

CITY OF BURLESON, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2007

**CITY OF BURLESON, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2007**

**City Officials**

Kenneth Shetter  
Mayor

Stuart Gillaspie  
Jim Wadlow  
Matt Powell  
Claudia Humphreys  
Chip Stephens  
Dan McClendon

Mayor Pro Tem  
Councilmember  
Councilmember  
Councilmember  
Councilmember  
Councilmember

Curtis E. Hawk  
City Manager

Paul Cain  
Deputy City Manager

Rhett Clark  
Director of Finance

Prepared by: Finance Department

**CITY OF BURLESON, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2007**

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# INTRODUCTORY SECTION

April 10, 2008

TO: The Honorable Mayor, Members of the City Council, and Citizens of Burleson (the "City")

Submitted herewith is a copy of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2007. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

## THE REPORTING ENTITY

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State and the City's home rule Charter. Burleson was incorporated in 1912. The City operates under a council-manager form of government and provides a full range of services that include: police and fire protection, sanitation services, library services, construction and maintenance of streets and infrastructure, parks and recreation, code enforcement, planning and zoning, economic development, water and wastewater services, and general administrative services. The accompanying CAFR includes all governmental organizations and functions for which the City is financially accountable.

## ECONOMY AND BUSINESS CLIMATE

Burleson is located along the southwestern edge of the Dallas / Fort Worth Metroplex, on Interstate Highway 35W and State Highway 174. Economically, this region is ranked as one of the most robust in Texas, a state that in recent years has trended well ahead of a strong national economy.

Although the City of Fort Worth abuts much of Burleson's northern boundary, the remaining three directions are surrounded by an extensive extra-territorial jurisdiction (ETJ). Under Texas Law, cities maintain important rights and controls within areas designated as part of their ETJ. These include the ability to control the development of land, the right to annex property into their city limits, and perhaps most importantly, the right to prevent other municipalities from incorporating or annexing property designated as belonging in another municipality's ETJ. Burleson's ETJ occupies a landmass more than four times the area contained within the corporate city limits.

Once largely agricultural, these areas have developed into a form of semi-urban, residential use. With little significant retail or commercial development situated in these unincorporated residential communities, many of the individuals residing in these adjacent areas shop, dine, and send their children to schools located in Burleson. Thus, functionally speaking, Burleson's estimated population of over 30,000 belies the true size of the community's economy. The combination of highway accessibility and a population of more than 50,000 persons residing within the City of Burleson's extra-territorial jurisdiction, create a community with a strong and stable trade area.

#### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived from the control. The evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

In addition to the system of internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance of legal provisions embodied in the annual appropriation budget adopted by the City Council. Budgetary controls over the General and Water and Wastewater Funds are exercised at the departmental level. This level of control occurs at the fund level for other funds. Activities of the General Fund, Special Revenue Fund (Hotel / Motel Tax Fund), Debt Service Fund, and the Enterprise Funds are closely reviewed at mid-year. If necessary, the original budget is modified and incorporated into a proposed mid-year budget, which is then used as the working budget for the remainder of the fiscal year. The City also maintains an encumbrance accounting system as one technique to help prevent the overspending of authorized appropriations.

#### CASH MANAGEMENT

The City maintains an active policy of cash management. Funds are authorized to be invested in the form of U.S. Treasury issues, federal government agency issues, and local government investment pools, as authorized by state law and approved by the City Council. All investment transactions involving the City's portfolio were in compliance with applicable state and local regulations.

#### RISK MANAGEMENT

The City's property and liability coverage and workers' compensation coverage are provided by the Texas Municipal League's Intergovernmental Risk Pool. In addition, the City has various programs designed to control risk and train employees in the prevention of loss and injury.

#### INDEPENDENT AUDIT

The City Charter requires an audit of all accounts of the City by an independent auditor. Weaver and Tidwell, LLP was selected by the City Council to perform the annual audit.

## AWARDS

For the year ended September 30, 2006, the Government Finance Officers Association (GFOA) recognized the City for achievement in the presentation of the annual budget document, the annual financial report (CAFR), as well as the presentation of the City's popular annual financial report (PAFR).

## ACKNOWLEDGEMENTS

I would like to thank the staff of the Finance Department, City management, and department directors and managers for their cooperative effort and help in the leadership and support of the City that made this report possible.

Respectfully Submitted,

Rhett Clark  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Burleson  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

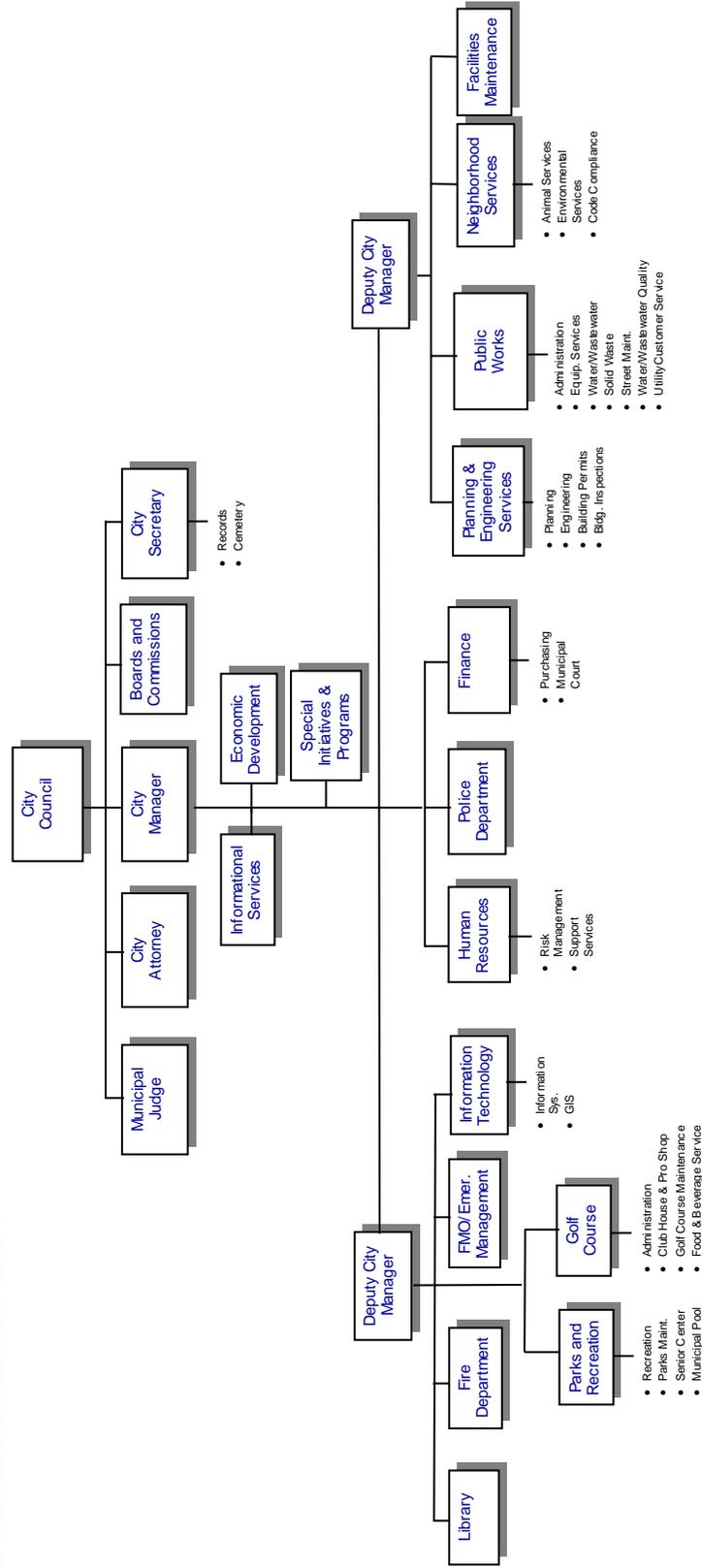


*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director



**CITY OF BURLESON, TEXAS**

**List of Principal Officials**

**September 30, 2007**

**Elected Officials**

Mayor	Kenneth Shetter
Mayor Pro-Tem	Stuart Gillaspie
Councilmember	Dan McClendon
Councilmember	Jim Wadlow
Councilmember	Matt Powell
Councilmember	Claudia Humphreys
Councilmember	Chip Stephens

**City Officials**

City Manager	Curtis E. Hawk
Deputy City Manager	Paul Cain
Director of Finance	Rhett Clark
City Engineer	David Wynn
City Attorney	Allen Taylor
Police Chief	Thomas Cowan
City Secretary	Amanda McDowell
Fire Chief	Gary Wisdom
Parks and Recreation Director	Peter Krause
Director of Human Resources	Maria Reed
Director of Code Enforcement and Fire Prevention	Stacy Singleton
Director of Communication and Environmental Services	Sheri Campbell-Husband
Library Director	Gayla Tennison
Director of Information Technology	Mark Eder
Director of Public Works	Dave Stringer
Director of Golf	David White

# FINANCIAL SECTION



**WEAVER  
AND  
TIDWELL**

*L.L.P.*

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,  
City Council and City Manager  
City of Burleson, Texas

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 Burleson, Texas as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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 of Burleson, Texas as of September 30, 2007, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, the analysis of funding progress and budgetary comparison information on pages 3 through 11 and 51 through 55, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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AN INDEPENDENT MEMBER OF  
BAKER TILLY  
INTERNATIONAL

DALLAS

OFFICES IN  
FORT WORTH

HOUSTON

To the Honorable Mayor,  
City Council and City Manager  
City of Burleson, Texas

Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, TX  
April 9, 2008

## CITY OF BURLESON, TEXAS

### MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED SEPTEMBER 30, 2007

*(Unaudited)*

This section of the City of Burleson's (City) annual financial report presents our discussion of the City's financial performance during the fiscal year ended September 30, 2007. Please read it in conjunction with the transmittal letter, which can be found preceding this narrative, and with the City's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- The assets of the City of Burleson exceeded its liabilities at the close of the most recent fiscal year by \$132,472,641 (net assets). Of this amount, \$20,084,183 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$16,186,507, due primarily to the contribution of assets from developers.
- As of the close of the current fiscal year, unreserved fund balance for the general fund was \$6,474,112, or 31% of total general fund expenditures.
- The City's total debt increased by \$24,887,000 (35%) during the current fiscal year. The key factor in this increase was the issuance of debt.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-wide Financial Statements** - 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 assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing related to cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide 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, public works, sanitation, parks

and recreation, and community development. The business-type activities include water and wastewater operations, the City's Hidden Creek Golf Course as well as a cemetery.

**Fund Financial Statements** - The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law or bond covenants. The Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants. The City has two types of funds:

**Governmental Funds** - These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near term inflows of spendable resources, as well as on balances of spendable resources 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 governmental funds with similar information presented for 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 governmental funds and governmental activities.

The City of Burleson maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, BCDC special revenue fund, 4A Corporation special revenue fund, and bond supported capital projects fund, all of which are considered to be major funds. Data from the other ten 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.

**Proprietary Funds** – The City of Burleson maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for water and wastewater, golf and cemetery operations. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Burleson uses internal service funds to account for the acquisition and replacement of major components of equipment used throughout the organization, such as the fleet of City vehicles, as well as for the repair and maintenance of significant components of equipment used by the organization.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The water & wastewater and Hidden Creek Golf operations are considered to be major funds of the City. All internal service funds are combined in a single presentation in the proprietary fund financial statements. Individual data for internal service funds is provided in the form of combining statements elsewhere in this report.

**Notes to the Basic Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** - The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Burleson, assets exceeded liabilities by \$132,472,641 as of September 30, 2007.

The largest portion of the City's net assets (78%) reflects its investments in capital assets (e.g. land, buildings, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these assets to provide service to citizens; 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.

An additional portion of the City's net assets (7%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net assets (15%) may be used to meet the government's ongoing obligation to citizens and creditors.

### CITY OF BURLESON, TEXAS – NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2006	2007	2006	2007	2006	2007
Current & other assets	\$ 32,440,413	\$ 46,971,447	\$ 5,929,225	6,427,542	\$ 38,369,638	\$ 53,398,989
Capital & other assets	90,087,240	102,397,516	68,239,900	82,246,530	158,327,140	184,644,046
Total assets	<u>122,527,653</u>	<u>149,368,963</u>	<u>74,169,125</u>	<u>88,674,072</u>	<u>196,696,778</u>	<u>238,043,035</u>
Noncurrent liabilities – due in more than one year	39,512,867	53,800,180	30,929,200	41,148,531	70,442,067	94,948,711
Other liabilities	6,064,962	6,604,690	3,903,615	4,016,993	9,968,577	10,621,683
Total liabilities	<u>45,577,829</u>	<u>60,404,870</u>	<u>34,832,815</u>	<u>45,165,524</u>	<u>80,410,644</u>	<u>105,570,394</u>
Net Assets:						
Invested in capital assets, net of related debt	59,064,614	67,844,305	33,820,175	35,616,520	92,884,789	103,460,825
Restricted	7,685,387	6,127,141	2,601,200	2,800,492	10,286,587	8,927,633
Unrestricted	10,199,823	14,992,647	2,914,935	5,091,536	13,114,758	20,084,183
Total net assets	<u>\$ 76,949,824</u>	<u>\$ 88,964,093</u>	<u>\$ 39,336,310</u>	<u>\$ 43,508,548</u>	<u>\$ 116,286,134</u>	<u>\$ 132,472,641</u>

The following table provides a summary of the City's operations for the year ended September 30, 2007. Governmental activities increased the City's net assets by \$12,014,269. Business-type activities increased the City's net assets by \$4,172,238.

Overall 2007 fiscal year expenses rose by about 11.1% over the prior fiscal year. This increase was largely driven by the rapid growth of the community. Notable increases between 2006 and 2007 fiscal year expenses in governmental activities may be observed in the public safety and public works categories as well as in interest and long term debt.

Public safety expenses increased by about \$1,684,000 (or about 21%). A significant portion of this figure was commensurate with related increases in the 2007 budget, compared to 2006 expenses.

Last year, this document and the City's budget document, noted that the 2007 fiscal year budget would make public safety an area of emphasis. Adopted 2007 fiscal year budgets for public safety departments funded about \$1,412,000 more than corresponding 2006 fiscal year actual totals and included funds for such purposes as: \$241,000 for the addition of two officers; \$145,000 for the addition of three firefighters in the fire department.

Market adjustments to employee compensation levels in the department added about \$354,000 to the total of corresponding 2006 salary and benefit costs.

Public works expenses increased by about \$761,000, over the prior fiscal year (or approximately 13%). About \$207,000 of this total stemmed from planned increases in street department maintenance and staffing, and about \$145,000 is attributable to the salary market adjustments. Unplanned increases this year resulted from increased equipment maintenance costs (\$147,000) and a mid-year increase to street maintenance (\$98,000).

Interest on long term debt increased by about \$319,000 over the prior fiscal year (or about 19%). This increase is attributable to a partial year of interest cost for the \$16,440,000 in tax supported debt issued during the 2007 fiscal year.

## CITY OF BURLESON, TEXAS – CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2006	2007	2006	2007	2006	2007
Revenues:						
Program Revenues:						
Charges for services	\$ 7,010,601	\$ 6,920,756	\$ 13,949,581	\$ 12,096,207	\$ 20,960,182	\$ 19,016,963
Operating grants and contributions	646,304	587,515	154,156	751,266	800,460	1,338,781
Capital grants and contributions	6,812,544	7,813,051	3,449,995	2,843,679	10,262,539	10,656,730
General Revenues:						
Taxes:						
Property taxes levied for general purposes	8,625,863	9,910,567			8,625,863	9,910,567
Tax Increment Financing	497,436	547,712			497,436	547,712
Sales and use taxes	9,154,752	10,347,816			9,154,752	10,347,816
Hotel / motel taxes	159,321	172,078			159,321	172,078
Franchise fees	2,090,773	2,027,326			2,090,773	2,027,326
Investment income	1,520,814	2,021,700	639,421	871,763	2,160,235	2,893,463
Lawsuit settlement						
Gain (loss) on sale of assets			(43,782)		(43,782)	
<b>Total revenues</b>	<b>36,518,408</b>	<b>40,348,521</b>	<b>18,149,371</b>	<b>16,562,915</b>	<b>54,667,779</b>	<b>56,911,436</b>
Expenses						
General government	3,727,261	4,060,608			3,727,261	4,060,608
Public safety	8,100,853	9,784,360			8,100,853	9,784,360
Public works	6,026,802	6,788,351			6,026,802	6,788,351
Sanitation	1,381,597	1,547,740			1,381,597	1,547,740
Community development	1,254,161	1,173,452			1,254,161	1,173,452
Culture and recreation	2,359,258	2,494,174			2,359,258	2,494,174
Interest and other fees	1,716,670	2,035,972			1,716,670	2,035,972
Water & wastewater			10,287,872	11,047,187	10,287,872	11,047,187
Hidden Creek Golf course			1,773,118	1,761,513	1,773,118	1,761,513
Cemetery			26,183	31,572	26,183	31,572
<b>Total expenses</b>	<b>24,566,602</b>	<b>27,884,657</b>	<b>12,087,173</b>	<b>12,840,272</b>	<b>36,653,775</b>	<b>40,724,929</b>
Change in net assets before transfers	11,951,806	12,463,864	6,062,198	3,722,643	18,014,004	16,186,507
Transfers	(530,525)	(449,595)	530,525	449,595	-	-
Change in net assets	11,421,281	12,014,269	6,592,723	4,172,238	18,014,004	16,186,507
Net assets - beginning	65,528,543	76,949,824	32,743,587	39,336,310	98,272,130	116,286,134
<b>Net assets - ending</b>	<b>\$ 76,949,824</b>	<b>\$ 88,964,093</b>	<b>\$ 39,336,310</b>	<b>\$ 43,508,548</b>	<b>\$ 116,286,134</b>	<b>\$ 132,472,641</b>

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**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, unreserved fund balances may serve as a useful measure of a government’s net resources at the end of the fiscal year.

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$40,791,271. Eighty-three percent or \$34,042,855 of this total is reserved to indicate that it is not available for spending because it has already been committed (1) to pay for encumbrances \$194,169

(2) reserved for prepaid items \$42,190 (3) to pay debt service \$2,303,255 (4) reserved for economic development \$3,823,886, and (5) reserved for capital projects \$27,679,355. Approximately 17% of the combined ending fund balance or \$6,748,416 constitutes unreserved fund balance.

