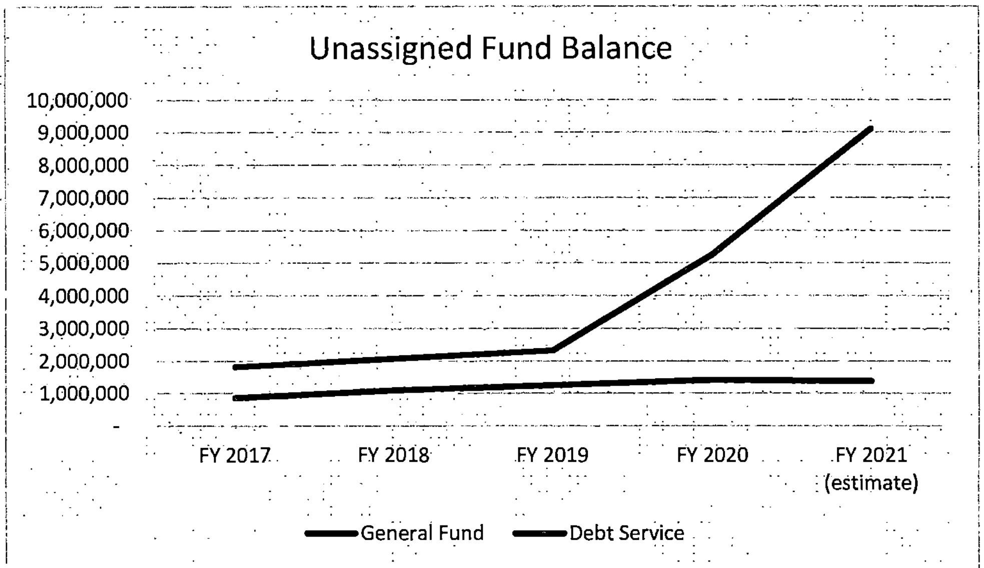
19a

Unassigned Ending Fund Balance by Year

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 (estimate)
General Fund	1,808,856	2,061,273	2,325,304	5,245,980	9,100,000
Debt Service	857,174	1,087,614	1,249,144	1,417,349	1,380,000
Road & Bridge	852,367	688,319	778,260	1,156,983	1,500,000

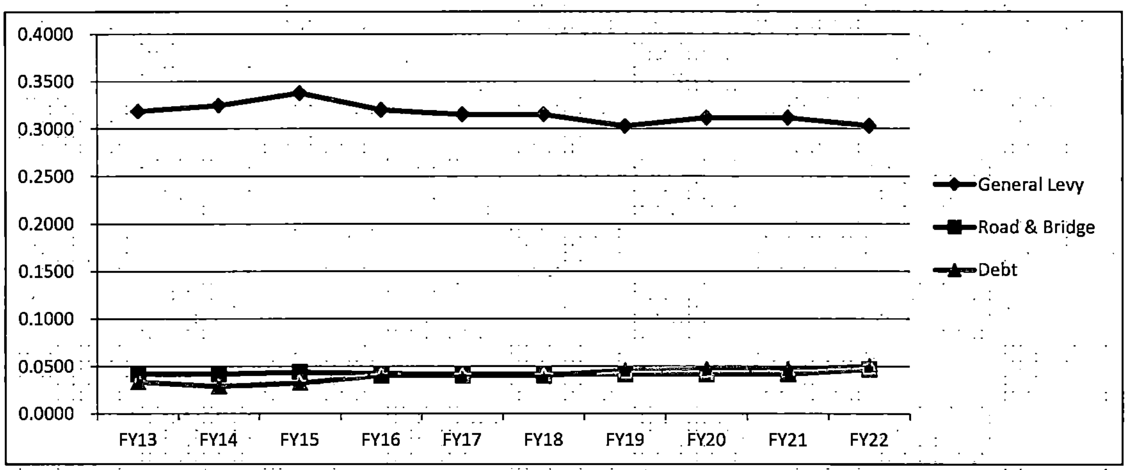


FY22 General Fund Budget		
3 mo (25%)	$	6,740,025
4 mo (33%)	$	8,986,700
FY22 Road & Bridge Budget		
3 mo (25%)	$	1,130,801
4 mo (33%)	$	1,492,657
FY22 Debt Service		
3 mo (25%)	$	1,003,199
4 mo (33%)	$	1,324,223

*Current Reserve Policy requires 25% of operating expenditures be held in reserve.

