

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF COTTONWOOD SHORES, TEXAS
4111 COTTONWOOD DRIVE – CIVIC CENTER
THURSDAY, MAY 16, 2002 AT 7:00 P.M.

AGENDA

1. CALL TO ORDER AND ROLL CALL:
2. CONSENT AGENDA:
 - (A) MINUTES OF A REGULAR MEETING ON FEBRUARY 21, 2002 AND A SPECIAL MEETING ON FEBRUARY 26, 2002:
 - (B) FINANCIAL STATEMENTS FOR THE MONTH OF APRIL 2002.
3. PRESENTATION BY MR. TREY GREBE AND MR. GEORGE BIRD WITH PEDERNALES ELECTRIC COOPERATIVE.
4. CONSIDER AND POSSIBLY TAKE ACTION ON A REQUEST BY MR. ANDREW DOLL WITH KARATCOM, A PROJECT MANAGEMENT COMPANY REPRESENTING VOICESTREAM WIRELESS, TO INSTALL AN ANTENNA(S) ON TOP OF THE CITY'S NEW WATER STORAGE TANK LOCATED IN THE CASTLE TERRACE SECTION OF COTTONWOOD SHORES, TEXAS.
5. CONSIDER AND POSSIBLY TAKE ACTION ON A REQUEST BY MRS. NANCY HUGHES TO ALLOW THE CITY SWIMMING POOL TO REMAIN OPEN LATER IN THE EVENINGS FOR "ADULTS ONLY" SWIMMING.
6. CONSIDER AND POSSIBLY TAKE ACTION ON A REQUEST BY MS. RITA MOORE FOR A CREDIT ADJUSTMENT TO HER UTILITY BILL FROM THE CITY OF COTTONWOOD SHORES FOR HIGH WATER USE DUE TO A WATER LEAK AT HER RESIDENCE, 707 PECAN LANE ON LOT 236 IN THE DRIFTWOOD SECTION, COTTONWOOD SHORES, TEXAS.
7. MONTHLY ACTIVITY REPORTS:
 - A. POLICE DEPARTMENT:
 - (1) ACTIVITY LOG.
 - (2) ARREST.
 - B. PUBLIC WORKS:
 - (1) WATER & SEWER SYSTEM PERFORMANCE & USAGE.
 - (2) ANIMAL CONTROL.
 - C. CIVIC PRIDE:
 - (1) UPCOMING MEETING DATES.
 - (2) FUTURE PROJECTS.
 - D. VOLUNTEER FIRE DEPARTMENT.
8. MAYOR'S REPORT:
 - A. FUTURE GRANT APPLICATION FOR WATER DISTRIBUTION LINES.
9. CITIZEN COMMENTS.
10. ADJOURNMENT.

I CERTIFY THAT THE ABOVE NOTICE WAS POSTED AT CITY HALL 3808 COTTONWOOD DRIVE, COTTONWOOD SHORES, TEXAS ON THIS 13TH DAY OF MAY, 2002 AT 5:00 P.M.

ATTEST:


DALE PICKENS, MAYOR


TENA COLLIER, CITY SECRETARY



**MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF COTTONWOOD SHORES, TEXAS
4111 COTTONWOOD DRIVE – CIVIC CENTER
THURSDAY, MAY 16, 2002 AT 7:00 P.M.**

