>
<td>-</td>
<td>2,937,749</td>
<td>6,874,311</td>
<td>-</td>
</tr>
<tr>
<td>Restricted investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital improvements</td>
<td>-</td>
<td>13,929,054</td>
<td>3,978,315</td>
<td>-</td>
</tr>
<tr>
<td>Non-depreciable capital assets</td>
<td>2,542,917</td>
<td>3,326,404</td>
<td>1,828,390</td>
<td>89,269</td>
</tr>
<tr>
<td>Other capital assets, net</td>
<td>7,389,018</td>
<td>28,819,772</td>
<td>40,973,268</td>
<td>9,778,111</td>
</tr>
<tr>
<td>Total assets</td>
<td>33,649,697</td>
<td>56,607,445</td>
<td>61,632,416</td>
<td>12,764,965</td>
</tr>
</tbody>
</table>

DEFERRED OUTFLOWS OF RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Water</th>
<th>Wastewater</th>
<th>Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred charge on refunding</td>
<td>7,099</td>
<td>-</td>
<td>958,351</td>
<td>19,178</td>
</tr>
<tr>
<td>Deferred outflows related to pension</td>
<td>871,478</td>
<td>569,067</td>
<td>604,824</td>
<td>420,925</td>
</tr>
<tr>
<td>Deferred outflows related to OPEB TMRS</td>
<td>218</td>
<td>142</td>
<td>151</td>
<td>105</td>
</tr>
<tr>
<td>Deferred outflows related to OPEB retiree</td>
<td>69,682</td>
<td>45,502</td>
<td>48,360</td>
<td>33,657</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>948,477</td>
<td>614,711</td>
<td>1,611,686</td>
<td>473,865</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Other Enterprise Funds</th>
<th>Total Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,177,041</td>
<td>$30,143,450</td>
</tr>
<tr>
<td>- 8,219,337</td>
<td></td>
</tr>
<tr>
<td>279,102</td>
<td>6,112,915</td>
</tr>
<tr>
<td>- 500,000</td>
<td></td>
</tr>
<tr>
<td>- 1,881,303</td>
<td></td>
</tr>
<tr>
<td>- 2,115</td>
<td></td>
</tr>
<tr>
<td>- 1,753,631</td>
<td></td>
</tr>
<tr>
<td>- 31,337</td>
<td></td>
</tr>
<tr>
<td><strong>6,456,143</strong></td>
<td><strong>48,644,088</strong></td>
</tr>
<tr>
<td>- 9,812,060</td>
<td></td>
</tr>
<tr>
<td>- 17,907,369</td>
<td></td>
</tr>
<tr>
<td>1,040,443</td>
<td>8,827,423</td>
</tr>
<tr>
<td>523</td>
<td>86,960,692</td>
</tr>
<tr>
<td><strong>7,497,109</strong></td>
<td><strong>172,151,632</strong></td>
</tr>
<tr>
<td>- 984,628</td>
<td></td>
</tr>
<tr>
<td>- 2,466,294</td>
<td></td>
</tr>
<tr>
<td>- 616</td>
<td></td>
</tr>
<tr>
<td>- 197,201</td>
<td></td>
</tr>
<tr>
<td>- 3,648,739</td>
<td></td>
</tr>
</tbody>
</table>

(continued)
## LIABILITIES

### Current liabilities:
- Accounts payable: $954,263, $308,800, $674,427, $82,455
- Other payables: 119,446, 5,491, 6,688, 26,405
- Due from other funds: -
- Current portion of compensated absences: 40,220, 36,829, 31,040, 23,376
- Current portion of lease liabilities: 45,453, 7,531, 37,282, 302
- Current portion of SBITA liabilities: 26,501, 24,640, 26,619, 11,913
- Current liabilities payable from restricted assets:
  - Deposits payable: 986,028, 553,715, - , 213,888
  - Current portion of revenue bonds payable: 63,473, - , 1,598,715, 175,566
  - Accrued interest payable: 1,794, 844, 100,013, 1,785
- Total current liabilities: $2,237,178, $937,850, $2,474,784, $1,035,690

### Non-current liabilities:
- Compensated absences: 93,848, 85,933, 72,427, 54,545
- Lease liabilities: 108,570, 9,925, 63,541, 686
- SBITA liabilities: 14,602, 14,228, 7,987, 4,240
- Revenue bonds payable: 165,444, - , 29,040,852, 445,394
- Net pension liability: 2,088,492, 1,363,763, 1,449,458, 1,008,744
- Total OPEB liabilities - OPEB TMRS: 54,170, 35,373, 37,595, 26,164
- Total OPEB liabilities - retiree: 299,618, 195,647, 207,941, 144,716
- Total noncurrent liabilities: 2,824,744, 1,704,869, 30,879,801, 1,684,489
- Total liabilities: 5,061,922, 2,642,719, 33,354,585, 2,720,179

## Deferred Inflows of Resources

- Deferred inflows related to OPEB TMRS: 12,397, 8,095, 8,604, 5,988
- Deferred inflows related to OPEB retiree: 179,788, 117,400, 124,777, 86,837
- Total deferred inflows of resources: 192,185, 125,495, 133,381, 92,825

## Net Position

- Net investment in capital assets: 9,514,991, 32,089,852, 12,985,013, 9,248,457
- Restricted for:
  - Capital improvements - impact fees: - , 13,916,057, 3,275,389, -
  - Debt service: 407, - , 5,176, 14,124
- Unrestricted: 19,828,669, 8,448,033, 13,490,558, 1,163,245
- Total net position: $29,344,067, $54,453,942, $29,756,136, $10,425,826

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Other Enterprise Funds</th>
<th>Total Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 308,453</td>
<td>$ 2,328,398</td>
</tr>
<tr>
<td>13,503</td>
<td>171,533</td>
</tr>
<tr>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>-</td>
<td>131,465</td>
</tr>
<tr>
<td>151</td>
<td>90,719</td>
</tr>
<tr>
<td>-</td>
<td>89,673</td>
</tr>
<tr>
<td>-</td>
<td>1,753,631</td>
</tr>
<tr>
<td>-</td>
<td>1,837,754</td>
</tr>
<tr>
<td>-</td>
<td>104,436</td>
</tr>
<tr>
<td></td>
<td>322,107</td>
</tr>
<tr>
<td>-</td>
<td>306,753</td>
</tr>
<tr>
<td>343</td>
<td>183,065</td>
</tr>
<tr>
<td>-</td>
<td>41,057</td>
</tr>
<tr>
<td>-</td>
<td>29,651,690</td>
</tr>
<tr>
<td>-</td>
<td>5,910,457</td>
</tr>
<tr>
<td>-</td>
<td>153,302</td>
</tr>
<tr>
<td>-</td>
<td>847,922</td>
</tr>
<tr>
<td></td>
<td>343</td>
</tr>
<tr>
<td></td>
<td>37,094,246</td>
</tr>
<tr>
<td></td>
<td>322,450</td>
</tr>
<tr>
<td></td>
<td>44,101,855</td>
</tr>
<tr>
<td></td>
<td>35,084</td>
</tr>
<tr>
<td>-</td>
<td>508,802</td>
</tr>
<tr>
<td>-</td>
<td>543,886</td>
</tr>
<tr>
<td></td>
<td>1,040,472</td>
</tr>
<tr>
<td></td>
<td>64,878,785</td>
</tr>
<tr>
<td>-</td>
<td>17,191,446</td>
</tr>
<tr>
<td>-</td>
<td>19,707</td>
</tr>
<tr>
<td>6,134,187</td>
<td>49,064,692</td>
</tr>
<tr>
<td>$ 7,174,659</td>
<td>$ 131,154,630</td>
</tr>
</tbody>
</table>
CITY OF BOERNE, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
For the year ended September 30, 2023

The accompanying notes are an integral part of these financial statements.
CITY OF BOERNE, TEXAS

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the year ended September 30, 2023

The accompanying notes are an integral part of these financial statements.

<table>
<thead>
<tr>
<th>Major Funds</th>
<th>Other Enterprise Funds</th>
<th>Totals Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>Water</td>
<td>Wastewater</td>
</tr>
<tr>
<td>Business-Type Activities - Enterprise Funds</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash receipts from customers</td>
<td>$19,581,655</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>$(11,485,721)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(2,425,126)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>$5,670,808</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to/from</td>
<td>$(500,000)</td>
</tr>
<tr>
<td>Transfers in/out</td>
<td>$(1,965,863)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) noncapital financing activities</strong></td>
<td>$(2,465,863)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of capital assets</td>
<td>$(469,734)</td>
</tr>
<tr>
<td>Lease purchase agreements</td>
<td>-</td>
</tr>
<tr>
<td>Revenue bonds and certificates-principal payments</td>
<td>$(59,927)</td>
</tr>
<tr>
<td>Revenue bonds and certificates-interest and fiscal charges</td>
<td>$(10,002)</td>
</tr>
<tr>
<td>Proceeds from lease/SBITA additions</td>
<td>$250,945</td>
</tr>
<tr>
<td>Lease/SBITA liabilities - principal payments</td>
<td>$(60,445)</td>
</tr>
<tr>
<td>Lease/SBITA liabilities - interest and fiscal charges</td>
<td>$(3,781)</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>$(352,944)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sale (purchase) of investments</td>
<td>$(2,640,412)</td>
</tr>
<tr>
<td>Interest earned</td>
<td>$699,397</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>$(1,941,015)</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivak</strong></td>
<td>$910,986</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances - beginning of year</td>
<td>$13,391,805</td>
</tr>
<tr>
<td>Balances - end of year</td>
<td>$14,302,791</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$13,316,356</td>
</tr>
<tr>
<td>Restricted cash and equivalents</td>
<td>$986,435</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$14,302,791</td>
</tr>
</tbody>
</table>
CITY OF BOERNE, TEXAS  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
For the year ended September 30, 2023

Reconciliation of operating income (loss) to net cash provided by operating activities:

<table>
<thead>
<tr>
<th>Item</th>
<th>Electric</th>
<th>Water</th>
<th>Wastewater</th>
<th>Gas</th>
<th>Enterprise Funds</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$4,856,204 $833,157 $138,191 $120,586 $555,567</td>
<td>$6,503,705</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>799,688</td>
<td>1,818,850</td>
<td>3,690,801</td>
<td>713,561</td>
<td>155</td>
<td>7,023,055</td>
</tr>
<tr>
<td>Changes in assets, liabilities and deferred inflows/outflows of resources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>269,066</td>
<td>(248,156)</td>
<td>612,663</td>
<td>(26,914)</td>
<td>180,577</td>
<td>787,236</td>
</tr>
<tr>
<td>Receivables</td>
<td>(744,433)</td>
<td>(60,366)</td>
<td>(123,691)</td>
<td>4,616</td>
<td>(33,966)</td>
<td>(957,840)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(154,619)</td>
<td>(45,004)</td>
<td>(959)</td>
<td>(60,217)</td>
<td>-</td>
<td>(260,799)</td>
</tr>
<tr>
<td>Prepaids</td>
<td>13,522</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,522</td>
<td></td>
</tr>
<tr>
<td>Customer deposits</td>
<td>369,863</td>
<td>(297,350)</td>
<td>-</td>
<td>(7,721)</td>
<td>-</td>
<td>64,792</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>202,736</td>
<td>(126,414)</td>
<td>89,080</td>
<td>84,879</td>
<td>-</td>
<td>250,281</td>
</tr>
<tr>
<td>Net OPEB liability</td>
<td>41,864</td>
<td>(78,989)</td>
<td>7,846</td>
<td>23,308</td>
<td>-</td>
<td>(5,971)</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>16,917</td>
<td>(4,419)</td>
<td>10,205</td>
<td>(24,893)</td>
<td>-</td>
<td>(2,190)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$5,670,808 $1,791,309 $4,424,136 $827,205 $702,333</td>
<td>$13,415,791</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Actuarially determined change in:

<table>
<thead>
<tr>
<th>Item</th>
<th>Electric</th>
<th>Water</th>
<th>Wastewater</th>
<th>Gas</th>
<th>Enterprise Funds</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension liability</td>
<td>$883,178</td>
<td>$582,781</td>
<td>$614,155</td>
<td>$432,729</td>
<td>-</td>
<td>$2,512,843</td>
</tr>
<tr>
<td>Other postemployment benefit liabilities</td>
<td>113,550</td>
<td>75,072</td>
<td>78,992</td>
<td>60,857</td>
<td>-</td>
<td>328,471</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## CITY OF BOERNE, TEXAS

### STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>Public Improvement District Custodial Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
</tr>
<tr>
<td>Other payables</td>
</tr>
<tr>
<td>Total liabilities</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
</tr>
<tr>
<td>Restricted for PID</td>
</tr>
<tr>
<td>Total net position</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CITY OF BOERNE, TEXAS

STATEMENT OF FIDUCIARY REVENUES, EXPENSES, AND CHANGES IN NET POSITION – CUSTODIAL FUND

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>Public Improvement District Custodial Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>ADDITIONS</td>
</tr>
<tr>
<td>Contributions $</td>
</tr>
<tr>
<td>Total additions -</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>DEDUCTIONS</td>
</tr>
<tr>
<td>Contract services 20,440</td>
</tr>
<tr>
<td>Total deductions 20,440</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Change in net position (20,440)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>NET POSITION</td>
</tr>
<tr>
<td>Beginning of year 30,000</td>
</tr>
<tr>
<td>End of year $ 9,560</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
(1) Summary of significant accounting policies

The basic financial statements of the City of Boerne, Texas (City) have been prepared in conformity with generally accepted accounting principles of the United States of America (U.S. GAAP) as applied to governmental agencies. The governmental accounting standards board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City’s accounting policies are described below:

Reporting entity

The City of Boerne is a municipal corporation governed by an elected mayor and five-member council. The City operates under a council-manager form of government and provides the following services: public safety (police and fire), highways and streets, culture and recreations, public improvements, community and economic development (planning, building, and zoning), public utilities (electric, water, wastewater, gas, solid waste, and stormwater), and general administrative services.

Component units

The financial statements present the City and its component units, entities for which the City is considered to be financially accountable in accordance with generally accepted accounting principles. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization’s governing body and (1) it is able to impose its will on that organization, or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, the other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the City’s operations, and data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government. Based on the criteria above, the City has one blended component unit. The City has no component units that meet the criteria for discrete presentation. The blended component unit is described in further detail below.

Blended Component Unit

Boerne Public Facility Corporation (BPFC)

On August 22, 2017, the City Council authorized the creation of the Boerne Public Facility Corporation (BPFC). The BPFC is a nonprofit public corporation organized exclusively for the purpose of assisting the City in financing, refinancing, or providing public facilities within the City. Although legally separate from the City, the City Council holds the continuing authority to appoint the voting majority of the BPFC Board of Directors, which is comprised wholly of the Mayor and members of the City Council. Furthermore, the City Council possesses the ability to significantly influence the programs, projects, activities, or level of services performed by the BPFC. As the City and the BPFC have substantially the same governing body and the activities of the BPFC are managed in essentially the same manner as the primary government, the City is able to impose its will on the BPFC. Therefore, the BPFC is considered to be an integral part of the primary government and has been included in the financial statements as a blended component unit. There are no separate financial statements issued for the BPFC.
CITY OF BOERNE, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended September 30, 2023

(1) Summary of significant accounting policies (continued)

Government-wide and fund financial statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities, report information on all the nonfiduciary activities of the City and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments-in-lieu-of taxes, payments for use of rights-of-way, and other charges between the City’s utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of net position presents financial information on all of the City’s assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements, proprietary, and fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets (current and long-term), deferred outflows of resources, liabilities (current and long-term), and deferred inflows of resources are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied on the property. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

In addition to assets, the statement of net position will generally report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.
(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

In addition to liabilities, the statement of net position will generally report a separate section for deferred inflows of resources, which represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so only the net amount is included as internal balances in the governmental activities column. Balances between the governmental activities and the business-type activities are presented as internal balances and eliminated in the total primary government column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so only the net amount is included as transfers in the governmental activities column. Transfers between governmental activities and the business-type activities are eliminated in the total primary government column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, generally only current assets and current liabilities are reported in the governmental funds.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursements under state and federal grants are accrued if received within 180 days of the end of the fiscal period to enable the matching of revenue with applicable expenditures. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures for debt service and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.
Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, sales taxes, franchise taxes, hotel occupancy taxes, license fees, charges for services, amounts due from other governments, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Other revenue items such as fines and permits are considered to be measurable and available only when the government receives cash and are, therefore, not susceptible to accrual.

The City reports the following major governmental funds:

**General Fund** – This is the primary operating fund of the City. It accounts for all activities of the general government, except those required to be accounted for in another fund.

**Park Fund** – This fund is used to account for proceeds of specific parks revenue sources that are intended to be spent for maintenance of the City’s parks and recreation programs.

**Capital Projects Fund** – This fund accounts for the acquisition and construction of major governmental capital facilities, sidewalks, road improvements, and other infrastructure projects.

The City reports the following major proprietary funds:

**Electric Fund** – This fund accounts for the activities necessary to provide electric services to the residents of the City within the City’s service territory. These activities include administration, billing and collections, distribution system operations and maintenance, transmission system operations and maintenance, new construction, and financing and related debt services.

**Water Fund** – This fund accounts for the activities necessary to provide water services to the residents of the City within the City’s service territory. These activities include administrative services, billing and collections, water production and distribution system operation and maintenance, new construction, and financing and related debt services.

**Wastewater Fund** – This fund accounts for the activities necessary to provide wastewater services to the residents of the City within the City’s service territory. These activities include administrative services, billing and collections, wastewater production and distribution system operation and maintenance, new construction, and financing and related debt services.
(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

**Gas Fund** – This fund accounts for the activities necessary to provide gas services to the residents of the City within the City’s service territory. These activities include administrative services, billing and collections, distribution system operation and maintenance, new construction, and financing and related debt services.

The City reports the following fiduciary fund:

**Public Improvement District (PID) Custodial Fund** – This fund accounts for the activities of the Ranches at Creekside PID, which was created in November 2021 to support residential development within the Ranches at Creekside subdivision along Highway 46 in Boerne. As of September 30, 2023, the PID had not sold bonds.

The City reports the following permanent fund type:

**Cemetery Trust Fund** – This fund is used to account for resources legally held in trust to provide for upkeep of the cemetery. This fund is restricted to the extent that only earnings, and not principal, may be used for purposes that support the City’s programs that is, for the benefit of the City or its citizens. This fund meets the criteria of a permanent trust fund and thus has been reported as governmental activity in the statement of net position.

Additionally, the government reports the following fund types:

**Governmental Funds**

*Special Revenue Funds* accounts for proceeds of specific revenue sources that are legally restricted or otherwise committed or assigned for specific purposes.

**Proprietary Funds**

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 fund’s principal ongoing operations. The principal operating revenues of the City’s proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.
(1) Summary of significant accounting policies (continued)

Cash, cash equivalents, and investments

The City values its cash and investments in accordance with the provisions of governmental accounting standards board statement No. 72 (GASB 72), *Fair Value Measurement and Application*, which requires governmental entities to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach.

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. Cash accounts of all funds are pooled for investment purposes to enhance safety and liquidity while maximizing interest earnings. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year, and may result in negative investment income in the accompanying financial statements. Investment income is allocated to the various funds based on each fund’s average month-end cash balance and includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Investments are made in accordance with the City’s investment policy, which is approved by the City Council on an annual basis in accordance with state law. The policy is applicable to all City funds and permits investment in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, banker’s acceptances, certificates of deposit, public funds investment pools, and money market mutual funds. The policy states that the Finance Director, as the City’s chief financial officer, is responsible for overall management of the City’s investment program and is designated as the City’s investment officer with the ultimate responsibility and authority for investment transactions.

Restricted assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable bond covenants. Customer deposit accounts are used to report deposits paid by customers on utility accounts that could be refunded to the customer. The revenue bond covenant account has a current and a non-current portion. The current portion is used to segregate resources accumulated for debt service payments over the next twelve months. The noncurrent portion is used to report resources set aside to make up potential future deficiencies in the current portion. Currently the enterprise funds have no outstanding revenue bonds, and therefore there are no bond covenant requirements. Capital contribution accounts are used to account for impact fees paid that will be used for either debt service on bonds or future capital projects.

Certain resources in the governmental funds are classified as restricted. The cemetery has an endowment fund that is restricted in use for care of the cemetery. The hotel/motel fund is restricted to the promotion of tourism within the City. The public facility corporation fund is restricted for the financing, refinancing, or provision of public facilities within the City.
(1) Summary of significant accounting policies (continued)

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to either as “due to/from other funds” or “advances to/from other funds” (e.g., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

An allowance for doubtful accounts has been established to estimate losses that are likely to exist. Losses are charged against the allowance when management believes the collectability of a receivable is in question. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory balances represent expendable supplies held for consumption. Inventory is reported under the consumption method whereby expenditures are reported at the time inventory is used. Any inventories in governmental funds are reported at cost and are offset with nonspendable fund balance to show that inventories do not constitute available spendable resources.

Prepaid items

Certain payments to vendors for costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. Prepaid items in governmental funds are reported as a nonspendable component of fund balance to indicate that they are not spendable for appropriation and are not expendable financial resources.

Capital assets

Capital assets, which include land, buildings and improvements, machinery, vehicles, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable activity columns in the government-wide statement of net position and the proprietary funds statement of net position. Capital assets are defined by the government as land, buildings and improvements, machinery, vehicles, or equipment assets with an initial, individual cost of more than $5,000 and a useful life of at least two years. Capital assets are recorded where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets, donated works of art, and similar items are recorded at their acquisition value at the date of contribution. Infrastructure that was acquired prior to the implementation of GASB Statement No. 34 is included and reported in the government-wide financial statements in this report. The City used backtrending (estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year) for the purpose of estimating historical cost for the initial reporting of these assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital outlays are recorded as expenditures in the governmental funds and as capital assets in the government-wide financial statements to the extent the City’s capitalization thresholds are met.
(1) Summary of significant accounting policies (continued)

Capital assets (continued)

Major outlays for capital assets and improvements are capitalized as construction in progress projects are constructed.

With the exception of land, capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the financial statements of the proprietary funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position.

The ranges of lives used for depreciation purposes for each capital asset class are:

- Infrastructure: 20-40 years
- Buildings and plant: 20-30 years
- Improvements other than buildings: 20-25 years
- Machinery and equipment: 3-10 years

Deferred outflows/inflows of resources

When applicable, the statement of net position and the balance sheet will report a separate section for deferred outflows of resources. Deferred outflows of resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense or expenditure until that time. Conversely, deferred inflows of resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as an inflow of resources (revenue) until that time.

Compensated absences

Employees are credited with vacation at rates of ten (10) to twenty-two (22) days per year, depending upon length of service. Carryover of unused vacation time from one year to the next is allowed up to a maximum of thirty (30) days. Classified employees in the fire department earn vacation at the rate of approximately thirteen (13) days to approximately twenty-eight (28) days per year, depending upon length of service. Upon termination, all employees are paid for any accrued vacation not taken.

Regular full-time and regular part-time employees who work at least 20 hours per week are entitled to paid sick leave. Regular full-time employees accrue sick leave at the rate of 96 hours (12 days) per year. Classified employees in the fire department accrue sick leave at the rate of 127 per year. Unused sick leave is canceled upon termination of employment, however, for employees retiring with at least ten (10) years of service with the City are entitled to a partial payment for unused sick leave based on years of service.

Employees who have met the overtime eligibility requirements in accordance with the Fair Labor Standards Act may choose to receive compensatory time off in lieu of overtime pay. The accrual of compensatory time is made at a rate of one and one-half times the number of eligible overtime hours and is limited to sixty (60) hours, unless otherwise specified by the employee’s department. After accruing sixty (60) hours of compensatory time off, an employee will receive overtime pay for excess hours in the designated work week. Upon termination, non-exempt employees are paid for all accrued compensatory time, up to the sixty (60) hours maximum.
CITY OF BOERNE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended September 30, 2023

(1) Summary of significant accounting policies (continued)

Compensated absences (continued)

All vacation pay and applicable sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of the liability is estimated from prior year payments and adjusted for material expected variances. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental funds, the general fund is typically used to liquidate compensated absences.

Long-term debt

For the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases

Lessee Treatment: The City is a lessee for several leases of machinery and equipment. The City recognizes lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements and proprietary funds. The City recognizes lease liabilities with an initial, individual value of $5,000 or more for machinery and equipment leases, and an initial individual value of $25,000 or more for property, plant, and infrastructure leases.

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

Key estimates and judgements related to leases include how the City determines 1) the discount rate it uses to discount the expected lease payments to present value, 2) the lease term, and 3) the lease payments. When estimating the discount rate, the City uses the interest rate charged by the lessor. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise, if applicable.
(1) Summary of significant accounting policies (continued)

Leases (continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Lessor Treatment:** The City is a lessor in one noncancelable lease for the use of the facilities at one of the City’s parks. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life or the lease term.

Key estimates and judgements include how the City determines 1) the discount rate it uses to discount the expected lease receipts to present value, 2) the lease term, and 3) the lease receipts. If specified, the City uses the interest rate identified in the contract as the discount rate. If no interest rate is specified, the City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS’s fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other postemployment benefits (OPEB)

For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its total OPEB liability in the TMRS Supplemental Death Benefits Fund (SDBF) and retiree health insurance and additions to/deductions from the City’s total OPEB liability have been determined on the same basis as they are reported by TMRS and Gabriel, Roeder, Smith & Company (GRS). For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Information regarding the City’s SDBF total OPEB liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel, Roeder, Smith & Company
(1) Summary of significant accounting policies (continued)

Other postemployment benefits (OPEB) (continued)

(GRS). Information regarding the City’s retiree health insurance total OPEB liability is obtained through a separate report prepared for the City by GRS. Both reports are prepared in compliance with GASB 75.

Fund balance

In the fund financial statements, governmental fund balance is made up of the following components:

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in physical form (such as inventory or prepaid items) or that are legally or contractually required to be maintained intact.