Of the \$40,791,271 ending fund balance, \$10,435,778 is accounted for in non-major governmental funds. The General Fund balance is \$6,710,471 at year end – an increase of \$1,698,928. This increase is created by greater than expected revenues from sales taxes, fines and forfeitures, and miscellaneous revenue. The Burleson Community Services Development Corporation (BCSDC) fund balance increased \$1,126,909 to \$2,282,577 at year end. This increase represents the degree to which growth in sales tax revenues is outpacing the current need to use the funds for capital projects or debt service. The Burleson 4A Economic Development (4AEDC) fund balance decreased \$2,929,959 to a year-end total of \$1,541,309. This decrease is caused by a large transfer to other governmental funds for pay-as-you-go capital projects. Large bond sales during the period increased fund balances in bond funded capital project funds by \$10,886,358 – finishing the year at \$19,821,136.

**Proprietary funds** – The City of Burleson’s proprietary funds provide the same type of information found in government-wide financial statements, but in more detail.

Year-end net assets (deficit) in the water and wastewater fund amounted to \$42,723,796, and those for Hidden Creek Golf Course totaled (\$1,006,256). Net assets in these funds increased \$3,839,739 and \$174,479, respectively. The increase in the water and wastewater fund’s net assets is largely the result of capital asset contributions from developers. Hidden Creek has targeted a level of operations under which operating revenues, plus an annually declining subsidy from the Burleson Community Development Corporation, offset operating expenditures on a budgetary basis, (depreciation expense is consequently not included in this calculation). Contributions funding items such as principal on debt, capital purchases, etc, exceeded non-cash operating expense, resulting in the \$174,479 increase in net assets, when measured on an accrual basis. The increase in Hidden Creek Golf Course net assets reduced the previous period’s year-end deficit by about 15%. The existing deficit in this fund is a function of initial start-up losses associated with this (and most) courses during the early years of operations.

**General Fund Budgetary Highlights** – The City’s revenue projections were revised upward by about 4% (or \$936,605) when compared with the original budget. Budgeted sales tax revenues were revised upward by about \$444,000 as a result of stronger than anticipated retail activity. The budget for fines and forfeitures was revised upward by about \$255,000 as enforcement efforts were stepped up in construction zones in the city.

Total actual revenue collections exceeded the revised estimates by an additional \$406,698, or about 1.8% of the revised estimate.

The general fund’s final revised expenditure budget was about \$955,347 greater than the figure originally adopted, (an increase of about 4.4%). Among the more significant increases to the original budget were added personnel costs of about \$331,000; an additional \$169,000 for street maintenance; and about \$160,000 for equipment maintenance.

A variety of issues led to costs not contemplated within the City’s original general fund budget. Some of these costs were discretionary outlays, made possible by greater than anticipated revenues. Other expenditures stemmed from circumstances not foreseen prior to the adoption of the original budget. Still, the final sum of greater than initially projected revenues was well in excess of expenditures not contained within the original budget and allowed the City to increase the fund balance in the general fund by about \$1,699,000.

Measured on a GAAP basis, actual year-end expenditures totaled about \$1,648,000 less than the revised budget total. A significant portion of this difference is attributable to presentation and measurement differences inherent to the GAAP and budgetary basis of accounting. For example, the \$192,000 contribution from the general fund to the Debt Service Fund is presented in the non-departmental line item of the Budgetary Comparison Schedule. On a GAAP basis, the actual transfer is appropriately listed as a transfer in the Other Financing Sources section. The remaining balance of this difference is largely attributable to the varying treatment of encumbrances on a budgetary vs. a GAAP basis. Due largely to a practice of conservatively estimating year-end totals, actual year-end expenditures were about \$679,000 (3%) less than the revised projections.

The City maintains a budgetary practice of estimating the full cost of annual wage and salary increases within a single line item and department. Subsequent to the adoption of the original budget, this cost total is allocated to the various individual functions of government to which costs are ultimately charged. It is felt that such a practice aids various internal and external readers of the budget to more easily identify the total anticipated cost of wage and salary increases. While this practice inevitably results in variances between components of the original and final budget (e.g. General Government, Public Safety etc.) the net effect of the allocation is zero. With respect to the individual functions of government, except as previously enumerated, the variations between original and final budgets largely result from the reallocation of these salary and benefit increases.

#### CAPITAL ASSETS

The City of Burleson's investment in capital assets for its governmental and business-type activities as of September 30, 2007, amounts to \$166,104,740 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment and roads. Major capital asset events during the current fiscal year included the following:

Construction and right-of-way costs related to a future extension of an arterial roadway amounted to approximately \$2,198,000.

Construction and right-of-way costs related to extension of sanitary sewer service amounted to approximately \$1,305,000.

Approximately \$3,107,000 of drainage improvements were donated by developers

Approximately \$1,000,000 of water lines were donated by developers

Approximately \$1,657,000 of sewer lines were donated by developers

Streets and sidewalks worth approximately \$3,324,000 were donated by developers

Additional information on the City's capital assets can be found in Note #4 in the basic financial statements.

## DEBT ADMINISTRATION

At the end of the current fiscal year, the City had total bonded debt issues of \$96,883,000. Of this amount, \$59,483,000 comprises bonded debt backed solely by the full faith and credit of the government, \$11,165,000 represents bonds secured solely by sales tax revenues, and \$26,235,000 secured by revenues generated from the City's water and wastewater utility.

### Outstanding Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2006	2007	2006	2007	2006	2007
General obligation bonds	\$ 12,395,000	\$ 18,224,000	\$ 5,431,000	\$ 5,069,000	\$ 17,826,000	\$ 23,293,000
Certificates of obligation	14,965,000	24,365,000		11,825,000	14,965,000	36,190,000
Utility system revenue bonds			27,285,000	26,235,000	27,285,000	26,235,000
Sales tax revenue bonds	11,920,000	11,165,000			11,920,000	11,165,000
<b>Total</b>	<b>\$ 39,280,000</b>	<b>\$ 53,754,000</b>	<b>\$ 32,716,000</b>	<b>\$43,129,000</b>	<b>\$71,996,000</b>	<b>\$ 96,883,000</b>

The City maintains favorable bond ratings as assigned from the following rating agencies:

	Moody's Investors Service & Poor's	Standard Poor's Fitch	
General obligation bonds	A2	A	A+
Water & wastewater revenue bonds	A3	BBB	A
4A sales tax revenue bonds	Baa1	A	na
4A sales tax revenue bonds	Baa1	A	na

During the year, the City issued \$6,500,000 in general obligation bonds and \$21,765,000 in combination tax and revenue certificates of obligation. The general obligation bonds were issued for the purpose of improving transportation infrastructure and recreational facilities. The certificates of obligation were issued for the purpose of improving transportation infrastructure, design of new recreation facilities, and improving and expanding the water and wastewater systems. The aforementioned bond issues are labeled in the notes on governmental activities as general obligation bonds, 2006 serial (\$2,400,000) and 2007 serial (\$4,100,000), and certificates of obligation, 2006 serial (\$2,400,000) and 2007 serial (\$4,100,000); and under business-type activities as certificates of obligation, 2006 serial (\$6,125,000) and 2007 serial (\$5,700,000).

Readers desiring more detailed information on long-term debt activity should refer to Note 8 in the Notes to Basic Financial Statements section of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the fiscal year 2008 budget, general fund revenues and transfers-in are budgeted to increase by 12% from the fiscal year 2007 budget adjusted for the transfer of the solid waste function. Property tax valuations are responsible for an increase in ad valorem taxes of approximately \$748,000, or about 33% of the total increase. The adopted tax rate was increased from the previous fiscal year's figure (66.1825 cents per \$100 of taxable value in 2008 vs. 62.99 cents for 2007). Sales tax revenues are budgeted to increase by about \$613,000. This represents approximately 27% of the total increase. Municipal Court fines are anticipated to increase by about \$254,000 over 2007's budgeted totals; about 11% of the total increase. Franchise fees are anticipated to increase by about \$290,000 over 2007's budget, or about 13% of the total increase. General fund expenditures are budgeted to increase about 12% above prior year totals adjusted for the budgeted transfer of the solid waste function, or a total of about \$2,481,000. Approximately sixty percent (60%) of this increase is related to increased public safety expenditures. This additional funding will cover the annual cost of additional police and fire department personnel, either added in 2008 or funded for only a portion of the 2007 fiscal year. An additional 14% of the total increase is attributable to increases in the street department.

Projected results should retain undesignated fund balance in the General Fund to a level above the City's policy target, i.e. an amount equal to at least 60 days of operating expenses.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burleson's finances. Questions concerning any of the information provided in this report or requests for additional information may be obtained by contacting the City of Burleson, Attn: Finance Department, 141 West Renfro Street, Burleson, Texas 76028.

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City of Burleson, Texas  
Statement of Net Assets  
September 30, 2007

A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS:</b>			
<u>Current Assets</u>			
Cash and investments	\$ 42,949,007	\$ 4,570,519	\$ 47,519,526
Receivables			
Delinquent taxes, net of allowance for uncollectible accounts	991,529	-	991,529
Accounts and other	2,097,055	1,595,806	3,692,861
Inventories	68,395	235,109	303,504
Accrued interest	234,758	16,957	251,715
Deposits	43,828	-	43,828
Deferred charges	596,026	-	596,026
Internal balances	(9,151)	9,151	-
Total Current Assets	<u>46,971,447</u>	<u>6,427,542</u>	<u>53,398,989</u>
<u>Noncurrent Assets</u>			
Reserved cash and investments	-	15,089,019	15,089,019
Reserved accrued interest		30,091	30,091
Capital Assets			
Nondepreciable	21,731,979	5,637,352	27,369,331
Depreciable, net of depreciation	80,665,537	58,069,872	138,735,409
Other assets		3,420,196	3,420,196
Total Noncurrent Assets	<u>102,397,516</u>	<u>82,246,530</u>	<u>184,644,046</u>
TOTAL ASSETS	<u>149,368,963</u>	<u>88,674,072</u>	<u>238,043,035</u>
<b>LIABILITIES:</b>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	2,979,184	1,280,017	4,259,201
Accrued interest payable	297,556	204,914	502,470
Deposits	-	426,888	426,888
Current portion of :			
Long-term debt	2,342,000	1,908,000	4,250,000
Liability for compensated absences	875,213	94,111	969,324
Capital Lease	110,737	103,063	213,800
Total Current Liabilities	<u>6,604,690</u>	<u>4,016,993</u>	<u>10,621,683</u>
<u>Noncurrent Liabilities</u>			
Long-term debt	52,153,260	40,700,855	92,854,115
Obligations under capital lease	603,101	326,916	930,017
Liability for compensated absences	1,043,819	120,760	1,164,579
Total Noncurrent Liabilities	<u>53,800,180</u>	<u>41,148,531</u>	<u>94,948,711</u>
TOTAL LIABILITIES	<u>60,404,870</u>	<u>45,165,524</u>	<u>105,570,394</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	67,844,305	35,616,520	103,460,825
Restricted for:			
Debt service	2,303,255	2,800,492	5,103,747
Economic Development	3,823,886	-	3,823,886
Unrestricted	14,992,647	5,091,536	20,084,183
TOTAL NET ASSETS	<u>\$ 88,964,093</u>	<u>\$ 43,508,548</u>	<u>\$ 132,472,641</u>

The notes to the financial statements are an integral part of this statement.

**City of Burleson, Texas**  
**Statement of Activities**  
**Year Ended September 30, 2007**

Functions/Programs	Expenses	Program Revenues		
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 4,060,608	\$ 1,674,935	\$ 226,204	\$ -
Public safety	9,784,360	1,429,420	338,947	
Public works	6,788,351	138,770		7,774,651
Sanitation	1,547,740	1,661,201		
Community Development	1,173,452	1,334,401	18,489	
Culture and recreation	2,494,174	682,029	3,875	38,400
Interest and other fees	2,035,972	-		
Total governmental activities	<u>27,884,657</u>	<u>6,920,756</u>	<u>587,515</u>	<u>7,813,051</u>
Business type activities:				
Water and wastewater	11,047,187	10,580,562	751,266	2,843,679
Hidden Creek Golf Course	1,761,513	1,461,473		
Cemetery	31,572	54,172		
Total business-type activities	<u>12,840,272</u>	<u>12,096,207</u>	<u>751,266</u>	<u>2,843,679</u>
Total primary government	<u>\$ 40,724,929</u>	<u>\$ 19,016,963</u>	<u>\$ 1,338,781</u>	<u>\$ 10,656,730</u>

General revenues:

Taxes:

Property taxes

Tax increment financing

Sales taxes

Hotel/motel taxes

Franchise fees

Unrestricted investment earnings

Transfers between governmental and business type activities

Total general revenues and transfers

Change in net assets

Net assets-beginning

Net assets-ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (2,159,469)		\$ (2,159,469)
(8,015,993)		(8,015,993)
1,125,070		1,125,070
113,461		113,461
179,438		179,438
(1,769,870)		(1,769,870)
(2,035,972)		(2,035,972)
<u>(12,563,335)</u>		<u>(12,563,335)</u>
	\$ 3,128,320	3,128,320
	(300,040)	(300,040)
	22,600	22,600
	<u>2,850,880</u>	<u>2,850,880</u>
<u>(12,563,335)</u>	<u>2,850,880</u>	<u>(9,712,455)</u>
9,910,567		9,910,567
547,712		547,712
10,347,816		10,347,816
172,078		172,078
2,027,326		2,027,326
2,021,700	871,763	2,893,463
(449,595)	449,595	-
<u>24,577,604</u>	<u>1,321,358</u>	<u>25,898,962</u>
12,014,269	4,172,238	16,186,507
<u>76,949,824</u>	<u>39,336,310</u>	<u>116,286,134</u>
\$ 88,964,093	\$ 43,508,548	\$ 132,472,641

**City of Burleson, Texas**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2007**

	<b>Major Funds</b>		
	<b>General</b>	<b>BCDC</b>	<b>4A ED Corp</b>
<b>ASSETS</b>			
Cash and investments	\$ 6,291,732	\$ 1,831,919	\$ 1,078,433
Receivables:			
Delinquent taxes, net	26,600		
Accounts receivable	1,145,387		
Due from other governmental units	881,699	448,967	461,767
Accrued interest	45,288	307	141
Other assets	43,303		
Total Assets	<u>\$ 8,434,009</u>	<u>\$ 2,281,193</u>	<u>\$ 1,540,341</u>
<b>LIABILITIES</b>			
Vouchers payable	\$ 964,517	\$ (1,384)	\$ (968)
Accrued liabilities	437,396		
Deferred revenue	321,625		
Total Liabilities	<u>1,723,538</u>	<u>(1,384)</u>	<u>(968)</u>
<b>FUND BALANCES</b>			
Fund Balances, Reserved for:			
Encumbrances	194,169		
Prepaid Items	42,190		
Debt Service			
Economic Development		2,282,577	1,541,309
Capital Expenditures			
Fund Balances, Unreserved, reported in:			
General Fund	6,474,112		
Special Revenue Funds			
Total Fund Balances	<u>6,710,471</u>	<u>2,282,577</u>	<u>1,541,309</u>
Total Liabilities and Fund Balances	<u>\$ 8,434,009</u>	<u>\$ 2,281,193</u>	<u>\$ 1,540,341</u>

The notes to the financial statements are an integral part of this statement.

<u>Bond Funded Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 20,655,887	\$ 11,055,451	\$ 40,913,422
	54,195	80,795
		1,145,387
	65,912	1,858,345
28,459	151,164	225,359
	525	43,828
<u>\$ 20,684,346</u>	<u>\$ 11,327,247</u>	<u>\$ 44,267,136</u>
\$ 863,210	\$ 148,849	\$ 1,974,224
	742,620	1,180,016
		321,625
<u>863,210</u>	<u>891,469</u>	<u>3,475,865</u>
		194,169
		42,190
	2,303,255	2,303,255
		3,823,886
19,821,136	7,858,219	27,679,355
		6,474,112
	274,304	274,304
<u>19,821,136</u>	<u>10,435,778</u>	<u>40,791,271</u>
<u>\$ 20,684,346</u>	<u>\$ 11,327,247</u>	<u>\$ 44,267,136</u>

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Statement of Net Assets

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Assets

September 30, 2007

**Total fund balances--governmental funds** **\$ 40,791,271**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds (net of governmental internal service fund capital assets of \$ 2,020,969).	100,376,547
Certain charges related to the issuance of debt were expended in this year, but will be amortized over the life of the debt, and therefore are deferred in the government wide statement.	596,026
Internal service funds are used by the City's management for equipment maintenance, and vehicle replacement. The assets and liabilities of the funds are included with governmental activities in the Statement of Net Assets but are not included at the fund level.	4,075,532
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, not recognized at the fund level	321,625
Long-term liabilities, including liabilities for compensated absences, bonds payable, accrued interest and obligations under capital lease are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Bonds payable	\$ 54,495,260
Obligation under capital lease	713,838
Accrued interest	297,556
Compensated absences (net of internal service fund \$35,174)	1,690,254
Combined adjustment	(57,196,908)

**Total net assets--governmental activities** **\$ 88,964,093**

The notes to the financial statements are an integral part of this statement.

City of Burleson, Texas  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2007

	Major Funds			
	General	BCDC	4A ED CORP	Bond Funded Capital Projects
<b>REVENUES</b>				
Property taxes	\$ 8,324,294			
Sales taxes	5,021,672	\$ 2,608,272	\$ 2,645,871	
Franchise fees	2,020,661			
Licenses and permits	1,106,496			
Intergovernmental revenue	145,688			
Fines and forfeitures	1,149,028			
Donations				
Charges for service	3,169,601			
Investment income	411,065	85,607	187,333	\$ 793,272
Street assessments				
Miscellaneous	1,212,472			
Total Revenues	<u>22,560,977</u>	<u>2,693,879</u>	<u>2,833,204</u>	<u>793,272</u>
<b>EXPENDITURES</b>				
Current				
General government	3,887,691			
Public safety	8,574,415			
Public works	4,319,240			
Sanitation	1,656,198			
Community Development	396,443			
Culture and recreation	2,095,112			
Capital expenditures				5,649,428
Debt Service:				
Principal				
Interest and fiscal agent charges				
Total Expenditures	<u>20,929,099</u>			<u>5,649,428</u>
Excess (deficiency) of revenues over (under) expenditures	1,631,878	2,693,879	2,833,204	(4,856,157)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt				16,427,897
Capital lease proceeds	69,990			
Transfers in	200,000			
Transfers out	(202,940)	(1,566,970)	(5,763,163)	(685,383)
Total Other Financing Sources (Uses)	<u>67,050</u>	<u>(1,566,970)</u>	<u>(5,763,163)</u>	<u>15,742,514</u>
Net change in fund balances	1,698,928	1,126,909	(2,929,959)	10,886,357
Fund balance - beginning	<u>5,011,543</u>	<u>1,155,668</u>	<u>4,471,268</u>	<u>8,934,779</u>
Fund balance - ending	<u>\$ 6,710,471</u>	<u>\$ 2,282,577</u>	<u>\$ 1,541,309</u>	<u>\$ 19,821,136</u>

The notes to financial statements are an integral part of this statement.

