

CITY OF BURLESON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2009

City Officials

Kenneth Shetter
Mayor

Stuart Gillaspie
Jim Wadlow
Matt Powell
Carter Mahanay
Dan McClendon
Chip Stephens

Mayor Pro Tem
Councilmember
Councilmember
Councilmember
Councilmember

Curtis E. Hawk
City Manager

Paul Cain
Deputy City Manager

David Wynn
Deputy City Manager

Rhett Clark
Director of Finance

Prepared by: Finance Department



CITY OF BURLESON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2009

Table of Contents

	Exhibit	Page(s)
INTRODUCTORY SECTION		
Transmittal Letter		v-vii
Certificate of Achievement		viii
Organizational Chart		ix
List of Principal Officials		x
FINANCIAL SECTION		
Independent Auditors' Report		1-2
Management's Discussion and Analysis (Unaudited)		3-11
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	13
Statement of Activities	A-2	14-15
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	16-17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	B-2	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	B-3	20-21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-4	23
Proprietary Funds:		
Statement of Net Assets	C-1	24-25
Statement of Revenues, Expenses, and Changes in Fund Net Assets	C-2	26-27
Statement of Cash Flows	C-3	28-29
Notes to Basic Financial Statements		31-53

CITY OF BURLESON, TEXAS

Table of Contents, Continued

	Exhibit	Page(s)
Required Supplementary Information (Unaudited):		
Budgetary Comparison Schedules:		
General Fund	D-1	55-56
Major Special Revenue Funds	D-2	57
TMRS Analysis of Funding Progress	D-3	58
Notes to Required Supplementary Information		59
Other Supplementary Information (Unaudited):		
Description of Non-major Governmental Funds		61
Non-major Governmental Funds:		
Combining Balance Sheet	E-1	62-63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	64-65
Budgetary Comparison Schedule – Debt Service Funds	E-3	66-67
Budgetary Comparison Schedule – Other Governmental Funds	E-4	68
Internal Service Funds (Unaudited):		
Combining Statement of Net Assets	F-1	69
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	F-2	70
Combining Statement of Cash Flows	F-3	71
STATISTICAL SECTION (Unaudited)		
Description of Statistical Section		73
Net Assets by Component – Last Six Fiscal Years	1	74
Change in Net Assets – Last Six Fiscal Years	2	75-76
Fund Balances – Governmental Funds – Last Six Fiscal Years	3	77
Changes in Fund Balances – Governmental Funds – Last Six Fiscal Years	4	78
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	5	79
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	6	80-81
Principal Property Tax Payers – Current and Ten Years Ago	7	82
Property Tax Levies and Collections – Last Ten Fiscal Years	8	83

CITY OF BURLESON, TEXAS

Table of Contents, Continued

	Exhibit	Page(s)
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	9	84-85
Direct and Overlapping Property Tax Levies – Last Ten Fiscal Years	10	86
Computation of Direct and Overlapping Debt – September 30, 2009	11	87
Revenue Bond Coverage – Water and Sewer Revenue Bonds - Last Ten Fiscal Years	12	88
Demographic Statistics –Last Ten Fiscal Years	13	89
Principal Employers – Last Ten Fiscal Years	14	90
Full Time Equipment City Government Employees by Function/Program Last Ten Fiscal Years	15	91
Schedule of Insurance Policies in Force – September 30, 2009	16	92
Operating Indicators by Function/Program –Last Ten Fiscal Years	17	93
Miscellaneous Statistics - September 30, 2009	18	94-95

INTRODUCTORY SECTION



February 4, 2010

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, 2009. 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 as well as its blended component units. Both the Burleson Community Services Development Corporation and the Burleson 4A Economic Development Corporation, although legally separate entities, are in substance part of the primary government’s operations and are included as part of the primary government. Additional information on these component units can be found in the notes to the financial statements.

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. The development of the Barnett Shale natural gas reserves has served to help maintain this trend as the national economy has struggled.

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.

RELEVANT FINANCIAL POLICIES

The development of the Barnett Shale natural gas fields has not only provided jobs and tax revenues to the area, but has generated direct royalty and bonus revenues to the City coffers. While not actually a "one-time" revenue, these royalties are too short-lived to be considered a recurring part of the City's revenue stream. It is the City of Burleson's policy that one-time or non-recurring revenues not be used to finance current ongoing operations. Accordingly, the Burleson City Council has designated these revenues be used to help finance capital improvements.

INDEPENDENT AUDIT

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

AWARDS

For the year ended September 30, 2008, 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. Credit also must be given to the mayor and the city council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Burleson's finances.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Rhett Clark", written in a cursive style.

Rhett Clark, CPA
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, 2008

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.



President

Executive Director

CITY OF BURLESON, TEXAS

List of Principal Officials

September 30, 2009

Elected Officials

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

City Officials

City Manager	Curtis E. Hawk
Deputy City Manager	Paul Cain
Deputy City Manager	David Wynn
Director of Finance	Rhett Clark
City Attorney	Allen Taylor
Police Chief	Thomas Cowan
City Secretary	Amanda McCrory
Fire Chief	Gary Wisdom
Parks and Recreation Director	Peter Krause
Director of Human Resources	Maria Reed
Director Fire Prevention	Stacy Singleton
Director of Neighborhood Services	Lisa Duello
Library Director (Interim)	Kellye Cunningham
Director of Information Technology	Mark Eder
Director of Community Development	Shailaja Roos
Director of Public Works	Aaron Russell
Director of Golf	David White

FINANCIAL SECTION





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, 2009, 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, 2009, 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.

In accordance with Government Auditing Standards, we have issued a report dated February 4, 2010, on our consideration of the City's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis, the analysis of funding progress and budgetary comparison information on pages 3 through 11 and page 55 through 59, 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.

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 and schedules 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.

Pattillo, Brown + Hill, L.L.P.

February 4, 2010

MANAGEMENT'S DISCUSSION & ANALYSIS



CITY OF BURLESON, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED SEPTEMBER 30, 2009

(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, 2009. 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 \$161,037,660 (net assets). Of this amount, \$26,454,590 (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 \$11,768,302, 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 \$6,557,013, or 28% of total general fund expenditures.
- The City's total debt decreased by \$5,016,465 (3.6%) during the current fiscal year. The key factor in this increase was the scheduled retirement 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, parks and

recreation, and community development. The business-type activities include water and wastewater operations, solid waste collection, the City's Hidden Creek Golf Course, and 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, bond supported capital projects fund, and mineral lease funded capital projects fund, all of which are considered to be major funds. Data from the other nine 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, solid waste, golf, and cemetery operations. Internal Service Funds are accounting devices 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, solid waste, 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 \$161,037,660 as of September 30, 2009.

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 (6%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net assets (16%) 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	
	2008	2009	2008	2009	2008	2009
Current & other assets	\$ 79,133,836	\$ 64,359,169	\$29,247,415	\$26,673,225	\$108,381,251	\$ 91,032,394
Capital assets	117,427,465	141,387,235	68,708,260	71,143,784	186,135,725	212,531,019
Total assets	<u>196,561,301</u>	<u>205,746,404</u>	<u>97,955,675</u>	<u>97,817,009</u>	<u>294,516,976</u>	<u>\$303,563,413</u>
Noncurrent liabilities – due in more than one year	86,299,706	83,716,784	44,429,516	41,721,339	130,729,222	\$125,438,123
Other liabilities	9,314,567	12,507,311	5,203,829	4,580,319	14,518,396	17,087,631
Total liabilities	<u>95,614,273</u>	<u>96,224,095</u>	<u>49,633,345</u>	<u>46,301,658</u>	<u>145,247,618</u>	<u>\$142,525,754</u>
Net Assets:						
Invested in capital assets, net of related debt	75,675,895	84,795,578	38,951,118	40,857,400	114,627,013	\$125,652,978
Restricted	6,902,812	5,757,785	3,172,307	3,172,307	10,075,119	8,930,092
Unrestricted	18,368,321	18,968,946	6,198,905	7,485,644	24,567,226	26,454,590
Total net assets	<u>\$100,947,028</u>	<u>\$109,522,309</u>	<u>\$48,322,330</u>	<u>\$51,515,351</u>	<u>\$149,269,358</u>	<u>\$161,037,660</u>

The following table provides a summary of the City's operations for the year ended September 30, 2009. Governmental activities increased the City's net assets by \$8,575,281. Business-type activities increased the City's net assets by \$3,193,021.

Overall 2009 fiscal year expenses rose by about 7.6% over the prior fiscal year. This increase was largely driven by the rapid growth of the community. Notable increases between 2008 and 2009 fiscal year expenses in governmental activities may be observed in the public works, community development, and general government categories as well as in interest and long term debt.

Public works expenses increased by about \$1,081,000 (or about 15%). A significant portion of this figure was created by the transition of the solid waste function to a contracted service, and the subsequent absorption of some employees and equipment into general fund departments.

General government expenses increased by about \$592,000, over the prior fiscal year (or approximately 11%). About \$175,000 of this total stemmed from planned increases in information technology capital purchases. Other increases this year resulted from planned personnel additions in the Finance and Information Technology Departments (\$247,000) and from the full year impact of the prior year's mid-year additions.

Interest on long term debt increased by about \$749,000 over the prior fiscal year (or about 26%). This increase is attributable to the first full year of interest cost for the \$35,650,000 in tax supported debt issued during the 2008 fiscal year.

CITY OF BURLESON, TEXAS – CHANGES IN NET ASSETS

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2009	2008	2009	2008	2009
Revenues:						
Program Revenues:						
Charges for services	\$10,850,388	\$8,714,188	\$16,784,496	\$18,433,105	\$27,634,884	\$27,147,293
Operating grants and contributions	534,172	578,243	597,780	337,613	1,131,952	915,856
Capital grants and contributions	4,299,747	3,033,884	2,242,694	1,461,885	6,542,441	4,495,769
General Revenues:						
Taxes:						
Property taxes levied for general purposes	11,564,509	13,473,315	-	-	11,564,509	13,473,315
Tax Increment Financing	61,730	147,414	-	-	61,730	147,414
Sales and use taxes	11,650,147	11,805,360	-	-	11,650,147	11,805,360
Hotel / motel taxes	199,309	170,116	-	-	199,309	170,116
Franchise fees	2,316,229	2,560,705	-	-	2,316,229	2,560,705
Investment income	1,600,937	793,416	714,810	270,274	2,315,747	1,063,690
Gain (loss) on sale of assets	-	343,648	55,576	(119,157)	55,576	224,491
Total revenues	43,077,168	41,620,289	20,395,356	20,383,720	63,472,524	62,004,009
Expenses						
General government	5,265,957	5,858,171	-	-	5,265,957	5,858,171
Public safety	11,664,905	11,721,926	-	-	11,664,905	11,721,926
Public works	7,023,636	8,105,075	-	-	7,023,636	8,105,075
Solid Waste	-	-	-	-	-	-
Community development	457,921	1,004,358	-	-	457,921	1,004,358
Culture and recreation	2,851,686	3,025,067	-	-	2,851,686	3,025,067
Interest and other fees	2,870,665	3,619,571	-	-	2,870,665	3,619,571
Water & wastewater	-	-	12,593,338	12,673,707	12,593,338	12,673,707
Hidden Creek Golf course	-	-	1,735,181	2,005,748	1,735,181	2,005,748
Solid Waste	-	-	2,211,449	2,218,385	2,211,449	2,218,385
Cemetery	-	-	1,069	3,699	1,069	3,699
Total expenses	30,134,770	33,334,168	16,541,037	16,901,539	46,675,807	50,235,707
Change in net assets before transfers	12,942,398	8,286,121	3,854,319	3,482,181	16,796,717	11,768,302
Transfers	(959,463)	289,160	959,463	(289,160)	-	-
Change in net assets	11,982,935	8,575,281	4,813,782	3,193,021	16,796,717	11,768,302
Net assets - beginning	88,964,093	100,947,028	43,508,548	48,322,330	132,472,641	149,269,358
Net assets - ending	\$100,947,028	\$109,522,309	\$48,322,330	\$51,515,351	\$149,269,358	\$161,037,660

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 \$53,123,766. Eighty-six percent or \$45,671,707 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 \$113,079, (2) for prepaid items \$63,175, (3) to pay debt service \$2,706,966 (4) reserved for economic development \$3,050,821, and (5) reserved for capital projects \$39,737,666. Approximately 14% of the combined ending fund balance or \$7,452,059 constitutes unreserved fund balance.

Of the \$53,123,766 ending fund balance, \$7,333,156 is accounted for in non-major governmental funds. The General Fund balance is \$6,733,267 at year end – an increase of \$569,700. This increase was created primarily by a combination of greater than expected sales tax revenues and savings in some large expenses like health insurance. The Burlison Community Services Development Corporation (BCSDC) fund balance decreased \$876,001 to \$2,722,549 at year end. This decrease is the primarily the result of a mid-year decision to transfer \$1,500,000 to other governmental funds for pay-as-you-go capital projects. The Burlison 4A Economic Development (4AEDC) fund balance decreased \$476,152 to a year-end total of \$328,272. This decrease is caused by a large transfer to other governmental funds for pay-as-you-go capital projects. The continued construction work without a bond sale during the period decreased fund balances in bond funded capital project funds by \$17,725,358 – finishing the year at \$29,073,063. The Mineral Lease Capital Project fund balance increased \$91,710 to \$6,933,459. This increase represents the degree to which mineral income exceeded the current need to supplement capital projects or debt service.

Proprietary funds – The City of Burlison'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 \$48,903,216, and those for Hidden Creek Golf Course totaled (\$636,811). Net assets in these funds increased \$3,124,885 and \$77,145, 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 Burlison 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 and capital purchases, exceeded non-cash operating expense, resulting in the \$77,145 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 11%. 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.

At the end of the fiscal year, the Solid Waste fund reported net assets of \$642,025. This represents a decrease of \$57,617. This decline is due primarily to the liquidation and transfer of a portion of the fund's capital assets subsequent to the privatization of the service.

General Fund Budgetary Highlights – The City's revenue projections were increased by about 1.5% (or \$348,600) when compared with the original budget. Budgeted sales tax revenues were revised upward by about \$389,000 as a result of stronger than anticipated retail activity. Before year-end, however, this trend

had reversed itself resulting in revenues about \$161,081 short of the revised budget. The budget for fines and forfeitures was decreased by about \$138,000 as the completion of major construction projects resulted in lower average fines.

Total actual revenue collections exceeded the revised estimates by \$111,137, or less than 1% of the revised estimate.

The general fund's final revised expenditure budget was about \$34,810 greater than the figure originally adopted, (an increase of about 0.1%).

Measured on a GAAP basis, actual year-end expenditures totaled about \$976,000 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 \$105,000 budgeted for the contribution from the General fund to the golf course 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. Another \$100,000 in savings is related to unexpectedly low fuel and insurance costs. Most of the difference, however, is the result of conservative estimation followed by even more conservative spending with few notably large variances from budget.

CAPITAL ASSETS

The City of Burleson's investment in capital assets for its governmental and business type activities as of September 30, 2009, amounts to \$211,917,198 (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:

Approximately \$10,465,000 was spent toward construction of the new recreation center.

Design and construction costs related to Chisenhall Fields, the City's new baseball complex amounted to approximately \$2,812,000.

Design and construction costs related to Fire Station 3 amounted to approximately \$2,449,000.

Construction and right-of-way costs related to construction of water infrastructure amounted to approximately \$1,502,000.

Construction and right-of-way costs related to construction of sanitary sewer lines amounted to approximately \$1,158,000.

Approximately \$763,000 of drainage improvements were donated by developers.

Approximately \$707,000 of water lines were donated by developers.

Approximately \$665,000 of sewer lines were donated by developers.

Streets and sidewalks worth approximately \$708,000 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 \$127,657,000. Of this amount, \$35,477,000 comprises bonded debt backed solely by the full faith and credit of the government, \$58,835,000 represent bonds secured by a combination of property taxes and a limited pledge of other revenues, \$9,560,000 represents bonds secured solely by sales tax revenues, and \$23,785,000 secured by revenues generated from the City's water and wastewater utility.

Outstanding Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
General obligation bonds	\$ 32,162,000	\$ 30,935,000	\$ 4,716,000	\$ 4,542,000	\$ 36,878,000	\$35,477,000
Certificates of obligation	44,520,000	43,325,000	16,015,000	15,510,000	60,535,000	58,835,000
Utility system revenue bonds	-	-	25,035,000	23,785,000	25,035,000	23,785,000
Sales tax revenue bonds	10,380,000	9,560,000	-	-	10,380,000	9,560,000
Total	\$ 87,062,000	\$83,820,000	\$ 45,766,000	\$ 43,837,000	\$ 132,828,000	\$127,657,000

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

	Moody's Investors Service	Standard & Poor's	Fitch
General obligation bonds	A2	AA-	A+
Water & wastewater revenue bonds	A3	A-	A
4A sales tax revenue bonds	A3	A	A-
4B sales tax revenue bonds	A3	A	A-

During the year, the City issued no new debt.

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 2010 budget, general fund revenues and transfers-in are budgeted to increase by about 3% from the fiscal year 2009 budget. Increases in property valuations are responsible for an increase in ad valorem taxes of approximately \$794,000, or about 90% of the total increase. The adopted tax rate was the same as the previous fiscal year's figure (69.40 cents per \$100 of taxable value). Sales tax revenues are budgeted to increase by about \$492,000, and franchise fees are anticipated to increase about \$80,000, offsetting budgeted declines in building permits and interest earnings. General fund expenditures are budgeted to increase about 1% above prior year totals, or a total of about \$202,000. This increase represents a full year's cost of recurring items added for only part of the year in 2008-2009.