1. **CALL TO ORDER AND ROLL CALL:** Mayor Pickens called this Regular Meeting to Order at 7:15 p.m., with both Commissioner Phipps and Commissioner Pfeifer in attendance, a Quorum was present.
2. **CONSENT AGENDA:**
 - (A) **MINUTES OF A REGULAR MEETING ON FEBRUARY 21, 2002 AND A SPECIAL MEETING ON FEBRUARY 26, 2002:** Mayor Pickens stated that this item would need to be tabled since these were not the correct dates.
 - (B) **FINANCIAL STATEMENTS FOR THE MONTH OF APRIL 2002:** Mayor Pickens stated that a discrepancy had been pointed out, but it would not effect the fund balance. He noted that it was not in the revenue only a coding error. He added the final page indicates that the ledger is in balance. Commissioner Phipps made a motion to approve the Financial Statements for April with the correction noted. Commissioner Pfeifer seconded her motion, which carried.
3. **PRESENTATION BY MR. TREY GREBE AND MR. GEORGE BIRD WITH PEDERNALES ELECTRIC COOPERATIVE:** Mr. George Bird thanked the Council and citizens for allowing the Grizzly Grinders and National Tree Trimmers in the City. He stated that he knew they were noisy and were stirring up a lot of dust, but by clearing the right-of-ways it allowed PEC crews to get to poles and maintain service. He pointed out that they were two-thirds complete and had not received any complaints. He added that the lots where they had been looked good and he felt it was an improvement. Mayor Pickens stated that the benefits from the clearing would be realized when a power outage occurred during a storm and the response time was much faster. Mr. Euclid Phipps pointed out that there was a dead pecan tree close to the water by Mr. Roberts' house, which was hanging over some lines. Mr. Bird stated that he would check on it. He then reminded everyone that June 15th was the annual meeting for PEC in Johnson City. He noted that the election of new board members would be held at that time. He informed everyone that the co-op magazine had background information on each candidate. He added that there would be door prizes given away at the meeting. He encouraged everyone to attend the meeting or mail in their proxy if they were unable to attend.
4. **CONSIDER AND POSSIBLY TAKE ACTION ON A REQUEST BY MR. ANDREW DOLL WITH KARATCOM, A PROJECT MANAGEMENT COMPANY REPRESENTING VOICESTREAM WIRELESS, TO INSTALL AN ANTENNA(S) ON TOP OF THE CITY'S NEW WATER STORAGE TANK LOCATED IN THE CASTLE TERRACE SECTION OF COTTONWOOD SHORES, TEXAS:** Mr. Doll stated that the tower lease agreement now contained the changes recommended by the City Attorney. He noted they were in the addendum on page 7. Mayor Pickens asked Mr. Doll about the details of the "Option to Lease". Mr. Doll explained that this was a six-month period for Voicestream to obtain the required permits and surveys needed. Commissioner Pfeifer asked about the platform that was to be installed along side the water tower. He was concerned about it obstructing the man-way located at the bottom of the water tower. Mr. Rich Steinbrink explained that this would be elevated about 18" from ground level. He assured the Council that it would not interfere with the man-way. Commissioner Pfeifer inquired about the improvements to the existing fence. Mr. Steinbrink stated that the fence was in good shape so he proposed to weave redwood strips in the existing chain link to create a privacy fence all the way

around the water tower. He noted that they would be adding another gate for maintenance. Mayor Pickens recommended a final review of the documents by the City Attorney. Commissioner Pfeifer made a motion to approve the Tower Lease with Option request by Voicestream to install antennas on top the water tower. Commissioner Phipps seconded his motion, which carried.

5. **CONSIDER AND POSSIBLY TAKE ACTION ON A REQUEST BY MRS. NANCY HUGHES TO ALLOW THE CITY SWIMMING POOL TO REMAIN OPEN LATER IN THE EVENINGS FOR "ADULTS ONLY" SWIMMING:** Mayor Pickens stated that the lifeguard had visited with him on Wednesday and she agreed to keep the pool open one day a week. Mrs. Nancy Hughes asked if we had to pay a lifeguard. She wondered if people could just sign a waiver. She noted that lots of people seemed interested and wanted a family night as well. Commissioner Pfeifer stated that if there was an interest and we could find someone to lifeguard he would like to see it open more. Mrs. Claudie Short asked if a person was certified could they be the lifeguard. Mayor Pickens instructed Mrs. Short to come by City Hall and talk about it. He then stated that the pool would be open on Wednesday, June 5th in the evening from 6:00 p.m. until 8:00 p.m. He added if there were enough people to justify staying open then we would open three nights a week. Commissioner Pfeifer then made a motion to open the pool one night a week for adults to swim with the option of additional nights if attendance warrants. Commissioner Phipps seconded his motion, which carried.

6. **CONSIDER AND POSSIBLY TAKE ACTION ON A REQUEST BY MS. RITA MOORE FOR A CREDIT ADJUSTMENT TO HER UTILITY BILL FROM THE CITY OF COTTONWOOD SHORES FOR HIGH WATER USE DUE TO A WATER LEAK AT HER RESIDENCE, 707 PECAN LANE ON LOT 236 IN THE DRIFTWOOD SECTION, COTTONWOOD SHORES, TEXAS:** Commissioner Pfeifer asked whether she had a leak or if the water was just left on. He added if she had a leak then she should have a receipt for having the plumbing repaired. Mayor Pickens stated that she said she doesn't live there, but the lawn is green. Commissioner Phipps agreed that she should have to present a bill for the repairs before receiving an adjustment. Commissioner Phipps then made a motion to grant the request for an adjustment to Ms. Moore's bill by the amount over her normal usage provided she shows a receipt for having the leak fixed. Commissioner Pfeifer seconded her motion, which carried.