TAX RATE HISTORY

FISCAL YEAR	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
General Levy	0.3182	0.3245	0.3374	0.3199	0.3149	0.3149	0.3026	0.3114	0.3114	0.3030
Debt Service Levy	0.0335	0.0288	0.0326	0.0402	0.0402	0.0402	0.0457	0.0468	0.0468	0.0500
Road & Bridge (Special) Levy	0.0417	0.0418	0.0440	0.0424	0.0418	0.0418	0.0417	0.0417	0.0417	0.0467
Total Tax Rate	**0.3934**	**0.3951**	**0.4140**	**0.4025**	**0.3969**	**0.3969**	**0.3900**	**0.3999**	**0.3999**	**0.3997**



DEBT

Burnet County has historically utilized general obligation bonds and tax notes to fund various infastructure such as building and road projects. Capital leases have been utilized for funding capital purchases such as vehicles and equipment. With the passage of the Texas Property Tax Reform and Relief Act in 2019, Burnet County started utilizing tax notes rather than capital leases for vehicle and equipment in addition to infastructure.

General Obligation Bonds and Tax Notes (does not include bond refunding or short-term revenue anticipation notes)

Year	Amount	
1981	1,000,000	To Build a new Jail (48 bed)
1996	3,515,000	Expansion of Jail Facility (additional 48 beds)
2000	600,000	Aquire ROW for a new road (FM 3509)
2001	7,000,000	Build two new annex buildings and renovate courthouse
2003	720,000	ROW for TXDOT projects (FM 1431)
2006	235,000	Records Storage & Elections Building
2007	755,000	Renovations to Annex on the Square
2008	35,380,000	Revenue Bond for the newly formed Burnet County Public Facility Corporation (Jail Facility, this is reported as a component unit)
2010	1,195,000	Software, Telephone system, R&B upgrades
2015	14,845,000	Jail Purchase
2016	5,780,000	Road Projects
2018	5,450,000	Road Projects
2019	2,530,000	Dispatch renovation, Jail Cameras, Command Trailer, Sher Vehicles, Radios, Hazard Waste Facility and Wirtz Dam
2020	6,000,000	Vehicles, Equipment, Jail Shower Repairs, Jail Water Mgmt system, Parking Lot Repairs, R&B, Roof Repairs, etc.

Capital Leases

2008	136,348	Vehicles (3 Pickups, 1 Expedition and 2 Crown Victoria Patrol Cars)
2009	200,626	Equipment & Vehicles
2010	176,910	Equipment
2011	186,473	Vehicles
2012	77,589	Three Police SUV's
2013	83,028	Three Police SUV's
2014	85,935	Three Police SUV's
2014	49,999	R&B Equipment
2015	363,095	R&B Equipment
2016	292,023	Police Vehicles & R&B Equipment
2017	379,422	Vehicles & Equipment
2018	379,422	Vehicles & Equipment
2019	749,168	Vehicles & Equipment

The Texas Property Tax Reform and Relief Act (SB2) passed in 2019, setting a revenue cap of 3.5%.

Burnet County, Texas
County & City Comparison

	Outstanding debt	Debt Ratio	Debt Per Capita	Final Debt Payoff	Population	Taxable Assessed Valuation**	Average Assessed Valuation Growth*	Total Tax Rate***	Average Home Tax Bill ($300k)
Burnet County	$29,090,000	0.387%	$589.85	2036	49,318	$7,518,656,068	8.46%	$0.3582	$1,074.60
Lampasas County	$17,805,000	1.191%	$808.73	2038	22,016	$1,495,507,500	3.47%	$0.5892	$1,767.60
Llano County	$8,470,000	0.168%	$388.62	2028	21,795	$5,032,403,251	0.497%	$0.2957	$887.10
Williamson County	$1,195,959,956	1.580%	$1,945.79	2042	614,639	$75,680,989,137	8.658%	$0.4187	$1,256.10
Blanco County	$5,185,000	0.264%	$443.09	2029	11,702	$1,963,018,696	7.688%	$0.3900	$1,170.00
San Saba County	$1,660,000	0.301%	$274.61	2026	6,045	$552,273,338	8.344%	$0.5850	$1,755.00
Travis County	$1,138,455,000	0.531%	$829.74	2041	1,372,063	$214,387,593,463	8.564%	$0.3743	$1,122.90
Comal County	$139,790,000	0.634%	$848.18	2039	164,812	$22,060,232,710	8.027%	$0.3190	$957.00
Marble Falls, City of	$76,709,000	7.394%	$10,727.03	2051	7,151	$1,037,479,456	5.405%	$0.6110	$1,833.00
Austin, City of	$1,475,975,000	0.828%	$1,466.11	2040	1,006,727	$178,326,128,129	8.723%	$0.5335	$1,600.50
Burnet, City of	$27,335,000	4.877%	$3,858.15	2045	7,085	$560,458,216	5.992%	$0.6181	$1,854.30
New Braunfels, City of	$275,245,000	2.820%	$3,051.19	2041	90,209	$9,762,146,290	9.266%	$0.4832	$1,449.60