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,702,887	\$ 10,027,181
566,878	10,842,693
	2,020,661
	1,106,496
325,944	471,632
	1,149,028
25,547	25,547
	3,169,601
427,642	1,904,919
112,377	112,377
705,646	1,918,118
<u>3,866,921</u>	<u>32,748,253</u>
32,033	3,919,724
146,744	8,721,159
	4,319,240
	1,656,198
1,004,462	1,400,905
124,392	2,219,504
2,179,819	7,829,247
1,966,000	1,966,000
1,961,697	1,961,697
<u>7,415,147</u>	<u>33,993,674</u>
(3,548,226)	(1,245,421)
27,148	16,455,045
	69,990
6,883,479	7,083,479
	(8,218,456)
<u>6,910,627</u>	<u>15,390,058</u>
3,362,401	14,144,637
7,073,377	26,646,635
<u>\$ 10,435,778</u>	<u>\$ 40,791,272</u>

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CITY OF BURLESON, TEXAS  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended September 30, 2007

<b>Net change in fund balances--total governmental funds</b>	<b>\$ 14,144,637</b>
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	
Capital Outlay (includes \$441,416 classified as program expenditures on the fund statements)	7,844,310
Depreciation (net of internal service fund \$360,701)	(3,578,284)
	4,266,026
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	7,656,477
<p>Certain long-term liabilities are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.</p>	
	(1,076,082)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds.</p>	
	(14,057,790)
<p>A reduction of Internal charges between the governmental activities and the business type activities is not reported at the fund level.</p>	
	(4,149)
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.</p>	
	<u>1,085,150</u>
<b>Change in net assets of governmental activities</b>	<b><u>\$ 12,014,269</u></b>

The notes to the financial statements are an integral part of this statement.

City of Burleson, Texas  
Statement of Net Assets  
All Proprietary Funds  
September 30, 2007

Business-Type Activities  
Enterprise Funds

	<u>Water &amp; Wastewater</u>	<u>Hidden Creek Golf Course</u>	<u>Non-major</u>
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash and investments	\$ 3,478,182		\$ 466,892
Accounts receivable, net	1,589,474	\$ 1,657	4,675
Inventories	124,931	40,088	
Land held for sale of cemetery lots			70,090
Accrued interest	14,060		2,897
Total Current Assets	<u>5,206,647</u>	<u>41,745</u>	<u>544,554</u>
<u>Noncurrent assets</u>			
Restricted deposits and investments	15,006,174	82,845	
Restricted accrued interest receivable	27,881		
<u>Capital Assets</u>			
Other Assets	3,249,391	170,805	
Property, plant, and equipment, net	58,763,021	4,309,186	8,000
Total Noncurrent Assets	<u>77,046,467</u>	<u>4,562,836</u>	<u>8,000</u>
<b>TOTAL ASSETS</b>	<u>82,253,114</u>	<u>4,604,581</u>	<u>552,554</u>
<b>LIABILITIES</b>			
<u>Current Liabilities</u>			
Vouchers payable	930,686	153,414	6,956
Accrued liabilities	167,679	21,283	
Accrued interest payable	187,369	17,545	
Deposits	408,474		18,414
Compensated absences	63,750	30,361	
Current portion of:			
Bonds payable	1,555,000	353,000	
Capital lease obligation		103,063	
Total current liabilities	<u>3,312,958</u>	<u>678,666</u>	<u>25,370</u>
<u>Noncurrent Liabilities</u>			
Revenue bonds payable	36,123,469	4,536,993	
Premium	40,393		
Capital lease obligation		326,916	
Compensated absences	52,498	68,262	
Total noncurrent liabilities	<u>36,216,360</u>	<u>4,932,171</u>	
<b>TOTAL LIABILITIES</b>	<u>39,529,318</u>	<u>5,610,837</u>	<u>25,370</u>
<b>NET ASSETS (LIABILITIES)</b>			
Invested in capital assets, net of related debt	26,342,977	(410,002)	8,000
Restricted for debt service	2,800,492		
Unrestricted	13,580,327	(596,254)	519,184
Total net assets (liabilities)	<u>\$ 42,723,796</u>	<u>\$ (1,006,256)</u>	<u>\$ 527,184</u>

Net assets of business-type activity internal service funds  
Adjustment to reflect activity between governmental and business type activities

Net assets of business type activities

The notes to the financial statements are an integral part of this statement.

C-1

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 3,945,074	\$ 2,661,031
1,595,806	4,058
165,019	68,395
70,090	
16,957	11,608
<u>5,792,946</u>	<u>2,745,092</u>
15,089,019	
27,881	
3,420,196	
<u>63,080,207</u>	<u>2,647,986</u>
<u>81,617,303</u>	<u>2,647,986</u>
<u>87,410,249</u>	<u>5,393,078</u>
1,091,056	12,216
188,962	6,331
204,914	
426,888	
94,111	4,529
1,908,000	
103,063	
<u>4,016,994</u>	<u>23,076</u>
40,660,462	
40,393	
326,916	
120,760	30,645
<u>41,148,531</u>	<u>30,645</u>
45,165,525	53,721
25,940,975	2,647,986
2,800,492	
<u>13,503,257</u>	<u>2,691,371</u>
<u>\$ 42,244,724</u>	<u>\$ 5,339,357</u>
1,254,672	
9,151	
<u>\$ 43,508,547</u>	

**City of Burleson, Texas**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**All Proprietary Funds**  
**For the Year Ended September 30, 2007**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water &amp; Wastewater</b>	<b>Hidden Creek Golf Course</b>	<b>Non-major</b>
Operating revenues			
Charges for services	\$ 10,109,405	\$ 1,461,473	\$ 26,886
Penalties and interest	348,604		
Impact fee revenue	122,555		
Miscellaneous	751,266		
Operating revenues	<u>11,331,830</u>	<u>1,461,473</u>	<u>26,886</u>
Operating expenses			
Water and wastewater services	7,065,118		
Golf operations		1,483,370	
Administrative expenses	892,842		
Cemetery operations			28,305
Equipment services			3,267
Materials and supplies			3,267
Depreciation	1,440,464	206,403	
Total operating expenses	<u>9,398,424</u>	<u>1,689,773</u>	<u>31,572</u>
Net operating income (loss)	1,933,406	(228,300)	(4,686)
Non-operating revenues (expenses)			
Gain/loss on disposition of capital assets	(30,080)		
Investment income	832,107	1,249	27,286
Interest expense	(1,539,373)	(248,063)	
Total non-operating revenue (expense)	<u>(737,346)</u>	<u>(246,814)</u>	<u>27,286</u>
Income (loss) before capital contributions and transfers	1,196,060	(475,114)	22,600
Transfers from (to) other funds	(200,000)	649,593	
Capital contributions	<u>2,843,679</u>		
Net Income	3,839,739	174,479	22,600
Net assets (liabilities) at beginning of year	38,884,057	(1,180,735)	504,584
Net assets (liabilities) at end of year	<u>\$ 42,723,796</u>	<u>\$ (1,006,256)</u>	<u>\$ 527,184</u>

**Reconciliation of Net Income to Change in Net Assets -  
Business-Type Activities:**

Change in net assets - Enterprise Funds  
Change in internal balances  
Change in net assets of business-type internal service funds  
Change in net assets of business-type activities

The notes to the financial statements are an integral part of this statement.

C-2

Total	Governmental Activities Internal Service Fund
\$ 11,597,764	\$ 1,375,969
348,604	
122,555	15,875
751,266	
12,820,189	1,391,844
7,065,118	
1,483,370	
892,842	
28,305	
	449,842
3,267	96,468
1,646,867	454,850
11,119,769	1,001,160
1,700,420	390,684
(30,080)	(14,833)
860,642	155,190
(1,787,436)	
(956,874)	140,357
743,546	531,041
449,593	685,382
2,843,679	
4,036,818	1,216,423
38,207,906	4,122,934
\$ 42,244,724	\$ 5,339,357

\$ 4,036,818
135,422
\$ 4,172,240

City of Burleson, Texas  
Statement of Cash Flows  
All Proprietary Funds  
For the Year Ended September 30, 2007

C-3

	Business-type Activities - Enterprise Funds			Totals Enterprise Funds	Governmental Activities Internal Service Funds
	Water and Wastewater	Golf Course	Non-major		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Revenues received from customers	\$ 11,633,266	\$ 1,463,290	\$ 35,131	\$ 13,131,687	
Cash received for deposits	30,209			30,209	
Cash received from interfund services provided					\$ 1,391,318
Payments to suppliers	(5,432,974)	(909,675)	(29,261)	(6,371,910)	(307,504)
Payments to employees for services	(915,830)	(543,419)		(1,459,249)	(259,014)
Payments to other funds	(1,961,716)			(1,961,716)	
Net cash provided (used) by operating activities	3,352,955	10,196	5,870	3,369,021	824,800
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfer from other funds		649,593		649,593	685,383
Transfer to other funds					
Net cash provided by noncapital financing activities		649,593		649,593	685,383
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	186,810			186,810	
Receipt on disposal of capital assets					43,380
Principal paid on bonds	(1,050,000)	(443,533)		(1,493,533)	
Interest payments on long-term debt	(1,481,392)	(218,239)		(1,699,631)	
Proceeds of bond issuance	11,825,000			11,825,000	
Cost of bond issuance	(240,207)			(240,207)	
Acquisition and construction of capital assets	(5,032,081)			(5,032,081)	(961,123)
Net cash (used) by capital and related financing activities	4,208,130	(661,772)		3,546,358	(917,743)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	841,246	1,249	27,287	869,782	159,064
Sale of investments	5,380,755		277,353	5,658,108	1,640,753
Purchase of investments	(5,293,290)		(300,796)	(5,594,086)	(1,779,431)
Net cash provided by investing activities	928,711	1,249	3,844	933,804	20,386
Net increase (decrease) in cash and cash equivalents	8,489,796	(734)	9,714	8,498,776	612,826
Cash and cash equivalents--beginning of year	4,841,117	83,579	60,785	4,985,481	145,349
Cash and cash equivalents--end of year	\$ 13,330,913	\$ 82,845	\$ 70,499	\$ 13,484,257	\$ 758,175
Investments	5,153,443		396,393	5,549,836	1,902,857
Total cash and investments	\$ 18,484,356	\$ 82,845	\$ 466,892	\$ 19,034,093	\$ 2,661,032
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 1,933,406	\$ (228,300)	\$ (4,686)	\$ 1,700,420	\$ 390,684
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,440,463	206,403		1,646,866	454,850
Payments to other funds	(200,000)			(200,000)	
Provision for doubtful accounts	1,206			1,206	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	300,229	1,817	7,720	309,766	(525)
(Increase) decrease in inventories	49,825	5,184	141	55,150	(18,099)
Increase (decrease) in vouchers and accounts payable	(369,922)	(26,885)	2,170	(394,637)	(9,864)
Increase (decrease) in accrued liabilities	167,539	51,977		219,516	7,754
Increase (decrease) in deposits payable	30,209		525	30,734	
Net cash provided (used) by operating activities	3,352,955	10,196	5,870	3,369,021	824,800
<b>Noncash Capital and related financing activities</b>					
Borrowing under capital lease		\$ 321,486		321,486	
Contributions from developers	\$ 2,656,869			2,656,869	
Total noncash capital and related financing activities	\$ 2,656,869	\$ 321,486	\$	\$ 2,978,355	\$

The notes to the financial statements are an integral part of this statement.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City's major operations include public safety, public works, solid waste, culture, recreation and community development. In addition, the City owns and operates a water and wastewater system, a golf course and a cemetery.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

**A. Reporting Entity**

The City of Burleson ("City") Home Rule Charter was adopted by the voters at an election held on April 5, 1969. The City operates under a Council-Manager form of government. As required by accounting principles generally accepted in the United States of America, the basic financial statements present the City (primary government) and its component units.

The Burleson Community Service Development Corporation ("BCDC") was incorporated June 25, 1993 as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the City, and the specific purposes for which the Corporation is organized. This includes the construction and renovation of the municipal buildings and other facilities. Although it is legally separate from the City, the BCDC is reported as if it were part of the primary government (blended) because its Board of Directors is substantially the same as the City Council and the City is the primary beneficiary of the financing services provided. Separate financial statements for the BCDC are not available.

The Burleson 4A Economic Development Corporation (the "4A Corporation") was incorporated September 28, 2000. The Corporation as organized is to promote and provide for the economic development within the city and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing, and financing projects under the Act and as defined in Section 4A of the Act. Although it is legally separate from the City, the 4A Corporation is reported as a blended component unit because its Board of Directors is substantially the same as the City Council and the City is the primary beneficiary of the services it provides. Separate financial statements for the 4A Corporation are not available.

**B. Basic Financial Statements**

The basic financial statements include both government-wide financial statements (based on the City as a whole) and fund financial statements. The focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within 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 and 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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property, franchise, sales and hotel occupancy taxes and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The *BCDC Special Revenue fund* is used to account for the half cent sales tax collected to fund the activities of Burlson Community Service Development Corporation.

The *4A Corp Special Revenue fund* accounts for the half cent sales tax collected to fund the activities of Burlson 4A Economic Development Corporation.

The *Bond-Funded Capital Projects fund* is used to account for the acquisition and construction of various capital facilities and is funded by various sales tax revenue and general obligation bonds.

The City reports the following major enterprise funds:

The *Water and Wastewater fund* is used to account for the provision of water and sewer services to residents of the City and certain nonresidents. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

The *Golf Course fund* accounts for the operations of the City's golf course, Hidden Creek Golf Course.

The *Cemetery* enterprise fund, which is not a major fund, is used to account for the operations of the City's cemetery.

The internal service funds are used to account for the financing of goods and services provided by the Equipment Services department to other City departments and for the purchase of City vehicles not budgeted for in other funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and wastewater fund and various other funds of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various funds concerned.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 enterprise fund and the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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 nonoperating revenues and expenses.

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

#### **D. Assets, Liabilities, and Net Assets or Equity**

- 1) Deposits and Investments – Substantially all operating deposits and investments are maintained in pooled deposits and investment accounts. Investment income relating to consolidated deposits and investments is allocated to the individual funds primarily based on each fund’s pro rata share of total consolidated deposits and investments.

Legal provisions generally permit the City to invest in direct obligations of the Federal government, municipal investment pools and interest-bearing deposit accounts. During the year ended September 30, 2007, the City did not own any types of securities other than those permitted by state law.

- 2) Receivables and Payables – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The net property tax receivable is comprised of the property tax revenues collected within 60 days after year end. The City believes that amounts remaining uncollected at sixty days after year-end are generally uncollectible and have been reserved in total.

The City’s property taxes are levied on October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value. The assessed value, net of exemptions, upon which the fiscal 2006 levy was based, was approximately \$1,417,478,029. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation. The City’s Home Rule Charter authorizes assessment, levy and collection of property taxes: a) at a rate not exceeding \$1.00 per \$100 of assessed valuation for the purpose of paying the general governmental operating costs of the City; b) at a rate not exceeding six cents per \$100 of assessed valuation for the purpose of maintaining the public libraries of the City; and c) at a rate sufficient to pay the principal and interest on bonds of the City. The City’s combined tax rate for the year ended September 30, 2007 was \$0.6299 per \$100 of assessed valuation.

- 3) Inventories – Inventories, which are expended as they are consumed, are stated at the lower of cost or market on a first-in, first-out basis.
- 4) Capital assets – Capital assets, which include land, buildings, improvements, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), purchased or acquired, are carried at historical cost or estimated historical cost if historical cost is not available. Contributed assets are recorded at fair market value as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed. A capitalization threshold of \$5,000 is used for all capital

assets. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

Buildings	30 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years
Water & sewer system	50 years
Improvements other than buildings	20 years
Infrastructure	15 - 40 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest accrued during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City during the current year was \$3,884,864. Of this amount, none was included as part of the cost of capital assets under construction in connection with electric, water, and sewer construction projects.

- 5) Compensated absences – Vacation and sick leave are granted to City employees in varying amounts. The City accrues vacation benefits as they are earned. In the event of termination, an employee is reimbursed for accumulated unused vacation days if the employee has at least six months service. The City’s policy regarding unused sick leave allows terminated employees with at least five years of service to receive reimbursement of accumulated unused sick leave.
- 6) Fund equity – In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.

**E. Budgetary Information**

*Budget Policy* – Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budget and all supporting schedules are filed with the City Clerk when submitted to the City Council. Public hearings are conducted to obtain taxpayer comments. Prior to September 30, the budget is adopted by affirmative vote of a majority of the members of the City Council.

Annual operating budgets are prepared on a budgetary basis for all governmental funds except for two special revenue funds (i.e., Public Safety Grant Fund and Other Grant Special Revenue Fund). Budgetary data for Capital Projects Funds have not been presented as such funds are budgeted over the life of the respective project and not on an annual basis.

*Budgetary Data* – Budget amounts presented in the required supplementary information reflect the original budget and the amended budget (which has been adjusted for legally authorized revisions to the annual budget during the year). Appropriations, except remaining project appropriations and encumbrances, lapse at the end of each fiscal year.

*Excess of Expenditures over Appropriations* – For the year ended September 30, 2007, expenditures exceeded appropriations in the legal, tax, and solid waste departments (the legal level of budgeting control) of the general fund by \$2,417, \$9,293, and \$24,968, respectively. Expenditures for interest exceeded appropriations in the General Debt Service Fund by \$120,396 and in the 4A Corporation Debt Service Fund by \$78. These over expenditures were funded by greater than anticipated revenues in each fund.

The GASB has issued the following statements which will be effective in future years as described below:

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective in fiscal year 2009, which establishes standards for the measurement, recognition, and display of other post employment benefits expense/expenditures, related liabilities and note disclosures in the financial statements.

