



CITY OF BURLESON TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR END
SEPTEMBER 30, 2013

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CITY OF BURLESON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2013

CITY OFFICIALS

Kenneth Shetter
Mayor

Stuart Gillaspie	Mayor Pro Tem
Rick Green	Councilmember
Jerry Allen	Councilmember
Matt Aiken	Councilmember
Dan McClendon	Councilmember
Ronnie Johnson	Councilmember

Dale Cheatham
City Manager

Paul Cain
Deputy City Manager

Rhett Clark
Director of Finance

Prepared by: Finance Department



CITY OF BURLESON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2013

Table of Contents

	Exhibit	Page(s)
INTRODUCTORY SECTION		
Transmittal Letter		v-vii
Certificate of Achievement		ix
Organizational Chart		x
List of Principal Officials		xi
FINANCIAL SECTION		
Independent Auditors' Report		1-2
Management's Discussion and Analysis (Unaudited)		3-10
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A-1	11
Statement of Activities	A-2	12-13
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	14-15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	B-2	17
Statement of Revenues, Expenditures, and Changes in Fund Balances	B-3	18-19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-4	21
Proprietary Funds:		
Statement of Net Position	C-1	22-23
Statement of Revenues, Expenses, and Changes in Fund Net Position	C-2	24-25
Statement of Cash Flows	C-3	26
Notes to Basic Financial Statements		27-55

CITY OF BURLESON, TEXAS

Table of Contents, Continued

	Exhibit	Page(s)
Required Supplementary Information (Unaudited):		
Budgetary Comparison Schedules:		
General Fund	D-1	57-58
Major Special Revenue Funds	D-2	60-61
TMRS Analysis of Funding Progress	D-3	62
Notes to Required Supplementary Information		63
Other Supplementary Information (Unaudited):		
Description of Non-major Governmental Funds		65
Non-major Governmental Funds:		
Combining Balance Sheet	E-1	66-67
in Fund Balances	E-2	68-69
Budgetary Comparison Schedule – Debt Service Funds	E-3	70-71
Budgetary Comparison Schedule – Other Governmental Funds	E-4	72
Description of Internal Service Funds		73
Internal Service Funds (Unaudited):		
Combining Statement of Net Position	F-1	74
Combining Statement of Revenues, Expenses, and Changes		
in Fund Net Position	F-2	75
Combining Statement of Cash Flows	F-3	76
STATISTICAL SECTION (Unaudited)		
Statistical Section Index		77
Net Position by Component – Last Nine Fiscal Years	1	78-79
Change in Net Position – Last Nine Fiscal Years	2	80-81
Fund Balances – Governmental Funds – Last Nine Fiscal Years	3	82-83
Changes in Fund Balances – Governmental Funds – Last Nine Fiscal Years	4	84-85
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	5	86-87
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	6	88-89
Principal Property Tax Payers – Current and Ten Years Ago	7	90
Property Tax Levies and Collections – Last Ten Fiscal Years	8	91

CITY OF BURLESON, TEXAS

Table of Contents, Continued

	Exhibit	Page(s)
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	9	92-93
Net General Bonded Debt Outstanding – Last Ten Fiscal Years	10	94-95
Computation of Direct and Overlapping Governmental Activities Debt – September 30, 2013	11	97
Pledged Revenue Bond Coverage – Water and Sewer – Last Ten Fiscal Years	12	98-99
Demographic Statistics –Last Ten Fiscal Years	13	100
Principal Employers – Last Ten Fiscal Years	14	101
Full Time Equipment City Government Employees by Function/Program Last Ten Fiscal Years	15	102
Schedule of Insurance Policies in Force – September 30, 2013	16	103
Operating Indicators by Function/Program –Last Ten Fiscal Years	17	105
Miscellaneous Statistics - September 30, 2013	18	106-107

February 4, 2014

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, 2013. 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, of which there are three. The Burleson Community Services Development Corporation, the Burleson 4A Economic Development Corporation, and Tax Increment Finance Reinvestment Zone Number Two 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, State Highway 174, and the Chisolm Trail Tollway. Economically, this region is ranked as one of the most robust in Texas, a state that in recent years has trended well ahead of the national economy. Local measures of business activity have recovered and

surpassed peak levels. The City is currently experiencing its largest expansion of business with more than \$50 million in new facilities under construction and more than \$45 million in the development pipeline.

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 2.5 times the area contained within the corporate city limits. Combined, Burleson's city limit and ETJ include more than 28,000 undeveloped acres.

Once largely agricultural, these areas have developed into a form of semi-urban, residential use. With vibrant retail destinations and commercial development, 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 39,000 belies the true size of the community's economy. The combination of highway accessibility and more than 295,000 people located within a 15 minute drive-time create a community with a strong and growing 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. Pattillo, Brown and Hill, LLP was selected by the City Council to perform the annual audit.

AWARDS

For the year ended September 30, 2012, 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". The signature is stylized and written in a cursive-like font.

Rhett Clark, CPA
Director of Finance

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Government Finance Officers Association

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for Excellence
in Financial
Reporting**

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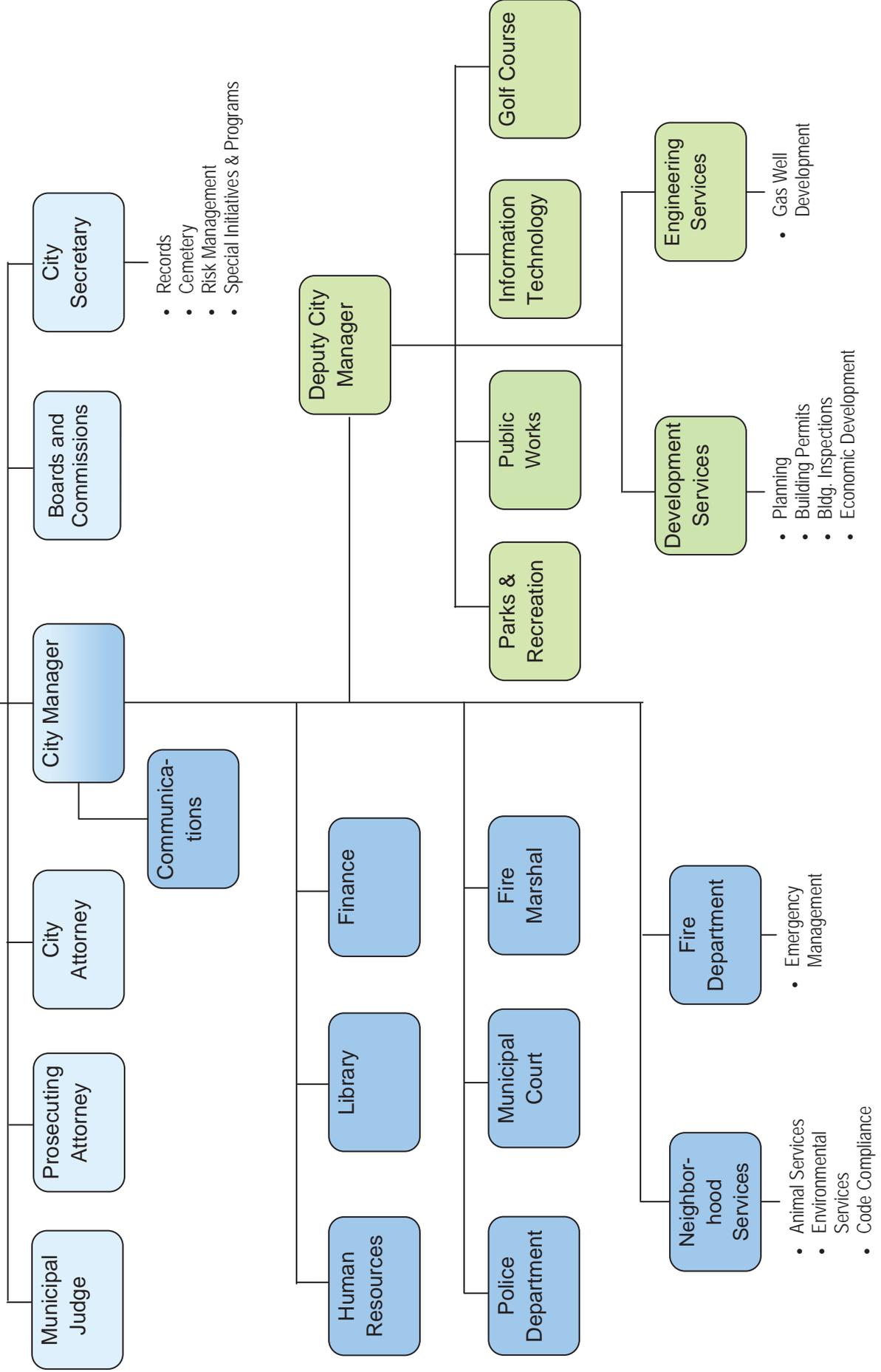
**City of Burleson
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

City Council



CITY OF BURLESON, TEXAS

List of Principal Officials

September 30, 2013

Elected Officials

Mayor	Kenneth Shetter
Mayor Pro-Tem	Stuart Gillaspie
Councilmember	Rick Green
Councilmember	Jerry Allen
Councilmember	Matt Aiken
Councilmember	Dan McClendon
Councilmember	Ronnie Johnson

City Officials

City Manager	Dale Cheatham
Deputy City Manager	Paul Cain
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	Rodney Bland
Director of Information Technology	Mark Eder
Director of Community Development	Kevin Lasher
Director of Economic Development	Bradley Ford
Director of Public Works	Aaron Russell
Director of Engineering Services	Laura Melton
Director of Golf	David White

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City of Burleson, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the analysis of funding progress and budgetary comparison information on pages 3 through 10 and 57 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burleson, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2014, on our consideration of the City of Burleson, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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* in considering City of Burleson, Texas' internal control over financial reporting and compliance.

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

February 4, 2014

CITY OF BURLESON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED SEPTEMBER 30, 2013
(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, 2013. 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 \$193,289,195 (net position). Of this amount, \$25,119,673 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$10,464,213 due primarily to the contribution of assets from developers.
- As of the close of the current fiscal year, unassigned fund balance for the general fund was \$8,841,408 or 33.2% of total general fund expenditures.
- The City's total debt decreased by \$467,815 (.35%) during the current fiscal year. The decrease represents the net effect of scheduled debt retirement and the issuance of \$6,780,000 combination tax and revenue certificates of obligation.

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 comprise 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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 seventeen 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, BCSDC special revenue fund, 4A Corporation special revenue fund, parks performance fund, bond supported capital projects fund, mineral lease funded capital projects fund, and general debt service fund, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major 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 non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position 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 \$193,289,195 as of September 30, 2013.

The largest portion of the City's net position (80.0%) 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 position (7.0%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net position (13.0%) may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF BURLESON, TEXAS – NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current & other assets	\$ 44,130,040	\$ 50,308,765	\$ 34,056,707	\$ 31,098,032	\$ 78,186,747	\$ 81,406,797
Capital assets	167,326,060	167,810,510	76,834,982	83,906,754	244,161,042	251,717,264
Total assets	211,456,100	218,119,275	110,891,689	115,004,786	322,347,789	333,124,061
Noncurrent liabilities – due in more than one year	78,049,381	78,691,138	46,261,945	45,576,980	124,311,326	124,268,118
Other liabilities	10,170,697	9,708,695	5,040,784	5,858,053	15,211,481	15,566,748
Total liabilities	88,220,078	88,399,833	51,302,729	51,435,033	139,522,807	139,834,866
Net position:						
Net investment in capital asset	96,854,973	101,280,575	45,090,529	53,375,788	141,945,502	154,656,363
Restricted	9,129,987	10,262,236	4,081,263	3,250,923	13,211,250	13,513,159
Unrestricted	17,251,062	18,176,631	10,417,168	6,943,042	27,668,230	25,119,673
Total net position	\$ 123,236,022	\$ 129,719,442	\$ 59,588,960	\$ 63,569,753	\$ 182,824,982	\$ 193,289,195

The following table provides a summary of the City's operations for the year ended September 30, 2013. Governmental activities increased the City's net position by \$6,483,420. Business-type activities increased the City's net position by \$3,980,793.

Overall 2013 fiscal year expenses increased 3.8%. The bulk of this increase was created by an across-the-board 3% salary increase.

CITY OF BURLESON, TEXAS – CHANGES IN NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2013	2012	2013	2012	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 7,799,247	\$ 8,127,467	\$ 18,442,552	\$ 19,788,547	\$ 26,241,799	\$ 27,916,014
Operating grants and contributions	721,596	603,962	364,359	561,332	1,085,955	1,165,294
Capital grants and contributions	2,624,666	3,769,399	1,800,117	2,976,121	4,424,783	6,745,520
General Revenues:						
Taxes:						
Property taxes levied for general purposes	15,414,948	15,853,216	-	-	15,414,948	15,853,216
Tax Increment Financing	199,229	254,600	-	-	199,229	254,600
Sales and use taxes	14,818,398	14,110,028	-	-	14,818,398	14,110,028
Hotel / motel taxes	146,202	146,986	-	-	146,202	146,986
Franchise fees	2,760,074	2,659,237	-	-	2,760,074	2,659,237
Investment income	105,892	536,572	48,613	38,714	154,505	575,286
Total revenues	44,590,252	46,061,467	20,655,641	23,364,714	65,245,893	69,426,181
Expenses						
General government	4,579,709	4,779,683	-	-	4,579,709	4,779,683
Public safety	13,755,003	14,505,108	-	-	13,755,003	14,505,108
Public works	9,400,406	9,476,476	-	-	9,400,406	9,476,476
Community development	1,443,045	1,534,915	-	-	1,443,045	1,534,915
Culture and recreation	6,050,849	6,148,475	-	-	6,050,849	6,148,475
Interest and other fees	3,490,537	3,256,327	-	-	3,490,537	3,256,327
Water & wastewater	-	-	13,858,927	14,553,979	13,858,927	14,553,979
Hidden Creek Golf course	-	-	1,774,465	2,100,255	1,774,465	2,100,255
Solid Waste	-	-	2,451,503	2,595,756	2,451,503	2,595,756
Cemetery	-	-	17,743	10,994	17,743	10,994
Total expenses	38,719,549	39,700,984	18,102,638	19,260,984	56,822,187	58,961,968
Change in net assets						
before transfers	5,870,703	6,360,483	2,553,003	4,103,730	8,423,706	10,464,213
Transfers	(263,167)	122,937	263,167	(122,937)	-	-
Change in net position	5,607,536	6,483,420	2,816,170	3,980,793	8,423,706	10,464,213
Net position - beginning	118,866,309	123,236,022	56,292,448	59,588,960	175,158,757	182,824,982
Prior period adjustment	(1,237,823)		480,342		(757,481)	-
Net position - ending	\$ 123,236,022	\$ 129,719,442	\$ 59,588,960	\$ 63,569,753	\$ 182,824,982	\$ 193,289,195

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.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,825,242. Seventy-nine percent or \$33,983,834 of this total is not available for spending because it is classified as non-spendable (1) for prepaid items \$54,069; restricted for (2) debt service \$2,704,260, (3) economic development \$7,074,668, and (4) tourism \$483,308; committed for (5) culture and recreation \$723,587, (6) economic development \$140,743, (7) capital projects \$19,994,818, (8) debt service \$1,214,824 and (9) encumbrances \$718,732; and as assigned for risk management \$874,825. Approximately 20.6% of the combined ending fund balance or \$8,841,408 constitutes unassigned fund balance.

Of the \$42,825,242 ending fund balance, \$6,341,482 is accounted for in non-major governmental funds. The General Fund balance is \$11,192,558 at year end – an increase of \$662,117. This increase was created primarily by lower than expected expenditures. Another major contributor was license and permit revenue which exceeded expectations by nearly \$175,000. The Burleson Community Services Development Corporation (BCSDC) fund balance increased \$85,477 to \$2,150,537 at year end. This increase is primarily the result of continuing sales tax revenue outpacing debt service and capital project needs. The Burleson 4A Economic Development (4A Corp) fund balance increased \$668,519 to a year-end total of \$4,280,315. This increase is due primarily to revenues from the sale of land in the business park. In addition, the loan payable to the equipment replacement fund decreased by about \$322,779. The sale of \$4,620,000 reduced by continued construction work during the period increased fund balances in the Bond Funded Capital Projects fund by \$3,498,031 finishing the year at \$13,248,632. The Mineral Lease Capital Project fund balance decreased \$209,498 to \$4,041,079. This decrease represents the degree to which capital project and debt service supplements exceeded current mineral income. The Parks Performance fund balance increased by \$184,346, end of the year fund balance for this fund was \$723,887. This increase represents the excess of revenues over expenditures after the BCSDC and general fund subsidy to the Parks Performance fund. General Debt Service Fund balance increased \$26,845 to \$846,752. This increase represents tax revenues in excess of debt service requirements.

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

Year-end net position in the water and wastewater fund amounted to \$60,360,352, and that of Hidden Creek Golf Course totaled (\$649,179). Net position in the water and wastewater fund increased \$4,016,655, and Hidden Creek Golf Course net position decreased \$173,356. About 75% of the increase in the water and wastewater fund's net position is the result of capital contributions. The remaining increase is primarily the result of conservative budgeting and healthy sales. Hidden Creek has targeted a level of operations under which operating revenues plus an annually declining subsidy from the Burleson Community Services Development Corporation offset operating expenditures on a budgetary basis, (depreciation expense is consequently not included in this calculation). Fiscal year 2013 represents a bump in this road which will hopefully lead to faster realization of our goals. Major renovations completed at the end of fiscal year 2012 necessitated "cart path only" play for much of fiscal year 2013. This slowed the pace of play, and thus reduced the number of rounds played with no off-setting reduction in expenses resulting in the \$173,356 decline in net position. The goal of the renovations, though should allow the course to handle more rounds in the future, and rates have already been increased. The existing deficit in this fund is primarily 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 position of \$282,767. This represents a decrease of \$66,204. This decrease is due primarily to the transfer of funds to the general fund to complete the plan of transition to a privatized service.

General Fund Budgetary Highlights – The City’s revenue projections were increased about \$851,956 or 3.3%) when compared with the original budget. The budget for miscellaneous revenue was increased by about \$918,000 to account for insurance claims.

Total actual revenue collections exceeded the revised estimates by about \$416,000, or about 1.5% of the revised estimate.

The general fund’s final revised expenditure budget was about \$1,328,000 greater than the figure originally adopted, (an increase of about 4.8%).