** Taxable Valuation growth is an average of the last ten years*
***Taxable Values are from 2020*
*** General & Debt

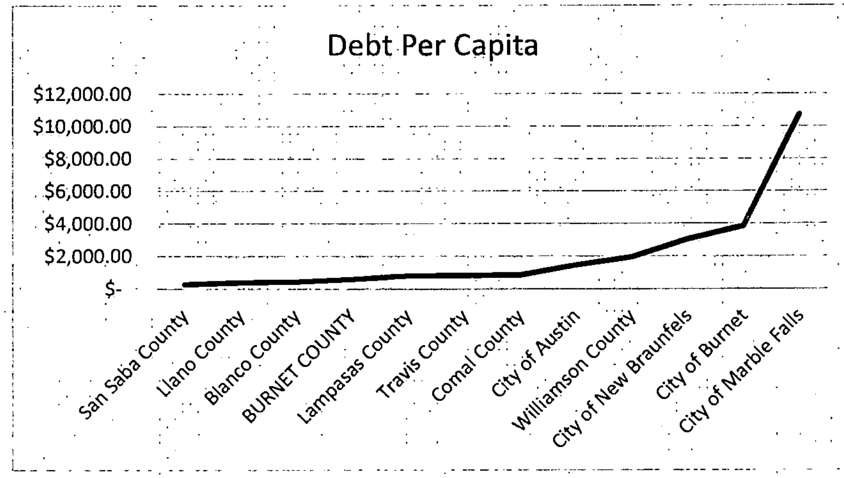
Source: Duane Westerman, SAMCO Capital Markets, Inc

DEBT PER CAPITA COMPARISON

Based on FY 2020

San Saba County	$	274.61
Llano County	$	388.62
Blanco County	$	443.09
BURNET COUNTY	$	589.85
Lampasas County	$	808.73
Travis County	$	829.74
Comal County	$	848.18
City of Austin	$	1,466.11
Williamson County	$	1,945.79
City of New Braunfels	$	3,051.19
City of Burnet	$	3,858.15
City of Marble Falls	$	10,727.03

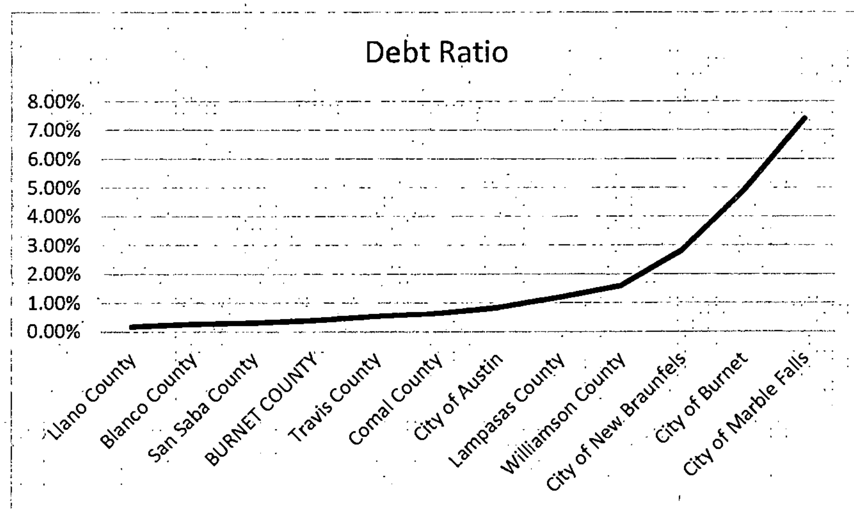
Note: Debt per Capita = Total Debt/Population



