A collage of seven diamond-shaped images is arranged in a circular pattern around the central text. The images include: a white gazebo with a clock tower on a green lawn; a man in a police uniform with a mustache looking to the side; a woman pinning a badge on a man's uniform; an aerial view of a suburban neighborhood with houses and trees; a man in a cowboy hat writing on a clipboard; a man in a blue shirt clapping his hands; and a view of a pond with a stone walkway and trees.

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR 2025

City of Boerne, Texas

447 N. Main Street
Boerne, TX 78006

boerne-tx.gov

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PURPOSE

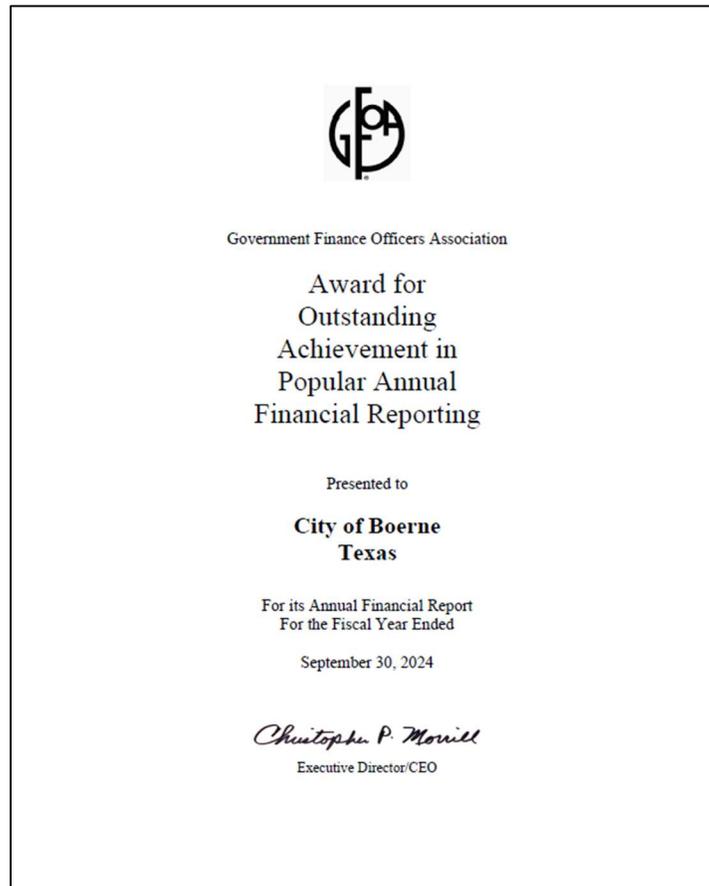
The purpose of this Popular Annual Financial Report (PAFR) is to summarize and simplify the information provided in the City's Annual Comprehensive Financial Report (ACFR). The financial information contained within this report is derived from the financial statements that are a part of the City's 2025 Annual Comprehensive Financial Report (ACFR), which is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by an independent firm of certified public accountants, Whitley Penn, Houston, Texas. Although unaudited, the PAFR provides readers a summary of the City's revenues, expenditures, and local economic indicators for the fiscal year ended September 30, 2025. This report is intended for readers that prefer to review operational and financial information in summary form and does not substitute for the City's ACFR.

The City of Boerne ACFR for the fiscal year ended 2025, from which the information has been drawn, will be submitted for consideration of the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

For a fully detailed, fully disclosed GAAP-based presentation of the City's financial position, the City's ACFR is available on the City's website in its entirety:

[City of Boerne Annual Comprehensive Financial Report](#) for the fiscal year ended September 30, 2025.

POPULAR ANNUAL FINANCIAL REPORT



The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Boerne, Texas for its Popular Annual Financial Report for the fiscal year ended September 30, 2024. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, accessibility, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and are submitting it to GFOA for consideration.

BOERNE BY THE NUMBERS

TAX INFORMATION

	2024/25
Population	22,712
Property Tax Rate per \$100 valuation	\$ 0.4716
M&O* 0.3532, Debt 0.1184	
Median Home Value	\$ 548,478
Taxable Property Assessed Value (billions)	\$ 3.6

* M&O refers to maintenance and operations; this is the portion of the tax rate that supports maintenance and operations of the City.