Statement No. 47, *Accounting for Termination Benefits*. This is effective for the City in two parts: (1) for those benefits that relate to other post-employment benefits, the City is to implement at the same time as GASB 45 and (2) for other termination benefits, the effective date was fiscal 2006. This statement defines the accounting for voluntary and involuntary termination benefits (i.e. early retirement incentives). For voluntary termination benefits, an accrual of these costs is warranted when the termination terms have been accepted by the employee and the costs can be estimated. For involuntary termination occurrences, the liability should be recorded when the termination costs, such as severance, can be estimated and a plan for involuntary termination has been approved by the City. The plan for involuntary termination should include the number and classes of employees affected, employee location, date of proposed termination, and types of benefits that are expected to be paid to terminated employees.

Statement No. 48, *Sales and Pledges of Receivables and Future Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement is effective for the City beginning in fiscal year 2008. This Statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing. The Statement also requires enhanced disclosures pertaining to future revenues that have been pledged or sold, provides guidance on sales of receivables and future revenues within the same financial reporting entity, and provides guidance on recognizing other assets and liabilities arising from the sale of specific receivables or future revenues.

Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which identifies the circumstances under which a governmental entity is required to report a liability related to pollution remediation. A government is required to estimate expected outlays for pollution remediation using an “expected cash flows” measurement technique if it knows a site is polluted and if any of the predefined recognition triggers occur. Information about pollution obligations associated with clean up efforts should also be disclosed in the notes to the financial statements.

The City has not yet determined the impact of implementation of the new standards.

#### **G. Deficit Net Assets**

At September 30, 2007, The Hidden Creek Golf Course Fund had an accumulated deficit of \$1,006,256. Of this net deficit, \$410,002 is reported as invested in capital assets net of related debt. This deficit is caused by depreciation in excess of debt reduction. Future operating revenues coupled with increasing principal retirements are expected to eliminate this deficit.

## H. Oil and Gas Royalties

The City receives royalties related to various oil and gas leases for which the City acts as lessor. The royalties are generally payable to the City when production begins at the lease site, and revenue is recognized at the time the royalty is earned and considered measurable and available if received within 60 days of year-end.

## 2. CASH AND INVESTMENTS

Cash and investments as of September 30, 2007, are classified in the statement of net assets as cash and investments and restricted cash and investments. The cash and investments include the following:

Cash on hand	\$	74,758
Demand deposits		(531,889)
Money market mutual funds		24,142
TexPool (State of Texas Treasurer's Investment Pool)		10,575,801
TexPool Prime (State of Texas Treasurer's Investment Pool)		299,452
Lone Star Investment Pool - Liquidity Plus Fund		3,596,693
TexSTAR Investment Pool		31,018,360
U.S. government agency securities		17,551,228
		<hr/>
Total cash and investments	\$	<u>62,608,545</u>

### Deposits

State statutes authorize the City's cash to be deposited in demand deposits, time deposits, or certificates of deposit, and require that all deposits be fully collateralized or insured.

#### Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City 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 City's policy requires that all deposits with financial institutions must be collateralized to the extent not protected by F.D.I.C. insurance.

At September 30, 2007, the carrying amount of the City's deposits was a deficit of \$531,889, with an overall bank balance of \$623,309. The bank balances were entirely covered either by Federal Depository Insurance or by collateral held by the City's agent in the City's name.

### Investments

In accordance with the Texas Public Funds Investment Act and the City of Burleson investment policy, the City invests in:

- a. Obligations of the United States or its agencies or instrumentalities;
- b. Fully insured or collateralized certificates of deposit at commercial banks and savings and loan associations;
- c. SEC registered, no load money market funds in accordance with state law;
- d. Eligible statewide investment pools authorized by the City Council;
- e. Repurchase Agreements (direct security repurchase agreements and reverse repurchase agreements in accordance with state law) collateralized by U.S. Treasury or U.S. Government Agency Securities.

## Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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. It is the City's policy to manage its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of it matures evenly over time as necessary to provide the cash flow and liquidity needed for operations. The maximum maturity allowed is two years.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity.

	Total Amounts	Remaining Maturity		
		12 months or Less	13 to 24 months	25 to 30 months
Money market mutual funds	\$ 24,142	\$ 24,142		
TexPool (State of Texas Treasurer's Investment Pool)	10,575,801	10,575,801		
TexPool Prime (State of Texas Treasurer's Investment Pool)	299,452	299,452		
Lone Star Investment Pool - Liquidity Plus Fund	3,596,693	3,596,693		
TexSTAR Investment Pool	31,018,360	31,018,360		
U.S. government agency securities	17,551,228	12,409,898	\$ 5,141,330	
	<u>\$ 63,065,676</u>	<u>\$ 57,924,346</u>	<u>\$ 5,141,330</u>	<u>\$</u>

## Credit Risk

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 rating agency.

In compliance with the City's Investment Policy, as of September 30, 2007, the City minimized credit risk losses due to default of a security issuer or backer by limiting investments to the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities were minimized. As of September 30, 2007, 28% of the City's portfolio was comprised of obligations of the United States or its agencies rated Aaa by Moody's and AAA by Standard and Poor's. The remainder of the portfolio was invested in AAAM rated local government investment pools.

## Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. It is the policy of the City of Burleson to diversify its investment portfolios. Whenever practical, assets held in the common investment portfolio shall be diversified to minimize the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Investments in any one issuer that represent 5% or more of the City's total investment portfolio as of September 30, 2007, are as follows:

Investment Type	Issuer	Reported Amount	of total Portfolio
Federal Agency Securities	Federal Home Loan bank	\$ 9,942,053	15.77%
	Federal National Mortgage Association	4,564,455	7.24%
Local Government Investment Pools	TexPool	10,575,801	16.77%
	Lone Star Liquidity Plus Fund	3,596,693	5.70%
	TexSTAR Investment Pool	31,018,360	49.19%

## Custodial Risk

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, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City follows the practice of registering all of its investments in its name. All of the City's investments, other than pools, are registered in the City of Burleson's name as of September 30, 2007 and are not exposed to custodial credit risk.

### 3. RECEIVABLES AND DEFERRED REVENUES

Receivables as of year-end for the government's individual major funds, and non-major funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	General	BCDC Special Revenue	4A Corp Special Revenue	Bond- Funded Capital Projects	Other Nonmajor Governmental Funds	Governmental Funds Total
Receivables:						
Property tax	\$ 279,353				\$ 11,400	\$ 290,753
Other taxes					42,795	42,795
Interest	45,288	\$ 307	\$ 141	\$ 28,459	151,164	225,359
Accounts	1,145,387					1,145,387
Intergovernmental	<u>881,699</u>	<u>448,967</u>	<u>461,767</u>		<u>65,912</u>	<u>1,858,345</u>
Gross receivables	2,351,727	449,274	461,908	28,459	271,271	3,562,639
Less: Allowance for uncollectibles	<u>(252,753)</u>					<u>(252,753)</u>
Net total receivables	<u>\$ 2,098,974</u>	<u>\$ 449,274</u>	<u>\$ 461,908</u>	<u>\$ 28,459</u>	<u>\$ 271,271</u>	<u>\$ 3,309,886</u>
Deferred revenues						
Mowing liens	\$ 35,137					\$ 35,137
Franchise fees	<u>286,488</u>					<u>286,488</u>
Total deferred revenues	<u>\$ 321,625</u>					<u>\$ 321,625</u>

	Water and Wastewater	Golf Course	Non-major	Business-Type Activities Total
Receivables:				
Interest	\$ 14,060		\$ 2,897	\$ 16,957
Restricted Interest	27,881			27,881
Accounts	959,299	\$ 1,657	21,410	982,366
Unbilled accounts	<u>659,152</u>			<u>659,152</u>
Gross receivables	1,660,392	1,657	24,307	1,686,356
Less: Allowance for uncollectibles	<u>(28,977)</u>		<u>(16,735)</u>	<u>(45,712)</u>
Net total receivables	<u>\$ 1,631,415</u>	<u>\$ 1,657</u>	<u>\$ 7,572</u>	<u>\$ 1,640,644</u>

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2007, was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 15,960,210	\$ 1,530,461		\$ 17,490,671
Construction in progress	<u>16,129,579</u>	<u>1,885,899</u>	<u>\$ (13,774,170)</u>	<u>4,241,308</u>
Total capital assets not being depreciated	<u>32,089,789</u>	<u>3,416,360</u>	<u>(13,774,170)</u>	<u>21,731,979</u>
Capital assets being depreciated:				
Buildings	13,590,449	292,410		13,882,859
Improvements other than buildings	6,510,439	332,411	(12,768)	6,830,082
Infrastructure	57,854,395	23,510,857		81,365,252
Vehicles	3,159,947	713,129	(172,076)	3,701,000
Machinery and equipment	<u>7,442,757</u>	<u>1,824,971</u>	<u>(132,357)</u>	<u>9,135,371</u>
Total capital assets being depreciated	<u>88,557,987</u>	<u>26,673,778</u>	<u>(317,201)</u>	<u>114,914,564</u>
Less accumulated depreciation for:				
Buildings	(2,337,552)	(275,942)		(2,613,494)
Improvements other than buildings	(2,049,441)	(259,967)		(2,309,408)
Infrastructure	(20,330,341)	(2,169,836)		(22,500,177)
Vehicles	(1,453,842)	(359,110)	123,941	(1,689,011)
Machinery and equipment	<u>(4,389,361)</u>	<u>(874,130)</u>	<u>126,554</u>	<u>(5,136,937)</u>
Total accumulated depreciation	<u>(30,560,537)</u>	<u>(3,938,985)</u>	<u>250,495</u>	<u>(34,249,027)</u>
Total capital assets being depreciated, net	<u>57,997,450</u>	<u>22,734,793</u>	<u>(66,706)</u>	<u>80,665,537</u>
Governmental activities capital assets, net	<u>\$ 90,087,239</u>	<u>\$ 26,151,153</u>	<u>\$ (13,840,876)</u>	<u>\$ 102,397,516</u>

<u>Business-type activities:</u>	<u>Beginning Balance</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 3,156,992	\$ 40,318		\$ 3,197,310
Construction in progress	<u>2,952,455</u>	<u>1,814,190</u>	<u>\$ (2,326,603)</u>	<u>2,440,042</u>
Total capital assets not being depreciated	<u>6,109,447</u>	<u>1,854,508</u>	<u>(2,326,603)</u>	<u>5,637,352</u>
Capital assets, being depreciated:				
Water systems	29,561,370	4,776,305		34,337,675
Wastewater systems	24,341,375	3,031,691		27,373,066
Building and improvements	5,552,085	132,605	(48,682)	5,636,008
Machinery and equipment	1,319,173	406,738	(290,355)	1,435,556
Vehicles	1,063,744	106,333	(48,439)	1,121,638
Capitalized interest	<u>338,852</u>			<u>338,852</u>
Total capital assets being depreciated	<u>62,176,599</u>	<u>8,453,672</u>	<u>(387,476)</u>	<u>70,242,795</u>
Less accumulated depreciation for:				
Water systems	(4,981,050)	(691,309)		(5,672,359)
Wastewater systems	(2,962,064)	(524,006)		(3,486,070)
Building and improvements	(1,466,050)	(190,914)		(1,656,964)
Machinery and equipment	(929,759)	(136,399)	264,243	(801,916)
Vehicles	(438,831)	(108,935)	53,147	(494,619)
Capitalized interest	<u>(52,874)</u>	<u>(8,121)</u>		<u>(60,995)</u>
Total accumulated depreciation	<u>(10,830,628)</u>	<u>(1,659,684)</u>	<u>317,390</u>	<u>(12,172,923)</u>
Total capital assets being depreciated, net	<u>51,345,971</u>	<u>6,793,988</u>	<u>(70,086)</u>	<u>58,069,872</u>
Business-type activities capital assets, net	<u>\$ 57,455,418</u>	<u>\$ 8,648,496</u>	<u>\$ (2,396,689)</u>	<u>\$ 63,707,224</u>

Because the City maintains an internal service fund solely for the purpose of servicing business-type activities of the City, capital assets in this schedule are not equal to those reported in the statement of net assets for proprietary funds.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 133,065
Public safety	810,316
Public works, which includes the depreciation of general infrastructure assets	2,528,709
Solid waste	124,060
Culture and recreation	<u>342,835</u>
Total depreciation expense - governmental activities	<u>\$ 3,938,985</u>
Business-type activities:	
Water and wastewater	\$ 1,342,528
Golf course	208,221
Vehicle replacement fund	<u>108,935</u>
Total depreciation expense - business-type activities	<u>\$ 1,659,684</u>

## Construction commitments

The City has entered into several construction contracts during the fiscal year. As of September 30, 2007, the City had outstanding construction contracts totaling approximately \$5,066,808. Of this, approximately \$1,430,908 will be financed from operating funds. The remainder will be financed from proceeds of bonds issued in prior years.

Additionally, the City has commitments to participate in construction projects of other entities. The commitments include approximately \$305,000 in participation with developers on construction of City infrastructure. The additional commitments will be financed from proceeds of bonds issued in prior years. The City also has committed to spend approximately \$423,000 in matching funds for grant-funded trails projects. These commitments will be financed from 4B sales tax revenue, or future bond issuance.

## 5. LEASES

The City has entered into a lease agreement as lessee for financing the acquisition of a brush truck for the solid waste department with a down payment of \$30,000. The City also has financed wi-fi computer network equipment with a down payment of \$130,000, two solid waste collection trucks by means of leases with down payments of \$30,000 each; and fire department protective equipment with a down payment of \$3,012. The City has also financed the purchase of certain course maintenance equipment for Hidden Creek Golf Course by means of a capital lease with no down payment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Hidden Creek Golf Course</u>
Asset:		
Machinery & Equipment	\$ 1,243,584	\$ 511,394
Less: Accumulated depreciation	<u>(423,748)</u>	<u>(89,121)</u>
Total	<u>\$ 819,836</u>	<u>\$ 422,273</u>

## 6. OTHER ASSETS

Included in business-type activities other assets are the following:

### Water and Sewer Fund:

Deferred bond issuance costs resulting from the 2002 water and sewer revenue bonds. The costs are being amortized over the life of the bond issue.	\$ 223,221
Deferred bond issuance costs resulting from the 2005 water and sewer revenue bonds. The costs are being amortized over the life of the bond issue.	195,355
Deferred bond issuance costs resulting from the 2006 water and sewer revenue bonds. The costs are being amortized over the life of the bond issue.	148,086
Deferred bond issuance costs resulting from the 2006 water and sewer CO bonds. The costs are being amortized over the life of the bond issue.	90,781
Deferred bond issuance costs resulting from the 2007 water and sewer CO & GO bonds. The costs are being amortized over the life of the bond issue.	142,433
Purchase of water rights in Mountain Valley estates, a residential housing development. The costs are being amortized over 40 years.	548,114
Costs incurred in the construction of a water line which is owned by the City of Fort Worth. The costs are being amortized over 50 years, or the estimated life of the water line.	1,615,467
Prepaid arbitrage liability	38,143
Costs incurred in the development of a long-term master infrastructure plan. The costs are being amortized over 20 years.	114,755
Costs incurred in the construction of a water meter station which is owned by the City of Fort Worth. The costs are being amortized over the life of a nine year contract with the City of Fort Worth.	<u>133,036</u>
	<u>\$ 3,249,391</u>

The amounts above are net of accumulated amortization of \$789,222.

### Golf Course Fund:

Cost of a market viability study performed prior to the construction of the golf course. The costs are being amortized over 20 years.	\$ 20,425
Deferred bond issuance costs resulting from the 2004 golf course revenue bonds. The costs are being amortized over the life of the bond issue.	<u>150,380</u>
	<u>\$ 170,805</u>

The amounts above are net of accumulated amortization of \$80,365.

**7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

There were no inter-fund balances at September 30, 2007.

Inter-fund transfers during the year ended September 30, 2007, were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>				
	General Fund	Golf Course	Gov Vehicle Replacement	Non-major Governmental	Total Transfers From
Water & Wastewater Fund	\$ 200,000				\$ (200,000)
Equipment Replacement Fund					
BCDC Special Revenue		\$ 638,975		\$ 927,994	(1,566,969)
4A Corp Special Revenue				5,763,163	(5,763,163)
Bond Funded Capital Projects			685,383		(685,383)
General Fund	<u>                    </u>	<u>10,618</u>	<u>                    </u>	<u>192,322</u>	<u>(202,940)</u>
Total	<u>\$ 200,000</u>	<u>\$ 649,593</u>	<u>\$ 685,383</u>	<u>\$ 6,883,479</u>	<u>\$ (8,418,455)</u>

Inter-fund transfers are reported in the governmental activities and proprietary fund financial statements. In the government-wide statements, inter-fund transfers are eliminated within the governmental activities column and business-type column, as appropriate.

Transfers are used to (1) move revenues collected in the special revenue funds to finance various programs in accordance with budgetary authorizations, (2) move receipts restricted for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) reimburse one fund for services provided to another fund (4) transfer additional funds to the Golf Course (5) pay for property purchased in advance of bond issuance (5) and pay the water utility’s payment in lieu of taxes.

## 8. LONG-TERM DEBT AND OBLIGATIONS

Long-term debt transactions, including current portion, for the year ended September 30, 2007, are summarized as follows:

	Balance at October 1, 2006	Increased	Retired	Balance at September 30, 2007	Due within one year
<i>Governmental activities:</i>					
General obligation bonds	\$ 12,395,000	\$ 6,500,000	\$ 671,000	\$ 18,224,000	\$ 812,000
Certificates of Obligation	14,965,000	9,940,000	540,000	24,365,000	745,000
Sales tax revenue bonds	11,920,000		755,000	11,165,000	785,000
Compensated absences	1,552,314	\$ 1,135,322	768,604	1,919,032	875,213
Capital leases	793,889	69,990	150,041	713,838	110,737
Premium on Debt	<u>806,102</u>	<u>9,717</u>	<u>74,559</u>	<u>741,260</u>	
Governmental activities long-term debt	<u>\$ 42,432,305</u>	<u>\$ 17,655,029</u>	<u>\$ 2,959,204</u>	<u>\$ 57,128,130</u>	<u>\$ 3,327,950</u>
<i>Business-type activities:</i>					
General obligation bonds	5,431,000		362,000	5,069,000	353,000
Certificates of Obligation		11,825,000		11,825,000	355,000
Water & Sewer revenue bonds	27,285,000		1,050,000	26,235,000	1,200,000
Compensated absences	149,621	155,154	89,904	214,871	94,111
Capital leases	189,908	321,603	81,532	429,979	103,063
Premium on Debt	44,407	2,245	6,259	40,393	
Deferred loss on refunding	<u>(638,094)</u>		<u>(77,556)</u>	<u>(560,538)</u>	
Business-type activities long-term debt	<u>\$ 32,461,842</u>	<u>\$ 12,304,002</u>	<u>\$ 1,512,139</u>	<u>\$ 43,253,705</u>	<u>\$ 2,105,174</u>

Premium on debt is amortized over the life of the debt using the effective interest method.