Measured on a GAAP basis, actual year-end expenditures totaled about \$1,888,000 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 \$261,000 legally encumbered in non-departmental is not reported as an expenditure on a GAAP basis. 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, 2013 amounts to \$251,147,313 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment and roads. Major capital asset events during the current fiscal year included the following:

- Construction costs related to arterial roads amounted to approximately \$1,153,000.
- Construction and right-of-way costs related to construction of water infrastructure amounted to approximately \$3,448,000.
- Construction and right-of-way costs related to construction of sanitary sewer lines amounted to approximately \$679,000.
- Cost of purchasing land and buildings to be used as City facilities amounted to \$1,225,000.
- Approximately \$939,000 of water lines were donated by developers.
- Approximately \$1,946,000 of sewer lines were donated by developers.
- Streets and sidewalks worth approximately \$587,000 were donated by developers.

Additional information on the City’s capital assets can be found in Note 4 in the notes to basic financial statements.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had total bonded debt issues of \$126,510,000. Of this amount, \$48,300,000 comprises bonded debt backed solely by the full faith and credit of the government, \$59,705,000 represent bonds secured by a combination of property taxes and a limited pledge of other revenues, \$5,765,000 represents bonds secured solely by sales tax revenues, and \$12,740,000 secured by revenues generated from the City’s water and wastewater utility. Of the total general obligation outstanding debt of \$48,300,000, \$9,830,000 is to be repaid with revenue generated from the City’s water and wastewater utility and \$6,092,000 is to be repaid with revenue generated from sales tax. Additional information on the City’s outstanding debt can be found in Note 8 in the notes to basic financial statements.

Outstanding Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
General obligation bonds	\$ 36,836,000	\$ 34,692,000	\$ 14,499,000	\$ 13,608,000	\$ 51,335,000	\$ 48,300,000
Certificate of obligation bonds	35,220,000	37,925,000	20,555,000	21,780,000	55,775,000	59,705,000
Utility system revenue bonds	-	-	13,660,000	12,740,000	13,660,000	12,740,000
Sales tax revenue bonds	6,725,000	5,765,000	-	-	6,725,000	5,765,000
	<u>\$ 78,781,000</u>	<u>\$ 78,382,000</u>	<u>\$ 48,714,000</u>	<u>\$ 48,128,000</u>	<u>\$ 127,495,000</u>	<u>\$ 126,510,000</u>

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

	Moody's Investors Service	Standard & Poor's	Fitch
General obligation bonds	Aa3	AA-	AA-
Water & wastewater revenue bonds	A1	AA-	AA-
4A sales tax revenue bonds	NA	AA-	NA
4B sales tax revenue bonds	NA	AA-	NA

During the year, the City issued \$6,780,000 in combination tax and revenue certificates of obligation. These were issued for the purpose of constructing arterial roadways and for improving and expanding the City's water and wastewater systems. These bonds are labeled in the notes under governmental activities as Certificates of Obligation, 2013 Tax and Revenue (\$4,620,000), and business type activities as Certificates of Obligation, 2013 Tax and Revenue (\$2,160,000).

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the fiscal year 2014 budget, general fund revenues and transfers-in are budgeted to increase by about 2% from the fiscal year 2013 final budget. Sales tax revenues are budgeted to increase by about \$228,000 and franchise fees are anticipated to increase about \$49,000. General fund expenditures are budgeted to increase by about 2% from the prior year totals, or a total of about \$570,000.

Projected results should retain unassigned fund balance in the General Fund to a level above the City's policy target, i.e. an amount equal to at least 20% of annual 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.

City of Burleson, Texas
Statement of Net Position
September 30, 2013

A-1

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
<u>Current Assets</u>			
Cash and investments	\$ 45,339,518	\$ 5,119,823	\$ 50,459,341
Receivables, net:			
Taxes	53,795	-	53,795
Accounts and other	3,338,361	2,410,496	5,748,857
Inventories	3,888	310,790	314,678
Accrued interest	94,900	12,815	107,715
Deferred charges	1,314,643	-	1,314,643
Internal balances	163,660	(163,660)	-
Total current assets	<u>50,308,765</u>	<u>7,690,264</u>	<u>57,999,029</u>
Reserved cash and investments	-	21,224,958	21,224,958
Reserved accrued interest	-	7,417	7,417
Other assets	-	2,175,393	2,175,393
Capital assets			
Nondepreciable	33,771,984	11,150,755	44,922,739
Depreciable, net of depreciation	133,984,142	72,240,432	206,224,574
Other assets	54,384	515,567	569,951
Total noncurrent assets	<u>167,810,510</u>	<u>107,314,522</u>	<u>275,125,032</u>
TOTAL ASSETS	<u>218,119,275</u>	<u>115,004,786</u>	<u>333,124,061</u>
LIABILITIES			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	3,073,631	1,882,993	4,956,624
Accrued interest payable	285,883	169,482	455,365
Deposits	-	599,578	599,578
Current portion of:			
Long-term debt	4,534,001	2,981,000	7,515,001
Obligations under capital lease	141,314	62,549	203,863
Liability for compensated absences	1,673,866	162,451	1,836,317
Total current liabilities	<u>9,708,695</u>	<u>5,858,053</u>	<u>15,566,748</u>
<u>Noncurrent Liabilities</u>			
Long-term debt	74,481,575	45,112,442	119,594,017
Obligations under capital lease	621,677	108,552	730,229
Liability for compensated absences	2,151,123	185,657	2,336,780
Net pension obligation	1,074,577	128,731	1,203,308
Other post-employment benefits	362,186	41,598	403,784
Total noncurrent liabilities	<u>78,691,138</u>	<u>45,576,980</u>	<u>124,268,118</u>
TOTAL LIABILITIES	<u>88,399,833</u>	<u>51,435,033</u>	<u>139,834,866</u>
NET POSITION			
Net investment in capital assets	101,280,575	53,375,788	154,656,363
Restricted for:			
Debt service	2,704,260	3,250,923	5,955,183
Economic development/tourism	7,557,976	-	7,557,976
Unrestricted	18,176,631	6,943,042	25,119,673
TOTAL NET POSITION	<u>\$ 129,719,442</u>	<u>\$ 63,569,753</u>	<u>\$ 193,289,195</u>

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

City of Burleson, Texas
Statement of Activities
September 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 4,779,683	\$ 2,495,684	\$ 71,202	\$ -
Public safety	14,505,108	901,161	494,465	-
Public works	9,476,476	132,674	-	3,556,547
Community development	1,534,915	1,375,884	37,343	-
Culture and recreation	6,148,475	3,222,064	952	212,852
Interest and other fees	3,256,327	-	-	-
Total governmental activities	<u>39,700,984</u>	<u>8,127,467</u>	<u>603,962</u>	<u>3,769,399</u>
Business-type activities:				
Water and wastewater	14,553,979	15,618,752	561,332	2,976,121
Hidden Creek Golf Course	2,100,255	1,330,188	-	-
Solid waste	2,595,756	2,774,381	-	-
Cemetery	10,994	65,226	-	-
Total business-type activities	<u>19,260,984</u>	<u>19,788,547</u>	<u>561,332</u>	<u>2,976,121</u>
Total primary government	<u>\$ 58,961,968</u>	<u>\$ 27,916,014</u>	<u>\$ 1,165,294</u>	<u>\$ 6,745,520</u>

General revenues:

Taxes:

Property taxes

Tax increment financing

Sales taxes

Hotel/motel taxes

Franchise fees based on gross receipts

Unrestricted investment earnings

Transfers between governmental and business-type activities

Total general revenues and transfers

Change in net position

Net position-beginning

Net position-ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,212,797)	\$ -	\$ (2,212,797)
(13,109,482)	-	(13,109,482)
(5,787,255)	-	(5,787,255)
(121,688)	-	(121,688)
(2,712,607)	-	(2,712,607)
(3,256,327)	-	(3,256,327)
<u>(27,200,156)</u>	<u>-</u>	<u>(27,200,156)</u>
-	4,602,226	4,602,226
-	(770,067)	(770,067)
-	178,625	178,625
-	54,232	54,232
<u>-</u>	<u>4,065,016</u>	<u>4,065,016</u>
<u>(27,200,156)</u>	<u>4,065,016</u>	<u>(23,135,140)</u>
15,853,216	-	15,853,216
254,600	-	254,600
14,110,028	-	14,110,028
146,986	-	146,986
2,659,237	-	2,659,237
536,572	38,714	575,286
122,937	(122,937)	-
<u>33,683,576</u>	<u>(84,223)</u>	<u>33,599,353</u>
6,483,420	3,980,793	10,464,213
123,236,022	59,588,960	182,824,982
<u>\$ 129,719,442</u>	<u>\$ 63,569,753</u>	<u>\$ 193,289,195</u>

City of Burleson, Texas
Balance Sheet
Governmental Funds
September 30, 2013

	Major Funds			
	General	BCSDC Special Revenue	4A Corp Special Revenue	Parks Performance Fund
ASSETS				
Cash and investments	\$ 10,904,515	\$ 1,565,605	\$ 3,701,429	\$ 879,556
Receivables:				
Delinquent taxes, net	21,693	-	-	-
Accounts receivable	913,190	-	-	16,570
Due from other funds	10,177	-	-	-
Due from other governmental units	1,148,944	584,036	593,737	-
Accrued interest	46,041	896	522	1,699
Other assets	54,084	-	-	4,186
Total Assets	\$ 13,098,644	\$ 2,150,537	\$ 4,295,688	\$ 902,011
LIABILITIES				
Vouchers payable	451,199	-	4,928	94,106
Accrued liabilities	1,108,170	-	10,445	84,018
Due to other funds	-	-	-	-
Deferred revenue	346,717	-	-	-
Total Liabilities	1,906,086	-	15,373	178,124
FUND BALANCES				
Nonspendable:				
Prepaid items	53,769	-	-	300
Restricted for:				
Debt service	-	-	-	-
Economic development	-	2,150,537	4,280,315	-
Tourism	-	-	-	-
Committed for:				
Culture and recreation	-	-	-	723,587
Economic development	-	-	-	-
Capital projects	-	-	-	-
Debt service	703,824	-	-	-
Other purposes	718,732	-	-	-
Assigned to:				
Risk management	874,825	-	-	-
Unassigned	8,841,408	-	-	-
Total Fund Balances	11,192,558	2,150,537	4,280,315	723,887
Total Liabilities and Fund Balances	\$ 13,098,644	\$ 2,150,537	\$ 4,295,688	\$ 902,011

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

Major Funds				
Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	General Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 13,238,191	\$ 4,025,177	\$ 814,650	\$ 7,825,500	\$ 42,954,623
-	-	32,102	41,993	95,788
-	-	-	-	929,760
-	-	-	-	10,177
-	-	-	83,673	2,410,390
10,441	15,911	-	11,885	87,395
-	-	-	-	58,270
<u>\$ 13,248,632</u>	<u>\$ 4,041,088</u>	<u>\$ 846,752</u>	<u>\$ 7,963,051</u>	<u>\$ 46,546,403</u>
-	9	-	660,004	1,210,246
-	-	-	951,388	2,154,021
-	-	-	10,177	10,177
-	-	-	-	346,717
<u>-</u>	<u>9</u>	<u>-</u>	<u>1,621,569</u>	<u>3,721,161</u>
-	-	-	-	54,069
-	-	846,752	1,857,508	2,704,260
-	-	-	643,816	7,074,668
-	-	-	483,308	483,308
-	-	-	-	723,587
-	-	-	140,743	140,743
13,248,632	3,530,079	-	3,216,107	19,994,818
-	511,000	-	-	1,214,824
-	-	-	-	718,732
-	-	-	-	874,825
-	-	-	-	8,841,408
<u>13,248,632</u>	<u>4,041,079</u>	<u>846,752</u>	<u>6,341,482</u>	<u>42,825,242</u>
<u>\$ 13,248,632</u>	<u>\$ 4,041,088</u>	<u>\$ 846,752</u>	<u>\$ 7,963,051</u>	<u>\$ 46,546,403</u>

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City of Burleson, Texas
Statement of Net Position
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2013

B-2

Total fund balances - governmental funds **\$ 42,825,242**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. 164,293,198

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. 1,314,643

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 Position but are not included at the fund level. 5,797,695

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. 346,717

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	79,015,577	
Obligation under capital lease (net of internal service fund amount - \$12,764)	750,227	
Accrued interest	325,101	
Compensated absences (net of internal service fund amount - \$173,455)	3,390,220	
Net pension obligation	1,032,554	
Other post-employment benefits	344,374	
Combined adjustment		<u>(84,858,053)</u>

Total net position - governmental activities **\$ 129,719,442**

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, 2013

	Major Funds		
	General	BCSDC Special Revenue	4A Corp Special Revenue
REVENUES			
Property taxes	\$ 12,201,037	\$ -	\$ -
Sales taxes	6,744,507	3,450,473	3,510,101
Franchise fees	2,714,231	-	-
Licenses and permits	1,147,361	-	-
Intergovernmental revenue	178,865	-	-
Fines and forfeitures	790,079	-	-
Donations	-	-	-
Charges for service	1,172,429	-	-
Interest income	38,250	2,535	3,714
Mineral lease revenue	-	239,622	-
Street assessments	-	-	-
Miscellaneous	1,631,396	-	449,960
Total Revenues	<u>26,618,155</u>	<u>3,692,630</u>	<u>3,963,775</u>
EXPENDITURES			
Current			
General government	5,105,486	-	-
Public safety	13,230,523	-	-
Public works	5,367,251	-	-
Community Development	395,846	3,500	639,890
Culture and recreation	2,428,467	-	-
Capital expenditures	-	-	-
Debt Service:			
Principal retirement	87,391	-	-
Interest and fiscal agent charges	36,414	-	-
Cost of debt issuance	-	-	-
Total Expenditures	<u>26,651,378</u>	<u>3,500</u>	<u>639,890</u>
Excess of revenues over expenditures	(33,223)	3,689,130	3,323,885
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Premium on debt issuance	-	-	-
Operating transfers in	720,340	-	-
Operating transfers out	(25,000)	(3,603,653)	(2,655,366)
Total Other Financing Sources (Uses)	<u>695,340</u>	<u>(3,603,653)</u>	<u>(2,655,366)</u>
Net change in fund balances	662,117	85,477	668,519
Fund balance - beginning	<u>10,530,441</u>	<u>2,065,060</u>	<u>3,611,796</u>
Fund balance - ending	<u>\$ 11,192,558</u>	<u>\$ 2,150,537</u>	<u>\$ 4,280,315</u>

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

Major Funds					
Parks Performance Fund	Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	General Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 3,371,791	\$ 674,700	\$ 16,247,528
-	-	-	-	551,934	14,257,015
-	-	-	-	-	2,714,231
-	-	-	-	-	1,147,361
-	-	-	-	33,744	212,609
-	-	-	-	337,827	1,127,906
-	-	-	-	391,353	391,353
2,095,373	-	-	-	-	3,267,802
1,099	13,021	12,541	-	9,842	81,002
-	-	818,611	-	-	1,058,233
-	-	-	-	86,535	86,535
2,534	-	-	-	212,853	2,296,743
<u>2,099,006</u>	<u>13,021</u>	<u>831,152</u>	<u>3,371,791</u>	<u>2,298,788</u>	<u>42,888,318</u>
-	-	-	-	4,166	5,109,652
-	33,035	-	-	653,427	13,916,985
-	-	-	-	67,036	5,434,287
-	-	-	-	751,554	1,790,790
3,010,660	-	-	-	88,470	5,527,597
-	1,192,364	228,650	-	302,038	1,723,052
-	-	-	2,409,861	2,609,140	5,106,392
-	-	-	1,747,085	1,398,210	3,181,709
-	80,882	-	-	-	80,882
<u>3,010,660</u>	<u>1,306,281</u>	<u>228,650</u>	<u>4,156,946</u>	<u>5,874,041</u>	<u>41,871,346</u>
(911,654)	(1,293,260)	602,502	(785,155)	(3,575,253)	1,016,972
-	4,620,000	-	-	-	4,620,000
-	171,291	-	-	-	171,291
1,096,000	-	-	812,000	4,565,616	7,193,956
-	-	(812,000)	-	-	(7,096,019)
<u>1,096,000</u>	<u>4,791,291</u>	<u>(812,000)</u>	<u>812,000</u>	<u>4,565,616</u>	<u>4,889,228</u>
184,346	3,498,031	(209,498)	26,845	990,363	5,906,200
<u>539,541</u>	<u>9,750,601</u>	<u>4,250,577</u>	<u>819,907</u>	<u>5,351,119</u>	<u>36,919,042</u>
<u>\$ 723,887</u>	<u>\$ 13,248,632</u>	<u>\$ 4,041,079</u>	<u>\$ 846,752</u>	<u>\$ 6,341,482</u>	<u>\$ 42,825,242</u>

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City of Burleson, Texas
Governmental Funds
Reconciliation of the Statement of Revenue, Expenditures and Changes
in Fund Balance to the Statement of Activities
For the Year Ended September 30, 2013

B-4

Net change in fund balances - total governmental funds	\$ 5,906,200
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 outlay exceeded depreciation in the current period.</p>	
Capital Outlay (includes \$555,626 classified as program expenditures on fund statements)	2,278,678
Depreciation (net of internal service funds)	(5,604,470) (3,325,792)
Certain other capital-related amounts result in differences between the government-wide and fund-level statements.	3,470,012
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(47,872)
Certain long-term liabilities are accrued at the government-wide level but are not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.	(846,128)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.	522,596
A reduction of internal charges between the governmental activities and the business type activities is not reported at the fund level.	13,125
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>791,279</u>
Change in net position of governmental activities	<u><u>\$ 6,483,420</u></u>

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

City of Burleson, Texas
Statement of Net Position
All Proprietary Funds
September 30, 2013