7. **MONTHLY ACTIVITY REPORTS:**
 - A. **POLICE DEPARTMENT:**
 - (1) **ACTIVITY LOG:** Sergeant Hallman read the report for the Police Department.
 - B. **PUBLIC WORKS:**
 - (1) **WATER & SEWER SYSTEM PERFORMANCE & USAGE:** Mayor Pickens stated that the water usage was up due to no rain. He added that everything at the plant was working well. He noted that the lift station was down earlier, but was up and running now. He encouraged everyone to call City Hall if they saw a green spot so we could check for any leaks.
 - (2) **ANIMAL CONTROL:** Mayor Pickens stated that there had been an increase in the number of kittens running around.
 - C. **CIVIC PRIDE:**
 - (1) **UPCOMING MEETING DATES:** Mrs. Claudie Short stated that at the next meeting Civic Pride would be electing new officers.
 - (2) **FUTURE PROJECTS:** Mrs. Short presented the Council with a check in the amount of \$2,291.00 to help pay for new street signs within the City.
 - D. **VOLUNTEER FIRE DEPARTMENT:** Mayor Pickens stated that there was no one here for the VFD. He added that they were also helping with the street signs. He

noted that the new fire truck should be here for the annual barbecue on August 15th to celebrate the City's anniversary.

8. MAYOR'S REPORT:

A. FUTURE GRANT APPLICATION FOR WATER DISTRIBUTION LINES: Mayor Pickens stated that we should start working on this soon now that the final closeout was done on the other grant.

9. CITIZEN COMMENTS: Mrs. Nancy Hughes wanted to say thanks for replacing the light at the boat ramp. Mr. Euclid Phipps wanted to know what could be done about the junk cars. Mayor Pickens stated that the Police Department was out of stickers right now, but had some on order.

10. ADJOURNMENT: Mayor Pickens adjourned this Regular Meeting at 8:32 p.m.

ATTEST:


TENA COLLIER, CITY SECRETARY


DALE PICKENS, MAYOR



**BURNET CENTRAL
APPRIASAL DISTRICT**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2001**

**BURL HARPER, C.P.A.
P.O. BOX 1268
MARBLE FALLS, TEXAS 78654
(830) 693-6067**

**BURNET CENTRAL
APPRAISAL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2001**

BURNET CENTRAL APPRAISAL DISTRICT
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2001

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FINANCIAL SECTION

BURL HARPER
Certified Public Accountant

Independent Auditor's Report

Members of the Board of Directors of the
Burnet Central Appraisal District

We have audited the accompanying general-purpose financial statements of the Burnet Central Appraisal District, as of December 31, 2001, and for the year then ended, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Burnet Central Appraisal District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, the financial position of the Burnet Central Appraisal District, Texas, as of December 31, 2001, and the results of its operations for the twelve months then ended in conformity with generally accepted accounting principles in the United States of America.

We have also issued a report dated April 22, 2002, on our consideration of the Burnet Central Appraisal District's internal control structure and a report dated April 22, 2002, on its compliance with laws and regulations.



Burl Harper, C.P.A.
April 22, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

**BURNET CENTRAL APPRAISAL DISTRICT
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

	Governmental	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	Fund Type		General Fixed Assets	General Long-Term Debt	2001	2000
	General Fund					
ASSETS						
Cash on hand and in bank	\$ 196,855	\$ 258,467	\$ -	\$ -	\$455,322	\$ 512,787
Temporary investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Fixed Assets	-	-	745,363	-	745,363	848,613
Amount to be provided	-	-	-	33,309	33,309	18,051
Total assets & other debits	<u>196,855</u>	<u>258,467</u>	<u>745,363</u>	<u>33,309</u>	<u>1,233,994</u>	<u>1,379,451</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	17,707	2,415	-	-	20,122	1,371
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	124,414
Payable to entities	178,548	256,052	-	-	434,600	368,362
Uncompensated absences	-	-	-	33,309	33,309	18,051
Total liabilities	<u>196,255</u>	<u>258,467</u>	<u>-</u>	<u>33,309</u>	<u>488,031</u>	<u>512,198</u>
Fund equity						
Investment in general fixed assets	-	-	745,363	-	745,363	848,613
Reserved for:						
Petty cash	600	-	-	-	600	600
Mapping	-	-	-	-	-	18,040
Unappropriated fund balance	-	-	-	-	-	-
Total fund equity	<u>600</u>	<u>-</u>	<u>745,363</u>	<u>-</u>	<u>745,963</u>	<u>867,253</u>
Total liabilities and fund equity	<u>\$ 196,855</u>	<u>\$ 258,467</u>	<u>\$ 745,363</u>	<u>\$ 33,309</u>	<u>\$ 1,233,994</u>	<u>\$ 1,379,451</u>