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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BASIC FINANCIAL STATEMENTS



City of Burleson, Texas
Statement of Net Assets
September 30, 2009

A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
<u>Current Assets</u>			
Cash and investments	\$ 59,094,494	\$ 7,089,883	\$ 66,184,377
Receivables			
Taxes, net of allowance for uncollectible accounts	984,440	-	984,440
Accounts and other	2,789,665	1,955,836	4,745,501
Inventories	85,821	333,251	419,072
Accrued interest	33,660	11,332	44,992
Deposits	73,894	-	73,894
Deferred charges	1,270,176	-	1,270,176
Internal balances	27,019	(27,019)	-
Total Current Assets	<u>64,359,169</u>	<u>9,363,283</u>	<u>73,722,452</u>
<u>Noncurrent Assets</u>			
Reserved cash and investments	-	14,789,527	14,789,527
Reserved accrued interest	-	2,742	2,742
Other assets	-	2,517,673	2,517,673
Capital Assets			
Nondepreciable	40,190,288	5,759,646	45,949,934
Depreciable, net of depreciation	101,196,947	64,770,317	165,967,264
Other assets	-	613,821	613,821
Total Noncurrent Assets	<u>141,387,235</u>	<u>88,453,726</u>	<u>229,840,961</u>
TOTAL ASSETS	<u>205,746,404</u>	<u>97,817,009</u>	<u>303,563,413</u>
LIABILITIES			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	6,885,430	1,525,220	8,410,650
Accrued interest payable	301,554	159,197	460,751
Deposits	-	527,405	527,405
Arbitrage rebate liability	74,916	-	74,916
Current portion of :			
Long-term debt	4,155,000	2,089,000	6,244,000
Obligations under capital lease	164,937	130,600	295,537
Liability for compensated absences	1,000,390	148,897	1,149,287
Total Current Liabilities	<u>12,582,227</u>	<u>4,580,319</u>	<u>17,162,546</u>
<u>Noncurrent Liabilities</u>			
Long-term debt	80,512,531	41,387,867	121,900,398
Obligations under capital lease	832,253	159,639	991,892
Liability for compensated absences	1,971,164	122,159	2,093,323
Net pension obligation	325,920	51,674	377,594
Total Noncurrent Liabilities	<u>83,641,868</u>	<u>41,721,339</u>	<u>125,363,207</u>
TOTAL LIABILITIES	<u>96,224,095</u>	<u>46,301,658</u>	<u>142,525,753</u>
NET ASSETS			
Invested in capital assets, net of related debt	84,795,578	40,857,400	125,652,978
Restricted for:			
Debt service	2,706,966	3,172,307	5,879,273
Economic Development	3,050,819	-	3,050,819
Unrestricted	18,968,946	7,485,644	26,454,590
TOTAL NET ASSETS	<u>\$ 109,522,309</u>	<u>\$ 51,515,351</u>	<u>\$ 161,037,660</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, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 5,858,171	\$ 1,983,630	\$ 61,147	\$ -
Public safety	11,721,926	1,397,554	503,127	-
Public works	8,105,075	269,738	-	2,076,730
Community Development	1,004,358	1,362,296	5,067	-
Culture and recreation	3,025,067	3,700,970	8,902	957,154
Interest and other fees	3,619,571	-	-	-
Total governmental activities	<u>33,334,168</u>	<u>8,714,188</u>	<u>578,243</u>	<u>3,033,884</u>
Business type activities:				
Water and wastewater	12,673,707	14,196,533	337,613	1,461,885
Hidden Creek Golf Course	2,005,748	1,625,654	-	-
Solid waste	2,218,385	2,606,816	-	-
Cemetery	3,699	4,102	-	-
Total business-type activities	<u>16,901,539</u>	<u>18,433,105</u>	<u>337,613</u>	<u>1,461,885</u>
Total primary government	<u>\$ 50,235,707</u>	<u>\$ 27,147,293</u>	<u>\$ 915,856</u>	<u>\$ 4,495,769</u>

General revenues:

Taxes:

Property taxes

Tax increment financing

Sales taxes

Hotel/motel taxes

Franchise fees

Unrestricted investment earnings

Gain on retirement of capital assets

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
\$ (3,813,394)	\$ -	\$ (3,813,394)
(9,821,245)	-	(9,821,245)
(5,758,607)	-	(5,758,607)
363,005	-	363,005
1,641,959	-	1,641,959
(3,619,571)	-	(3,619,571)
<u>(21,007,853)</u>	<u>-</u>	<u>(21,007,853)</u>
-	3,322,324	3,322,324
-	(380,094)	(380,094)
-	388,431	388,431
-	403	403
-	<u>3,331,064</u>	<u>3,331,064</u>
<u>(21,007,853)</u>	<u>3,331,064</u>	<u>(17,676,789)</u>
13,473,315	-	13,473,315
147,414	-	147,414
11,805,360	-	11,805,360
170,116	-	170,116
2,560,705	-	2,560,705
793,416	270,274	1,063,690
343,648	(119,157)	224,491
289,160	(289,160)	-
<u>29,583,134</u>	<u>(138,043)</u>	<u>29,445,091</u>
8,575,281	3,193,021	11,768,302
<u>100,947,028</u>	<u>48,322,330</u>	<u>149,269,358</u>
<u>\$ 109,522,309</u>	<u>\$ 51,515,351</u>	<u>\$ 161,037,660</u>

City of Burleson, Texas
Balance Sheet
Governmental Funds
September 30, 2009

	Major Funds		
	General	BCDC Special Revenue	4A Corp Special Revenue
ASSETS			
Cash and investments	\$ 6,824,923	\$ 2,270,356	\$ 1,531,410
Receivables:			
Property tax, net	31,500	-	-
Accounts	1,029,187	-	-
Loan receivable	-	-	-
Due from other governments	893,265	449,600	457,600
Accrued interest	11,084	2,593	22
Other assets	73,894	-	-
Total Assets	\$ 8,863,853	\$ 2,722,549	\$ 1,989,032
LIABILITIES			
Accounts payable	970,768	-	-
Accrued liabilities	777,201	-	-
Due to other funds	-	-	1,660,760
Deferred revenue	382,617	-	-
Total Liabilities	2,130,586	-	1,660,760
FUND BALANCES			
Reserved for:			
Encumbrances	113,079	-	-
Prepaid Items	63,175	-	-
Debt Service	-	-	-
Economic Development	-	2,722,549	328,272
Capital Expenditures	-	-	-
Unreserved, undesignated in:			
General Fund	6,557,013	-	-
Special Revenue Funds	-	-	-
Total Fund Balances	6,733,267	2,722,549	328,272
Total Liabilities and Fund Balances	\$ 8,863,853	\$ 2,722,549	\$ 1,989,032

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

Major Funds			
Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 31,397,666	\$ 6,942,867	\$ 10,070,841	\$ 59,038,063
-	-	45,740	77,240
-	-	-	1,029,187
-	-	182,000	182,000
-	-	152,858	1,953,323
1,711	7,972	9,758	33,140
-	-	-	73,894
<u>\$ 31,399,377</u>	<u>\$ 6,950,839</u>	<u>\$ 10,461,197</u>	<u>\$ 62,386,847</u>
2,326,314	17,380	1,679,167	4,993,629
-	-	1,266,874	2,044,075
-	-	182,000	1,842,760
-	-	-	382,617
<u>2,326,314</u>	<u>17,380</u>	<u>3,128,041</u>	<u>9,263,081</u>
-	-	-	113,079
-	-	-	63,175
-	-	2,706,966	2,706,966
-	-	-	3,050,821
29,073,063	6,933,459	3,731,144	39,737,666
-	-	-	6,557,013
-	-	895,046	895,046
<u>29,073,063</u>	<u>6,933,459</u>	<u>7,333,156</u>	<u>53,123,766</u>
<u>\$ 31,399,377</u>	<u>\$ 6,950,839</u>	<u>\$ 10,461,197</u>	<u>\$ 62,386,847</u>

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City of Burleson, Texas
Statement of Net Assets
Reconciliation of the Balance Sheet to the Statement of Net Assets
September 30, 2009

B-2

Total fund balances--governmental funds **\$ 53,123,766**

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. 139,359,362

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. 1,270,176

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. 3,940,510

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 894,172

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	84,667,531	
Obligation under capital lease	997,190	
Accrued interest	312,469	
Compensated absences (net of internal service fund \$80,876)	2,694,766	
Arbitrage liability	74,916	
Net pension obligation	318,805	
Combined adjustment		<u>(89,065,677)</u>

Total net assets--governmental activities **\$ 109,522,309**

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, 2009

	Major Funds		
	General	BCDC Special Revenue	4A Corp Special Revenue
REVENUES			
Property tax	\$ 10,487,824	\$ -	\$ -
Sales tax	5,763,919	2,894,721	2,934,721
Franchise tax	2,516,642	-	-
Licenses and permits	1,336,454	-	-
Intergovernmental	169,182	-	-
Fines and forfeitures	1,102,874	-	-
Contribution and donations	-	-	-
Charges for goods and services	1,597,794	-	-
Interest income	97,577	56,888	20,654
Mineral lease revenue	-	-	-
Street assessments	-	-	-
Miscellaneous	751,295	-	550
Total revenues	<u>23,823,561</u>	<u>2,951,609</u>	<u>2,955,925</u>
EXPENDITURES			
Current operations:			
General government	5,300,258	-	-
Public safety	10,754,829	-	-
Public works	4,644,616	-	-
Community development	558,592	3,500	148,288
Culture and recreation	2,369,867	-	-
Capital expenditures	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal agent charges	-	-	-
Total expenditures	<u>23,628,162</u>	<u>3,500</u>	<u>148,288</u>
Excess (deficiency) of revenue over (under) expenditures	195,399	2,948,109	2,807,637
OTHER FINANCING SOURCES (USES)			
Transfers in	526,127	-	-
Transfers out	<u>(151,826)</u>	<u>(3,824,110)</u>	<u>(3,283,789)</u>
Total other financing sources (uses)	<u>374,301</u>	<u>(3,824,110)</u>	<u>(3,283,789)</u>
Net change in fund balances	569,700	(876,001)	(476,152)
Fund balance - beginning	<u>6,163,567</u>	<u>3,598,550</u>	<u>804,424</u>
Fund balance - ending	<u>\$ 6,733,267</u>	<u>\$ 2,722,549</u>	<u>\$ 328,272</u>

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

Major Funds			
Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,159,389	\$ 13,647,213
-	-	382,116	11,975,477
-	-	-	2,516,642
-	-	-	1,336,454
-	-	260,316	429,498
-	-	427,957	1,530,831
-	-	10,970	10,970
-	-	-	1,597,794
388,566	125,044	99,024	787,753
-	3,546,278	9,950	3,556,228
-	-	9,163	9,163
-	-	1,154,166	1,906,011
<u>388,566</u>	<u>3,671,322</u>	<u>5,513,051</u>	<u>39,304,034</u>
-	-	61,147	5,361,405
-	-	720,820	11,475,649
-	-	-	4,644,616
-	-	520,044	1,230,424
-	-	166,910	2,536,777
18,026,271	79,612	6,624,793	24,730,676
-	-	3,242,000	3,242,000
-	-	4,070,379	4,070,379
<u>18,026,271</u>	<u>79,612</u>	<u>15,406,093</u>	<u>57,291,926</u>
(17,637,705)	3,591,710	(9,893,042)	(17,987,892)
139,610	-	10,653,753	11,319,490
<u>(227,263)</u>	<u>(3,500,000)</u>	<u>(79,427)</u>	<u>(11,066,415)</u>
<u>(87,653)</u>	<u>(3,500,000)</u>	<u>10,574,326</u>	<u>253,075</u>
(17,725,358)	91,710	681,284	(17,734,817)
<u>46,798,421</u>	<u>6,841,749</u>	<u>6,651,872</u>	<u>70,858,583</u>
<u>\$ 29,073,063</u>	<u>\$ 6,933,459</u>	<u>\$ 7,333,156</u>	<u>\$ 53,123,766</u>

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Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes

in Fund Balance to the Statement of Activities

For the Year Ended September 30, 2009

Net change in fund balances--total governmental funds		\$ (17,734,817)
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 \$877,481 not classified as capital expenditures on the fund statements)	25,608,157	
Depreciation (net of internal service)	(4,498,708)	21,109,449
Certain other capital-related amounts result in differences between the government-wide and fund-level statements.		2,708,748
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		53,950
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.		(645,893)
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 proceeds exceeded repayments.		3,433,508
A reduction of Internal charges between the governmental activities and the business type activities is not reported at the fund level.		64,913
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.		<u>(414,577)</u>
Change in net assets of governmental activities		<u>\$ 8,575,281</u>

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, 2009

	Business-Type Activities		
	Water & Wastewater	Enterprise Funds Hidden Creek Golf Course	Solid Waste
ASSETS			
Current assets:			
Cash and investments	\$ 5,152,812	\$ 126,448	\$ 516,427
Receivables:			
Accounts	1,643,982	411	302,248
Due from other funds	-	-	-
Accrued interest	6,109	3,445	912
Inventories	230,300	33,181	-
Land held for sale of cemetery lots	-	-	-
Total current assets	<u>7,033,203</u>	<u>163,485</u>	<u>819,587</u>
Non-current assets:			
Restricted deposits and investments	14,706,682	82,845	-
Restricted accrued interest receivable	1,927	-	-
Other assets	2,378,026	139,647	-
Capital assets:			
Other assets	613,821	-	-
Property, plant, and equipment, net	<u>65,323,515</u>	<u>3,898,229</u>	<u>25,588</u>
Total noncurrent assets	<u>83,023,971</u>	<u>4,120,721</u>	<u>25,588</u>
TOTAL ASSETS	<u>90,057,174</u>	<u>4,284,206</u>	<u>845,175</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,203,482	51,738	188,870
Accrued liabilities	41,896	29,659	3,706
Accrued interest payable	142,579	16,618	-
Customer deposits	509,741	-	-
Due to other funds	-	-	-
Compensated absences	106,921	40,811	1,165
Bonds payable	1,910,000	179,000	-
Capital lease payable	-	130,600	-
Total current liabilities	<u>3,914,619</u>	<u>448,426</u>	<u>193,741</u>
Noncurrent liabilities:			
Revenue bonds payable	37,109,634	4,215,964	-
Unamortized premium on bonds payable	62,269	-	-
Capital lease payable	-	159,639	-
Net pension obligation	26,693	15,572	9,409
Compensated absences	<u>40,743</u>	<u>81,416</u>	<u>-</u>
Total noncurrent liabilities	<u>37,239,339</u>	<u>4,472,591</u>	<u>9,409</u>
TOTAL LIABILITIES	<u>41,153,958</u>	<u>4,921,017</u>	<u>203,150</u>
NET ASSETS (LIABILITIES)			
Invested in capital assets, net of related debt	40,196,507	(647,327)	25,588
Restricted for debt service and construction	3,172,307	-	-
Unrestricted	<u>5,534,402</u>	<u>10,516</u>	<u>616,437</u>
Total net assets (liabilities)	<u>\$ 48,903,216</u>	<u>\$ (636,811)</u>	<u>\$ 642,025</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.