	Business-Type Activities Enterprise Funds		
	Water & Wastewater	Hidden Creek Golf Course	Solid Waste
ASSETS			
Current Assets			
Deposits and investments	\$ 2,802,467	\$ 27,429	\$ 160,175
Accounts receivable	2,032,475	2,615	374,092
Inventories	215,196	26,650	-
Land held for sale of cemetery lots	-	-	-
Accrued interest	5,318	162	562
Total Current Assets	<u>5,055,456</u>	<u>56,856</u>	<u>534,829</u>
Non-current assets			
Restricted deposits and investments	21,142,113	82,845	-
Restricted accrued interest receivable	7,417	-	-
Other Assets	2,092,189	83,204	-
Capital Assets			
Other Assets	515,567	-	-
Property, plant, and equipment, net	78,495,708	3,321,773	23,409
Total Noncurrent Assets	<u>102,252,994</u>	<u>3,487,822</u>	<u>23,409</u>
TOTAL ASSETS	<u>107,308,450</u>	<u>3,544,678</u>	<u>558,238</u>
LIABILITIES			
Current Liabilities			
Accounts payable	1,449,876	45,031	274,470
Accrued liabilities	67,618	44,979	1,001
Accrued interest payable	155,059	14,423	-
Customer deposits	581,989	-	-
Compensated absences	125,572	36,879	-
Current portion of bonds payable	2,750,000	231,000	-
Current portion of capital lease payable	1,006	61,543	-
Total current liabilities	<u>5,131,120</u>	<u>433,855</u>	<u>275,471</u>
Noncurrent Liabilities			
Revenue bonds payable	41,172,916	3,456,914	-
Premium	482,612	-	-
Capital lease payable	7,371	101,181	-
Net pension obligation	81,901	46,830	-
Other post-employment benefits	25,967	15,631	-
Compensated absences	46,211	139,446	-
Total noncurrent liabilities	<u>41,816,978</u>	<u>3,760,002</u>	<u>-</u>
TOTAL LIABILITIES	<u>46,948,098</u>	<u>4,193,857</u>	<u>275,471</u>
NET POSITION			
Net investment in capital assets	45,861,087	(445,661)	23,409
Restricted for debt service and construction	3,998,418	82,845	-
Unrestricted	10,500,847	(286,363)	259,358
TOTAL NET POSITION	<u>\$ 60,360,352</u>	<u>\$ (649,179)</u>	<u>\$ 282,767</u>

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

Net position of business-type activities

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

Business-Type Activities Enterprise Funds		Governmental Activities
Non-major	Total	Internal Service Funds
\$ 1,339,136	\$ 4,329,207	\$ 3,175,514
1,313	2,410,495	1,946
-	241,846	69,482
68,943	68,943	-
3,672	9,714	9,979
<u>1,413,064</u>	<u>7,060,205</u>	<u>3,256,921</u>
-	21,224,958	-
-	7,417	-
-	2,175,393	-
-	515,567	-
<u>235,798</u>	<u>82,076,688</u>	<u>4,777,432</u>
<u>235,798</u>	<u>106,000,023</u>	<u>4,777,432</u>
<u>1,648,862</u>	<u>113,060,228</u>	<u>8,034,353</u>
17	1,769,394	46,044
-	113,598	39,218
-	169,482	-
17,589	599,578	-
-	162,451	105,982
-	2,981,000	-
-	62,549	1,533
<u>17,606</u>	<u>5,858,052</u>	<u>192,777</u>
-	44,629,830	-
-	482,612	-
-	108,552	11,231
-	128,731	42,023
-	41,598	17,812
-	185,657	67,473
<u>-</u>	<u>45,576,980</u>	<u>138,539</u>
<u>17,606</u>	<u>51,435,032</u>	<u>331,316</u>
235,798	45,674,633	4,764,668
-	4,081,263	-
<u>1,395,458</u>	<u>11,869,300</u>	<u>2,938,369</u>
<u>\$ 1,631,256</u>	<u>61,625,196</u>	<u>\$ 7,703,037</u>
	2,108,217	
	(163,660)	
	<u>\$ 63,569,753</u>	

City of Burleson, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
All Proprietary Funds
For the Year Ended September 30, 2013

	Business-Type Activities		
	Enterprise Funds		
	Water & Wastewater	Hidden Creek Golf Course	Solid Waste
Operating revenues			
Charges for goods and services	\$ 15,089,534	\$ 1,330,188	\$ 2,774,381
Penalties and interest	399,692	-	-
Miscellaneous	129,526	-	-
Impact fee revenue	561,332	-	-
Mineral lease revenue	-	-	-
Total operating revenues	<u>16,180,084</u>	<u>1,330,188</u>	<u>2,774,381</u>
Operating expenses			
Water and wastewater services	9,160,167	-	-
Cost of golf operations	-	1,714,267	-
Cost of collecting revenues and other administrative expenses	1,862,149	-	-
Cost of cemetery operations	-	-	-
Cost of solid waste operations	-	-	2,595,211
Cost of equipment services	-	-	-
Materials, supplies, and cemetery lots	-	-	-
Depreciation	1,864,410	173,824	545
Total operating expenses	<u>12,886,726</u>	<u>1,888,091</u>	<u>2,595,756</u>
Net operating income (loss)	3,293,358	(557,903)	178,625
Non-operating revenues (expenses)			
Gain (loss) on disposition of fixed assets	-	-	-
Investment income	33,533	154	511
Interest and fiscal agent charges	(1,811,357)	(213,010)	-
Total non-operating revenue	<u>(1,777,824)</u>	<u>(212,856)</u>	<u>511</u>
Income (loss) before capital contributions and transfers	1,515,534	(770,759)	179,136
Transfers in	-	597,403	-
Transfers out	(475,000)	-	(245,340)
Capital contributions	<u>2,976,121</u>	<u>-</u>	<u>-</u>
Net Income	4,016,655	(173,356)	(66,204)
Net position at beginning of year	<u>56,343,697</u>	<u>(475,823)</u>	<u>348,971</u>
Net position at end of year	<u>\$ 60,360,352</u>	<u>\$ (649,179)</u>	<u>\$ 282,767</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities

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

Business-Type Activities Enterprise Funds		Governmental Activities
Non-major	Total	Internal Service Fund
\$ 7,435	\$ 19,201,538	\$ 3,394,483
-	399,692	-
-	129,526	-
-	561,332	-
57,791	57,791	-
<u>65,226</u>	<u>20,349,879</u>	<u>3,394,483</u>
-	9,160,167	-
-	1,714,267	-
-	1,862,149	1,000,873
233	233	-
-	2,595,211	-
-	-	687,925
136	136	-
10,625	2,049,404	848,646
<u>10,994</u>	<u>17,381,567</u>	<u>2,537,444</u>
54,232	2,968,312	857,039
-	-	56,941
2,236	36,434	13,227
-	(2,024,367)	(575)
<u>2,236</u>	<u>(1,987,933)</u>	<u>69,593</u>
56,468	980,379	926,632
-	597,403	25,000
-	(720,340)	-
-	2,976,121	-
56,468	3,833,563	951,632
1,574,788		6,751,405
<u>\$ 1,631,256</u>		<u>\$ 7,703,037</u>
	<u>147,230</u>	
	<u>\$ 3,980,793</u>	

City of Burleson, Texas
Statement of Cash Flows
All Proprietary Funds
For the Year Ended September 30, 2013

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	Business-Type Activities Enterprise Funds			Business-Type Activities Enterprise Funds		Governmental
	Water and Wastewater	Golf Course	Solid Waste	Non-major	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 16,137,489	\$ 1,328,367	\$ 2,762,779	\$ 9,639	\$ 20,238,274	\$ -
Cash received for deposits	39,323	-	-	-	39,323	-
Cash received from interfund services provided	-	-	-	-	-	3,394,550
Cash payments (loan receivable) from other funds	-	-	-	-	-	369,713
Cash payments to vendors, suppliers, and contractors	(6,739,110)	(973,550)	(2,507,031)	(217)	(10,219,908)	(669,180)
Payments to employees for services	(1,507,449)	(701,147)	(20,131)	-	(2,228,727)	(980,670)
Other operating receipts	-	-	-	57,791	57,791	-
Payments to other funds	(2,029,694)	-	-	-	(2,029,694)	-
Net cash provided by operating activities	5,900,559	(346,330)	235,617	67,213	5,857,059	2,114,413
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	-	597,403	-	-	597,403	25,000
Transfer to other funds	(475,000)	-	(245,340)	-	(720,340)	-
Net cash used by noncapital financing activities	(475,000)	597,403	(245,340)	-	(122,937)	25,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	91,162	-	-	-	91,162	-
Receipt on disposal of capital assets	-	-	-	-	-	137,141
Receipt (Payment) of interfund loan principal payment	-	-	-	-	-	-
Principal paid on capital debt	(924)	(58,106)	-	-	(59,030)	-
Interest paid on capital debt	(377)	(12,049)	-	-	(12,426)	-
Principal paid on bonds	(2,545,000)	(201,000)	-	-	(2,746,000)	(1,409)
Interest payments on long-term debt	(1,776,309)	(177,146)	-	-	(1,953,455)	(575)
Acquisition and construction of other assets	-	-	-	-	-	-
Proceeds of bond issuance	2,240,110	-	-	-	2,240,110	-
Cost of bond issuance	(35,044)	-	-	-	(35,044)	-
(Acquisition) disposal of capital assets	(6,076,070)	(27,906)	-	-	(6,103,976)	(1,368,824)
Net cash provided by (used for) capital and related financing activities	(8,102,452)	(476,207)	-	-	(8,578,659)	(1,233,667)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	34,005	381	404	66	34,856	8,660
Proceeds from sale of investments	969,505	-	78,148	342,554	1,390,207	39,862
Purchase of investments	(956,004)	-	(77,059)	(337,783)	(1,370,846)	(39,306)
Net cash provided by investing activities	47,506	381	1,493	4,837	54,217	9,216
Net (decrease) in cash and cash equivalents	(2,629,387)	(224,753)	(8,230)	72,050	(2,790,320)	914,962
Cash and cash equivalents--beginning of year	22,302,080	335,027	112,001	953,484	23,702,592	2,181,482
Cash and cash equivalents--end of year	19,672,693	110,274	103,771	1,025,534	20,912,272	3,096,444
Investments	4,271,887	-	56,404	313,602	4,641,893	79,070
Total cash and investments	\$ 23,944,580	\$ 110,274	\$ 160,175	\$ 1,339,136	\$ 25,554,165	\$ 3,175,514
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 3,293,358	\$ (557,903)	\$ 178,625	54,232	\$ 2,968,312	\$ 857,039
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	1,864,410	173,824	545	10,625	2,049,404	848,646
(Increase) decrease in accounts receivable	(42,597)	(1,821)	(11,602)	2,204	(53,816)	67
(Increase) decrease in inventories	148,773	5,517	-	135	154,425	11,459
(Increase) decrease in due from other funds	-	-	-	-	-	369,713
Increase (decrease) in vouchers and accounts payable	570,314	(12,203)	67,969	17	626,097	19,805
Increase (decrease) in accrued liabilities	26,978	46,256	80	-	73,314	7,684
Increase (decrease) in deposits payable	39,323	-	-	-	39,323	-
Net cash provided by operating activities	5,900,559	(346,330)	235,617	67,213	5,857,059	2,114,413
Noncash capital and related financing activities						
Contributions from developers	2,884,959	-	-	-	2,884,959	-
Total noncash capital and related financing activities	\$ 2,884,959	\$ -	\$ -	\$ -	\$ 2,884,959	\$ -

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's major operations include public safety, public works, 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 ("BCSDC") 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 BCSDC 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 BCSDC 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 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.

Tax Increment Finance Reinvestment Zone Number Two (the TIF) was formed to finance and make public improvements serving only the City, under the authority of the Tax Increment Financing Act. The TIF is governed by a five-member board of directors, of which four members are appointed by the City Council. Although it is legally separate from the City, the TIF 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 TIF 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 Position, 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 *BCSDC Special Revenue fund* is used to account for the half cent sales tax collected to fund the activities of Burlson Community Service Development Corporation.

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

The *Parks Performance Special Revenue fund* is used to account for the operation of the City's recreational facilities that derive a large portion of their support from user fees. These include the Burluson Recreation Center, Chisenhall Fields and Hidden Creek Softball Complex.

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 *General Debt Service fund* is used to account for the payment of debt supported by ad valorem taxes.

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 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 and Information Technology departments to other City departments and for the purchase of City vehicles not budgeted for in other funds.

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 non-operating 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 non-operating 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, Net Position and Fund Balance

- 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, 2013, the City did not own any types of securities other than those permitted by state law.

All 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 2013 levy was based, was approximately \$2,409,544,329. 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, 2013 was \$0.6900 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 \$5,281,269. Of this amount, none was included as part of the cost of capital assets under construction.

- 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) Net Position – Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The City applies restricted resources first when an expense is incurred for purposed for which both restricted and unrestricted net position are available.
- 8) Fund balance – Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments imposed or is imposed by law through constitutional provisions or enabling legislation (such as City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be

compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classifications includes amounts that can be used only for the specific purpose imposed by formal action (ordinance or resolution) of City Council. Ordinances and resolutions of the City Council are equally binding commitments. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Summary of governmental fund balances as of September 30, 2013 are as follows:

	General Fund	Special Revenue Funds (1)	Capital Project Funds (1)	Debt Service Funds	Total
Fund balances:					
Nonspendable:					
Prepays	\$ 53,769	\$ 300	\$ -	\$ -	\$ 54,069
Restricted for:					
Debt service	-	-	-	2,704,260	2,704,260
Economic development	-	7,074,668	-	-	7,074,668
Tourism	-	483,308	-	-	483,308
Committed to:					
Culture and recreation	-	723,587	-	-	723,587
Economic development	-	140,743	-	-	140,743
Capital projects	-	-	19,994,818	-	19,994,818
Debt service	703,824	-	511,000	-	1,214,824
Other purposes:					
Encumbrances	718,732	-	-	-	718,732
Assigned to:					
Risk management	874,825	-	-	-	874,825
Unassigned:	8,841,408	-	-	-	8,841,408
Total fund balances	<u>\$ 11,192,558</u>	<u>\$ 8,422,606</u>	<u>\$ 20,505,818</u>	<u>\$ 2,704,260</u>	<u>\$ 42,825,242</u>

(1) Includes major and non-major fund balances.

Minimum Fund Balance Policy – It is the goal of the City that unassigned fund balance of the General Fund should be at least 20% of the General Fund annual expenditures. This percentage is the equivalent of 73 days expenditures. In order to adhere to the principles of matching current revenues with current expenditures and minimizing property taxes, the City will take action to reduce the fund balance if the unassigned fund balance grows beyond 90 days of expenditures.

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 Secretary 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 one special revenue fund, the 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, 2013, expenditures exceeded appropriations in Legal, City Secretary, Tax, Neighborhood Services, Code Enforcement, Public Works Administration, Engineering/Development, Gas Well Development and Recreation departments (the legal level of budgeting control) of the general fund by \$63,321, \$22,507, \$89, \$935, \$1,992, \$647, \$23,449, \$564, and \$412 respectively. These over-expenditures were funded by savings in other departments.

F. Accounting Pronouncements

During fiscal year 2013, the City adopted the following Governmental Accounting Standards Board (“GASB”) Statements:

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for fiscal year 2013.

Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting and is effective for fiscal year 2013.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* is intended to incorporate into the GASB’s authoritative literature Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. The requirements of this Statement are effective for fiscal year 2013.

Statement No. 63 (“GASB 63”), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, is effective for periods beginning after December 15, 2011. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

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

Statement No. 65 (“GASB 65”), *Items Previously Reported as Assets and Liabilities*, is effective for periods beginning after December 15, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as

outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Statement No. 68 (“GASB 68”), *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, is effective for periods beginning after June 15, 2014. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement results from a comprehensive review of the effectiveness of the existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Statement No. 69 (“GASB 69”), *Government Combinations and Disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations (mergers, acquisitions, and transfers of operations) and disposals of government operations. This Statement requires disclosures to be made to enable financial statement users to evaluate the nature and financial effects of those transactions.

Statement No. 70 (“GASB 70”), *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, is effective for reporting periods beginning after June 15, 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. This Statement will enhance the information disclosed about a government’s obligations and risk exposure from extending non-exchange financial guarantees.

Statement No. 71 (“GASB 71”), *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, is required to be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding the application of the transition provisions of Statement No. 68, related to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability.

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

G. Deficit Net Position

At September 30, 2013, The Hidden Creek Golf Course Fund had an accumulated deficit of \$649,179. Of this net deficit, \$445,661 is reported as net investment in capital assets. 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, 2013, are classified in the statement of net position as cash and investments and restricted cash and investments. The cash and investments include the following:

Cash on hand	\$ 17,101
Demand deposits	571,473
Money market mutual funds	740,021
Certificates of deposit	245,000
TexPool (State of Texas Treasurer's Investment Pool)	13,324,268
TexPool Prime (State of Texas Treasurer's Investment Pool)	18,081,039
Lone Star Investment Pool - Liquidity Plus Fund	3,794,792
TexSTAR Investment Pool	10,291,744
Logic Investment Pool	11,297,317
Municipal Obligations	<u>13,321,544</u>
Total cash and investments	<u>\$ 71,684,299</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, 2013, the carrying amount of the City's deposits was \$571,473, with an overall bank balance of approximately \$1,431,258. 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) 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	\$ 740,021	\$ 740,021	\$ -	\$ -
TexPool (State of Texas Treasurer's Investment Pool)	13,324,268	13,324,268	-	-
TexPool Prime (State of Texas Treasurer's Investment Pool)	18,081,039	18,081,039	-	-
Lone Star Investment Pool - Liquidity Plus Fund	3,794,792	3,794,792	-	-
TexSTAR Investment Pool	10,291,744	10,291,744	-	-
Logic Investment Pool	11,297,317	11,297,317	-	-
Certificates of deposit	245,000	245,000	-	-
Municipal Obligations	13,321,544	11,112,695	2,208,849	-
	<u>\$ 71,095,725</u>	<u>\$ 68,886,876</u>	<u>\$ 2,208,849</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 money market mutual funds, state and local obligations rated A by at least one nationally recognized securities rating agency (NRSRO) 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 and savings and loans doing business in the state of Texas and further requires full insurance or collateralized from these depositories (banks only).

Repurchase agreements are limited to those with defined termination dates with a primary dealers (as defined by the Federal Reserve) and Texas banks.

Municipal obligations are required to be rated A or better by at least one NRSRO.

The City's adopted Investment Policy restricts investment in SEC registered money market mutual funds striving to maintain a \$1 net asset value and defined by State law.

Local government investment pools in Texas are required to be rated AAA, or equivalent by at least one nationally recognized securities rating organization. The City Policy is restricted to AAA-rated local government investment pools.

As of September 30, 2013:

- certificates of deposit and money market accounts represented 1.39% of the total portfolio,

- investment in four AAA-rated local government investment pools represented 79.88% of the total portfolio, and
- investment in municipal obligations rated A or better represented 18.73% of the total portfolio.

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, 2013, are as follows:

Investment Type	Issuer	Reported Amount	Percentage of Total Portfolio
Local Government Investment Pools	TexPool	31,405,307	44.17%
	Lone Star - Liquidity Plus Fund	3,794,792	5.34%
	TexSTAR Investment Pool	10,291,744	14.48%
	Logic Investment Pool	11,297,317	15.89%

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 and yield restricted funds on individual investment. Non-operating funds on individual investment have a maximum maturity of three (3) years. Debt service reserve funds have a stated maximum maturity of ten (10) years. The Policy also sets a maximum maturity for debt service sinking funds of five (5) years. The maximum weighted average maturity (WAM) is one (1) year for operating funds, two (2) years for non-operating funds, and three (3) years for yield restricted funds.