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

BURNET CENTRAL APPRAISAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	<u>2001</u>	<u>2000</u>
Revenues:		
Entity payments	\$ 963,128	\$ 896,769
Interest	10,793	15,138
Tax certificates	40,076	37,842
Map sales	3,231	4,003
Miscellaneous	5,435	5,017
Total revenue	<u>1,022,663</u>	<u>958,769</u>
Expenditures:		
Current:		
Salaries	460,820	438,515
Health and disability insurance	72,588	76,341
Retirement	47,465	45,157
Payroll taxes	34,794	34,968
Worker's comp insurance	1,743	1,526
Director's liability insurance	1,059	684
General business insurance and bonds	2,638	2,586
Auto allowance and mileage	13,917	14,011
Building maintenance	7,971	6,041
Utilities	8,645	7,871
Telephone	10,349	8,497
Rent and leases	11,483	11,343
Mapping expenses	55,888	15,960
Review board expenses	4,234	1,400
Computer support and maintenance	56,674	56,601
Legal and professional	2,990	3,851
Seminars and schools	5,175	7,007
Postage and freight	6,308	16,765
Advertising	3,573	1,779
Supplies	12,989	13,050
Tax statement processing	12,115	7,300
Appraisal notice processing	12,105	8,430
Miscellaneous	6,203	10,911
Capital outlay	<u>10,429</u>	<u>9,743</u>
Total expenditures	<u>862,155</u>	<u>800,337</u>
Excess (deficiency) of revenues over expenditures	160,508	158,432
Fund balance at beginning of year	18,640	6,830
Reclassification (to) from due to entities	<u>(178,548)</u>	<u>(146,622)</u>
Fund balance at end of year	<u>\$ 600</u>	<u>\$ 18,640</u>

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

**BURNET CENTRAL APPRAISAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY
BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenue:			
Entity payment	\$ 963,128	\$ 963,128	\$ -
Interest	-	10,793	10,793
Tax certificates	-	40,076	40,076
Map sales	-	3,231	3,231
Miscellaneous	-	5,435	5,435
Total revenue	<u>\$ 963,128</u>	<u>\$ 1,022,663</u>	<u>\$ 59,535</u>
Expenditures:			
Current:			
Salaries	\$ 486,750	\$ 460,820	\$ 25,930
Health and disability insurance	101,249	72,588	28,661
Retirement	50,136	47,465	2,671
Payroll taxes	39,540	34,794	4,746
Worker's comp insurance	5,673	1,743	3,930
Director's liability insurance	1,000	1,059	(59)
General business insurance	6,600	2,638	3,962
Auto allowance and mileage	19,200	13,917	5,283
Building maintenance	8,000	7,971	29
Utilities	7,500	8,645	(1,145)
Telephone	9,000	10,349	(1,349)
Rents and leases	14,380	11,483	2,897
Mapping expenses	56,040	55,888	152
Review board expenses	4,000	4,234	(234)
Computer support and maintenance	59,850	56,674	3,176
Legal and professional	4,500	2,990	1,510
Seminars and school	14,750	5,175	9,575
Postage and freight	10,600	6,308	4,292
Advertising	7,200	3,573	3,627
Supplies	23,500	12,989	10,511
Tax statement processing	15,000	12,115	2,885
Appraisal notice processing	15,000	12,105	2,895
Miscellaneous	8,000	6,203	1,797
Capital outlay	<u>13,000</u>	<u>10,429</u>	<u>2,571</u>
Total expenditures	<u>980,468</u>	<u>862,155</u>	<u>118,313</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (17,340)</u>	160,508	<u>\$ 177,848</u>
Fund equity at beginning of year		18,640	
Reclassification to due to entities		<u>(178,548)</u>	
Fund equity at end of year		<u>600</u>	