DEBT RATIO

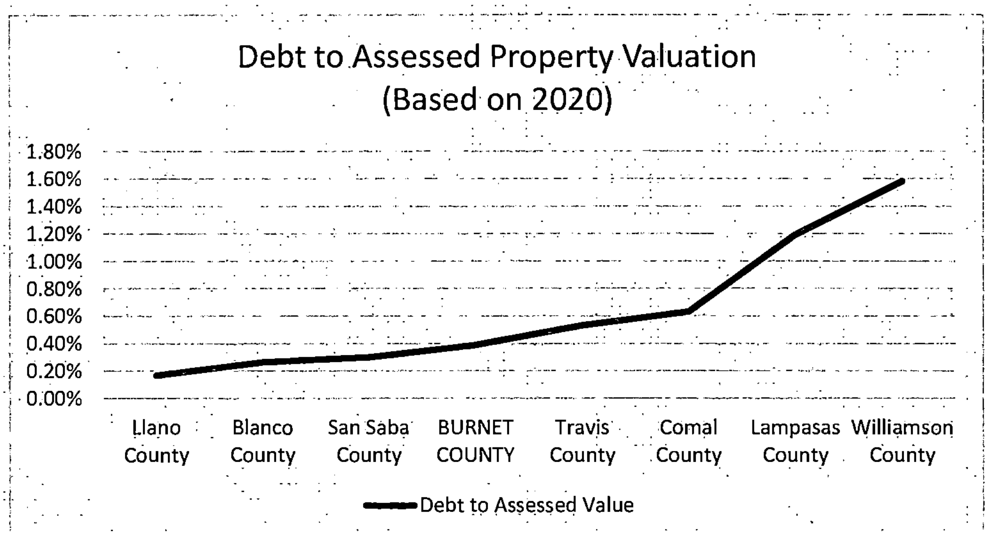
Llano County	0.17%
Blanco County	0.26%
San Saba County	0.30%
BURNET COUNTY	0.39%
Travis County	0.53%
Comal County	0.63%
City of Austin	0.83%
Lampasas County	1.19%
Williamson County	1.58%
City of New Braunfels	2.82%
City of Burnet	4.88%
City of Marble Falls	7.39%