As of September 30, 2013, the portfolio contained:

- no holding in the portfolio had a stated maturity date beyond 18 months, and
- the dollar weighted average of the total portfolio was 48 days.

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, 2013:

- the portfolio contained one (1) fully FDIC insured certificate of deposit
- the portfolio contained no repurchase agreements, and
- all bank demand deposits were fully insured and/or collateralized and,
- 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, 2013 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	Parks Performance Fund	Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	General Debt Service Fund	Other Nonmajor Governmental Funds	Governmental Funds Total
Receivables:									
Property tax	\$ 334,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,095	\$ -	\$ 428,460
Accounts	913,190	-	-	39,320	-	-	-	41,993	994,503
Due from other funds	10,177	-	-	-	-	-	-	-	10,177
Intergovernmental	1,148,944	584,036	593,737	-	-	-	-	83,673	2,410,390
Interest	46,041	896	522	1,699	10,441	15,911	-	11,885	87,395
Gross receivables	2,452,717	584,932	594,259	41,019	10,441	15,911	94,095	137,551	3,930,925
Less: Allowance for uncollectibles	(312,672)	-	-	(22,750)	-	-	(61,993)	-	(397,415)
Net total receivables	2,140,045	584,932	594,259	18,269	10,441	15,911	32,102	137,551	3,533,510
Deferred Revenues									
Mowing Liens	63,612	-	-	-	-	-	-	-	63,612
Franchise Fees	283,105	-	-	-	-	-	-	-	283,105
Total deferred revenues	\$ 346,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,717

	Water and Wastewater	Golf Course	Solid Waste	Non-major	Business-Type Activities Total
Receivables:					
Accounts	\$ 1,197,011	\$ 2,615	\$ 209,979	\$ 5,869	\$ 1,415,474
Unbilled accounts	844,803	-	166,510	-	1,011,313
Interest	12,735	162	562	3,672	17,131
Gross receivables	2,054,549	2,777	377,051	9,541	2,443,918
Less: Allowance for uncollectibles	(9,339)	-	(2,397)	(4,556)	(16,292)
Net total receivables	\$ 2,045,210	\$ 2,777	\$ 374,654	\$ 4,985	\$ 2,427,626

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013, 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	\$ 24,623,782	\$ 1,260,143	\$ -	\$ 25,883,925
Construction in progress	7,130,087	903,900	(190,928)	7,843,059
Historical/Artwork Collections	45,000	-	-	45,000
Total capital assets not being depreciated	<u>31,798,869</u>	<u>2,164,043</u>	<u>(190,928)</u>	<u>33,771,984</u>
Capital assets being depreciated:				
Buildings	38,385,999	101,121	-	38,487,120
Improvements other than buildings	20,783,789	385,710	-	21,169,499
Infrastructure	117,563,457	2,978,483	-	120,541,940
Vehicles	4,622,723	1,047,006	(272,293)	5,397,436
Machinery and equipment	11,426,422	317,204	(115,007)	11,628,619
Total capital assets being depreciated	<u>192,782,390</u>	<u>4,829,524</u>	<u>(387,300)</u>	<u>197,224,614</u>
Less accumulated depreciation for:				
Buildings	(4,749,825)	(764,973)	-	(5,514,798)
Improvements other than buildings	(4,300,912)	(815,688)	-	(5,116,600)
Infrastructure	(37,961,846)	(3,552,256)	-	(41,514,102)
Vehicles	(2,460,680)	(461,788)	234,795	(2,687,673)
Machinery and equipment	(7,841,472)	(680,835)	115,008	(8,407,299)
Total accumulated depreciation	<u>(57,314,735)</u>	<u>(6,275,540)</u>	<u>349,803</u>	<u>(63,240,472)</u>
Total capital assets being depreciated, net	<u>135,467,655</u>	<u>(1,446,016)</u>	<u>(37,497)</u>	<u>133,984,142</u>
Governmental activities capital assets, net	<u>\$ 167,266,524</u>	<u>\$ 718,027</u>	<u>\$ (228,425)</u>	<u>\$ 167,756,126</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	\$ 4,413,206	\$ 568,605	\$ -	\$ 4,981,811
Construction in progress	2,028,383	4,140,561	-	6,168,944
Total capital assets not being depreciated	<u>6,441,589</u>	<u>4,709,166</u>		<u>11,150,755</u>
Capital assets, being depreciated:				
Water systems	45,036,487	1,421,026	-	46,457,513
Wastewater systems	36,581,968	1,946,352	-	38,528,320
Infrastructure	30,524	-	-	30,524
Building and improvements	5,978,636	871,155	-	6,849,791
Machinery and equipment	1,142,975	41,234	-	1,184,209
Vehicles	2,245,067	314,879	(381,658)	2,178,288
Capitalized interest	338,852	-	-	338,852
Total capital assets being depreciated	<u>91,354,509</u>	<u>4,594,646</u>	<u>(381,658)</u>	<u>95,567,497</u>
Less accumulated depreciation for:				
Water systems	(9,974,218)	(964,167)	-	(10,938,385)
Wastewater systems	(6,772,596)	(754,949)	-	(7,527,545)
Infrastructure	(7,326)	(3,052)	-	(10,378)
Building and improvements	(2,697,560)	(161,452)	-	(2,859,012)
Machinery and equipment	(922,789)	(95,448)	-	(1,018,237)
Vehicles	(1,025,167)	(177,577)	338,958	(863,786)
Capitalized interest	(101,601)	(8,121)	-	(109,722)
Total accumulated depreciation	<u>(21,501,257)</u>	<u>(2,164,766)</u>	<u>338,958</u>	<u>(23,327,065)</u>
Total capital assets being depreciated, net	<u>69,853,252</u>	<u>2,429,880</u>	<u>(42,700)</u>	<u>72,240,432</u>
Business-type activities capital assets, net	<u>\$ 76,294,841</u>	<u>\$ 7,139,046</u>	<u>\$ (42,700)</u>	<u>\$ 83,391,187</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 position for proprietary funds. Capital assets in the Proprietary Vehicle Replacement fund are \$1,314,501 and are included in the above schedule.

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

Governmental activities:	
General government	\$ 160,466
Public safety	688,361
Public works, which includes the depreciation of general infrastructure assets	4,633,869
Culture and recreation	792,844
Total depreciation expense - governmental activities	<u>\$ 6,275,540</u>
Business-type activities:	
Water and wastewater	\$ 1,804,345
Golf course	171,674
Solid waste	545
Cemetery	10,625
Vehicle replacement fund	177,577
Total depreciation expense - business-type activities	<u>\$ 2,164,766</u>

Construction commitments

The City entered into several construction contracts during the fiscal year. As of September 30, 2013, the City had outstanding utility construction contracts totaling \$4,899,421 related to water, sewer, and storm water infrastructure. These commitments will be financed from proceeds of bonds issued in fiscal year 2013 as well as in prior years in addition to operating funds.

5. LEASES

The City entered into a lease agreement as lessee to finance an energy efficiency performance contract with Johnson Controls Inc. (JCI) with no down payment. Proposed energy improvements in this contract include lighting and controls, water conservation, HVAC improvements, and power management. Costs associated with this lease will be partially covered by utility savings that are guaranteed by JCI through the energy efficiency contract. The City also financed the purchase of fitness equipment for the new recreation center with a down payment of \$60,000, equipment for Hidden Creek Golf Course with no down payment, Wi-Fi computer network equipment with a down payment of \$130,000, and a fire truck for the fire department with no down payment. There were no new lease agreements in fiscal year 2013. 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, 2013.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset:		
Machinery & Equipment	\$ 1,735,972	\$ 431,466
Infrastructure	592,423	30,524
Less: Accumulated depreciation	(1,340,504)	(346,624)
Total	<u>\$ 987,891</u>	<u>\$ 115,366</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 2005 water and sewer revenue bonds. The costs are being amortized over the life of the bond issue.	\$ 103,985
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.	46,682
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.	46,872
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.	74,180
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.	62,071
Deferred bond issuance costs resulting from the 2011 water and sewer CO bonds. The costs are being amortized over the life of the bond issue.	88,940
Deferred bond issuance costs resulting from the 2011 water and sewer CO bonds. The costs are being amortized over the life of the bond issue.	110,758
Deferred bond issuance costs resulting from the 2012 water and sewer revenue bonds. The costs are being amortized over the life of the bond issue.	84,429
Deferred bond issuance costs resulting from the 2013 water and sewer CO bonds. The costs are being amortized over the life of the bond issue.	33,677
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.	1,402,452
Prepaid arbitrage liability.	38,143
	<u>\$ 2,092,189</u>

The amounts above are net of accumulated amortization of \$1,429,969.

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.	\$ 440,289
Costs incurred in the development of a long-term master infrastructure plan. The costs are being amortized over 20 years.	75,278
	<u>\$ 515,567</u>

The amounts above are net of accumulated amortization of \$335,316.

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.	\$ 7,525
Deferred bond issuance costs resulting from the 2004 golf course revenue bonds. The costs are being amortized over the life of the bond issue.	75,679
	<u>\$ 83,204</u>

The amounts above are net of accumulated amortization of \$167,966.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

The composition of inter-fund balances as of September 30, 2013, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grant Fund	\$ 10,177

Interfund Transfers

Inter-fund transfers during the year ended September 30, 2013, were as follows:

<u>Transfers out:</u>	<u>Transfers In:</u>				
	<u>General Fund</u>	<u>Parks Performance</u>	<u>Hidden Creek GC</u>	<u>Equipment Services Fund</u>	<u>Support Services Fund</u>
BCSDC Special Revenue	-	1,096,000	597,403	-	-
4A Corp Special Revenue	-	-	-	-	-
Solid Waste Fund	245,340	-	-	-	-
General Fund	-	-	-	9,000	16,000
Water & Wastewater	475,000	-	-	-	-
Mineral Fund Funded Capital Projects	-	-	-	-	-
Total	<u>\$ 720,340</u>	<u>\$ 1,096,000</u>	<u>\$ 597,403</u>	<u>\$ 9,000</u>	<u>\$ 16,000</u>

<u>Transfers out:</u>	<u>Transfers In:</u>		
	<u>General Debt Service</u>	<u>Non-major Governmental</u>	<u>Total Transfers From</u>
BCSDC Special Revenue	-	1,910,250	(3,603,653)
4A Corp Special Revenue	-	2,655,366	(2,655,366)
Solid Waste Fund	-	-	(245,340)
General Fund	-	-	(25,000)
Water & Wastewater	-	-	(475,000)
Mineral Lease Funded Capital Projects	812,000	-	(812,000)
Total	<u>\$ 812,000</u>	<u>\$ 4,565,616</u>	<u>\$ (7,816,359)</u>

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

Transfers are used to (1) move revenues collected in the special revenue funds to finance various programs in accordance with budgetary authorizations, (2) move receipts restricted for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) reimburse one fund

for services provided to another fund (4) transfer additional funds to the Golf Course (5) pay for property purchased in advance of bond issuance (6) and pay the water and solid waste utilities' payments in lieu of taxes.

Cost Reimbursements

The cost of the City's central general and administrative services is allocated to the designated special revenue and enterprise funds. These costs are reported as interfund services provided and used rather than interfund transactions, and are treated as revenue in the General Fund and expense in the other funds. Interfund services provided and used are "arms-length" transactions between departments or funds that would be treated as revenues, expenditures or expenses if they were with an external organization. The distinguishing aspects of interfund services provided and used are that each department or fund both gives and receives consideration.

Significant cost reimbursements made to the General Fund during the year were as follows:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater	\$ 1,088,068
Capital Projects	389,157
Solid Waste	35,356
Hotel Motel	10,200
Total to General Fund	<u>\$ 1,522,781</u>

Franchise Fees

The City's enterprise funds, which use the public right-of-ways, pay franchise fees to the General Fund as if they were organizations separate from the City. These fees are not taxes, but are compensation to the City for the use of the City's streets and public right-of-ways. These payments are reported as interfund services provided and used rather than interfund transactions, and are treated as revenue (reported as franchise fees) in the General Fund and expense in the enterprise funds. Such fees paid during the year were:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater	\$ 585,000
Solid Waste	81,600
Total to General Fund	<u>\$ 666,600</u>

Payments in Lieu of Property Taxes

For fiscal year 2012-2013, the Water and Wastewater fund made a \$475,000 payment in lieu of property taxes to the General Fund. The payment is calculated by applying the City's property tax rate to the net book value of the enterprise fund's fixed assets.

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, 2013, are summarized as follows:

	Balance at October 1, 2012	Increased	Retired	Balance at September 30, 2013	Due within one year
<i>Governmental activities:</i>					
General obligation bonds	\$ 36,836,000	\$ -	\$ 2,144,000	\$ 34,692,000	\$ 1,754,001
Certificates of obligation	35,220,000	4,620,000	1,915,000	37,925,000	2,155,000
Sales tax revenue bonds	6,725,000	-	960,000	5,765,000	625,000
Compensated absences	3,352,677	2,071,198	1,598,886	3,824,989	1,673,866
Capital leases	896,605	-	133,614	762,991	141,314
Premium on debt	1,189,706	171,291	169,036	1,191,961	-
Deferred loss on refunding	(645,624)	-	(87,239)	(558,385)	-
Governmental activities long-term debt	\$ 83,574,364	\$ 6,862,489	\$ 6,833,297	\$ 83,603,556	\$ 6,349,181
<i>Business-type activities:</i>					
General obligation bonds	\$ 14,499,000	\$ -	\$ 891,000	\$ 13,608,000	\$ 1,541,000
Certificates of obligation	20,555,000	2,160,000	935,000	21,780,000	1,040,000
Water & sewer revenue bonds	13,660,000	-	920,000	12,740,000	400,000
Compensated absences	319,744	261,521	233,157	348,108	162,451
Capital leases	230,132	-	59,031	171,101	62,549
Premium on debt	460,818	80,113	58,319	482,612	-
Deferred loss on refunding	(615,037)	-	(97,867)	(517,170)	-
Business-type activities long-term debt	\$ 49,109,657	\$ 2,501,634	\$ 2,998,640	\$ 48,612,651	\$ 3,206,000

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

Bonds payable at September 30, 2013, are comprised of the following individual issues:

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Amount Outstanding
<i>Governmental activities:</i>					
General obligation bonds:					
2004 Series	2.50 - 5.00	4/15/2004	3/1/2025	\$ 875,000	\$ 552,000
2005 Series	3.00 - 4.25	2/1/2005	3/1/2025	3,970,000	2,815,000
2006 Series	4.00 - 4.25	11/15/2006	3/1/2026	2,400,000	1,970,000
2007 Series	4.00 - 4.625	6/15/2007	3/1/2024	4,100,000	3,235,000
2008 Series	4.00 - 4.625	4/15/2008	3/1/2028	14,750,000	12,240,000
2010 Series	2.00 - 4.25	5/1/2010	3/1/2030	10,805,000	9,385,000
2012 Series	2.00 - 4.00	5/16/2012	5/16/2032	5,040,000	4,495,000
Total general obligation bonds				<u>41,940,000</u>	<u>34,692,000</u>
Certificates of obligation:					
2005 Tax and Revenue	3.00 - 5.00	2/1/2005	3/1/2025	14,965,000	8,040,000
2006 Tax and Revenue	4.00 - 4.25	11/15/2006	3/1/2026	5,840,000	4,665,000
2007 Tax and Revenue	4.00 - 4.625	6/15/2007	3/1/2024	4,100,000	3,235,000
2008 Tax and Revenue	4.00 - 4.625	4/15/2008	3/1/2028	20,900,000	17,365,000
2013 Tax and Revenue	2.00 - 3.00	5/1/2013	3/1/2033	4,620,000	4,620,000
Total certificates of obligation				<u>50,425,000</u>	<u>37,925,000</u>
Sales tax revenue bonds:					
2010 Sales Tax Revenue bonds	2.00 - 4.00	5/1/2010	9/1/2021	8,565,000	5,765,000
Total sales tax revenue bonds				<u>8,565,000</u>	<u>5,765,000</u>
Total governmental activities				<u>\$ 100,930,000</u>	<u>\$ 78,382,000</u>
 <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	\$ 3,778,000
2011 Water & Sewer refunding	4.00 - 4.375	5/1/2011	3/1/2027	10,770,000	9,830,000
Total general obligation bonds				<u>16,755,000</u>	<u>13,608,000</u>
Certificates of Obligation					
2006 Tax and Revenue	4.00 - 4.25	11/15/2006	3/1/2026	6,125,000	4,680,000
2007 Tax and Revenue	4.00 - 4.625	6/15/2007	3/1/2024	5,700,000	4,505,000
2008 Tax and Revenue	4.00 - 4.625	4/15/2008	3/1/2028	4,545,000	3,780,000
2011 Tax and Revenue	4.00 - 4.375	5/1/2011	3/1/2031	7,075,000	6,655,000
2013 Tax and Revenue	2.00 - 3.00	5/1/2013	3/1/2033	2,160,000	2,160,000
Total certificates of obligation				<u>25,605,000</u>	<u>21,780,000</u>
Water and sewer revenue bonds					
2005 Improvement	3.00 - 4.40	5/15/2005	9/1/2025	5,370,000	4,545,000
2006 Refunding	4.00 - 4.50	4/1/2006	3/1/2021	8,995,000	4,015,000
2012 Improvement	2.00 - 4.00	4/15/2012	3/1/2032	4,300,000	4,180,000
Total water and sewer revenue bonds				<u>18,665,000</u>	<u>12,740,000</u>
Total business-type activities				<u>\$ 61,025,000</u>	<u>\$ 48,128,000</u>

The City currently has \$2,633,079 of authorized, but unissued, general obligation bonds.