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

**BURNET CENTRAL APPRAISAL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
TAX REMITTANCE AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Balance January 1, 2000	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 2001
Assets:				
Cash	\$ 222,444	\$ 38,790,986	\$ 38,754,963	\$ 258,467
Returned checks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 222,444</u>	<u>\$ 38,790,986</u>	<u>\$ 38,754,963</u>	<u>\$ 258,467</u>
Liabilities:				
Accounts payable	\$ 704	\$ 2,415	\$ 704	\$ 2,415
Payable to entities	221,740	38,788,571	38,754,259	256,052
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 222,444</u>	<u>\$ 38,790,986</u>	<u>\$ 38,754,963</u>	<u>\$ 258,467</u>

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

BURNET CENTRAL APPRAISAL DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2001

1. GENERAL ORGANIZATION

The Board of Directors, a five member group, is the level of government which has governance responsibilities related to appraising property and collecting ad valorem taxes within the jurisdiction of the Burnet Central Appraisal District (the District). The Board receives funding from the various taxing entities which it serves. Because the Board of Trustees are elected by the taxing entities which it serves; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

In accordance with generally accepted accounting principles, the District's financial statements include all funds, account groups, agencies, boards, commissions and other organizations over which the Board are financially accountable. In addition, component units which may be included are organizations for which the nature and the significance of their operational or financial relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. As a result of applying the entity definition criteria noted above, no organizations (component units) have been included or excluded from the District's financial statements.

In 1979, Central Tax Appraisal Districts were voted into existence by the Texas Legislature. Effective August 14, 1981, House Bill 30 made revisions to the Property Tax Code that governs the operations of Central Tax Appraisal Districts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Burnet Central Appraisal District conform to generally accepted accounting principles. The more significant of the District's accounting policies are described below.

A. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into two categories: governmental and fiduciary.

General Fund

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

BURNET CENTRAL APPRAISAL DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund

The Agency fund is used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

B. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included in the balance sheet. The operating statement of this fund presents increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and their financing uses) in net current assets.

The modified accrual basis of accounting is used by the general fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when the debt matures.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

C. Budgets

Budgets are adopted on a budgetary basis consistent with generally accepted accounting principles. An annual budget is adopted for the general fund. All annual appropriations lapse at fiscal year end.

BURNET CENTRAL APPRAISAL DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Account Group, rather than in governmental funds. No depreciation had been provided on general fixed assets. All assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

F. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. Only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

G. Compensated Absences

Vacation and sick pay expenses are charged to operations when taken by employees of the District. Accordingly, no accruals are reflected in accounts for unpaid amounts of vacation and sick pay earned by employees. In the event of termination, an employee is reimbursed for all accumulated vacation days. At retirement an employee may be paid for accumulated sick leave. The liability for accumulated vacation and sick leave at December 31, 2001 is \$33,309.

H. Total Columns - Memorandum Only

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. REVENUE

Funds to operate the District are received from the various governmental entities within the District which utilizes its services. The percentage of the District's budget to be shared by each jurisdiction is determined based upon the ratio of that jurisdiction's tax levy to total taxes levied by all participating governmental entities.

Amounts paid by governmental jurisdictions during the current year for the subsequent year's assessment are shown as deferred revenue in the current year. Deferred revenue totaled -0- and \$124,414 for the years ended December 31, 2001, and 2000, respectively.

BURNET CENTRAL APPRAISAL DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2001

4. DEPOSITS

Deposits were with the contracted depository bank in interest bearing accounts which were secured throughout the year by FDIC coverage and by securities conforming to the provisions of House Bill 1488 pledged to, and in the name of, the District. All deposits are deemed collateralized under the provisions of the Governmental Accounting Standards Boards' "Codification of Governmental Accounting Standards".

Cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 Deposits which are insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Deposits which are not collateralized.

The District's cash and investments are categorized as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1	\$ 100,000	\$ 100,000
Category 2	<u>353,193</u>	<u>2,671,807</u>
Total	<u>\$ 453,193</u>	<u>\$ 2,771,807</u>

5. DUE TO ENTITIES

During 1989, the Texas Legislature passed legislation which requires all appraisal districts in Texas to refund excess fund balances (except reserved fund balances) to the entities at year end unless carry over is approved by the entities. As of December 31, 2001, the District has funds to be refunded totaling \$178,548.

6. TCDRS PENSION PLAN DISCLOSURE

Beginning July 1, 1991, the District became members of Texas Central and District Retirement System.