Restricted fund balances includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.

Committed fund balance includes amounts that can only be used for specific purposes due to formal action of the City Council through adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balance includes amounts that are constrained by an intent to be used for a specific purpose but are neither restricted nor committed. Assigned fund balances do not require City Council formal action. The City’s fiscal and budget policy authorizes the City Manager as the City official responsible for the assignment of fund balance to a specific purpose.

The City’s fund balance reserve policy requires maintaining a minimum of six (6) months of operating expenditures within the fund balance of the general fund and a minimum of three (3) months of operating expenditures in reserve for each of the City’s special revenue funds. For the utility funds, the City’s policy requires a minimum of six (6) months of operating expenditures to be held in reserve. This policy allows the City to better weather economic downturns and strategically handle contingencies and unforeseen emergencies. The general fund operating reserve is included in assigned fund balance and totaled $15,190,742 at September 30, 2023.

Unassigned fund balance is the residual classification that includes all spendable amounts in the general fund not contained in other classifications. The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, the unassigned classification reports a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City considers restricted fund balances to have been spent when an expenditure is incurred for the purposes for which both unrestricted and restricted fund balance is available. The City considers unrestricted fund balances to have been spent when an expenditure is incurred for the purposes for which amounts in any of the unrestricted classifications of fund balance could be used. When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City’s policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City’s policy is to apply committed fund balance first, then assigned fund balance, and finally, unassigned fund balance.
(1) Summary of significant accounting policies (continued)

Net position

In the governmental-wide financial statement and proprietary fund financial statements, net positions are classified as followed:

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

**Restricted net position** is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

**Unrestricted net position** is all resources that do not meet the definition of “net investment in capital assets” or “restricted net position”.

When both restricted and unrestricted resources are available for use, the City’s policy is to use restricted resources first, and then unrestricted resources as they are needed.

Property taxes

In accordance with Texas law, property taxes are levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council. Taxes are payable upon receipt of the tax bill and are due the following February 1 to avoid penalty and interest charges. The tax rate to finance general governmental services, including debt service, was 45.10 cents per $100 of assessed valuation for the year ended September 30, 2023.

The Kendall County Appraisal District (“Appraisal District”) is responsible for the recording and appraisal of property for all taxing units in Kendall County, including the City. The Appraisal District is required to assess property at 100 percent of its appraised value. The Appraisal District also bills and collects the property taxes for the City.

Unearned revenue

Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.
(1) Summary of significant accounting policies (continued)

Use of accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the City has made certain estimates and assumptions related to the collectability of its receivables, the depreciation of its capital assets and infrastructure networks, and the ultimate outcome of claims and judgments. Actual results could differ from those estimates.

Implementation of new GASB pronouncement

As of October 1, 2022, the City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA’s). The objectives of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. The statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were classified as operating agreements. It establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financings of the right-to-use an underlying asset. A government is required to recognize a SBITA liability and an intangible right-to-use asset.
(2) Cash, cash equivalents, and investments

State statutes require that all deposits in financial institutions be fully collateralized by U.S. government obligations or obligations of Texas and its agencies that have a fair value of not less than the principal amount of the deposits. The City’s deposits were insured up to $250,000 or collateralized as required by State statutes at September 30, 2023. At year-end, the carrying amount of the City’s demand deposits was a balance of $3,963,915 and the bank balance was $4,246,185. The collateral is held in the City’s name by the City’s agent. Cash and investments, as of September 30, 2023, consist of the following:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Fair Value</th>
<th>Average Maturity (WAM) days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>$ 2,806</td>
<td>N/A</td>
</tr>
<tr>
<td>Cash in bank</td>
<td>3,963,915</td>
<td>N/A</td>
</tr>
<tr>
<td>TexPool</td>
<td>80,746,270</td>
<td>26</td>
</tr>
<tr>
<td>Texas Range</td>
<td>10,174,197</td>
<td>23</td>
</tr>
<tr>
<td>Texas Class</td>
<td>21,813,143</td>
<td>71</td>
</tr>
<tr>
<td>TexStar</td>
<td>23,258</td>
<td>22</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>116,723,589</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th>Fair Value</th>
<th>Average Maturity (WAM) days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>470,909</td>
<td>266</td>
</tr>
<tr>
<td>Federal agency securities</td>
<td>14,436,375</td>
<td>451</td>
</tr>
<tr>
<td>Total investments</td>
<td>14,907,284</td>
<td></td>
</tr>
</tbody>
</table>

Total cash and investments $ 131,630,873

Investments authorized by Texas statutes and the City’s investment policy

State statutes, city policies, and city resolutions authorize the City’s investments. The Finance Director is authorized by the City Council to invest all available funds consistent with the City’s investment policy. The City is authorized to invest in United States obligations or its agencies and instrumentalities, direct obligations of the State of Texas or its agencies and instrumentalities, other obligations backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, obligations of states, agencies, counties, cities, and other political subdivisions of any state having an investment rating of not less than “A” or its equivalent, fully collateralized repurchase agreements, certificates of deposit issued by a depository institution that has its main office or branch office in the State of Texas, money market mutual funds regulated by the Securities and Exchange Commission with a dollar weighted average portfolio maturity of 90 days or less, and local government investment pools continuously rated no lower than “AAA” or “AAA-m” or at an equivalent rating by at least one nationally recognized rating service.
(2) Cash, cash equivalents, and investments

Investments authorized by Texas statutes and the City’s investment policy (continued)

The City maintains an account with the Texas Local Government Investment Pool (TexPool). Under the TexPool participation agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State of Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

The City utilizes the Texas Short Term Asset Reserve Program (TexSTAR). JP Morgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. serve as co-administrators under an agreement with the TexSTAR board of directors to provide investment and participant services for this pool. JP Morgan Chase Bank or its subsidiary, JP Morgan Investor Services Co. provides the custodial, transfer, agency, fund accounting, and depository services for this pool.

The City invests in Texas Daily, a portfolio of the Texas Range Local Government Investment Pool (“Pool”) which was created by Texas local governments to provide investment programs tailored to the needs of Texas cities, counties, school districts and other public investors. The Pool is directed by an advisory board of experienced local government finance directors and treasurers. The advisory board contracts for services with professional service providers who are industry leaders in their field.

The City is invested in Texas Cooperative Liquid Assets Securities System (Texas CLASS) trust. Texas CLASS was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, or other laws of the State of Texas governing the investment of funds of a participant or funds under its control. Texas CLASS is administered by Public Trust Advisors, LLC with Wells Fargo Bank Texas, NA as the custodian and is supervised by a Board of Trustees who are elected by the participants.

Disclosure relating to interest rate risk

Interest rate risk is the risk that changes in market interest will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. One of the ways that the City manages its exposure to interest rate risk is by limiting the weighted average maturity of its invested operating funds and debt service funds to less than 12 months. Similarly, bond proceeds are limited to less than 24 months of weighted average maturity. In addition, investments of debt reserves, contingency reserves and other reserves may exceed 24 months of weighted average maturity but are limited to 60 months with approval of the City Manager or Assistant City Manager.
NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended September 30, 2023

(2) Cash, cash equivalents, and investments

Investments authorized by Texas statutes and the City’s investment policy (continued)

Disclosures relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In compliance with the City’s investment policy and the Texas Public Investment Act, the City manages credit risk through portfolio diversification by limiting investments to avoid over concentration in securities from a specific issuer; limiting investments in securities with high credit risk; and investing in securities with varying maturities. Deposits with the investment pools are recorded at amortized cost or fair value per share of the pool’s underlying investments, as applicable. The investment pools have as one of their objectives the maintenance of a stable net asset value of $1.00. The City’s investment policy requires that the net asset value of the pools also be $1.00 and be rated no lower than “AAA” or “AAA-m” or no lower than investment grade with a weighted average maturity no greater than 90 days. As of September 30, 2023, the ratings of the various investment pools were:

<table>
<thead>
<tr>
<th>Pool</th>
<th>Rating</th>
<th>Rating Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>TexPool</td>
<td>AAA-m</td>
<td>Standard &amp; Poor's</td>
</tr>
<tr>
<td>Texas Range</td>
<td>AAA-m</td>
<td>Standard &amp; Poor's</td>
</tr>
<tr>
<td>Texas Class</td>
<td>AAA-m</td>
<td>Standard &amp; Poor's</td>
</tr>
<tr>
<td>TexStar</td>
<td>AAA-m</td>
<td>Standard &amp; Poor's</td>
</tr>
</tbody>
</table>

Concentration of credit risk

The City is required to disclose investments in any one issuer that represent 5 percent or more of total investments. However, investment issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement. The City’s investment policy does not specifically address the concentration of credit risk, as this is accomplished through diversity of its holdings. At September 30, 2023, the City had no investments that exceeded 5 percent of total investments.

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

The Public Funds Investments Act, Texas Government Code 105 (depository law), and the City’s investment policy require that all securities purchased by delivered delivery versus payment to the custodian. Investments are then held in the City’s name. Failure of the custodian would not affect ownership or access to the investments. These guarantees and requirements prevent any custodial credit risk for the City.
(2) Cash, cash equivalents, and investments

Investments authorized by Texas statutes and the City’s investment policy (continued)

Fair value measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurement), inputs are quoted price of similar assets in active markets (level 2 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

<table>
<thead>
<tr>
<th>Investments by fair value level:</th>
<th>September 30, 2023</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>$470,909</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Federal agency securities</td>
<td>$14,436,375</td>
<td></td>
<td>$14,436,375</td>
<td>$</td>
</tr>
<tr>
<td>Total investments by fair value level</td>
<td>$14,907,284</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Investments measured at amortized cost:

External investment pool:

| TexPool                                  | $80,746,270       |
| Total external investment pools           | $80,746,270       |
| Total investments measured at amortized cost | $80,746,270       |

Investments measured at net asset value ("NAV"): External investment pools:

| Texas Range                             | $10,174,197       |
| Texas Class                             | $21,813,143       |
| TexStar                                  | $23,258           |
| Total external investment pools          | $32,010,598       |
| Total investments measured at NAV        | $32,010,598       |
| Total                                   | $127,664,152      |
(2) Cash, cash equivalents, and investments

Investments authorized by Texas statutes and the City’s investment policy (continued)

Fair value measurements (continued)

Certificates of deposit, commercial paper, and debt securities classified in level 2 of the fair value hierarchy are valued using computerized valuation formulas to arrive at an estimated market value.

Investment pools are measured at amortized costs or net asset value (NAV) and are exempt from fair value reporting. The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

<table>
<thead>
<tr>
<th>Investments measured at NAV:</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemption Frequency</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Range</td>
<td>$10,174,197</td>
<td>N/A</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td>Texas Class</td>
<td>21,813,143</td>
<td>N/A</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td>TexStar</td>
<td>23,258</td>
<td>N/A</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total investments measured at NAV</strong></td>
<td><strong>$32,010,598</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The TexPool investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of $1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonable foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. The investment pool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool’s liquidity.

The TexStar, Texas TERM, and Texas Class investment pools are external investment pools measured at NAV. Their strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the pools. The pools all have a redemption notice period of one day and may redeem daily. Each investment pool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool’s liquidity. The fair value of the investments in each pool have been determined using the NAV per share of investments.
(3) Receivables

Receivables as of September 30, 2023, for the City’s governmental major funds, nonmajor and other funds in the aggregate, including the applicable allowances for uncollectable amounts are as follows:

<table>
<thead>
<tr>
<th>Receivables</th>
<th>General</th>
<th>Park Fund</th>
<th>Nonmajor Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$112,000</td>
<td>$39,149</td>
<td>$46,260</td>
<td>$197,409</td>
</tr>
<tr>
<td>Sales taxes</td>
<td>1,841,866</td>
<td></td>
<td></td>
<td>1,841,866</td>
</tr>
<tr>
<td>Access line fees</td>
<td>560</td>
<td></td>
<td></td>
<td>560</td>
</tr>
<tr>
<td>Franchise fees</td>
<td>81,237</td>
<td></td>
<td></td>
<td>81,237</td>
</tr>
<tr>
<td>Interest</td>
<td>61,797</td>
<td></td>
<td></td>
<td>61,797</td>
</tr>
<tr>
<td>Leases</td>
<td>-</td>
<td>9,182</td>
<td></td>
<td>9,182</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>90,311</td>
<td>9,035</td>
<td>123,810</td>
<td>223,156</td>
</tr>
<tr>
<td>Gross receivables</td>
<td>2,187,771</td>
<td>57,366</td>
<td>170,070</td>
<td>2,415,207</td>
</tr>
<tr>
<td>Less allowance for uncollectable accounts</td>
<td>(16,800)</td>
<td>(5,872)</td>
<td>(6,940)</td>
<td>(29,612)</td>
</tr>
<tr>
<td>Net total receivables</td>
<td>$2,170,971</td>
<td>$51,494</td>
<td>$163,130</td>
<td>$2,385,595</td>
</tr>
</tbody>
</table>

Receivables as of September 30, 2023, for the City’s major and nonmajor enterprise funds, including unbilled charges for services rendered through year end, are as follows:

<table>
<thead>
<tr>
<th>Receivables</th>
<th>Electric</th>
<th>Water</th>
<th>Wastewater</th>
<th>Gas</th>
<th>Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts</td>
<td>$3,046,338</td>
<td>$1,131,038</td>
<td>$904,307</td>
<td>$415,964</td>
<td>$280,048</td>
<td>$5,777,695</td>
</tr>
<tr>
<td>Interest</td>
<td>58,709</td>
<td>20,537</td>
<td>23,410</td>
<td>-</td>
<td>-</td>
<td>102,656</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>258,990</td>
<td>8,133</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>267,123</td>
</tr>
<tr>
<td>Gross receivables</td>
<td>3,364,037</td>
<td>1,159,708</td>
<td>927,717</td>
<td>415,964</td>
<td>280,048</td>
<td>6,147,474</td>
</tr>
<tr>
<td>Less allowance for uncollectable accounts</td>
<td>(15,777)</td>
<td>(7,782)</td>
<td>(8,543)</td>
<td>(1,511)</td>
<td>(946)</td>
<td>(34,559)</td>
</tr>
<tr>
<td>Total receivables</td>
<td>$3,348,260</td>
<td>$1,151,926</td>
<td>$919,174</td>
<td>$414,453</td>
<td>$279,102</td>
<td>$6,112,915</td>
</tr>
</tbody>
</table>
(4) Interfund activity

<table>
<thead>
<tr>
<th>Govermental Activities:</th>
<th>Transfers In</th>
<th>Transfers Out</th>
<th>Governmental Activities, net</th>
<th>Business-Type Activities, net</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td>$ 260,963</td>
<td>$(7,253,928)</td>
<td>$ (6,992,965)</td>
<td>$ -</td>
</tr>
<tr>
<td>Park fund</td>
<td>218,804</td>
<td>(1,300,000)</td>
<td>(1,081,196)</td>
<td>-</td>
</tr>
<tr>
<td>Capital projects fund</td>
<td>8,240,810</td>
<td>-</td>
<td>8,240,810</td>
<td>-</td>
</tr>
<tr>
<td>Nonmajor governmental funds</td>
<td>2,397,840</td>
<td>(453,000)</td>
<td>1,944,840</td>
<td>-</td>
</tr>
</tbody>
</table>

| Business-type Activities: | | | | |
| Electric fund            | -            | (1,965,863)   | -                           | (1,965,863)                  |
| Water fund               | 1,100,000    | (1,943,513)   | -                           | (843,513)                    |
| Wastewater fund          | 1,350,000    | (1,210,575)   | -                           | 139,425                      |
| Gas fund                 | 650,000      | (10,575)      | -                           | 639,425                      |
| Nonmajor enterprise funds | -            | (80,963)      | -                           | (80,963)                     |
| Total transfers          | $ 14,218,417 | $(14,218,417) | $ 2,111,489                 | $(2,111,489)                 |

The City utilized transfers to: 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due; and 2) move unrestricted fund revenue to finance various programs that the City must account for in other funds in accordance with budgetary authorizations.
(5) Capital assets

The City is a recipient of capital contributions from developers for the construction and development of certain infrastructure assets. The City is also a recipient of capital recovery fees charged to customers to connect to the water or wastewater system, which may only be used for additional infrastructure capacity. Capital contributions related to enterprise funds are recorded by the City as capital contributions in the statement of revenues, expenses, and changes in net position; and as program revenues (capital grants and contributions) in the statement of activities at the government-wide level. Capital contributions related to governmental funds, are not recorded at the fund level, but are reported as program revenues (capital grants and contributions) in the statement of activities at the government-wide level. On the statement of net position, at both the government-wide level (governmental and business-type activities) and fund level (enterprise funds), capital contributions are recorded as a component of capital assets and depreciated accordingly over the estimated life of these assets.

Governmental activities

Capital asset activity for governmental activities for the year ended September 30, 2023, was as follows:

<table>
<thead>
<tr>
<th>Capital assets, not being depreciated:</th>
<th>Beginning Balance October 1, 2022</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance September 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$10,782,215</td>
<td>$-</td>
<td>$-</td>
<td>$10,782,215</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>901,529</td>
<td>2,793,326</td>
<td>-</td>
<td>3,694,855</td>
</tr>
<tr>
<td>Total capital assets, not being depreciated</td>
<td>11,683,744</td>
<td>2,793,326</td>
<td>-</td>
<td>14,477,070</td>
</tr>
</tbody>
</table>

Other capital assets:

| Buildings and plant                     | 47,099,992                           | 110,449 | (571,949) | 46,638,492                        |
| Improvements other than buildings       | 14,377,070                           | 101,957 | -         | 14,479,027                        |
| Infrastructure                          | 58,023,075                           | 3,464,103 | -         | 61,487,178                        |
| Machinery and equipment                 | 10,737,571                           | 623,027 | (866,792) | 10,493,806                        |
| Right-to-use leases                     | 365,984                             | 20,845  | -         | 386,829                           |
| Total other capital assets              | 131,609,759                          | 5,015,684 | (1,438,741) | 135,186,702                       |

Less accumulated depreciation for:

| Buildings and plant                     | (17,643,696)                         | (1,654,133) | 570,334     | (18,727,495)                       |
| Improvements other than buildings       | (10,285,586)                         | (503,596) | -         | (10,789,182)                       |
| Infrastructure                          | (24,921,886)                         | (2,455,429) | -         | (27,377,315)                       |
| Machinery and equipment                 | (8,898,846)                          | (250,807) | 866,792   | (8,282,861)                        |
| Total accumulated depreciation          | (61,750,014)                         | (4,863,965) | 1,437,126 | (65,176,853)                       |

Less accumulated amortization for:

| Right-to-use leases                     | (242,500)                           | (330,631) | -         | (573,131)                           |
| SBITAs                                  | -                                   | (127,077) | -         | (127,077)                           |
| Total accumulated amortization          | (242,500)                           | (457,708) | -         | (700,208)                           |
| Total other capital assets, net         | 69,617,245                           | (305,989) | (1,615)   | 69,309,641                         |
| Total capital assets, net               | $81,300,989                          | $2,487,337 | $(1,615)  | $83,786,711                        |
Governmental activities (continued)

Depreciation and amortization expense for the year ended September 30, 2023, was charged to the functions/programs of the governmental activities as follows:

Governmental activities:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Depreciation/Amortization Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$736,707</td>
</tr>
<tr>
<td>Public safety</td>
<td>854,577</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>2,513,735</td>
</tr>
<tr>
<td>Economic development</td>
<td>67,005</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>1,149,649</td>
</tr>
<tr>
<td><strong>Total depreciation/amortization expense – governmental activities</strong></td>
<td><strong>$5,321,673</strong></td>
</tr>
</tbody>
</table>

Business-type activities

Capital asset activity for the year ended September 30, 2023, was as follows:

<table>
<thead>
<tr>
<th>Capital assets, not being depreciated:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$7,237,877</td>
<td>$125,251</td>
<td>-</td>
<td>$7,363,128</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>601,228</td>
<td>1,134,617</td>
<td>(271,547)</td>
<td>1,464,298</td>
</tr>
<tr>
<td><strong>Total capital assets, not being depreciated</strong></td>
<td><strong>7,839,105</strong></td>
<td><strong>1,259,868</strong></td>
<td><strong>(271,547)</strong></td>
<td><strong>8,827,426</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other capital assets:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and plant</td>
<td>41,655,780</td>
<td>-</td>
<td>-</td>
<td>41,655,780</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>122,577,851</td>
<td>3,016,434</td>
<td>-</td>
<td>125,594,285</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>6,279,250</td>
<td>(109,339)</td>
<td>(494,343)</td>
<td>5,675,568</td>
</tr>
<tr>
<td>Right-to-use leases</td>
<td>139,562</td>
<td>236,419</td>
<td>-</td>
<td>375,981</td>
</tr>
<tr>
<td>SBITAs</td>
<td>224,391</td>
<td>-</td>
<td>-</td>
<td>224,391</td>
</tr>
<tr>
<td><strong>Total other capital assets</strong></td>
<td><strong>170,876,834</strong></td>
<td><strong>3,143,514</strong></td>
<td><strong>(494,343)</strong></td>
<td><strong>173,526,005</strong></td>
</tr>
</tbody>
</table>

Less accumulated depreciation for:

<table>
<thead>
<tr>
<th>Capital assets, not being depreciated:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and plant</td>
<td>(22,540,798)</td>
<td>(1,919,328)</td>
<td>-</td>
<td>(24,460,126)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(52,584,880)</td>
<td>(4,770,171)</td>
<td>-</td>
<td>(57,355,051)</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>(4,453,178)</td>
<td>(276,072)</td>
<td>158,989</td>
<td>(4,570,261)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation</strong></td>
<td>(79,578,856)</td>
<td>(6,965,571)</td>
<td>158,989</td>
<td>(86,385,438)</td>
</tr>
</tbody>
</table>

Less accumulated amortization for:

<table>
<thead>
<tr>
<th>Capital assets, not being depreciated:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and equipment</td>
<td>(25,981)</td>
<td>(75,803)</td>
<td>-</td>
<td>(101,784)</td>
</tr>
<tr>
<td>SBITAs</td>
<td>-</td>
<td>(78,094)</td>
<td>-</td>
<td>(78,094)</td>
</tr>
<tr>
<td><strong>Total accumulated amortization</strong></td>
<td>(25,981)</td>
<td>(153,897)</td>
<td>-</td>
<td>(179,878)</td>
</tr>
</tbody>
</table>

Total capital assets, net:

<table>
<thead>
<tr>
<th>Capital assets, not being depreciated:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and plant</td>
<td>91,271,997</td>
<td>(3,975,954)</td>
<td>(335,354)</td>
<td>86,960,689</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>(99,111,102)</td>
<td>(2,716,086)</td>
<td>(606,901)</td>
<td>95,788,115</td>
</tr>
</tbody>
</table>
(5) Capital assets (continued)

Business-type activities (continued)

Depreciation and amortization expense for the year ended September 30, 2023, was charged to the functions/programs of the business-type activities as follows:

Business-type activities:

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric utility</td>
<td>$799,688</td>
</tr>
<tr>
<td>Water utility</td>
<td>$1,818,850</td>
</tr>
<tr>
<td>Wastewater utility</td>
<td>$3,690,801</td>
</tr>
<tr>
<td>Gas utility</td>
<td>$713,561</td>
</tr>
<tr>
<td>Solid waste utility</td>
<td>$155</td>
</tr>
</tbody>
</table>

Total depreciation/amortization expense – business-type activities: $7,023,055

(6) Long-term liabilities

Summaries

For the year ended September 30, 2023, the City reported the following changes in long-term liabilities:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Balance October 1, 2022</th>
<th>Incurred/ Issued</th>
<th>Matured/ Retired</th>
<th>Balance September 30, 2023</th>
<th>Amounts due within one year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td>$31,230,000</td>
<td>$17,805,000</td>
<td>$1,995,000</td>
<td>$47,040,000</td>
<td>$3,460,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td>$3,225,056</td>
<td>$512,059</td>
<td>$210,858</td>
<td>$3,526,257</td>
<td>$237,809</td>
</tr>
<tr>
<td>Lease purchase agreements</td>
<td>$423,014</td>
<td>$440,857</td>
<td>$279,910</td>
<td>$583,961</td>
<td>$262,589</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>$763,647</td>
<td>$659,240</td>
<td>$350,617</td>
<td>$1,072,270</td>
<td>$404,567</td>
</tr>
<tr>
<td>SBITA liabilities</td>
<td>$365,984</td>
<td>$20,845</td>
<td>$162,322</td>
<td>$224,507</td>
<td>$161,302</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$1,303,499</td>
<td>$891,073</td>
<td>$857,954</td>
<td>$1,336,618</td>
<td>$400,985</td>
</tr>
<tr>
<td>Net pension liability (note 8)</td>
<td>$9,543,527</td>
<td>$9,030,096</td>
<td>-</td>
<td>$18,573,623</td>
<td>-</td>
</tr>
<tr>
<td>Total OPEB liability - TMRS SDBF (note 9)</td>
<td>$669,471</td>
<td>-</td>
<td>$187,716</td>
<td>$481,755</td>
<td>-</td>
</tr>
<tr>
<td>Total OPEB liability - retiree (note 9)</td>
<td>$3,380,615</td>
<td>-</td>
<td>$716,019</td>
<td>$2,664,596</td>
<td>-</td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>$50,904,813</td>
<td>$29,359,170</td>
<td>$4,760,396</td>
<td>$75,503,587</td>
<td>$4,927,252</td>
</tr>
</tbody>
</table>
(6) Long-term liabilities (continued)

Summaries (continued)