SALES TAX INFORMATION

Sales Tax Rate	8.25%
State	6.25%
City	1.50%
Kendall County	0.50%

PRINCIPAL EMPLOYERS

	Employees (2025)
Boerne Independent School District	1,700
H.E.B. Grocery Co.	517
Kendall County	361
City of Boerne	298
Toyota of Boerne	290
Walmart Stores	265
Albany Engineered Composites	227
Mission Pharmacal	198
The Home Depot	150
Mercedez Benz of Boerne	110

CITY EMPLOYEES

Total Active Employees	298	<i>*Active at 9/30/25</i>
Police	52	
Firefighters	33	

PRINCIPAL PROPERTY TAXPAYERS

- Albany Engineered Composites
- VBM Acquisition LLC
- Boerne Hotel LTD
- Zylstra Holdings at Boerne LLC
- LC Boerne Investco LLC
- Jet Specialty Inc
- FOB1, LLC
- H.E.B. Grocery Co
- VBM Boerne Land LLC
- Wal-Mart Stores Texas LP

12 Sq. Miles Total Land Area 3.9% Unemployment Rate



Parkland
430.7 Acres



82.8
Miles of Streets



CITY OF BOERNE UTILITIES

43,117 Combined Utility Connections/Customers
(Electric, Water, Sewer, Gas, Stormwater, Solid Waste)



WELCOME TO BOERNE

City History

The City of Boerne is a burgeoning community located in South Central Texas and nestled comfortably in the Texas Hill Country. Boerne was originally founded in 1852 by John James and Gustav Theissen and named after the German author and publicist Karl Ludwig Börne. Boerne, like many Hill Country towns in the area, lays claim to a strong German and Prussian influence and the City's charming and historic downtown/Main Street area reflect this influence. Boerne is the county seat of Kendall County and is located approximately 30 miles northwest of San Antonio. Stunning natural amenities, an unforgettable small-town atmosphere, excellent parks and trail systems, and exemplary schools continue to contribute to an increase in growth and prosperity for Boerne.

We are building an exemplary Hill Country Community by delivering high-quality, customer-focused essential services to all who live, work, and play in Boerne.

THE CITY OF BOERNE IS A MODEL OF AN ENGAGED AND DYNAMIC COMMUNITY CENTERED ON THE TENETS OF:

			
Safety & Security	Fiscal Excellence	Community Charm	Environmental Responsibility

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 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.

CITY-WIDE FINANCIAL OVERVIEW

City-Wide Financial Statements

The city-wide financial statements are designed to provide readers with a broad overview of the finances of the City in a manner similar to a private-sector business. Activity is separated into two categories: (1) activities that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and (2) activities that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Below are the statements of net position for the two categories.

	Governmental Activities		
	2025	2024	2023
City Assets (What We Own)			
Current and other assets	82,345,585	72,289,692	66,472,074
Capital assets, net	96,848,817	89,104,828	83,786,711
Total assets	\$ 179,194,402	\$ 161,394,520	\$ 150,258,785
Deferred outflows of resources	5,843,725	6,815,499	8,709,558
Total assets and deferred outflows of resources	\$ 185,038,127	\$ 168,210,019	\$ 158,968,343
City Liabilities (What We Owe)			
Current liabilities	3,046,046	5,185,938	8,301,339
Long-term liabilities	71,391,775	67,166,076	70,576,335
Total liabilities	\$ 74,437,821	\$ 72,352,014	\$ 78,877,674
Deferred inflows of resources	2,311,682	1,861,874	1,730,371
Total liabilities and deferred inflows of resources	\$ 76,749,503	\$ 74,213,888	\$ 80,608,045
City Net Position	\$ 108,288,624	\$ 93,996,131	\$ 78,360,298