<u>Enterprise Fund</u>		<u>Governmental Activities</u>	
<u>Non-major</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$ 862,534	\$ 6,658,221	\$	488,093
542	1,947,183		29,454
-	-		1,875,218
866	11,332		1,333
-	263,481		85,821
69,770	69,770		-
<u>933,712</u>	<u>8,949,987</u>		<u>2,479,919</u>
-	14,789,527		-
-	1,927		-
-	2,517,673		-
-	613,821		-
<u>30,069</u>	<u>69,277,401</u>		<u>3,280,436</u>
<u>30,069</u>	<u>87,200,349</u>		<u>3,280,436</u>
<u>963,781</u>	<u>96,150,336</u>		<u>5,760,355</u>
5,870	1,449,960		32,722
-	75,261		10,915
-	159,197		-
17,664	527,405		-
-	-		32,458
-	148,897		40,377
-	2,089,000		-
-	130,600		-
<u>23,534</u>	<u>4,580,320</u>		<u>116,472</u>
-	41,325,598		-
-	62,269		-
-	159,639		-
-	51,674		7,115
-	122,159		40,499
-	41,721,339		47,614
<u>23,534</u>	<u>46,301,659</u>		<u>164,086</u>
30,069	39,604,837		3,280,436
-	3,172,307		-
<u>910,178</u>	<u>7,071,533</u>		<u>2,315,833</u>
<u>\$ 940,247</u>	<u>49,848,677</u>	<u>\$</u>	<u>5,596,269</u>
	1,726,151		
	<u>(59,477)</u>		
	<u>\$ 51,515,351</u>		

City of Burleson, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Assets
All Proprietary Funds
For the Year Ended September 30, 2009

	Business-Type Activities		
	Enterprise Funds		
	Water & Wastewater	Hidden Creek Golf Course	Solid Waste
Operating revenues:			
Charges for sales and services	\$ 13,762,295	\$ 1,506,596	\$ 2,606,816
Penalties and interest	411,413	-	-
Mineral lease revenue	-	-	-
Miscellaneous	22,825	-	-
Impact fees	337,613	-	-
Operating revenues	<u>14,534,146</u>	<u>1,506,596</u>	<u>2,606,816</u>
Operating expenses:			
Water and wastewater services	8,203,747	-	-
Golf operations	-	1,522,450	-
Administrative expenses	974,030	-	-
Cemetery operations	-	-	-
Solid waste operations	-	-	2,195,302
Equipment services	-	-	-
Materials, supplies, and cemetery lots	-	-	-
Depreciation	1,667,092	254,855	55,763
Total operating expenses	<u>10,844,869</u>	<u>1,777,305</u>	<u>2,251,065</u>
Net operating income (loss)	3,689,277	(270,709)	355,751
Non-operating revenues (expenses)			
Gain (loss) on disposition of fixed assets	-	-	(119,157)
Investment income	232,829	4,607	7,221
Interest and fiscal agent charges	(1,874,106)	(230,862)	-
Miscellaneous	-	119,058	-
Total non-operating revenue	<u>(1,641,277)</u>	<u>(107,197)</u>	<u>(111,936)</u>
Income (loss) before capital contributions and transfers	2,048,000	(377,906)	243,815
Transfers in	-	455,051	-
Transfers out	(385,000)	-	(301,432)
Capital contributions	<u>1,461,885</u>	<u>-</u>	<u>-</u>
Net Income	3,124,885	77,145	(57,617)
Net assets (liabilities) at beginning of year	45,778,331	(713,956)	699,642
Net assets at end of year	<u>\$ 48,903,216</u>	<u>\$ (636,811)</u>	<u>\$ 642,025</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Change in net assets of business-type activities

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

<u>Enterprise Fund</u>		<u>Governmental Activities</u>	
<u>Non-major</u>	<u>Total</u>	<u>Internal Service Fund</u>	
\$ 3,003	\$ 17,878,710	\$ 1,077,684	
-	411,413	-	
1,099	1,099	-	
-	22,825	84,734	
-	337,613	-	
<u>4,102</u>	<u>18,651,660</u>	<u>1,162,418</u>	
-	8,203,747	420,442	
-	1,522,450	-	
-	974,030	-	
2,218	2,218	-	
-	2,195,302	-	
-	-	99,218	
1,051	1,051	-	
430	1,978,140	615,067	
<u>3,699</u>	<u>14,876,938</u>	<u>1,134,727</u>	
403	3,774,722	27,691	
-	(119,157)	(177,882)	
13,814	258,471	16,917	
-	(2,104,968)	-	
-	119,058	-	
<u>13,814</u>	<u>(1,846,596)</u>	<u>(160,965)</u>	
14,217	1,928,126	(133,274)	
-	455,051	74,429	
-	(686,432)	(256,429)	
-	1,461,885	-	
14,217	3,158,630	(315,274)	
926,030		5,911,543	
<u>\$ 940,247</u>		<u>\$ 5,596,269</u>	
	34,391		
	<u>\$ 3,193,021</u>		

City of Burleson, Texas
Statement of Cash Flows
All Proprietary Funds
For the Year Ended September 30, 2009

	Business-Type Activities		
	Enterprise Funds		
	Water & Wastewater	Hidden Creek Golf Course	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 14,774,736	\$ 1,511,031	\$ 2,696,569
Cash received for deposits	72,472	-	-
Cash received from interfund services provided	-	-	-
Cash payments (loan receivable) from other funds	-	-	-
Cash payments to suppliers for goods and services	(7,547,279)	(585,915)	(1,426,180)
Payments to employees for services	(1,466,320)	(920,715)	(687,393)
Payments to other funds	(485,000)	-	(81,600)
Other operating cash receipts (payments)	(441,510)	126,217	-
Net cash provided by (used for) operating activities	<u>4,907,099</u>	<u>130,618</u>	<u>501,396</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	455,051	-
Transfer to other funds	(385,000)	-	(301,432)
Net cash provided by (used for) noncapital financing activities	<u>(385,000)</u>	<u>455,051</u>	<u>(301,432)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	89,787	-	-
Proceeds from disposal of capital assets	-	-	(119,157)
Principal paid on bonds	(1,755,000)	(174,000)	-
Interest paid on long term debt	(1,750,515)	(327,290)	(741,637)
(Acquisition) disposal of capital assets	(3,052,946)	-	453,395
Net cash provided by (used for) capital and related financing activities	<u>(6,468,674)</u>	<u>(501,290)</u>	<u>(407,399)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	230,281	4,605	7,220
Proceeds from sale of investments	5,863,037	-	378,910
Purchase of investments	(5,532,649)	-	(378,910)
Net cash provided by investing activities	<u>560,669</u>	<u>4,605</u>	<u>7,220</u>
Net increase (decrease) in cash and cash equivalents	(1,385,906)	88,984	(200,215)
Cash and cash equivalents--beginning of year	<u>17,448,233</u>	<u>120,309</u>	<u>716,642</u>
Cash and cash equivalents--end of year	16,062,327	209,293	516,427
Investments	<u>3,797,167</u>	<u>-</u>	<u>-</u>
Total cash and investments	<u>\$ 19,859,494</u>	<u>\$ 209,293</u>	<u>\$ 516,427</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 3,689,277	\$ (151,651)	\$ 355,751
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,667,092	254,855	55,763
Change in assets and liabilities:			
(Increase) decrease in other accounts receivable	263,415	12,029	89,753
(Increase) decrease in inventories	(99,954)	1,280	-
(Increase) decrease in due from other funds	-	-	-
Increase (decrease) in vouchers and accounts payable	(286,392)	4,439	75,859
Increase in intergovernmental payables	-	-	-
Increase (decrease) in accrued liabilities	(398,811)	9,666	(75,730)
Increase (decrease) in deposits payable	72,472	-	-
Net cash provided by operating activities	<u>\$ 4,907,099</u>	<u>\$ 130,618</u>	<u>\$ 501,396</u>
Noncash Capital and related financing activities			
Contributions from developers	<u>\$ 1,372,098</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Business-Type Activities</u>		<u>Governmental</u>	
<u>Enterprise Funds</u>		<u>Internal</u>	
<u>Non-major</u>	<u>Total</u>	<u>Enterprise</u>	<u>Service</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
\$ 3,493	\$ 18,985,829	\$ -	
675	73,147	-	
-	-	1,050,948	
-	-	192,984	
(3,158)	(9,562,532)	(109,647)	
-	(3,074,428)	(386,996)	
-	(566,600)	32,458	
6,294	(308,999)	-	
<u>7,304</u>	<u>5,546,417</u>	<u>779,747</u>	
-	455,051	74,429	
-	(686,432)	(256,429)	
-	(231,381)	(182,000)	
-	89,787	-	
-	(119,157)	(177,882)	
-	(1,929,000)	-	
-	(2,819,442)	-	
(22,499)	(2,622,050)	(1,063,936)	
<u>(22,499)</u>	<u>(7,399,862)</u>	<u>(1,241,818)</u>	
15,681	257,787	106,499	
768,531	7,010,478	1,104,220	
(725,224)	(6,636,783)	(1,090,791)	
<u>58,988</u>	<u>631,482</u>	<u>119,928</u>	
43,793	(1,453,344)	(524,143)	
<u>569,290</u>	<u>18,854,474</u>	<u>(546,634)</u>	
613,083	17,401,130	(1,070,777)	
<u>249,451</u>	<u>4,046,618</u>	<u>1,558,870</u>	
<u>\$ 862,534</u>	<u>\$ 21,447,748</u>	<u>\$ 488,093</u>	
\$ 403	\$ 3,893,780	\$ (57,043)	
430	1,978,140	615,067	
1,165	366,362	(26,736)	
111	(98,563)	(17,430)	
-	-	192,984	
5,870	(200,224)	32,144	
-	-	32,458	
-	(464,875)	8,303	
(675)	71,797	-	
<u>\$ 7,304</u>	<u>\$ 5,546,417</u>	<u>\$ 779,747</u>	
<u>\$ -</u>	<u>\$ 1,372,098</u>	<u>\$ -</u>	

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NOTES TO BASIC FINANCIAL STATEMENTS



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's major operations include public safety, public works, culture, recreation and community development. In addition, the City owns and operates a water and wastewater system, solid waste 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 Burlison Community Service Development Corporation.

The *4A Corp Special Revenue fund* accounts for the half cent sales tax collected to fund the activities of Burlison 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 *Mineral Lease-Funded Capital Projects fund* is used to account for the acquisition and construction of various capital facilities and is funded by royalties and other revenues generated by the City's mineral producing properties.

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 *Solid Waste fund* accounts for the operation of the City's solid waste collection utility.

The *Cemetery* enterprise fund, which is not a major fund, is used to the 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. For purposes of cash flows, the City considers cash on

hand, demand deposits, and investments with original maturities of three months or less to be cash equivalents.

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, 2009, the City did not own any types of securities other than those permitted by state law.

Investments maturing within one year of date of purchase are stated at cost or amortized cost. All other investments are stated at fair value, which is based on quoted market prices.

- 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 2009 levy was based, was approximately \$1,974,524,949. 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, 2009 was \$0.6940 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) Restricted Assets – Certain bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.
- 5) 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 \$ 5,724,539 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.

- 6) 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.
- 7) 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, 2009, expenditures exceeded appropriations in the communications and support services departments (the legal level of budgeting control) of the general fund by \$114 and \$5,037 respectively. These overexpenditures were

funded by greater than anticipated revenues. Community development expenditures exceeded appropriations in the 4A Corporation special revenue fund by \$57,704. These over-expenditures were funded by greater than anticipated revenues in the 4A Corporation special revenue fund.

F. Accounting Pronouncements

During fiscal year 2009, the City adopted the following Governmental Accounting Standards Board (“GASB”) Statements:

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. 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. During the year the City incur any liability due to pollution remediation.

Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, was also issued and is effective for the City fiscal year 2009. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently resent for other investments reported at fair value. During the year the City did not hold any such investments.

Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into GASB’s authoritative literature. The “GAAP hierarchy” consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles.

Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The objective of this Statement is to incorporate into GASB’s authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants’ Statements on Auditing Standards. This

Statement addresses three issues not included in the authoritative literature that establishes accounting principles—related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature.

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

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which is effective for the City fiscal year 2010. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets.

Statement No. 53, *Accounting and Reporting for Derivative Instruments*, is intended to improve how state and local governments report information about derivative instruments which are financial arrangements used by governments to manage specific risks or make investments, in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements and is effective for fiscal year 2010.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds and is effective for fiscal year 2011.

Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other post-employment benefit (OPEB) plans (that is, agent employers) and is effective for fiscal year 2012.

Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms (that is, approves) a new payment plan. This statement is effective for fiscal year 2010.

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

G. Deficit Net Assets

At September 30, 2009, The Hidden Creek Golf Course Fund had an accumulated deficit of \$636,811. Of this net deficit, \$647,327 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, 2009, 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	\$ 10,524
Demand deposits	110,753
Money market mutual funds	497,455
TexPool (State of Texas Treasurer's Investment Pool)	20,479,809
TexPool Prime (State of Texas Treasurer's Investment Pool)	23,774,183
Lone Star Investment Pool - Liquidity Plus Fund	4,712,948
TexSTAR Investment Pool	18,229,271
Certificates of Deposit	2,735,000
U.S. government agency securities	10,423,961
	<hr/>
Total cash and investments	<u>\$ 80,973,904</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, 2009, the carrying amount of the City's deposits was \$110,753. 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

In order to limit interest and market rate risk from changes in interest rates, the City of Burleson's adopted Investment Policy sets a maximum stated maturity limit of two years for operating funds. Non-operating funds on individual investment have a maximum maturity of three years. Debt service reserve funds have a stated maximum maturity of ten years. The Policy also sets a maximum maturity for debt service sinking funds of five years. The maximum weighted average maturity (WAM) for is one year for operating funds and two years for non-operating funds.

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	\$ 497,455	\$ 497,455	-	-
TexPool (State of Texas Treasurer's Investment Pool)	20,479,809	20,479,809	-	-
TexPool Prime (State of Texas Treasurer's Investment Pool)	23,774,183	23,774,183	-	-
Lone Star Investment Pool - Liquidity Plus Fund	4,712,948	4,712,948	-	-
TexSTAR Investment Pool	18,229,271	18,229,271	-	-
Certificates of Deposit	2,735,000	2,735,000	-	-
U.S. government agency securities	10,423,961	-	\$ 10,423,961	-
	<u>\$ 80,852,627</u>	<u>\$ 70,428,666</u>	<u>\$ 10,423,961</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.

A primary stated objective of the City of Burleson's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy includes only time and demand deposits, repurchase agreements, SEC registered no load money market mutual funds, and statewide investment pools. Investments are made primarily in obligations of the US Government, its agencies or instrumentalities. State law and the City of Burleson's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit (CD), to those banks doing business in the State of Texas and further requires full insurance or collateralized from these depositories (banks only). Collateral is required at a 102% margin with securities priced at market on a daily basis as a contractual responsibility of the bank. Collateral is restricted to obligations of the US Government, its agencies or instrumentalities or direct obligations of any state, its subdivisions or agencies rated at least A, or equivalent, as to investment quality by two nationally recognized statistical rating agencies. Independent safekeeping is required outside the bank holding company with monthly reporting. Repurchase agreements are limited to those with defined termination dates with a primary dealers (as defined by the Federal Reserve) and require an industry standard written master repurchase agreement and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed six months to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s). The state law and the City's adopted Investment Policy restricts investment in SEC registered mutual funds to money market mutual funds striving to maintain a \$1 net asset value and defined by State law. Neither the state law nor the Policy requires a rating. Local government investment pools in Texas are required to be rated AAA, or equivalent by at least one nationally recognized rating agency. The City Policy is restricted to AAA-rated, "2a-7 like" (constant dollar) local government investment pools.

As of September 30, 2009:

- commercial paper represented 0.00% of the total portfolio,
- certificates of deposit and money market accounts represented 4.00% of the total portfolio,
- investment in the State Treasurer's AAA-rated local government investment pool (TexPool) represented 54.73% of the total portfolio,
- investment in a AAA-rated local government investment pool (TexStar) represented 22.55 % of the total portfolio,
- investment in a AAA-rated local government investment pool (Lone Star) represented 5.83% of the total portfolio, and
- the remainder of the portfolio 12.89% was in US Government securities rated AAA.

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, 2009, are as follows:

Investment Type	Issuer	Reported Amount	Percentage of total Portfolio
Federal Agency Securities	Federal Home Loan Bank	7,516,410	9.30%
Local Government Investment Pools	TexPool	44,253,992	54.73%
	Lone Star - Liquidity Plus Fund	4,712,948	5.83%
	TexSTAR Investment Pool	18,229,271	22.55%

Custodial Risk

To control custody and safekeeping risk State law and the City of Burleson's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of US Financial Institutions Resource and Recovery Enforcement Act ("FIRREA"). The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

Portfolio disclosure as of September 30, 2009:

- the portfolio contained seven fully insured certificates of deposit
- the portfolio contained no repurchase agreements, and
- all bank demand deposits were fully insured and/or collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

3. RECEIVABLES AND DEFERRED REVENUES

Receivables as of September 30, 2009 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	Mineral Lease Funded Capital Projects	Other Nonmajor Governmental Funds	Governmental Funds Total
Receivables:							
Property tax	\$ 288,678	\$ -	\$ -	\$ -	\$ -	\$ 70,209	\$ 358,887
Other taxes	-	-	-	-	-	32,240	32,240
Interest	11,084	2,593	22	1,711	7,972	9,758	33,140
Accounts	1,090,104	-	-	-	-	-	1,090,104
Loan Receivable	-	-	-	-	-	182,000	182,000
Intergovernmental	893,265	449,600	457,600	-	-	152,858	1,953,323
Gross receivables	2,283,131	452,193	457,622	1,711	7,972	447,065	3,649,694
Less: Allowance for uncollectibles	(318,095)	-	-	-	-	(56,709)	(374,804)
Net total receivables	<u>1,965,036</u>	<u>452,193</u>	<u>457,622</u>	<u>1,711</u>	<u>7,972</u>	<u>390,356</u>	<u>3,274,890</u>
Deferred Revenues							
Mowing Liens	45,304	-	-	-	-	-	45,304
Franchise Fees	337,313	-	-	-	-	-	337,313
Total deferred revenues	<u>\$ 382,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 382,617</u>