<table>
<thead>
<tr>
<th>Business-Type Activities</th>
<th>Balance October 1, 2022</th>
<th>Incurred/ Issued</th>
<th>Matured/ Retired</th>
<th>Balance September 30, 2023</th>
<th>Amounts due within one year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td>$ 30,485,000</td>
<td>$ -</td>
<td>$ 1,590,000</td>
<td>$ 28,895,000</td>
<td>$ 1,665,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td>2,767,198</td>
<td>-</td>
<td>172,754</td>
<td>2,594,444</td>
<td>172,754</td>
</tr>
<tr>
<td>Lease purchase agreements</td>
<td>254,401</td>
<td>-</td>
<td>254,401</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease liabilities (note 7)</td>
<td>112,569</td>
<td>235,168</td>
<td>73,953</td>
<td>273,784</td>
<td>90,719</td>
</tr>
<tr>
<td>SBITA liabilities</td>
<td>224,391</td>
<td>-</td>
<td>93,661</td>
<td>130,730</td>
<td>89,673</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>440,408</td>
<td>291,337</td>
<td>293,527</td>
<td>438,218</td>
<td>131,465</td>
</tr>
<tr>
<td>Net pension liability (note 8)</td>
<td>3,147,333</td>
<td>2,763,124</td>
<td>-</td>
<td>5,910,457</td>
<td>-</td>
</tr>
<tr>
<td>Total OPEB liability - TMRS SDBF (note 9)</td>
<td>220,783</td>
<td>-</td>
<td>67,481</td>
<td>153,302</td>
<td>-</td>
</tr>
<tr>
<td>Total OPEB liability - retiree (note 9)</td>
<td>1,114,883</td>
<td>-</td>
<td>266,961</td>
<td>847,922</td>
<td>-</td>
</tr>
<tr>
<td>Total business-type activities</td>
<td>$ 38,766,966</td>
<td>$ 3,289,629</td>
<td>$ 2,812,738</td>
<td>$ 39,243,857</td>
<td>$ 2,149,611</td>
</tr>
</tbody>
</table>

Long-term debt at September 30, 2023, includes the following individual issues (not including unamortized premiums or discounts):

Governmental Activities

<table>
<thead>
<tr>
<th>Interest Rate %</th>
<th>Issue Date</th>
<th>Maturity Date</th>
<th>Original Issue</th>
<th>Net Retirement</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 General obligation refunding bonds</td>
<td>3.00 - 5.00</td>
<td>6/2/2016</td>
<td>3/1/2033</td>
<td>$ 8,510,000</td>
<td>$ 2,035,000</td>
</tr>
<tr>
<td>2019 General obligation refunding bonds</td>
<td>2.11 - 2.40</td>
<td>4/23/2019</td>
<td>3/1/2027</td>
<td>$ 2,720,000</td>
<td>$ 1,625,000</td>
</tr>
<tr>
<td>2021 General obligation refunding bonds</td>
<td>2.00 - 4.00</td>
<td>12/1/2021</td>
<td>3/1/2040</td>
<td>$ 23,085,000</td>
<td>$ 1,420,000</td>
</tr>
<tr>
<td>2023 General obligation bonds</td>
<td>4.00 - 5.00</td>
<td>9/5/2023</td>
<td>3/1/2042</td>
<td>$ 17,805,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 52,120,000</td>
<td>$ 5,080,000</td>
</tr>
</tbody>
</table>

Business-Type Activities

<table>
<thead>
<tr>
<th>Interest Rate %</th>
<th>Issue Date</th>
<th>Maturity Date</th>
<th>Original Issue</th>
<th>Net Retirement</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 General obligation refunding bonds</td>
<td>3.00 - 5.00</td>
<td>6/1/2016</td>
<td>3/1/2034</td>
<td>$ 11,435,000</td>
<td>$ 6,140,000</td>
</tr>
<tr>
<td>2017 General obligation refunding bonds</td>
<td>3.50 - 5.00</td>
<td>12/1/2017</td>
<td>3/1/2040</td>
<td>$ 26,185,000</td>
<td>$ 2,585,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 37,620,000</td>
<td>$ 8,725,000</td>
</tr>
</tbody>
</table>

Total general obligation bonds

|                                | $ 89,740,000 | $ 13,805,000 | $ 75,935,000 |
(6) Long-term liabilities (continued)

Summaries (continued)

The annual requirements to amortize debt outstanding at September 30, 2023, are as follows:

### General Obligation Bonds - Governmental Activities

<table>
<thead>
<tr>
<th>Year Ended September 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$3,460,000</td>
<td>$1,742,101</td>
<td>$5,202,101</td>
</tr>
<tr>
<td>2025</td>
<td>2,195,000</td>
<td>1,598,119</td>
<td>3,793,119</td>
</tr>
<tr>
<td>2026</td>
<td>2,250,000</td>
<td>1,513,922</td>
<td>3,763,922</td>
</tr>
<tr>
<td>2027</td>
<td>2,315,000</td>
<td>1,427,207</td>
<td>3,742,207</td>
</tr>
<tr>
<td>2028</td>
<td>2,510,000</td>
<td>1,336,000</td>
<td>3,846,000</td>
</tr>
<tr>
<td>2029-2033</td>
<td>14,755,000</td>
<td>5,017,650</td>
<td>19,772,650</td>
</tr>
<tr>
<td>2034-2038</td>
<td>10,125,000</td>
<td>2,594,325</td>
<td>12,719,325</td>
</tr>
<tr>
<td>2039-2042</td>
<td>9,430,000</td>
<td>676,200</td>
<td>10,106,200</td>
</tr>
<tr>
<td></td>
<td>$47,040,000</td>
<td>$15,905,524</td>
<td>$62,945,524</td>
</tr>
</tbody>
</table>

### General Obligation Bonds - Business-Type Activities

<table>
<thead>
<tr>
<th>Year Ended September 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$1,665,000</td>
<td>$1,201,725</td>
<td>$2,866,725</td>
</tr>
<tr>
<td>2025</td>
<td>1,735,000</td>
<td>1,128,975</td>
<td>2,863,975</td>
</tr>
<tr>
<td>2026</td>
<td>1,805,000</td>
<td>1,058,175</td>
<td>2,863,175</td>
</tr>
<tr>
<td>2027</td>
<td>1,255,000</td>
<td>991,950</td>
<td>2,246,950</td>
</tr>
<tr>
<td>2028</td>
<td>1,310,000</td>
<td>931,675</td>
<td>2,241,675</td>
</tr>
<tr>
<td>2029-2033</td>
<td>7,585,000</td>
<td>3,631,275</td>
<td>11,216,275</td>
</tr>
<tr>
<td>2034-2038</td>
<td>9,300,000</td>
<td>1,753,513</td>
<td>11,053,513</td>
</tr>
<tr>
<td>2039-2042</td>
<td>4,240,000</td>
<td>171,200</td>
<td>4,411,200</td>
</tr>
<tr>
<td></td>
<td>$28,895,000</td>
<td>$10,868,488</td>
<td>$39,763,488</td>
</tr>
</tbody>
</table>

### Lease Purchase Agreement - Governmental Activities

<table>
<thead>
<tr>
<th>Year Ended September 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$262,589</td>
<td>$25,157</td>
<td>$287,746</td>
</tr>
<tr>
<td>2025</td>
<td>273,473</td>
<td>14,274</td>
<td>287,747</td>
</tr>
<tr>
<td>2026</td>
<td>47,899</td>
<td>2,893</td>
<td>50,792</td>
</tr>
<tr>
<td></td>
<td>$583,961</td>
<td>$42,324</td>
<td>$626,285</td>
</tr>
</tbody>
</table>
(6) Long-term liabilities (continued)

Summaries (continued)

The City intends to retire all of its general long-term liabilities, plus interest, from the collection of ad valorem taxes. Long-term liabilities including lease purchase agreements, other lease liabilities, compensated absences, net pension liabilities, and other postemployment benefit obligations attributable to governmental activities will be liquidated primarily by the general fund. Proprietary fund type long-term debt issued for electric, wastewater, and gas projects will be repaid, plus interest, from the operating revenues of their respective funds.

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These types of bonds have been issued by the City for both governmental activities as well as business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenue. General obligation bonds are direct obligations, for which the City has pledged the full faith and credit of the City. These bonds generally are issued as 20-year serial bonds with varying amounts of principal maturing each year. The City is required by bond covenants to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. In addition to the sinking fund, there are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. The City is in compliance with the significant limitations and restrictions as of September 30, 2023.

Arbitrage compliance

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate to the federal government excess arbitrage earnings from bond proceeds. As of September 30, 2023, the City did not have an arbitrage rebate liability.

Lease purchase agreements

The City has entered into multiple lease purchase agreements (direct borrowing) to purchase equipment for the police department, parks department, streets department, and stormwater utility. As these agreements transfer ownership of the underlying assets to the City at the end of the lease, they are reported as a financed purchases under GASB 87. The commitments for each lease are expected to be funded by the City’s general fund, park fund, and stormwater fund. The historical purchase price of the assets under the lease purchase agreements is approximately $1.04 million and entirely classified as machinery and equipment.

Conduit debt

The City has issued housing revenue bonds, Series 2018 to provide financial assistance to private-sector entities for the acquisition and construction of housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate principal amount payable as of September 30, 2023 could not be determined; however, the original issue amount totaled $17 million.
NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended September 30, 2023

(7) Leases

Lease liabilities (City as lessee)

For the fiscal year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments’ leasing activities. The statement establishes a single model for lease accounting based on the principal that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

On October 1, 2021, the City entered into a 33-month lease as lessee for the use of printers and copiers. An initial lease liability was recorded in the amount of $165,902. As of September 30, 2023, the value of the lease liability was $45,469. The City is required to make monthly fixed payments of $7,985. The lease has an interest rate of 0.3280%. The value of the right-to-use asset as of September 30, 2023 of $165,902 with accumulated amortization of $58,669 is included with leased machinery and equipment.

On October 1, 2021, the City entered into a 32-month lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of $27,414. As of September 30, 2023, the value of the lease liability was $1. The City is required to make annual fixed payments of $13,759. The lease has an interest rate of 0.3280%. The value of the right-to-use asset as of September 30, 2023 of $0 with accumulated amortization of $27,414 is included with leased machinery and equipment.

On March 14, 2022, the City entered into a 60-month lease as lessee for the use of office equipment. An initial lease liability was recorded in the amount of $17,814. As of September 30, 2023, the value of the lease liability was $11,629. The City is required to make quarterly fixed payments of $905. The lease has an interest rate of 0.6860%. The value of the right-to-use asset as of September 30, 2023 of $12,302 with accumulated amortization of $3,563 is included with leased machinery and equipment.

On June 1, 2023, the City entered into an additional 48-month lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of $85,514. As of September 30, 2023, the value of the lease liability was $64,135. The City is required to make annual fixed payments of $21,378. The lease has an interest rate of 0.0404%. The computer equipment estimated useful life was 48 months as of the contract commencement. The value of the right-to-use asset as of September 30, 2023 of $85,514 with accumulated amortization of $7,126 is included with leased machinery and equipment. The City has the option to purchase the computer equipment for $52.

Throughout the fiscal year, the City entered into nineteen (19) leases as lessee for the use of vehicles with lease terms ranging from 43 months to 48 months. The total lease liability recorded was $805,308, with individual amounts ranging from $25,405 to $53,130. As of September 30, 2023, the total value of the lease liabilities was $709,759. The City is required to make monthly fixed payments in amounts ranging from $519 to $1,289 per month. The leases have interest rates ranging from 0.4750% to 2.2750%. The total value of the right-to-use assets as of September 30, 2023 of $740,135 with total accumulated amortization of $102,709 is included with leased machinery and equipment on the lease class activities table found below. The leases contain a guaranteed residual value payment in amounts ranging from $841 to $13,570.
(7) Leases (continued)

Lease liabilities (City as lessee)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Governmental Activities</th>
<th>Lease</th>
<th>Accumulated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Asset Value</td>
<td>Amortization</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>$ 1,701,368</td>
<td>$ 573,131</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 1,701,368</td>
<td>$ 573,131</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Business-Type Activities</th>
<th>Lease</th>
<th>Accumulated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Asset Value</td>
<td>Amortization</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>$ 375,981</td>
<td>$ 101,784</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 375,981</td>
<td>$ 101,784</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ending September 30,</th>
<th>Governmental Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2024</td>
<td>$ 404,567</td>
<td>$ 15,981</td>
</tr>
<tr>
<td>2025</td>
<td>356,665</td>
<td>10,395</td>
</tr>
<tr>
<td>2026</td>
<td>216,848</td>
<td>5,027</td>
</tr>
<tr>
<td>2027</td>
<td>94,190</td>
<td>1,048</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,072,270</td>
<td>$ 32,451</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ending September 30,</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2024</td>
<td>$ 90,719</td>
<td>$ 5,066</td>
</tr>
<tr>
<td>2025</td>
<td>91,056</td>
<td>3,294</td>
</tr>
<tr>
<td>2026</td>
<td>70,347</td>
<td>1,514</td>
</tr>
<tr>
<td>2027</td>
<td>21,662</td>
<td>130</td>
</tr>
<tr>
<td>Total</td>
<td>$ 273,784</td>
<td>$ 10,004</td>
</tr>
</tbody>
</table>
Lease liabilities (City as lessee)

SBITAs

At September 30, 2023, the City was obligated under the right to use SBITAs for general administrative subscription agreements. These agreements included contracts for the City’s budget and financial software and various other IT software. Future minimum payments on the SBITA agreements are as follows:

<table>
<thead>
<tr>
<th>Year Ended September 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$161,302</td>
<td>$7,290</td>
<td>$168,592</td>
</tr>
<tr>
<td>2025</td>
<td>39,915</td>
<td>2,068</td>
<td>41,983</td>
</tr>
<tr>
<td>2026</td>
<td>23,290</td>
<td>766</td>
<td>24,056</td>
</tr>
<tr>
<td></td>
<td>$224,507</td>
<td>$10,124</td>
<td>$234,631</td>
</tr>
</tbody>
</table>

SBITAs - Governmental Activities

<table>
<thead>
<tr>
<th>Year Ended September 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$89,673</td>
<td>$4,235</td>
<td>$93,908</td>
</tr>
<tr>
<td>2025</td>
<td>27,078</td>
<td>1,339</td>
<td>28,417</td>
</tr>
<tr>
<td>2026</td>
<td>13,979</td>
<td>458</td>
<td>14,437</td>
</tr>
<tr>
<td></td>
<td>$130,730</td>
<td>$6,032</td>
<td>$136,762</td>
</tr>
</tbody>
</table>

SBITAs - Business-Type Activities

Lease liabilities (City as lessor)

On October 1, 2021, the City entered into a 57 month lease as lessor for the use of the batting cages at Northup Park. An initial lease receivable was recorded in the amount of $15,081. As of September 30, 2023, the value of the lease receivable was $9,182. The lessee is required to make annual fixed payments of $3,000. The lease has an interest rate of 0.6320%. The value of the deferred inflow of resources as of September 30, 2023 was $8,823, and the City recognized lease revenue of $2,923 during the fiscal year. The lessee has one extension option for 60 months as part of the lease agreement.

<table>
<thead>
<tr>
<th>Year Ending September 30,</th>
<th>Principal Receipts</th>
<th>Interest Receipts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$2,942</td>
<td>$58</td>
<td>$3,000</td>
</tr>
<tr>
<td>2025</td>
<td>2,961</td>
<td>39</td>
<td>3,000</td>
</tr>
<tr>
<td>2026</td>
<td>3,279</td>
<td>21</td>
<td>3,300</td>
</tr>
<tr>
<td>Total</td>
<td>$9,182</td>
<td>$118</td>
<td>$9,300</td>
</tr>
</tbody>
</table>
(8) Defined benefit pension plan

Plan description

The City of Boerne participates as one of the 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member’s benefit is calculated based on the sum of the member’s contributions, with interest, the City-financed monetary credits with interest, and the member’s age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member’s contributions and interest.

The plan provisions are adopted by the City Council within the options available in the state statutes governing TMRS. Members are eligible to retire at age sixty (60) and above with five (5) or more years of service with twenty (20) years of service regardless of age. A member is vested after five (5) years. The contribution rate for employees is 7%, and the City matching percent is currently 2 to 1.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active members</td>
<td>282</td>
</tr>
<tr>
<td>Inactive employees or beneficiaries currently receiving benefits</td>
<td>121</td>
</tr>
<tr>
<td>Inactive employees entitled to but not yet receiving benefits</td>
<td>135</td>
</tr>
<tr>
<td>Total</td>
<td>538</td>
</tr>
</tbody>
</table>
(8) Defined benefit pension plan

Contributions

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

Employees for the City of Boerne were required to contribute 7% of their annual compensation during the fiscal year. The City matches 2 to 1. The contribution rate for the City was 18.63% and 18.75% in calendars 2023 and 2022, respectively. The City’s contributions to TMRS for the year ended September 30, 2023 were $3,873,456. The City’s contributions were in excess of actuarially determined contributions by $69,197 for the year ended September 30, 2023.

Net pension liability

The City’s net pension liability (NPL) was measured as of December 31, 2022 and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

<table>
<thead>
<tr>
<th>Actuarial assumption</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation date</td>
<td>December 31st</td>
</tr>
<tr>
<td>Actuarial cost method</td>
<td>Entry age normal</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level percentage of payroll, closed</td>
</tr>
<tr>
<td>Remaining amortization period</td>
<td>21 years (longest amortization ladder)</td>
</tr>
<tr>
<td>Asset valuation method</td>
<td>10 year smoothed market, 12% soft corridor</td>
</tr>
<tr>
<td>Inflation</td>
<td>2.50%</td>
</tr>
<tr>
<td>Salary increases</td>
<td>3.50% to 11.50% including inflation</td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>6.75%</td>
</tr>
<tr>
<td>Retirement age</td>
<td>Experience-based table of rates that are specific to the City’s plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.</td>
</tr>
<tr>
<td>Mortality</td>
<td>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.</td>
</tr>
</tbody>
</table>
(8) Defined benefit pension plan (continued)

Actuarial assumptions (continued)

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the general employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate, for males and females respectively, is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for annuity purchase rates (APRs) is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate of Return (Arithmetic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>35.00%</td>
<td>7.70%</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>6.00%</td>
<td>4.90%</td>
</tr>
<tr>
<td>Non-Core Fixed Income</td>
<td>20.00%</td>
<td>8.70%</td>
</tr>
<tr>
<td>Other Public and Private Markets</td>
<td>12.00%</td>
<td>8.10%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>12.00%</td>
<td>5.80%</td>
</tr>
<tr>
<td>Hedge Funds</td>
<td>5.00%</td>
<td>6.90%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>10.00%</td>
<td>11.80%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td></td>
</tr>
</tbody>
</table>
(8) Defined benefit pension plan (continued)

Discount rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability

The schedule below presents the changes in the net pension liability (asset) as of December 31, 2022:

<table>
<thead>
<tr>
<th></th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Pension Liability (a)</td>
</tr>
<tr>
<td>Balance at 12/31/2021</td>
<td>$87,566,793</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>3,477,558</td>
</tr>
<tr>
<td>Interest</td>
<td>5,924,320</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>-</td>
</tr>
<tr>
<td>Difference between expected and actual experience</td>
<td>1,739,920</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - employee</td>
<td>-</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
</tr>
<tr>
<td>Benefit payments,</td>
<td>(3,075,738)</td>
</tr>
<tr>
<td>including refunds of employee contributions</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-</td>
</tr>
<tr>
<td>Other changes</td>
<td>-</td>
</tr>
<tr>
<td>Net changes</td>
<td>8,066,060</td>
</tr>
<tr>
<td>Balance at 12/31/2022</td>
<td>$95,632,853</td>
</tr>
</tbody>
</table>
(8) Defined benefit pension plan (continued)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1.0% lower (5.75%) or 1.0% higher (7.75%) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (5.75%)</th>
<th>Current Discount (6.75%)</th>
<th>1% Increase (7.75%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension liability</td>
<td>$38,671,753</td>
<td>$24,484,080</td>
<td>$12,898,546</td>
</tr>
</tbody>
</table>

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in a separately issued TMRS financial report. The report may be obtained on the internet at TRMS.com.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2023, the City recognized pension expense of $5,144,209.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between expected and actual experience</td>
<td>$2,348,932</td>
<td>$-</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>35,344</td>
<td>-</td>
</tr>
<tr>
<td>Net difference in projected and actual earnings on</td>
<td>4,896,098</td>
<td>-</td>
</tr>
<tr>
<td>Contributions made subsequent to the measurement date</td>
<td>2,936,256</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$10,216,630</td>
<td>$-</td>
</tr>
</tbody>
</table>

The $2,936,250 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year Ended September 30</th>
<th>Net Deferred Outflows/(Inflows)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$1,019,479</td>
</tr>
<tr>
<td>2025</td>
<td>1,803,658</td>
</tr>
<tr>
<td>2026</td>
<td>1,802,861</td>
</tr>
<tr>
<td>2027</td>
<td>2,543,596</td>
</tr>
<tr>
<td>2028</td>
<td>110,780</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$7,280,374</td>
</tr>
</tbody>
</table>
(9) Other postemployment benefits (OPEB) plans

Retiree Health Care Plan

Plan description

The City of Boerne makes available a single-employer group hospitalization and medical insurance for retirees who are:

- Active employees currently participating in the health insurance program for a minimum of one (1) year; and
- Eligible for retirement per the established criteria through the Texas Municipal Retirement System (age 60 with 5 or more years of service or any age with 20 or more years of service).

The coverage extends to the employee only and is optional to the employee who is retiring. The plan does not issue a separate set of financial statements.

Benefits provided

The City provides one of two benefit plans to its retirees: the Pre-65 Retiree Plan or the Medicare Advantage Program for retirees age 65 and over.

The Pre-65 Retiree Plan includes members from the City’s active employee pool plan. Retirees choose from and elect the same plans offered to active employees during open enrollment each year. The premiums for retirees are the same as for active employees which are established each year by the plan administrator. Participation in the Pre-65 Retiree plan is offered for five (5) years post-retirement or age sixty-five (65), whichever occurs first. Employees who retired before October 1, 2015 may participate in the Pre-65 Retiree plan for ten (10) years post-retirement or age sixty-five (65), whichever occurs first. The City provides a premium subsidy based on years of service for the retirees who are younger than 65. Subsidies are adjusted by the annual cost of living adjustment, which is determined by the City Council during the budget process. Should an employee continue to remain in employment with the City of Boerne until after the age of 65 and then retire, the employee may qualify for a post-65 subsidy payable over their lifetime based on years of service with the City. Employees retiring before the age of 65 are not eligible for the post-65 subsidy.

For retirees over the age of 65, the City offers a subsidy for supplement Medicare coverage, provided the retiree has 20 years of service or more at the City. The retiree must show proof of insurance beyond Part A and Part B, or Part D of Medicare. Post 65 retirees will be subsidized based on the years of service, and the subsidies are adjusted by the annual cost of living adjustment, which is determined by the City Council during the budget process.

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.
(9) Other postemployment benefits (OPEB) plans (continued)

Retiree Health Care Plan (continued)

Employees covered

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

<table>
<thead>
<tr>
<th>Employees covered</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Active members</td>
<td>252</td>
</tr>
<tr>
<td>Retirees and beneficiaries</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>270</td>
</tr>
</tbody>
</table>

Contributions

The City contributes to the retiree health insurance at an amount approved by City Council contained in the Personnel Policy. The retiree medical contribution rate as of January 2023 is as follows:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>City of Boerne Pre-65 Subsidy</th>
<th>City of Boerne Post-65 Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20 years</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>20 - 24 years</td>
<td>290.36</td>
<td>143.46</td>
</tr>
<tr>
<td>25 - 29 years</td>
<td>343.15</td>
<td>172.14</td>
</tr>
<tr>
<td>30 - 34 years</td>
<td>435.53</td>
<td>200.84</td>
</tr>
<tr>
<td>35 - 39 years</td>
<td>461.93</td>
<td>229.55</td>
</tr>
<tr>
<td>Over 40 years</td>
<td>494.92</td>
<td>258.22</td>
</tr>
</tbody>
</table>

City’s direct pre-65 subsidies shown above do not apply after the employee reaches the age of 65, while post-65 subsidies may be provided over the retiree’s lifetime. The City’s contributions to the retiree health plan for the year ended September 30, 2023 were $37,103 and were equal to the required contributions.

Total OPEB liability

The City’s total OPEB liability of $3,512,518 was measured as of December 31, 2022 and was determined by an actuarial valuation as of the same date.
NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended September 30, 2023

(9) Other postemployment benefits (OPEB) plans (continued)

Retiree Health Care Plan (continued)

Actuarial assumptions:

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- **Inflation**: 2.5%
- **Salary increases**: 3.50% to 11.5% including inflation
- **Discount rate**: 4.05% as of December 31, 2022
- **Demographic assumptions**: Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). For the OPEB valuation, the standard TMRS retirement rates were adjusted to reflect the impact of the City's retiree medical plan design.
- **Mortality**: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for the future mortality improvements.
- **Health care trend rates**: Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years.
- **Participation rates**: 95% for retirees age 65 or older with at least 20 years of City service; 100% for retirees between the ages of 50 and 64 with 30 years of City service; 85% for retirees between the ages of 50 and 64 with 25 to 29 years of City service; 75% for retirees between the ages of 50 and 64 with 20 to 24 years of City service; 20% for retirees under age 50 with less than 20 years of City service.