	Business-Type Activities		
	2025	2024	2023
City Assets (What We Own)			
Current and other assets	94,062,679	86,949,694	76,363,517
Capital assets, net	120,648,538	111,272,265	95,788,115
Total assets	\$ 214,711,217	\$ 198,221,959	\$ 172,151,632
Deferred outflows of resources	3,320,580	3,020,940	3,648,739
Total assets and deferred outflows of resources	\$ 218,031,797	\$ 201,242,899	\$ 175,800,371
City Liabilities (What We Owe)			
Current liabilities	5,213,750	7,225,660	7,007,609
Long-term liabilities	38,957,646	37,147,994	37,094,246
Total liabilities	\$ 44,171,396	\$ 44,373,654	\$ 44,101,855
Deferred inflows of resources	982,100	594,545	543,886
Total liabilities and deferred inflows of resources	\$ 45,153,496	\$ 44,968,199	\$ 44,645,741
City Net Position	\$ 172,878,301	\$ 156,274,700	\$ 131,154,630

CITY-WIDE FINANCIAL OVERVIEW

Statement of Activities

The Statement of Activities presents information about the City's revenues and expenses in a format that reflects the financial burden for each of the City's functions. All changes are reported as soon as the underlying event for 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 not result in cash flows until future fiscal periods (e.g., uncollected taxes). Revenues on the Statement of Activities are reported as either Program Revenues or General Revenues in the following categories:

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES

	Governmental Activities		
	2025	2024	2023
Revenues			
Program revenues	14,218,700	13,060,590	16,420,085
Property taxes	16,423,243	16,012,901	13,150,643
Sales taxes	12,898,795	12,369,640	11,531,095
Other taxes	1,244,811	1,249,393	1,163,602
Franchise fees	3,636,191	3,351,029	3,311,807
Investment earnings	3,435,497	3,767,993	2,123,308
Other revenues	2,868,225	2,977,789	2,514,777
Total revenues	\$ 54,725,461	\$ 52,789,335	\$ 50,215,317
Expenses			
General government	5,255,524	4,195,623	9,612,661
Public safety	16,612,288	15,577,327	13,738,764
Highways/streets	6,575,046	5,824,692	5,425,718
Economic development	1,675,916	2,523,471	1,344,552
Culture and recreation	8,299,750	7,212,610	6,580,381
Interest on long-term debt	1,609,261	1,648,850	1,240,309
Total expenses	\$ 40,027,785	\$ 36,982,573	\$ 37,942,385
Transfers	1,139,715	(170,929)	2,111,489
Change in Net Position	\$ 15,837,391	\$ 15,635,833	\$ 14,384,421

CITY-WIDE FINANCIAL OVERVIEW

STATEMENT OF ACTIVITIES - BUSINESS-TYPE ACTIVITIES (UTILITIES)

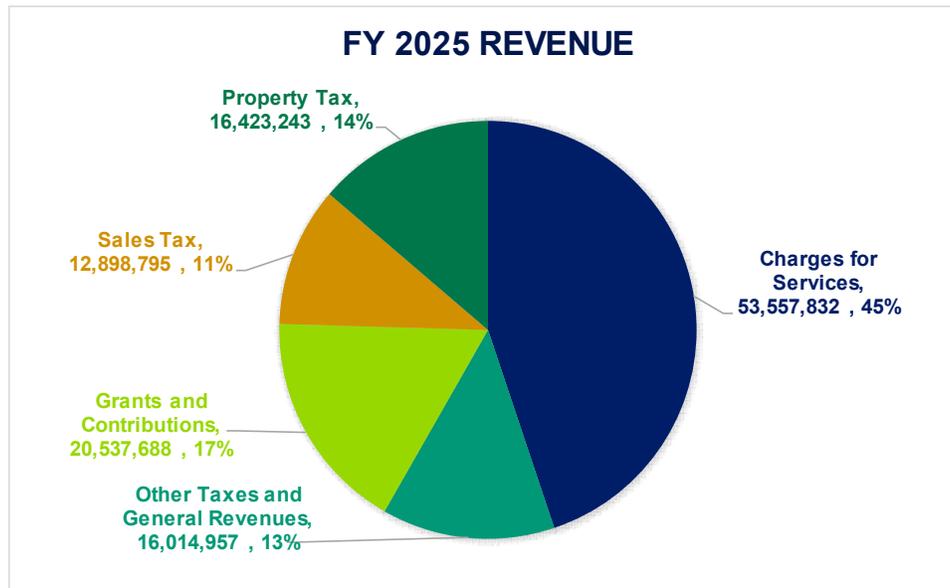
	Business-Type Activities		
	2025	2024	2023
Revenues			
<u>Program revenues:</u>			
Charges for services	49,675,122	45,891,468	44,509,978
Capital contributions	10,196,698	17,107,688	-
Intergovernmental revenue	5,000	-	-
<u>General revenues:</u>			
Investment earnings	3,430,233	3,778,844	2,618,635
Other revenues	1,400,000	20,917	-
Total revenues	\$ 64,707,053	\$ 66,798,917	\$ 47,128,613
Expenses			
Electric	16,924,421	16,898,460	15,113,513
Water	12,173,517	9,216,647	8,114,157
Wastewater	10,817,030	9,924,255	9,715,037
Gas	4,883,873	4,191,674	4,777,064
Solid waste	1,622,594	1,466,906	1,404,384
Stormwater	31,044	151,834	51,911
Total expenses	\$ 46,452,479	\$ 41,849,776	\$ 39,176,066
Transfers	(1,139,715)	170,929	(2,111,489)
Change in Net Position	\$ 17,114,859	\$ 25,120,070	\$ 5,841,058