Note: Debt Ratio = Outstanding Debt/Taxable Assessed Value



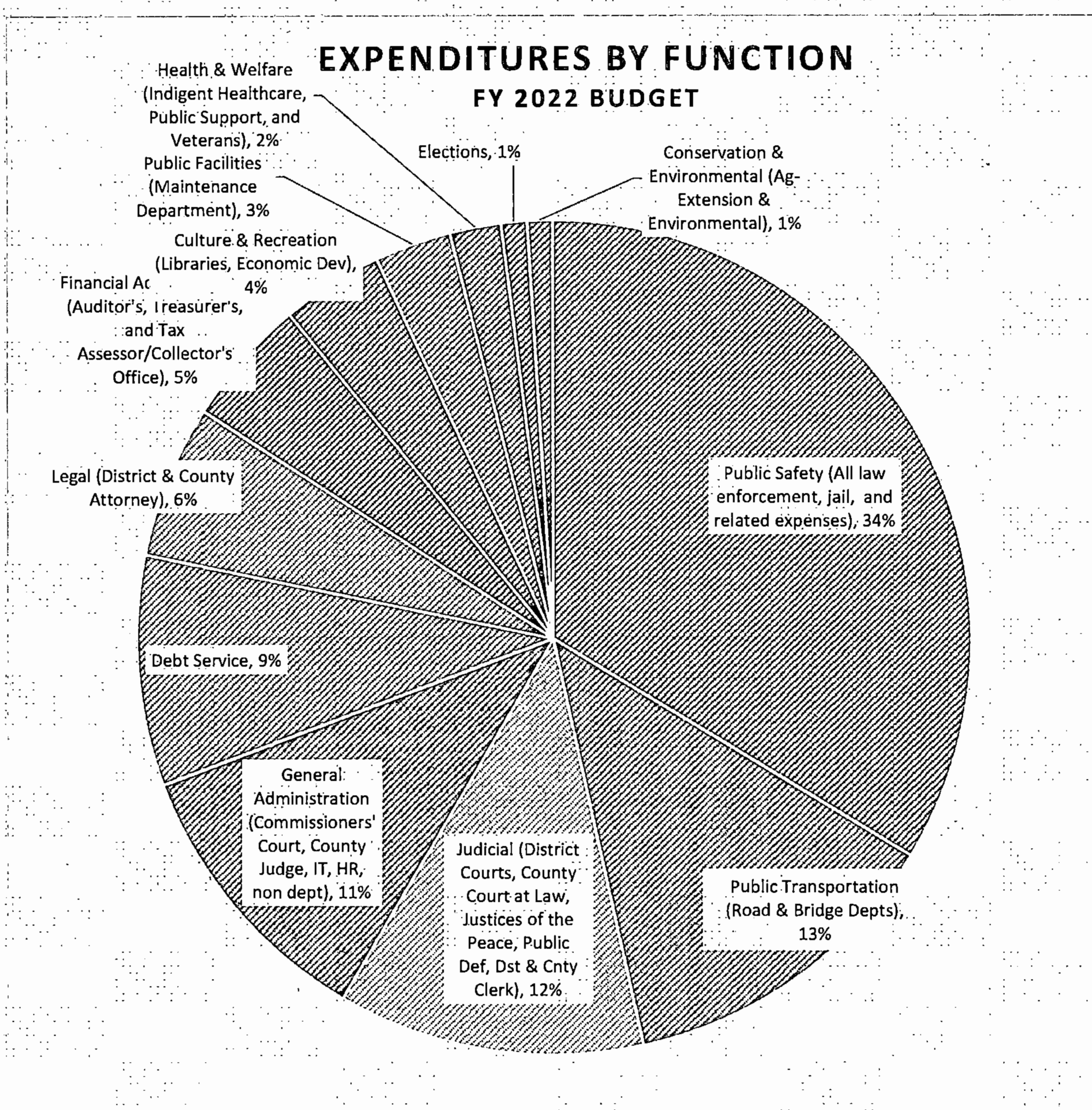
DEBT TO ASSESSED VALUE

	Outstanding Debt	Taxable Assessed Valuation from 2020	Debt to Assessed Property Value
Llano County	8,470,000	5,032,403,251	0.17%
Blanco County	5,185,000	1,963,018,696	0.26%
San Saba County	1,660,000	552,273,338	0.30%
BURNET COUNTY	29,090,000	7,518,656,068	0.39%
Travis County	1,138,455,000	214,387,593,463	0.53%
Comal County	139,790,000	22,060,232,710	0.63%
Lampasas County	17,805,000	1,495,507,500	1.19%
Williamson County	1,195,959,956	75,680,989,137	1.58%