The annual requirements to amortize all debt outstanding as of September 30, 2013, are as follows:

Governmental Activities								
Years Ending September 30,	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Sales Tax Revenue Bonds	STR Interest	Capital Leases	Capital Lease Interest
2014	1,754,001	1,311,679	2,155,000	1,563,287	625,000	230,600	141,314	34,422
2015	1,815,999	1,251,729	2,255,000	1,454,901	650,000	205,600	101,305	28,288
2016	1,868,000	1,187,454	2,350,000	1,361,442	675,000	179,600	107,992	23,504
2017	1,950,000	1,118,388	2,450,000	1,261,313	700,000	152,600	114,985	18,412
2018	2,036,000	1,046,089	2,560,000	1,156,561	735,000	124,600	122,301	12,998
2019-2023	11,295,000	4,012,775	14,065,000	4,020,331	2,380,000	192,800	175,094	8,661
2024-2028	12,488,000	1,437,662	10,705,000	1,311,950	-	-	-	-
2029-2033	1,485,000	76,278	1,385,000	106,425	-	-	-	-
Total	\$34,692,000	\$11,442,054	\$ 37,925,000	\$ 12,236,210	\$ 5,765,000	\$1,085,800	\$ 762,991	\$ 126,285

Business-type Activities								
Years Ending September 30,	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Water and Wastewater Revenue Bonds	Water and Wastewater Interest	Capital Leases	Capital Lease Interest
2014	1,541,000	503,845	1,040,000	841,317	400,000	492,014	62,549	9,006
2015	939,000	464,119	1,095,000	791,650	1,070,000	465,974	93,899	2,435
2016	977,000	432,563	1,135,000	781,877	1,160,000	424,764	2,751	581
2017	1,010,000	399,628	1,180,000	739,705	1,210,000	381,591	2,965	465
2018	1,044,000	363,279	1,220,000	695,047	1,145,000	336,501	3,189	339
2019-2023	5,030,000	1,250,933	6,890,000	2,688,838	4,460,000	1,092,798	5,748	277
2024-2028	3,067,000	194,508	7,090,000	1,136,044	2,180,000	405,625	-	-
2029-2033	-	-	2,130,000	156,535	1,115,000	91,500	-	-
Total	\$13,608,000	\$ 3,608,875	\$ 21,780,000	\$ 7,831,013	\$ 12,740,000	\$3,690,767	\$ 171,101	\$ 13,103

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, 2013, the unpaid amount of the defeased bonds total \$2,956,250.

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, 2013, 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, 2013, 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, 2013, 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, net pension obligation, and other post-employment liabilities are typically liquidated by the fund to which they relate, including the General Fund, the 4A Corporation Special Revenue Fund, Internal Service Funds, and Parks Performance Fund

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, 2013, the City had no arbitrage liability.

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 expired on December 31, 2010. On July 19, 2010 the City renewed this contract to be effective January 1, 2011 and to expire on September 30, 2031. This contract requires the City to pay varying amounts based on annual consumption rates established under the terms of the contract. During 2013, 1,709,096,670 gallons of water were purchased under the contract at a cost of \$3,487,942.

In 1987, the City entered into a contract with the City of Fort Worth, Texas for the transportation, treatment and disposal of sanitary sewage. Under the terms of the contract, the City is required to make payments for sewage actually discharged based on rates and charges determined on an annual basis under the terms of the contract. During 2013, 1,081,049,200 gallons of sanitary sewage were treated by the City of Fort Worth, Texas at a cost of \$2,595,465.

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 2012	Plan Year 2013
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)	\$	2,554,531
2. Interest on Net Pension Obligation		83,522
3. Adjustment to the ARC		(73,380)
4. Annual Pension Cost (APC)		2,564,673
5. Contributions Made		(2,554,531)
6. Increase (decrease) in net pension obligation		10,142
7. Net Pension Obligation/(Asset), beginning of year		1,193,166
8. Net Pension Obligation/(Asset), end of year	\$	1,203,308

Three-Year Trend Information for TMRS:

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
9/30/2011	2,544,603	2,230,463	88%	\$ 1,061,855
9/30/2012	2,461,053	2,329,742	95%	\$ 1,193,166
9/30/2013	2,564,672	2,554,531	100%	\$ 1,203,307

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

Valuation Date	12/31/2010	12/31/2011	12/31/2012
Actuarial Cost Method	Projected 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	27.3 years; closed period	26.3 years; closed period	25.3 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return	7.0%	7.0%	7.0%
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	2.1%	2.1%	2.1%

The funded status as of December 31, 2012, 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)
12/31/2012	\$ 46,772,309	\$ 61,417,096	76.2%	\$ 14,644,787	\$ 16,692,995	87.7%

Actuarial valuations involve estimates of the value reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. 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. During the year 2013, employers or employees through salary reductions may contribute up to the limit of \$17,500 of compensation on behalf of the participant under this plan.

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.

The City committed to a capital lease to purchase public safety communications equipment with an effective date beginning in June of 2013. The contract stipulates various performance requirements established by the City; some of which include the delivery and installation of equipment, before the City is contractually obligated to purchase the equipment through a capital lease or the contract. If the counterparty completes the performance requirements within the terms of the capital lease as defined by the City, the City will be obligated for the cost of the operating equipment, \$1,789,559. The expected terms for the repayment of the obligation defined by the agreement include ten annual payments of \$206,887 beginning July 1, 2014. The annual payments include the cost of interest of 3.38%, which begins July 1, 2014.

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. The TML risk pool is self-sustaining through annual member premiums and stop loss reinsurance coverage through various commercial insurers for excess claims. 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.

The City offers health coverage to its employees and retirees in a managed care plan administered by Texas Municipal League Intergovernmental Employee Benefit Pool and funded by the City with both employee and City contributions. The City retains risk for up to: \$100,000 per covered enrollee per year and up to \$5,000,000 per period benefit, and transfers risk in excess of these amounts to a reinsurer. The City's operating funds are charged premiums for coverage provided by the Risk Management department based on approved annual budgets with adjustments based on estimates of the amounts needed to pay prior and current year claims. These inter-fund premiums are used to reduce the amount of actual expenditures.

14. OTHER POST-EMPLOYMENT BENEFITS

Post-retirement Health Care Benefits:

All employees on the health care plan at the time of retirement are eligible to elect retiree health benefits. Employees eligible to retire under the Texas Municipal Retirement System (TMRS) are considered eligible retirees for health care benefits. Employees are eligible for retirement if they are at least 60 years of age and have 5 years of service, or at any age with 20 years of service.

Eligible retirees may elect coverage that will include the same health care options offered to regular full-time employees at the same cost that the City pays for active employees. Retirees pay the same rate for coverage as employees pay, if they are electing dependent coverage. Benefit commences at the first of the month following the day of retirement, if the employee elects retiree or dependent coverage (at retiree's cost).

In the event that an active employee passes away, the spouse and dependents will become eligible for retiree coverage if (1) the employee was eligible for retirement as defined by TMRS; and (2) the employee had dependent coverage at the time of death. The surviving spouse will continue to receive the benefits of the retiree health insurance program, at the rate charged for retiree only. If dependent children are already on the plan at the time of the retiree's death, the spouse may continue to cover the children (at retirees spouse's cost).

Retirees are eligible for medical and prescription insurance until they become Medicare eligible. Retired employees are eligible for vision and dental care benefits, at their expense (100%). Retired employees are not eligible to purchase life insurance benefits through the City. Those retirees who receive pension benefits through TMRS have a \$7,500 life insurance burial benefit. This benefit is provided by TMRS. The City's only disability coverage is 100% voluntary and paid by the employee; there are not city-paid disability benefits.

Funding Policy and Annual OPEB Cost

The City's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2010 as required by GASB. The City's annual OPEB cost for the fiscal year ending September 30, 2013, is as follows:

Annual Required Contribution (ARC)	\$ 300,914
Interest on OPEB Obligation	6,774
Adjustment to the ARC	<u>(6,276)</u>
End of Year Annual OPEB Cost (Expense)	301,412
Net Estimated Employer Contributions	<u>(48,159)</u>
Increase in Net OPEB Obligation	<u>\$ 253,253</u>
Beginning of Year Net OPEB Obligation (Asset)	\$ 150,531
End of Year Net OPEB Obligation (Asset)	<u>\$ 403,784</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2013 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net Pension Obligation
9/30/2013	\$ 301,412	\$ 48,159	16.0%	\$ 403,784

Funding status and funding progress

The funded status of the City's retiree health care plan, under GASB Statement No. 45 as of December 31, 2010 is as follows:

Actuarial Valuation Date as of December 31	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
2010	-	\$ 1,402,121	\$ 1,402,121	0%
2012	-	\$ 2,878,786	\$ 2,878,786	0%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$2,878,786 as of December 31, 2012.

Actuarial methods and assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections for health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Actuarial Methods and Assumptions:

Inflation rate	3.00% per annum
Investment rate of return	4.50 %, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 8.0% in 2013 declining to an ultimate rate of 4.50% for FY 2020 and later

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City’s retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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
2011	0.01%	0.01%	100%
2012	0.01%	0.01%	100%
2013	0.01%	0.01%	100%

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CITY OF BURLESON, TEXAS
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

D-1

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
	Original	Final				
REVENUES						
Property taxes	\$ 12,096,146	\$ 12,138,520	\$ 12,201,037	\$ -	\$ 12,201,037	\$ 62,517
Sales taxes	6,682,000	6,700,000	6,744,507	-	6,744,507	44,507
Franchise fees	2,740,000	2,685,234	2,714,231	-	2,714,231	28,997
Licenses and permits	954,200	972,810	1,147,361	-	1,147,361	174,551
Intergovernmental	170,037	170,037	178,865	-	178,865	8,828
Charges for services	1,152,867	1,152,283	1,172,429	-	1,172,429	20,146
Fines and forfeitures	895,000	791,893	790,079	-	790,079	(1,814)
Investment income	27,000	40,000	38,250	-	38,250	(1,750)
Miscellaneous and other	1,352,889	2,271,318	1,631,396	720,340	2,351,736	80,418
Total revenues	<u>26,070,139</u>	<u>26,922,095</u>	<u>26,618,155</u>	<u>720,340</u>	<u>27,338,495</u>	<u>416,400</u>
EXPENDITURES						
General government						
City Council	89,597	73,618	57,941	-	57,941	15,677
City Manager's office	656,787	655,977	648,674	1,585	650,259	5,718
Legal	176,000	292,371	355,692	-	355,692	(63,321)
Communications	108,000	107,649	106,425	324	106,749	900
City Secretary's office	356,598	342,282	350,403	14,386	364,789	(22,507)
Records management	80,632	206,261	72,295	125,232	197,527	8,734
Judicial	-	103,533	89,415	(130)	89,285	14,248
Human resources	509,016	568,027	548,332	4,127	552,459	15,568
Finance	956,288	904,640	846,162	1,250	847,412	57,228
Tax	222,854	240,656	240,745	-	240,745	(89)
Support services	165,587	178,800	169,320	359	169,679	9,121
Purchasing	113,648	113,074	112,639	294	112,933	141
Non-Departmental	809,324	1,169,968	684,223	286,782	971,005	198,963
Neighborhood services	175,397	174,574	175,057	452	175,509	(935)
Risk management	-	850,000	705,139	-	705,139	144,861
	<u>4,419,728</u>	<u>5,981,430</u>	<u>5,162,462</u>	<u>434,661</u>	<u>5,597,123</u>	<u>384,307</u>
Public safety						
Police	8,277,748	7,982,968	7,676,602	9,927	7,686,529	296,439
Fire	4,105,550	4,087,641	4,089,059	(9,836)	4,079,223	8,418
Fire prevention	355,875	356,410	348,328	1,282	349,610	6,800
Emergency services	74,639	92,770	74,237	13,229	87,466	5,304
Animal services	382,582	376,782	368,740	538	369,278	7,504
Municipal court	732,784	576,971	559,949	1,993	561,942	15,029
Code enforcement	180,050	179,448	180,436	1,004	181,440	(1,992)
	<u>14,109,228</u>	<u>13,652,990</u>	<u>13,297,351</u>	<u>18,137</u>	<u>13,315,488</u>	<u>337,502</u>
Public works						
Public works administration	554,626	543,301	543,392	556	543,948	(647)
Pavement maintenance	2,293,008	2,567,176	2,308,784	159,014	2,467,798	99,378
Drainage maintenance	623,143	602,955	600,809	(434)	600,375	2,580
Traffic control maintenance	218,725	219,740	208,952	(295)	208,657	11,083
Environmental services	119,134	147,632	118,933	413	119,346	28,286
Facilities maintenance	567,640	596,380	420,071	13,478	433,549	162,831
Building inspections	368,307	339,856	330,852	4,734	335,586	4,270
Engineering/capital	153,220	149,761	149,767	(68)	149,699	62
Engineering/development	324,681	410,127	373,913	59,663	433,576	(23,449)
Gas well development	316,381	312,967	311,779	1,752	313,531	(564)
	<u>5,538,865</u>	<u>5,889,895</u>	<u>5,367,252</u>	<u>238,813</u>	<u>5,606,065</u>	<u>283,830</u>

(Continued)

CITY OF BURLESON, TEXAS
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

D-1

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
	Original	Final				
Community development	633,525	543,164	395,846	45,290	441,136	102,028
Culture and recreation						
Library	862,820	860,590	845,336	(3,497)	841,839	18,751
Parks and recreation administration	265,185	262,944	263,746	(390)	263,356	(412)
Recreation	197,717	211,257	202,768	800	203,568	7,689
Parks maintenance	1,076,160	1,031,230	1,013,880	(2,268)	1,011,612	19,618
Senior Center	108,376	106,153	102,737	1,065	103,802	2,351
	2,510,258	2,472,174	2,428,467	(4,290)	2,424,177	47,997
Total expenditures	27,211,604	28,539,653	26,651,378	732,611	27,383,989	1,155,664
Excess of revenues over expenditures	(1,141,465)	(1,617,558)	(33,223)	(12,271)	(45,494)	1,572,064
OTHER FINANCING SOURCES (USES)						
Capital lease proceeds						
Operating transfers in	-	-	720,340	(720,340)	-	-
Operating transfers out	-	-	(25,000)	25,000	-	-
Total other financing sources (uses)	-	-	695,340	(695,340)	-	-
Excess of revenues and other sources over expenditures and other uses	(1,141,465)	(1,617,558)	662,117	(707,611)	(45,494)	1,572,064
Fund balances - beginning	10,530,441	10,530,441	10,530,441		10,530,441	-
Fund balances - ending	\$ 9,388,976	\$ 8,912,883	\$ 11,192,558	\$ (707,611)	\$ 10,484,947	\$ 1,572,064

Explanation of differences:

Reserved (GAAP) for encumbrances at September 30, 2013 but recognized as expenditures for budget purposes	\$ (718,732)
Non-cash GAAP items not included in budget	11,121
Net decrease in fund balance - GAAP to budget	\$ (707,611)

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CITY OF BURLESON, TEXAS
Major Special Revenue Funds
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

	<u>BCSDC Special Revenue</u>				<u>4A Corp Special Revenue</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Original</u>	<u>Final</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	<u>Budget</u>	<u>Budget</u>
			<u>(Negative)</u>			
REVENUES						
Property taxes and assessments						
Sales taxes	\$ 3,422,574	\$ 3,422,574	\$ 3,450,473	\$ 27,899	\$ 3,472,574	\$ 3,472,574
Charges for goods and services	-	-	-	-	-	-
Revenue from use of assets	3,000	3,000	2,535	(465)	4,000	4,000
Miscellaneous	-	239,622	239,622	-	-	-
Total Revenues	<u>3,425,574</u>	<u>3,665,196</u>	<u>3,692,630</u>	<u>27,434</u>	<u>3,476,574</u>	<u>3,476,574</u>
EXPENDITURES						
Current						
Community development	4,550	4,550	3,500	1,050	518,917	469,212
Culture and recreation	-	-	-	-	-	-
Total Expenditures	<u>4,550</u>	<u>4,550</u>	<u>3,500</u>	<u>1,050</u>	<u>518,917</u>	<u>469,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,421,024</u>	<u>3,660,646</u>	<u>3,689,130</u>	<u>28,484</u>	<u>2,957,657</u>	<u>3,007,362</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	<u>(3,495,244)</u>	<u>(3,603,653)</u>	<u>(3,603,653)</u>	<u>-</u>	<u>(2,182,041)</u>	<u>(3,261,080)</u>
Total Other Financing Sources (Uses)	<u>(3,495,244)</u>	<u>(3,603,653)</u>	<u>(3,603,653)</u>	<u>-</u>	<u>(2,182,041)</u>	<u>(3,261,080)</u>
Net change in fund balances	(74,220)	56,993	85,477	28,484	775,616	(253,718)
Fund balance - beginning	<u>2,065,060</u>	<u>2,065,060</u>	<u>2,065,060</u>	<u>-</u>	<u>3,611,796</u>	<u>3,611,796</u>
Fund balance - ending	<u>\$ 1,990,840</u>	<u>\$ 2,122,053</u>	<u>\$ 2,150,537</u>	<u>\$ 28,484</u>	<u>\$ 4,387,412</u>	<u>\$ 3,358,078</u>

4A Corp Special Revenue			Parks Performance Fund		
Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 3,510,101	\$ 37,527	\$ -	\$ -	\$ -	\$ -
-	-	1,938,899	2,085,797	2,095,373	9,576
3,714	(286)	1,000	1,000	1,099	99
<u>449,960</u>	<u>449,960</u>	<u>-</u>	<u>-</u>	<u>2,534</u>	<u>2,534</u>
<u>3,963,775</u>	<u>487,201</u>	<u>1,939,899</u>	<u>2,086,797</u>	<u>2,099,006</u>	<u>12,209</u>
639,890	(170,678)	-	-	-	-
<u>-</u>	<u>-</u>	<u>3,049,399</u>	<u>3,008,962</u>	<u>3,010,660</u>	<u>(1,698)</u>
<u>639,890</u>	<u>(170,678)</u>	<u>3,049,399</u>	<u>3,008,962</u>	<u>3,010,660</u>	<u>(1,698)</u>
<u>3,323,885</u>	<u>316,523</u>	<u>(1,109,500)</u>	<u>(922,165)</u>	<u>(911,654)</u>	<u>10,511</u>
<u>(2,655,366)</u>	<u>605,714</u>	<u>1,109,500</u>	<u>1,106,920</u>	<u>1,096,000</u>	<u>(10,920)</u>
<u>(2,655,366)</u>	<u>605,714</u>	<u>1,109,500</u>	<u>1,106,920</u>	<u>1,096,000</u>	<u>(10,920)</u>
668,519	922,237	-	184,755	184,346	(409)
<u>3,611,796</u>	<u>-</u>	<u>539,541</u>	<u>539,541</u>	<u>539,541</u>	<u>-</u>
<u>\$ 4,280,315</u>	<u>\$ 922,237</u>	<u>\$ 539,541</u>	<u>\$ 724,296</u>	<u>\$ 723,887</u>	<u>\$ (409)</u>

CITY OF BURLESON, TEXAS
TMRS Analysis of Funding Progress
For the Year Ended September 30, 2013

D-3

Actuarial Valuation Date	December 31, 2012	December 31, 2011	December 31, 2010
Actuarial Value of Assets	\$ 46,772,309	\$ 41,736,377	\$ 36,966,987
Actuarial Accrued Liability	\$ 61,417,096	\$ 57,367,470	\$ 52,925,678
Percentage Funded	76.20%	72.80%	69.8%
Unfunded (over-funded) Actuarial Accrued Liability (UAAL)	\$ 14,644,787	\$ 15,631,093	\$ 15,958,691
Annual Covered Payroll	\$ 16,692,995	\$ 16,259,376	\$ 16,461,239
UAAL as a Percentage of Covered Payroll	87.70%	96.10%	96.9%