CITY-WIDE FINANCIAL OVERVIEW

Revenues

The largest and most important recurring revenue sources for the City are charges for governmental and utility services, property tax, and sales tax. These vital fees and taxes have remained a stable source of revenue for the City, which provides for effective management of critical public services. In the current year, total City-wide revenues decreased by \$156 thousand year over year from lower capital contributions of infrastructure from developers. Capital contributions are not recurring revenue, and so vary annually based on contractual timing. Governmental program revenue increased by \$1.9 million due mainly to miscellaneous revenue received from municipal facility fees and fire deployment reimbursements. Business-type service revenue decreased by \$2.1 million from an increase in service connections offset by a decrease in capital contributions.

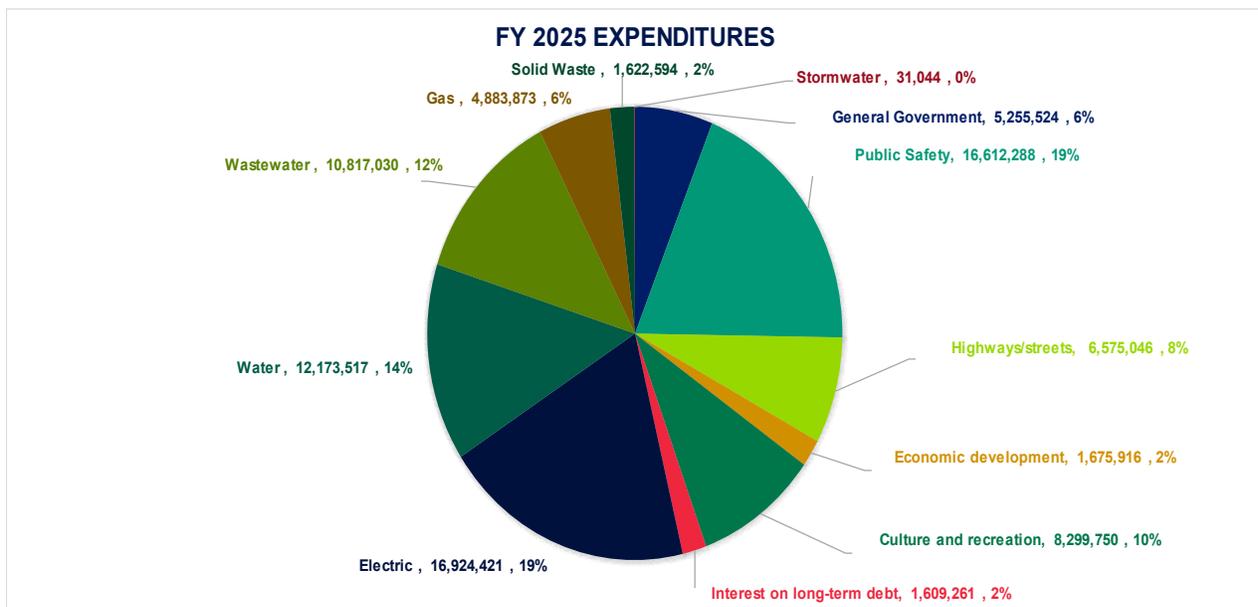


Revenue Category	Amount
Government Services*	3,882,710
Grants and Contributions	20,537,688
Property Tax	16,423,243
Sales Tax	12,898,795
Other Taxes & General Revenues	16,014,957
Electric Service*	21,444,662
Water Service*	10,781,123
Wastewater Service*	9,866,993
Gas Service*	5,185,333
Solid Waste Service*	1,757,524
Stormwater Service*	639,487
Total Revenues	\$ 119,432,514