	Water and Wastewater	Golf Course	Solid Waste	Non-major	Business-Type Activities Total
Receivables:					
Interest	\$ 8,036	\$ 3,445	\$ 912	\$ 866	\$ 13,259
Accounts	1,000,098	411	177,912	17,678	1,196,099
Unbilled accounts	668,036	-	135,374	-	803,410
Gross receivables	1,676,170	3,856	314,198	18,544	2,012,768
Less: Allowance for uncollectibles	(24,152)	-	(11,038)	(17,136)	(52,326)
Net total receivables	<u>\$ 1,652,018</u>	<u>\$ 3,856</u>	<u>\$ 303,160</u>	<u>\$ 1,408</u>	<u>\$ 1,960,442</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009, 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	\$ 21,616,892	\$ 791,859	\$ -	\$ 22,408,751
Construction in progress	<u>11,962,249</u>	<u>23,633,346</u>	<u>(17,814,058)</u>	<u>17,781,537</u>
Total capital assets not being depreciated	<u>33,579,141</u>	<u>24,425,205</u>	<u>(17,814,058)</u>	<u>40,190,288</u>
Capital assets being depreciated:				
Buildings	13,734,842	4,550,402	-	18,285,244
Improvements other than buildings	7,301,877	288,254	-	7,590,131
Infrastructure	87,395,389	15,260,238	-	102,655,627
Vehicles	3,392,216	774,576	(620,022)	3,546,770
Machinery and equipment	<u>9,279,790</u>	<u>1,776,871</u>	<u>(1,256,365)</u>	<u>9,800,296</u>
Total capital assets being depreciated	<u>121,104,114</u>	<u>22,650,341</u>	<u>(1,876,387)</u>	<u>141,878,068</u>
Less accumulated depreciation for:				
Buildings	(2,780,594)	(431,661)	-	(3,212,255)
Improvements other than buildings	(2,571,176)	(299,164)	-	(2,870,340)
Infrastructure	(25,011,949)	(2,816,313)	-	(27,828,262)
Vehicles	(1,475,850)	(449,770)	402,464	(1,523,156)
Machinery and equipment	<u>(5,416,221)</u>	<u>(964,106)</u>	<u>1,133,219</u>	<u>(5,247,108)</u>
Total accumulated depreciation	<u>(37,255,790)</u>	<u>(4,961,014)</u>	<u>1,535,683</u>	<u>(40,681,121)</u>
Total capital assets being depreciated, net	<u>83,848,324</u>	<u>17,689,327</u>	<u>(340,704)</u>	<u>101,196,947</u>
Governmental activities capital assets, net	<u>\$ 117,427,465</u>	<u>\$ 42,114,532</u>	<u>\$ (18,154,762)</u>	<u>\$ 141,387,235</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	\$ 3,207,310	\$ -	\$ -	\$ 3,207,310
Construction in progress	<u>2,342,451</u>	<u>2,661,059</u>	<u>(2,451,174)</u>	<u>2,552,336</u>
Total capital assets not being depreciated	<u>5,549,761</u>	<u>2,661,059</u>	<u>(2,451,174)</u>	<u>5,759,646</u>
Capital assets, being depreciated:				
Water systems	36,554,054	2,185,481	-	38,739,535
Wastewater systems	30,429,367	1,999,920	-	32,429,287
Building and improvements	5,897,051	52,261	(234,228)	5,715,084
Machinery and equipment	2,422,628	-	(912,882)	1,509,746
Vehicles	2,044,609	704,689	(830,316)	1,918,982
Capitalized interest	<u>338,852</u>	<u>-</u>	<u>-</u>	<u>338,852</u>
Total capital assets being depreciated	<u>77,686,561</u>	<u>4,942,351</u>	<u>(1,977,426)</u>	<u>80,651,486</u>
Less accumulated depreciation for:				
Water systems	(6,439,165)	(815,686)	-	(7,254,851)
Wastewater systems	(4,068,153)	(632,699)	-	(4,700,852)
Building and improvements	(1,986,738)	(212,552)	120,001	(2,079,289)
Machinery and equipment	(1,467,243)	(213,190)	577,911	(1,102,522)
Vehicles	(1,136,026)	(185,044)	654,653	(666,417)
Capitalized interest	<u>(69,117)</u>	<u>(8,121)</u>	<u>-</u>	<u>(77,238)</u>
Total accumulated depreciation	<u>(15,166,442)</u>	<u>(2,067,292)</u>	<u>1,352,565</u>	<u>(15,881,169)</u>
Total capital assets being depreciated, net	<u>62,520,119</u>	<u>2,875,059</u>	<u>(624,861)</u>	<u>64,770,317</u>
Business-type activities capital assets, net	<u>\$ 68,069,880</u>	<u>\$ 5,536,118</u>	<u>\$ (3,076,035)</u>	<u>\$ 70,529,963</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	\$ 353,495
Public safety	816,885
Public works, which includes the depreciation of general infrastructure assets	3,457,953
Culture and recreation	<u>332,681</u>
Total depreciation expense - governmental activities	<u>\$ 4,961,014</u>
Business-type activities:	
Water and wastewater	\$ 1,563,371
Golf course	250,365
Solid waste	59,961
Cemetery	430
Vehicle replacement fund	<u>174,119</u>
Total depreciation expense - business-type activities	<u>\$ 2,048,246</u>

Additions to accumulated depreciation includes \$19,046 for transfers of assets from the General fund to the business type activities.

Construction commitments

Currently, the City has made commitments to participate in construction projects with other governmental entities. These commitments include approximately \$1,374 with the Burseson Independent School District for new road and sidewalk construction.

The City continues to participate with the Texas Department of Transportation for purchase of ROW parcels necessary for the construction of State Highway 121. It is anticipated that the City will expend the remaining \$6,000 toward this endeavor next fiscal year.

The City has commitments in the amount of \$1,172,326 in change orders for the on-going construction of capital improvement projects.

All these commitments will be financed from the proceeds of previous year bond issues and are fully funded.

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 which was transferred during the year to the streets department. The City also has financed Wi-Fi computer network equipment with a down payment of \$130,000, fire department protective equipment with a down payment of \$3,012, and a fire truck for the fire department with no down payment. 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.

See Note 8 to the basic financial statements for the future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Machinery & Equipment	\$ 1,511,669	\$ 596,923
Less: Accumulated depreciation	(671,822)	(318,403)
Total	<u>\$ 839,847</u>	<u>\$ 278,520</u>

6. OTHER ASSETS

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

Water and Sewer other assets:

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.	\$ 186,128
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.	163,483
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.	70,869
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.	106,847
Deferred bond issuance costs resulting from the 2007 water and sewer CO bonds. The costs are being amortized over the life of the bond issue.	114,636
Deferred bond issuance costs resulting from the 2008 water and sewer CO bonds. The costs are being amortized over the life of the bond issue.	96,174
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.	1,544,459
Prepaid arbitrage liability.	38,143
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>57,287</u>
	<u>\$ 2,378,026</u>

The amounts above are net of accumulated amortization of \$552,177.

Water and Sewer other capital assets:

Purchase of water rights in Mountain Valley estates, a residential housing development. The costs are being amortized over 40 years.	\$ 512,172
Costs incurred in the development of a long-term master infrastructure plan. The costs are being amortized over 20 years.	<u>101,649</u>
	<u>\$ 613,821</u>

The amounts above are net of accumulated amortization of \$237,060.

Golf Course other assets:

Cost of a market viability study performed prior to the construction of the golf course. The costs are being amortized over 20 years.	\$ 16,125
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>123,522</u>
	<u>\$ 139,647</u>

The amounts above are net of accumulated amortization of \$26,875.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of inter-fund balances as of September 30, 2009, is as follows:

Advances from / to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Equipment Replacement	4A Special Revenue Fund	\$1,660,760
Governmental Equipment Replacement	Economic Development Fund	\$ 182,000
Business-Type Equipment Replacement	Governmental Equipment Replacement	\$ 32,458

The amount payable to the equipment replacement fund is related to a loan made to the 4A special revenue fund for the purchase of property to be used as a commercial business park. This amount is scheduled to be repaid by the end of the 2009-2010 fiscal year. The amount payable to the Economic Development fund was to pre-fund an economic development incentive to be repaid in June 2013. The amount payable between the business-type and governmental equipment replacement funds is due to the purchase of equipment at year end and will be repaid during 2010.

Inter-fund transfers during the year ended September 30, 2009, were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>						<u>Total Transfers From</u>
	<u>General Fund</u>	<u>Golf Course</u>	<u>Bond Funded Capital Projects</u>	<u>Proprietary Equipment Replacement</u>	<u>Governmental Equipment Replacement</u>	<u>Non-major Governmental</u>	
Water & Wastewater Fund	\$ 385,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (385,000)
Gov Equip Replacement Fund	-	-	-	8,325	-	182,000	(190,325)
Prop Equip Replacement Fund	-	-	-	-	66,104	-	(66,104)
BCDC Special Revenue	-	376,025	-	-	-	3,448,085	(3,824,110)
4A Corp Special Revenue	-	-	-	-	-	3,283,789	(3,283,789)
Solid Waste Fund	301,432	-	-	-	-	-	(301,432)
Non-Major Governmental	-	-	-	-	-	79,427	(79,427)
Bond Funded Capital projects	-	-	139,610	-	-	87,652	(227,262)
Mineral Lease Capital Projects	-	-	-	-	-	3,500,000	(3,500,000)
General Fund	-	79,026	-	-	-	72,800	(151,826)
Total	\$ 686,432	\$ 455,051	\$ 139,610	\$ 8,325	\$ 66,104	\$ 10,653,753	\$ (12,009,275)

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 (6) and pay the water and solid waste utilities' payments in lieu of taxes.

During the year, the City entered into a ten year agreement with I.E.S.I. TX Corporation for the solid waste collection operations of the Solid Waste fund. The agreement will expire May 31, 2019. As a result, the City sold or disposed of the majority of the capital assets of the Solid Waste fund. Certain assets with a net value of \$160,305 were transferred to the General Fund. These transfers are not reflected in the table above, but are included in the financial statements.

8. LONG-TERM DEBT AND OBLIGATIONS

General Obligation Bonds and Certificates of Obligation

The City issues general obligation bonds and certificates of obligation for the purpose of providing funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation are issued for both governmental activities and business-type activities and are direct obligations issued on a pledge of the general taxing power for payment of the debt obligations of the City.

Revenue Bonds

Water and sewer revenue bonds are issued for the purpose of financing the acquisition and construction of major capital improvements for the water and sewer system and related facilities secured by a pledge of the net revenues of the water and sewer system.

Long-term debt transactions, including current portion, for the year ended September 30, 2009, are summarized as follows:

	Balance at October 1, 2008	Increased	Retired	Balance at September 30, 2009	Due within one year
<i>Governmental activities:</i>					
General obligation bonds	\$ 32,162,000	\$ -	\$ 1,227,000	\$ 30,935,000	\$ 1,585,000
Certificates of Obligation	44,520,000	-	1,195,000	43,325,000	1,715,000
Sales tax revenue bonds	10,380,000	-	820,000	9,560,000	855,000
Compensated absences	2,340,781	1,631,163	1,000,390	2,971,554	1,000,390
Capital leases	549,361	548,239	100,410	997,190	164,937
Premium on Debt	938,629	-	91,098	847,531	-
Governmental activities long-term debt	<u>\$ 90,890,771</u>	<u>\$ 2,179,402</u>	<u>\$ 4,433,898</u>	<u>\$ 88,636,275</u>	<u>\$ 5,320,327</u>
<i>Business-type activities:</i>					
General obligation bonds	\$ 4,716,000	\$ -	\$ 174,000	\$ 4,542,000	\$ 179,000
Certificates of Obligation	16,015,000	-	505,000	15,510,000	600,000
Water & Sewer revenue bonds	25,035,000	-	1,250,000	23,785,000	1,310,000
Compensated absences	294,645	103,496	127,085	271,056	148,897
Capital leases	1,157,276	-	867,037	290,239	130,600
Premium on Debt	70,721	-	8,452	62,269	-
Deferred loss on refunding	(488,509)	-	(66,107)	(422,402)	-
Business-type activities long-term debt	<u>\$ 46,800,133</u>	<u>\$ 103,496</u>	<u>\$ 2,865,467</u>	<u>\$ 44,038,162</u>	<u>\$ 2,368,497</u>

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

Bonds payable at September 30, 2009, are comprised of the following individual issues:

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Amount Outstanding
<i>Governmental activities:</i>					
General obligation bonds:					
2001 Series	4.25 - 5.25	6/1/2001	3/1/2021	\$ 3,518,000	\$ 2,532,000
2002 Series	3.00 - 5.00	8/15/2002	3/1/2023	5,770,000	3,510,000
2004 Refunding	2.50 - 5.00	4/15/2004	3/1/2025	875,000	663,000
2005 Series	3.00 - 4.25	2/1/2005	3/1/2025	3,970,000	3,505,000
2006 Series	4.00 - 4.25	11/15/2006	3/1/2026	2,400,000	2,400,000
2007 Series	4.00 - 4.625	6/15/2007	3/1/2024	4,100,000	3,860,000
2008 Series	4.00 - 4.625	4/15/2008	3/1/2028	14,750,000	14,465,000
Total general obligation bonds				<u>35,383,000</u>	<u>30,935,000</u>
Certificates of obligation:					
2005 Tax and Revenue	3.00 - 5.00	2/1/2005	3/1/2025	14,965,000	13,290,000
2006 Tax and Revenue	4.00 - 4.25	11/15/2006	3/1/2026	3,440,000	3,440,000
2006 Tax and Revenue	4.00 - 4.25	11/15/2006	3/1/2026	2,400,000	2,225,000
2007 Tax and Revenue	4.00 - 4.625	6/15/2007	3/1/2024	4,100,000	3,860,000
2008 Tax and Revenue	4.00 - 4.625	4/15/2008	3/1/2028	20,900,000	20,510,000
Total certificates of obligation				<u>45,805,000</u>	<u>43,325,000</u>
Sales tax revenue bonds:					
2001 Sales Tax Revenue bonds	4.00 - 5.13	9/1/2001	3/1/2021	5,950,000	4,325,000
2001 Sales Tax Revenue bonds	4.00 - 5.13	9/1/2001	3/1/2021	5,420,000	3,845,000
2003 Sales Tax Revenue bonds	2.50 - 3.15	5/15/2003	3/1/2013	3,220,000	1,390,000
Total sales tax revenue bonds				<u>14,590,000</u>	<u>9,560,000</u>
Total governmental activities				<u>\$ 95,778,000</u>	<u>\$ 83,820,000</u>

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	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	\$ 4,542,000
Certificates of Obligation					
2006 Tax and Revenue	4.00 - 4.25	11/15/2006	3/1/2026	6,125,000	5,680,000
2007 Tax and Revenue	4.00 - 4.625	6/15/2007	3/1/2024	5,700,000	5,370,000
2008 Tax and Revenue	4.00 - 4.625	4/15/2008	3/1/2028	4,545,000	4,460,000
Total certificates of obligation				<u>16,370,000</u>	<u>15,510,000</u>
Water and sewer revenue bonds					
2001 Improvement	4.00 - 5.00	6/1/2001	3/1/2021	6,475,000	1,415,000
2002 Improvement	3.00 - 5.05	8/15/2002	3/1/2027	10,850,000	10,550,000
2005 Improvement	3.00 - 4.40	5/15/2005	9/1/2025	5,370,000	5,055,000
2006 Refunding	4.00 - 4.50	4/1/2006	3/1/2021	8,995,000	6,765,000
Total sales tax revenue bonds				<u>31,690,000</u>	<u>23,785,000</u>
Total business-type activities				<u>\$ 54,045,000</u>	<u>\$ 43,837,000</u>

The City currently has \$11,008,079 of authorized, but unissued, general obligation bonds.

The annual requirements to amortize all debt outstanding as of September 30, 2009, are as follows:

Governmental Activities								
Years Ending September 30,	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Sales Tax Revenue	STR Interest	Capital Leases	Capital Lease Interest
2010	1,585,000	1,275,289	1,715,000	1,839,608	855,000	444,619	164,937	56,725
2011	1,654,000	1,214,441	1,785,000	1,773,656	890,000	412,527	168,343	47,059
2012	1,699,000	1,150,650	1,855,000	1,703,682	915,000	378,084	158,555	37,132
2013	1,757,000	1,084,167	1,915,000	1,635,598	955,000	341,454	168,098	27,589
2014	1,361,000	1,024,182	1,995,000	1,564,972	625,000	301,850	49,359	17,468
2015-2019	7,713,000	4,228,432	11,285,000	6,477,607	3,605,000	1,010,466	287,897	46,238
2020-2024	8,650,000	2,441,369	14,020,000	3,664,324	1,715,000	132,994	-	-
2025-2029	6,156,000	621,545	8,755,000	672,984	-	-	-	-
2030-2034	360,000	27,500	-	-	-	-	-	-
Total	\$ 30,935,000	\$ 13,067,575	\$ 43,325,000	\$ 19,332,431	\$ 9,560,000	\$ 3,021,994	\$ 997,190	\$ 232,211

Business-type Activities								
Years Ending September 30,	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Water and Wastewater Revenue	Water and Wastewater Interest	Capital Leases	Capital Lease Interest
2010	179,000	196,621	600,000	647,306	1,310,000	1,033,372	130,600	15,681
2011	188,000	190,649	620,000	622,481	1,360,000	977,872	43,150	8,680
2012	196,000	184,045	650,000	596,694	1,405,000	919,697	116,490	3,292
2013	201,000	176,846	675,000	571,082	1,420,000	860,273	-	-
2014	231,000	168,457	700,000	514,494	1,470,000	811,061	-	-
2015-2019	1,352,000	682,807	3,970,000	2,239,599	8,095,000	2,963,811	-	-
2020-2024	1,771,000	329,718	4,910,000	1,327,223	6,780,000	1,336,206	-	-
2025-2028	424,000	10,600	3,385,000	245,886	1,945,000	122,410	-	-
Total	\$ 4,542,000	\$ 1,939,743	\$ 15,510,000	\$ 6,764,765	\$ 23,785,000	\$ 9,024,702	\$ 290,239	\$ 27,654

In 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, 2009, the unpaid amount of the defeased bonds total \$17,005,000.

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, 2009, 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, 2009, 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 with the provision that the principal portion will never be less than 2% of the outstanding principal amount. At September 30, 2009, 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.

At the end of the fiscal period, there is no short-term debt outstanding.