CITY OF BURLESON, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2013

(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 advance; 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: BCSDC Special Revenue, 4A Corp Special Revenue, Parks Performance Fund and Hotel/Motel Tax Fund, enterprise and internal service funds. Project length budgets are adopted for the capital project 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.
8. The legal appropriation basis for 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 the 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 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.
- Grants Funds – account for various miscellaneous grants from the federal, state or local governments.
- Tax Increment Financing District (TIF) Fund – accounts for the activity of the City’s TIF. Revenues collected are primarily inter-local property tax increment funding. A TIF is a public financing method used as a subsidy for development and community improvement projects.
- Other Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Traffic safety, 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 Burlson 4A Economic Development Corporation is a blended component unit of the City. The 4A Corporation administers a ½ 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 Burlson Community Services Development Corporation (4B) is another component unit of the City. The BCSDC administers ½ cent sales tax. The proceeds of this tax are used to pay debt service on bonds 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 funds. 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 Burlson 4A Economic Development Corporation debt service fund accounts for receipts of sales tax revenue transfer and payment of the debt service.
- The Burlson Community Service 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
For the Year Ended September 30, 2013

	Special Revenue Funds			
	Hotel/Motel	Grants	TIF	Other Special Revenue
ASSETS				
Current assets				
Cash, cash equivalents and temporary investments	\$ 441,975	\$ -	\$ 642,568	\$ 1,542,894
Receivables:				
Accrued Interest	-	-	-	-
Taxes receivable	41,993	-	-	-
Due from other governmental units	-	10,177	1,248	72,248
Total Assets	<u>\$ 483,968</u>	<u>\$ 10,177</u>	<u>\$ 643,816</u>	<u>\$ 1,615,142</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 660	\$ -	\$ -	\$ 523,011
Accrued liabilities	-	-	-	951,388
Due to other funds	-	10,177	-	-
Total Liabilities	<u>660</u>	<u>10,177</u>	<u>-</u>	<u>1,474,399</u>
FUND BALANCES				
Nonspendable				
Restricted for:				
Debt Service	-	-	-	-
Economic development	-	-	643,816	-
Tourism	483,308	-	-	-
Committed for:				
Economic development	-	-	-	140,743
Capital Projects	-	-	-	-
Total Fund Balances	<u>483,308</u>	<u>-</u>	<u>643,816</u>	<u>140,743</u>
Total Liabilities and Fund Balances	<u>\$ 483,968</u>	<u>\$ 10,177</u>	<u>\$ 643,816</u>	<u>\$ 1,615,142</u>

Capital Project Funds				Debt Service Funds		Total Other Governmental Funds
4A Non-Bond Funded	BCSDC Non-Bond Funded	Street Paving Trust Fund	Miscellaneous Non-bond Funded	4A Debt Service	BCSDC Debt Service	
\$ 616,441	\$ 45,554	\$ 1,584,818	\$ 1,093,742	\$ 668,247	\$ 1,189,261	\$ 7,825,500
2,108	179	5,747	3,851	-	-	11,885
-	-	-	-	-	-	41,993
-	-	-	-	-	-	83,673
<u>\$ 618,549</u>	<u>\$ 45,733</u>	<u>\$ 1,590,565</u>	<u>\$ 1,097,593</u>	<u>\$ 668,247</u>	<u>\$ 1,189,261</u>	<u>\$ 7,963,051</u>
\$ 136,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660,004
-	-	-	-	-	-	951,388
-	-	-	-	-	-	10,177
<u>136,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,621,569</u>
-	-	-	-	668,247	1,189,261	1,857,508
-	-	-	-	-	-	643,816
-	-	-	-	-	-	483,308
-	-	-	-	-	-	140,743
<u>482,216</u>	<u>45,733</u>	<u>1,590,565</u>	<u>1,097,593</u>	<u>-</u>	<u>-</u>	<u>3,216,107</u>
<u>482,216</u>	<u>45,733</u>	<u>1,590,565</u>	<u>1,097,593</u>	<u>668,247</u>	<u>1,189,261</u>	<u>6,341,482</u>
<u>\$ 618,549</u>	<u>\$ 45,733</u>	<u>\$ 1,590,565</u>	<u>\$ 1,097,593</u>	<u>\$ 668,247</u>	<u>\$ 1,189,261</u>	<u>\$ 7,963,051</u>

CITY OF BURLESON, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2013

	Special Revenue Funds			
	Hotel/Motel	Grants	TIF	Other Special Revenue
REVENUES				
Property taxes	\$ -	\$ -	\$ 254,600	\$ 420,100
Street assessments	-	-	-	-
Sales taxes	146,986	-	-	404,948
Intergovernmental revenue	-	33,744	-	-
Court costs and fines	-	-	-	337,827
Contributions and donations	-	-	-	391,353
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	146,986	33,744	254,600	1,554,228
EXPENDITURES				
Current operations:				
General government	-	-	-	4,166
Community development	-	-	-	751,554
Public safety	-	32,792	-	620,635
Public works	-	-	-	67,036
Culture and recreation	50,175	952	-	37,343
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal agent charges	-	-	-	-
Capital expenditures	-	-	-	-
Total Expenditures	50,175	33,744	-	1,480,734
Excess (deficiency) of revenues over (under) expenditures	96,811	-	254,600	73,494
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	96,811	-	254,600	73,494
Fund balance - beginning	386,497	-	389,216	67,249
Fund balance - ending	<u>\$ 483,308</u>	<u>\$ -</u>	<u>\$ 643,816</u>	<u>\$ 140,743</u>

Capital Project Funds				Debt Service Funds		Total Other Governmental Funds
4A Non-Bond Funded	BCSDC Non-Bond Funded	Street Paving Trust Fund	Miscellaneous Non-bond Funded	4A Debt Service	BCSDC Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 674,700
-	-	86,535	-	-	-	86,535
-	-	-	-	-	-	551,934
-	-	-	-	-	-	33,744
-	-	-	-	-	-	337,827
-	-	-	-	-	-	391,353
1,036	139	4,202	2,734	632	1,099	9,842
-	-	-	212,853	-	-	212,853
<u>1,036</u>	<u>139</u>	<u>90,737</u>	<u>215,587</u>	<u>632</u>	<u>1,099</u>	<u>2,298,788</u>
-	-	-	-	-	-	4,166
-	-	-	-	-	-	751,554
-	-	-	-	-	-	653,427
-	-	-	-	-	-	67,036
-	-	-	-	-	-	88,470
-	-	-	-	1,354,140	1,255,000	2,609,140
-	-	-	-	742,086	656,124	1,398,210
<u>241,479</u>	<u>12,212</u>	<u>-</u>	<u>48,347</u>	<u>-</u>	<u>-</u>	<u>302,038</u>
<u>241,479</u>	<u>12,212</u>	<u>-</u>	<u>48,347</u>	<u>2,096,226</u>	<u>1,911,124</u>	<u>5,874,041</u>
<u>(240,443)</u>	<u>(12,073)</u>	<u>90,737</u>	<u>167,240</u>	<u>(2,095,594)</u>	<u>(1,910,025)</u>	<u>(3,575,253)</u>
<u>560,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,095,366</u>	<u>1,910,250</u>	<u>4,565,616</u>
<u>560,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,095,366</u>	<u>1,910,250</u>	<u>4,565,616</u>
319,557	(12,073)	90,737	167,240	(228)	225	990,363
<u>162,659</u>	<u>57,806</u>	<u>1,499,828</u>	<u>930,353</u>	<u>668,475</u>	<u>1,189,036</u>	<u>5,351,119</u>
<u>\$ 482,216</u>	<u>\$ 45,733</u>	<u>\$ 1,590,565</u>	<u>\$ 1,097,593</u>	<u>\$ 668,247</u>	<u>\$ 1,189,261</u>	<u>\$ 6,341,482</u>

CITY OF BURLESON, TEXAS
Debt Service Funds
Budgetary Comparison Schedule
For the Year Ended September 30, 2013

	<u>General Debt Service Fund</u>				<u>BCDC Debt Service Fund</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Original Budget</u>	<u>Final Budget</u>
REVENUES						
Property taxes and assessments	\$ 3,300,582	\$ 3,300,582	\$ 3,371,791	\$ 71,209	\$ -	\$ -
Revenue from use of assets	-	-	-	-	1,200	1,200
Total Revenues	<u>3,300,582</u>	<u>3,300,582</u>	<u>3,371,791</u>	<u>71,209</u>	<u>1,200</u>	<u>1,200</u>
EXPENDITURES						
Debt service:						
Principal retirement	2,409,861	2,409,861	2,409,861	-	1,255,000	1,255,000
Interest and fiscal agent charges	<u>1,750,574</u>	<u>1,750,574</u>	<u>1,747,085</u>	<u>3,489</u>	<u>656,301</u>	<u>656,301</u>
Total Expenditures	<u>4,160,435</u>	<u>4,160,435</u>	<u>4,156,946</u>	<u>3,489</u>	<u>1,911,301</u>	<u>1,911,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(859,853)</u>	<u>(859,853)</u>	<u>(785,155)</u>	<u>74,698</u>	<u>(1,910,101)</u>	<u>(1,910,101)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	<u>812,000</u>	<u>812,000</u>	<u>812,000</u>	<u>-</u>	<u>1,911,300</u>	<u>1,911,300</u>
Total Other Financing Sources (Uses)	<u>812,000</u>	<u>812,000</u>	<u>812,000</u>	<u>-</u>	<u>1,911,300</u>	<u>1,911,300</u>
Net change in fund balances	(47,853)	(47,853)	26,845	74,698	1,199	1,199
Fund balance - beginning	<u>819,907</u>	<u>819,907</u>	<u>819,907</u>	<u>-</u>	<u>1,189,036</u>	<u>1,189,036</u>
Fund balance - ending	<u>\$ 772,054</u>	<u>\$ 772,054</u>	<u>\$ 846,752</u>	<u>\$ 74,698</u>	<u>\$ 1,190,235</u>	<u>\$ 1,190,235</u>

BCDC Debt Service Fund		4A Corp Debt Service Fund			
Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,099	(101)	3,800	3,800	632	(3,168)
1,099	(101)	3,800	3,800	632	(3,168)
1,255,000	-	1,354,140	1,354,140	1,354,140	-
656,124	177	741,942	742,188	742,086	102
1,911,124	177	2,096,082	2,096,328	2,096,226	102
(1,910,025)	76	(2,092,282)	(2,092,528)	(2,095,594)	(3,066)
1,910,250	(1,050)	2,096,080	2,096,080	2,095,366	(714)
1,910,250	(1,050)	2,096,080	2,096,080	2,095,366	(714)
225	(974)	3,798	3,552	(228)	(3,780)
1,189,036	-	668,475	668,475	668,475	-
<u>\$ 1,189,261</u>	<u>\$ (974)</u>	<u>\$ 672,273</u>	<u>\$ 672,027</u>	<u>\$ 668,247</u>	<u>\$ (3,780)</u>

CITY OF BURLESON, TEXAS
 Other Governmental Funds
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2013

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	\$ 110,000	\$ 125,000	\$ 146,986	\$ 21,986
Total Revenues	<u>110,000</u>	<u>125,000</u>	<u>146,986</u>	<u>21,986</u>
EXPENDITURES				
Culture and recreation	90,156	91,611	50,175	41,436
Total Expenditures	<u>90,156</u>	<u>91,611</u>	<u>50,175</u>	<u>41,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,844</u>	<u>33,389</u>	<u>96,811</u>	<u>63,422</u>
Net change in fund balances	19,844	33,389	96,811	63,422
Fund balance - beginning	<u>386,497</u>	<u>386,497</u>	<u>386,497</u>	
Fund balance - ending	<u>\$ 406,341</u>	<u>\$ 419,886</u>	<u>\$ 483,308</u>	<u>\$ 63,422</u>

COMBINING FINANCIAL STATEMENTS
INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and/or services provided by one department to another department within the City:

- Equipment Service Fund – accounts for a full range of services in managing and maintaining the City’s fleet of vehicles and equipment. All costs associated with these operations are charged to the using department to offset the adopted budget to this fund.

- Business-Type Equipment Replacement Fund is used as a funding, management and planning tool that provides a systematic approach to the replacement of City-owned vehicles and equipment used by the Water-Wastewater, Golf and Solid Waste funds.

- Governmental Equipment Replacement Fund provides for the replacement of vehicles and equipment utilized by all other City departments. These two Equipment Replacement funds enable the City to fund major equipment purchases without substantially affecting the stability of the ad valorem tax rate.

- Support Services Fund is designed to record the activities of support services function (currently only Information Technology), and allow for the costs of these services to be reflected as expenditures of the “customer” departments.

CITY OF BURLESON, TEXAS
Combining Statement of Net Position
Internal Service Funds
September 30, 2013

F-1

	Equipment Services	Vehicle Replacement - Governmental	Vehicle Replacement - Business-Type	Support Services Fund	Total Internal Service Funds
ASSETS:					
Current Assets					
Cash and investments	\$ 135,736	\$ 2,052,632	\$ 790,616	\$ 196,530	\$ 3,175,514
Receivables					
Accounts receivable	1,322	-	-	624	1,946
Accrued interest receivable	383	6,220	3,100	276	9,979
Inventories	69,482	-	-	-	69,482
Total current assets	<u>206,923</u>	<u>2,058,852</u>	<u>793,716</u>	<u>197,430</u>	<u>3,256,921</u>
Noncurrent assets:					
Property, plant, and equipment, net	13,157	2,709,758	1,314,501	740,016	4,777,432
Total noncurrent assets	<u>13,157</u>	<u>2,709,758</u>	<u>1,314,501</u>	<u>740,016</u>	<u>4,777,432</u>
Total Assets	<u>220,080</u>	<u>4,768,610</u>	<u>2,108,217</u>	<u>937,446</u>	<u>8,034,353</u>
LIABILITIES					
Current Liabilities					
Accounts payable	11,429	13,205	-	21,410	46,044
Compensated absences	33,753	-	-	72,229	105,982
Accrued liabilities	15,990	-	-	23,228	39,218
Capital lease payable	1,533	-	-	-	1,533
Total Current Liabilities	<u>62,705</u>	<u>13,205</u>	<u>-</u>	<u>116,867</u>	<u>192,777</u>
Noncurrent Liabilities					
Net pension obligation	21,563	-	-	20,460	42,023
Other post-employment benefits	6,599	-	-	11,213	17,812
Capital lease payable	11,231	-	-	-	11,231
Compensated absences	65,252	-	-	2,221	67,473
Total noncurrent liabilities	<u>104,645</u>	<u>-</u>	<u>-</u>	<u>33,894</u>	<u>138,539</u>
Total Liabilities	<u>167,350</u>	<u>13,205</u>	<u>-</u>	<u>150,761</u>	<u>331,316</u>
NET POSITION					
Net investment in capital assets	393	2,709,758	1,314,501	740,016	4,764,668
Unrestricted	52,337	2,045,647	793,716	46,669	2,938,369
Total Net Position	<u>\$ 52,730</u>	<u>\$ 4,755,405</u>	<u>\$ 2,108,217</u>	<u>\$ 786,685</u>	<u>\$ 7,703,037</u>

CITY OF BURLESON, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2013

F-2

	<u>Equipment Services</u>	<u>Vehicle Replacement - Governmental</u>	<u>Vehicle Replacement - Business-Type</u>	<u>Support Services Fund</u>	<u>Total Internal Service Funds</u>
Operating revenue					
Charges for goods and services	\$ 486,185	\$ 1,331,922	\$ 269,850	\$ 1,306,526	\$ 3,394,483
Total operating revenue	<u>486,185</u>	<u>1,331,922</u>	<u>269,850</u>	<u>1,306,526</u>	<u>3,394,483</u>
Operating expense					
Personal services	390,312	-	-	610,561	1,000,873
Repairs and maintenance	15,415	-	-	475,957	491,372
Materials, supplies	80,173	-	-	116,380	196,553
Depreciation	1,993	461,788	177,578	207,287	848,646
Total operating expens	<u>487,893</u>	<u>461,788</u>	<u>177,578</u>	<u>1,410,185</u>	<u>2,537,444</u>
Net operating income (loss)	<u>(1,708)</u>	<u>870,134</u>	<u>92,272</u>	<u>(103,659)</u>	<u>857,039</u>
Nonoperating revenue (expense)					
Gain or loss on disposition of fixed assets	-	(8,862)	65,803	-	56,941
Investment income	253	10,499	2,280	195	13,227
Interest and fiscal agent charges	(575)	-	-	-	(575)
Total Non-Operating Revenue	<u>(322)</u>	<u>1,637</u>	<u>68,083</u>	<u>195</u>	<u>69,593</u>
Income (loss) before transfers	<u>(2,030)</u>	<u>871,771</u>	<u>160,355</u>	<u>(103,464)</u>	<u>926,632</u>
Other Sources (Uses)					
Operating Transfers In	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>16,000</u>	<u>25,000</u>
Change in net position	6,970	871,771	160,355	(87,464)	951,632
Net position - beginning of the year	<u>45,760</u>	<u>3,883,634</u>	<u>1,947,862</u>	<u>874,149</u>	<u>6,751,405</u>
Net position - end of the year	<u>\$ 52,730</u>	<u>\$ 4,755,405</u>	<u>\$ 2,108,217</u>	<u>\$ 786,685</u>	<u>\$ 7,703,037</u>