CITY-WIDE FINANCIAL OVERVIEW

Expenditures

Total expenses for the City increased from the prior year by \$7.6 million. General government expenditures increased by \$3.0 million due to an increase in personnel related to four new positions and three promotions in public safety, highway and streets maintenance and the purchase of heavy equipment. Business-Type Activities increased by \$4.6 million related to personnel costs resulting from the reallocation of positions from government funds, overtime incurred, and budgeted annual COLA and merit increases.

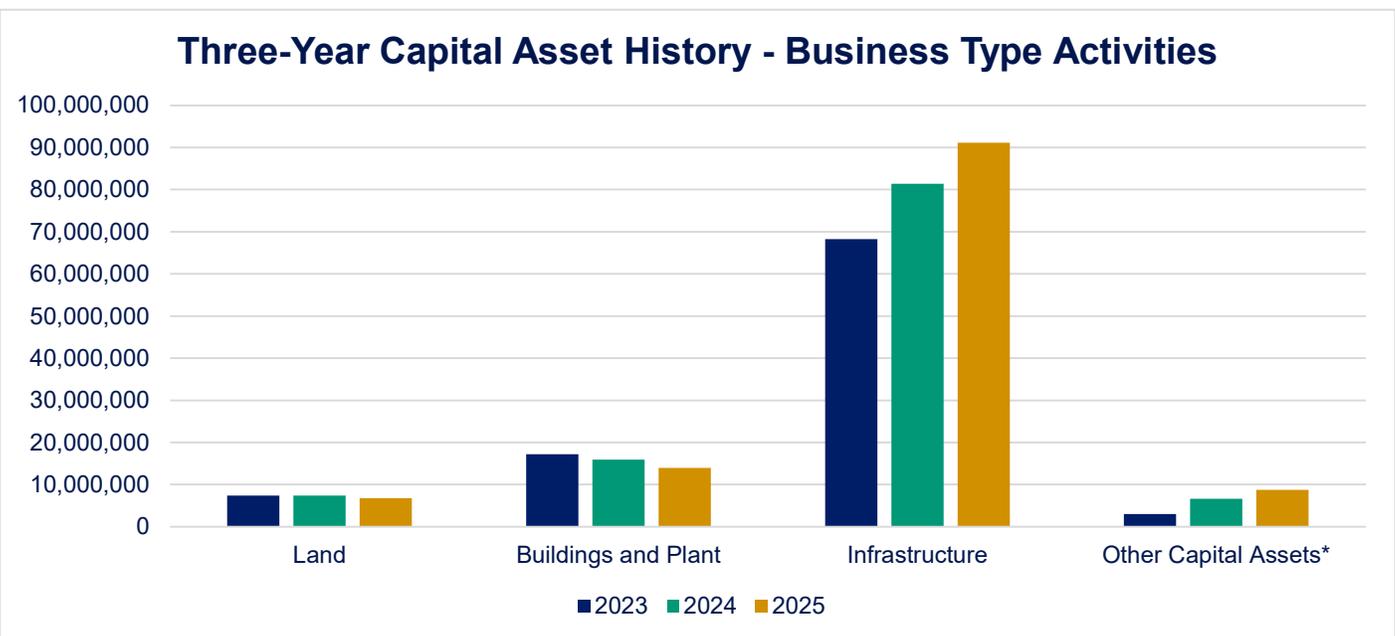
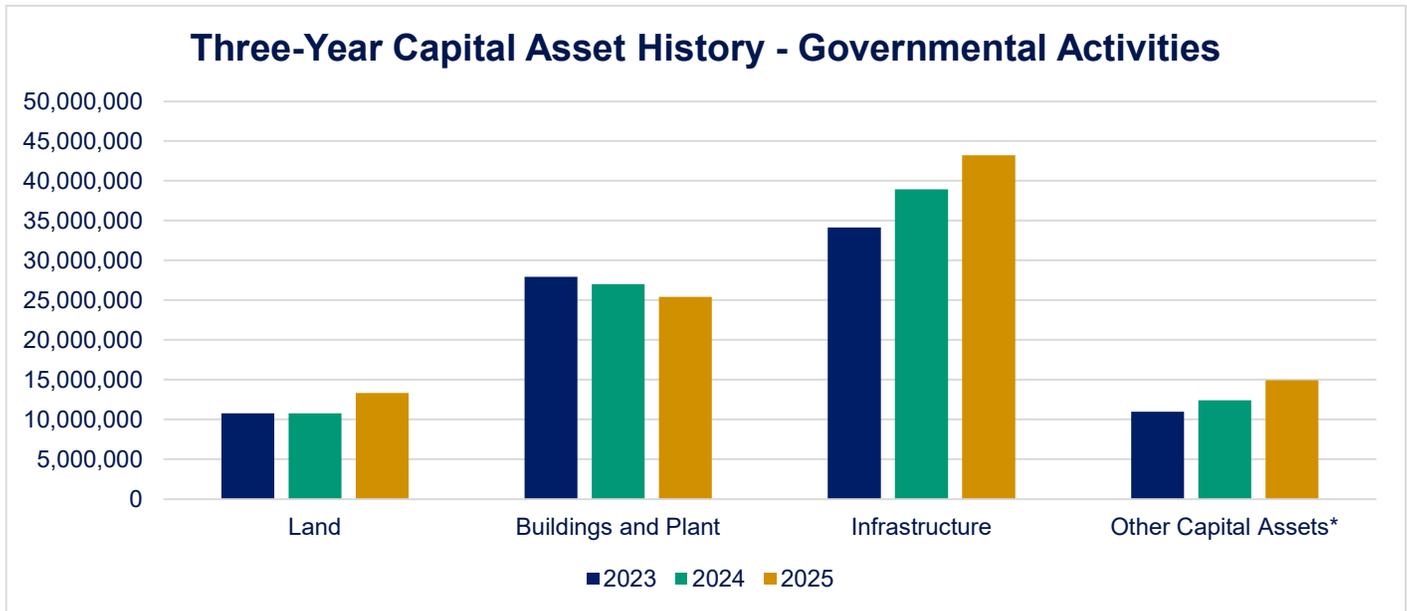