**Actuarial cost method**: Individual entry-age normal

The discount rate changed from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.
NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended September 30, 2023

(9) Other postemployment benefits (OPEB) plans (continued)

Retiree Health Care Plan (continued)

Changes in the total OPEB liability

Balance at 12/31/2021 $ 4,495,498
Changes for the year:
Service cost 327,932
Interest on total OPEB liability 85,157
Changes of benefit terms -
Difference between expected and actual experience (19,476)
Changes of assumptions (1,313,866)
Benefit payments (62,727)
Net changes (982,980)
Balance at 12/31/2022 $ 3,512,518

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City’s OPEB would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (3.05%)</th>
<th>Current Discount Rate (4.05%)</th>
<th>1% Increase (5.05%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEB liability</td>
<td>$ 4,034,253</td>
<td>$ 3,512,518</td>
<td>$ 3,082,542</td>
</tr>
</tbody>
</table>

Sensitivity of the total OPEB liability to the healthcare cost trend rate assumption

The following presents the total OPEB liability of the City, calculated using the assumed healthcare trend rates described above, as well as what the City’s total OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

<table>
<thead>
<tr>
<th>Current Healthcare Cost Trend Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease Assumption 1% Increase</td>
</tr>
<tr>
<td>OPEB liability</td>
</tr>
<tr>
<td>$ 2,953,192</td>
</tr>
</tbody>
</table>
(9) Other postemployment benefits (OPEB) plans (continued)

Retiree Health Care Plan (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of $264,909 related to retiree healthcare.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>Difference between expected and actual experience</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,309</td>
<td>$829,599</td>
<td></td>
</tr>
<tr>
<td>Changes in actuarial assumptions</td>
<td>747,788</td>
<td>1,278,118</td>
</tr>
<tr>
<td>Contributions made subsequent to the measurement date</td>
<td>62,811</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$816,908</strong></td>
<td><strong>$2,107,717</strong></td>
</tr>
</tbody>
</table>

The City reported $62,811 as deferred outflows of resources related to the OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<table>
<thead>
<tr>
<th>Year Ended September 30</th>
<th>Net Deferred Outflows/(Inflows)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$(148,180)</td>
</tr>
<tr>
<td>2025</td>
<td>$(148,180)</td>
</tr>
<tr>
<td>2026</td>
<td>$(148,180)</td>
</tr>
<tr>
<td>2027</td>
<td>$(148,180)</td>
</tr>
<tr>
<td>2028</td>
<td>$(171,116)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$(589,784)</td>
</tr>
<tr>
<td></td>
<td><strong>$ (1,353,620)</strong></td>
</tr>
</tbody>
</table>
(9) Other postemployment benefits (OPEB) plans (continued)

Supplemental death benefits fund (SDBF)

Plan description

The City participates in a single-employer defined benefit plan, which operates like a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The City has elected, by ordinance, to participate in this program and provide group-term life insurance coverage to both current and retired members. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefits provided

The death benefit for active employees providing a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired members are insured for $7,500; this coverage is an “other postemployment benefit” or OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one year delay between the actuarial valuation that serves as the basis for the City’s contribution rate and the calendar year when the rate goes into effect. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees’ entire careers.

The contribution rate for the City was 0.28% and 0.17% for calendar years 2023 and 2022, respectively. The City’s contributions to TMRS for the year ended September 30, 2023 were $57,176 and were equal to the required contributions.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement dates, the following employees were covered by the benefit terms:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active employees</td>
<td>282</td>
</tr>
<tr>
<td>Inactive employees currently receiving benefits</td>
<td>98</td>
</tr>
<tr>
<td>Inactive employees entitled to but not yet receiving benefits</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>419</strong></td>
</tr>
</tbody>
</table>
(9) Other postemployment benefits (OPEB) plans (continued)

Supplemental death benefits fund (SDBF) (continued)

Total OPEB liability

The City’s total OPEB liability of $635,057 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Inflation: 2.5%
- Salary increases: 3.50% to 11.5% including inflation
- Discount rate *: 4.05%
- Retirees' share of benefit-related costs: $0
- Administrative expenses: All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
- Mortality rates - service retirees: 2019 Municipal Retires of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
- Mortality rates - disabled retirees: 2019 Municipal Retires of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.
(9) Other postemployment benefits (OPEB) plans (continued)

Supplemental death benefits fund (SDBF) (continued)

Changes in the total OPEB liability

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2021</td>
<td>$890,254</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$55,820</td>
</tr>
<tr>
<td>Interest on the total OPEB liability</td>
<td>$16,774</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>-</td>
</tr>
<tr>
<td>Difference between expected and actual experience</td>
<td>$24,312</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>$(339,078)</td>
</tr>
<tr>
<td>Benefit payments*</td>
<td>$(13,025)</td>
</tr>
<tr>
<td>Net changes</td>
<td>$(255,197)</td>
</tr>
<tr>
<td>Balance at December 31, 2022</td>
<td>$635,057</td>
</tr>
</tbody>
</table>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City’s OPEB would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

<table>
<thead>
<tr>
<th>Discount Rate</th>
<th>Current OPEB Liability</th>
<th>1% Decrease (3.05%)</th>
<th>1% Increase (5.05%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.05% (Current)</td>
<td>$764,019</td>
<td>$635,057</td>
<td>$534,875</td>
</tr>
<tr>
<td>3.05% (1% Decrease)</td>
<td>$635,057</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.05% (1% Increase)</td>
<td>$534,875</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of $56,704 related to the SDBF.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between expected and actual experience</td>
<td>$2,550</td>
<td>$</td>
</tr>
<tr>
<td>Changes in actuarial assumptions</td>
<td>-</td>
<td>157,717</td>
</tr>
<tr>
<td>Contributions made subsequent to the measurement date</td>
<td>12,383</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$14,933</td>
<td>$157,717</td>
</tr>
</tbody>
</table>
(9) Other postemployment benefits (OPEB) plans (continued)

Supplemental death benefits fund (SDBF) (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB (continued):

The City reported $12,383 as deferred outflows of resources related to the OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<table>
<thead>
<tr>
<th>Year Ended September 30,</th>
<th>Net Deferred Outflows/(Inflows)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024 $</td>
<td>(15,890)</td>
</tr>
<tr>
<td>2025 (18,417)</td>
<td></td>
</tr>
<tr>
<td>2026 (18,334)</td>
<td></td>
</tr>
<tr>
<td>2027 (23,071)</td>
<td></td>
</tr>
<tr>
<td>2028 (37,554)</td>
<td></td>
</tr>
<tr>
<td>Thereafter (41,901)</td>
<td></td>
</tr>
<tr>
<td>Total $ (155,167)</td>
<td></td>
</tr>
</tbody>
</table>

Summary of OPEB plans

Total OPEB liabilities

Total OPEB liabilities are reported in the accompanying statements of net position as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total OPEB Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree Healthcare Plan</td>
<td>$ 3,512,518</td>
</tr>
<tr>
<td>Supplemental Death Benefits Fund (SDBF) Plan</td>
<td>635,057</td>
</tr>
<tr>
<td>Total</td>
<td>$ 4,147,575</td>
</tr>
</tbody>
</table>
(9) Other postemployment benefits (OPEB) plans (continued)

Summary of OPEB plans (continued)

OPEB expense and deferred outflows and inflows of resources related to OPEB

OPEB expenses are reported in the accompanying financial statements as follows:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Net OPEB Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree Healthcare Plan</td>
<td>$ 264,909</td>
</tr>
<tr>
<td>Supplemental Death Benefits Fund (SDBF) Plan</td>
<td>56,704</td>
</tr>
<tr>
<td>Total</td>
<td>$ 321,613</td>
</tr>
</tbody>
</table>

Deferred outflows of resources are reported in the accompanying statements of net position as follows:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Difference Between Expected and Actual Experience</th>
<th>Contributions Made Subsequent to the Measurement Date</th>
<th>Total OPEB Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree Healthcare Plan</td>
<td>$ 6,309</td>
<td>$ 62,811</td>
<td>$ 816,908</td>
</tr>
<tr>
<td>Supplemental Death Benefits Fund (SDBF) Plan</td>
<td>$ 2,550</td>
<td>12,383</td>
<td>14,933</td>
</tr>
<tr>
<td>Total</td>
<td>$ 8,859</td>
<td>75,194</td>
<td>831,841</td>
</tr>
</tbody>
</table>

Deferred inflows of resources are reported in the accompanying statements of net position as follows:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Difference Between Expected and Actual Experience</th>
<th>Changes in Assumptions</th>
<th>Total OPEB Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree Healthcare Plan</td>
<td>$ 829,599</td>
<td>$ 1,278,118</td>
<td>$ 2,107,717</td>
</tr>
<tr>
<td>Supplemental Death Benefits Fund (SDBF) Plan</td>
<td>-</td>
<td>157,717</td>
<td>157,717</td>
</tr>
<tr>
<td>Total</td>
<td>$ 829,599</td>
<td>$ 1,435,835</td>
<td>$ 2,265,434</td>
</tr>
</tbody>
</table>
(10) Fund balance classifications

Fund balances at September 30, 2023, for the governmental funds were categorized as nonspendable, restricted, committed, assigned, or unassigned for the following purposes:

<table>
<thead>
<tr>
<th>Fund</th>
<th>General Fund</th>
<th>Park Fund</th>
<th>Capital Projects Fund</th>
<th>2023 Bond Construction Fund</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>775,186</td>
</tr>
<tr>
<td>Prepaid</td>
<td>322,790</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>322,790</td>
</tr>
<tr>
<td>Total nonspendable</td>
<td>322,790</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,097,976</td>
</tr>
<tr>
<td>Restricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td></td>
<td></td>
<td></td>
<td>17,892,748</td>
<td></td>
<td>17,892,748</td>
</tr>
<tr>
<td>Cemetery</td>
<td></td>
<td></td>
<td></td>
<td>1,255,246</td>
<td></td>
<td>1,255,246</td>
</tr>
<tr>
<td>Court security</td>
<td>88,219</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>88,219</td>
</tr>
<tr>
<td>Court technology</td>
<td>16,021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16,021</td>
</tr>
<tr>
<td>Debt service</td>
<td></td>
<td></td>
<td></td>
<td>948,591</td>
<td></td>
<td>948,591</td>
</tr>
<tr>
<td>Grants</td>
<td>15,351</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15,351</td>
</tr>
<tr>
<td>Opioid abatement funds</td>
<td>14,307</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,307</td>
</tr>
<tr>
<td>Hotel/motel - tourism promotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Law enforcement seized funds</td>
<td>122,471</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>122,471</td>
</tr>
<tr>
<td>PEG fees</td>
<td>49,537</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>49,537</td>
</tr>
<tr>
<td>Tree mitigation</td>
<td></td>
<td>2,790,670</td>
<td></td>
<td></td>
<td></td>
<td>2,790,670</td>
</tr>
<tr>
<td>Parkland dedication</td>
<td></td>
<td>549,360</td>
<td></td>
<td></td>
<td></td>
<td>549,360</td>
</tr>
<tr>
<td>Parkland improvement</td>
<td></td>
<td>214,000</td>
<td></td>
<td></td>
<td></td>
<td>214,000</td>
</tr>
<tr>
<td>Public Facility Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total restricted</td>
<td>305,906</td>
<td>3,554,030</td>
<td></td>
<td>17,892,748</td>
<td>3,309,321</td>
<td>25,062,005</td>
</tr>
<tr>
<td>Assigned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects: beautifications</td>
<td></td>
<td></td>
<td>442,491</td>
<td></td>
<td></td>
<td>442,491</td>
</tr>
<tr>
<td>Capital projects: parks</td>
<td></td>
<td></td>
<td>3,656,760</td>
<td></td>
<td></td>
<td>3,656,760</td>
</tr>
<tr>
<td>Capital projects: sidewalks</td>
<td></td>
<td></td>
<td>880,035</td>
<td></td>
<td></td>
<td>880,035</td>
</tr>
<tr>
<td>Capital projects: streets</td>
<td></td>
<td></td>
<td>5,552,273</td>
<td></td>
<td></td>
<td>5,552,273</td>
</tr>
<tr>
<td>Capital projects: facilities</td>
<td></td>
<td></td>
<td>5,925,022</td>
<td></td>
<td></td>
<td>5,925,022</td>
</tr>
<tr>
<td>Economic development</td>
<td></td>
<td></td>
<td></td>
<td>2,028,507</td>
<td></td>
<td>2,028,507</td>
</tr>
<tr>
<td>Equipment replacement</td>
<td>1,711,321</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,711,321</td>
</tr>
<tr>
<td>Dispatch interlocal funds</td>
<td>703,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>703,800</td>
</tr>
<tr>
<td>Donations</td>
<td>159,143</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>159,143</td>
</tr>
<tr>
<td>Library</td>
<td></td>
<td></td>
<td></td>
<td>397,556</td>
<td></td>
<td>397,556</td>
</tr>
<tr>
<td>Operating reserve</td>
<td>12,616,478</td>
<td>933,193</td>
<td></td>
<td>661,289</td>
<td>14,210,960</td>
<td></td>
</tr>
<tr>
<td>Parks</td>
<td></td>
<td>1,174,823</td>
<td></td>
<td></td>
<td></td>
<td>1,174,823</td>
</tr>
<tr>
<td>Total assigned</td>
<td>15,190,742</td>
<td>2,108,016</td>
<td>16,456,581</td>
<td></td>
<td>3,087,352</td>
<td>36,842,691</td>
</tr>
<tr>
<td>Total fund balances</td>
<td>$15,819,438</td>
<td>$5,662,046</td>
<td>$16,456,581</td>
<td>$17,892,748</td>
<td>$7,171,859</td>
<td>$63,002,672</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended September 30, 2023

(11) Net investment in capital assets

The government-wide statement of net position reports net investment in capital assets as follows:

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capital assets, net</td>
<td>$83,786,711</td>
<td>$95,788,115</td>
<td>$179,574,826</td>
</tr>
<tr>
<td>Less related debt:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General obligation bonds</td>
<td>(47,040,000)</td>
<td>(28,895,000)</td>
<td>(75,935,000)</td>
</tr>
<tr>
<td>Bond premium</td>
<td>(3,526,257)</td>
<td>(2,594,444)</td>
<td>(6,120,701)</td>
</tr>
<tr>
<td>Lease purchase agreements</td>
<td>(583,961)</td>
<td>-</td>
<td>(583,961)</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>(1,072,270)</td>
<td>(273,784)</td>
<td>(1,346,054)</td>
</tr>
<tr>
<td>SBITA liabilities</td>
<td>(224,507)</td>
<td>(130,730)</td>
<td>(355,237)</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unspent bond proceeds</td>
<td>17,892,748</td>
<td>-</td>
<td>17,892,748</td>
</tr>
<tr>
<td>Deferred charge on refunding</td>
<td>325,202</td>
<td>984,628</td>
<td>1,309,830</td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$49,557,666</td>
<td>$64,878,785</td>
<td>$114,436,451</td>
</tr>
</tbody>
</table>

(12) Tax abatements and economic incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes, sales tax, and hotel taxes, or include incentive payments and reductions in fees that are not tied to taxes. The City’s economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has two categories of economic development agreements:

- **Tax abatements** – Tax abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer’s property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were $0 in fiscal year 2023.

- **General economic development** – The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes, hotel taxes or sales tax received by the City, may result in fee reductions such as utility charges or building inspection fees, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. For fiscal year 2023, the City rebated $473,727 in taxes and other economic incentives.
(13) Risk management and contingent liabilities

Risk management

The City is exposed to various risks of loss relating to general liability, theft of, damage to, or destruction of City assets, errors and omissions, natural disasters, and personal risks which relate to workers’ compensation. The City participates in the Texas Municipal League (TML) Intergovernmental Risk Pool to provide for its worker’s compensation, general and auto liability, and property insurance coverage. These multi-employer accounts provide for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability for the City is generally limited to the contributed amounts. There have been no significant reductions in insurance coverage for these risks of loss since the prior year and there have been no settlements in excess of the insurance coverage for any of the past three fiscal years.

Contingent liabilities

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the City, but which will only be resolved when one or more future events occur or fail to occur. The City’s management and its legal counsel assess such contingent liabilities and such assessment inherently involves an exercise in judgment in assessing loss contingencies related to legal proceedings that are pending against the City or unasserted claims that may result in such proceedings, the City’s legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

In the assessment of a contingency indicates it is probable that a material loss has incurred, and the amount of the liability can be estimated, then the estimated liability would be accrued in the City’s financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if the determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Management has performed such assessment and consulted with its legal counsel as of the date of this report and is not aware of any contingencies requiring accrual or further disclosure.

(14) Ranches at Creekside Public Improvement District

On November 9, 2021, the City of Boerne approved Resolution No. 2021-R75, authorizing the creation of the Ranches at Creekside Public Improvement District (PID). The Ranches at Creekside PID consists of approximately 195.79 acres located within the City limits. This district was created in accordance with Chapter 372.003 or the Texas Local Government Code, as amended.

(15) Subsequent events

Subsequent events have been evaluated through the date of the auditor’s report, March 26, 2024, which is the date the financial statements were available to be issued.
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary information

The annual operating budgets for the general fund and all other governmental funds are legally adopted each September to be effective October 1 for the ensuing fiscal year. Budgeted expenditures are adopted through the passage of an ordinance. This ordinance constitutes the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments of the budget by the City Council.

The appropriated budget is prepared by fund, function, and department. Following approval of the budget by the Mayor and City Council, the City Manager and budget official may make transfers of appropriations within a department. Transfers of appropriations between departments or an increase in the budget requires the approval of the City Council. For the general fund, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is considered to be the department level. For all other funds the legal level of budgetary control is considered to be the fund level.

For the fiscal year ended September 30, 2023, budgets were legally adopted for all City funds except the following:

Special Revenue Fund

Boerne Public Facility Corporation

The City prepares its annual budget on a basis which differs from generally accepted accounting principles (GAAP), known as budget basis. The budgetary comparison schedule – general fund is presented in accordance with the City’s method (budget basis) in order to provide a meaningful comparison of actual results with the budget. The budgetary basis of accounting differs from GAAP basis in that expenditures for leases and financed purchases are recorded as capital expenditures for the individual departments rather than debt service expenditures. At fiscal year end, operating budget appropriations lapse; however, appropriations for incomplete capital improvements, equipment purchases, and contractual obligations can be carried over to the following fiscal year.
### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

**For the year ended September 30, 2023**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budgeted Amounts</th>
<th>Actual Amounts on GAAP Basis</th>
<th>Adjustments Budgetary Basis</th>
<th>Actual Amounts Budgetary Basis</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes (including interest and penalties)</td>
<td>$ 7,202,386</td>
<td>$ 7,297,021</td>
<td>$ 7,487,422</td>
<td>$ -</td>
<td>$ 7,487,422</td>
</tr>
<tr>
<td>Sales tax</td>
<td>10,348,111</td>
<td>10,348,111</td>
<td>11,531,095</td>
<td>-</td>
<td>11,531,095</td>
</tr>
<tr>
<td>Franchise fees</td>
<td>2,799,533</td>
<td>2,799,533</td>
<td>3,311,807</td>
<td>-</td>
<td>3,311,807</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>1,269,000</td>
<td>1,269,000</td>
<td>1,773,034</td>
<td>-</td>
<td>1,773,034</td>
</tr>
<tr>
<td>Fines</td>
<td>244,400</td>
<td>244,400</td>
<td>243,158</td>
<td>-</td>
<td>243,158</td>
</tr>
<tr>
<td>Grants</td>
<td>8,000</td>
<td>8,000</td>
<td>16,555</td>
<td>-</td>
<td>16,555</td>
</tr>
<tr>
<td>Contributions and donations</td>
<td>3,504,096</td>
<td>3,504,096</td>
<td>3,548,979</td>
<td>-</td>
<td>3,548,979</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,539,470</td>
<td>2,539,470</td>
<td>3,150,934</td>
<td>-</td>
<td>3,150,934</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>130,000</td>
<td>130,000</td>
<td>1,416,395</td>
<td>-</td>
<td>1,416,395</td>
</tr>
<tr>
<td>Total revenues</td>
<td>28,044,996</td>
<td>28,139,631</td>
<td>32,479,376</td>
<td>-</td>
<td>32,479,376</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>2,319,975</td>
<td>2,363,001</td>
<td>1,718,097</td>
<td>-</td>
<td>1,718,097</td>
</tr>
<tr>
<td>Planning</td>
<td>1,272,334</td>
<td>1,275,872</td>
<td>1,191,649</td>
<td>-</td>
<td>1,191,649</td>
</tr>
<tr>
<td>Information technology</td>
<td>2,376,538</td>
<td>2,411,138</td>
<td>1,931,041</td>
<td>-</td>
<td>1,931,041</td>
</tr>
<tr>
<td>Human resources</td>
<td>494,883</td>
<td>494,863</td>
<td>493,461</td>
<td>-</td>
<td>493,461</td>
</tr>
<tr>
<td>Legal</td>
<td>325,000</td>
<td>325,000</td>
<td>324,273</td>
<td>-</td>
<td>324,273</td>
</tr>
<tr>
<td>Communications</td>
<td>346,921</td>
<td>346,921</td>
<td>312,977</td>
<td>-</td>
<td>312,977</td>
</tr>
<tr>
<td>Facility maintenance</td>
<td>1,119,982</td>
<td>1,129,262</td>
<td>1,189,992</td>
<td>-</td>
<td>1,189,992</td>
</tr>
<tr>
<td>Fleet</td>
<td>1,475,573</td>
<td>1,475,573</td>
<td>1,251,223</td>
<td>-</td>
<td>1,251,223</td>
</tr>
<tr>
<td>Public Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal court</td>
<td>376,507</td>
<td>376,507</td>
<td>341,586</td>
<td>-</td>
<td>341,586</td>
</tr>
<tr>
<td>Animal control</td>
<td>428,984</td>
<td>428,984</td>
<td>411,275</td>
<td>-</td>
<td>411,275</td>
</tr>
<tr>
<td>Fire department</td>
<td>3,589,770</td>
<td>3,580,170</td>
<td>3,351,730</td>
<td>-</td>
<td>3,351,730</td>
</tr>
<tr>
<td>Dispatch</td>
<td>1,513,638</td>
<td>1,513,638</td>
<td>1,486,130</td>
<td>-</td>
<td>1,486,130</td>
</tr>
<tr>
<td>Code enforcement</td>
<td>617,752</td>
<td>617,752</td>
<td>533,018</td>
<td>-</td>
<td>533,018</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>1,952,755</td>
<td>1,969,196</td>
<td>1,438,721</td>
<td>-</td>
<td>1,438,721</td>
</tr>
<tr>
<td>Streets</td>
<td>1,119,982</td>
<td>1,129,262</td>
<td>1,189,992</td>
<td>-</td>
<td>1,189,992</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,659,855</td>
<td>1,663,255</td>
<td>1,378,122</td>
<td>-</td>
<td>1,378,122</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
<td>-</td>
<td>694,275</td>
<td>(694,275)</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>40,188</td>
<td>(40,188)</td>
<td>-</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>683,330</td>
<td>777,965</td>
<td>1,585,567</td>
<td>(333,127)</td>
<td>1,252,440</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>27,544,833</td>
<td>27,739,153</td>
<td>26,488,539</td>
<td>(1,067,590)</td>
<td>25,420,949</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>500,163</td>
<td>400,478</td>
<td>5,990,837</td>
<td>1,067,590</td>
<td>7,058,427</td>
</tr>
<tr>
<td>Other financing sources (uses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>180,000</td>
<td>180,000</td>
<td>260,963</td>
<td>-</td>
<td>260,963</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(989,464)</td>
<td>(989,464)</td>
<td>(7,253,928)</td>
<td>-</td>
<td>(7,253,928)</td>
</tr>
<tr>
<td>Lease/subscription proceeds</td>
<td>-</td>
<td>-</td>
<td>1,067,590</td>
<td>(1,067,590)</td>
<td>-</td>
</tr>
<tr>
<td>Sale of capital assets</td>
<td>5,000</td>
<td>5,000</td>
<td>1,919,658</td>
<td>-</td>
<td>1,919,658</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(804,464)</td>
<td>(804,464)</td>
<td>(4,005,717)</td>
<td>(1,067,590)</td>
<td>(5,073,307)</td>
</tr>
<tr>
<td>Change in fund balance</td>
<td>$ (304,301)</td>
<td>$ (403,986)</td>
<td>1,985,120</td>
<td>-</td>
<td>1,985,120</td>
</tr>
</tbody>
</table>

**Fund balance at October 1, 2022**  
13,834,318

**Fund balance at September 30, 2023**  
$ 15,819,438

---

Note 1 – Basis of budgeting – annual budgets are adopted on a basis consistent with generally accepted accounting principles and therefore no reconciliation between the basis of budgeting and generally accepted principles is required.
### CITY OF BOERNE, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION**

**PARK SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –**

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$2,532,590</td>
<td>$2,532,590</td>
<td>$2,540,452</td>
<td>$7,862</td>
</tr>
<tr>
<td>Charges for services</td>
<td>808,133</td>
<td>808,133</td>
<td>4,381,716</td>
<td>3,573,583</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>1,710</td>
<td>1,710</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contributions and donations</td>
<td>2,500</td>
<td>2,500</td>
<td>250</td>
<td>(2,250)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>2,000</td>
<td>2,000</td>
<td>170,623</td>
<td>168,623</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$3,345,223</td>
<td>$3,345,223</td>
<td>$7,094,751</td>
<td>$3,749,528</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>3,302,063</td>
<td>3,318,520</td>
<td>2,892,694</td>
<td>425,826</td>
</tr>
<tr>
<td>Debt service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal retirement</td>
<td>-</td>
<td>-</td>
<td>60,715</td>
<td>(60,715)</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>2,039</td>
<td>(2,039)</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>98,160</td>
<td>98,160</td>
<td>144,383</td>
<td>(46,223)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$3,400,223</td>
<td>$3,416,680</td>
<td>$3,099,831</td>
<td>$316,849</td>
</tr>
</tbody>
</table>

|                             | (55,000)                  | (71,457)               | 3,994,920      | 4,066,377                 |

|                             |                           |                        |                |                           |
| **Excess (deficiency) of revenues over** | |                        |                |                           |
| **(under)** expenditures    |                           |                        |                |                           |

|                             | 1,355,000                 | 1,355,000              | 218,804        | (1,136,196)               |
| Transfers out               | (1,300,000)               | (1,300,000)            | (1,300,000)    | -                         |
| Sale of capital assets      | -                         | -                      | 22,988         | 22,988                    |
| Capital lease               | -                         | -                      | 33,004         | 33,004                    |
| **Total other financing sources (uses)** | 55,000                   | 55,000                 | (1,025,204)    | (1,080,204)               |

| Net change in fund balances | -                         | (16,457)               | 2,969,716      | 2,986,173                 |

| Fund balances - ending      | $2,692,330                | $2,675,873             | $5,662,046     | $2,986,173                |
CITY OF BOERNE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS) RELATED RATIOS