PLAN DESCRIPTION

The District provides pension, disability and death benefits for all of its full-time employees through a nontraditional, joint contributory, defined contribution plan in the state-wide Texas County and District Retirement Systems (TCDRS), on of over 450 administered by TCDRS, an

BURNET CENTRAL APPRAISAL DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2001

6. **TCDRS PENSION PLAN DISCLOSURE (Continued)**

agent multiple-employer public employee retirement system. It is the opinion of TCDRS management that the plans in TCDRS are substantially defined contribution plans, but they have elected to provide additional voluntary disclosure to help foster a better understanding of some of the nontraditional characteristic of the plan.

Under the state law governing TCDRS, the contribution rate of the District is a fixed percent equal to the contribution rate payable by the employee member, which is 7% as adopted by the governing body of the District. The rate is not actuarially determined and is one of the rates that can be adopted in accordance with the TCDRS Act. However, the plan of the benefits adopted by the employer at the inception or when benefit increases were adopted was limited by statute to what the actuary determined could be adequately financed by the commitment of the employer to contribute the same amount as the employees. The statute specified that the actuary's determination was based on a maximum period for amortizing the unfunded pension benefit obligation of 30 years.

The plan provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS. Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 80 or more. A member is vested after 10 years but must leave his/her accumulated contributions in the plan. If a member withdraws his personal contributions in a lump-sum, he/she is not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest and employer-financed monetary credits with interest. The level of these monetary credits is adopted by the governing body of the District conditioned by the actuarial constraints imposed by statute that the resulting benefits can be expected to be adequately financed by the commitment of the District to contribute the same amount as the member employees. The District's current benefit plan provides for employer-financed monetary credits for service since the plan began of 130% of the employee's accumulated contributions and for employer-financed monetary credits for service before the plan began of 115% of a theoretical amount equal to twice what would have been contributed by the employee with interest, prior to establishment of the plan. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions and the employer-financed monetary credits were used to purchase and annuity within TCDRS.

Payroll and Contribution Information

The District's total payroll in calendar year was \$460,820 and the District's contributions were based on a covered payroll of \$460,820. Employer and employee contributions for the year were made as required and are detailed below. Employee contributions may include the purchase of credits for military or legislative service or the buyback of previously forfeited service credit. There were no related-party transactions.

Employee Contributions	\$ 32,257
Employer Contributions	\$ 47,465

BURNET CENTRAL APPRAISAL DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2001

6. TCDRS PENSION PLAN DISCLOSURE (Continued)

Voluntary Additional Disclosure

Even though the substance of the District's plan is not to provide a defined plan in some form, some additional voluntary disclosure is appropriate due to the nontraditional (for a defined contribution plan) existence of an unfunded pension benefit obligation and employer-financed monetary credits in excess of 100% of the employee's personal contributions. The plan had an initial unfunded pension benefit obligation which may arise in the future. The plan had an initial unfunded pension benefit obligation due to the monetary credits granted by the District for services rendered before the plan began and can have additions to the unfunded pension obligation through the periodic adoption of increase in benefit credits and benefits.

Statement No. 5 of the Governmental Accounting Standards Board (GASB 5) defines pension benefit obligation as a standardized disclosure measure of the actuarial present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of public employee pension plans, assess progress in accumulating sufficient assets to pay benefits when due and make comparisons among public employee pension plans.

7. GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	Balance <u>01/01/2001</u>	<u>Additions</u>	Adjustments & Deletions	Balance <u>12/31/2001</u>
Building	\$ 115,624	\$ -	\$ -	\$ 115,624
Furniture/equipment	85,396	-	6,019	79,377
Computer equipment	146,312	35,200	-	181,512
Computer programs	35,616	-	-	35,616
Aerial Maps	36,475	-	-	36,475
Tax rolls & abstracts	28,390	-	-	28,390
Mapping-in-house system	<u>400,800</u>	<u>68,369</u>	<u>200,800</u>	<u>268,369</u>
Total	<u>\$ 848,613</u>	<u>\$ 103,569</u>	<u>\$ 206,819</u>	<u>\$ 745,363</u>

8. BONDING

The Chief Appraiser is bonded for \$75,000 and the District has a commercial crime policy for its employees for \$50,000 through American States Insurance Company.

BURNET CENTRAL APPRAISAL DISTRICT
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2001

9. LEASES

The District leases office space for the Marble Falls Office for \$646 per month. The District had a lease expense of \$7,724 for the year ended December 31, 2001.