EXPENDITURES BY FUNCTION
FY22 BUDGET

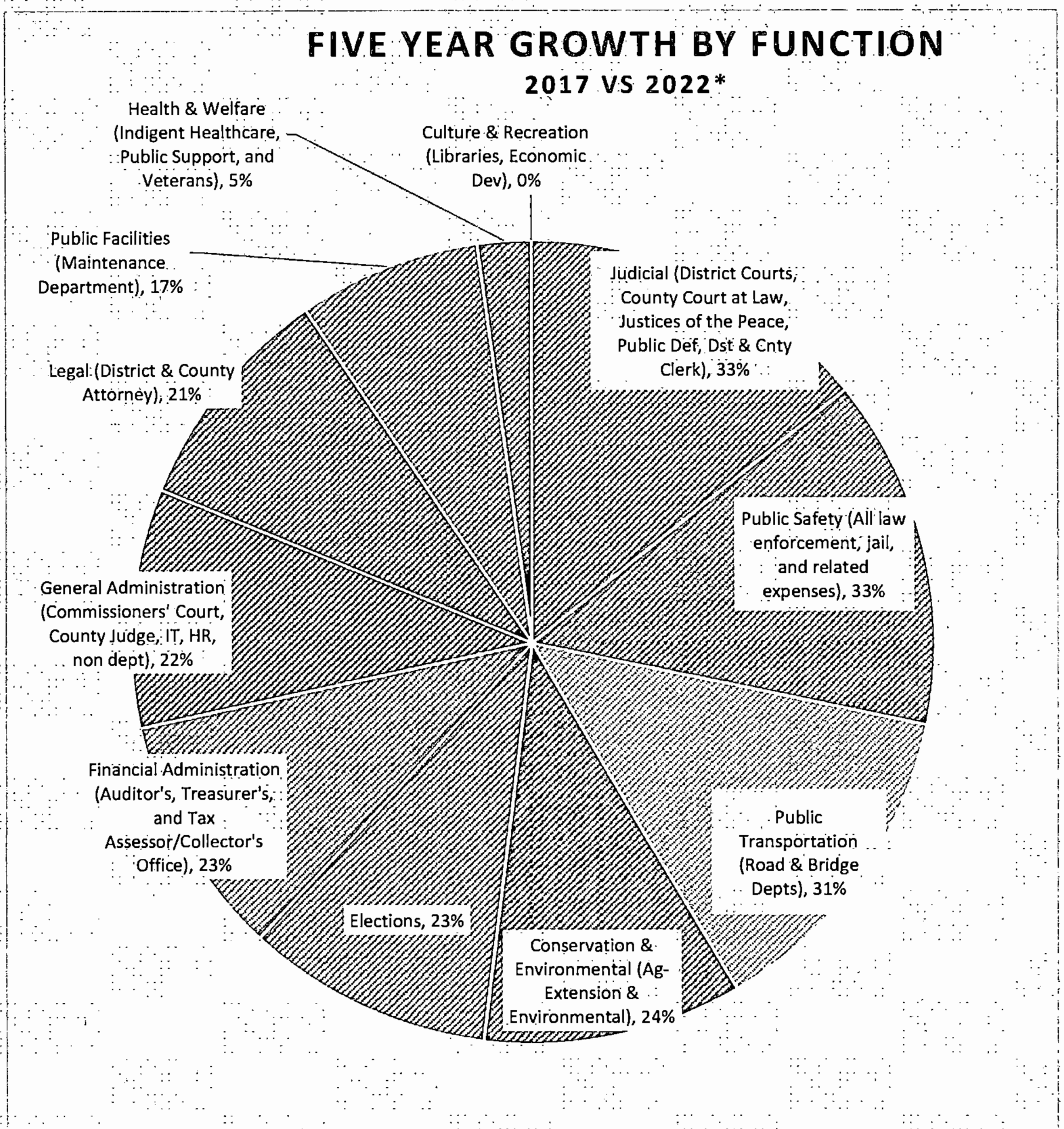
Public Safety (All law enforcement, jail, and related expenses)	34%
Public Transportation (Road & Bridge Depts)	13%
Judicial (District Courts, County Court at Law, Justices of the Peace, Public Def, Dst & Cnty Clerk)	12%
General Administration (Commissioners' Court, County Judge, IT, HR, non dept)	11%
Debt Service	9%
Legal (District & County Attorney)	6%
Financial Administration (Auditor's, Treasurer's, and Tax Assessor/Collector's Office)	5%
Culture & Recreation (Libraries, Economic Dev)	4%
Public Facilities (Maintenance Department)	3%
Health & Welfare (Indigent Healthcare, Public Support, and Veterans)	2%
Elections	1%
Conservation & Environmental (Ag-Extension & Environmental)	1%



5 YEAR GROWTH BY FUNCTION
2017 VS 2022*

	% Change
Judicial (District Courts, County Court at Law, Justices of the Peace, Public Def, Dst & Cnty Clerk)	33%
Public Safety (All law enforcement, jail, and related expenses)	33%
Public Transportation (Road & Bridge Depts)	31%
Conservation & Environmental (Ag-Extension & Environmental)	24%
Elections	23%
Financial Administration (Auditor's, Treasurer's, and Tax Assessor/Collector's Office)	23%
General Administration (Commissioners' Court, County Judge, IT, HR, non dept)	22%
Legal (District & County Attorney)	21%
Public Facilities (Maintenance Department)	17%
Health & Welfare (Indigent Healthcare, Public Support, and Veterans)	5%
Culture & Recreation (Libraries, Economic Dev)	0%