9. ARBITRAGE LIABILITY

The City accrues a liability for an amount of rebatable arbitrage resulting from investing low-yielding, tax-exempt bond proceeds in higher-yielding, taxable securities. Such investment activities can result in interest revenue exceeding interest cost. The arbitrage liability is payable to the federal government every five years; however the City calculates and records its arbitrage liability annually. The arbitrage liability is recorded as a liability in the government-wide and proprietary fund financial statements, as applicable, on the accrual basis of accounting. At September 30, 2009, the City had an estimated governmental arbitrage liability of \$74,916.

10. 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 2009 approximately 1,721,288,000 gallons of water were purchased under the contract at a cost of approximately \$3,189,890.

11. EMPLOYEES' RETIREMENT SYSTEM

Texas Municipal Retirement System

Plan Description - The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available in the governing state statutes of TMRS. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2008	Plan Year 2009
Employee deposit rate	7.00%	7.00%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5,0/20	60/5,0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Contributions - Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (over-funded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined 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 serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation/(asset) are as follows:

1. Annual Required Contribution (ARC)	\$	2,152,127
2. Interest on Net Pension Obligation		-
3. Adjustment to the ARC		-
4. Annual Pension Cost (APC)		2,152,127
5. Contributions Made		(1,774,534)
6. Increase (decrease) in net pension obligation		377,593
7. Net Pension Obligation/(Asset), beginning of year		-
8. Net Pension Obligation/(Asset), end of year	\$	377,593

Three-Year Trend Information for TMRS:

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
9/30/2007	\$ 1,377,189	100%	\$ -
9/30/2008	1,575,896	100%	-
9/30/2009	\$ 2,152,127	82%	\$ 377,593

The required contribution rates for fiscal year 2009 were determined as part of the December 31, 2006 and 2007 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2008, also follows:

Valuation Date	12/31/2006	12/31/2007	12/31/2008
Actuarial Cost Method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	25 years; open period	30 years; closed period	29 years; closed period
Asset Valuation Method	Amortized Cost	Amortized Cost	Amortized Cost
Actuarial Assumptions			
Investment Rate of Return	7.00%	7.00%	7.50%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
* Includes inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	NA	2.10%	2.10%

The funded status as of December 31, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2008	\$ 23,128,541	\$ 36,658,624	63.10%	\$ 13,530,083	\$ 15,041,711	90.00%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

12. 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.

13. 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. As an insured, the City is not obligated to reimburse the pool for losses. 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. Any losses reported, but unsettled or incurred and not reported, are believed to be insignificant to the City's financial statements.

14. OTHER POSTEMPLOYMENT BENEFITS

Health Insurance:

During 2008-2009, the City allowed eligible retired employees to purchase health insurance from the City's healthcare provider at no cost to the City. Eligible retirees could also purchase health insurance from the City's healthcare provider for dependents if the dependents were covered at the point of retirement, also at no cost to the City. As the City incurs no cost for providing these benefits, the City has no measurable OPEB liability. At September 30, 2009, there were five employees receiving these benefits.

Supplemental Death Benefit:

The city also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The city elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The city may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

The city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Schedule of Contribution Rates
(Retiree-only portion of the rate)

Plan Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2007	0.01%	0.01%	100%
2008	0.02%	0.02%	100%
2009	0.02%	0.02%	100%

15. RELATED PARTY TRANSACTIONS

The City entered into a contract with McClendon Construction Company Inc. for the construction of a major street infrastructure project. The construction company is owned and operated by a member of the government's governing council. The project was completed during the fiscal year and the total payment remitted to the construction company for the year was \$136,416.

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**REQUIRED
SUPPLEMENTAL
INFORMATION**



CITY OF BURLESON, TEXAS
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2009

D-1

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
	Original	Final				
REVENUES						
Property taxes	\$ 10,745,656	\$ 10,745,656	\$ 10,487,824	\$ 392,854	\$ 10,880,678	\$ 135,022
Sales taxes	5,536,000	5,925,000	5,763,919	-	5,763,919	(161,081)
Franchise fees	2,374,000	2,461,000	2,516,642	-	2,516,642	55,642
Licenses and permits	983,000	1,396,000	1,336,454	-	1,336,454	(59,546)
Intergovernmental	120,705	120,705	169,182	-	169,182	48,477
Charges for services	1,491,071	1,615,844	1,597,794	-	1,597,794	(18,050)
Fines and forfeitures	1,242,000	1,104,000	1,102,874	-	1,102,874	(1,126)
Investment income	310,000	97,000	97,577	-	97,577	577
Miscellaneous and other	1,087,519	773,346	751,295	133,273	884,568	111,222
Total revenues	23,889,951	24,238,551	23,823,561	526,127	24,349,688	111,137
EXPENDITURES						
General government						
City Council	61,758	61,811	55,075	-	55,075	6,736
City Manager's Office	832,258	826,290	807,441	2,222	809,663	16,627
Legal	180,848	287,765	250,476	-	250,476	37,289
Communications	86,416	90,161	90,097	178	90,275	(114)
City Secretary's Office	373,791	383,597	347,786	(225)	347,561	36,036
Support Services	201,824	194,718	200,036	(281)	199,755	(5,037)
Records and Information Services	93,037	97,104	91,860	(574)	91,286	5,818
Information Technology	698,377	724,564	717,918	(16,436)	701,482	23,082
Human Resources	372,209	376,484	354,102	152	354,254	22,230
Finance	874,470	873,692	851,461	(216)	851,245	22,447
Tax	179,034	179,937	171,095	-	171,095	8,842
Purchasing	96,361	98,134	97,163	503	97,666	468
Non-Departmental	707,227	810,726	614,346	158,651	772,997	37,729
Municipal Court	604,129	573,687	556,512	(2,046)	554,466	19,221
Neighborhood Services	109,105	99,819	94,890	(1,001)	93,889	5,930
	5,470,844	5,678,489	5,300,258	140,928	5,441,186	237,303
Public safety						
Police	6,865,796	6,834,674	6,749,520	19,631	6,769,151	65,523
Fire	3,326,682	3,143,334	3,126,864	(3,889)	3,122,975	20,359
Fire Prevention	295,527	327,462	312,418	(926)	311,492	15,970
Emergency Services	89,326	91,739	91,053	(3,040)	88,013	3,726
Animal Services	356,821	356,385	326,065	1,107	327,172	29,213
Code Enforcement	161,523	161,054	148,909	(1,126)	147,783	13,271
	11,095,675	10,914,648	10,754,829	11,757	10,766,586	148,062
Public works						
Public Works Administration	452,557	414,794	405,460	(3,214)	402,246	12,548
Pavement Maintenance	2,227,204	2,154,370	2,066,386	1,486	2,067,872	86,498
Drainage Maintenance	251,281	273,013	264,222	1,434	265,656	7,357
Traffic Control Maintenance	215,391	224,083	217,388	(1,864)	215,524	8,559
Facilities Maintenance	623,420	627,209	580,664	3,099	583,763	43,446
Environmental Services	109,390	109,078	100,705	1,354	102,059	7,019
Engineering/Capital	110,913	120,065	110,998	1,010	112,008	8,057
Engineering/Development	460,904	413,347	368,128	10,212	378,340	35,007
Gas Well Development	-	111,624	91,576	2,727	94,303	17,321
Building Inspections	496,900	442,374	439,089	434	439,523	2,851
	4,947,960	4,889,957	4,644,616	16,678	4,661,294	228,663

(Continued)

CITY OF BURLESON, TEXAS
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2009

D-1

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
	Original	Final				
Culture and recreation						
Library	685,640	688,055	669,591	(1,603)	667,988	20,067
Parks and Recreation Administration	225,488	294,007	232,013	796	232,809	61,198
Recreation	409,777	401,060	390,199	(1,073)	389,126	11,934
Parks Maintenance	962,887	925,776	922,911	488	923,399	2,377
Senior Center	91,593	89,515	86,352	(317)	86,035	3,480
Municipal Pool	78,931	83,820	68,801	-	68,801	15,019
	<u>2,454,316</u>	<u>2,482,233</u>	<u>2,369,867</u>	<u>(1,709)</u>	<u>2,368,158</u>	<u>114,075</u>
Community development						
Economic Development	34,037	46,537	32,300	(12,500)	19,800	26,737
Community development	566,813	592,591	526,292	(6,666)	519,626	72,965
	<u>600,850</u>	<u>639,128</u>	<u>558,592</u>	<u>(19,166)</u>	<u>539,426</u>	<u>99,702</u>
Total expenditures	<u>24,569,645</u>	<u>24,604,455</u>	<u>23,628,162</u>	<u>148,488</u>	<u>23,776,650</u>	<u>827,805</u>
Excess of revenues over expenditures	(679,694)	(365,904)	195,399	377,639	573,038	938,942
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	526,127	(526,127)	-	-
Operating transfers out	-	-	(151,826)	151,826	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>374,301</u>	<u>(374,301)</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	(679,694)	(365,904)	569,700	3,338	573,038	938,942
Fund balances - beginning	6,163,567	6,163,567	6,163,567	-	6,163,567	-
Fund balances - ending	<u>\$ 5,483,873</u>	<u>\$ 5,797,663</u>	<u>\$ 6,733,267</u>	<u>\$ 3,338</u>	<u>\$ 6,736,605</u>	<u>\$ 938,942</u>

Explanation of differences:

Reserved (GAAP) for encumbrances at September 30, 2009 but recognized as expenditures for budget purposes	(113,079)
Prior year encumbrances	110,164
Non-cash GAAP items not included in budget	6,253
Net decrease in fund balance - GAAP to budget	<u>\$ 3,338</u>

(Concluded)

	BCDC Special Revenue				4A Corp Special Revenue			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES								
Sales taxes	\$ 2,678,000	\$ 2,678,000	\$ 2,894,721	\$ 216,721	\$ 2,735,000	\$ 2,735,000	\$ 2,934,721	\$ 199,721
Interest revenue	25,000	60,000	56,888	(3,112)	150,000	20,452	20,654	202
Miscellaneous	-	-	-	-	-	-	550	550
Total Revenues	<u>2,703,000</u>	<u>2,738,000</u>	<u>2,951,609</u>	<u>213,609</u>	<u>2,885,000</u>	<u>2,755,452</u>	<u>2,955,925</u>	<u>200,473</u>
EXPENDITURES								
Current								
Community development	3,500	3,500	3,500	-	-	90,584	148,288	(57,704)
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>90,584</u>	<u>148,288</u>	<u>(57,704)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,699,500</u>	<u>2,734,500</u>	<u>2,948,109</u>	<u>213,609</u>	<u>2,885,000</u>	<u>2,664,868</u>	<u>2,807,637</u>	<u>142,769</u>
OTHER FINANCING USES								
Transfers out	(2,324,110)	(3,824,110)	(3,824,110)	-	(2,383,945)	(3,284,504)	(3,283,789)	715
Total Other Financing Uses	<u>(2,324,110)</u>	<u>(3,824,110)</u>	<u>(3,824,110)</u>	<u>-</u>	<u>(2,383,945)</u>	<u>(3,284,504)</u>	<u>(3,283,789)</u>	<u>715</u>
Net change in fund balances	375,390	(1,089,610)	(876,001)	213,609	501,055	(619,636)	(476,152)	143,484
Fund balance - beginning	<u>3,598,550</u>	<u>3,598,550</u>	<u>3,598,550</u>	<u>-</u>	<u>804,424</u>	<u>804,424</u>	<u>804,424</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,973,940</u>	<u>\$ 2,508,940</u>	<u>\$ 2,722,549</u>	<u>\$ 213,609</u>	<u>\$ 1,305,479</u>	<u>\$ 184,788</u>	<u>\$ 328,272</u>	<u>\$ 143,484</u>

**City of Burleson, Texas
 TMRS Analysis of Funding Progress
 For the Year Ended September 30, 2009**

D-3

Actuarial Valuation Date	December 31, 2008	December 31, 2007	December 31, 2006
Actuarial Value of Assets	\$ 23,128,541	\$ 20,864,139	\$ 19,173,866
Actuarial Accrued Liability	\$ 36,658,624	\$ 33,207,678	\$ 24,817,463
Percentage Funded	63.10%	62.80%	77.26%
Unfunded (over-funded) Actuarial Accrued Liability (UAAL)	\$ 13,530,083	\$ 12,343,539	\$ 5,643,597
Annual Covered Payroll	\$ 15,041,711	\$ 13,484,939	\$ 11,292,031
UAAL as a Percentage of Covered Payroll	90.00%	91.50%	49.98%

CITY OF BURLESON, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2009
(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, the following special revenue funds: BCDC Special Revenue, 4A Corp Special Revenue and Hotel/Motel Tax Fund, 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 4A Corporation exceeded the 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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**COMBINING
AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**



COMBINING FINANCIAL STATEMENTS NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used by the city to account for revenues derived from specific taxes, fees, donations, and grants which are designated to finance particular functions or activities of the city.

The city has nine non-major special revenue funds which include:

- Hotel/Motel Tax Fund - accounts for the receipts and allocation of the city's 7% room occupancy tax imposed on the rental of hotel-motel rooms located within the corporate city limits and extraterritorial jurisdiction of the city. These funds are used to promote tourism, conventions, and related activities within the city.
- Other Special Revenue Funds - accounts for various Miscellaneous Grants from the federal, state, or local governments. In addition, other separately funded projects are included. Tax Increment Financing Districts (TIF), Traffic Safety, General Government, Public Safety, Public Works, Culture and Recreation, and Economic Incentive Funds are included under this heading.

Non-major Capital Project Funds

The Non-major Capital Project Funds are used to account for capital improvements which are financed by designated resources other than city obligation bonds.

- The Burleson 4A Economic Development Corporation is a blended component unit of the city. The 4A Corporation administers a 1/2 cent sales tax. The proceeds of this tax are used to pay debt service on bonds issued for various capital improvements. The special revenue fund accounts for the receipts of the sales tax revenue, and subsequent transfers to the debt service fund. Funds in excess of debt service requirements are utilized on authorized capital projects.
- The Burleson Community Services Development Corporation (4B) is another component unit of the city. The BCSDC administers a 1/2 cent sales tax. The proceeds of this tax are used to pay debt service on bond issues for various capital improvements. The special revenue fund accounts for the receipt of the sales tax revenue, and subsequent transfer of the debt service fund. Funds in excess of debt service requirements are utilized on authorized capital projects.
- The Street Paving Trust Fund is used to account for funds deposited by developers in lieu of constructing public facilities such as streets and drainage.
- The Miscellaneous Capital Project Fund includes the Park Dedication Fund and the Miscellaneous Non-bond funded Capital Project Fund. These funds account for the proceeds of other sources of revenue and expenditures for authorized projects.

Debt Service Funds

The City's Debt Service Funds account for the accumulation of financial resources for the payment of principal and interest on the City's general obligation (property and sales tax supported) debt.

- The General Debt Service Fund is used to pay principal and interest on General Obligation Bonds.
- The Burleson 4A Economic Development Corporation debt service fund accounts for receipt of sales tax revenue transfer and payment of the debt service.
- The Burleson Community Services Development Corporation (4B) debt service fund accounts for the receipt of sales tax revenue transfer and payment of the debt service.