Expenditure Category	Amount
General Government	5,255,524
Public Safety	16,612,288
Highways/streets	6,575,046
Economic development	1,675,916
Culture and recreation	8,299,750
Interest on long-term debt	1,609,261
Electric	16,924,421
Water	12,173,517
Wastewater	10,817,030
Gas	4,883,873
Solid Waste	1,622,594
Stormwater	31,044
Total Expenses	\$ 86,480,264

LONG-TERM ASSETS

Capital Assets

Capital assets, including the infrastructure of the City, are those assets that are used in the performance of the City’s functions. The City’s capital assets include land, infrastructure, buildings and plant, improvements other than buildings, machinery and equipment, and construction in progress. The City continues to advance and invest in master plan recommendations and infrastructure projects.



*Includes Construction in Progress, Improvements, Equipment, Leases and SBITA’s

LONG-TERM DEBT

Debt

Local governments issue debt (bonds) to pay for large, expensive, and long-lived capital projects, including roads and essential utility infrastructure. Without issuing debt, these important needs would be unmet. While the City of Boerne saves strategically to pay for certain capital investments with cash, the City also issues debt for larger projects in order to spread the cost over the life of the asset. As of September 30, 2025, the City had outstanding debt totaling \$69.82 million. A graph of the total City outstanding debt for the last three fiscal years is shown below.



The City's conservative financial management practices has enabled it to upgrade its credit rating for Moody's Investor Services from Aa2 to Aa1, which exceeds a median rating of AA3 for U.S. cities. The City also has a AA+ from Fitch Ratings, further reflecting a deep commitment to strategic, responsible, and conservative financial management.