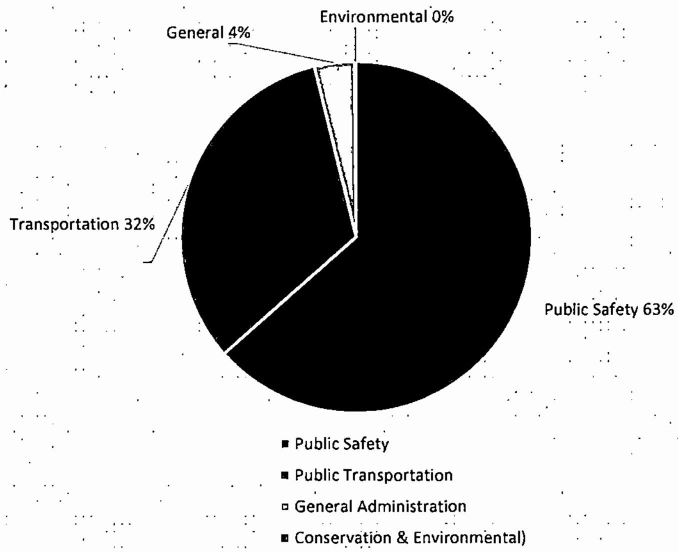
* Excludes Debt



OUTSTANDING DEBT BY FUNCTION

	JAIL BOND 2015/2020	ROAD BOND 2016	ROAD BOND 2017	2019 BOND 81% Public Safety, 17% Transportation, 2% Environmental	2020 BOND 37% Public Safety, 46% Transportation, 17% General	TOTAL	
Public Safety	13,240,000			1,530,900	2,109,000	16,879,900	63%
Public Transportation		1,735,000	3,915,000	321,300	2,622,000	8,593,300	32%
General Administration					969,000	969,000	4%
Conservation & Environmental)				37,800		37,800	0%
	13,240,000	1,735,000	3,915,000	1,890,000	5,700,000	26,480,000.00	0.99

Total Debt Outstanding As of: 9/30/21 $ **26,480,000**



KEY CONCEPT

Public Finance: House Bill 1869

By Claudia Russel and Gregory Miller, Attorneys
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With the 87th Regular Legislative Session ending in May and Gov. Greg Abbott's veto period ending June 20, Texas officially has new laws affecting local governments pertaining to public finance. The most significant of these laws are changes to the Tax Code made through House Bill 1869. This bill defines which sorts of non-voted debt obligations count as "debt" obligations, and which sorts of obligations would need to be included in the rollback formula.

As a bit of background, one might recall that lawmakers last addressed the rollback rate in 2019 in the 86th Legislature. Then, the legislature enacted property tax reforms to require taxing units that proposed tax rates higher than a certain level, called the voter-approval rate, to hold an election so that voters could approve the increases. Early drafts of the legislation in that session would have specified that taxes used to repay certificates of obligation and tax notes were to be considered as being paid from the taxes that are subject to the voter-approval rate. This would effectively have limited the capacity of counties to issue non-voted debt. The ultimate bill did not include those obligations as being part of the rollback calculation. However, this issue did not go away.

Members of the legislature critical of local governments saw this as a loophole that they argued led to some Texas municipalities improperly issuing increasing amounts of debt to avoid holding an election. In 2021, the legislature took aim at how current law defines "debt" and passed H.B. 1869. One of the first versions of the bill limited the definition of "debt," for purposes of calculating property taxes, to include a bond, warrant, certificate of obligation, or other evidence of indebtedness that also met one of the following criterial: (1) was approved at an election, (2) included self-supporting debt, (3) evidenced a loan under a state or federal financial assistance program, (4) was issued for designated infrastructure, (5) was a refunding bond, or (6) was issued in response to an emergency. At first, "designated infrastructure" only included (a) streets, roads, or highways, (b) telecommunications, (c) cybersecurity, or (d) a part of any utility system, water supply project, water plant, wastewater plant, water and wastewater distribution or conveyance facility, wharf, dock, or flood control and drainage project.

Critics of H.B. 1869 pointed out that the bill infringed on local control and flexibility by further limiting how the elected representatives of a community set their budgets, and that flexibility is especially important in communities with high growth that need to respond quickly to calls for increased services. Luckily, H.B. 1869 was amended, and "designated infrastructure" now also includes bridges, sidewalks, parks, landfills, parking structure, airports, police stations, fire stations, or other public safety facilities, jails, juvenile detention facilities, or judicial facilities, and any facilities that are physically attached to listed facilities. The bill was also amended so that COs can be used for renovating, improving, or equipping existing buildings or facilities and for vehicles or equipment. With all the exceptions that were added, interested local officials questioned the need for the bill. Nonetheless the legislature passed the water-downed bill, and local governments wishing to issue COs will now need to verify that the use is listed in the exceptions. Abbott signed H.B. 1869 on June 15, and it becomes effective Sept. 1, 2021.

As with most statutes, the entire text of the enacted legislation must be read closely to completely appreciate the full impact of the new laws. This summary is not intended to take the place of legal advice. We recommend that you reach out to your bond counsel to discuss how these new laws might affect your county. ★