For the measurement year ended December 31,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$ 3,477,558</td>
<td>$ 3,380,510</td>
<td>$ 3,315,810</td>
<td>$ 2,960,271</td>
</tr>
<tr>
<td>Interest</td>
<td>5,924,320</td>
<td>5,484,646</td>
<td>5,106,836</td>
<td>4,699,549</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>1,739,920</td>
<td>814,706</td>
<td>370,684</td>
<td>430,109</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(3,075,738)</td>
<td>(3,353,661)</td>
<td>(3,103,330)</td>
<td>(1,577,773)</td>
</tr>
<tr>
<td>Net change in total pension liability</td>
<td>8,066,060</td>
<td>6,326,201</td>
<td>5,690,000</td>
<td>6,618,896</td>
</tr>
<tr>
<td>Total pension liability - beginning</td>
<td>87,566,793</td>
<td>81,240,592</td>
<td>75,550,592</td>
<td>68,931,696</td>
</tr>
<tr>
<td>Total pension liability - ending (a)</td>
<td>95,632,853</td>
<td>87,566,793</td>
<td>81,240,592</td>
<td>75,550,592</td>
</tr>
<tr>
<td>Plan fiduciary net position</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>3,515,923</td>
<td>3,348,502</td>
<td>3,333,512</td>
<td>3,014,703</td>
</tr>
<tr>
<td>Contributions - employee</td>
<td>1,302,456</td>
<td>1,244,796</td>
<td>1,239,224</td>
<td>1,120,708</td>
</tr>
<tr>
<td>Net investment income</td>
<td>(5,478,943)</td>
<td>8,513,741</td>
<td>4,504,442</td>
<td>7,605,508</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(3,075,738)</td>
<td>(3,353,661)</td>
<td>(3,103,330)</td>
<td>(1,577,773)</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>(47,297)</td>
<td>(39,305)</td>
<td>(29,086)</td>
<td>(42,890)</td>
</tr>
<tr>
<td>Other</td>
<td>56,439</td>
<td>267</td>
<td>(1,133)</td>
<td>(1,288)</td>
</tr>
<tr>
<td>Net change in plan fiduciary net position</td>
<td>(3,727,160)</td>
<td>9,714,340</td>
<td>5,943,629</td>
<td>10,118,968</td>
</tr>
<tr>
<td>Plan fiduciary net position - beginning</td>
<td>74,875,933</td>
<td>65,161,593</td>
<td>59,217,964</td>
<td>49,098,996</td>
</tr>
<tr>
<td>Plan fiduciary net position - ending (b)</td>
<td>71,148,773</td>
<td>74,875,933</td>
<td>65,161,593</td>
<td>59,217,964</td>
</tr>
<tr>
<td>City's net position liability - ending (a) - (b)</td>
<td>$24,484,080</td>
<td>$12,690,860</td>
<td>$16,078,999</td>
<td>$16,332,628</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>74.40%</td>
<td>85.51%</td>
<td>80.21%</td>
<td>78.38%</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>$18,606,514</td>
<td>$17,782,797</td>
<td>$17,703,205</td>
<td>$16,010,120</td>
</tr>
<tr>
<td>City's net pension liability as a percentage of covered payroll</td>
<td>131.59%</td>
<td>71.37%</td>
<td>90.83%</td>
<td>102.01%</td>
</tr>
</tbody>
</table>

(continued)
<table>
<thead>
<tr>
<th>Plan Year Ended</th>
<th>Plan Year Ended</th>
<th>Plan Year Ended</th>
<th>Plan Year Ended</th>
<th>Plan Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 2,777,732</td>
<td>$ 2,642,850</td>
<td>$ 2,493,905</td>
<td>$ 2,224,334</td>
<td>$ 1,919,644</td>
</tr>
<tr>
<td>4,311,426</td>
<td>3,906,133</td>
<td>3,539,542</td>
<td>3,351,716</td>
<td>3,064,431</td>
</tr>
<tr>
<td>141,667</td>
<td>982,925</td>
<td>761,562</td>
<td>30,940</td>
<td>157,833</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>39,494</td>
<td>-</td>
</tr>
<tr>
<td>(1,566,488)</td>
<td>(1,623,523)</td>
<td>(1,253,485)</td>
<td>(1,197,037)</td>
<td>(1,183,335)</td>
</tr>
<tr>
<td>5,664,337</td>
<td>5,908,385</td>
<td>5,541,524</td>
<td>4,449,447</td>
<td>3,958,573</td>
</tr>
<tr>
<td>63,267,359</td>
<td>57,358,974</td>
<td>51,817,450</td>
<td>47,368,003</td>
<td>43,409,430</td>
</tr>
<tr>
<td>68,931,696</td>
<td>63,267,359</td>
<td>57,358,974</td>
<td>51,817,450</td>
<td>47,368,003</td>
</tr>
<tr>
<td>2,836,449</td>
<td>2,664,248</td>
<td>2,511,382</td>
<td>2,344,680</td>
<td>2,120,885</td>
</tr>
<tr>
<td>1,053,882</td>
<td>998,378</td>
<td>941,096</td>
<td>878,191</td>
<td>794,715</td>
</tr>
<tr>
<td>(1,447,467)</td>
<td>5,633,932</td>
<td>2,435,208</td>
<td>50,123</td>
<td>1,745,475</td>
</tr>
<tr>
<td>(1,566,488)</td>
<td>(1,623,523)</td>
<td>(1,253,485)</td>
<td>(1,197,037)</td>
<td>(1,183,335)</td>
</tr>
<tr>
<td>(27,934)</td>
<td>(29,169)</td>
<td>(27,480)</td>
<td>(30,522)</td>
<td>(18,218)</td>
</tr>
<tr>
<td>(1,459)</td>
<td>(1,478)</td>
<td>(1,481)</td>
<td>(1,508)</td>
<td>(1,498)</td>
</tr>
<tr>
<td>846,983</td>
<td>7,642,388</td>
<td>4,605,240</td>
<td>2,043,927</td>
<td>3,458,024</td>
</tr>
<tr>
<td>48,252,013</td>
<td>40,609,625</td>
<td>36,004,385</td>
<td>33,960,457</td>
<td>30,502,433</td>
</tr>
<tr>
<td>49,098,996</td>
<td>48,252,013</td>
<td>40,609,625</td>
<td>36,004,384</td>
<td>33,960,457</td>
</tr>
<tr>
<td>$ 19,832,700</td>
<td>$ 15,015,346</td>
<td>$ 16,749,349</td>
<td>$ 15,813,066</td>
<td>$ 13,407,546</td>
</tr>
</tbody>
</table>

71.23% 76.27% 70.80% 69.48% 71.69%

| $ 15,055,458 | $ 14,262,545 | $ 13,444,231 | $ 12,545,593 | $ 11,353,077 |

131.73% 105.28% 124.58% 126.04% 118.10%

GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the ninth year of implementation of GASB 68. The City will develop the schedule prospectively.
CITY OF BOERNE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actuarially Determined Contribution</th>
<th>Contributions in Relation to the Actuarially Determined Contribution</th>
<th>Contribution Deficiency (Excess)</th>
<th>Employer's Covered Payroll</th>
<th>Contributions as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14¹</td>
<td>$2,127,796</td>
<td>$2,143,585</td>
<td>$(15,789)</td>
<td>$11,399,302</td>
<td>18.80%</td>
</tr>
<tr>
<td>2014-15</td>
<td>2,167,467</td>
<td>2,234,020</td>
<td>(66,553)</td>
<td>11,857,858</td>
<td>18.84%</td>
</tr>
<tr>
<td>2015-16</td>
<td>2,437,285</td>
<td>2,567,437</td>
<td>(130,152)</td>
<td>13,627,933</td>
<td>18.84%</td>
</tr>
<tr>
<td>2016-17</td>
<td>2,578,789</td>
<td>2,648,351</td>
<td>(69,562)</td>
<td>14,177,471</td>
<td>18.68%</td>
</tr>
<tr>
<td>2017-18</td>
<td>2,699,031</td>
<td>2,775,625</td>
<td>(76,594)</td>
<td>14,763,224</td>
<td>18.80%</td>
</tr>
<tr>
<td>2018-19</td>
<td>2,901,379</td>
<td>2,981,710</td>
<td>(80,331)</td>
<td>15,834,730</td>
<td>18.83%</td>
</tr>
<tr>
<td>2019-20</td>
<td>3,156,066</td>
<td>3,196,136</td>
<td>(40,070)</td>
<td>16,973,634</td>
<td>18.83%</td>
</tr>
<tr>
<td>2020-21</td>
<td>3,247,207</td>
<td>3,280,254</td>
<td>(33,047)</td>
<td>17,420,358</td>
<td>18.83%</td>
</tr>
<tr>
<td>2021-22</td>
<td>3,421,284</td>
<td>3,434,505</td>
<td>(13,221)</td>
<td>18,239,540</td>
<td>18.83%</td>
</tr>
<tr>
<td>2022-23</td>
<td>3,804,259</td>
<td>3,873,456</td>
<td>(69,197)</td>
<td>20,420,072</td>
<td>18.97%</td>
</tr>
</tbody>
</table>

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

Notes to Schedule:
Actuarially determined contributions are determined as of December 31 and become effective in January 13 months later.

Methods and Assumptions used to Determine Contribution Rates:
- Actuarial cost method: Entry age normal
- Amortization method: Level percentage of payroll, closed
- Remaining amortization period: 23 years (longest amortization ladder)
- Asset valuation method: 10 year smoothed market; 12.0% soft corridor
- Inflation: 2.50%
- Salary increases: 3.50% to 11.50% including inflation
- Investment rate of return: 6.75%
- Retirement age: Experience-based table of rates that are specific to the City’s plan of benefits. Last updated for the 2019 valuation pursuant to experience study of the period 2014-2018.
- Mortality: Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the public safety table used for males and the general employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other information:
There were no benefit changes during the year.
## CITY OF BOERNE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS) RELATED RATIOS - SDBF

For the year ended September 30,

<table>
<thead>
<tr>
<th></th>
<th>Plan Year Ended</th>
<th>Plan Year Ended</th>
<th>Plan Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2022</td>
<td>December 31, 2021</td>
<td>December 31, 2020</td>
</tr>
<tr>
<td>Total OPEB liability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$55,820</td>
<td>$51,570</td>
<td>$44,258</td>
</tr>
<tr>
<td>Interest</td>
<td>16,774</td>
<td>16,550</td>
<td>18,309</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>24,312</td>
<td>(2,574)</td>
<td>(8,596)</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>(339,078)</td>
<td>28,304</td>
<td>111,223</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(13,025)</td>
<td>(10,670)</td>
<td>(3,542)</td>
</tr>
<tr>
<td>Net change in total OPEB liability</td>
<td>(255,197)</td>
<td>83,180</td>
<td>161,652</td>
</tr>
<tr>
<td>Total OPEB liability - beginning</td>
<td>890,254</td>
<td>807,074</td>
<td>645,422</td>
</tr>
<tr>
<td>Total OPEB liability - ending</td>
<td>$635,057</td>
<td>$890,254</td>
<td>$807,074</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>$18,606,514</td>
<td>$17,782,797</td>
<td>$17,703,205</td>
</tr>
<tr>
<td>City's OPEB liability as a percentage of covered payroll</td>
<td>3.41%</td>
<td>5.01%</td>
<td>4.56%</td>
</tr>
</tbody>
</table>

Notes to Schedule:

Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the sixth year of implementation of GASB 75. The City will develop the schedule prospectively.

No assets are accumulated in a trust to pay related benefits for the OPEB plan.
<table>
<thead>
<tr>
<th>Plan Year Ended</th>
<th>Plan Year Ended</th>
<th>Plan Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2019</td>
<td>December 31, 2018</td>
<td>December 31, 2017</td>
</tr>
<tr>
<td>$28,819</td>
<td>$31,616</td>
<td>$25,673</td>
</tr>
<tr>
<td>$19,142</td>
<td>$17,368</td>
<td>$16,632</td>
</tr>
<tr>
<td>$(14,007)</td>
<td>$(14,643)</td>
<td>$-</td>
</tr>
<tr>
<td>$111,515</td>
<td>$(38,583)</td>
<td>$42,353</td>
</tr>
<tr>
<td>$(3,202)</td>
<td>$(3,011)</td>
<td>$(2,853)</td>
</tr>
<tr>
<td>$142,267</td>
<td>$(7,253)</td>
<td>$81,805</td>
</tr>
<tr>
<td>$503,155</td>
<td>$510,408</td>
<td>$428,603</td>
</tr>
<tr>
<td>$645,422</td>
<td>$503,155</td>
<td>$510,408</td>
</tr>
<tr>
<td>$16,010,120</td>
<td>$15,055,458</td>
<td>$14,262,545</td>
</tr>
<tr>
<td>4.03%</td>
<td>3.34%</td>
<td>3.58%</td>
</tr>
</tbody>
</table>
CITY OF BOERNE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS

RETIREE HEALTH INSURANCE

For the year ended September 30,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$327,932</td>
<td>$361,870</td>
<td>$290,623</td>
<td>$252,873</td>
</tr>
<tr>
<td>Interest</td>
<td>85,157</td>
<td>99,594</td>
<td>113,143</td>
<td>135,161</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(19,476)</td>
<td>(779,311)</td>
<td>9,066</td>
<td>(316,877)</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>(1,313,866)</td>
<td>59,106</td>
<td>494,965</td>
<td>443,131</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(62,727)</td>
<td>(89,085)</td>
<td>(66,879)</td>
<td>(57,182)</td>
</tr>
<tr>
<td>Net change in total OPEB liability</td>
<td>(982,980)</td>
<td>(347,826)</td>
<td>840,918</td>
<td>457,106</td>
</tr>
<tr>
<td>Total OPEB liability - beginning</td>
<td>4,495,498</td>
<td>4,843,324</td>
<td>4,002,406</td>
<td>3,545,300</td>
</tr>
<tr>
<td>Total OPEB liability - ending</td>
<td>$3,512,518</td>
<td>$4,495,498</td>
<td>$4,843,324</td>
<td>$4,002,406</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$18,569,658</td>
<td>$17,580,213</td>
<td>$17,702,995</td>
<td>$16,080,470</td>
</tr>
</tbody>
</table>

City's OPEB liability as a percentage of covered-employee payroll

18.92% 25.57% 27.36% 24.89%

Notes to Schedule:

FYE22 - The period of service used for the allocation of service cost was changed to only reflect service with the City of Boerne and the post-65 participation rate was adjusted to better reflect plan experience.

FY20 - The demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the health care trend rates were updated to better reflect the plan's anticipated experience and the repeal of the excise tax on high-cost employer health plans.

FYE19 - The health care trend assumption was modified.

Changes of assumptions reflect the effects of changes in the discount rate of each period. The following discount rates were used for each period:

<table>
<thead>
<tr>
<th>FYE</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>4.05%</td>
</tr>
<tr>
<td>2022</td>
<td>1.84%</td>
</tr>
<tr>
<td>2021</td>
<td>2.00%</td>
</tr>
<tr>
<td>2020</td>
<td>2.75%</td>
</tr>
<tr>
<td>2019</td>
<td>3.71%</td>
</tr>
<tr>
<td>2018</td>
<td>3.31%</td>
</tr>
</tbody>
</table>

GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the sixth year of implementation of GASB 75. The City will develop the schedule prospectively.
<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Fiscal Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2019</td>
</tr>
<tr>
<td>$</td>
<td>241,592</td>
</tr>
<tr>
<td></td>
<td>117,384</td>
</tr>
<tr>
<td>(13,216)</td>
<td>$ (13,216)</td>
</tr>
<tr>
<td>(201,793)</td>
<td>231,989</td>
</tr>
<tr>
<td>(48,453)</td>
<td></td>
</tr>
<tr>
<td>95,514</td>
<td>508,842</td>
</tr>
<tr>
<td>3,449,786</td>
<td>2,940,944</td>
</tr>
<tr>
<td>$</td>
<td>3,545,300</td>
</tr>
<tr>
<td>$ 15,123,968</td>
<td>$ 14,212,220</td>
</tr>
</tbody>
</table>

23.44% 24.27%
OTHER SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the specific revenues that are legally restricted for particular purposes.

*Hotel-Motel Fund* – This fund is used to account for proceeds of the City’s hotel-motel lodging tax revenues that are restricted or committed to the promotion of tourism and the hotel-motel industry within the City’s boundaries.

*Library Fund* – This fund is used to account for proceeds of specific library revenue sources that are intended to be spent for maintenance of the City’s public library.

*Economic Development Fund* – This fund is used to account for transfers from other funds that are intended to be spent for economic development projects and contracts.

*Boerne Public Facility Corporation* – This fund is used to account for the activity of the Boerne Public Facility Corporation (BPFC), a blended component unit of the City. The BPFC is a nonprofit public corporation organized exclusively for the purpose of assisting the City in financing, refinancing, or providing public facilities within the City.

DEBT SERVICE FUNDS

*Debt Service Fund*– This fund accounts for all financial resources that are restricted, committed, or assigned for the payment of principal and interest of long-term obligations of governmental funds.

PERMANENT FUNDS

Permanent funds are used to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City’s programs – that is, for the benefit of the City or its citizens.

*Cemetery Fund* – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the City cemetery.
### CITY OF BOERNE, TEXAS

**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2023

<table>
<thead>
<tr>
<th>SPECIAL REVENUE FUNDS</th>
<th>HOTEL/ MOTEL FUND</th>
<th>LIBRARY FUND</th>
<th>ECONOMIC DEVELOPMENT FUND</th>
<th>BOERNE PUBLIC FACILITY CORPORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 441,833</td>
<td>$ 892,310</td>
<td>$ 2,082,964</td>
<td>$ 719,903</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>122,484</td>
<td>16,849</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 564,317</td>
<td>$ 909,159</td>
<td>$ 2,082,964</td>
<td>$ 719,903</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 2,265</td>
<td>$ 9,848</td>
<td>$ 54,457</td>
<td>$ -</td>
</tr>
<tr>
<td>Other payables</td>
<td>-</td>
<td>88</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>2,265</td>
<td>9,936</td>
<td>54,457</td>
<td>-</td>
</tr>
<tr>
<td><strong>DEFERRED INFLOWS OF RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unavailable revenue - property taxes</td>
<td>-</td>
<td>16,849</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease related</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>-</td>
<td>16,849</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonspendable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted</td>
<td>385,581</td>
<td>-</td>
<td>-</td>
<td>$ 719,903</td>
</tr>
<tr>
<td>Assigned</td>
<td>176,471</td>
<td>882,374</td>
<td>2,028,507</td>
<td>-</td>
</tr>
<tr>
<td>Total fund balances</td>
<td>562,052</td>
<td>882,374</td>
<td>2,028,507</td>
<td>$ 719,903</td>
</tr>
<tr>
<td>Total liabilities, deferred inflows of resources and fund balances</td>
<td>$ 564,317</td>
<td>$ 909,159</td>
<td>$ 2,082,964</td>
<td>$ 719,903</td>
</tr>
<tr>
<td>DEBT SERVICE</td>
<td>PERMANENT</td>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
<td>--------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUND</td>
<td>CEMETRY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GOVERNMENTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FUNDS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 947,266</td>
<td>$ 1,519,571</td>
<td>$ 6,603,847</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23,797</td>
<td>-</td>
<td>163,130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>547,834</td>
<td>547,834</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 971,063</td>
<td>$ 2,067,405</td>
<td>$ 7,314,811</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| $ -          | $ 36,973  | 103,543 |
| -            | -         | 88      |
| -            | 36,973    | 103,631 |

<table>
<thead>
<tr>
<th>22,472</th>
<th>-</th>
<th>39,321</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,472</td>
<td>-</td>
<td>39,321</td>
</tr>
</tbody>
</table>

| -            | 775,186   | 775,186 |
| 948,591      | 1,255,246 | 3,309,321 |
| -            | -         | 3,087,352 |
| 948,591      | 2,030,432 | 7,171,859 |

$ 971,063     $ 2,067,405 $ 7,314,811
# CITY OF BOERNE, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS

For the year ended September 30, 2023

### SPECIAL REVENUE FUNDS

<table>
<thead>
<tr>
<th></th>
<th>HOTEL/ MOTEL FUND</th>
<th>LIBRARY FUND</th>
<th>ECONOMIC DEVELOPMENT FUND</th>
<th>BOERNE PUBLIC FACILITY CORPORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$1,287,965</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Hotel/motel tax</td>
<td>1,049,976</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Charges for services</td>
<td>27,271</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Grants</td>
<td>39,872</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Contributions and donations</td>
<td>$356,912</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,966</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>684</td>
<td>36,671</td>
<td>81,942</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,050,660</td>
<td>1,755,657</td>
<td>81,942</td>
<td></td>
</tr>
</tbody>
</table>

| **EXPENDITURES**     |                   |              |                           |                                      |
| Public safety        | $                  | $            | $                        | $                                    |
| Economic development | 693,755            | $            | 600,377                  |                                      |
| Culture and recreation | -                  | 1,683,319   | $                        | $                                    |
| **Debt service:**    |                   |              |                           |                                      |
| Principal retirement | 3,738              | 32,870       | $                        | $                                    |
| Interest             | 37                 | 961          | $                        | $                                    |
| Capital outlay       | 27,731             | $            | $                        | $                                    |
| **Total expenditures** | 697,530            | 1,744,881    | 600,377                  |                                      |

| Excess (deficiency) of revenues over (under) expenditures | 353,130 | 10,776 | (518,435) | - |

| **OTHER FINANCING SOURCES (USES)** |                   |              |                           |                                      |
| Transfers in           | $                  | $            | $                        | $                                    |
| Transfers out          | (398,000)          | $            | $                        | $                                    |
| Lease/subscription proceeds | - | 20,348 | $                        | $                                    |
| **Total other financing sources (uses)** | (398,000) | 20,348 | 941,750 | - |

| Net change in fund balances | (44,870) | 31,124 | 423,315 | - |

| Fund balances - beginning | 606,922 | 851,250 | 1,605,192 | 719,903 |
| Fund balances - ending    | $562,052 | $882,374 | $2,028,507 | $719,903 |

114
<table>
<thead>
<tr>
<th>DEBT SERVICE FUND</th>
<th>PERMANENT</th>
<th>TOTAL NONMAJOR GOVERNMENTAL FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEBT SERVICE FUND</td>
<td>CEMETERY FUND</td>
<td></td>
</tr>
<tr>
<td>$ 1,751,283</td>
<td>$ -</td>
<td>$ 3,039,248</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>1,049,976</td>
</tr>
<tr>
<td>- 191,550</td>
<td>218,821</td>
<td>39,872</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>356,912</td>
</tr>
<tr>
<td>(86) 39,818</td>
<td>46,698</td>
<td></td>
</tr>
<tr>
<td>101,194</td>
<td>42,336</td>
<td>262,827</td>
</tr>
<tr>
<td>1,852,391</td>
<td>273,704</td>
<td>5,014,354</td>
</tr>
<tr>
<td>- 39,586</td>
<td>39,586</td>
<td>1,294,132</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>1,683,319</td>
</tr>
<tr>
<td>1,995,000</td>
<td>1,251</td>
<td>2,032,859</td>
</tr>
<tr>
<td>1,057,391</td>
<td>82</td>
<td>1,058,471</td>
</tr>
<tr>
<td>-</td>
<td>61,028</td>
<td>88,759</td>
</tr>
<tr>
<td>3,052,391</td>
<td>101,947</td>
<td>6,197,126</td>
</tr>
<tr>
<td>(1,200,000)</td>
<td>171,757</td>
<td>(1,182,772)</td>
</tr>
<tr>
<td>1,456,090</td>
<td>-</td>
<td>2,397,840</td>
</tr>
<tr>
<td>- (55,000)</td>
<td>(453,000)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>20,348</td>
</tr>
<tr>
<td>1,456,090</td>
<td>(55,000)</td>
<td>1,965,188</td>
</tr>
<tr>
<td>256,090</td>
<td>116,757</td>
<td>782,416</td>
</tr>
<tr>
<td>692,501</td>
<td>1,913,675</td>
<td>6,389,443</td>
</tr>
<tr>
<td>$ 948,591</td>
<td>$ 2,030,432</td>
<td>$ 7,171,859</td>
</tr>
</tbody>
</table>
## CITY OF BOERNE, TEXAS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$1,600,302</td>
<td>$1,600,302</td>
<td>$1,751,283</td>
<td>$150,981</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>(86)</td>
<td>(86)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1,000</td>
<td>1,000</td>
<td>101,194</td>
<td>100,194</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>1,601,302</strong></td>
<td><strong>1,601,302</strong></td>
<td><strong>1,852,391</strong></td>
<td><strong>251,089</strong></td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>1,995,000</td>
<td>1,995,000</td>
<td>1,995,000</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>1,056,392</td>
<td>1,056,392</td>
<td>1,056,391</td>
<td>1</td>
</tr>
<tr>
<td>Administrative charges</td>
<td>3,500</td>
<td>3,500</td>
<td>1,000</td>
<td>2,500</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>3,054,892</strong></td>
<td><strong>3,054,892</strong></td>
<td><strong>3,052,391</strong></td>
<td><strong>2,501</strong></td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over (under) expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1,453,590)</td>
<td>(1,453,590)</td>
<td>(1,200,000)</td>
<td>253,590</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>1,456,089</td>
<td>1,456,089</td>
<td>1,456,090</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td><strong>1,456,089</strong></td>
<td><strong>1,456,089</strong></td>
<td><strong>1,456,090</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>2,499</td>
<td>2,499</td>
<td>256,090</td>
<td>253,591</td>
</tr>
<tr>
<td><strong>Fund balances - beginning</strong></td>
<td>2,692,330</td>
<td>2,692,330</td>
<td>2,692,330</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balances - ending</strong></td>
<td>$2,694,829</td>
<td>$2,694,829</td>
<td>$2,948,420</td>
<td>$253,591</td>
</tr>
</tbody>
</table>
### CITY OF BOERNE, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – CAPITAL PROJECTS FUND**