City of Burleson, Texas
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2009

	Special Revenue Funds		Capital Project Funds		
	Hotel/Motel	Other Special Revenue	4A Revenue	4B Revenue	Street Paving Trust Fund
ASSETS					
<u>Current assets</u>					
Cash and investments	\$ 287,747	\$ 1,923,680	\$ 624,070	\$ 2,767,622	\$ 1,178,742
Receivables:					
Loan	-	182,000	-	-	-
Accrued interest	-	-	2,850	2,756	1,736
Taxes receivable	32,240	-	-	-	-
Due from other governments	-	152,858	-	-	-
Total assets	<u>\$ 319,987</u>	<u>\$ 2,258,538</u>	<u>\$ 626,920</u>	<u>\$ 2,770,378</u>	<u>\$ 1,180,478</u>
LIABILITIES					
<u>Current liabilities:</u>					
Accounts payable	\$ 2,132	\$ 232,472	\$ 223,236	\$ 1,221,327	\$ -
Accrued liabilities	-	1,266,874	-	-	-
Due to other funds	-	182,000	-	-	-
Total liabilities	<u>2,132</u>	<u>1,681,346</u>	<u>223,236</u>	<u>1,221,327</u>	<u>-</u>
FUND BALANCES					
Fund balance, reserved for:					
Capital projects	-	-	403,684	1,549,051	1,180,478
Debt service	-	-	-	-	-
Fund balance, unreserved, reported in:					
Special revenue funds	<u>317,855</u>	<u>577,192</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>317,855</u>	<u>577,192</u>	<u>403,684</u>	<u>1,549,051</u>	<u>1,180,478</u>
Total liabilities and fund balances	<u>\$ 319,987</u>	<u>\$ 2,258,538</u>	<u>\$ 626,920</u>	<u>\$ 2,770,378</u>	<u>\$ 1,180,478</u>

<u>Capital Projects Funds</u>		<u>Debt Service Funds</u>			<u>Total Other Governmental Funds</u>
<u>Miscellaneous Capital Projects</u>	<u>General Debt Service</u>	<u>4A Debt Service</u>	<u>4B Debt Service</u>		
\$ 596,591	\$ 792,075	\$ 720,526	\$ 1,179,788	\$ 10,070,841	
-	-	-	-	182,000	
1,340	-	530	546	9,758	
-	13,500	-	-	45,740	
-	-	-	-	152,858	
<u>\$ 597,931</u>	<u>\$ 805,575</u>	<u>\$ 721,056</u>	<u>\$ 1,180,334</u>	<u>\$ 10,461,197</u>	
\$ -	\$ -	\$ -	\$ -	\$ 1,679,167	
-	-	-	-	1,266,874	
-	-	-	-	182,000	
-	-	-	-	3,128,041	
597,931	-	-	-	\$ 3,731,144	
-	805,575	721,056	1,180,334	2,706,965	
-	-	-	-	895,047	
<u>597,931</u>	<u>805,575</u>	<u>721,056</u>	<u>1,180,334</u>	<u>7,333,156</u>	
<u>\$ 597,931</u>	<u>\$ 805,575</u>	<u>\$ 721,056</u>	<u>\$ 1,180,334</u>	<u>\$ 10,461,197</u>	

City of Burleson, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds		Capital Project Funds		
	Hotel/Motel	Other Special Revenue	4A Revenue	4B Revenue	Street Paving Trust
REVENUES					
Property tax	\$ -	\$ 301,437	\$ -	\$ -	\$ -
Sales tax	170,116	212,000	-	-	-
Intergovernmental	-	260,316	-	-	-
Red light camera	-	427,957	-	-	-
Contribution and donations	-	10,970	-	-	-
Investment income	-	-	27,089	20,806	17,968
Street assessments	-	-	-	-	9,163
Mineral lease revenue	-	-	9,950	-	-
Miscellaneous	-	96,692	-	957,154	100,320
Total revenues	170,116	1,309,372	37,039	977,960	127,451
EXPENDITURES					
Current:					
General government	-	61,147	-	-	-
Community development	-	520,044	-	-	-
Public safety	-	720,820	-	-	-
Culture and recreation	152,941	13,969	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Capital expenditures	-	-	2,848,098	3,628,909	27,585
Total expenditures	152,941	1,315,980	2,848,098	3,628,909	27,585
Excess (deficiency) of revenues over (under) expenditures	17,175	(6,608)	(2,811,059)	(2,650,949)	99,866
OTHER FINANCING SOURCES (USES)					
Transfers in	-	254,800	1,392,735	4,200,000	87,652
Transfers out	-	-	-	-	(79,427)
Total other financing sources (uses)	-	254,800	1,392,735	4,200,000	8,225
Net change in fund balances	17,175	248,192	(1,418,324)	1,549,051	108,091
Fund balance - beginning	300,680	329,000	1,822,008	-	1,072,387
Fund balance - ending	\$ 317,855	\$ 577,192	\$ 403,684	\$ 1,549,051	\$ 1,180,478

Capital Projects Funds		Debt Service Funds			Total Other Governmental Funds
Miscellaneous Capital Projects	General Debt Service	4A Debt Service	4B Debt Service		
\$ -	\$ 2,857,952	\$ -	\$ -	\$ 3,159,389	
-	-	-	-	382,116	
-	-	-	-	260,316	
-	-	-	-	427,957	
-	-	-	-	10,970	
10,745	-	3,866	18,549	99,023	
-	-	-	-	9,163	
-	-	-	-	9,950	
-	-	-	-	1,154,166	
<u>10,745</u>	<u>2,857,952</u>	<u>3,866</u>	<u>18,549</u>	<u>5,513,050</u>	
-	-	-	-	61,147	
-	-	-	-	520,044	
-	-	-	-	720,820	
-	-	-	-	166,910	
-	1,507,212	834,788	900,000	3,242,000	
-	2,052,297	1,028,616	989,466	4,070,379	
<u>120,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,624,793</u>	
<u>120,201</u>	<u>3,559,509</u>	<u>1,863,404</u>	<u>1,889,466</u>	<u>15,406,093</u>	
<u>(109,456)</u>	<u>(701,557)</u>	<u>(1,859,538)</u>	<u>(1,870,917)</u>	<u>(9,893,043)</u>	
79,427	800,000	1,891,054	1,948,085	10,653,753	
-	-	-	-	(79,427)	
<u>79,427</u>	<u>800,000</u>	<u>1,891,054</u>	<u>1,948,085</u>	<u>10,574,326</u>	
(30,029)	98,443	31,516	77,168	681,283	
<u>627,960</u>	<u>707,132</u>	<u>689,540</u>	<u>1,103,166</u>	<u>6,651,873</u>	
<u>\$ 597,931</u>	<u>\$ 805,575</u>	<u>\$ 721,056</u>	<u>\$ 1,180,334</u>	<u>\$ 7,333,156</u>	

City of Burleson, Texas
 Debt Service Funds
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2009

<u>General Debt Service Fund</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Property taxes and assessments	\$ 2,826,107	\$ 3,061,447	\$ 2,857,952	\$ (203,495)
Investment income	-	-	-	-
Total Revenues	<u>2,826,107</u>	<u>3,061,447</u>	<u>2,857,952</u>	<u>(203,495)</u>
EXPENDITURES				
Principal retirement	1,507,212	1,507,212	1,507,212	-
Interest and fiscal agent charges	2,146,704	2,146,704	2,052,297	94,407
Total Expenditures	<u>3,653,916</u>	<u>3,653,916</u>	<u>3,559,509</u>	<u>94,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(827,809)</u>	<u>(592,469)</u>	<u>(701,557)</u>	<u>(109,088)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	800,000	800,000	800,000	-
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Net change in fund balances	(27,809)	207,531	98,443	(109,088)
Fund balance - beginning	707,132	707,132	707,132	-
Fund balance - ending	<u>\$ 679,323</u>	<u>\$ 914,663</u>	<u>\$ 805,575</u>	<u>\$ (109,088)</u>

4A Corp Debt Service Fund				BCDC Debt Service Fund			
Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,000	10	3,866	3,856	5,000	18,045	18,549	504
10,000	10	3,866	3,856	5,000	18,045	18,549	504
834,788	834,788	834,788	-	900,000	900,000	900,000	-
1,056,981	1,056,981	1,028,616	28,365	1,049,104	1,049,134	989,466	59,668
1,891,769	1,891,769	1,863,404	28,365	1,949,104	1,949,134	1,889,466	59,668
(1,881,769)	(1,891,759)	(1,859,538)	32,221	(1,944,104)	(1,931,089)	(1,870,917)	60,172
1,891,769	1,891,769	1,891,054	(715)	1,951,584	1,951,584	1,948,085	(3,499)
1,891,769	1,891,769	1,891,054	(715)	1,951,584	1,951,584	1,948,085	(3,499)
10,000	10	31,516	31,506	7,480	20,495	77,168	56,673
689,540	689,540	689,540	-	1,103,166	1,103,166	1,103,166	-
<u>\$ 699,540</u>	<u>\$ 689,550</u>	<u>\$ 721,056</u>	<u>\$ 31,506</u>	<u>\$ 1,110,646</u>	<u>\$ 1,123,661</u>	<u>\$ 1,180,334</u>	<u>\$ 56,673</u>

City of Burleson, Texas
 Other Governmental Funds
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2009

E-4

	<u>Hotel/Motel Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Sales taxes	\$ 150,000	\$ 150,000	\$ 170,116	\$ 20,116
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>170,116</u>	<u>20,116</u>
 EXPENDITURES				
Current				
Culture and recreation	<u>107,862</u>	<u>166,232</u>	<u>152,941</u>	<u>13,291</u>
Total Expenditures	<u>107,862</u>	<u>166,232</u>	<u>152,941</u>	<u>13,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,138</u>	<u>(16,232)</u>	<u>17,175</u>	<u>33,407</u>
Net change in fund balances	42,138	(16,232)	17,175	33,407
Fund balance - beginning	<u>300,680</u>	<u>300,680</u>	<u>300,680</u>	<u>-</u>
Fund balance - ending	<u>\$ 342,818</u>	<u>\$ 284,448</u>	<u>\$ 317,855</u>	<u>\$ 33,407</u>

City of Burleson, Texas
Combining Statement of Net Assets
Internal Service Funds
September 30, 2009

F-1

	Equipment Services	Vehicle Replacement - Governmental	Vehicle Replacement - Business-Type	Total Internal Service Funds
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 56,431	\$ -	\$ 431,662	\$ 488,093
Receivables:				
Accounts	2,484	18,317	8,653	29,454
Accrued interest	155	363	815	1,333
Due from other funds	-	1,842,760	32,458	1,875,218
Inventories	85,821	-	-	85,821
Total current assets	<u>144,891</u>	<u>1,861,440</u>	<u>473,588</u>	<u>2,479,919</u>
Noncurrent assets:				
Property, plant, and equipment, net	4,258	2,023,615	1,252,563	3,280,436
Total noncurrent assets	<u>4,258</u>	<u>2,023,615</u>	<u>1,252,563</u>	<u>3,280,436</u>
Total assets	<u>149,149</u>	<u>3,885,055</u>	<u>1,726,151</u>	<u>5,760,355</u>
LIABILITIES				
Current liabilities:				
Accounts payable	32,722	-	-	32,722
Current compensated absences	40,377	-	-	40,377
Due to other funds	-	32,458	-	32,458
Accrued liabilities	10,915	-	-	10,915
Total current liabilities	<u>84,014</u>	<u>32,458</u>	<u>-</u>	<u>116,472</u>
Noncurrent liabilities:				
Net pension obligation	7,115	-	-	7,115
Long-term compensated absences	40,499	-	-	40,499
Total liabilities	<u>131,628</u>	<u>32,458</u>	<u>-</u>	<u>164,086</u>
NET ASSETS (LIABILITIES)				
Invested in capital assets, net of related debt	4,258	2,023,615	1,252,563	3,280,436
Unrestricted	13,263	1,828,982	473,588	2,315,833
Total net assets (liabilities)	<u>\$ 17,521</u>	<u>\$ 3,852,597</u>	<u>\$ 1,726,151</u>	<u>\$ 5,596,269</u>

City of Burleson, Texas
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Internal Service Funds
 For the Year Ended September 30, 2009

F-2

	<u>Equipment Services</u>	<u>Vehicle Replacement - Governmental</u>	<u>Vehicle Replacement - Business-Type</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUE				
Charges for goods and services	\$ 315,624	\$ 475,126	\$ 286,934	\$ 1,077,684
Miscellaneous	-	84,734	-	84,734
Total operating revenue	<u>315,624</u>	<u>559,860</u>	<u>286,934</u>	<u>1,162,418</u>
OPERATING EXPENSE				
Personal services	420,442	-	-	420,442
Repairs and maintenance	51,065	-	-	51,065
Materials and supplies	34,827	11,196	2,130	48,153
Depreciation	2,361	438,587	174,119	615,067
Total operating expense	<u>508,695</u>	<u>449,783</u>	<u>176,249</u>	<u>1,134,727</u>
Net operating income (loss)	<u>(193,071)</u>	<u>110,077</u>	<u>110,685</u>	<u>27,691</u>
NONOPERATING REVENUES				
Gain (loss) on disposition of fixed assets	-	(212,477)	34,595	(177,882)
Investment income	1,982	3,132	11,803	16,917
Total nonoperating revenue	<u>1,982</u>	<u>(209,345)</u>	<u>46,398</u>	<u>(160,965)</u>
Income (loss) before transfers	<u>(191,089)</u>	<u>(99,268)</u>	<u>157,083</u>	<u>(133,274)</u>
OTHER SOURCES (USES)				
Transfers in	-	66,104	8,325	74,429
Transfers out	-	(190,325)	(66,104)	(256,429)
Change in net assets	(191,089)	(223,489)	99,304	(315,274)
Net assets - beginning of the year	<u>208,610</u>	<u>4,076,086</u>	<u>1,626,847</u>	<u>5,911,543</u>
Net assets - end of the year	<u>\$ 17,521</u>	<u>\$ 3,852,597</u>	<u>\$ 1,726,151</u>	<u>\$ 5,596,269</u>

City of Burleson, Texas
Statement of Cash Flows
All Internal Service Funds
For the Year Ended September 30, 2009

F-3

	Equipment Services	Vehicle Replacement - Governmental	Vehicle Replacement - Business-Type	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for equipment replacement	\$ -	\$ 456,809	\$ 278,281	\$ 735,090
Cash received for fleet maintenance services	315,858	-	-	315,858
Cash payments (receivable) from other funds	-	225,442	(32,458)	192,984
Cash payments due to other funds	-	32,458	-	32,458
Payments to vendors, suppliers and contractors	(91,374)	(16,143)	(2,130)	(109,647)
Payments to employees for services	(386,996)	-	-	(386,996)
Net cash provided by (used for) operating activities	<u>(162,512)</u>	<u>698,566</u>	<u>243,693</u>	<u>779,747</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to other funds	-	(190,325)	(66,104)	(256,429)
Transfer from other funds	-	66,104	8,325	74,429
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(124,221)</u>	<u>(57,779)</u>	<u>(182,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from disposal of capital assets	-	(212,477)	34,595	(177,882)
Acquisition and construction of capital assets	-	(545,835)	(518,101)	(1,063,936)
Net cash used for capital and related financing activities	<u>-</u>	<u>(758,312)</u>	<u>(483,506)</u>	<u>(1,241,818)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	2,778	90,153	13,568	106,499
Proceeds from sale of investments	175,039	238,310	690,871	1,104,220
Purchase of investments	(175,039)	(224,881)	(690,871)	(1,090,791)
Net cash provided by investing activities	<u>2,778</u>	<u>103,582</u>	<u>13,568</u>	<u>119,928</u>
Net increase (decrease) in cash and cash equivalents	(159,734)	(80,385)	(284,024)	(524,143)
Cash and cash equivalents--beginning of the year	174,633	(1,127,308)	406,041	(546,634)
Cash and cash equivalents--end of the year	14,899	(1,207,693)	122,017	(1,070,777)
Investments	41,532	1,207,693	309,645	1,558,870
Total cash and investments	<u>\$ 56,431</u>	<u>\$ -</u>	<u>\$ 431,662</u>	<u>\$ 488,093</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (193,071)	\$ 25,343	\$ 110,685	\$ (57,043)
Depreciation	2,361	438,587	174,119	615,067
Change in operating assets and liabilities:				
(Increase) in inventories	(17,430)	-	-	(17,430)
(Increase) decrease in accounts receivable	234	(18,317)	(8,653)	(26,736)
(Increase) decrease in due from other funds	-	225,442	(32,458)	192,984
Increase in accrued compensated absences	25,143	-	-	25,143
Increase in intergovernmental payables	-	32,458	-	32,458
Increase (decrease) in accounts payable	11,948	(4,947)	-	7,001
Increase in accrued liabilities	8,303	-	-	8,303
Net cash provided by (used for) operating activities	<u>\$ (162,512)</u>	<u>\$ 698,566</u>	<u>\$ 243,693</u>	<u>\$ 779,747</u>

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STATISTICAL SECTION



CITY OF BURLESON, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2008
 STATISTICAL SECTION INDEX
 (Unaudited)

This part of 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.