Bonds payable at September 30, 2007, are comprised of the following individual issues:

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Amount Outstanding
<i>Governmental activities:</i>						
General obligation bonds:						
2001 Serial	4.25 - 5.25	6/1/2001	3/1/2021	\$ 3,518,000	\$ 690,000	\$ 2,828,000
2002 Serial	3.00 - 5.00	8/15/2002	3/1/2023	5,770,000	1,435,000	4,335,000
2004 Refunding	2.50 - 5.00	4/15/2004	3/1/2025	875,000	134,000	741,000
2005 Serial	3.00 - 4.25	2/1/2005	3/1/2025	3,970,000	150,000	3,820,000
2006 Serial	4.00 - 4.25	11/15/2006	3/1/2026	2,400,000		2,400,000
2007 Serial	4.00 - 4.625	6/15/2007	3/1/2024	4,100,000		4,100,000
Total general obligation bonds				<u>20,633,000</u>	<u>2,409,000</u>	<u>18,224,000</u>
Certificates of obligation:						
2005 Tax and Revenue	3.00 - 5.00	2/1/2005	3/1/2025	14,965,000	540,000	14,425,000
2006 Serial	4.00 - 4.25	11/15/2006	3/1/2026	3,440,000		3,440,000
2006 Serial	4.00 - 4.25	11/15/2006	3/1/2026	2,400,000		2,400,000
2007 Serial	4.00 - 4.625	6/15/2007	3/1/2024	4,100,000		4,100,000
Total certificates of obligation				<u>24,905,000</u>	<u>540,000</u>	<u>24,365,000</u>
Sales tax revenue bonds:						
2000 Sales Tax Revenue bonds	4.00 - 5.13	9/1/2001	3/1/2021	5,950,000	1,125,000	4,825,000
2001 Sales Tax Revenue bonds	4.00 - 5.13	9/1/2001	3/1/2021	5,420,000	1,115,000	4,305,000
2003 Sales Tax Revenue bonds	2.50 - 3.15	5/15/2003	3/1/2013	3,220,000	1,185,000	2,035,000
Total sales tax revenue bonds				<u>14,590,000</u>	<u>3,425,000</u>	<u>11,165,000</u>
Total governmental activities				<u>\$ 60,128,000</u>	<u>\$ 6,374,000</u>	<u>\$ 53,754,000</u>

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Amount Outstanding
<i>Business-type activities:</i>						
General obligation bonds:						
2004 Golf Course refunding	2.50 - 5.00	4/15/2004	3/1/2025	\$ 5,985,000	\$ 916,000	\$ 5,069,000
Certificates of Obligation						
2006 Serial	4.00 - 4.25	11/15/2006	3/1/2026	\$ 6,125,000	\$	\$ 6,125,000
2007 Serial	4.00 - 4.625	6/15/2007	3/1/2024	\$ 5,700,000	\$	\$ 5,700,000
Total certificates of obligation				<u>\$ 11,825,000</u>	<u>\$</u>	<u>\$ 11,825,000</u>
Water and sewer revenue bonds						
2001 Improvement	4.00 - 5.00	6/1/2001	3/1/2021	6,475,000	4,535,000	1,940,000
2002 Improvement	3.00 - 5.05	8/15/2002	3/1/2027	10,850,000	80,000	10,770,000
2005 Improvement	3.00 - 4.40	5/15/2005	9/1/2025	5,370,000	100,000	5,270,000
2006 Refunding	4.00 - 4.50	4/1/2006	3/1/2021	8,995,000	740,000	8,255,000
Total sales tax revenue bonds				<u>31,690,000</u>	<u>5,455,000</u>	<u>26,235,000</u>
Total business-type activities				<u>\$ 49,500,000</u>	<u>\$ 6,371,000</u>	<u>\$ 43,129,000</u>

The above referenced bonds were issued for the following purposes:

	Original Issue	Net Retirement	Amount Outstanding	Purpose
<i>Governmental activities:</i>				
General obligation bonds:				
2001 Serial	\$ 3,518,000	\$ 690,000	\$ 2,828,000	Fire station 1 and street rehab
2002 Serial	5,770,000	1,435,000	4,335,000	Drainage improvements
2004 Refunding	875,000	134,000	741,000	Refunding
2005 Serial	3,970,000	150,000	3,820,000	Public safety communications, fire truck, new streets, street rehab
2006 Serial	2,400,000		2,400,000	Street rehab, fire truck, Hemphill Street
2007 Serial	4,100,000		4,100,000	Drainage improvements, McAlister Road, Arnold Avenue, Chisenhall Sports Complex
Total general obligation bonds	<u>20,633,000</u>	<u>2,409,000</u>	<u>18,224,000</u>	
Certificates of obligation:				
2005 Tax and Revenue	14,965,000	540,000	14,425,000	Hidden Creek Parkway, Old Town streets, street rehab
2006 Serial	3,440,000		3,440,000	Street rehab
2006 Serial	2,400,000		2,400,000	Community recreation center
2007 Serial	4,100,000		4,100,000	Drainage improvements
Total certificates of obligation	<u>24,905,000</u>	<u>540,000</u>	<u>24,365,000</u>	
Sales tax revenue bonds:				
2000 Sales Tax Revenue bonds	5,950,000	1,125,000	4,825,000	Service Center, Senior Citizens Center, Chisenhall Park expansion
2001 Sales Tax Revenue bonds	5,420,000	1,115,000	4,305,000	Hidden Creek Parkway, South Hurst Road, Fire Station
2003 Sales Tax Revenue bonds	3,220,000	1,185,000	2,035,000	Refunding - City Hall, Library, Police Station
Total sales tax revenue bonds	<u>14,590,000</u>	<u>3,425,000</u>	<u>11,165,000</u>	
Total governmental activities	<u>\$ 60,128,000</u>	<u>\$ 6,374,000</u>	<u>\$ 53,754,000</u>	

	Original Issue	Net Retirement	Amount Outstanding	
<i>Business-type activities:</i>				
General obligation bonds:				
2004 Golf Course refunding	\$ 5,985,000	\$ 916,000	\$ 5,069,000	Refunding - Golf course construction
Certificates of obligation:				
2006 Serial	6,125,000		6,125,000	Village Creek Relief Line, OT, North Creek Relief, Valley View Outfall Sewer, John Jones 16" waterline
2007 Serial	5,700,000		5,700,000	Water system rehab, John Jones 16" waterline, pump stations, elevated storage
Total certificates of obligation	<u>11,825,000</u>		<u>11,825,000</u>	
Water and sewer revenue bonds				
2001 Improvement	6,475,000	4,535,000	1,940,000	System improvements and extensions
2002 Improvement	10,850,000	80,000	10,770,000	System improvements and extensions
2005 Improvement	5,370,000	100,000	5,270,000	System improvements and extensions
2006 Refunding	8,995,000	740,000	8,255,000	Refunding - system improvements and extensions
Total sales tax revenue bonds	<u>31,690,000</u>	<u>5,455,000</u>	<u>26,235,000</u>	
Total business-type activities	<u>\$ 49,500,000</u>	<u>\$ 6,371,000</u>	<u>\$ 43,129,000</u>	

The City currently has \$25,758,079 of authorized, but unissued, general obligation bonds.

The annual requirements to amortize all debt outstanding as of September 30, 2007, are as follows:

Years Ending September 30,	Governmental Activities							Capital
	General	GO	Certificates of	CO	Sales Tax	STR	Capital	Lease
	Obligation	Interest	Obligation	Interest	Revenue	Interest	Leases	Interest
2008	\$ 812,000	\$ 798,913	\$ 745,000	\$ 1,093,392	\$ 785,000	\$ 501,808	\$ 110,737	\$ 44,098
2009	942,000	729,755	805,000	1,030,312	820,000	474,278	117,465	37,370
2010	1,060,000	691,775	975,000	1,000,562	855,000	444,619	124,606	30,230
2011	1,104,000	649,740	1,015,000	966,812	890,000	412,526	125,923	22,652
2012	1,134,000	605,461	1,050,000	930,175	915,000	378,084	113,938	14,922
2013-2017	4,389,000	2,438,658	5,910,000	3,976,326	3,635,000	1,357,800	121,169	7,691
2018-2022	4,645,000	1,413,520	7,445,000	2,443,230	3,265,000	428,964		
2023-2027	3,568,000	404,628	6,420,000	576,718				
2028-2033	570,000	44,250						
Total	<u>\$ 18,224,000</u>	<u>\$ 7,776,700</u>	<u>\$ 24,365,000</u>	<u>\$ 12,017,527</u>	<u>\$ 11,165,000</u>	<u>\$ 3,998,079</u>	<u>\$ 713,838</u>	<u>\$ 156,963</u>

Years Ending September 30,	Business-type Activities							
	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Water and Wastewater Revenue	Water and Wastewater Interest	Capital Leases	Capital Lease Interest
2008	\$ 353,000	\$ 209,041	\$ 355,000	\$ 549,751	\$ 1,200,000	\$ 1,680,393	\$ 103,063	\$ 14,048
2009	174,000	202,025	420,000	482,005	1,250,000	1,567,991	101,717	18,335
2010	179,000	196,621	440,000	464,805	1,310,000	1,498,178	109,554	12,718
2011	188,000	190,649	455,000	446,905	1,360,000	1,424,778	21,158	6,661
2012	196,000	184,045	475,000	428,305	1,405,000	1,348,003	94,487	2,261
2013-2017	1,203,000	790,024	2,690,000	1,772,907	7,830,000	5,435,264		
2018-2022	1,584,000	420,169	3,320,000	1,205,145	7,120,000	3,168,464		
2023-2027	1,192,000	60,197	3,670,000	390,112	4,760,000	858,190		
2028-2031								
Total	<u>\$ 5,069,000</u>	<u>\$ 2,252,771</u>	<u>\$ 11,825,000</u>	<u>\$ 5,739,935</u>	<u>\$ 26,235,000</u>	<u>\$ 16,981,260</u>	<u>\$ 429,979</u>	<u>\$ 54,023</u>

In the current and prior years, the City defeased certain Sales Tax Revenue Bonds, Water and Sewer System Revenue Bonds and General Obligation Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and defeased bonds are not included in the City's financial statements. At September 30, 2007, the unpaid amount of the defeased bonds total \$21,240,000.

The ordinances authorizing the issuance of Water and Sewer serial bonds created the revenue bond debt service and retirement funds. The gross revenues of the waterworks system, after deduction of reasonable expenses of operation and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the revenue bond and emergency funds. At September 30, 2007, the minimum amount required by the ordinances for the revenue bond debt service and retirement funds had been accumulated.

The revenue bond ordinances also require that the City charge for services sufficient to produce net revenues, as defined, in an amount not less than 1.25 times the average annual principal and interest requirements. At September 30, 2007, this requirement had been met.

The ordinance authorizing the issuance of General Obligation Bonds created the Debt Service Fund. All taxes levied and collected for and on account of said bonds are pledged to the Debt Service Fund in amounts authorized by the City Council, but never less than annual maturing interest and principal requirements and an amount, if necessary, to maintain a balance in such fund equal to two percent of the original principal of the bonds. At September 30, 2007, this requirement had been met.

The City has several capital leases for various equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Compensated absences are typically liquidated by the fund to which they relate, generally the general fund.

## 9. WATER AND SEWER CONTRACT

In 1989 the City entered into a contract with the City of Fort Worth, Texas for the purchase of water which will expire on December 31, 2010. The contract requires the City to pay varying amounts based on annual consumption rates established under the terms of the contract. During 2007 approximately 1,307,429,000 gallons of water were purchased under the contract at a cost of approximately \$2,218,602.

## 10. EMPLOYEES' RETIREMENT SYSTEM

Plan Description – The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 821 administered by TMRS, an agent multiple-employee retirement system.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contributions – The contribution rate for the employees is 7%, and the City matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. When the City periodically adopts updated service credits and increases in annuities in effect, the increased unfunded actuarial liability is to be amortized over a new 25-year period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e., December 31, 2006 valuation is effective for rates beginning January 2007).

	2007	2006	2005
Net Pension Obligation (NPO) at the Beginning of Period	\$ -	\$ -	\$ -
Annual Pension Cost:			
Annual required contribution (ARC)	\$ 1,226,098	\$ 1,226,037	\$ 1,193,544
Interest on NPO	-	-	-
Adjustment to the ARC	-	-	-
	1,226,098	1,226,037	1,193,544
Contributions Made	1,226,098	1,226,037	1,193,544
Increase in NPO	-	-	-
NPO at the end of the period	\$ -	\$ -	\$ -

All assumptions for the December 31, 2007, 2006 and 2005 valuations are contained in the 2007, 2006 and 2005 TMRS Comprehensive Annual Financial Reports, copies of which may be obtained by writing to P. O. Box 149153, Austin, Texas 78714-9153. Significant actuarial assumptions and three year trend information may be found at Exhibit D-3.

**11. DEFERRED COMPENSATION PLAN**

The City participates in a deferred compensation plan which falls under Internal Revenue code Section 457. Virtually all employees are eligible to participate in the plan. The deferred compensation plan allows the deferral of individual Federal income taxes until funds are withdrawn. Funds may be withdrawn at termination, retirement, death or unforeseeable emergency. Employees may contribute a maximum of \$15,000 of compensation.

**12. COMMITMENTS AND CONTINGENCIES**

The City is a defendant in certain pending litigation. In the opinion of management, the potential claims against the City not covered by insurance would not materially affect the basic financial statements of the City.

The City has participated in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has purchased commercial insurance to cover these general liabilities from the Texas Municipal League, a non-public entity risk pool. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

**13. OTHER POSTEMPLOYMENT BENEFITS**

The City provides eligible retired employees with the following post-employment benefits: Eligible retirees may purchase health insurance from the City’s healthcare provider at the City’s cost to cover current employees. Eligible retirees may purchase health insurance from the City’s healthcare provider at the City’s cost to cover current employees for dependents if the dependents were covered at the point of retirement.

The City recognizes its share of the costs of providing these benefits, when paid, on a “pay-as-you-go” basis. These payments are budgeted annually. The cost for the fiscal year ended September 30, 2007 was \$16,009. At September 30, 2007, there were five employees receiving these benefits.

\* \* \* \* \*

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**

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CITY OF BURLESON, TEXAS  
 General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended September 30, 2007  
 (Unaudited)

D-1

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Property taxes	\$ 8,631,574	\$ 8,536,400	\$ 8,324,294	\$ 200,000	\$ 8,524,294	\$ (12,106)
Sales taxes	4,511,000	4,955,000	5,021,672		5,021,672	66,672
Franchise fees	1,903,000	2,031,027	2,020,661		2,020,661	(10,366)
Licenses and permits	1,156,000	1,107,800	1,106,496		1,106,496	(1,304)
Intergovernmental	100,000	113,150	145,688		145,688	32,538
Charges for services	3,103,800	3,126,470	3,169,601		3,169,601	43,131
Fines and forfeitures	756,000	1,010,500	1,149,028		1,149,028	138,528
Investment income	310,000	335,200	411,065		411,065	75,865
Miscellaneous and other	746,300	938,732	1,212,472		1,212,472	273,740
Total revenues	<u>21,217,674</u>	<u>22,154,279</u>	<u>22,560,977</u>	<u>200,000</u>	<u>22,760,977</u>	<u>606,698</u>
<b>EXPENDITURES</b>						
General government						
City Council	53,752	164,826	154,363		154,363	10,463
City Manager's Office	563,234	590,787	545,280	47,278	592,558	(1,771)
Legal	174,720	174,720	177,137		177,137	(2,417)
City Secretary's Office	160,124	147,953	130,952	9,831	140,783	7,170
Support Services	164,202	177,380	165,292	1,534	166,826	10,554
Records and Information Services	95,187	89,461	78,033	2,519	80,552	8,909
Information Technology	648,438	689,904	549,146	122,865	672,011	17,893
Human Resources	303,488	416,984	363,090	12,305	375,395	41,589
Finance	792,083	689,463	621,683	13,096	634,779	54,684
Tax	148,547	148,547	157,840		157,840	(9,293)
Purchasing	94,224	101,120	99,344	826	100,170	950
Non-Departmental	845,419	775,313	417,500	192,322	609,822	165,491
Municipal Court	338,917	338,962	309,684	8,277	317,961	21,001
Communications & Environmental Svcs	87,440	120,743	118,347	2,955	121,302	(559)
	<u>4,469,775</u>	<u>4,626,163</u>	<u>3,887,691</u>	<u>413,808</u>	<u>4,301,499</u>	<u>324,664</u>
Public safety						
Police	5,519,311	5,759,637	5,493,118	294,788	5,787,906	(28,269)
Fire	2,381,937	2,415,889	2,359,110	47,688	2,406,798	9,091
Fire Prevention	231,375	254,976	235,167	17,306	252,473	2,503
Emergency Services	71,292	73,877	69,198		69,198	4,679
Animal Control	336,985	324,603	284,334	7,419	291,753	32,850
Code Enforcement	144,876	145,285	133,488	7,581	141,069	4,216
	<u>8,685,776</u>	<u>8,974,267</u>	<u>8,574,415</u>	<u>374,782</u>	<u>8,949,197</u>	<u>25,070</u>
Public works						
Public Works Administration	371,043	377,447	340,919	28,983	369,902	7,545
Street Maintenance	2,167,490	2,509,441	2,335,353	50,688	2,386,041	123,400
Facilities Maintenance	560,399	587,789	555,202	7,776	562,978	24,811
Environmental Services	86,859	87,519	77,216	(348)	76,868	10,651
Engineering	677,458	700,162	634,809	38,559	673,368	26,794
Building Inspections	395,741	399,568	375,741	15,701	391,442	8,126
	<u>4,258,990</u>	<u>4,661,926</u>	<u>4,319,240</u>	<u>141,359</u>	<u>4,460,599</u>	<u>201,327</u>

CITY OF BURLESON, TEXAS  
 General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended September 30, 2007  
 (Unaudited)