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>Prior Years</th>
<th>Current Year</th>
<th>Total To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$ -</td>
<td>$ 131,760</td>
<td>$ 131,760</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>77,891</td>
<td>273,549</td>
<td>351,440</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>77,891</td>
<td>405,309</td>
<td>483,200</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>2,217,558</td>
<td>-</td>
<td>2,217,558</td>
</tr>
<tr>
<td>Highway and streets</td>
<td>207,893</td>
<td>-</td>
<td>207,893</td>
</tr>
<tr>
<td>Debt service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond issue cost</td>
<td>-</td>
<td>317,058</td>
<td>317,058</td>
</tr>
<tr>
<td>Capital outlay:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>-</td>
<td>28,734</td>
<td>28,734</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>1,530,053</td>
<td>2,700,566</td>
<td>4,230,619</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>71,667</td>
<td>64,026</td>
<td>135,693</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>4,027,171</td>
<td>3,110,384</td>
<td>7,137,555</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over (under) expenditures</strong></td>
<td>(3,949,280)</td>
<td>(2,705,075)</td>
<td>(6,654,355)</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>14,445,816</td>
<td>8,240,810</td>
<td>22,686,626</td>
</tr>
<tr>
<td>Bond proceeds</td>
<td>-</td>
<td>17,805,000</td>
<td>17,805,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>512,058</td>
<td>512,058</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>14,445,816</td>
<td>26,557,868</td>
<td>41,003,684</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>$ 10,496,536</td>
<td>$ 23,852,793</td>
<td>$ 34,349,329</td>
</tr>
<tr>
<td>Fund balances - beginning</td>
<td></td>
<td>10,496,536</td>
<td></td>
</tr>
<tr>
<td>Fund balances - ending</td>
<td></td>
<td>$ 34,349,329</td>
<td></td>
</tr>
</tbody>
</table>
### CITY OF BOERNE, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – HOTEL/MOTEL SPECIAL REVENUE FUND**

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel/motel taxes</td>
<td>$ 926,000</td>
<td>$ 926,000</td>
<td>$ 1,049,976</td>
<td>$ 123,976</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1,000</td>
<td>1,000</td>
<td>684</td>
<td>(316)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>927,000</td>
<td>927,000</td>
<td>1,050,660</td>
<td>123,660</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic development</td>
<td>707,200</td>
<td>707,200</td>
<td>693,755</td>
<td>13,445</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal retirement</td>
<td>-</td>
<td>-</td>
<td>3,738</td>
<td>(3,738)</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>37</td>
<td>(37)</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>1,800</td>
<td>1,800</td>
<td>-</td>
<td>1,800</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>709,000</td>
<td>709,000</td>
<td>697,530</td>
<td>11,470</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over (under) expenditures</strong></td>
<td>218,000</td>
<td>218,000</td>
<td>353,130</td>
<td>135,130</td>
</tr>
</tbody>
</table>

**Other financing sources (uses):**

<table>
<thead>
<tr>
<th></th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers out</td>
<td>(398,000)</td>
<td>(398,000)</td>
<td>(398,000)</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(398,000)</td>
<td>(398,000)</td>
<td>(398,000)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Net change in fund balances**

<table>
<thead>
<tr>
<th></th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balances - beginning</td>
<td>606,922</td>
<td>606,922</td>
<td>606,922</td>
<td>-</td>
</tr>
<tr>
<td>Fund balances - ending</td>
<td>$ 426,922</td>
<td>$ 426,922</td>
<td>$ 562,052</td>
<td>$ 135,130</td>
</tr>
</tbody>
</table>
## CITY OF BOERNE, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – LIBRARY SPECIAL REVENUE FUND**

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad valorem taxes</td>
<td>$1,283,011</td>
<td>$1,283,011</td>
<td>$1,287,965</td>
<td>$4,954</td>
</tr>
<tr>
<td>Charges for services</td>
<td>24,000</td>
<td>24,000</td>
<td>27,271</td>
<td>3,271</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>39,872</td>
<td>39,872</td>
</tr>
<tr>
<td>Contributions and donations</td>
<td>385,888</td>
<td>385,888</td>
<td>356,912</td>
<td>(28,976)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5,350</td>
<td>5,350</td>
<td>6,966</td>
<td>1,616</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1,000</td>
<td>1,000</td>
<td>36,671</td>
<td>35,671</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>1,699,249</strong></td>
<td><strong>1,699,249</strong></td>
<td><strong>1,755,657</strong></td>
<td><strong>56,408</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>1,666,649</td>
<td>1,666,649</td>
<td>1,683,319</td>
<td>(16,670)</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal retirement</td>
<td></td>
<td>-</td>
<td>32,870</td>
<td>(32,870)</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>961</td>
<td>(961)</td>
</tr>
<tr>
<td>Capital outlay:</td>
<td>32,600</td>
<td>32,600</td>
<td>27,731</td>
<td>4,869</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>1,699,249</strong></td>
<td><strong>1,699,249</strong></td>
<td><strong>1,744,881</strong></td>
<td><strong>(45,632)</strong></td>
</tr>
</tbody>
</table>

| Excess (deficiency) of revenues over (under) expenditures | - | - | 10,776 | 10,776 |

| Other financing sources (uses): |                           |                        |                |                          |
| Capital lease                   |                            | -                      | -              | 20,348                   |
| **Total other financing sources (uses)** | - | - | 20,348 | 20,348 |

Net change in fund balances       - 31,124       31,124

| Fund balances - beginning        | 851,250                   | 851,250                | 851,250        |                          |
| Fund balances - ending           | $851,250                  | $851,250               | $882,374       | $31,124                  |
### CITY OF BOERNE, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**
**BUDGET AND ACTUAL –**
**ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**

**For the year ended September 30, 2023**

<table>
<thead>
<tr>
<th></th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$ 2,500</td>
<td>$ 2,500</td>
<td>$ 81,942</td>
<td>$ 79,442</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$ 2,500</td>
<td>$ 2,500</td>
<td>$ 81,942</td>
<td>$ 79,442</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic development</td>
<td>911,550</td>
<td>911,550</td>
<td>600,377</td>
<td>311,173</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>911,550</td>
<td>911,550</td>
<td>600,377</td>
<td>311,173</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over (under) expenditures</strong></td>
<td>(909,050)</td>
<td>(909,050)</td>
<td>(518,435)</td>
<td>390,615</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>941,750</td>
<td>941,750</td>
<td>941,750</td>
<td></td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>941,750</td>
<td>941,750</td>
<td>941,750</td>
<td></td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>32,700</td>
<td>32,700</td>
<td>423,315</td>
<td>390,615</td>
</tr>
<tr>
<td>Fund balances - beginning</td>
<td>1,605,192</td>
<td>1,605,192</td>
<td>1,605,192</td>
<td></td>
</tr>
<tr>
<td>Fund balances - ending</td>
<td>$ 1,637,892</td>
<td>$ 1,637,892</td>
<td>$ 2,028,507</td>
<td>$ 390,615</td>
</tr>
</tbody>
</table>
CITY OF BOERNE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – CEMETERY PERMANENT FUND

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Original Budgeted Amounts</th>
<th>Final Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services</td>
<td>$ 135,000</td>
<td>$ 135,000</td>
<td>$ 191,550</td>
<td>$ 56,550</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>30,200</td>
<td>30,200</td>
<td>42,336</td>
<td>12,136</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,100</td>
<td>1,100</td>
<td>39,818</td>
<td>38,718</td>
</tr>
<tr>
<td>Total revenues</td>
<td>166,300</td>
<td>166,300</td>
<td>273,704</td>
<td>107,404</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>50,475</td>
<td>50,475</td>
<td>39,586</td>
<td>10,889</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal retirement</td>
<td>-</td>
<td>-</td>
<td>1,251</td>
<td>(1,251)</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>82</td>
<td>(82)</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>58,000</td>
<td>58,000</td>
<td>61,028</td>
<td>(3,028)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>108,475</td>
<td>108,475</td>
<td>101,947</td>
<td>6,528</td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues over (under) expenditures 57,825 57,825 171,757 113,932

Other financing sources (uses):

| Transfers out                  | (57,825)                  | (57,825)               | (55,000)       | 2,825                     |
| Total other financing sources (uses) | (57,825)                 | (57,825)               | (55,000)       | 2,825                     |

Net change in fund balances -116,757 -116,757

Fund balances - beginning 1,913,675 1,913,675 1,913,675 -

Fund balances - ending $1,913,675 $1,913,675 $2,030,432 $116,757
CITY OF BOERNE, TEXAS

NONMAJOR ENTERPRISE FUNDS

PROPRIETARY FUNDS

Proprietary funds charge customers directly for certain services provided.

*Solid Waste Fund* – This fund accounts for the activities necessary to provide solid waste collection services to the residents of the City within the City’s service territory through the City’s outsourced provider. These activities include administrative services and billing and collections.

*Stormwater Fund* – This fund accounts for the activities necessary to provide stormwater collection services to the residents of the City. These activities include administrative services, billing and collections, system operation and maintenance, new construction, and financing and related debt services.
### Assets

#### Current assets:
- **Cash and cash equivalents**: $5,277,560 $899,481 $6,177,041
- **Receivables, net**: 78,541 200,561 279,102
- **Total current assets**: 5,356,101 1,100,042 6,456,143

#### Noncurrent assets:
- **Non-depreciable capital assets**: 1,040,443 - 1,040,443
- **Other capital assets, net**: - 523 523
- **Total noncurrent assets**: 1,040,443 523 1,040,966

- **Total assets**: 6,396,544 1,100,565 7,497,109

### Liabilities

#### Current liabilities:
- **Accounts payable**: 64,284 244,169 308,453
- **Other payables**: - 13,503 13,503
- **Current portion of lease liabilities**: - 151 151
- **Total current liabilities**: 64,284 257,823 322,107

#### Noncurrent liabilities:
- **Lease liabilities**: - 343 343
- **Total noncurrent liabilities**: - 343 343

- **Total liabilities**: 64,284 258,166 322,450

### Net position

- **Net investment in capital assets**: 1,040,443 29 1,040,472
- **Unrestricted**: 5,291,817 842,370 6,134,187
- **Total net position**: $6,332,260 $842,399 $7,174,659
For the year ended September 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>Business-Type Activities</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stormwater</td>
<td>Solid Waste</td>
</tr>
<tr>
<td>Operating revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>$ 626,691</td>
<td>$ 1,375,198</td>
</tr>
<tr>
<td>Penalties</td>
<td>-</td>
<td>9,973</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>626,691</td>
<td>1,385,171</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City franchise tax</td>
<td>-</td>
<td>1,198,012</td>
</tr>
<tr>
<td>Administration</td>
<td>51,911</td>
<td>206,217</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
<td>155</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>51,911</td>
<td>1,404,384</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>574,780</td>
<td>(19,213)</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>222,498</td>
<td>32,739</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>222,498</td>
<td>32,739</td>
</tr>
<tr>
<td>Income (loss) before contributions and transfers</td>
<td>797,278</td>
<td>13,526</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(80,963)</td>
<td>-</td>
</tr>
<tr>
<td>Change in net position</td>
<td>716,315</td>
<td>13,526</td>
</tr>
<tr>
<td>Net position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>5,615,945</td>
<td>828,873</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 6,332,260</td>
<td>$ 842,399</td>
</tr>
</tbody>
</table>
CITY OF BOERNE, TEXAS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended September 30, 2023

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>Business-Type Activities</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Solid Waste</td>
<td>Stormwater</td>
</tr>
<tr>
<td>Cash receipts from customers</td>
<td>$1,355,908</td>
<td>$621,984</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(1,258,354)</td>
<td>(17,205)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$97,554</td>
<td>604,779</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Noncapital Financing Activities</th>
<th>Business-Type Activities</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Solid Waste</td>
<td>Stormwater</td>
</tr>
<tr>
<td>Transfers in/out</td>
<td>-</td>
<td>(80,963)</td>
</tr>
<tr>
<td>Net cash provided (used) by noncapital financing activities</td>
<td>-</td>
<td>(80,963)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Noncapital and Related Financing Activities</th>
<th>Business-Type Activities</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Solid Waste</td>
<td>Stormwater</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>-</td>
<td>(633,734)</td>
</tr>
<tr>
<td>Lease purchase agreements</td>
<td>-</td>
<td>(254,401)</td>
</tr>
<tr>
<td>Lease liabilities - principal</td>
<td>(150)</td>
<td>-</td>
</tr>
<tr>
<td>Lease liabilities - interest and fiscal charges</td>
<td>(4)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided (used) by noncapital financing activities</td>
<td>(154)</td>
<td>(888,135)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
<th>Business-Type Activities</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest earned</td>
<td>32,739</td>
<td>222,498</td>
</tr>
<tr>
<td>Net cash provided (used) by investing activities</td>
<td>32,739</td>
<td>222,498</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Increase (Decrease) in Cash and Cash Equivalents</th>
<th>Business-Type Activities</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Solid Waste</td>
<td>Stormwater</td>
</tr>
<tr>
<td>Beginning of year</td>
<td>769,342</td>
<td>5,419,381</td>
</tr>
<tr>
<td>End of year</td>
<td>$899,481</td>
<td>$5,277,560</td>
</tr>
</tbody>
</table>

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Operating income (loss)                           $ (19,213) $ 574,780 $ 555,567

Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:

Depreciation and amortization expense             155 - 155

Changes in assets, liabilities, and deferred inflows/outflows of resources:

Accounts payable                                 145,871 34,706 180,577

Receivables                                      (29,259) (4,707) (33,966)

Net cash provided (used) by operating activities  $97,554 $604,779 $702,333
STATISTICAL SECTION
This section of the City of Boerne’s Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

**Financial Trends Schedules** – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- Tax Revenues by Source – Governmental Funds

**Revenue Capacity Schedules** – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales taxes, as well as proprietary revenues for the City’s major utilities.

- Assessed Value and Estimated Actual Value of Property
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections
- Principal Utility Customers
- Connections and Revenues by Utility

**Debt Capacity Schedules** - These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin
- Pledged Revenue Coverage

**Demographic and Economic Information** – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers

**Operating Information** – These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.

- Full-Time Equivalent Positions by Function
- Operating Indicators by Function
- Capital Asset Statistics by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the ACFRs for the relevant year.
CITY OF BOERNE, TEXAS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$19,046,817</td>
<td>$21,692,143</td>
<td>$22,983,923</td>
<td>$27,421,550</td>
</tr>
<tr>
<td>Restricted</td>
<td>3,597,587</td>
<td>2,139,963</td>
<td>1,955,074</td>
<td>2,153,641</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>7,608,138</td>
<td>887,348</td>
<td>1,929,643</td>
<td>3,059,335</td>
</tr>
<tr>
<td><strong>Total governmental activities net position</strong></td>
<td>$30,252,542</td>
<td>$24,719,454</td>
<td>$26,868,640</td>
<td>$32,634,526</td>
</tr>
</tbody>
</table>

| **Business-type activities** |                  |                  |                  |                  |
| Net investment in capital assets | $29,206,459 | $28,462,491 | $34,595,282 | $40,775,084 |
| Restricted           | 3,165,146        | 7,518,901        | 8,492,021        | 9,900,336        |
| Unrestricted         | 20,521,968       | 16,259,453       | 17,665,505       | 20,090,983       |
| **Total business-type activities net position** | $52,893,573 | $52,240,845 | $60,752,808 | $70,766,403 |

| **Primary government** |                  |                  |                  |                  |
| Net investment in capital assets | $48,253,276 | $50,154,634 | $57,579,205 | $68,196,634 |
| Restricted           | 6,762,733        | 9,658,864        | 10,447,095       | 12,053,977       |
| Unrestricted         | 28,130,106       | 17,146,801       | 19,595,148       | 23,150,318       |
| **Total primary government net position** | $83,146,115 | $76,960,299 | $87,621,448 | $103,400,929 |

130
TABLE 1

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$34,104,242</td>
<td>$39,484,568</td>
<td>$41,258,458</td>
<td>$41,214,772</td>
<td>$45,659,140</td>
<td>$49,557,666</td>
</tr>
<tr>
<td>$</td>
<td>2,267,544</td>
<td>1,985,683</td>
<td>1,894,842</td>
<td>2,115,222</td>
<td>3,610,795</td>
<td>9,774,696</td>
</tr>
<tr>
<td>$</td>
<td>2,852,356</td>
<td>3,794,538</td>
<td>6,207,028</td>
<td>10,979,668</td>
<td>14,705,942</td>
<td>19,027,936</td>
</tr>
<tr>
<td>$</td>
<td>$39,224,142</td>
<td>$45,264,789</td>
<td>$49,360,328</td>
<td>$54,309,662</td>
<td>$63,975,877</td>
<td>$78,360,298</td>
</tr>
<tr>
<td>$</td>
<td>45,009,644</td>
<td>50,259,285</td>
<td>50,703,357</td>
<td>51,525,350</td>
<td>66,324,567</td>
<td>64,878,785</td>
</tr>
<tr>
<td>$</td>
<td>11,523,353</td>
<td>11,632,026</td>
<td>11,656,916</td>
<td>14,348,870</td>
<td>15,956,484</td>
<td>17,211,153</td>
</tr>
<tr>
<td>$</td>
<td>21,878,763</td>
<td>28,615,412</td>
<td>31,947,479</td>
<td>36,491,504</td>
<td>43,032,521</td>
<td>49,064,692</td>
</tr>
<tr>
<td>$</td>
<td>$78,411,760</td>
<td>$90,506,723</td>
<td>$94,307,752</td>
<td>$102,365,724</td>
<td>$125,313,572</td>
<td>$131,154,630</td>
</tr>
<tr>
<td>$</td>
<td>79,113,886</td>
<td>89,743,853</td>
<td>91,961,815</td>
<td>92,740,122</td>
<td>111,983,707</td>
<td>114,436,451</td>
</tr>
<tr>
<td>$</td>
<td>13,790,897</td>
<td>13,617,709</td>
<td>13,551,758</td>
<td>16,464,092</td>
<td>19,567,279</td>
<td>26,985,849</td>
</tr>
<tr>
<td>$</td>
<td>24,731,119</td>
<td>32,409,950</td>
<td>38,154,507</td>
<td>47,471,172</td>
<td>57,738,463</td>
<td>68,092,628</td>
</tr>
<tr>
<td>$</td>
<td>$117,635,902</td>
<td>$135,771,512</td>
<td>$143,668,080</td>
<td>$156,675,386</td>
<td>$189,289,449</td>
<td>$209,514,928</td>
</tr>
</tbody>
</table>
### Expenses

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>3,007,864</td>
<td>4,621,744</td>
<td>4,139,228</td>
<td>4,066,160</td>
<td>3,819,815</td>
</tr>
<tr>
<td>Public safety</td>
<td>8,835,090</td>
<td>9,300,269</td>
<td>10,252,055</td>
<td>10,460,090</td>
<td>10,324,538</td>
</tr>
<tr>
<td>Highway and streets</td>
<td>2,357,844</td>
<td>2,452,071</td>
<td>2,794,067</td>
<td>2,595,872</td>
<td>3,329,625</td>
</tr>
<tr>
<td>Economic development and assistance</td>
<td>761,734</td>
<td>915,793</td>
<td>1,025,169</td>
<td>751,422</td>
<td>732,029</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>5,091,619</td>
<td>3,470,167</td>
<td>3,939,720</td>
<td>3,872,533</td>
<td>4,062,629</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>1,104,084</td>
<td>805,586</td>
<td>699,457</td>
<td>748,770</td>
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<td>22,494,847</td>
<td>23,447,440</td>
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<th>2015</th>
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<th>2018</th>
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<td><strong>Business-type activities</strong></td>
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<td>14,422,455</td>
<td>13,762,430</td>
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<td>Wastewater</td>
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<td>6,763,885</td>
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<td>1,925,674</td>
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<td>Solid waste</td>
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<td>700,442</td>
<td>698,642</td>
<td>765,914</td>
<td>803,815</td>
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<td><strong>Total business-type activities</strong></td>
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### Program revenues

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<td></td>
<td></td>
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<tr>
<td>Charges for service:</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>General government</td>
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<td>67,004</td>
<td>21,505</td>
<td>45,468</td>
<td>375,423</td>
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<td>2,589,549</td>
<td>2,366,888</td>
<td>2,906,752</td>
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<td>3,187,726</td>
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<td>Highway and streets</td>
<td>-</td>
<td>88</td>
<td>450</td>
<td>3,726</td>
<td>49,524</td>
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<tr>
<td>Culture and recreation</td>
<td>542,087</td>
<td>570,145</td>
<td>679,724</td>
<td>739,810</td>
<td>781,583</td>
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<td>3,004,125</td>
<td>3,608,431</td>
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<td>677,415</td>
<td>828,004</td>
<td>948,921</td>
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<table>
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<th>2015</th>
<th>2016</th>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Charges for service:</td>
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<td></td>
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<tr>
<td><strong>Total charges for services</strong></td>
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<p>| | | | | | |
|                      |         |         |         |         |         |
| <strong>Total primary government program revenues</strong> | 41,676,172 | 39,109,576 | 44,406,920 | 51,366,158 | 52,437,382 |</p>
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<th>2022</th>
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<td>$ 6,459,119</td>
<td>$ 6,338,343</td>
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<td>1,344,552</td>
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<td>4,534,013</td>
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<td>7,892,719</td>
<td>8,529,651</td>
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<td>2,774,933</td>
<td>2,665,897</td>
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<td>930,228</td>
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<td>3,637,914</td>
<td>6,194,898</td>
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<td>558,539</td>
<td>671,375</td>
<td>973,693</td>
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<table>
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<td>9,369,373</td>
<td>8,947,201</td>
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<td>4,870,155</td>
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<td>959,154</td>
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<td>42,934,237</td>
<td>44,509,978</td>
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<tr>
<td>$</td>
<td>12,135,613</td>
<td>5,973,143</td>
<td>4,374,051</td>
<td>12,997,889</td>
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|        | 44,491,636| 37,079,886| 43,675,142 | 55,932,126 | 44,509,978 |

|        | 54,907,091| 46,562,058| 51,329,087 | 72,481,272 | 60,930,063 |

(continued)
# CITY OF BOERNE, TEXAS

## CHANGE IN NET POSITION

### LAST TEN FISCAL YEARS

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<th>2017</th>
<th>2018</th>
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<td>$ (14,104,415)</td>
<td>$ (11,744,022)</td>
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<td>(10,681,835)</td>
<td>(4,110,304)</td>
<td>(1,007,766)</td>
<td>(1,392,782)</td>
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<tr>
<td>Governmental activities</td>
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</tr>
<tr>
<td>Taxes</td>
<td></td>
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<td>6,801,767</td>
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<td>287,492</td>
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<td>1,621,568</td>
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<td>510,142</td>
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<tr>
<td>Transfers</td>
<td>(552,876)</td>
<td>(2,610,209)</td>
<td>(1,621,568)</td>
<td>(963,719)</td>
<td>(1,209,552)</td>
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<tr>
<td><strong>Total business-type activities</strong></td>
<td>(500,666)</td>
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<tr>
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CITY BOERNE, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

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</tr>
<tr>
<td>--------</td>
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**TABLE 3**
CITY OF BOERNE, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

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<tr>
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</thead>
<tbody>
<tr>
<td>Ad valorem taxes</td>
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<td>$6,654,315</td>
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<td>553,729</td>
<td>546,239</td>
<td>597,974</td>
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<td>Library, parks and swimming revenues</td>
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<td>669,848</td>
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<td>Franchise fees</td>
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<td>2,568,986</td>
<td>2,454,521</td>
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<td>940,051</td>
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<td>Fines</td>
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<td>238,562</td>
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<td>346,143</td>
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<td>Rents</td>
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<td>66,376</td>
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<td>-</td>
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<tr>
<td>Grants</td>
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<td>149,877</td>
<td>158,083</td>
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<table>
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<td>21,994,145</td>
<td>21,544,863</td>
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</table>

| Excess (deficiency) of revenues over (under) expenditures | (136,333) | (2,638,194) | 139,919 | 29,426 |

Other financing sources (uses):

| Issuance and refunding of bonds/notes-net | -         | (37,751)   | (34,825) | 22,298,943 |
| Capital lease                             | -         | -          | -        | -          |
| Lease/subscription proceeds                | -         | -          | -        | -          |
| Transfers from other funds                 | 885,694   | 3,688,578  | 2,106,052| 2,119,801  |
| Transfers to other funds                   | (332,818) | (1,078,369)| (484,484)| (484,484)  |
| Sale of capital assets                     | -         | 55,346     | 44,917   | 12,538     |
| Total other financing sources (uses)       | 552,876   | 2,627,804  | 1,631,660| 23,946,798 |

Net change in fund balances

| 2014 $416,543 | 2015 $(10,390) | 2016 $1,771,579 | 2017 $23,976,224 |

Debt service as a percentage of noncapital expenditures

<p>| 13.53% | 11.72% | 10.75% | 11.04% |</p>
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<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<table>
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<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<td></td>
<td>-</td>
<td>33,450</td>
<td>-</td>
<td>-</td>
<td>337,472</td>
<td>18,317,058</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>217,119</td>
<td>66,957</td>
<td>375,520</td>
<td>622,044</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,120,942</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>4,014,148</td>
<td>3,684,168</td>
<td>4,071,500</td>
<td>4,610,657</td>
<td>15,949,614</td>
<td>11,118,417</td>
</tr>
<tr>
<td></td>
<td>(2,804,596)</td>
<td>(1,766,097)</td>
<td>(2,468,905)</td>
<td>(2,953,614)</td>
<td>(17,761,466)</td>
<td>(9,006,928)</td>
</tr>
<tr>
<td></td>
<td>608,578</td>
<td>31,265</td>
<td>22,092</td>
<td>3,689</td>
<td>85,285</td>
<td>1,942,646</td>
</tr>
<tr>
<td></td>
<td>1,818,130</td>
<td>2,259,905</td>
<td>1,692,544</td>
<td>2,036,252</td>
<td>(767,051)</td>
<td>23,492,135</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>(815,278)</td>
<td>(10,997,991)</td>
<td>(2,835,744)</td>
<td>5,086,425</td>
<td>5,949,971</td>
<td>29,590,045</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15.30%</td>
<td>13.32%</td>
<td>12.28%</td>
<td>12.28%</td>
<td>12.71%</td>
<td>12.27%</td>
</tr>
</tbody>
</table>
## CITY OF BOERNE, TEXAS
### TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS 
LAST TEN FISCAL YEARS