City of Burleson, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2013

F-3

	Equipment Services	Vehicle Replacement - Governmental	Vehicle Replacement - Business-Type	Support Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for equipment replacement	\$ -	\$ 1,331,922	\$ 269,850	\$ -	\$ 1,601,772
Cash received for fleet maintenance services	486,350	-	-	-	486,350
Cash received for support services	-	-	-	1,306,428	1,306,428
Receipts from other funds	-	369,713	-	-	369,713
Payments to vendors, suppliers and contractors	(77,708)	8,638	-	(600,110)	(669,180)
Payments to employees for services	(365,289)	-	-	(615,381)	(980,670)
Net cash provided by operating activities	<u>43,353</u>	<u>1,710,273</u>	<u>269,850</u>	<u>90,937</u>	<u>2,114,413</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	9,000	-	-	16,000	25,000
Net cash provided by noncapital financing activities	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>16,000</u>	<u>25,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Receipt on disposal of capital assets	-	28,638	108,503	-	137,141
Principal payments on capital debt	(1,409)	-	-	-	(1,409)
Interest payments on capital debt	(575)	-	-	-	(575)
Acquisition and construction of capital assets	-	(1,047,004)	(314,878)	(6,942)	(1,368,824)
Net cash (used) by capital and related financing activities	<u>(1,984)</u>	<u>(1,018,366)</u>	<u>(206,375)</u>	<u>(6,942)</u>	<u>(1,233,667)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	18	7,633	1,091	(82)	8,660
Proceeds from sale of investments	39,862	-	-	-	39,862
Purchase of investments	(39,306)	-	-	-	(39,306)
Net cash provided by investing activities	<u>574</u>	<u>7,633</u>	<u>1,091</u>	<u>(82)</u>	<u>9,216</u>
Net increase (decrease) in cash and cash equivalents	50,943	699,540	64,566	99,913	914,962
Cash and cash equivalents - beginning of the year	<u>5,723</u>	<u>1,353,092</u>	<u>726,050</u>	<u>96,617</u>	<u>2,181,482</u>
Cash and cash equivalents - end of the year	56,666	2,052,632	790,616	196,530	3,096,444
Investments	<u>79,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,070</u>
Total cash and investments	<u>\$ 135,736</u>	<u>\$ 2,052,632</u>	<u>\$ 790,616</u>	<u>\$ 196,530</u>	<u>\$ 3,175,514</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,708)	\$ 870,134	\$ 92,272	\$ (103,659)	\$ 857,039
Depreciation	1,993	461,788	177,578	207,287	848,646
Change in operating assets and liabilities:					
Decrease (increase) in inventories	11,459	-	-	-	11,459
Decrease (increase) in accounts receivable	165	-	-	(98)	67
Decrease (increase) in due from other funds	-	369,713	-	-	369,713
Increase (decrease) in accounts payable	6,421	8,638	-	4,746	19,805
Increase (decrease) in accrued liabilities	25,023	-	-	(17,339)	7,684
Net cash provided by operating activities	<u>\$ 43,353</u>	<u>\$ 1,710,273</u>	<u>\$ 269,850</u>	<u>\$ 90,937</u>	<u>\$ 2,114,413</u>

**CITY OF BURLESON, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2013
 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>	<p>1-4</p>
<p>REVENUE CAPACITY These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</p>	<p>5-8</p>
<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>	<p>9-12</p>
<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>	<p>13-14</p>
<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>	<p>15-18</p>

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

CITY OF BURLESON, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

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

(continued)

TABLE 1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 75,675,895	\$ 84,795,578	\$ 89,235,983	\$ 91,490,189	\$ 96,854,973	\$ 101,280,575
6,902,812	5,757,785	6,013,922	7,647,833	9,129,987	10,262,236
18,368,320	18,968,946	19,153,205	19,728,287	17,251,062	18,176,631
<u>\$ 100,947,027</u>	<u>\$ 109,522,309</u>	<u>\$ 114,403,110</u>	<u>\$ 118,866,309</u>	<u>\$ 123,236,022</u>	<u>\$ 129,719,442</u>
\$ 38,951,118	\$ 40,857,400	\$ 43,197,167	\$ 44,846,342	\$ 45,090,529	\$ 53,375,788
3,172,307	3,172,307	3,203,528	2,469,836	4,081,263	3,250,923
6,198,905	7,485,644	6,193,764	8,976,274	10,417,168	6,943,042
<u>\$ 48,322,330</u>	<u>\$ 51,515,351</u>	<u>\$ 52,594,459</u>	<u>\$ 56,292,452</u>	<u>\$ 59,588,960</u>	<u>\$ 63,569,753</u>
\$ 114,627,013	\$ 125,652,978	\$ 132,433,150	\$ 136,336,531	\$ 141,945,502	\$ 154,656,363
10,075,119	8,930,092	9,217,450	10,117,669	13,211,250	13,513,159
24,567,225	26,454,590	25,346,969	28,704,561	27,668,230	25,119,673
<u>\$ 149,269,357</u>	<u>\$ 161,037,660</u>	<u>\$ 166,997,569</u>	<u>\$ 175,158,761</u>	<u>\$ 182,824,982</u>	<u>\$ 193,289,195</u>

(concluded)

CITY OF BURLESON, TEXAS
CHANGE IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	\$ 3,298,510	\$ 3,424,919	\$ 3,727,261	\$ 4,060,608
Public safety	6,321,200	7,203,194	8,100,853	9,784,360
Public works	5,246,994	5,305,779	6,026,802	6,788,351
Community Development	766,423	1,213,921	1,254,161	1,173,452
Culture and recreation	1,798,391	2,167,841	2,359,258	2,494,174
Interest and other fees	1,070,503	1,385,277	1,716,670	2,035,972
Total governmental activities expenses	<u>18,502,021</u>	<u>20,700,931</u>	<u>23,185,005</u>	<u>26,336,917</u>
Business-type activities:				
Water and wastewater	9,084,086	9,896,012	10,287,872	11,047,187
Hidden Creek Golf Course	2,211,168	1,901,480	1,773,118	1,761,513
Solid Waste	1,106,306	1,355,240	1,381,597	1,547,740
Cemetery	18,302	20,983	26,183	31,572
Total business-type activities expenses	<u>12,419,862</u>	<u>13,173,715</u>	<u>13,468,770</u>	<u>14,388,012</u>
Total primary government expenses	<u>\$ 30,921,883</u>	<u>\$ 33,874,646</u>	<u>\$ 36,653,775</u>	<u>\$ 40,724,929</u>
Program Revenues:				
Governmental activities:				
Charges for services	\$ 4,831,891	\$ 5,050,465	\$ 7,010,601	\$ 6,920,756
Operating grants and contributions	535,164	727,842	646,304	587,515
Capital grants and contributions	1,936,102	8,378,946	6,812,544	7,813,051
Total governmental activities program revenues	<u>7,303,157</u>	<u>14,157,253</u>	<u>14,469,449</u>	<u>15,321,322</u>
Business-type activities:				
Charges for services	9,610,972	11,506,324	13,949,581	12,096,207
Operating grants and contributions	-	-	154,156	751,266
Capital grants and contributions	962,513	3,350,613	3,449,995	2,843,679
Total business-type activities program revenues	<u>10,573,485</u>	<u>14,856,937</u>	<u>17,553,732</u>	<u>15,691,152</u>
Total primary government program revenues	<u>\$ 17,876,642</u>	<u>\$ 29,014,190</u>	<u>\$ 32,023,181</u>	<u>\$ 31,012,474</u>
Net (expense)/revenue				
Governmental activities	\$ (11,198,864)	\$ (6,543,678)	\$ (8,715,556)	\$ (11,015,595)
Business-type activities	(1,846,377)	1,683,222	4,084,962	1,303,140
Total primary government net expense	<u>\$ (13,045,241)</u>	<u>\$ (4,860,456)</u>	<u>\$ (4,630,594)</u>	<u>\$ (9,712,455)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 6,987,204	\$ 7,752,303	\$ 8,625,863	\$ 9,910,567
Tax Increment Financing	162,966	412,423	497,436	547,712
Sales and use taxes	7,125,534	8,299,061	9,154,752	10,347,816
Hotel/motel taxes	96,928	119,270	159,321	172,078
Franchise fees	1,763,792	1,768,708	2,090,773	2,027,326
Investment income	244,511	829,175	1,520,814	2,021,700
Gain on sale of assets	-	-	-	-
Lawsuit settlement	-	970,000	-	-
Transfers	(1,494,354)	(1,072,735)	(530,525)	(449,595)
Total governmental activities	<u>14,886,581</u>	<u>19,078,205</u>	<u>21,518,434</u>	<u>24,577,604</u>
Business-type activities:				
Investment income	232,607	285,489	639,421	871,763
Gain on sale of assets	-	2,660	(43,782)	-
Transfers	1,494,354	1,072,735	530,525	449,595
Total business-type revenues	<u>1,726,961</u>	<u>1,360,884</u>	<u>1,126,164</u>	<u>1,321,358</u>
Total primary government	<u>\$ 16,613,542</u>	<u>\$ 20,439,089</u>	<u>\$ 22,644,598</u>	<u>\$ 25,898,962</u>
Change in Net Position				
Governmental activities	\$ 2,193,363	\$ 11,461,792	\$ 12,272,353	\$ 13,112,414
Business-type activities	1,374,938	4,116,841	5,741,651	3,074,093
Total primary government	<u>\$ 3,568,301</u>	<u>\$ 15,578,633</u>	<u>\$ 18,014,004</u>	<u>\$ 16,186,507</u>

(continued)

TABLE 2

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 5,265,957	\$ 5,858,171	\$ 4,743,333	\$ 5,985,553	\$ 4,579,709	\$ 4,779,683	
11,664,905	11,721,926	12,841,230	12,597,427	13,755,003	14,505,108	
4,602,125	8,105,075	9,216,349	9,414,047	9,400,406	9,476,476	
2,879,432	1,004,358	1,287,097	1,483,991	1,443,045	1,534,915	
2,851,686	3,025,067	4,503,830	5,671,656	6,050,849	6,148,475	
2,870,665	3,619,571	3,416,974	3,643,362	3,490,537	3,256,327	
<u>30,134,770</u>	<u>33,334,168</u>	<u>36,008,813</u>	<u>38,796,036</u>	<u>38,719,549</u>	<u>39,700,984</u>	
12,593,338	12,673,707	13,934,334	13,776,701	13,858,927	14,553,979	
1,735,181	2,005,748	1,886,326	1,872,971	1,774,465	2,100,255	
2,211,449	2,218,385	2,358,589	2,385,558	2,451,503	2,595,756	
1,069	3,699	16,260	13,598	17,743	10,994	
<u>16,541,037</u>	<u>16,901,539</u>	<u>18,195,509</u>	<u>18,048,828</u>	<u>18,102,638</u>	<u>19,260,984</u>	
<u>\$ 46,675,807</u>	<u>\$ 50,235,707</u>	<u>\$ 54,204,322</u>	<u>\$ 56,844,864</u>	<u>\$ 56,822,187</u>	<u>\$ 58,961,968</u>	
\$ 10,850,388	\$ 8,714,188	\$ 7,052,495	\$ 8,948,079	\$ 7,799,248	\$ 8,127,467	
534,172	578,243	705,142	621,034	721,595	603,962	
4,299,747	3,033,884	3,558,406	2,265,193	2,624,666	3,769,399	
<u>15,684,307</u>	<u>12,326,315</u>	<u>11,316,043</u>	<u>11,834,306</u>	<u>11,145,509</u>	<u>12,500,828</u>	
16,784,496	18,433,105	17,823,579	19,924,565	18,442,552	19,788,547	
597,780	337,613	414,260	359,271	364,359	561,332	
2,242,694	1,461,885	1,044,954	920,504	1,800,117	2,976,121	
<u>19,624,970</u>	<u>20,232,603</u>	<u>19,282,793</u>	<u>21,204,340</u>	<u>20,607,028</u>	<u>23,326,000</u>	
<u>\$ 35,309,277</u>	<u>\$ 32,558,918</u>	<u>\$ 30,598,836</u>	<u>\$ 33,038,646</u>	<u>\$ 31,752,537</u>	<u>\$ 35,826,828</u>	
\$ (14,450,463)	\$ (21,007,853)	\$ (24,692,770)	\$ (26,961,730)	\$ (27,574,040)	\$ (27,200,156)	
3,083,933	3,331,064	1,087,284	3,155,512	2,504,390	4,065,016	
<u>\$ (11,366,530)</u>	<u>\$ (17,676,789)</u>	<u>\$ (23,605,486)</u>	<u>\$ (23,806,218)</u>	<u>\$ (25,069,650)</u>	<u>\$ (23,135,140)</u>	
\$ 11,564,509	\$ 13,473,315	\$ 15,206,250	\$ 15,074,189	\$ 15,414,948	\$ 15,853,216	
61,730	147,414	294,119	320,737	199,229	254,600	
11,650,147	11,805,360	12,121,386	13,453,923	14,818,398	14,110,028	
199,309	170,116	128,635	144,520	146,202	146,986	
2,316,229	2,560,705	2,521,842	2,844,181	2,760,074	2,659,237	
1,600,937	793,416	187,338	92,091	105,892	536,572	
-	343,648	-	-	-	-	
-	-	(953,453)	-	-	-	
(959,463)	289,160	67,454	(504,712)	(263,167)	122,937	
<u>26,433,398</u>	<u>29,583,134</u>	<u>29,573,571</u>	<u>31,424,929</u>	<u>33,181,576</u>	<u>33,683,576</u>	
714,810	270,274	59,278	37,765	48,613	38,714	
55,576	(119,157)	-	-	-	-	
959,463	(289,160)	(67,454)	504,712	263,167	(122,937)	
<u>1,729,849</u>	<u>(138,043)</u>	<u>(8,176)</u>	<u>542,477</u>	<u>311,780</u>	<u>(84,223)</u>	
<u>\$ 28,163,247</u>	<u>\$ 29,445,091</u>	<u>\$ 29,565,395</u>	<u>\$ 31,967,406</u>	<u>\$ 33,493,356</u>	<u>\$ 33,599,353</u>	
\$ 11,982,935	\$ 8,575,281	\$ 4,880,801	\$ 4,463,199	\$ 5,607,536	\$ 6,483,420	
4,813,782	3,193,021	1,079,108	3,697,989	2,816,170	3,980,793	
<u>\$ 16,796,717</u>	<u>\$ 11,768,302</u>	<u>\$ 5,959,909</u>	<u>\$ 8,161,188</u>	<u>\$ 8,423,706</u>	<u>\$ 10,464,213</u>	

(concluded)

CITY OF BURLESON, TEXAS
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$ 148,578	\$ 403,425	\$ 295,535	\$ 236,359	\$ 292,510
Unreserved	3,213,330	4,045,566	4,716,008	6,474,112	5,871,057
Nonspendable	-	-	-	-	-
Committed to:					
Debt service	-	-	-	-	-
Other Purposes	-	-	-	-	-
Assigned to:					
Risk management	-	-	-	-	-
Uassigned	-	-	-	-	-
Total general fund	<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>
 All Other Governmental Funds					
Reserved	\$ 12,192,140	\$ 27,994,603	\$ 21,439,770	\$ 33,802,921	\$ 64,065,336
Unreserved, reported in:					
Special Revenue Funds	97,635	131,960	195,320	274,192	629,680
Nonspendable					
Restricted for:					
Debt service	-	-	-	-	-
Economic development	-	-	-	-	-
Tourism	-	-	-	-	-
Capital projects	-	-	-	-	-
Committed to:					
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Total all other governmental funds	<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>

(continued)

TABLE 3

Fiscal Year				
2009	2010	2011	2012	2013
\$ 176,254	\$ 179,419	\$ -	\$ -	\$ -
6,557,013	7,008,776	-	-	-
-	-	59,832	59,031	53,769
-	-	872,880	791,215	703,824
-	-	63,826	149,771	718,732
-	-	1,007,782	733,781	874,825
-	-	6,442,458	8,796,643	8,841,408
<u>\$ 6,733,267</u>	<u>\$ 7,188,195</u>	<u>\$ 8,446,778</u>	<u>\$ 10,530,441</u>	<u>\$ 11,192,558</u>
\$ 45,495,454	\$ 29,567,700	-	-	-
895,046	839,018	-	-	-
-	-	-	-	300
-	-	2,666,165	2,677,418	2,704,260
-	-	4,714,757	6,066,072	7,074,668
-	-	293,192	386,497	483,308
-	-	11,340,114	-	-
-	-	362,472	539,541	723,587
-	-	283,046	67,249	140,743
-	-	6,269,916	13,779,002	19,994,818
-	-	4,063,471	2,872,822	511,000
<u>\$ 46,390,500</u>	<u>\$ 30,406,718</u>	<u>\$ 29,993,133</u>	<u>\$ 26,388,601</u>	<u>\$ 31,632,684</u>

(concluded)

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

	Fiscal Year				
	2004	2005	2006	2007	2008
Revenues					
Property taxes	\$ 7,237,262	\$ 8,032,127	\$ 8,704,379	\$ 10,027,181	\$ 11,506,820
Sales taxes	7,222,465	8,645,430	9,636,872	10,842,693	11,849,457
Franchise fees	2,284,489	1,766,863	1,935,224	2,020,661	2,309,467
Licenses and permits	967,012	979,855	1,098,670	1,106,496	886,238
Intergovernmental revenue	422,522	1,047,760	513,197	471,520	168,544
Fines and forfeitures	2,770,736	689,554	767,477	1,149,028	1,472,535
Donations	700,254	23,343	10,255	25,547	19,343
Charges for service	6,297	2,995,429	2,965,190	3,169,601	1,476,841
Interest income	155,835	757,743	1,415,646	1,901,343	1,542,276
Mineral lease revenue	-	-	-	-	5,985,783
Street Assessments	209,175	206,800	152,561	112,377	126,041
Miscellaneous	837,603	1,944,829	2,623,800	1,918,118	1,601,601
Total revenues	<u>22,813,650</u>	<u>27,089,733</u>	<u>29,823,271</u>	<u>32,744,565</u>	<u>38,944,946</u>
Expenditures					
Current Operations:					
General government	3,148,653	3,471,402	4,562,259	3,919,724	5,018,217
Public safety	6,149,309	7,582,937	7,829,789	8,721,159	10,776,171
Public works	3,229,684	3,298,247	3,900,009	4,319,240	4,773,860
Sanitation	1,290,101	1,579,916	1,453,661	1,656,198	-
Community Development	929,389	1,399,244	1,429,007	1,400,905	519,651
Culture and recreation	1,669,393	1,907,963	2,136,713	2,219,504	2,568,836
Capital Outlay	2,353,372	6,995,910	12,366,481	7,823,319	15,060,574
Debt Service:					
Principal	1,302,000	1,208,000	1,228,000	1,966,000	2,342,000
Interest and fiscal agent charges	1,066,476	1,340,153	1,741,133	1,962,297	3,244,180
Total expenditures	<u>21,138,377</u>	<u>28,783,772</u>	<u>36,647,052</u>	<u>33,988,346</u>	<u>44,303,489</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,675,273</u>	<u>(1,694,039)</u>	<u>(6,823,781)</u>	<u>(1,243,781)</u>	<u>(5,358,543)</u>
Other financing sources (uses)					
Transfers in	1,417,950	2,256,984	5,278,965	7,083,479	5,241,662
Transfers out	(3,097,304)	(3,529,716)	(5,124,107)	(8,218,456)	(5,541,191)
Proceeds of capital lease	123,930	27,112	740,000	69,990	-
Proceeds of bond issuance	875,000	19,863,531	-	16,449,717	35,650,000
Payment to refunded bonds agent	(850,555)	-	-	-	-
Premium	-	-	-	-	75,384
Total other financing sources (uses)	<u>(1,530,979)</u>	<u>18,617,911</u>	<u>894,858</u>	<u>15,384,730</u>	<u>35,425,855</u>
Net change in fund balances	\$ <u>144,294</u>	\$ <u>16,923,872</u>	\$ <u>(5,928,923)</u>	\$ <u>14,140,949</u>	\$ <u>30,067,312</u>
Debt service as a percentage of non-capital expenditures (1)	12.76%	12.09%	12.38%	15.03%	19.32%

(continued)

(1) There are some capital expenditures reported in various functional expenditure line items and are included in this calculation.