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustments to Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
	Original	Final				
Solid waste	\$ 1,548,421	\$ 1,569,139	\$ 1,656,198	\$ (59,702)	\$ 1,596,496	\$ (27,357)
Culture and recreation						
Library	660,402	627,989	600,512	10,942	611,454	16,535
Parks and Recreation Administration	173,562	189,651	175,128	10,746	185,874	3,777
Recreation	370,191	380,996	338,763	12,083	350,846	30,150
Parks Maintenance	782,543	897,879	834,090	33,489	867,579	30,300
Senior Center	80,470	78,866	70,780	1,819	72,599	6,267
Municipal Pool	77,522	80,823	75,839		75,839	4,984
	<u>2,144,690</u>	<u>2,256,204</u>	<u>2,095,112</u>	<u>69,079</u>	<u>2,164,191</u>	<u>92,013</u>
Community Development						
Economic Development	168,074	142,046	96,159	3,913	100,072	41,974
Community Development	346,297	347,625	300,284	26,182	326,466	21,159
	<u>514,371</u>	<u>489,671</u>	<u>396,443</u>	<u>30,076</u>	<u>426,538</u>	<u>63,133</u>
Total expenditures	<u>21,622,023</u>	<u>22,577,370</u>	<u>20,929,099</u>	<u>969,402</u>	<u>21,898,501</u>	<u>678,869</u>
Excess of revenues over expenditures	(404,349)	(423,091)	1,631,878	(769,402)	862,457	1,285,548
<b>OTHER FINANCING SOURCES (USES)</b>						
Capital lease proceeds			69,990	(69,990)		
Operating transfers in			200,000	(200,000)		
Operating transfers out			(202,940)	202,940		
Total other financing sources (uses)			<u>67,050</u>	<u>(67,050)</u>		
Excess of revenues and other sources over expenditures and other uses	(404,349)	(423,091)	1,698,928	(836,452)	862,457	1,285,548
Fund balances - beginning	<u>3,154,238</u>	<u>3,154,238</u>	<u>5,011,543</u>	<u>(522,860)</u>	<u>2,839,048</u>	
Fund balances - ending	<u>\$ 2,749,889</u>	<u>\$ 2,731,147</u>	<u>\$ 6,710,471</u>	<u>\$ (1,359,312)</u>	<u>\$ 3,701,505</u>	<u>\$ 1,285,548</u>

Explanation of differences:

Reserved (GAAP) for encumbrances at September 30, 2007 but recognized as expenditures for budget purposes	(194,169)
Non-cash GAAP items not included in budget	(642,283)
Net decrease in fund balance - GAAP to budget	<u>\$ (836,452)</u>

CITY OF BURLESON, TEXAS  
Major Special Revenue Funds  
Budgetary Comparison Schedule  
For the Year Ended September 30, 2007  
(Unaudited)

	BCDC Special Revenue				4A Corp Special Revenue			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>								
Sales taxes	\$ 2,328,000	\$ 2,328,000	\$ 2,608,272	\$ 280,272	\$ 2,381,000	\$ 2,381,000	\$ 2,645,871	\$ 264,871
Investment income	25,000	25,000	85,607	60,607	150,000	150,000	187,333	37,333
Total Revenues	<u>2,353,000</u>	<u>2,353,000</u>	<u>2,693,879</u>	<u>340,879</u>	<u>2,531,000</u>	<u>2,531,000</u>	<u>2,833,204</u>	<u>302,204</u>
<b>EXPENDITURES</b>								
Current								
Community development								
Total Expenditures								
Excess (deficiency) of revenues over (under) expenditures	<u>2,353,000</u>	<u>2,353,000</u>	<u>2,693,879</u>	<u>340,879</u>	<u>2,531,000</u>	<u>2,531,000</u>	<u>2,833,204</u>	<u>302,204</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in (out)	(1,489,017)	(1,567,968)	(1,566,970)	998	(5,763,863)	(5,763,863)	(5,763,163)	700
Total Other Financing Sources (Uses)	<u>(1,489,017)</u>	<u>(1,567,968)</u>	<u>(1,566,970)</u>	<u>998</u>	<u>(5,763,863)</u>	<u>(5,763,863)</u>	<u>(5,763,163)</u>	<u>700</u>
Net change in fund balances	863,983	785,032	1,126,909	341,877	(3,232,863)	(3,232,863)	(2,929,959)	302,904
Fund balance - beginning	<u>1,155,668</u>	<u>1,155,668</u>	<u>1,155,668</u>		<u>4,471,268</u>	<u>4,471,268</u>	<u>4,471,268</u>	
Fund balance - ending	<u>\$ 2,019,651</u>	<u>\$ 1,940,700</u>	<u>\$ 2,282,577</u>	<u>\$ 341,877</u>	<u>\$ 1,238,405</u>	<u>\$ 1,238,405</u>	<u>\$ 1,541,309</u>	<u>\$ 302,904</u>

CITY OF BURLESON, TEXAS  
 TMRS Schedule of Funding Progress  
 September 30, 2007  
 (Unaudited)

D-3

Actuarial Valuation Date	<u>December 31, 2006</u>	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Actuarial Value of Assets	\$ 19,173,866	\$ 17,453,183	\$ 15,321,192
Actuarial Accrued Liability	\$ 24,817,463	\$ 22,307,237	\$ 19,714,807
Percentage Funded	77.26 %	78.2 %	77.7 %
Unfunded (over-funded) Actuarial Accrued Liability (UAAL)	\$ 5,643,597	\$ 4,854,054	\$ 4,393,615
Annual Covered Payroll	\$ 11,292,031	\$ 10,873,906	\$ 9,966,929
UAAL as a Percentage of Covered Payroll	50.0 %	44.6 %	44.1 %

Actuarial Assumptions

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Actuarial Cost Method	Unit Credit	Unit Credit	Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period	25 Years – Open Period	25 Years – Open Period
Asset Valuation Method	Amortized Cost	Amortized Cost	Amortized Cost
Investment Rate of Return	7%	7%	8%
Projected Salary Increases	None	None	None
Includes Inflation At	3.5%	3.5%	3.5%
Cost-of-Living Adjustments	None	None	None

CITY OF BURLESON, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2007

(Unaudited)

BUDGETARY INFORMATION - The City follows these procedures annually in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to October 1, the budget is legally adopted through passage of an ordinance. This budget is reported as the Original Budget in the budgetary comparison schedules.
4. During the fiscal year, changes to the adopted budget may be authorized, as follows:
  - a. Items requiring City Council action - appropriation of fund balance reserves; transfers of appropriations between funds; transfers between departments within funds; new inter-fund loans or advances; and creation of new capital projects or increases to existing capital projects.
  - b. Items delegated to the City Manager - transfers within departments
5. Annual budgets are legally adopted and amended as required for the general, special revenue, enterprise and internal service funds. Project length budgets are adopted for the capital projects funds. All budgets are prepared on a budgetary basis, and budgetary comparisons for the general and major special revenue funds are presented on this basis in the required supplementary information. A debt service payment schedule for the debt service funds is also approved as part of the budget process. The budget is based on the modified accrual basis of accounting with the exception of certain non-cash expenditure accruals which are not budgeted.
6. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.
7. For each legally adopted operating budget, expenditures should not exceed budgeted appropriations at the fund level. The BCDC and 4A Corporations exceed their adjusted budget because the City did not formally amend the budget for expenditures lawfully approved by the governing boards of the corporations. This step will be incorporated in the budget process for future years.
8. The legal appropriation basis in the General Fund is at the department level. Other governmental funds are appropriated at the fund level. Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded to reserve the applicable appropriations, is employed in the governmental funds. The City does, however, honor the contracts represented by year-end encumbrances and the subsequent year's appropriations provide authority to complete these transactions.

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**OTHER SUPPLEMENTARY INFORMATION**

CITY OF BURLESON, TEXAS  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 September 30, 2007

	Special Revenue Funds			Capital Project Funds			
	Hotel/Motel	Public Safety Grant	Other Grant	4A REVENUE	4B REVENUE	STREET PAVING TRUST FUND	MISCELLANEOUS CAPITAL PROJ FUND
<b>ASSETS</b>							
<u>Current assets</u>							
Cash, cash equivalents and temporary investments	\$ 194,611	\$ 138	\$ 695,859	\$ 3,647,024	\$ 507,683	\$ 1,082,869	\$ 2,599,627
Receivables:							
Accrued Interest	-		-	15,247	3,581	7,429	113,732
Taxes receivable	42,795						
Due from other governmental units	-	112	65,800	-	-	-	-
Other Assets			525				
Total Assets	<u>\$ 237,406</u>	<u>\$ 250</u>	<u>\$ 762,184</u>	<u>\$ 3,662,271</u>	<u>\$ 511,264</u>	<u>\$ 1,090,298</u>	<u>\$ 2,713,359</u>
<b>LIABILITIES</b>							
<u>Current liabilities:</u>							
Vouchers payable	\$ 28,902	\$ 250	\$ 724	\$ 61,399	\$ -	\$ -	\$ 57,574
Accrued liabilities	-	-	695,660				
Total Liabilities	<u>28,902</u>	<u>250</u>	<u>696,384</u>	<u>61,399</u>	<u>-</u>	<u>-</u>	<u>57,574</u>
<b>FUND BALANCES</b>							
Fund Balances, Unreserved, Designated for:							
Capital projects				3,600,872	511,264	1,090,298	2,655,785
Debt Service							
Fund Balances, Unreserved, Undesignated, reported in:							
Special Revenue Funds	208,504	-	65,800				
Total Fund Balances	<u>208,504</u>	<u>-</u>	<u>65,800</u>	<u>3,600,872</u>	<u>511,264</u>	<u>1,090,298</u>	<u>2,655,785</u>
Total Liabilities and Fund Balances	<u>\$ 237,406</u>	<u>\$ 250</u>	<u>\$ 762,184</u>	<u>\$ 3,662,271</u>	<u>\$ 511,264</u>	<u>\$ 1,090,298</u>	<u>\$ 2,713,359</u>

<u>Debt Service Funds</u>			<u>Total Other Governmental Funds</u>
<u>GENERAL DEBT SERVICE</u>	<u>4A DEBT SERVICE</u>	<u>4B DEBT SERVICE</u>	
\$ 560,837	\$ 690,192	\$ 1,076,611	\$ 11,055,451
	-	11,175	-
11,400			151,164
-		-	54,195
			65,912
			525
<u>572,237</u>	<u>690,192</u>	<u>1,087,786</u>	<u>11,327,247</u>
	-	-	148,849
<u>46,960</u>	<u>-</u>	<u>-</u>	<u>742,620</u>
	-	-	
<u>46,960</u>	<u>-</u>	<u>-</u>	<u>891,469</u>
			7,858,219
525,277	690,192	1,087,786	2,303,255
-	-	-	274,304
<u>525,277</u>	<u>690,192</u>	<u>1,087,786</u>	<u>10,435,778</u>
<u>\$ 572,237</u>	<u>\$ 690,192</u>	<u>\$ 1,087,786</u>	<u>\$ 11,327,247</u>

City of Burleson, Texas  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2007

	Special Revenue Funds			Capital Project Funds			
	Hotel/Motel	Public Safety Grant	Other Grant	4A REVENUE	4B REVENUE	STREET PAVING TRUST FUND	MISC CAP PROJ FUND
<b>REVENUES</b>							
Property taxes and assessments			\$ 224,913				
Street assessments						\$ 112,377	
Sales taxes	\$ 172,078		394,800				
Intergovernmental Revenue		\$ 127,898	198,046				
Donations			25,547				
Revenue from use of assets				\$ 97,918	\$ 30,913	59,202	\$ 152,710
Miscellaneous			243,335	-			462,311
<b>Total Revenues</b>	<b>172,078</b>	<b>127,898</b>	<b>1,086,641</b>	<b>97,918</b>	<b>30,913</b>	<b>171,579</b>	<b>615,021</b>
<b>EXPENDITURES</b>							
Current							
General government			32,033				
Community development			1,004,462				
Public safety		117,251	29,493				
Culture and recreation	102,028		22,364				
Principal retirement							
Interest and fiscal agent charges							
Capital expenditures				1,416,444	100,844	15,829	646,701
<b>Total Expenditures</b>	<b>102,028</b>	<b>117,251</b>	<b>1,088,352</b>	<b>1,416,444</b>	<b>100,844</b>	<b>15,829</b>	<b>646,701</b>
Excess (deficiency) of revenues over (under) expenditures	70,050	10,647	(1,711)	(1,318,526)	(69,931)	155,750	(31,680)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in (out)				4,303,000			
Capital lease proceeds							
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,303,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>70,050</b>	<b>10,647</b>	<b>(1,711)</b>	<b>2,984,474</b>	<b>(69,931)</b>	<b>155,750</b>	<b>(31,680)</b>
Fund balance - beginning	138,454	(10,647)	67,511	616,398	581,195	934,548	2,687,465
<b>Fund balance - ending</b>	<b>\$ 208,504</b>	<b>\$ -</b>	<b>\$ 65,800</b>	<b>\$ 3,600,872</b>	<b>\$ 511,264</b>	<b>\$ 1,090,298</b>	<b>\$ 2,655,785</b>

<u>Debt Service Funds</u>			<u>Total Other Governmental Funds</u>
<u>GENERAL DEBT SERVICE</u>	<u>4A DEBT SERVICE</u>	<u>4B DEBT SERVICE</u>	
\$ 1,477,974			\$ 1,702,887
			112,377
			566,878
			325,944
			25,547
3,575	\$ 22,564	\$ 60,759	427,641
			705,646
<u>1,481,549</u>	<u>22,564</u>	<u>60,759</u>	<u>3,866,920</u>
			32,033
			1,004,462
			146,744
			124,392
746,337	679,663	540,000	1,966,000
791,513	781,278	388,906	1,961,697
			2,179,818
<u>1,537,850</u>	<u>1,460,941</u>	<u>928,906</u>	<u>7,415,146</u>
<u>(56,301)</u>	<u>(1,438,377)</u>	<u>(868,147)</u>	<u>(3,548,226)</u>
192,322	1,460,163	927,994	6,883,479
19,344	80	7,724	27,148
<u>211,666</u>	<u>1,460,243</u>	<u>935,718</u>	<u>6,910,627</u>
155,365	21,866	67,571	3,362,401
<u>369,912</u>	<u>668,326</u>	<u>1,020,215</u>	<u>7,073,377</u>
<u>\$ 525,277</u>	<u>\$ 690,192</u>	<u>\$ 1,087,786</u>	<u>\$ 10,435,778</u>

CITY OF BURLESON, TEXAS  
Debt Service Funds  
Budgetary Comparison Schedule  
For the Year Ended September 30, 2007

E-3

	General Debt Service Fund			4A Corp Debt Service Fund			4B Debt Service Fund		
	Original/ Final Budget	Actual	Variance Positive (Negative)	Original/ Final Budget	Actual	Variance Positive (Negative)	Original/ Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>									
Property taxes	\$ 1,341,573	\$ 1,477,974	\$ 136,401						
Investment income		3,575	3,575	\$ 10,000	\$ 22,564	\$ 12,564	\$ 5,000	\$ 60,759	\$ 55,759
Total Revenues	1,341,573	1,481,549	139,976	10,000	22,564	12,564	5,000	60,759	55,759
<b>EXPENDITURES</b>									
Current									
Principal retirement	746,337	746,337		679,663	679,663		540,000	540,000	
Interest and fiscal agent charges	671,717	791,513	(119,796)	781,200	781,278	(78)	388,996	388,906	90
Total Expenditures	1,418,054	1,537,850	(119,796)	1,460,863	1,460,941	(78)	928,996	928,906	90
Excess (deficiency) of revenues over (under) expenditures	(76,481)	(56,301)	20,180	(1,450,863)	(1,438,377)	12,486	(923,996)	(868,147)	55,849
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in (out)		192,322	192,322	1,460,863	1,460,163	(700)	928,996	927,994	(1,002)
Bond sale proceeds		19,344	19,344		80	80		7,724	7,724
Total Other Financing Sources (Uses)		211,666	211,666	1,460,863	1,460,243	(620)	928,996	935,718	6,722
Net change in fund balances	(76,481)	155,365	231,846	10,000	21,866	11,866	5,000	67,571	62,571
Fund balance - beginning	369,912	369,912		668,326	668,326		1,020,215	1,020,215	
Fund balance - ending	\$ 293,431	\$ 525,277	\$ 231,846	\$ 678,326	\$ 690,192	\$ 11,866	\$ 1,025,215	\$ 1,087,786	\$ 62,571

CITY OF BURLESON, TEXAS  
 Other Governmental Funds  
 Budgetary Comparison Schedule  
 For the Year Ended September 30, 2007

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	Hotel/Motel Fund			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Sales taxes	\$ 150,000	\$ 150,000	\$ 172,078	\$ 22,078
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>172,078</u>	<u>22,078</u>
<b>EXPENDITURES</b>				
Culture and recreation	<u>106,842</u>	<u>146,719</u>	<u>102,028</u>	<u>44,691</u>
Total expenditures	<u>106,842</u>	<u>146,719</u>	<u>102,028</u>	<u>44,691</u>
Net change in fund balances	43,158	3,281	70,050	66,769
Fund balances - beginning	<u>138,454</u>	<u>138,454</u>	<u>138,454</u>	
Fund balances - ending	<u>\$ 181,612</u>	<u>\$ 141,735</u>	<u>\$ 208,504</u>	<u>\$ 66,769</u>

	<u>Equipment Services Governmental</u>	<u>Vehicle Replacement - Governmental</u>	<u>Vehicle Replacement - Business-Type</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash, cash equivalents, and investments	\$ 187,896	\$ 1,847,690	\$ 625,445	\$ 2,661,031
Accounts receivable, net	4,058			4,058
Accrued interest and other	212	9,186	2,210	11,608
Inventories	<u>68,395</u>			<u>68,395</u>
Total current assets	<u>260,561</u>	<u>1,856,876</u>	<u>627,655</u>	<u>2,745,092</u>
<b>Noncurrent assets:</b>				
Property, plant and equipment, net	<u>8,980</u>	<u>2,011,989</u>	<u>627,017</u>	<u>2,647,986</u>
Total noncurrent assets	<u>8,980</u>	<u>2,011,989</u>	<u>627,017</u>	<u>2,647,986</u>
<b>Total assets</b>	<u>269,541</u>	<u>3,868,865</u>	<u>1,254,672</u>	<u>5,393,078</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	12,216			12,216
Accrued liabilities	6,331			6,331
Current compensated absences	<u>4,529</u>			<u>4,529</u>
Total current liabilities	<u>23,076</u>			<u>23,076</u>
<b>Noncurrent liabilities:</b>				
Liability for compensated absences	<u>30,645</u>			<u>30,645</u>
<b>Total liabilities</b>	<u>53,721</u>			<u>53,721</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	8,980	2,011,989	627,017	2,647,986
Unrestricted	<u>206,840</u>	<u>1,856,876</u>	<u>627,655</u>	<u>2,691,371</u>
<b>Total net assets</b>	<u>\$ 215,820</u>	<u>\$ 3,868,865</u>	<u>\$ 1,254,672</u>	<u>\$ 5,339,357</u>

## Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
For the Year Ended September 30, 2007

	Equipment Services	Vehicle Replacement - Government	Vehicle Replacement - Proprietary	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 568,603	\$ 602,336	\$ 205,030	\$ 1,375,969
Miscellaneous	<u>          </u>	<u>15,875</u>	<u>          </u>	<u>15,875</u>
Total operating revenues	<u>568,603</u>	<u>618,211</u>	<u>205,030</u>	<u>1,391,844</u>
<b>OPERATING EXPENSES</b>				
Personal services	354,316			354,316
Repairs and maintenance	53,906		300	54,206
Materials and supplies	41,320	80,729	15,739	137,788
Depreciation	<u>1,591</u>	<u>359,110</u>	<u>94,149</u>	<u>454,850</u>
Total operating expenses	<u>451,133</u>	<u>439,839</u>	<u>110,188</u>	<u>1,001,160</u>
Total operating income	<u>117,470</u>	<u>178,372</u>	<u>94,842</u>	<u>390,684</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gain (loss) on sale of assets		(12,855)	(1,978)	(14,833)
Investment income	<u>6,717</u>	<u>110,064</u>	<u>38,409</u>	<u>155,190</u>
Total nonoperating revenues (expenses)	<u>6,717</u>	<u>97,209</u>	<u>36,431</u>	<u>140,357</u>
<b>OTHER SOURCES (USES)</b>				
Transfers in	<u>          </u>	<u>685,382</u>	<u>          </u>	<u>685,382</u>
Total other sources (uses)	<u>          </u>	<u>685,382</u>	<u>          </u>	<u>685,382</u>
Net income (loss)	124,187	960,963	131,273	1,216,423
Net assets, beginning of year	<u>91,633</u>	<u>2,907,902</u>	<u>1,123,399</u>	<u>4,122,934</u>
Net assets, end of year	<u>\$ 215,820</u>	<u>\$ 3,868,865</u>	<u>\$ 1,254,672</u>	<u>\$ 5,339,357</u>

CITY OF BURLESON, TEXAS  
Internal Service Funds  
Statement of Cash Flows  
For the Year Ended September 30, 2007

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	Equipment Services	Vehicle Replacement - Government	Vehicle Replacement - Proprietary	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for equipment replacement		\$ 618,211	\$ 205,029	\$ 823,240
Cash received for fleet maintenance services	\$ 568,078			568,078
Payments to vendors, suppliers and contractors	(210,736)	(80,729)	(16,039)	(307,504)
Payments to employees for services	(259,014)			(259,014)
Net cash provided by (used in) operating activities	98,328	537,482	188,990	824,800
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds		685,382		685,382
Net cash provided by noncapital financing activities		685,382		685,382
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Receipt on disposal of assets		35,280	8,100	43,380
Acquisition and construction of capital assets	(7,695)	(847,097)	(106,331)	(961,123)
Net cash used in capital and related financing activities	(7,695)	(811,817)	(98,231)	(917,743)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	6,878	112,743	39,443	159,064
Proceeds from sale of investments	84,379	1,153,752	402,622	1,640,753
Purchase of investments	(91,509)	(1,251,270)	(436,652)	(1,779,431)
Net cash provided by(used in) investing activities	(252)	15,225	5,413	20,386
Net increase (decrease) in cash and cash equivalents	90,381	426,272	96,172	612,825
Cash and cash equivalents--beginning of the year	29,856	942	114,551	145,349
Cash and cash equivalents--end of the year	120,237	427,214	210,723	758,174
Investments	67,659	1,420,476	414,722	1,902,857
Total cash and investments	\$ 187,896	\$ 1,847,690	\$ 625,445	\$ 2,661,031
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 117,470	\$ 178,372	\$ 94,841	\$ 390,683
Depreciation	1,591	359,110	94,149	454,850
Change in operating assets and liabilities:				
Decrease (increase) in inventories	(18,099)			(18,099)
Decrease (increase) in accounts receivable	(525)			(525)
Increase (decrease) in accounts payable	(9,862)			(9,862)
Increase (decrease) in accrued liabilities	7,753			7,753
Net cash provided by (used in) operating activities	\$ 98,328	\$ 537,482	\$ 188,990	\$ 824,800

STATISTICAL  
SECTION

The City of Burleson’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government’s overall financial health.

		Tables
Financial Trends	These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	1 - 4
Revenue Capacity	These schedules contain information to help the reader assess the government’s most significant local revenue sources, the property tax.	5 - 8
Debt Capacity	These schedules present information to help the reader assess the affordability of the government’s current level of outstanding debt and the government’s ability to issue additional debt in the future.	9 - 12
Demographic & Economic Indicators	These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities takes place.	13 - 14
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	15 - 17
Additional Information	Additional information the government has included to help give the reader a better understanding of the government.	18

## NET ASSETS BY COMPONENT

## LAST FIVE FISCAL YEARS

(accrual basis of accounting)

(UNAUDITED)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:					
Invested in capital assets, net of related debt	\$43,166,286	\$41,788,733	\$51,316,982	\$59,064,614	\$67,844,305
Restricted	1,700,826	5,610,990	7,024,586	7,685,387	6,127,141
Unrestricted	6,900,733	6,949,533	7,186,975	10,199,823	14,992,647
Total governmental activities net assets	<u>\$51,767,845</u>	<u>\$54,349,256</u>	<u>\$65,528,543</u>	<u>\$76,949,824</u>	<u>\$88,964,093</u>
Business-type activities:					
Invested in capital assets, net of related debt	\$23,395,202	\$24,558,080	\$28,902,546	\$33,820,175	\$35,616,520
Restricted	2,157,853	2,157,853	2,800,492	2,601,200	2,800,492
Unrestricted	1,804,296	1,628,308	1,040,549	2,914,935	5,091,536
Total business-type activities net assets	<u>\$27,357,351</u>	<u>\$28,344,241</u>	<u>\$32,743,587</u>	<u>\$39,336,310</u>	<u>\$43,508,548</u>
Primary government:					
Invested in capital assets, net of related debt	\$66,561,488	\$66,346,813	\$80,219,528	\$92,884,789	\$103,460,825
Restricted	3,858,679	7,768,843	9,825,078	10,286,587	8,927,633
Unrestricted	8,705,029	8,577,841	8,227,524	13,114,758	20,084,183
Total business-type activities net assets	<u>\$79,125,196</u>	<u>\$82,693,497</u>	<u>\$98,272,130</u>	<u>\$116,286,134</u>	<u>\$132,472,641</u>

Note: The city began to report accrual information when it implemented GASB Standard 34 in fiscal year 2003.

**CHANGE IN NET ASSETS  
LAST FIVE FISCAL YEARS  
(accrual basis of accounting)  
(UNAUDITED)**

	2003	2004	2005	2006	2007
<b>Revenues:</b>					
Governmental activities:					
Program Revenues:					
Charges for services	\$3,719,196	\$4,831,891	\$5,050,465	\$7,010,601	\$6,920,756
Operating grants and contributions	570,815	535,164	727,842	646,304	587,515
Capital grants and contributions	6,513,129	1,936,102	8,378,946	6,812,544	7,813,051
General Revenues:					
Taxes:					
Property taxes levied for general purposes	5,969,750	6,987,204	7,752,303	8,625,863	9,910,567
Tax Increment Financing	80,470	162,966	412,423	497,436	547,712
Sales and use taxes	6,252,339	7,125,534	8,299,061	9,154,752	10,347,816
Hotel/motel taxes	87,501	96,928	119,270	159,321	172,078
Franchise fees	1,576,954	1,763,792	1,768,708	2,090,773	2,027,326
Investment income	298,162	244,511	829,175	1,520,814	2,021,700
Lawsuit settlement			970,000		
Total governmental revenues	<u>25,068,316</u>	<u>23,684,092</u>	<u>34,308,193</u>	<u>36,518,408</u>	<u>40,348,521</u>
Business-type activities					
Program Revenues:					
Charges for services	9,905,706	9,610,972	11,506,324	13,949,581	12,096,207
Operating grants and contributions				154,156	751,266
Capital grants and contributions	2,673,323	962,513	3,350,613	3,449,995	2,843,679
General Revenues:					
Investment income	252,557	232,607	285,489	639,421	871,763
Gain on sale of assets			2,660	(43,782)	
Total business-type revenues	<u>12,831,586</u>	<u>10,806,092</u>	<u>15,145,086</u>	<u>18,149,371</u>	<u>16,562,915</u>
Total Revenues	<u>37,899,902</u>	<u>34,490,184</u>	<u>49,453,279</u>	<u>54,667,779</u>	<u>56,911,436</u>
Expenses					
General government	3,135,534	3,298,510	3,424,919	3,727,261	4,060,608
Public safety	5,193,712	6,321,200	7,203,194	8,100,853	9,784,360
Public works	4,345,649	5,246,994	5,305,779	6,026,802	6,788,351
Sanitation	990,101	1,106,306	1,355,240	1,381,597	1,547,740
Community Development	485,422	766,423	1,213,921	1,254,161	1,173,452
Culture and recreation	1,769,612	1,798,391	2,167,841	2,359,258	2,494,174
Interest and other fees	1,163,511	1,070,503	1,385,277	1,716,670	2,035,972
Water and wastewater	8,644,282	9,084,086	9,896,012	10,287,872	11,047,187
Hidden Creek Golf Course	1,967,941	2,211,168	1,901,480	1,773,118	1,761,513
Cemetery	19,379	18,302	20,983	26,183	31,572
Total Expenses	<u>27,715,143</u>	<u>30,921,883</u>	<u>33,874,646</u>	<u>36,653,775</u>	<u>40,724,929</u>
Changes in net assets before transfers	10,184,759	3,568,301	15,578,633	18,014,004	16,186,507
Transfers					
Governmental transfers	(1,712,074)	(1,494,354)	(1,072,735)	(530,525)	(449,595)
Business-type transfers	1,712,074	1,494,354	1,072,735	530,525	449,595
Changes in net assets	10,184,759	3,568,301	15,578,633	18,014,004	16,186,507
Net assets - beginning	68,940,437	79,125,196	82,693,497	98,272,130	116,286,134
Net Assets - ending	<u>\$79,125,196</u>	<u>\$82,693,497</u>	<u>\$98,272,130</u>	<u>\$116,286,134</u>	<u>\$132,472,641</u>

Note: The city began to report accrual information when it implemented GASB Standard 34 in fiscal year 2003.

## FUND BALANCES, GOVERNMENTAL FUNDS

## LAST FIVE FISCAL YEARS

(modified accrual basis of accounting)

(UNAUDITED)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Fund</b>					
Reserved	\$207,342	\$148,578	\$403,425	\$295,535	\$236,359
Unreserved	<u>2,753,915</u>	<u>3,213,330</u>	<u>4,045,566</u>	<u>4,716,008</u>	<u>6,474,112</u>
Total general fund	<u><u>\$2,961,257</u></u>	<u><u>\$3,361,908</u></u>	<u><u>\$4,448,991</u></u>	<u><u>\$5,011,543</u></u>	<u><u>\$6,710,471</u></u>
All Other Governmental Funds					
Reserved	\$10,281,340	\$12,192,140	\$27,994,603	\$21,439,770	\$33,806,496
Unreserved, reported in:					
Special Revenue Funds	<u>2,264,791</u>	<u>97,635</u>	<u>131,960</u>	<u>195,320</u>	<u>274,304</u>
Total all other governmental funds	<u><u>\$12,546,131</u></u>	<u><u>\$12,289,775</u></u>	<u><u>\$28,126,563</u></u>	<u><u>\$21,635,090</u></u>	<u><u>\$34,080,800</u></u>

Note: The city began to report accrual information when it implemented GASB Standard 34 in fiscal year 2003.

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST FIVE FISCAL YEARS  
(modified accrual basis of accounting)  
(UNAUDITED)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>					
Property taxes	\$6,038,027	\$7,237,262	\$8,032,127	\$8,704,379	\$10,027,181
Sales taxes	6,339,841	7,222,465	8,645,430	9,636,872	10,842,693
Franchise fees	1,569,413	2,284,489	1,766,863	1,935,224	2,020,661
Licenses and permits	456,897	967,012	979,855	1,098,670	1,106,496
Intergovernmental revenue	475,016	422,522	1,047,760	513,197	471,632
Fines and forfeitures	2,421,255	2,770,736	689,554	767,477	1,149,028
Donations	534,268	700,254	23,343	10,255	25,547
Charges for service	23,614	6,297	2,995,429	2,965,190	3,169,601
Interest income	235,544	155,835	757,743	1,415,646	1,904,919
Street Assessments	274,976	209,175	206,800	152,561	112,377
Miscellaneous	697,076	837,603	1,944,829	2,623,800	1,918,118
Total revenues	<u>19,065,927</u>	<u>22,813,650</u>	<u>27,089,733</u>	<u>29,823,271</u>	<u>32,748,253</u>
<b>Expenditures</b>					
Current					
General government	2,907,091	3,148,653	3,471,402	4,562,259	3,919,724
Public safety	5,069,733	6,149,309	7,582,937	7,829,789	8,721,159
Public works	2,717,371	3,229,684	3,298,247	3,900,009	4,319,240
Sanitation	1,156,491	1,290,101	1,579,916	1,453,661	1,656,198
Community Development	502,223	929,389	1,399,244	1,429,007	1,400,905
Culture and recreation	1,568,243	1,669,393	1,907,963	2,136,713	2,219,504
Capital expenditures	6,005,850	2,353,372	6,995,910	12,366,481	7,829,247
Debt Service:					
Principal	1,232,000	1,302,000	1,208,000	1,228,000	1,966,000
Interest and fiscal agent charges	1,276,415	1,066,476	1,340,153	1,741,133	1,961,697
Total expenditures	<u>22,435,417</u>	<u>21,138,377</u>	<u>28,783,772</u>	<u>36,647,052</u>	<u>33,993,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,369,490)</u>	<u>1,675,273</u>	<u>(1,694,039)</u>	<u>(6,823,781)</u>	<u>(1,245,421)</u>
Other financing sources (uses)					
Transfers in	1,651,692	1,417,950	2,256,984	5,278,965	7,083,479
Transfers out	(2,612,573)	(3,097,304)	(3,529,716)	(5,124,107)	(8,218,456)
Proceeds of capital lease	119,539	123,930	27,112	740,000	69,990
Proceeds of bond issuance	3,230,992	875,000	19,863,531		16,455,045
Payment to refunded bonds agent	(3,125,000)	(850,555)			
Total other financing sources (uses)	<u>(735,350)</u>	<u>(1,530,979)</u>	<u>18,617,911</u>	<u>894,858</u>	<u>15,390,058</u>
Net change in fund balances	<u>(4,104,840)</u>	<u>144,294</u>	<u>16,923,872</u>	<u>(5,928,923)</u>	<u>14,144,637</u>
Debt service as a percentage of non-capital expenditures	15.27%	12.46%	11.32%	12.08%	14.76%

Note: The city began to report accrual information when it implemented GASB Standard 34 in fiscal year 2003.

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**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS (UNAUDITED)**

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<b><u>FISCAL YEAR</u></b>	<b><u>REAL AND PERSONAL PROPERTY ASSESSED VALUE</u></b>	<b><u>ESTIMATED ACTUAL VALUE</u></b>	<b><u>RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE</u></b>
1998	\$ 562,530,662	\$ 562,530,662	100 %
1999	622,203,249	622,203,249	100
2000	658,020,314	658,020,314	100
2001	727,151,073	727,151,073	100
2002	874,014,640	874,014,640	100
2003	989,959,986	989,959,986	100
2004	1,169,064,040	1,169,064,040	100
2005	1,312,421,076	1,312,421,076	100
2006	1,464,603,715	1,464,603,715	100
2007	1,417,478,029	1,417,478,029	100

Source: County-Wide Appraisal District

**CITY OF BURLESON, TEXAS**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS (UNAUDITED)**

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<b><u>FISCAL YEAR</u></b>	<b><u>CITY OF BURLESON (3)</u></b>	<b><u>TARRANT COUNTY (1)</u></b>	<b><u>TARRANT COUNTY HOSPITAL DISTRICT (1)</u></b>	<b><u>TARRANT COUNTY COLLEGE DISTRICT (1)</u></b>	<b><u>JOHNSON COUNTY (2)</u></b>
1998	0.6611	0.2648	0.2341	0.0577	0.4416
1999	0.6533	0.2648	0.2341	0.1064	0.4419
2000	0.6378	0.2648	0.2341	0.1064	0.4474
2001	0.6305	0.2748	0.2341	0.1064	0.4474
2002	0.6044	0.2748	0.2341	0.1064	0.4474
2003	0.6043	0.2725	0.2324	0.1394	0.4551
2004	0.5985	0.2725	0.2353	0.1394	0.4649
2005	0.5985	0.2725	0.2353	0.1394	0.4649
2006	0.5964	0.2725	0.2353	0.1394	0.4649
2007	0.6299	0.2665	0.2354	0.1394	0.4218

Sources: (1) Tarrant County Appraisal District  
(2) Johnson County Appraisal District  
(3) City records  
(4) Does not include Joshua ISD and Crowley ISD rates as school districts do not overlap each other.  
(5) Crowley ISD property first included after 2006 annexation.