**TABLE 5**

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>AD VALOREM TAX</th>
<th>SALES TAX</th>
<th>FRANCHISE TAX</th>
<th>HOTEL/MOTEL TAX</th>
<th>TOTAL REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$5,883,300</td>
<td>$5,460,798</td>
<td>$2,297,457</td>
<td>$498,886</td>
<td>$14,140,441</td>
</tr>
<tr>
<td>2015</td>
<td>6,279,784</td>
<td>5,841,658</td>
<td>2,568,986</td>
<td>553,729</td>
<td>15,244,157</td>
</tr>
<tr>
<td>2016</td>
<td>6,716,220</td>
<td>6,657,261</td>
<td>2,454,521</td>
<td>546,239</td>
<td>16,374,241</td>
</tr>
<tr>
<td>2017</td>
<td>6,408,676</td>
<td>6,628,822</td>
<td>2,539,941</td>
<td>597,974</td>
<td>16,175,413</td>
</tr>
<tr>
<td>2018</td>
<td>6,801,767</td>
<td>7,021,498</td>
<td>2,764,266</td>
<td>635,895</td>
<td>17,223,426</td>
</tr>
<tr>
<td>2019</td>
<td>8,401,600</td>
<td>7,912,673</td>
<td>2,765,491</td>
<td>687,407</td>
<td>19,767,171</td>
</tr>
<tr>
<td>2020</td>
<td>9,387,036</td>
<td>8,432,288</td>
<td>2,599,006</td>
<td>612,466</td>
<td>21,030,796</td>
</tr>
<tr>
<td>2021</td>
<td>10,078,721</td>
<td>9,577,288</td>
<td>2,768,083</td>
<td>925,792</td>
<td>23,349,884</td>
</tr>
<tr>
<td>2022</td>
<td>10,907,162</td>
<td>10,119,996</td>
<td>3,136,495</td>
<td>1,017,376</td>
<td>25,181,029</td>
</tr>
<tr>
<td>2023</td>
<td>13,067,122</td>
<td>11,531,095</td>
<td>3,311,807</td>
<td>1,049,976</td>
<td>28,960,000</td>
</tr>
</tbody>
</table>
### CITY OF BOERNE, TEXAS

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**LAST TEN FISCAL YEARS**

<table>
<thead>
<tr>
<th>Fiscal Year Ended Sept. 30</th>
<th>Real Property</th>
<th>Personal Property</th>
<th>Less: Tax Exempt</th>
<th>Taxable Real Property</th>
<th>Actual Taxable Value</th>
<th>Percentage of Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$ 845,949,030</td>
<td>$ 680,011,960</td>
<td>$ 125,695,330</td>
<td>$ 384,442,497</td>
<td>$ 1,267,213,823</td>
<td>100.00%</td>
</tr>
<tr>
<td>2015</td>
<td>927,624,720</td>
<td>669,799,647</td>
<td>131,782,310</td>
<td>389,757,552</td>
<td>1,339,449,125</td>
<td>100.00%</td>
</tr>
<tr>
<td>2016</td>
<td>1,008,473,244</td>
<td>680,098,025</td>
<td>142,610,030</td>
<td>402,133,600</td>
<td>1,429,047,699</td>
<td>100.00%</td>
</tr>
<tr>
<td>2017</td>
<td>1,114,421,409</td>
<td>708,258,890</td>
<td>145,637,910</td>
<td>415,623,163</td>
<td>1,552,695,046</td>
<td>100.00%</td>
</tr>
<tr>
<td>2018</td>
<td>1,193,509,146</td>
<td>747,899,553</td>
<td>149,771,290</td>
<td>418,997,863</td>
<td>1,672,182,126</td>
<td>100.00%</td>
</tr>
<tr>
<td>2019</td>
<td>1,330,883,015</td>
<td>1,003,745,405</td>
<td>157,212,880</td>
<td>433,339,825</td>
<td>1,810,003,471</td>
<td>100.00%</td>
</tr>
<tr>
<td>2020</td>
<td>1,442,539,484</td>
<td>891,177,004</td>
<td>183,712,320</td>
<td>496,829,403</td>
<td>2,020,599,405</td>
<td>100.00%</td>
</tr>
<tr>
<td>2021</td>
<td>1,559,897,497</td>
<td>908,572,221</td>
<td>197,025,250</td>
<td>493,661,486</td>
<td>2,171,833,482</td>
<td>100.00%</td>
</tr>
<tr>
<td>2022</td>
<td>1,795,092,108</td>
<td>951,883,413</td>
<td>197,170,440</td>
<td>579,571,617</td>
<td>2,364,574,344</td>
<td>100.00%</td>
</tr>
<tr>
<td>2023</td>
<td>2,081,849,789</td>
<td>1,488,343,455</td>
<td>224,841,180</td>
<td>967,296,487</td>
<td>2,827,737,937</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The information was obtained from the Kendall Appraisal District

1 Tax rates are per $100 of assessed value

2 Excludes tax-exempt property
## CITY OF BOERNE, TEXAS

### DIRECT AND OVERLAPPING PROPERTY TAX RATES

(Per $100 of Assessed Value)

LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt Rate</th>
<th>Service Rate</th>
<th>Total Rate</th>
<th>Debt Rate</th>
<th>Service Rate</th>
<th>Total Rate</th>
<th>Debt Rate</th>
<th>Service Rate</th>
<th>Total Rate</th>
<th>Total Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>School</td>
<td>County</td>
<td></td>
<td>City</td>
<td>School</td>
<td>County</td>
<td>Overlapping</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>0.2925</td>
<td>0.2540</td>
<td>0.3486</td>
<td>0.1795</td>
<td>0.2540</td>
<td>0.0454</td>
<td>0.3940</td>
<td>2.1600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>0.3092</td>
<td>0.2540</td>
<td>0.3508</td>
<td>0.1628</td>
<td>0.2540</td>
<td>0.0432</td>
<td>0.3940</td>
<td>2.1600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>0.3261</td>
<td>0.2540</td>
<td>0.3460</td>
<td>0.1459</td>
<td>0.2540</td>
<td>0.0407</td>
<td>0.3867</td>
<td>2.1527</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>0.3426</td>
<td>0.2540</td>
<td>0.3465</td>
<td>0.1294</td>
<td>0.2540</td>
<td>0.0662</td>
<td>0.4127</td>
<td>2.2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>0.3585</td>
<td>0.2540</td>
<td>0.3490</td>
<td>0.1135</td>
<td>0.2540</td>
<td>0.0637</td>
<td>0.4127</td>
<td>2.2387</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>0.3651</td>
<td>0.2540</td>
<td>0.3520</td>
<td>0.1069</td>
<td>0.2540</td>
<td>0.0607</td>
<td>0.4127</td>
<td>2.2387</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>0.3869</td>
<td>0.2540</td>
<td>0.3558</td>
<td>0.0851</td>
<td>0.2540</td>
<td>0.0569</td>
<td>0.4127</td>
<td>2.1703</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>0.3908</td>
<td>0.2540</td>
<td>0.3604</td>
<td>0.0812</td>
<td>0.2540</td>
<td>0.0523</td>
<td>0.4127</td>
<td>2.1354</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>0.3936</td>
<td>0.2540</td>
<td>0.3643</td>
<td>0.0784</td>
<td>0.2540</td>
<td>0.0484</td>
<td>0.4127</td>
<td>2.0813</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>0.3906</td>
<td>0.2540</td>
<td>0.2994</td>
<td>0.0604</td>
<td>0.2540</td>
<td>0.0833</td>
<td>0.3827</td>
<td>1.8269</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: The above information was obtained from the respective entity
CITY OF BOERNE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>2023 Taxable Assessed Value</th>
<th>2023 Percentage of Total Taxable Value</th>
<th>2014 Taxable Assessed Value</th>
<th>2014 Percentage of Total Taxable Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT 17 Herff Apartments LP</td>
<td>$25,930,000</td>
<td>1.10%</td>
<td>$11,831,720</td>
<td>0.90%</td>
</tr>
<tr>
<td>Albany Engineered Composites</td>
<td>23,080,590</td>
<td>0.98%</td>
<td>21,171,470</td>
<td>0.90%</td>
</tr>
<tr>
<td>VBM Acquisition LLC</td>
<td>21,171,470</td>
<td>0.90%</td>
<td>17,619,180</td>
<td>0.75%</td>
</tr>
<tr>
<td>Zylstra Holdings at Boerne LLC</td>
<td>17,619,180</td>
<td>0.75%</td>
<td>16,574,060</td>
<td>0.70%</td>
</tr>
<tr>
<td>KB Home Lone Star LP</td>
<td>16,574,060</td>
<td>0.70%</td>
<td>13,759,710</td>
<td>0.58%</td>
</tr>
<tr>
<td>Boerne Hotel LTD</td>
<td>13,759,710</td>
<td>0.58%</td>
<td>13,249,590</td>
<td>0.56%</td>
</tr>
<tr>
<td>FOB1, LLC</td>
<td>13,249,590</td>
<td>0.56%</td>
<td>13,043,350</td>
<td>0.55%</td>
</tr>
<tr>
<td>H.E.B. Grocery Co.</td>
<td>13,043,350</td>
<td>0.55%</td>
<td>12,875,190</td>
<td>0.54%</td>
</tr>
<tr>
<td>Wal-Mart Stores Texas LP</td>
<td>12,875,190</td>
<td>0.54%</td>
<td>12,742,890</td>
<td>0.54%</td>
</tr>
<tr>
<td>Jet Specialty Inc</td>
<td>12,742,890</td>
<td>0.54%</td>
<td>9,903,170</td>
<td>0.80%</td>
</tr>
<tr>
<td>Cambridge-Boerne Partners, LP</td>
<td>9,903,170</td>
<td>0.80%</td>
<td>9,595,310</td>
<td>0.80%</td>
</tr>
<tr>
<td>Starplex</td>
<td>8,309,980</td>
<td>0.70%</td>
<td>8,198,610</td>
<td>0.60%</td>
</tr>
</tbody>
</table>

Total: $170,046,030 7.19% $116,457,810 9.20%

Source: Kendall Appraisal District
### Property Tax Levies and Collections

#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year Ended September 30,</th>
<th>Tax Roll Year</th>
<th>Total Tax Levy for Fiscal Year</th>
<th>Current Taxes Collected</th>
<th>Percentage of Levy</th>
<th>Collections in Subsequent Years</th>
<th>Total Collections To Date</th>
<th>Percentage of Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2013</td>
<td>$5,839,322</td>
<td>$5,759,708</td>
<td>98.6%</td>
<td>$79,614</td>
<td>$5,839,322</td>
<td>100.0%</td>
</tr>
<tr>
<td>2015</td>
<td>2014</td>
<td>6,181,080</td>
<td>6,131,966</td>
<td>99.2%</td>
<td>49,114</td>
<td>6,181,080</td>
<td>100.0%</td>
</tr>
<tr>
<td>2016</td>
<td>2015</td>
<td>6,622,585</td>
<td>6,549,283</td>
<td>98.9%</td>
<td>71,090</td>
<td>6,620,373</td>
<td>100.0%</td>
</tr>
<tr>
<td>2017</td>
<td>2016</td>
<td>7,224,676</td>
<td>7,132,942</td>
<td>98.7%</td>
<td>38,732</td>
<td>7,171,674</td>
<td>99.3%</td>
</tr>
<tr>
<td>2018</td>
<td>2017</td>
<td>7,697,939</td>
<td>7,655,276</td>
<td>99.4%</td>
<td>42,663</td>
<td>7,697,939</td>
<td>100.0%</td>
</tr>
<tr>
<td>2019</td>
<td>2018</td>
<td>8,375,606</td>
<td>8,318,459</td>
<td>99.3%</td>
<td>35,664</td>
<td>8,354,123</td>
<td>99.7%</td>
</tr>
<tr>
<td>2020</td>
<td>2019</td>
<td>9,335,187</td>
<td>9,264,788</td>
<td>99.2%</td>
<td>32,668</td>
<td>9,297,456</td>
<td>99.6%</td>
</tr>
<tr>
<td>2021</td>
<td>2020</td>
<td>9,997,543</td>
<td>9,941,187</td>
<td>99.4%</td>
<td>46,748</td>
<td>9,987,935</td>
<td>99.9%</td>
</tr>
<tr>
<td>2022</td>
<td>2021</td>
<td>10,840,333</td>
<td>10,798,678</td>
<td>99.6%</td>
<td>41,707</td>
<td>10,840,385</td>
<td>100.0%</td>
</tr>
<tr>
<td>2023</td>
<td>2022</td>
<td>13,175,006</td>
<td>13,010,187</td>
<td>98.7%</td>
<td>56,935</td>
<td>13,067,122</td>
<td>99.2%</td>
</tr>
</tbody>
</table>

Source: Kendall Appraisal District
### CITY OF BOERNE, TEXAS

#### PRINCIPAL UTILITY CUSTOMERS CURRENT YEAR

**TABLE 10**

<table>
<thead>
<tr>
<th>Utility Customer</th>
<th>Electric Customer Revenue</th>
<th>Electric Percentage of Total Revenues</th>
<th>Gas Electric Sales Revenue</th>
<th>Gas Percentage of Total Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boerne Independent School District</td>
<td>$1,818,322</td>
<td>9.48%</td>
<td>$143,889</td>
<td>3.40%</td>
</tr>
<tr>
<td>Morningside Ministries</td>
<td>991,116</td>
<td>5.17%</td>
<td>92,751</td>
<td>2.19%</td>
</tr>
<tr>
<td>H.E Butt Supermarket</td>
<td>649,969</td>
<td>3.39%</td>
<td>78,948</td>
<td>1.87%</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>588,387</td>
<td>3.07%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>City of Boerne</td>
<td>300,962</td>
<td>1.57%</td>
<td>61,079</td>
<td>1.44%</td>
</tr>
<tr>
<td>Mission Pharmacal</td>
<td>267,314</td>
<td>1.39%</td>
<td>267,314</td>
<td>6.32%</td>
</tr>
<tr>
<td>Boerne Medical Plaza, LP</td>
<td>266,063</td>
<td>1.39%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Boerne Hotel Ltd</td>
<td>253,343</td>
<td>1.32%</td>
<td>50,005</td>
<td>1.18%</td>
</tr>
<tr>
<td>Woodland Notes, LLC</td>
<td>251,083</td>
<td>1.31%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Albany Engineered Composites</td>
<td>241,492</td>
<td>1.26%</td>
<td>152,252</td>
<td>3.60%</td>
</tr>
<tr>
<td>Kendall County Auditor</td>
<td>-</td>
<td>-</td>
<td>36,129</td>
<td>0.85%</td>
</tr>
<tr>
<td>Methodist Ambulatory Surgery</td>
<td>-</td>
<td>-</td>
<td>44,526</td>
<td>1.05%</td>
</tr>
<tr>
<td>Toyota of Boerne</td>
<td>-</td>
<td>-</td>
<td>35,411</td>
<td>0.84%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,628,051</td>
<td>29.35%</td>
<td>$962,304</td>
<td>22.74%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Utility Customer</th>
<th>Water Customer Revenue</th>
<th>Water Percentage of Total Revenues</th>
<th>Electric Sales Revenue</th>
<th>Wastewater Percentage of Total Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Boerne</td>
<td>$263,689</td>
<td>3.52%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Morningside Ministries</td>
<td>145,728</td>
<td>1.95%</td>
<td>120,845</td>
<td>1.85%</td>
</tr>
<tr>
<td>Boerne Independent School District</td>
<td>150,121</td>
<td></td>
<td>162,235</td>
<td>2.49%</td>
</tr>
<tr>
<td>WP Boerne MC-MF</td>
<td>74,330</td>
<td>0.96%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vantage at Boerne LLC</td>
<td>72,087</td>
<td>0.89%</td>
<td>99,776</td>
<td>1.53%</td>
</tr>
<tr>
<td>CT 17 Herff Apartments LP</td>
<td>66,749</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liv Boerne Hills LP</td>
<td>53,488</td>
<td>0.89%</td>
<td>42,726</td>
<td>0.66%</td>
</tr>
<tr>
<td>Woodliff Family Holdings</td>
<td>39,083</td>
<td>0.89%</td>
<td>41,125</td>
<td>0.63%</td>
</tr>
<tr>
<td>Boerne Nursing Operations, LLC</td>
<td>37,213</td>
<td>10.48%</td>
<td>47,190</td>
<td>0.85%</td>
</tr>
<tr>
<td>Boerne Terraces at Cibolo Apts</td>
<td>35,595</td>
<td>0.48%</td>
<td>55,374</td>
<td>0.85%</td>
</tr>
<tr>
<td>Boerne Car Wash LLC</td>
<td>-</td>
<td>100,440</td>
<td>50,131</td>
<td>0.77%</td>
</tr>
<tr>
<td>Albany Engineered Composites</td>
<td>-</td>
<td>53,794</td>
<td>53,794</td>
<td>0.85%</td>
</tr>
<tr>
<td>H.E. Butt Supermarket</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$938,083</td>
<td>9.03%</td>
<td>$773,636</td>
<td>9.60%</td>
</tr>
</tbody>
</table>

Source: City of Boerne Utilities
### CITY OF BOERNE, TEXAS

#### CONNECTIONS AND REVENUES BY UTILITY

##### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Utility</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>6,572 $19,857,473</td>
<td>6,247 $18,493,259</td>
<td>6,194 $16,921,679</td>
<td>5,940 $15,158,611</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water¹</td>
<td>9,138 $7,733,182</td>
<td>8,754 $9,369,373</td>
<td>8,301 $8,831,904</td>
<td>7,622 $6,811,700</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wastewater</td>
<td>7,369 $6,492,857</td>
<td>7,045 $8,773,874</td>
<td>6,715 $8,977,822</td>
<td>6,342 $5,420,652</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>3,949 $4,294,557</td>
<td>3,626 $4,394,173</td>
<td>3,290 $2,971,794</td>
<td>3,027 $2,701,672</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Waste</td>
<td>6,360 $1,210,789</td>
<td>6,011 $1,294,476</td>
<td>5,694 $1,116,862</td>
<td>5,318 $1,014,108</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater</td>
<td>6,425 $639,618</td>
<td>6,210 $609,082</td>
<td>5,970 $481,030</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>39,813 $40,228,476</strong></td>
<td><strong>37,893 $42,934,237</strong></td>
<td><strong>36,164 $39,301,091</strong></td>
<td><strong>28,249 $31,106,743</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Utility</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>5,628 $16,545,295</td>
<td>5,498 $17,298,397</td>
<td>5,394 $16,278,423</td>
<td>5,301 $15,752,733</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water¹</td>
<td>7,188 $6,766,786</td>
<td>6,620 $5,874,244</td>
<td>6,120 $5,453,144</td>
<td>5,726 $5,109,931</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wastewater</td>
<td>6,047 $5,083,504</td>
<td>5,797 $4,704,658</td>
<td>5,465 $4,434,700</td>
<td>5,302 $4,223,193</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>2,699 $3,001,284</td>
<td>2,376 $2,400,814</td>
<td>2,088 $1,974,451</td>
<td>1,867 $1,834,219</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Waste</td>
<td>5,019 $959,154</td>
<td>4,659 $888,628</td>
<td>4,368 $826,175</td>
<td>4,137 $780,116</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>26,581 $32,356,023</strong></td>
<td><strong>24,950 $31,166,741</strong></td>
<td><strong>23,435 $28,966,893</strong></td>
<td><strong>22,333 $27,700,192</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Utility</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
<th>Connections</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>5,202 $17,248,469</td>
<td>5,074 $15,214,937</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water¹</td>
<td>5,390 $4,645,301</td>
<td>5,136 $4,447,030</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wastewater</td>
<td>5,056 $4,030,775</td>
<td>4,862 $3,906,546</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>1,725 $1,995,865</td>
<td>1,587 $2,075,464</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Waste</td>
<td>3,953 $700,792</td>
<td>3,729 $247,758</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>21,326 $28,621,202</strong></td>
<td><strong>20,388 $25,891,735</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ includes reclaimed water, which began in FY 2016

Source: City of Boerne Utilities
# City of Boerne, Texas

## Ratios of Outstanding Debt by Type

**Last Ten Fiscal Years**

### Table 12

#### Governmental Activities

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds $</th>
<th>Tax Notes $</th>
<th>Leases $</th>
<th>SBITAs $</th>
<th>Lease Purchase Agreements $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>25,353,640</td>
<td>1,300,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>24,900,772</td>
<td>1,055,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>23,781,752</td>
<td>805,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>22,984,317</td>
<td>22,380,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>21,626,661</td>
<td>21,535,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>20,236,192</td>
<td>20,675,000</td>
<td>-</td>
<td>-</td>
<td>132,119</td>
</tr>
<tr>
<td>2020</td>
<td>18,821,455</td>
<td>20,675,000</td>
<td>-</td>
<td>-</td>
<td>139,799</td>
</tr>
<tr>
<td>2021</td>
<td>17,366,720</td>
<td>19,170,000</td>
<td>-</td>
<td>-</td>
<td>376,437</td>
</tr>
<tr>
<td>2022</td>
<td>34,455,056</td>
<td>-</td>
<td>763,647</td>
<td>-</td>
<td>423,014</td>
</tr>
<tr>
<td>2023</td>
<td>50,566,255</td>
<td>-</td>
<td>1,072,270</td>
<td>224,507</td>
<td>583,960</td>
</tr>
</tbody>
</table>

#### Business-Type Activities

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue Bonds $</th>
<th>General Obligation Bonds $</th>
<th>Leases $</th>
<th>SBITAs $</th>
<th>Lease Purchase Agreements $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>44,106,333</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>42,895,767</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>29,210,000</td>
<td>12,528,576</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>28,255,000</td>
<td>12,062,822</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>285,000</td>
<td>39,612,284</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>-</td>
<td>38,285,838</td>
<td>-</td>
<td>-</td>
<td>89,992</td>
</tr>
<tr>
<td>2020</td>
<td>-</td>
<td>36,622,706</td>
<td>-</td>
<td>-</td>
<td>60,697</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>34,959,952</td>
<td>-</td>
<td>-</td>
<td>30,535</td>
</tr>
<tr>
<td>2022</td>
<td>-</td>
<td>33,252,198</td>
<td>112,569</td>
<td>-</td>
<td>254,401</td>
</tr>
<tr>
<td>2023</td>
<td>-</td>
<td>31,489,444</td>
<td>273,784</td>
<td>130,730</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total Percentage of Fiscal Primary Government Income

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Government</th>
<th>Percentage of Household Income</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>70,761,987</td>
<td>7.5%</td>
<td>$5,345</td>
</tr>
<tr>
<td>2015</td>
<td>68,853,554</td>
<td>6.3%</td>
<td>$5,056</td>
</tr>
<tr>
<td>2016</td>
<td>66,327,344</td>
<td>5.4%</td>
<td>$4,606</td>
</tr>
<tr>
<td>2017</td>
<td>85,684,156</td>
<td>7.1%</td>
<td>$5,724</td>
</tr>
<tr>
<td>2018</td>
<td>83,060,963</td>
<td>6.5%</td>
<td>$5,167</td>
</tr>
<tr>
<td>2019</td>
<td>79,421,160</td>
<td>5.8%</td>
<td>$4,691</td>
</tr>
<tr>
<td>2020</td>
<td>75,576,677</td>
<td>5.7%</td>
<td>$4,183</td>
</tr>
<tr>
<td>2021</td>
<td>71,905,665</td>
<td>4.5%</td>
<td>$3,275</td>
</tr>
<tr>
<td>2022</td>
<td>69,262,907</td>
<td>4.1%</td>
<td>$3,247</td>
</tr>
<tr>
<td>2023</td>
<td>84,340,950</td>
<td>4.7%</td>
<td>$3,821</td>
</tr>
</tbody>
</table>

Notes: Specific details regarding the City’s outstanding debt can be found in the notes to the financial statements.