Debt Issuance	Type	Principal Outstanding September 30, 2025	Final Maturity
2016 GO Refunding Bonds	Governmental	\$ 4,615,000	March 2033
2016 GO Refunding Bonds	Utility	\$ 3,345,001	March 2033
2017 GO Refunding Bonds	Utility	\$ 22,150,000	March 2040
2019 GO Refunding Bonds	Governmental	\$ 560,000	March 2027
2021 GO Refunding Bonds	Governmental	\$ 18,965,000	March 2040
2023 GO Refunding Bonds	Governmental	\$ 16,195,000	March 2042
2025 GO Refunding Bonds	Governmental	\$ 3,995,000	September 2045

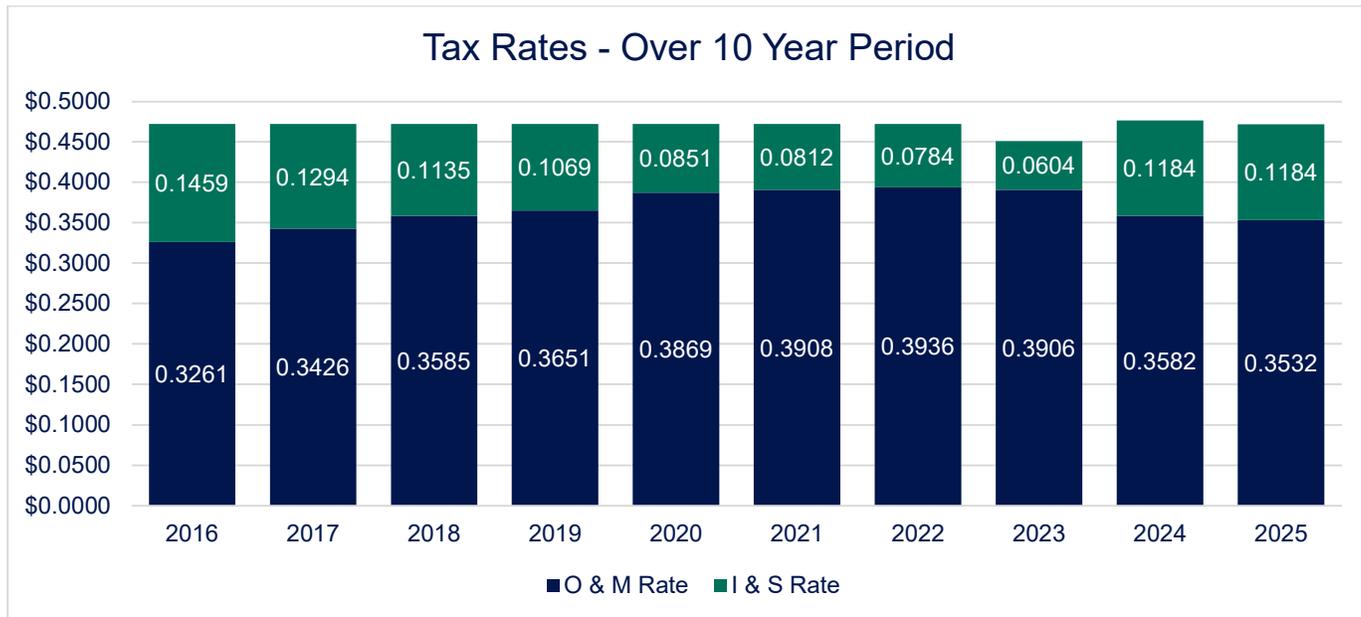
PROPERTY TAXES

City Tax Rate Components & History

The City’s property tax rate consists of two components: the maintenance and operations (M&O) rate and the debt service, or interest and sinking (I&S) rate.

- The M&O rate represents the portion of property taxes used to fund the operations and maintenance of the City, including personnel costs, supplies, professional services, and other general operational costs.
- The I&S rate represents the portion of property taxes used to meet the debt service (principal and interest) payments on the outstanding long-term obligations of the City’s governmental debt.

See below for the stable management of the City’s M&O, I&S, and total tax rates over the last five fiscal years.



Property Tax Comparison – Surrounding Cities