Contents	Tables
<p>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.</p>	1-4
<p>Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</p>	5-8
<p>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.</p>	9-12
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</p>	13-14
<p>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.</p>	15-18

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF BURLESON
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)**

TABLE 1

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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	\$ 75,675,895	\$ 84,795,578
Restricted	1,700,826	5,610,990	7,024,586	7,685,387	6,127,141	6,902,812	5,757,785
Unrestricted	6,900,733	6,949,533	7,186,975	10,199,823	14,992,647	18,368,320	18,968,946
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>	<u>\$ 100,947,027</u>	<u>\$ 109,522,309</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	\$ 38,951,118	\$ 40,857,400
Restricted	2,157,853	2,157,853	2,800,492	2,601,200	2,800,492	3,172,307	3,172,307
Unrestricted	1,804,296	1,628,308	1,040,549	2,914,935	5,091,536	6,198,905	7,485,644
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>	<u>\$ 48,322,330</u>	<u>\$ 51,515,351</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	\$ 114,627,013	\$ 125,652,978
Restricted	3,858,679	7,768,843	9,825,078	10,286,587	8,927,633	10,075,119	8,930,092
Unrestricted	8,705,029	8,577,841	8,227,524	13,114,758	20,084,183	24,567,225	26,454,590
Total primary government 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>	<u>\$ 149,269,357</u>	<u>\$ 161,037,660</u>

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

CITY OF BURLESON
CHANGE IN NET ASSETS (Unaudited)
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

TABLE 2

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 3,135,534	\$ 3,298,510	\$ 3,424,919	\$ 3,727,261	\$ 4,060,608	\$ 5,265,957	\$ 5,858,171
Public safety	5,193,712	6,321,200	7,203,194	8,100,853	9,784,360	11,664,905	11,721,926
Public works	4,345,649	5,246,994	5,305,779	6,026,802	6,788,351	4,602,125	8,105,075
Community Development	485,422	766,423	1,213,921	1,254,161	1,173,452	2,879,432	1,004,358
Culture and recreation	1,769,612	1,798,391	2,167,841	2,359,258	2,494,174	2,851,686	3,025,067
Interest and other fees	1,163,511	1,070,503	1,385,277	1,716,670	2,035,972	2,870,665	3,619,571
Total governmental activities expenses	<u>16,093,440</u>	<u>18,502,021</u>	<u>20,700,931</u>	<u>23,185,005</u>	<u>26,336,917</u>	<u>30,134,770</u>	<u>33,334,168</u>
Business-type activities:							
Water and wastewater	8,644,282	9,084,086	9,896,012	10,287,872	11,047,187	12,593,338	12,673,707
Hidden Creek Golf Course	1,967,941	2,211,168	1,901,480	1,773,118	1,761,513	1,735,181	2,005,748
Solid Waste	990,101	1,106,306	1,355,240	1,381,597	1,547,740	2,211,449	2,218,385
Cemetery	19,379	18,302	20,983	26,183	31,572	1,069	3,699
Total business-type activities expenses	<u>11,621,703</u>	<u>12,419,862</u>	<u>13,173,715</u>	<u>13,468,770</u>	<u>14,388,012</u>	<u>16,541,037</u>	<u>16,901,539</u>
Total primary government 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>	<u>\$ 46,675,807</u>	<u>\$ 50,235,707</u>
Program Revenues:							
Governmental activities:							
Charges for services	\$ 3,719,196	\$ 4,831,891	\$ 5,050,465	\$ 7,010,601	\$ 6,920,756	\$ 10,850,388	\$ 8,714,188
Operating grants and contributions	570,815	535,164	727,842	646,304	587,515	534,172	578,243
Capital grants and contributions	6,513,129	1,936,102	8,378,946	6,812,544	7,813,051	4,299,747	3,033,884
Total governmental activities program revenues	<u>10,803,140</u>	<u>7,303,157</u>	<u>14,157,253</u>	<u>14,469,449</u>	<u>15,321,322</u>	<u>15,684,307</u>	<u>12,326,315</u>
Business-type activities:							
Charges for services	9,905,706	9,610,972	11,506,324	13,949,581	12,096,207	16,784,496	18,433,105
Operating grants and contributions	-	-	-	154,156	751,266	597,780	337,613
Capital grants and contributions	2,673,323	962,513	3,350,613	3,449,995	2,843,679	2,242,694	1,461,885
Total business-type activities program revenues	<u>12,579,029</u>	<u>10,573,485</u>	<u>14,856,937</u>	<u>17,553,732</u>	<u>15,691,152</u>	<u>19,624,970</u>	<u>20,232,603</u>
Total primary government program revenues	<u>\$ 23,382,169</u>	<u>\$ 17,876,642</u>	<u>\$ 29,014,190</u>	<u>\$ 32,023,181</u>	<u>\$ 31,012,474</u>	<u>\$ 35,309,277</u>	<u>\$ 32,558,918</u>
Net (expense)/revenue							
Governmental activities	\$ (5,290,300)	\$(11,198,864)	\$ (6,543,678)	\$ (8,715,556)	\$(11,015,595)	\$(14,450,463)	\$(21,007,853)
Business-type activities	957,326	(1,846,377)	1,683,222	4,084,962	1,303,140	3,083,933	3,331,064
Total primary government net expense	<u>\$ (4,332,974)</u>	<u>\$(13,045,241)</u>	<u>\$ (4,860,456)</u>	<u>\$ (4,630,594)</u>	<u>\$ (9,712,455)</u>	<u>\$(11,366,530)</u>	<u>\$(17,676,789)</u>

(continued)

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

CITY OF BURLESON
CHANGE IN NET ASSETS (Unaudited)
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

TABLE 2

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 5,969,750	\$ 6,987,204	\$ 7,752,303	\$ 8,625,863	\$ 9,910,567	\$ 11,564,509	\$ 13,473,315
Tax Increment Financing	80,470	162,966	412,423	497,436	547,712	61,730	147,414
Sales and use taxes	6,252,339	7,125,534	8,299,061	9,154,752	10,347,816	11,650,147	11,805,360
Hotel/motel taxes	87,501	96,928	119,270	159,321	172,078	199,309	170,116
Franchise fees	1,576,954	1,763,792	1,768,708	2,090,773	2,027,326	2,316,229	2,560,705
Investment income	298,162	244,511	829,175	1,520,814	2,021,700	1,600,937	793,416
Gain on sale of assets	-	-	-	-	-	-	343,648
Lawsuit settlement	-	-	970,000	-	-	-	-
Transfers	(1,712,074)	(1,494,354)	(1,072,735)	(530,525)	(449,595)	(959,463)	289,160
Total governmental activities	<u>12,553,102</u>	<u>14,886,581</u>	<u>19,078,205</u>	<u>21,518,434</u>	<u>24,577,604</u>	<u>26,433,398</u>	<u>29,583,134</u>
Business-type activities:							
Investment income	252,557	232,607	285,489	639,421	871,763	714,810	270,274
Gain on sale of assets	-	-	2,660	(43,782)	-	55,576	(119,157)
Transfers	1,712,074	1,494,354	1,072,735	530,525	449,595	959,463	(289,160)
Total business-type revenues	<u>1,964,631</u>	<u>1,726,961</u>	<u>1,360,884</u>	<u>1,126,164</u>	<u>1,321,358</u>	<u>1,729,849</u>	<u>(138,043)</u>
Total primary government	<u>\$ 14,517,733</u>	<u>\$ 16,613,542</u>	<u>\$ 20,439,089</u>	<u>\$ 22,644,598</u>	<u>\$ 25,898,962</u>	<u>\$ 28,163,247</u>	<u>\$ 29,445,091</u>
Change in Net Assets							
Governmental activities	\$ 6,272,701	\$ 2,581,411	\$ 11,179,287	\$ 11,421,281	\$ 12,014,269	\$ 11,982,935	\$ 8,575,281
Business-type activities	3,912,058	986,890	4,399,346	6,592,723	4,172,238	4,813,782	3,193,021
Total primary government	<u>\$ 10,184,759</u>	<u>\$ 3,568,301</u>	<u>\$ 15,578,633</u>	<u>\$ 18,014,004</u>	<u>\$ 16,186,507</u>	<u>\$ 16,796,717</u>	<u>\$ 11,768,302</u>

(concluded)

**CITY OF BURLESON
 FUND BALANCES
 GOVERNMENTAL FUNDS
 LAST SEVEN FISCAL YEARS
 (modified accrual basis of accounting)
 (Unaudited)**

TABLE 3

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 207,342	\$ 148,578	\$ 403,425	\$ 295,535	\$ 236,359	\$ 292,510	\$ 176,254
Unreserved	2,753,915	3,213,330	4,045,566	4,716,008	6,474,112	5,871,057	6,557,013
Total general fund	<u>\$ 2,961,257</u>	<u>\$ 3,361,908</u>	<u>\$ 4,448,991</u>	<u>\$ 5,011,543</u>	<u>\$ 6,710,471</u>	<u>\$ 6,163,567</u>	<u>\$ 6,733,267</u>
All Other Governmental Funds							
Reserved	\$10,281,340	\$12,192,140	\$ 27,994,603	\$21,439,770	\$ 33,802,921	\$ 64,065,336	\$ 45,495,453
Unreserved, reported in:							
Special Revenue Funds	2,264,791	97,635	131,960	195,320	274,192	629,680	895,046
Total all other governmental funds	<u>\$12,546,131</u>	<u>\$12,289,775</u>	<u>\$ 28,126,563</u>	<u>\$21,635,090</u>	<u>\$ 34,077,113</u>	<u>\$ 64,695,016</u>	<u>\$ 46,390,499</u>

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

CITY OF BURLESON
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

TABLE 4

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Revenues							
Property taxes	\$ 6,038,027	\$ 7,237,262	\$ 8,032,127	\$ 8,704,379	\$ 10,027,181	\$ 11,506,820	\$ 13,647,213
Sales taxes	6,339,841	7,222,465	8,645,430	9,636,872	10,842,693	11,849,457	11,975,477
Franchise fees	1,569,413	2,284,489	1,766,863	1,935,224	2,020,661	2,309,467	2,516,642
Licenses and permits	456,897	967,012	979,855	1,098,670	1,106,496	886,238	1,336,454
Intergovernmental revenue	475,016	422,522	1,047,760	513,197	471,520	168,544	429,498
Fines and forfeitures	2,421,255	2,770,736	689,554	767,477	1,149,028	1,472,535	1,530,831
Donations	534,268	700,254	23,343	10,255	25,547	19,343	10,970
Charges for service	23,614	6,297	2,995,429	2,965,190	3,169,601	1,476,841	1,597,794
Interest income	235,544	155,835	757,743	1,415,646	1,901,343	1,542,276	787,753
Mineral lease revenue	-	-	-	-	-	5,985,783	3,556,228
Street Assessments	274,976	209,175	206,800	152,561	112,377	126,041	9,163
Miscellaneous	697,076	837,603	1,944,829	2,623,800	1,918,118	1,601,601	1,906,011
Total revenues	19,065,927	22,813,650	27,089,733	29,823,271	32,744,565	38,944,946	39,304,034
Expenditures							
Current Operations:							
General government	2,907,091	3,148,653	3,471,402	4,562,259	3,919,724	5,018,217	5,361,405
Public safety	5,069,733	6,149,309	7,582,937	7,829,789	8,721,159	10,776,171	11,475,649
Public works	2,717,371	3,229,684	3,298,247	3,900,009	4,319,240	4,773,860	4,644,616
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	519,651	1,230,424
Culture and recreation	1,568,243	1,669,393	1,907,963	2,136,713	2,219,504	2,568,836	2,536,777
Capital Outlay	6,005,850	2,353,372	6,995,910	12,366,481	7,823,319	15,060,574	24,730,676
Debt Service:							
Principal	1,232,000	1,302,000	1,208,000	1,228,000	1,966,000	2,342,000	3,242,000
Interest and fiscal agent charges	1,276,415	1,066,476	1,340,153	1,741,133	1,962,297	3,244,180	4,070,379
Total expenditures	22,435,417	21,138,377	28,783,772	36,647,052	33,988,346	44,303,489	57,291,926
Excess (deficiency) of revenues over (under) expenditures	(3,369,490)	1,675,273	(1,694,039)	(6,823,781)	(1,243,781)	(5,358,543)	(17,987,892)
Other financing sources (uses)							
Transfers in	1,651,692	1,417,950	2,256,984	5,278,965	7,083,479	5,241,662	11,319,490
Transfers out	(2,612,573)	(3,097,304)	(3,529,716)	(5,124,107)	(8,218,456)	(5,541,191)	(11,066,415)
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	-	16,449,717	35,650,000	-
Payment to refunded bonds agent	(3,125,000)	(850,555)	-	-	-	-	-
Premium	-	-	-	-	-	75,384	-
Total other financing sources (uses)	(735,350)	(1,530,979)	18,617,911	894,858	15,384,730	35,425,855	253,075
Net change in fund balances	\$ (4,104,840)	\$ 144,294	\$ 16,923,872	\$ (5,928,923)	\$ 14,140,949	\$ 30,067,312	\$ (17,734,817)
Debt service as a percentage of non-capital expenditures							
	15.27%	12.61%	11.70%	12.23%	15.01%	19.10%	22.46%

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

**CITY OF BURLESON
 ASSESSED AND ACTUAL
 VALUE OF TAXABLE PROPERTY (Unaudited)
 LAST TEN FISCAL YEARS**

TABLE 5

Fiscal Year	Residential Property	Industrial/Commercial Property	Mineral Reserves	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2000	\$ 502,658,839	\$ 226,603,681	\$ -	\$ 71,242,206	\$ 658,020,314	0.6378	\$ 658,020,314	100.0%
2001	578,564,456	239,305,201	-	90,718,584	727,151,073	0.6305	727,151,073	100.0%
2002	767,722,416	252,012,945	-	145,720,721	874,014,640	0.6044	874,014,640	100.0%
2003	837,535,302	270,601,806	-	118,177,122	989,959,986	0.6043	989,959,986	100.0%
2004	975,064,340	327,896,020	-	133,896,320	1,169,064,040	0.5985	1,169,064,040	100.0%
2005	1,087,988,296	367,399,074	-	142,966,294	1,312,421,076	0.5985	1,312,421,076	100.0%
2006	1,231,217,090	403,933,530	-	170,546,905	1,464,603,715	0.5964	1,464,603,715	100.0%
2007	1,369,744,068	432,715,972	-	151,631,722	1,650,828,318	0.6299	1,650,828,318	100.0%
2008	1,491,849,951	464,695,420	565,598	159,584,700	1,797,526,269	0.6618	1,797,526,269	100.0%
2009	1,609,346,120	511,393,600	24,518,800	170,733,571	1,974,524,949	0.6940	1,974,524,949	100.0%

Source: Johnson County Appraisal District

Note: Property in the city is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value.

**CITY OF BURLESON
DIRECT AND OVERLAPPING PROPERTY TAX RATES (Unaudited)
LAST TEN FISCAL YEARS**

FISCAL YEAR	CITY OF BURLESON (3)	TARRANT COUNTY (1)	TARRANT COUNTY HOSPITAL DISTRICT (1)	TARRANT COUNTY JUNIOR COLLEGE DISTRICT (1)
2000	0.6378	0.2648	0.2341	0.1064
2001	0.6305	0.2748	0.2341	0.1064
2002	0.6044	0.2748	0.2341	0.1064
2003	0.6043	0.2725	0.2324	0.1394
2004	0.5985	0.2725	0.2353	0.1394
2005	0.5985	0.2725	0.2353	0.1394
2006	0.5964	0.2725	0.2353	0.1394
2007	0.6299	0.2665	0.2354	0.1394
2008	0.6618	0.2665	0.2340	0.1394
2009	0.6940	0.2640	0.2278	0.1379

Sources:

- (1) Tarrant County Appraisal District
- (2) Johnson County Appraisal District
- (3) City of Burleson Records Department
- (4) Does not include Joshua ISD and Crowley ISD rates as school districts do not overlap each other.

Note: All rates per \$100 assessed value

TABLE 6

JOHNSON COUNTY (2)	BURLESON INDEPENDENT SCHOOL DISTRICT (2)	JOSHUA INDEPENDENT SCHOOL DISTRICT (2)	CROWLEY INDEPENDENT SCHOOL DISTRICT (1)	TOTAL DIRECT & OVERLAPPING RATES (4)
0.4474	1.6847	1.4900	0.0000	3.3752
0.4474	1.6777	1.4544	0.0000	3.3709
0.4474	1.8243	1.5981	0.0000	3.4914
0.4551	1.7799	1.7381	0.0000	3.4836
0.4649	1.7500	1.7381	0.0000	3.4606
0.4649	1.7484	1.7381	0.0000	3.4590
0.4649	1.7352	1.7381	1.7890	3.4437
0.4218	1.4501	1.5389	1.6710	3.1431
0.4098	1.4051	1.4600	1.4099	3.1166
0.3895	1.4688	1.3900	1.5350	3.1820

CITY OF BURLESON
 PRINCIPAL PROPERTY TAX PAYERS (Unaudited)
 CURRENT AND TEN YEARS AGO

TABLE 7

TAXPAYER	2009			2000		
	TAXABLE ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION	TAXABLE ASSESSED VALUATION	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUATION
EE Burleson LP	\$ 27,413,595	1	1.39 %	\$ -		- %
Wal-Mart	17,066,688	2	0.86	16,025,145	1	2.58
Oncor Electric Delivery Co	14,796,750	3	0.75	-		-
Home Depot	12,000,214	4	0.61	-		-
JAHCO Burleson Town Center	11,456,256	5	0.58	-		-
Target Corporation	11,005,945	6	0.56	-		-
Lynn Smith Chevrolet	10,513,121	7	0.53	6,970,287	4	1.12
Southwestern Bell	8,545,010	8	0.43	8,405,818	2	1.35
Redman Homes, Inc	8,442,641	9	0.43	7,385,846	3	1.19
B-CDC Corporation	7,099,163	10	0.36	-		-
Chesapeake Operating LP	-		-	-		-
Burleson Commons LP	-		-	-		-
Plano Pitman LTD	-		-	6,308,244	5	1.01
Albertson, Inc.	-		-	5,668,560	6	0.91
Texas Utilities	-		-	5,010,745	7	0.81
The Covenant Group	-		-	4,435,880	8	0.71
Southtown Ford	-		-	4,077,884	9	0.66
Thomas Conveyor	-		-	3,210,875	10	0.52
Total	<u>\$128,339,383</u>		<u>6.50 %</u>	<u>\$ 67,499,284</u>		<u>10.85 %</u>

Source: Johnson County Appraisal District

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

FISCAL YEAR ENDED 9/30	ACTUAL LEVY YEAR	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE		COLLECTION IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
			FISCAL YEAR OF THE LEVY AMOUNT	PERCENTAGE OF LEVY		AMOUNT	Percent of Levy
2000	1999	\$4,183,607	\$4,109,958	98.24%	\$59,663	\$4,169,621	99.67%
2001	2000	4,581,347	4,455,459	97.25%	112,664	4,568,123	99.71%
2002	2001	5,244,067	5,113,991	97.52%	117,896	5,231,887	99.77%
2003	2002	5,906,464	5,810,967	98.38%	87,450	5,898,417	99.86%
2004	2003	7,031,101	6,899,960	98.13%	121,051	7,021,011	99.86%
2005	2004	7,875,719	7,733,102	98.19%	136,218	7,869,320	99.92%
2006	2005	8,689,092	8,545,958	98.35%	121,652	8,667,610	99.75%
2007	2006	10,113,858	9,905,537	97.94%	177,913	10,083,450	99.70%
2008	2007	11,549,684	11,363,102	98.38%	132,266	11,495,368	99.53%
2009	2008	13,522,795	13,352,281	98.74%	27,034	13,379,315	98.94%

Sources: Johnson County Appraisal District & City Records

**CITY OF BURLESON
RATIO OF OUTSTANDING DEBT BY TYPE (Unaudited)
LAST TEN FISCAL YEARS**

GOVERNMENTAL ACTIVITIES								
Fiscal Year	GENERAL BONDED DEBT			Net General Bonded Debt	Percentage of Actual Property Value (1)	Per Capita (2)	OTHER GOVERNMENTAL DEBT	
	General Obligation Bonds	Certificates of Obligation	Debt Service				Capital Leases	Sales Tax Revenue Bonds
2000	\$ 5,980,000	\$ -	\$ 185,526	\$ 5,794,474	0.88%	\$ 274	\$ 509,716	\$ 3,765,000
2001	9,058,000	-	248,805	8,809,195	1.21%	391	369,362	14,935,000
2002	10,695,000	-	273,659	10,421,341	1.19%	407	256,733	14,465,000
2003	10,043,000	-	280,766	9,762,234	0.99%	365	245,244	13,980,000
2004	9,441,000	-	308,340	9,132,660	0.78%	330	233,473	13,340,000
2005	12,898,000	3,970,000	360,661	16,507,339	1.26%	582	119,466	23,640,000
2006	12,395,000	2,400,000	369,912	14,425,088	0.98%	476	793,889	24,485,000
2007	18,224,000	9,552,280	525,277	27,251,003	1.65%	861	819,836	25,977,720
2008	32,162,000	12,604,160	798,227	43,967,933	2.45%	1,322	549,361	42,295,840
2009	30,162,000	13,096,948	805,575	42,453,373	2.15%	1,236	997,189	40,561,052

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.