10. ENTITY PAYMENTS

<u>Entity</u>	<u>2001 Allocation</u>
Burnet County	\$ 170,359
City of Burnet	17,172
City of Marble Falls	26,616
Burnet CISD	262,110
Marble Falls ISD	463,509
City of Bertram	2,817
City of Granite Shoals	8,958
City of Cottonwood Shores	1,963
City of Meadowlakes	1,668
Highland Haven	1,105
Lake LBJ MUD No. 2	964
Meadowlakes MUD	<u>5,887</u>
Total	<u>\$ 963,128</u>

OVERALL COMPLIANCE AND INTERNAL CONTROLS

BURL HARPER
Certified Public Accountant

**Report on the Internal Control Structure in
Accordance With Government Auditing Standards**

Independent Auditors' Report

We have audited the financial statements of the Burnet Central Appraisal District, as of and for the year ended December 31, 2001, and have issued our report thereon dated April 22, 2002.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the Burnet Central Appraisal District for the year ended December 31, 2001, we obtained an understanding of the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the Burnet Central Appraisal District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Burnet Central Appraisal District
Page Two

For the purpose of this report, we have classified the significant internal control structure policies and procedures for the following categories:

Cash Receipts
Receivables
Payroll
Capital Assets

For all of the internal control structure categories, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the Burnet Central Appraisal District's internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information of the District's management. However, this report is a matter of public record and its distribution is not limited.



Burl Harper, CPA
April 22, 2002

BURL HARPER
Certified Public Accountant

**Compliance Report Based on an Audit of
Financial Statements Performed in
Accordance With Government Auditing Standards**

Independent Auditors' Report

Members of the Board of Directors of the
Burnet Central Appraisal District


We have audited the financial statements of the Burnet Central Appraisal District, as of and for the year ended December 31, 2001, and have issued our report thereon dated April 22, 2002.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Burnet Central Appraisal District is the responsibility of Burnet Central Appraisal District's management. As part of obtaining reasonable assurances about whether the general-purpose financial statements are free of material misstatement, we perform tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to items tested, the Burnet Central Appraisal District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of the District's management. However, this report is a matter of public record and its distribution is not limited.


Burl Harper, CPA
April 22, 2002

BURL HARPER
Certified Public Accountant

**Report on the Processing of
Transactions By Service Organizations**

Independent Auditor's Report

Members of the Board of Directors
of the Burnet Central Appraisal District

We have examined the accompanying description of the policy and procedures applicable to the collections section of the Burnet Central Appraisal District. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description presents fairly, in all material respects, the aspects of the Burnet Central Appraisal District's policies and procedures that may be relevant to a user organization's internal control structure, (2) the control structure policies and procedures included in the description were suitably designed to achieve the control objectives specified in the description, if those policies and procedures were complied with satisfactorily, and (3) such policies and procedures had been placed in operation as of December 31, 2001. The control objectives were specified by the management and the State Property Tax Code. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, the accompanying description of the aforementioned application presents fairly, in all material respects, the relevant aspects of the Burnet Central Appraisal District's policies and procedures that had been placed in operation as of December 31, 2001. Also, in our opinion, the policies and procedures, as described, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described policies and procedures were complied with satisfactorily.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific policies and procedures, listed on the accompanying schedule, to obtain evidence about their effectiveness in meeting the control objectives, described in the accompanying schedule, during the period from January 1, 2001 to December 31, 2001. The specific policies and procedures and the nature, timing, and extent are results of tests on the accompanying schedule. The information has been provided to user organizations of the Burnet Central Appraisal District and to their auditors to be taken into consideration, along with information about the internal structures, when making assessments of control risk for user organizations. In our opinion, the policies and procedures that were tested, as described in the accompanying schedule were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in the accompanying schedule were achieved during the period from January 1, 2001 to December 31, 2001.

The relative effectiveness and significance of specific policies and procedures of the Burnet Central Appraisal District and their effect on assessment of control risk at user organizations are dependent on their interaction with the policies, procedures and other factors present at individual user organizations. We have performed no procedures to evaluate the effectiveness of policies and procedures at individual user organizations.

The description of policies and procedures at the Burnet Central Appraisal District is as of December 31, 2001, and any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the system then in existence. The potential effectiveness of specific policies and procedures at the Burnet Central Appraisal District is subject to inherent limitations and accordingly, errors or irregularities may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future period is subject to the risk that changes may alter the validity of such conclusion.

This report is intended solely for use by the management of the Burnet Central Appraisal District, its collection customers, and the independent auditors of its collection customers.