1. Income statistics are only available for census years, between census years estimates are used. See Schedule of Demographic and Economic Statistics on page 133 for population data.
2. The City’s General Obligation, Certificates of Obligation, and Tax Notes are pledged by ad valorem taxes levied upon all taxable property located within the City, withing the limitations prescribed by law.
CITY OF BOERNE, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year Ended September 30</th>
<th>Gross Bonded Debt</th>
<th>Available in Debt Service Fund</th>
<th>Total</th>
<th>Percentage of Estimated Actual Table Value of Property</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$26,653,640</td>
<td>$821,729</td>
<td>$25,831,911</td>
<td>2.04%</td>
<td>$1,951</td>
</tr>
<tr>
<td>2015</td>
<td>25,955,772</td>
<td>838,134</td>
<td>25,117,638</td>
<td>1.88%</td>
<td>1,844</td>
</tr>
<tr>
<td>2016</td>
<td>24,586,752</td>
<td>698,449</td>
<td>23,888,303</td>
<td>1.67%</td>
<td>1,660</td>
</tr>
<tr>
<td>2017</td>
<td>45,364,317</td>
<td>791,089</td>
<td>44,573,228</td>
<td>2.87%</td>
<td>2,978</td>
</tr>
<tr>
<td>2018</td>
<td>43,161,661</td>
<td>778,973</td>
<td>42,382,688</td>
<td>2.53%</td>
<td>2,636</td>
</tr>
<tr>
<td>2019</td>
<td>40,911,192</td>
<td>782,309</td>
<td>40,128,883</td>
<td>2.22%</td>
<td>2,370</td>
</tr>
<tr>
<td>2020</td>
<td>38,751,455</td>
<td>701,236</td>
<td>38,050,219</td>
<td>1.88%</td>
<td>2,106</td>
</tr>
<tr>
<td>2021</td>
<td>36,536,720</td>
<td>621,486</td>
<td>35,915,234</td>
<td>1.65%</td>
<td>1,636</td>
</tr>
<tr>
<td>2022</td>
<td>34,455,056</td>
<td>692,501</td>
<td>33,762,555</td>
<td>1.43%</td>
<td>1,603</td>
</tr>
<tr>
<td>2023</td>
<td>82,055,699</td>
<td>948,591</td>
<td>81,107,108</td>
<td>1.75%</td>
<td>3,717</td>
</tr>
</tbody>
</table>

Notes: Specific details regarding the City’s outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property

(2) Population data can be found in the Schedule of Demographic and Economic Statistics
## CITY OF BOERNE, TEXAS

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2023

<table>
<thead>
<tr>
<th>Governmental Unit</th>
<th>Net Debt</th>
<th>Percentage Applicable to City</th>
<th>City’s Share of Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kendall County</td>
<td>$49,809,041</td>
<td>27.71%</td>
<td>$13,802,085</td>
</tr>
<tr>
<td>Boerne Independent School District</td>
<td>$269,164,300</td>
<td>25.11%</td>
<td>$67,587,156</td>
</tr>
<tr>
<td><strong>Total overlapping debt</strong></td>
<td></td>
<td></td>
<td><strong>81,389,241</strong></td>
</tr>
<tr>
<td>City of Boerne</td>
<td>$52,446,992</td>
<td>100.00%</td>
<td>$52,446,992</td>
</tr>
<tr>
<td><strong>Total direct and overlapping debt</strong></td>
<td></td>
<td></td>
<td><strong>$133,836,233</strong></td>
</tr>
</tbody>
</table>

Sources: The above information was obtained from the respective entity.

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County’s and School District’s taxable assessed value that is within the City’s boundaries and dividing it by the County’s and School District’s respective total taxable assessed values.
### CITY OF BOERNE, TEXAS
### LEGAL DEBT MARGIN INFORMATION
### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed valuation (AV)</td>
<td>$1,267,213,820</td>
<td>$1,339,449,130</td>
<td>$1,429,047,700</td>
<td>$1,552,695,050</td>
</tr>
<tr>
<td>Debt limit percentage</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Debt limit</td>
<td>126,721,382</td>
<td>133,944,913</td>
<td>142,904,770</td>
<td>155,269,505</td>
</tr>
<tr>
<td>Net debt applicable to limit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General bonded debt</td>
<td>26,653,640</td>
<td>25,955,772</td>
<td>24,586,752</td>
<td>45,364,317</td>
</tr>
<tr>
<td>Less amount set aside for repayment of general bonded debt</td>
<td>(821,729)</td>
<td>(838,134)</td>
<td>(698,449)</td>
<td>(791,089)</td>
</tr>
<tr>
<td>Total net debt applicable to limit</td>
<td>25,831,911</td>
<td>25,117,638</td>
<td>23,888,303</td>
<td>44,573,228</td>
</tr>
<tr>
<td>Legal debt margin</td>
<td>$100,889,471</td>
<td>$108,827,275</td>
<td>$119,016,467</td>
<td>$110,696,277</td>
</tr>
<tr>
<td>Total net debt applicable to the limit as a percentage of debt limit</td>
<td>20.38%</td>
<td>18.75%</td>
<td>16.72%</td>
<td>28.71%</td>
</tr>
</tbody>
</table>
### TABLE 15

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,672,182,126</td>
<td>$1,810,003,470</td>
<td>$2,020,599,410</td>
<td>$2,171,833,482</td>
<td>$2,364,574,344</td>
<td>$2,827,737,937</td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>167,218,213</td>
<td>181,000,347</td>
<td>202,059,941</td>
<td>217,183,348</td>
<td>236,457,434</td>
<td>282,773,794</td>
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<tr>
<td></td>
<td>43,161,661</td>
<td>40,911,192</td>
<td>38,751,455</td>
<td>36,536,720</td>
<td>34,455,056</td>
<td>50,566,255</td>
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<tr>
<td></td>
<td>(778,973)</td>
<td>(782,309)</td>
<td>(701,236)</td>
<td>(621,486)</td>
<td>(692,501)</td>
<td>(948,591)</td>
</tr>
<tr>
<td></td>
<td>42,382,688</td>
<td>40,128,883</td>
<td>38,050,219</td>
<td>35,915,234</td>
<td>33,762,555</td>
<td>49,617,664</td>
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<tr>
<td></td>
<td>$124,835,525</td>
<td>$140,871,464</td>
<td>$164,009,722</td>
<td>$181,268,114</td>
<td>$202,694,879</td>
<td>$233,156,130</td>
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<tr>
<td></td>
<td>25.35%</td>
<td>22.17%</td>
<td>18.83%</td>
<td>16.54%</td>
<td>14.28%</td>
<td>17.55%</td>
</tr>
</tbody>
</table>

**Note:** The Constitution of Texas in Article, 11, Section 5, limits the maximum amount that a home rule city can tax to $2.50 per $100 of valuation.

The Attorney General of Texas has created a rule for the guidance of home rule cities which states that bonds outstanding under this constitutional provision shall be on the basis of no greater than $1.50 per $100 of assessed valuation.
## CITY OF BOERNE, TEXAS

### PLEDGED REVENUE COVERAGE

**LAST TEN FISCAL YEARS**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electric:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>$15,252,637</td>
<td>$17,287,785</td>
<td>$15,819,084</td>
<td>$16,359,468</td>
</tr>
<tr>
<td>Less operating expenses</td>
<td>(13,546,962)</td>
<td>(13,794,036)</td>
<td>(13,178,897)</td>
<td>(14,148,327)</td>
</tr>
<tr>
<td>Net available revenue</td>
<td>1,705,675</td>
<td>3,493,749</td>
<td>2,640,187</td>
<td>2,211,141</td>
</tr>
<tr>
<td><strong>Water:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>4,456,288</td>
<td>4,679,108</td>
<td>5,146,172</td>
<td>5,531,374</td>
</tr>
<tr>
<td>Less operating expenses</td>
<td>(3,167,299)</td>
<td>(3,347,857)</td>
<td>(3,520,010)</td>
<td>(3,660,798)</td>
</tr>
<tr>
<td>Net available revenue</td>
<td>1,288,989</td>
<td>1,331,251</td>
<td>1,626,162</td>
<td>1,870,576</td>
</tr>
<tr>
<td><strong>Wastewater:</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>3,911,613</td>
<td>4,055,297</td>
<td>4,258,053</td>
<td>4,499,452</td>
</tr>
<tr>
<td>Less operating expenses</td>
<td>(1,753,726)</td>
<td>(1,999,875)</td>
<td>(2,301,112)</td>
<td>(2,565,220)</td>
</tr>
<tr>
<td>Net available revenue</td>
<td>2,157,887</td>
<td>2,055,422</td>
<td>1,956,941</td>
<td>1,934,232</td>
</tr>
<tr>
<td><strong>Natural Gas:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>2,075,574</td>
<td>1,996,107</td>
<td>1,835,627</td>
<td>1,977,390</td>
</tr>
<tr>
<td>Less operating expenses</td>
<td>(1,647,996)</td>
<td>(1,550,053)</td>
<td>(1,809,543)</td>
<td>(1,658,937)</td>
</tr>
<tr>
<td>Net available revenue</td>
<td>427,578</td>
<td>446,054</td>
<td>26,084</td>
<td>318,453</td>
</tr>
<tr>
<td><strong>Total utility systems revenues</strong></td>
<td>25,696,112</td>
<td>28,018,297</td>
<td>27,058,936</td>
<td>28,367,684</td>
</tr>
<tr>
<td>Less total utility systems operating expenses</td>
<td>(20,115,983)</td>
<td>(20,691,821)</td>
<td>(20,809,562)</td>
<td>(22,033,282)</td>
</tr>
<tr>
<td><strong>Total utility systems net revenue available</strong></td>
<td>$5,580,129</td>
<td>$7,326,476</td>
<td>$6,249,374</td>
<td>$6,334,402</td>
</tr>
<tr>
<td><strong>Annual debt service</strong></td>
<td>$2,814,852</td>
<td>$2,799,925</td>
<td>$2,695,789</td>
<td>$2,679,527</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>1.98</td>
<td>2.62</td>
<td>2.32</td>
<td>2.36</td>
</tr>
</tbody>
</table>

*Note: Excludes depreciation and amortization.*
TABLE 16

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$17,142,473</td>
<td>$16,869,643</td>
<td>$15,386,121</td>
<td>$16,964,340</td>
<td>$18,584,140</td>
<td>$20,655,622</td>
</tr>
<tr>
<td></td>
<td>(13,129,342)</td>
<td>(13,040,894)</td>
<td>(13,231,814)</td>
<td>(13,368,035)</td>
<td>(12,750,934)</td>
<td>(14,300,333)</td>
</tr>
<tr>
<td></td>
<td>4,013,131</td>
<td>3,828,749</td>
<td>2,154,307</td>
<td>3,596,305</td>
<td>5,833,206</td>
<td>6,355,289</td>
</tr>
<tr>
<td></td>
<td>5,681,070</td>
<td>7,137,607</td>
<td>7,070,683</td>
<td>8,924,724</td>
<td>9,467,208</td>
<td>9,827,455</td>
</tr>
<tr>
<td></td>
<td>1,457,336</td>
<td>2,336,380</td>
<td>2,077,515</td>
<td>3,494,841</td>
<td>3,353,839</td>
<td>3,532,261</td>
</tr>
<tr>
<td></td>
<td>4,553,200</td>
<td>5,360,019</td>
<td>5,559,312</td>
<td>8,983,995</td>
<td>8,883,242</td>
<td>9,457,608</td>
</tr>
<tr>
<td></td>
<td>(2,795,283)</td>
<td>(3,127,747)</td>
<td>(3,284,714)</td>
<td>(3,846,534)</td>
<td>(4,080,522)</td>
<td>(4,890,592)</td>
</tr>
<tr>
<td></td>
<td>1,757,917</td>
<td>2,232,272</td>
<td>2,274,598</td>
<td>5,137,461</td>
<td>4,802,720</td>
<td>4,567,016</td>
</tr>
<tr>
<td></td>
<td>2,392,855</td>
<td>3,013,845</td>
<td>2,708,055</td>
<td>2,972,174</td>
<td>4,399,854</td>
<td>4,915,878</td>
</tr>
<tr>
<td></td>
<td>(1,960,649)</td>
<td>(2,211,456)</td>
<td>(2,062,344)</td>
<td>(2,457,759)</td>
<td>(3,685,045)</td>
<td>(4,036,008)</td>
</tr>
<tr>
<td></td>
<td>432,206</td>
<td>802,389</td>
<td>645,711</td>
<td>514,415</td>
<td>714,809</td>
<td>879,870</td>
</tr>
<tr>
<td></td>
<td>29,769,598</td>
<td>32,381,114</td>
<td>30,724,171</td>
<td>37,845,233</td>
<td>41,334,444</td>
<td>44,856,563</td>
</tr>
<tr>
<td></td>
<td>(22,109,008)</td>
<td>(23,181,324)</td>
<td>(23,572,040)</td>
<td>(25,102,211)</td>
<td>(26,629,870)</td>
<td>(29,522,127)</td>
</tr>
<tr>
<td></td>
<td>$7,660,590</td>
<td>$9,199,790</td>
<td>$7,152,131</td>
<td>$12,743,022</td>
<td>$14,704,574</td>
<td>$15,334,436</td>
</tr>
<tr>
<td></td>
<td>$2,460,923</td>
<td>$2,439,714</td>
<td>$2,418,553</td>
<td>$2,394,889</td>
<td>$2,546,697</td>
<td>$2,866,125</td>
</tr>
<tr>
<td></td>
<td>3.11</td>
<td>3.77</td>
<td>2.96</td>
<td>5.32</td>
<td>5.77</td>
<td>5.35</td>
</tr>
</tbody>
</table>

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### TABLE 17

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Population ¹</th>
<th>Median Household Income ²</th>
<th>Persons Per Household ¹</th>
<th>School Enrollment ³</th>
<th>Unemployment Rate ⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>13,239</td>
<td>$71,052</td>
<td>2.47</td>
<td>7,450</td>
<td>5.2%</td>
</tr>
<tr>
<td>2015</td>
<td>13,619</td>
<td>80,500</td>
<td>2.47</td>
<td>7,898</td>
<td>3.2%</td>
</tr>
<tr>
<td>2016</td>
<td>14,392</td>
<td>84,582</td>
<td>2.47</td>
<td>8,303</td>
<td>3.4%</td>
</tr>
<tr>
<td>2017</td>
<td>14,968</td>
<td>81,110</td>
<td>2.47</td>
<td>8,688</td>
<td>3.0%</td>
</tr>
<tr>
<td>2018</td>
<td>16,076</td>
<td>78,933</td>
<td>2.47</td>
<td>8,664</td>
<td>3.0%</td>
</tr>
<tr>
<td>2019</td>
<td>16,930</td>
<td>80,339</td>
<td>2.47</td>
<td>9,579</td>
<td>2.8%</td>
</tr>
<tr>
<td>2020</td>
<td>18,065</td>
<td>72,776</td>
<td>2.47</td>
<td>9,690</td>
<td>5.2%</td>
</tr>
<tr>
<td>2021</td>
<td>21,956</td>
<td>72,496</td>
<td>2.85</td>
<td>10,117</td>
<td>3.4%</td>
</tr>
<tr>
<td>2022</td>
<td>21,062</td>
<td>79,692</td>
<td>2.66</td>
<td>10,327</td>
<td>3.0%</td>
</tr>
<tr>
<td>2023</td>
<td>22,075</td>
<td>82,982</td>
<td>2.65</td>
<td>10,800</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

Note:
(1) City Administration on non-census years
(2) Only available for census years – other years are estimates
(3) Boerne Independent School District
(4) Texas Workforce Commission
### CITY OF BOERNE, TEXAS
### PRINCIPAL EMPLOYERS
### CURRENT YEAR AND NINE YEARS AGO

**TABLE 18**

<table>
<thead>
<tr>
<th>Employer</th>
<th>Fiscal Year 2023</th>
<th>Fiscal Year 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boerne Independent School District</td>
<td>1  1,300</td>
<td>1  915</td>
</tr>
<tr>
<td>Toyota of Boerne</td>
<td>2  344</td>
<td>8  187</td>
</tr>
<tr>
<td>Kendall County</td>
<td>3  324</td>
<td>4  245</td>
</tr>
<tr>
<td>Mission Pharmacal</td>
<td>4  280</td>
<td>3  246</td>
</tr>
<tr>
<td>WalMart Stores</td>
<td>5  278</td>
<td>7  226</td>
</tr>
<tr>
<td>City of Boerne</td>
<td>6  275</td>
<td>5  233</td>
</tr>
<tr>
<td>HE Butt Grocery Store</td>
<td>7  268</td>
<td>2  354</td>
</tr>
<tr>
<td>Albany Engineered Composites</td>
<td>8  230</td>
<td>6  240</td>
</tr>
<tr>
<td>Cibolo Creek Health and Rehab</td>
<td>9  97</td>
<td></td>
</tr>
<tr>
<td>Mercedes Benz of Boerne</td>
<td>10 85</td>
<td>9  134</td>
</tr>
<tr>
<td>The Home Depot</td>
<td>10 122</td>
<td></td>
</tr>
</tbody>
</table>

Source: City of Boerne Study
### CITY OF BOERNE, TEXAS

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION\nLAST TEN FISCAL YEARS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>19</td>
<td>17</td>
<td>18</td>
<td>32</td>
<td>36</td>
<td>39</td>
<td>49</td>
<td>54</td>
<td>59</td>
<td>59</td>
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<td>Public safety:</td>
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<tr>
<td>Animal control</td>
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<td>Cemetery</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Code enforcement</td>
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<td>11</td>
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<td>Dispatch</td>
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<td>15</td>
<td>15</td>
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<td>16</td>
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<tr>
<td>Emergency and risk</td>
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<td>7</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
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<td>47</td>
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<td>47</td>
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<td>Highways and streets</td>
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<td>18</td>
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<td>20</td>
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<td>20</td>
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<td>15</td>
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<tr>
<td>Culture and recreation</td>
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<td>34</td>
<td>34</td>
<td>35</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td>Economic Development</td>
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</tr>
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<td>16</td>
<td>16</td>
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<td>Sewer</td>
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<td>14</td>
<td>18</td>
<td>18</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>11</td>
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<td>9</td>
<td>11</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>9</td>
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<tr>
<td><strong>Total</strong></td>
<td>218</td>
<td>217</td>
<td>232</td>
<td>234</td>
<td>249</td>
<td>260</td>
<td>264</td>
<td>263</td>
<td>267</td>
<td>275</td>
</tr>
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</table>

Source: Active City of Boerne employees as of September 30
### CITY OF BOERNE, TEXAS
### OPERATING INDICATORS BY FUNCTION
### LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>Function</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Police</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical arrests</td>
<td>490</td>
<td>479</td>
<td>578</td>
<td>664</td>
</tr>
<tr>
<td>Parking violations</td>
<td>70</td>
<td>20</td>
<td>104</td>
<td>48</td>
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<tr>
<td>Traffic violations</td>
<td>1,986</td>
<td>1,326</td>
<td>2,481</td>
<td>1,650</td>
</tr>
<tr>
<td><strong>Fire</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of calls (in City)</td>
<td>317</td>
<td>444</td>
<td>472</td>
<td>549</td>
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<tr>
<td>Inspections</td>
<td>1,277</td>
<td>1,870</td>
<td>2,302</td>
<td>2,501</td>
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<tr>
<td><strong>Code enforcement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permits issued</td>
<td>2,002</td>
<td>2,135</td>
<td>2,305</td>
<td>2,731</td>
</tr>
<tr>
<td><strong>Highways and streets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Streets resurfaced (miles)</td>
<td>2.72</td>
<td>1</td>
<td>2.9</td>
<td>3.4</td>
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<tr>
<td>Other street repairs (hours)</td>
<td>17,412</td>
<td>285</td>
<td>1,466</td>
<td>5,108</td>
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<tr>
<td><strong>Culture and recreation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Athletic field revenues</td>
<td>$27,881</td>
<td>$44,923</td>
<td>$42,669</td>
<td>$44,794</td>
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<tr>
<td>Community center events</td>
<td>297</td>
<td>303</td>
<td>142</td>
<td>-</td>
</tr>
<tr>
<td><strong>Electric</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>New connections</td>
<td>88</td>
<td>128</td>
<td>75</td>
<td>93</td>
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<tr>
<td>Average daily consumptions (kilowatt hours)</td>
<td>362,390</td>
<td>366,009</td>
<td>360,960</td>
<td>364,209</td>
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<tr>
<td><strong>Water</strong></td>
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<tr>
<td>New connections</td>
<td>172</td>
<td>254</td>
<td>248</td>
<td>305</td>
</tr>
<tr>
<td>Average daily consumptions (thousands of gallons)</td>
<td>156,933</td>
<td>158,559</td>
<td>177,771</td>
<td>189,877</td>
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<tr>
<td><strong>Wastewater</strong></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>New connections</td>
<td>138</td>
<td>131</td>
<td>246</td>
<td>163</td>
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<tr>
<td>Average daily treatment (thousands of gallons)</td>
<td>113,884</td>
<td>115,372</td>
<td>119,015</td>
<td>123,687</td>
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<tr>
<td><strong>Reclaimed water</strong></td>
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<tr>
<td>New connections</td>
<td>-</td>
<td>-</td>
<td>88</td>
<td>89</td>
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<tr>
<td>Average daily treatment (thousands of gallons)</td>
<td>-</td>
<td>-</td>
<td>17,970</td>
<td>92,847</td>
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<tr>
<td><strong>Natural gas</strong></td>
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<td></td>
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<td></td>
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<tr>
<td>New connections</td>
<td>78</td>
<td>138</td>
<td>128</td>
<td>221</td>
</tr>
<tr>
<td>Average daily consumptions (thousands of cubic feet)</td>
<td>483</td>
<td>475</td>
<td>424</td>
<td>412</td>
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**Sources:** Various City of Boerne departments  
**Notes:** Indicators are not available for the general government function.  
* Data not currently available
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<tr>
<th></th>
<th>2018</th>
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<td>641</td>
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<td>396</td>
<td>583</td>
<td>614</td>
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<tr>
<td>82</td>
<td>52</td>
<td>39</td>
<td>90</td>
<td>159</td>
<td>176</td>
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<tr>
<td>1,774</td>
<td>1,576</td>
<td>816</td>
<td>1,091</td>
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<td>600</td>
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<td>798</td>
<td>1,322</td>
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<tr>
<td>1,674</td>
<td>1,776</td>
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<td>3,168</td>
<td>3,066</td>
<td>3,030</td>
<td>4,038</td>
<td>2,323</td>
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<td>3.8</td>
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<td>9,293</td>
<td>8,700</td>
<td>5,145</td>
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<td>$181,609</td>
<td>$225,036</td>
<td>$180,140</td>
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<td></td>
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</tr>
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<td>104</td>
<td>130</td>
<td>312</td>
<td>254</td>
<td>53</td>
<td>325</td>
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<tr>
<td>386,241</td>
<td>382,213</td>
<td>369,515</td>
<td>374,745</td>
<td>400,237</td>
<td>403,190</td>
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<tr>
<td>266</td>
<td>471</td>
<td>307</td>
<td>483</td>
<td>318</td>
<td>246</td>
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<tr>
<td>208,156</td>
<td>195,387</td>
<td>221,241</td>
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<td>332</td>
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<td>295</td>
<td>373</td>
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<tr>
<td>132,382</td>
<td>132,619</td>
<td>142,328</td>
<td>157,337</td>
<td>165,772</td>
<td>172,324</td>
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<td>106</td>
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<td>127</td>
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<td>138</td>
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<td>126,638</td>
<td>148,253</td>
<td>217,851</td>
<td>245,842</td>
<td>309,673</td>
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<td>328</td>
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<td>336</td>
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<td>519</td>
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<td>565</td>
<td>680</td>
<td>690</td>
<td>696</td>
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# CITY OF BOERNE, TEXAS
## CAPITAL ASSET STATISTICS BY FUNCTION
## LAST TEN FISCAL YEARS

### TABLE 21

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<tbody>
<tr>
<td><strong>Public safety</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Police</td>
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<td></td>
<td></td>
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<tr>
<td>Stations</td>
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<td>1</td>
<td>1</td>
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<tr>
<td>Patrol units</td>
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<td>18</td>
<td>18</td>
<td>21</td>
<td>21</td>
<td>24</td>
<td>24</td>
<td>29</td>
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<td>Fire trucks</td>
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<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td><strong>Highways and streets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Streets (miles)</td>
<td>59</td>
<td>60</td>
<td>63</td>
<td>68</td>
<td>70.8</td>
<td>72.3</td>
<td>73.34</td>
<td>74.6</td>
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<tr>
<td>Streetlights</td>
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<td>666</td>
<td>686</td>
<td>580</td>
<td>564</td>
<td>580</td>
<td>581</td>
<td>581</td>
<td>584</td>
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<tr>
<td><strong>Culture and recreation</strong></td>
<td></td>
<td></td>
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<td></td>
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<td>Parks</td>
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<tr>
<td>Parks acreage</td>
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<td>401.6</td>
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<td>401.6</td>
<td>401.6</td>
<td>401.6</td>
<td>401.6</td>
<td>430.7</td>
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<td>Swimming pools</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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</tr>
<tr>
<td>Tennis courts</td>
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<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
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<tr>
<td>Convention/community centers</td>
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<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Electric</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of distribution stations</td>
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<td>2</td>
<td>2</td>
<td>2</td>
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<td>2</td>
<td>2</td>
<td>2</td>
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</tr>
<tr>
<td>Capacity sold (mega-watt hours)</td>
<td>132.3</td>
<td>133.6</td>
<td>131.8</td>
<td>132.9</td>
<td>140.9</td>
<td>139.5</td>
<td>134.8</td>
<td>136.7</td>
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<td>147.1</td>
</tr>
<tr>
<td><strong>Water</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Treatment plants</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Capacity produced (thousands of gallons)</td>
<td>676,100</td>
<td>678,456</td>
<td>743,454</td>
<td>842,680</td>
<td>911,936</td>
<td>870,501</td>
<td>936,298</td>
<td>934,474</td>
<td>1,033,656</td>
<td>1,052,452</td>
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<tr>
<td><strong>Wastewater</strong></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treatment plants</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Capacity treated (thousands of gallons)</td>
<td>374,001</td>
<td>529,526</td>
<td>558,906</td>
<td>451,458</td>
<td>458,771</td>
<td>565,730</td>
<td>420,941</td>
<td>509,846</td>
<td>420,382</td>
<td>462,083</td>
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<tr>
<td>Reclaimed water produced (thousands of gallons)</td>
<td>-</td>
<td>-</td>
<td>14,234</td>
<td>72,144</td>
<td>82,232</td>
<td>95,964</td>
<td>117,876</td>
<td>121,095</td>
<td>140,269</td>
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<td><strong>Natural gas</strong></td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>Gas mains (miles)</td>
<td>57</td>
<td>58</td>
<td>61.21</td>
<td>71.72</td>
<td>72.64</td>
<td>75</td>
<td>80.19</td>
<td>78.43</td>
<td>82.04</td>
<td>84.69</td>
</tr>
<tr>
<td>Capacity sold (thousands of cubic feet)</td>
<td>176,464</td>
<td>173,413</td>
<td>154,594</td>
<td>150,474</td>
<td>189,398</td>
<td>220,275</td>
<td>206,362</td>
<td>248,284</td>
<td>251,816</td>
<td>253,923</td>
</tr>
</tbody>
</table>

Sources: Various City of Boerne departments
Notes: No capital asset indicators are available for the general government function.
COMPLIANCE SECTION
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of the City Council
City of Boerne, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boerne, Texas (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented or detected and corrected on timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Antonio, Texas
March 26, 2024