(3) Includes general bonded debt, other governmental activities debt, and business-type activities debt.

TABLE 9

BUSINESS-TYPE ACTIVITIES

General Obligation Bonds	Certificates of Obligation	Capital Leases	Water Revenue Bonds	Total Primary Government (3)	Percentage of Personal Income (2)	Per Capita (2)
\$ -	\$ 6,150,000	\$ 12,914	\$9,420,000	\$ 25,652,104	7.77%	\$ 400
-	6,050,000	6,662	15,370,000	45,540,219	10.27%	987
-	5,940,000	-	25,505,000	56,588,074	10.49%	914
-	5,825,000	-	24,685,000	54,497,478	9.55%	831
5,985,000	130,000	-	23,840,000	52,661,133	8.33%	759
5,776,000	-	-	28,330,000	74,372,805	10.96%	1,359
5,431,000	189,908	170,917	27,285,000	72,780,802	8.75%	1,228
5,069,000	11,825,000	422,273	26,335,000	97,699,832	11.24%	1,757
4,716,000	16,015,000	1,157,276	25,035,000	133,736,410	17.01%	2,666
45,420,000	15,510,000	290,239	23,785,000	169,016,853	17.91%	2,417

**CITY OF BURLESON
DIRECT AND OVERLAPPING
PROPERTY TAX LEVIES (Unaudited)
AS OF SEPTEMBER 30, 2009**

TABLE 10

<u>GOVERNMENTAL UNIT</u>	<u>PROPERTY TAX LEVY</u>	<u>ESTIMATED PERCENT APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
City of Burleson	\$ 13,522,795	100.00 %	\$ 13,522,795
Johnson County	42,383,245	21.06	8,925,911
Tarrant County	329,368,255	**	-
Tarrant County Hospital District	284,355,308	**	-
Tarrant County Junior College District	173,071,875	**	-
Crowley ISD	72,271,699	0.01	7,227
Burleson ISD	30,308,039	54.41	16,490,604
Joshua ISD	19,878,471	48.70	<u>9,680,815</u>
Total overlapping property tax levies			<u>\$ 35,104,557</u>
Total direct and overlapping property tax levies			<u>\$ 48,627,352</u>
Per capita direct and overlapping property tax levies			<u>\$ 1,415</u>

Source: State Comptroller's Office
Population: 34,350

**CITY OF BURLESON
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT (Unaudited)
SEPTEMBER 30, 2009**

TABLE 11

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF DIRECT AND OVERLAPPING DEBT</u>
City of Burleson	\$ 42,453,373	100.00 %	\$ 42,453,373
Johnson County	23,584,579	11.85	2,794,773
Tarrant County	321,866,349	0.34	1,094,346
Tarrant County Hospital District	288,100,000	0.34	979,540
Tarrant County Junior College District	42,785,000	0.34	145,469
Crowley ISD	309,934,531	**	-
Burleson ISD	282,752,974	12.69	35,881,352
Joshua ISD	72,690,040	13.46	<u>9,784,079</u>
Total overlapping debt			<u>\$ 50,679,559</u>
Total direct and overlapping debt			<u>\$ 93,132,932</u>
Per capita direct and overlapping debt			<u>\$ 2,711</u>

Source: Municipal Advisory Council of Texas

Population: 34,350

** Less than 0.01%

**CITY OF BURLESON
 PLEDGE - REVENUE BOND COVERAGE (Unaudited)
 LAST TEN FISCAL YEARS**

TABLE 12

Fiscal Year	WATER AND SEWER REVENUE BONDS						
	Gross Revenues(1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	DEBT SERVICE REQUIREMENTS			Coverage
				Principal	Interest and Fiscal Charges	Total	
2000	\$ 6,539,007	\$ 4,930,246	\$ 1,608,761	\$ 470,000	\$ 526,670	\$ 996,670	1.61
2001	6,619,150	5,644,546	974,604	525,000	557,863	1,082,863	0.90
2002	7,504,286	5,621,146	1,883,140	715,000	852,975	1,567,975	1.20
2003	9,005,388	6,510,474	2,494,914	820,000	1,234,966	2,054,966	1.21
2004	9,014,653	6,992,219	2,022,434	845,000	1,178,074	2,023,074	1.00
2005	10,604,450	7,580,641	3,023,809	880,000	1,206,434	2,086,434	1.45
2006	13,324,857	7,561,711	5,763,146	910,000	1,377,052	2,287,052	2.52
2007	12,161,451	7,957,961	4,203,490	1,050,000	1,539,373	2,589,373	1.62
2008	13,573,427	9,031,455	4,541,972	1,555,000	1,829,705	3,384,705	1.34
2009	14,766,975	9,151,084	5,615,891	1,755,000	1,874,106	3,629,106	1.55

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

**CITY OF BURLESON
 DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)
 LAST TEN FISCAL YEARS**

TABLE 13

Fiscal Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Income (2)	Median Age (3)	Education Level In School (4)	Public School Enrollment (5)	Unemployment Rate (5)
2000	21,150	330,215	15,613	34.7	12.5	6,317	3.5 %
2001	22,510	443,537	19,704	35.1	12.5	6,643	4.4
2002	25,575	539,607	21,099	36.0	12.5	6,891	5.7
2003	26,718	570,403	21,349	35.2	12.5	7,290	6.2
2004	27,650	632,300	22,868	34.5	12.5	7,544	5.2
2005	28,350	678,359	23,928	35.0	14.3	8,007	5.7
2006	30,300	832,190	27,465	35.0	14.3	8,569	4.7
2007	31,645	869,130	27,465	34.5	14.3	8,553	3.5
2008	33,250	786,396	23,651	31.9	14.3	9,583	4.6
2009	34,350	943,457	27,466	32.0	14.0	9,834	6.8

- Sources: (1) North Central Texas Council of Governments (prior to 2002);
 City of Burleson 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

**CITY OF BURLESON
 PRINCIPAL EMPLOYERS (Unaudited)
 CURRENT YEAR AND TEN YEARS AGO**

TABLE 14

<u>EMPLOYER</u>	<u>2009</u>			<u>2000</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENT</u>
Burleson Independent School District	1,450	1	22.24 %	625	1	18.12 %
Wal-Mart	616	2	9.45	412	2	11.94
City of Burleson	397	3	6.09	168	6	4.87
KWS Manufacturing	200	4	3.07	--	--	--
Target	150	5	2.30	--	--	--
Trinity Mission Health & Rehab	130	6	1.99	--	--	--
Lowe's Company	120	7	1.84	--	--	--
Lynn Smith Chevrolet	110	8	1.69	--	--	--
Car Transport Inc	110	9	1.69	--	--	--
Home Depot	105	10	1.61	--	--	--
Albertson's	--	--	--	150	7	4.35
Thomas Conveyor	--	--	--	210	3	6.09
Burley Fence and Hardware	--	--	--	--	--	--
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>3,388</u>		<u>51.97 %</u>	<u>2,294</u>		<u>66.49 %</u>

CITY OF BURLESON
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM (Unaudited)
LAST TEN FISCAL YEARS

TABLE 15

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government and Administration										
City council	7	7	7	7	7	7	7	7	7	7
City manager's office	4	4	6	6	8	6	6	5	6	6
City secretary's office	1	1	2	2	2	2	2	1	2	2
Administrative services	3	3	2	2	1	2	2	2	-	-
Records management	1	1	1	1	1	1	1	1	1	1
Information technology	2	2	2	2	2	2	3	4	4	5
Economic development	2	2	1	1	1	1	1	1	1	-
Human resources	3	3	3	3	3	3	3	3	3	4
Public Information Officer	-	-	-	-	-	-	-	-	1	1
Finance	6	6	6	6	6	6	6	8	8	9
Purchasing	-	-	-	-	1	1	1	1	1	1
Municipal court	3.5	3.5	3.5	3.5	4	4	5	5	6	8
Public Safety										
Police	55	56	56	61	61	65	70	74	76	76
Fire	47	47	47	51	51	51	55	28	34	34
Fire prevention	3	3	3	3	3	1	2	3	3	2
Public Works										
Public works administration	3	3	3	4	4	5	5	5	5	5
Street maintenance	15	15	15	15	15	15	17	18	18	21
Neighborhood services	-	-	-	-	-	-	-	1	1	1
Animal services	2	2	2	3	3	3	4	4	5	5
Environmental services	-	-	-	-	-	-	-	1	1	1
Facility maintenance	4	4	4	5	5	6	7	7	7	7
Building code enforcement	5	5	5	5	6	8	8	8	9	7
Community development	2	2	2	3	3	3	4	4	3	8
Engineering	5	5	5	8	8	8	10	10	11	8
Culture & Recreation										
Library	9	9	8.5	10.5	14	14	14	14	16	16
Parks & recreation administration	3	3	3	3	4	3	3	3	3	3
Recreation	3.5	3.5	4	4	6	6	6	5	6	6
Park maintenance	10	12	10	10	12	12	14	14	14	14
Senior citizens center	1	1	1	1	1	1	1	1	1	1
Municipal pool	10	10	13	13	12	12	12	12	12	12
Enterprise Operations and Administration										
Water/Wastewater										
Water & sewer services	18	18	19	19	19	17	18	19	23	17
Utility billing	7	7	6	6	6	6	6	8	8	8
Hidden Creek Golf Course										
Golf course administration	-	-	-	2	2	2	2	2	2	2
Golf course club house & pro shop	-	-	-	9.5	11	11	11	11	9	9
Golf course maintenance	-	-	-	9.5	9	9	9	9	9	9
Golf course food & beverage	-	-	-	5	8	8	7	7	7	8
Solid Waste	15.5	15.5	15.5	15.5	17	19	19	20	26	5
Internal Service Operations										
Equipment services	5	5	6	6	6	6	6	6	6	6
Total	256	259	262	306	322	326	347	332	355	335

Source: City of Burleson Human Resources Department

CITY OF BURLESON
SCHEDULE OF INSURANCE POLICIES IN FORCE (Unaudited)
AS OF SEPTEMBER 30, 2009

TABLE 16

	AM Best Rating	Policy Number	Policy Period	Coverage	Deductibles	Liability Limits
Texas Municipal League Intergovernmental Risk Pool	A++	3511	10/1/2009	General Liability	0	\$1,000,000
			10/1/2009	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	9/27/2009 9/27/2009	Fidelity Bond for Finance Director	2,500	250,000
		61BSBEE7411	9/5/2009 9/5/2009	Fidelity Bond for Finance Director	2,500	250,000

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

**CITY OF BURLESON
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
AS OF SEPTEMBER 30, 2009 (UNAUDITED)**

TABLE 17

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Police										
Number of employees	55	56	56	61	61	65	70	71	76	81
Total calls	40,462	43,221	45,144	46,237	47,323	48,824	50,000	54,726	58,434	55,000
Arrests	1,459	1,738	1,614	1,546	1,415	1,432	1,500	1,672	1,672	1,675
Traffic enforcement	10,526	10,548	12,204	13,558	12,712	11,338	12,000	14,000	14,000	14,000
Fire										
Number of employees	47	47	47	51	51	51	55	40	46	46
Number of calls for service	2,014	2,195	2,109	2,345	2,518	2,614	2,700	3,300	3,148	3,300
Inspections	356	308	424	312	222	250	530	650	725	725
Public Works										
Facility repairs	402	425	437	468	444	497	560	405	435	400
Preventive Maintenance Hours	400	695	1,000	1,100	1,100	1,300	1,400	1,400	1,400	1,400
Animal Control										
Animals Adopted	285	304	299	250	250	400	450	500	550	700
Animals Impounded	1,322	1,825	1,794	1,400	1,400	2,000	2,000	2,485	2,900	2,900
Environmental Health										
Permits	123	138	168	71	162	165	-	-	-	-
Inspections	225	254	255	279	285	3	-	-	-	-
Community Development										
Permits Issued	2,578	3,240	3,743	3,999	7,341	4,048	8,075	9,922	6,994	6,316
Inspections Made	11,055	8,857	14,007	17,112	17,477	17,886	19,280	23,186	21,199	12,444
Culture and Recreation										
Recreation										
Special Event Participants	18,000	20,000	22,000	19,800	23,000	25,750	24,650	25,000	25,000	32,565
Swim Lesson Participants	280	340	322	256	323	300	300	480	470	415
Swim Programs	32	52	52	45	45	45	45	70	70	40
Senior Citizen Participants	22,155	22,155	25,123	25,452	25,006	26,345	27,000	28,050	28,891	31,000
Senior Van Riders	N/A	N/A	N/A	389	1,320	1,400	1,500	1,320	1,054	550
Library										
Books in Collection	33,840	36,499	39,899	42,997	47,572	55,000	51,012	56,075	58,425	64,800
Materials borrowed	127,321	170,673	155,000	160,000	180,047	185,483	225,000	209,576	233,669	313,762
Water and Sewer										
Number of water customers	7,655	7,968	8,460	9,042	9,620	10,265	10,962	11,440	12,000	12,157
Number of sewer connections	7,345	7,881	8,303	8,791	9,515	10,153	10,870	11,503	12,074	11,250
Gas Well										
Number of Permits	-	-	-	-	-	-	-	-	-	56
Number of Pad Site Inspections	-	-	-	-	-	-	-	-	-	2464

CITY OF BURLESON
MISCELLANEOUS STATISTICS (Unaudited)
AS OF SEPTEMBER 30, 2009

		2000	2001	2002	2003
Date of incorporation	May 12, 1912				
Date of charter	April 5, 1989				
Form of government	Council/Manager				
Area incorporated (square miles)		21.97	21.97	21.81	23.11
Education:					
Attendance centers		10	10	11	11
Number of teachers		445	459	452	438
Number of students		6,317	6,643	6,891	7,290
Miles of streets		107.25	94.20	103.71	113.37
Miles of sewers:					
Sanitary sewers		91.66	97.16	107.21	116.78
Storm sewers		8.85	9.91	14.07	16.56
Culture and recreation:					
Parks - number of acres		168	171	179	192
Number of municipal pools		1	1	1	1
Number of lighted ball diamonds		12	12	12	12
Number of community centers		1	1	1	1
Number of tennis courts		2	2	2	0
Municipal water system:					
Number of water customers		7,655	7,968	8,742	9,042
Daily average consumption (gallons)		2,706,687	2,511,192	2,568,652	2,800,838
System capacity (gallons per day)		7,000,000	7,000,000	8,840,000	10,500,000
Miles of water mains		103.57	109.46	122.07	130.48
Number of fire hydrants		573	608	723	788
Municipal sewer system:					
Number of sewer connections		7,345	7,781	8,303	8,791
System capacity (gallons per day)		7,000,000	7,000,000	9,380,000	9,380,000
Number of street lights		829	829	878	870
City employees:					
Full-time		192	195	221	236
Part-time		15	18	25	30
Temporary		15	14	27	20

Source: Various City Departments

TABLE 18

2004	2005	2006	2007	2008	2009
23.17	23.31	23.31	24.36	26.34	26.04
11	11	11	11	11	14
438	600	531	586	595	640
7,290	8,007	8,527	8,999	9,583	9,834
115.64	128.00	137.00	137.00	140.00	200.00
119.77	133.00	143.00	154.00	158.00	182.00
16.56	21.00	23.00	28.00	30.00	32.82
192	198	262	248	358	334
1	1	1	1	1	1
12	12	12	12	12	12
1	1	1	1	1	1
2	2	2	2	2	5
9,515	10,265	10,265	11,440	12,000	12,157
2,647,600	3,167,502	4,100,620	3,237,941	3,915,426	4,443,470
12,200,000	12,200,000	14,550,000	14,550,000	14,550,000	14,550,000
133.01	145.00	153.00	153.00	159.00	175.00
811	942	1002	1002	1064	1200
9,515	10,153	10,870	11,503	12,074	11,250
9,840,000	9,840,000	11,890,000	11,890,000	11,890,000	11,890,000
923	985	1171	1255	1297	1357
243	263	263	263	301	397
29	30	30	30	29	21
19	19	19	19	19	4

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