Burl Harper, CPA
April 22, 2002

BURNET CENTRAL APPRAISAL DISTRICT
POLICY AND PROCEDURES
AS OF DECEMBER 31, 2001

- 1) All entities will have a signed Collection Contract with the Burnet Central Appraisal District. This contract will be held for the assessment and collection of Ad Valorem taxes. The District will provide duties required by the laws of the State of Texas for the assessment and collection of taxes.
- 2) Collected taxes will be remitted not less frequently than the end of each business month after which amounts are collected.
- 3) The Burnet Central Appraisal District will maintain records which clearly indicate expenses incurred in the assessment and collection of taxes.
- 4) The Burnet Central Appraisal District shall prepare and submit in written report, to each entity, accounting for all taxes collected during the preceding month.
- 5) Taxes collected are deposited daily in the Appraisal District's Collection Account. This account is reconciled monthly.
- 6) Segregation of duties and responsibility are maintained whenever possible given the number of employees available.
- 7) The Burnet Central Appraisal District will maintain by year for taxes receivable. Collections will be available by year.
- 8) Reports on collections and assessments are reconciled on a regular basis to cash reports and Appraisal District records.
- 9) Security bonds will be maintained on all District personnel.
- 10) The policies and procedures required by the Property Tax Code will be adhered to in all cases.

Subj: **City of Marble Falls, Texas - Lakeside Community Center Information.htm**
 Date: 4/29/02 4:55:45 PM Central Daylight Time
 From: Carpadem@Ktc.com
 To: Hakellogg@aol.com
 File: pool15.zip (106940 bytes) DL Time (31200 bps): < 1 minute
 Sent from the Internet ([Details](#))

LAKESIDE COMMUNITY CENTER SWIMMING POOL
Lakeside Park
307 Buena Vista
Phone: (830) 693-4231

The Lakeside Community Center Swimming Pool is approximately 4100 square feet and has a 1 meter diving board.



THE SWIMMING POOL WILL OPEN AT 11:00 A.M. ON SATURDAY, MAY 25, 2002



Summer 2002 Hours of Operation

Full hours of operation will begin Saturday, May 25, 2002. The pool will close in August for the 2002 summer season.

Monday	CLOSED
Tuesday -	

Wednesday, May 01, 2002 America Online: Hakellogg

Saturday	11 a.m. - 7 p.m.
Sunday	2 p.m. - 7 p.m.

Summer 2002 Fees and Charges

Regular admission can be paid on a per swim basis, or swim tickets can be purchased, twenty at a time, at a discounted rate.

Regular Admission		Swim Tickets (20)	
Adult	\$1.50	Adult	\$20.00
Child (up to 16 years of	.75	Child (3-16	\$10.00

PARTY RENTAL

The Lakeside Community Center Swimming Pool may be rented for parties. Lifeguards employed by the Lakeside Community Center Swimming Pool will be provided, at your expense. The number of lifeguards needed will be based on the number of swimmers, and determined by the Pool Manager, according to pool regulations. In addition to the rental fee, regular admission is required for each guest (see above).

Rental Hours	7 p.m. - 9 p.m.
Rental Fee	\$25.00
Lifeguard Fee	\$8.00/hr per guard
Admission	\$1.50 per adult \$.75 per child



SWIMMING LESSONS

Adult and children's swimming lessons will begin June 11, 2002.

Children's lessons are 1/2 hour sessions (8 lessons) held Tuesday through Friday for two weeks. Lessons are in the a.m. before pool opens (11:00 a.m.) Class time depends on number of classes. Class size: 4-7 year olds - limited to 4 children per

Wednesday, May 01, 2002 America Online: Hakellogg



P.O. Box 1 Johnson City, Texas 78636-0001
(830) 868-7155 • 1-888-554-4732

April 19, 2002

The Honorable Dale Pickens
City of Cottonwood Shores
3808 Cottonwood Drive
Cottonwood, Texas 78654

Dear Mayor Pickens:

Pedernales Electric Cooperative requests that time be reserved on Cottonwood Shores' city council agenda for the meeting scheduled May 16, 2002, at 7:00 p.m. Trey Grebe and George Bird will be attending to provide the council with an update on the Cooperative's activities in your area as well as answer any questions you may have.

If there is a change in the date or time of the above scheduled meeting, please notify Ginny Bain at (830) 868-4921 or toll free at 1-888-554-4732, Extension 4921.

Sincerely,

Jeanell Davis
Operations Manager

JD:GB:gb

cc: Trey Grebe
 Ms. Tena Collier, Secretary