Note: All rates - per \$100 assessed value

**TABLE 6**

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<b>BURLESON INDEPENDENT SCHOOL DISTRICT (2)</b>	<b>JOSHUA INDEPENDENT SCHOOL DISTRICT (2)</b>	<b>CROWLEY INDEPENDENT SCHOOL DISTRICT (1) (5)</b>	<b>TOTAL (4)</b>
1.7133	1.3900		3.3726
1.7633	1.4700		3.4638
1.6847	1.4900		3.3752
1.6777	1.4544		3.3709
1.8243	1.5981		3.4914
1.7799	1.7381		3.4836
1.7500	1.7381		3.4606
1.7484	1.7381		3.4590
1.7352	1.7381	1.7890	3.4437
1.4501	1.5389	1.6710	3.1431

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**PRINCIPAL PROPERTY TAX PAYERS  
CURRENT AND TEN YEARS AGO  
(UNAUDITED)**

<u>TAXPAYER</u>	<u>2007</u>			<u>1997</u>		
	<u>ASSESSED VALUATION</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>	<u>ASSESSED VALUATION</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
EE Burleson LP	\$ 27,413,595	1	1.67 %			
Wal-Mart	17,066,688	2	1.04	\$ 18,256,745	1	3.25 %
Oncor Electric	14,796,750	3	0.90			
JAHCO Burleson Town Center	11,456,256	4	0.70			
Target Corporation	11,005,945	5	0.67			
Southwestern Bell	8,545,010	6	0.52	7,966,179	2	1.42
B-CDC Corporation	7,099,163	7	0.43			
Lynn Smith Chevrolet	6,913,121	8	0.42	5,972,810	3	1.06
Redman Homes, Inc	5,489,648	9	0.33	4,692,711	8	0.83
Home Depot	5,495,383	10	0.33			
Plano Pitman LTD				5,899,810	4	1.05
Albertson, Inc.				5,477,823	5	0.97
Burleson Shopping				4,912,642	6	0.87
Texas Utilities				4,898,115	7	0.87
Thomas Conveyor				3,888,648	9	0.69
Southtown Ford				3,414,030	10	0.61
	<u>\$115,281,559</u>		<u>7.01 %</u>	<u>\$65,379,513</u>		<u>11.62 %</u>

**CITY OF BURLESON, TEXAS**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS (UNAUDITED)**

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<b>FISCAL YEAR</b>	<b>ACTUAL LEVY YEAR</b>	<b>TAXES LEVIED FOR THE FISCAL YEAR</b>	<b>COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY</b>	
			<b>AMOUNT</b>	<b>PERCENTAGE OF LEVY</b>
1998	1997	\$3,692,430	\$3,658,658	99.09
1999	1998	4,065,191	3,980,889	97.93
2000	1999	4,183,607	4,109,958	98.24
2001	2000	4,581,347	4,455,459	97.25
2002	2001	5,244,067	5,113,991	97.52
2003	2002	5,906,464	5,810,967	98.38
2004	2003	7,031,101	6,899,960	98.13
2005	2004	7,875,719	7,733,102	98.19
2006	2005	8,689,092	8,545,958	98.35
2007	2006	10,353,638	9,905,537	95.67

Sources: County-wide Appraisal District & City Records

**TABLE 8**

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<b>COLLECTION IN SUBSEQUENT YEARS</b>	<b>TOTAL COLLECTIONS TO DATE</b>	
	<b>AMOUNT</b>	<b>Percent of Levy</b>
\$27,076	\$3,685,734	99.82
76,827	4,057,716	99.82
58,966	4,168,924	99.65
110,508	4,565,967	99.66
109,528	5,223,519	99.61
75,864	5,886,831	99.67
107,024	7,006,984	99.66
103,244	7,836,346	99.50
	8,545,958	98.35
106,259	10,011,796	96.70

**CITY OF BURLESON, TEXAS**

**RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS (UNAUDITED)**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY (1)	PER CAPITA (2)
	GENERAL BONDED DEBT		SALES TAX REVENUE BONDS		
	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION			
1998	\$6,795,000	\$95,000	\$4,135,000	1.96%	\$564
1999	6,395,000	50,000	3,955,000	1.67%	\$510
2000	5,980,000		3,765,000	1.48%	\$461
2001	9,058,000		14,935,000	3.30%	\$1,066
2002	10,695,000		14,465,000	2.88%	\$984
2003	10,043,000		13,980,000	2.43%	\$899
2004	9,441,000		13,340,000	1.95%	\$824
2005	12,898,000	14,965,000	12,645,000	3.09%	\$1,429
2006	12,395,000	14,965,000	11,920,000	2.68%	\$1,296
2007	18,224,000	24,365,000	11,165,000	3.79%	\$1,774

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 5 for taxable value of property data.

(2) See Table 13 for population and personal income data.

**TABLE 9**

<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>GENERAL BONDED DEBT</b>			<b>TOTAL PRIMARY GOVERNMENT</b>	<b>PERCENTAGE OF PERSONAL INCOME (2)</b>
<b>GENERAL OBLIGATION BONDS</b>	<b>CERTIFICATES OF OBLIGATION</b>	<b>WATER REVENUE BONDS</b>		
	\$6,335,000	\$10,310,000	\$17,200,000	4.67%
	6,245,000	9,890,000	16,335,000	4.25%
	6,150,000	9,420,000	15,400,000	4.66%
	6,050,000	15,370,000	24,428,000	5.51%
	5,940,000	25,505,000	36,200,000	6.71%
	5,825,000	24,685,000	34,728,000	6.09%
\$5,985,000	130,000	23,840,000	33,281,000	5.26%
5,776,000		28,330,000	56,193,000	8.28%
5,431,000		27,285,000	54,645,000	6.57%
5,069,000	11,825,000	26,335,000	68,924,000	8.28%

**DIRECT AND OVERLAPPING PROPERTY TAX LEVIES  
SEPTEMBER 30, 2007 (UNAUDITED)**

<b><u>JURISDICTION</u></b>	<b><u>PROPERTY TAX LEVY</u></b>	<b><u>PERCENT APPLICABLE TO CITY OF BURLESON</u></b>	<b><u>AMOUNT APPLICABLE TO CITY OF BURLESON</u></b>
City of Burleson	\$10,398,568	100.00 %	\$10,398,568
Johnson County	25,861,742	21.06	5,446,483
Tarrant County	212,410,000	**	-0-
Tarrant County Hospital District	249,193,421	**	-0-
Tarrant County College District	148,423,652	**	-0-
Crowley ISD	65,733,514	0.01	6,573
Burleson ISD	34,387,598	54.41	18,710,292
Joshua ISD	12,756,186	48.70	<u>6,212,263</u>
Total overlapping property tax levies			<u>\$30,375,611</u>
Total direct and overlapping property tax levies			<u>\$40,774,179</u>
Per capita direct and overlapping property tax levies			<u>\$1,288.28</u>

Source: Municipal Advisory Council of Texas

Population: 31,650

\*\* Less than 0.01%

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
SEPTEMBER 30, 2007 (UNAUDITED)**

<b><u>JURISDICTION</u></b>	<b><u>NET DEBT OUTSTANDING</u></b>	<b><u>AS OF</u></b>	<b><u>PERCENT APPLICABLE TO CITY OF BURLESON</u></b>	<b><u>AMOUNT APPLICABLE TO CITY OF BURLESON</u></b>
City of Burleson	\$27,254,578	09/30/06	100.00 %	\$27,254,578
Johnson County	25,553,579	12/31/04	21.06	5,381,584
Tarrant County	212,410,000	07/31/06	**	-0-
Tarrant County Hospital District	30,330,000	08/31/05	**	-0-
Tarrant County College District	54,995,000	08/31/05	**	-0-
Crowley ISD	182,109,179	08/31/05	0.01	18,211
Burleson ISD	146,174,359	08/31/05	54.41	79,533,469
Joshua ISD	73,524,168	12/31/04	7.82	<u>5,749,590</u>
Total overlapping debt				<u>\$90,682,853</u>
Total direct and overlapping debt				<u>\$117,937,432</u>
Per capita direct and overlapping debt				<u>\$3,726.30</u>

Source: Municipal Advisory Council of Texas

Population: 31,650

\*\* Less than 0.01%

**CITY OF BURLESON, TEXAS**

**REVENUE BOND COVERAGE - WATER AND SEWER REVENUE BONDS  
LAST TEN FISCAL YEARS (UNAUDITED)**

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<b><u>FISCAL YEAR</u></b>	<b><u>GROSS REVENUES (1)</u></b>	<b><u>DIRECT OPERATING EXPENSES (2)</u></b>	<b><u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u></b>
1998	\$5,758,236	\$4,046,078	\$1,712,158
1999	5,618,516	4,397,063	1,221,453
2000	6,539,007	4,930,246	1,608,761
2001	6,619,150	5,644,546	974,604
2002	7,504,286	5,621,146	1,883,140
2003	9,005,388	6,510,474	2,494,914
2004	9,014,653	6,992,219	2,022,434
2005	10,604,450	7,580,641	3,023,809
2006	13,324,857	7,561,711	5,763,146
2007	12,163,937	7,957,960	4,205,977

- Notes: (1) Includes operating revenues and interest income.  
(2) Direct operating expenses are total operating expenses excluding depreciation expense.

TABLE 12

<b>DEBT SERVICE REQUIREMENTS</b>				
<b>PRINCIPAL</b>	<b>INTEREST AND FISCAL CHARGES</b>	<b>TOTAL</b>	<b>COVERAGE</b>	
\$375,000	\$190,094	\$565,094	3.03	
420,000	294,974	714,974	1.71	
470,000	526,670	996,670	1.61	
525,000	557,863	1,082,863	0.90	
715,000	852,975	1,567,975	1.20	
820,000	1,234,966	2,054,966	1.21	
845,000	1,178,074	2,023,074	1.00	
880,000	1,206,434	2,086,434	1.45	
910,000	1,377,052	2,287,052	2.52	
1,050,000	1,539,373	2,589,373	1.62	

**CITY OF BURLESON, TEXAS**

**DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)**

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<b>FISCAL YEAR</b>	<b>POPULATION (1)</b>	<b>Personal Income (thousands of dollars)</b>	<b>PER CAPITA INCOME (2)</b>	<b>MEDIAN AGE (3)</b>
1998	19,550	\$368,244	\$18,836	34.9
1999	20,400	384,254	18,836	34.9
2000	21,150	330,215	15,613	34.7
2001	22,510	443,537	19,704	35.1
2002	25,575	539,607	21,099	36.0
2003	26,718	570,403	21,349	35.2
2004	27,650	632,300	22,868	34.5
2005	28,350	678,359	23,928	35.0
2006	30,300	832,190	27,465	35.0
2007	31,645	869,130	27,465	34.5

- Sources:
- (1) North Central Texas Council of Governments (prior to 2002);  
Burleson - Source: Community Development Department (after 2002)
  - (2) Personal Income is derived by multiplying per capita income by the estimated population
  - (3) City of Burleson Economic Development
  - (4) City of Burleson Economic Development
  - (5) North Central Texas Council of Governments(Census 2000 information average)
  - (6) Burleson Independent School District
  - (7) Texas Employment Commission

**TABLE 13**

<b>EDUCATION LEVEL IN SCHOOL YEARS (4)</b>	<b>PUBLIC SCHOOL ENROLLMENT (5)</b>	<b>UNEMPLOYMENT RATE (6)</b>
12.5	6,160	3.6
12.5	6,215	3.3
12.5	6,317	3.5
12.5	6,643	4.4
12.5	6,891	5.7
12.5	7,290	6.2
12.5	7,544	5.2
14.3	8,007	5.7
14.3	8,569	4.7
14.3	8,553	3.5

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

EMPLOYER	2007			1998		
	EMPLOYEES	RANK	PERCENT	EMPLOYEES	RANK	PERCENT
Joshua Independent School District	675	1	13.80	--	--	
Burleson Independent School District	572	2	11.70	625	1	18.12
Wal-Mart	410	3	8.38	412	2	11.94
City of Burleson	272	4	5.56	168	6	4.87
Burley Fence & Hardware	250	5	5.11	--	--	
Lowe's Companies	220	6	4.50	--	--	
Lynn Smith Chevrolet	200	7	4.09	--	--	
KWS Manufacturing	200	7	4.09	--	--	
Albertson's	150	8	3.07	150	7	4.35
Home Depot	150	8	3.07	--	--	
Target	150	8	3.07	--	--	
Thomas Conveyor	150	8	3.07	210	3	6.09
Logan's Roadhouse	130	9	2.66	--	--	
Trinity Mission	120	10	2.45	--	--	
American Homestar	--	--		203	4	5.88
Redman Homes	--	--		180	5	5.22
K-Mart	--	--		120	8	3.48
Indicom Buildings	--	--		115	9	3.33
Winn Dixie	--	--		111	10	3.22
Total	<u>3,649</u>		<u>74.62</u>	<u>2,296</u>		<u>66.49</u>

Source: City of Burleson Economic Development Department and the North Central Texas Council of Governments (NCTCOG) website.

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS (UNAUDITED)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<u>Function/Program</u>										
General government										
City council	7	7	7	7	7	7	7	7	7	7
City manager's office	3	5	4	4	6	6	8	6	6	5
City secretary's office	1	1	1	1	2	2	2	2	2	1
Administrative services	1	3	3	3	2	2	1	2	2	2
Records management	2	2	1	1	1	1	1	1	1	1
Information technology		1	2	2	2	2	2	2	3	4
Economic development	1	1	2	2	1	1	1	1	1	1
Human resources	2.25	3	3	3	3	3	3	3	3	3
Public Information Officer	0.00	0	0	0	0	0	0	0	0	0
Finance	6	6	6	6	6	6	6	6	6	8
Purchasing							1	1	1	1
Municipal court	3.5	3.5	3.5	3.5	3.5	3.5	4	4	5	5
Public Safety										
Police	49	51	55	56	56	61	61	65	70	74
Fire	51	53	47	47	47	51	51	51	55	28
Fire prevention	2	2	3	3	3	3	3	1	2	3
Public Works										
Public works administration	5	3	3	3	3	4	4	5	5	5
Street maintenance	12.5	13	15	15	15	15	15	15	17	18
Solid waste	15.5	14.5	15.5	15.5	15.5	15.5	17	19	19	20
Neighborhood services	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	1
Animal services	2	2	2	2	2	3	3	3	4	4
Environmental services	0	0	0	0	0	0	0	0	0	1
Facility maintenance	3	3	4	4	4	5	5	6	7	7
Building code enforcement	4	5	5	5	5	5	6	8	8	8
Community development	3	2	2	2	2	3	3	3	4	4
Engineering	3	4	5	5	5	8	8	8	10	10
Culture & Recreation										
Library	6.62	9	9	9	8.5	10.5	14	14	14	14
Parks & recreation administration	3	3	3	3	3	3	4	3	3	3
Recreation	3.5	3.5	3.5	3.5	4	4	6	6	6	5
Park maintenance	10	12	10	12	10	10	12	12	14	14
Senior citizens center	1	1	1	1	1	1	1	1	1	1
Municipal pool	12	10	10	10	13	13	12	12	12	12
Golf course administration							2	2	2	2
Golf course club house & pro shop						9.5	11	11	11	11
Golf course maintenance						9.5	9	9	9	9
Golf course food & beverage						5	8	8	7	7
Water & Sewer										
Water & sewer services	15	13	18	18	19	19	19	17	18	19
Utility billing	4	7	7	7	6	6	6	6	6	8
Equipment Services										
Equipment services	4	5	5	5	6	6	6	6	6	6
Total	235.87	248.00	255.50	258.50	261.50	305.50	322.00	326.00	347.00	332.00

Source: Finance Department

SCHEDULE OF INSURANCE POLICIES IN FORCE (UNAUDITED)  
 SEPTEMBER 30, 2006

	AM BEST RATING	POLICY NUMBER	POLICY PERIOD	COVERAGE	DEDUCTIBLES	LIABILITY LIMITS
Texas Municipal League Intergovernmental Risk Pool	A++	3511	10/1/2006 10/1/2007	General Liability	0	\$1,000,000
				Real & Personal Property	\$2,500	35,190,718
				Auto Liability	0	1,000,000
				Auto Physical Damage	1,000	Per schedule
				Law Enforcement Liability	1,000	2,000,000
				Errors & Omissions	5,000	2,000,000
				Employee Fidelity Bond	2,500	250,000
				Workers' Compensation	N/A	500,000
The Hartford Casualty Insurance Company	A+	61BSBEE7411	9/27/2006 9/27/2007	Fidelity Bond for Finance Director	2,500	250,000
		61BSBEE7411	9/5/2007 9/5/2008	Fidelity Bond for Finance Director	2,500	250,000

NOTES: Claims administrators - Workers Compensation, TML Claims, 18601 LBJ Freeway, Suite 210, Tower East Tower, Mesquite, TX 75150

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2007 (UNAUDITED)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public safety										
Police										
Number of employees	49	51	55	56	56	61	61	65	70	71
Total calls	59,783	57,152	40,462	43,221	45,144	46,237	47,323	48,824	50,000	54,726
Arrests	1,632	1,360	1,459	1,738	1,614	1,546	1,415	1,432	1,500	1,672
Traffic enforcement	10,671	10,408	10,526	10,548	12,204	13,558	12,712	11,338	12,000	14,000
Fire										
Number of employees	51	53	47	47	47	51	51	51	55	40
Number of calls for service	1,488	1,658	2,014	2,195	2,109	2,345	2,518	2,614	2,700	3,300
Inspections	285	309	356	308	424	312	222	250	530	650
Public Works										
Facility repairs	371	392	402	425	437	468	444	497	560	435
Preventive Maintenance Hours	367	400	400	695	1,000	1,100	1,100	1,300	1,400	1,400
Animal Control										
Animals Adopted	250	278	285	304	299	250	250	400	450	500
Animals Impounded	1,758	1,758	1,322	1,825	1,794	1,400	1,400	2,000	2,000	2,485
Environmental Health										
Permits	131	128	123	138	168	71	162	165	0	0
Inspections	186	239	225	254	255	279	285	3	0	0
Community Development										
Permits Issued	2,312	2,371	2,578	3,240	3,743	3,999	7,341	4,048	8,075	9,922
Inspections Made	3,807	5,707	11,055	8,857	14,007	17,112	17,477	17,886	19,280	23,186
Culture and Recreation										
Recreation										
Special Event Participants	9,475	9,475	18,000	20,000	22,000	19,800	23,000	25,750	24,650	25,000
Swim Lesson Participants	400	400	280	340	322	256	323	300	300	480
Swim Programs	60	60	32	52	52	45	45	45	45	70
Senior Citizen Participants	12,000	12,000	22,155	22,155	25,123	25,452	25,006	26,345	27,000	28,050
Senior Van Riders	N/A	N/A	N/A	N/A	N/A	389	1,320	1,400	1,500	1,054
Library										
Books in Collection	35,190	31,620	33,840	36,499	39,899	42,997	47,572	55,000	51,012	58,425
Materials borrowed	124,651	127,321	127,321	170,673	155,000	160,000	180,047	185,483	225,000	233,669
Water and Sewer										
Number of water customers	6,666	7,131	7,655	7,968	8,460	9,042	9,620	10,265	10,962	11,440
Number of sewer connections	6,739	6,883	7,345	7,881	8,303	8,791	9,515	10,153	10,870	11,503