TABLE 4

		Fiscal Year							
		2009	2010	2011	2012	2013			
\$	13,647,213	\$	15,509,577	\$	15,430,774	\$	15,659,684	\$	16,247,528
	11,975,477		12,250,021		13,598,440		14,964,599		14,257,015
	2,516,642		2,527,140		2,842,740		2,755,431		2,714,231
	1,336,454		1,150,796		1,017,237		1,014,677		1,147,361
	429,498		450,031		369,865		278,234		212,609
	1,530,831		1,406,892		1,267,346		1,212,414		1,127,906
	10,970		18,052		251,169		443,361		391,353
	1,597,794		2,057,565		2,911,172		3,394,823		3,267,802
	787,753		178,867		88,992		101,182		81,002
	3,556,228		1,838,611		2,113,091		1,096,666		1,058,233
	9,163		213,913		24,285		80,031		86,535
	1,906,011		1,268,989		1,783,682		1,391,018		2,296,743
	39,304,034		38,870,454		41,698,793		42,392,120		42,888,318
					-				
	5,361,405		4,658,823		5,697,945		4,698,889		5,109,652
	11,475,649		12,981,168		12,269,841		13,189,268		13,916,985
	4,644,616		5,339,771		5,110,274		5,088,899		5,434,287
	-		-		-		-		-
	1,230,424		1,503,442		1,700,475		1,645,680		1,790,790
	2,536,777		3,899,848		4,929,907		5,102,392		5,527,597
	24,730,676		27,891,966		2,674,837		4,986,097		1,723,052
	3,242,000		4,180,000		4,835,507		4,890,666		5,106,392
	4,070,379		3,879,046		3,726,968		3,493,688		3,262,591
	57,291,926		64,334,064		40,945,754		43,095,579		41,871,346
	(17,987,892)		(25,463,610)		753,039		(703,459)		1,016,972
	11,319,490		6,813,507		6,825,205		7,482,456		7,193,956
	(11,066,415)		(6,820,858)		(6,734,919)		(7,767,346)		(7,096,019)
	-		1,369,061		1,673		-		-
	-		19,370,000		-		5,040,000		4,620,000
	-		(11,326,305)		-		(5,239,802)		-
	-		529,352		-		241,346		171,291
	253,075		9,934,757		91,959		(243,346)		4,889,228
\$	(17,734,817)	\$	(15,528,853)	\$	844,998	\$	(946,805)	\$	5,906,200
	23.08%		22.53%		22.77%		21.97%		21.14%

(concluded)

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

Fiscal Year	Residential Property	Industrial/ Commercial Property	Mineral Reserves	Less: Tax-Exempt Property	Total Taxable Assessed Value
2004	975,064,340	327,896,020	-	133,896,320	1,169,064,040
2005	1,087,988,296	367,399,074	-	142,966,294	1,312,421,076
2006	1,231,217,090	403,933,530	-	170,546,905	1,464,603,715
2007	1,369,744,068	432,715,972	-	151,631,722	1,650,828,318
2008	1,491,849,951	464,695,420	565,598	159,584,700	1,797,526,269
2009	1,609,346,120	511,393,600	24,518,800	170,733,571	1,974,524,949
2010	1,731,504,630	578,037,676	105,935,597	183,007,960	2,232,469,943
2011	1,770,352,770	579,118,177	93,920,686	220,261,774	2,223,129,859
2012	1,907,739,189	629,673,799	111,060,424	347,152,435	2,301,320,977
2013	1,949,702,876	690,001,727	111,483,802	341,644,076	2,409,544,329

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.

TABLE 5

Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
0.5985	1,169,064,040	100.0%
0.5985	1,312,421,076	100.0%
0.5964	1,464,603,715	100.0%
0.6299	1,650,828,318	100.0%
0.6618	1,797,526,269	100.0%
0.6940	1,974,524,949	100.0%
0.6940	2,232,469,943	100.0%
0.7100	2,223,129,859	100.0%
0.6900	2,301,320,977	100.0%
0.6900	2,409,544,329	100.0%

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

	FISCAL YEAR					
	2004	2005	2006	2007	2008	2009
OVERLAPPING RATES						
Tarrant County	0.2725	0.2725	0.2725	0.2665	0.2665	0.2640
Tarrant County Hospital District	0.2353	0.2353	0.2353	0.2354	0.2340	0.2278
Tarrant County Junior College	0.1394	0.1394	0.1394	0.1394	0.1394	0.1379
Tarrant County Regional Water District	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Johnson County	0.4649	0.4649	0.4649	0.4218	0.4098	0.3895
Burleson Independent School District	1.7500	1.7484	1.7352	1.4501	1.4051	1.4688
Joshua Independent School District	1.7381	1.7381	1.7381	1.5389	1.4600	1.3900
Crowley Independent School District	0.0000	0.0000	1.7890	1.6710	1.4099	1.5350
CITY DIRECT RATES						
Operating & Maintenance	0.5022	0.5152	0.5174	0.5349	0.5241	0.5318
Interest & Sinking	0.0963	0.0833	0.0790	0.0950	0.1377	0.1622
Total Direct Rate	0.5985	0.5985	0.5964	0.6299	0.6618	0.6940

Sources: Tarrant Appraisal District, Johnson County Tax Office, City records

Note: All rates per \$100 assessed value
Totals are not provided for columns since they would be meaningless.
Some of the jurisdictions are mutually exclusive

Table 6

FISCAL YEAR			
2010	2011	2012	2013
0.2640	0.2640	0.2640	0.2640
0.2278	0.2279	0.2279	0.2279
0.1379	0.1379	0.1490	0.1495
0.0200	0.0200	0.0200	0.0200
0.3833	0.3795	0.3332	0.3712
1.5400	1.5400	1.5400	1.5400
1.3900	1.3900	1.4900	1.4900
1.5350	1.5350	1.6700	1.6700
0.5318	0.5478	0.5278	0.5278
0.1622	0.1622	0.1622	0.1622
0.6940	0.7100	0.6900	0.6900

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

TABLE 7

Taxpayer	2013			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assesed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assesed Valuation
Chesapeake Operating LP	\$ 23,241,473	1	0.96 %	\$ -	-	- %
Burleson Commons LP	20,498,927	2	0.85	-	-	-
Wagner Smith Equipment Co.	19,988,208	3	0.83	-	-	-
Encore MF Burleson LP	14,747,820	4	0.61	-	-	-
Devon Energy Production Co. LP	11,782,434	5	0.49	-	-	-
Target Corporation	11,306,138	6	0.47	-	-	-
Baker Hughes Oilfield Operatons Inc.	11,121,637	7	0.46	-	-	-
Dragon Products	10,929,120	8	0.45	-	-	-
WalMart Stores Inc. #220	10,474,522	9	0.43	16,809,120	2	1.44
HEB Grocery Company LP	10,142,394	10	0.42	-	-	-
Burleson Gateway Station LP	-	-	-	27,663,010	1	2.37
Lynn Smith Chevrolet	-	-	-	11,287,560	3	0.97
Oncor Electric	-	-	-	9,819,170	4	0.84
Southwestern Bell	-	-	-	8,437,550	5	0.72
B-CDC Corporation	-	-	-	7,427,600	6	0.64
Redman Homes, Inc	-	-	-	7,296,660	7	0.62
Centex Homes	-	-	-	5,790,660	8	0.50
Lowes Home Center, Inc	-	-	-	5,254,460	9	0.45
The Industrial Bank of Japan	-	-	-	4,662,840	10	0.40
Total	<u>\$ 144,232,673</u>		<u>5.99 %</u>	<u>\$ 104,448,630</u>		<u>8.93 %</u>

Source: Johnson County Appraisal District

**CITY OF BURLESON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)
LAST TEN FISCAL YEARS**

TABLE 8

Fiscal Year Ended 9/30	Actual Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2003	7,031,101	6,899,960	98.13%	121,381	7,021,341	99.86%
2005	2004	7,875,719	7,733,102	98.19%	138,472	7,871,574	99.95%
2006	2005	8,689,092	8,545,958	98.35%	128,064	8,674,022	99.83%
2007	2006	10,113,858	9,905,537	97.94%	192,218	10,097,755	99.84%
2008	2007	11,549,684	11,363,102	98.38%	160,885	11,523,987	99.78%
2009	2008	13,522,795	13,352,281	98.74%	137,231	13,489,512	99.75%
2010	2009	15,395,388	15,191,864	98.68%	145,596	15,337,460	99.62%
2011	2010	15,357,850	15,112,059	98.40%	130,192	15,242,251	99.25%
2012	2011	15,505,272	15,313,022	98.76%	146,048	15,459,070	99.70%
2013	2012	16,055,008	15,864,234	98.81%	126,985	15,991,220	99.60%

Sources: Johnson County Appraisal District & City Records

**CITY OF BURLESON, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
AND GENERAL BONDED DEBT OUTSTANDING (Unaudited)
LAST TEN FISCAL YEARS**

Fiscal Year	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES	
	General Obligation Bonds	Certificates of Obligation (1)	Sales Tax Revenue Bonds	Capital Leases	General Obligation Bonds	Certificates of Obligation
2004	9,441,000	-	13,340,000	233,473	5,985,000	130,000
2005	12,898,000	14,965,000	12,645,000	119,466	5,776,000	-
2006	12,395,000	14,965,000	11,920,000	793,889	5,431,000	189,908
2007	18,224,000	24,365,000	11,165,000	819,836	5,069,000	11,825,000
2008	32,162,000	44,520,000	10,380,000	549,361	4,716,000	16,015,000
2009	30,935,000	43,325,000	9,560,000	997,189	4,542,000	15,510,000
2010	37,782,000	41,610,000	8,540,000	1,656,882	4,363,000	14,910,000
2011	35,910,000	39,825,000	7,645,000	1,261,524	14,945,000	21,365,000
2012	36,836,000	35,220,000	6,725,000	896,606	14,499,000	20,555,000
2013	34,692,000	37,925,000	5,765,000	762,991	13,608,000	21,780,000

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

(1) Includes certificate of obligation secured by a combination of property and sales tax revenue.

(2) Includes governmental activities and business-type activities debt.

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

TABLE 9

<u>BUSINESS-TYPE ACTIVITIES</u>				
<u>Capital Leases</u>	<u>Water Revenue Bonds</u>	<u>Total Primary Government (2)</u>	<u>Percentage of Personal Income (3)</u>	<u>Per Capita (3)</u>
-	23,840,000	52,969,473	8.38%	1,916
-	28,330,000	74,733,466	11.02%	2,636
170,917	27,285,000	73,150,714	8.79%	2,414
422,273	26,335,000	98,225,109	11.30%	3,242
1,157,276	25,035,000	134,534,637	17.11%	4,251
290,239	23,785,000	128,944,428	13.67%	3,754
398,129	22,475,000	131,735,011	13.79%	3,761
307,838	10,590,000	131,849,362	13.65%	3,594
230,132	13,660,000	128,621,738	12.52%	3,373
171,101	12,740,000	127,444,092	11.45%	3,267

CITY OF BURLESON, TEXAS
NET GENERAL BONDED DEBT OUTSTANDING (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		Total General Bonded Debt
	General Obligation Bonds	Certificates of Obligation (3)	Less: Amounts Available in Debt Service Fund	General Obligation Bonds (3)	Certificates of Obligation (3)	
2004	9,441,000	-	308,340	5,985,000	130,000	15,247,660
2005	12,898,000	14,965,000	360,661	5,776,000	-	33,278,339
2006	12,395,000	14,965,000	369,912	5,431,000	189,908	32,610,996
2007	18,224,000	24,365,000	525,277	5,069,000	11,825,000	58,957,723
2008	32,162,000	44,520,000	707,132	4,716,000	16,015,000	96,705,868
2009	30,935,000	43,325,000	805,575	4,542,000	15,510,000	93,506,425
2010	37,782,000	41,610,000	1,002,215	4,363,000	14,910,000	97,662,785
2011	35,910,000	39,825,000	778,717	14,945,000	21,365,000	111,266,283
2012	36,836,000	35,220,000	819,907	14,499,000	20,555,000	106,290,093
2013	34,692,000	37,925,000	846,752	13,608,000	21,780,000	107,158,248

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 debt secured by a combination tax and revenue pledge.
- (4) These bonds are serviced completely by revenue streams other than general property taxes.

TABLE 10

Less: Self-supported Debt (4)	Net General Bonded Debt Outstanding	Percentage of Actual Property Value (1)	Per Capita (2)
6,115,000	9,132,660	0.78%	330
16,771,000	16,507,339	1.26%	582
18,185,908	14,425,088	0.98%	476
31,706,720	27,251,003	1.92%	861
52,646,840	44,059,028	2.83%	1,325
50,280,052	43,226,373	2.19%	1,258
49,047,054	48,615,731	2.18%	1,388
64,809,846	46,456,437	2.09%	1,266
62,455,146	43,834,947	1.90%	1,150
61,140,001	46,018,247	1.91%	1,180

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**CITY OF BURLESON, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT (Unaudited)
SEPTEMBER 30, 2013**

TABLE 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Burleson	\$ 126,510,000	100%	\$ 126,510,000
Johnson County	10,224,632	19.24%	1,967,141
Tarrant County	313,450,474	0.42%	1,310,883
Tarrant County Hospital District	25,375,000	0.42%	105,990
Tarrant County Junior College District	15,485,000	0.42%	64,457
Crowley ISD	291,772,865	**	-
Burleson ISD	310,441,243	65.51%	203,378,723
Joshua ISD	69,379,291	19.24%	<u>13,348,047</u>
Total overlapping debt			<u>\$ 220,175,242</u>
Total direct and overlapping debt			<u>\$ 346,685,242</u>
Per capita direct and overlapping debt			<u>\$ 8,887</u>

(1) Overlapping percentage calculated as follows:

$$\frac{\text{Overlapping portion of the government's tax base}}{\text{Total tax base of the overlapping government}}$$

Population: 39,010

** Less than 0.01%

**CITY OF BURLESON, TEXAS
 PLEDGE - REVENUE BOND WATER AND SEWER COVERAGE (Unaudited)
 LAST TEN FISCAL YEARS**

WATER AND SEWER DEBT

Fiscal Year	Gross Revenues(1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Revenue Bonds	
				Debt Service	
				Principal	Interest
2004	9,014,653	6,863,141	2,151,512	845,000	1,178,074
2005	10,604,450	7,462,986	3,141,464	880,000	1,206,434
2006	13,324,857	7,411,804	5,913,053	910,000	1,377,052
2007	12,161,451	7,777,045	4,384,406	1,050,000	1,330,944
2008	13,573,427	8,842,924	4,730,503	1,200,000	1,680,393
2009	14,766,975	9,002,308	5,764,667	1,250,000	1,085,986
2010	14,623,543	10,137,713	4,485,830	1,310,000	1,033,373
2011	16,616,846	9,903,505	6,713,341	1,360,000	977,872
2012	15,465,869	10,028,487	5,437,382	1,230,000	874,716
2013	16,213,617	10,741,772	5,471,845	920,000	565,957

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

TABLE 12

WATER AND SEWER DEBT

Revenue Bonds		Combination Tax & Revenue Bonds				Total
Total	Coverage	Debt Service		Total	Coverage	Water & Sewer Bond Coverage
		Principal	Interest			
2,023,074	1.06	-	-	-	NA	1.06
2,086,434	1.51	-	-	-	NA	1.51
2,287,052	2.59	-	-	-	NA	2.59
2,380,944	1.84	-	-	-	NA	1.84
2,880,393	1.64	355,000	549,751	904,751	5.23	1.25
2,335,986	2.47	505,000	739,920	1,244,920	4.63	1.61
2,343,373	1.91	600,000	647,306	1,247,306	3.60	1.25
2,337,872	2.87	620,000	622,481	1,242,481	5.40	1.88
2,104,716	2.58	810,000	967,528	1,777,528	3.06	1.40
1,485,957	3.68	935,000	842,308	1,777,308	3.08	1.68

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

TABLE 13

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Income (1)	Median Age (3)	Education Level In School (3)	Public School Enrollment (4)	Unemployment Rate (5)
2004	27,650	632,300	22,868	34.5	12.5	7,279	5.2%
2005	28,350	678,359	23,928	35.0	14.3	7,530	5.7%
2006	30,300	832,190	27,465	35.0	14.3	7,991	4.7%
2007	31,645	869,130	27,465	34.5	14.3	8,554	3.5%
2008	33,250	786,396	23,651	31.9	14.3	9,005	4.6%
2009	34,350	943,457	27,466	32.0	14.0	9,588	6.8%
2010	35,030	955,127	27,266	32.0	14.0	9,896	7.0%
2011	36,690	966,194	26,334	32.9	14.0	9,833	7.4%
2012	38,130	1,027,260	26,941	33.1	14.2	10,211	5.2%
2013	39,010	1,112,955	28,530	32.9	14.2	10,457	4.6%

- 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) Burleson Independent School District
 - (5) North Central Texas Council of Governments(Census 2000 information average)

**CITY OF BURLESON, TEXAS
 PRINCIPAL EMPLOYERS (Unaudited)
 CURRENT YEAR AND FIVE YEARS AGO**

TABLE 14

<u>Employer</u>	<u>2013</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent(1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent</u>
Burleson Independent School District	1,512	1	11.05 %	572	1	4.87 %
Wal-Mart	520	2	3.80	410	2	3.49
City of Burleson	374	3	2.73	272	3	2.31
H.E.B. Grocery	320	4	2.34	--	--	--
Champion Buildings Mfg	310	5	2.27	--	--	--
Basden Steel	150	6	1.10	--	--	--
Lowe's Companies	141	7	1.03	220	5	1.87
KWS Manufacturing	140	8	1.02	200	6	1.70
Home Depot	100	9	0.73	150	7	1.28
Thomas Conveyor Mfg	90	10	0.66	150	7	1.28
Burley Fence & Hardware	--	--	--	250	4	2.13
Lynn Smith	--	--	--	200	6	1.70
Target	--	--	--	150	7	1.28
Albertson's	--	--	--	150	7	1.28
Total	<u>3,657</u>		<u>26.72</u>	<u>2,724</u>		<u>23.18</u>

Source: City of Burleson Economic Development Department
 (1) 2011 Jobs in the City (Census on the Map)

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

TABLE 15

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Function/Program										
General government and Administration										
City manager's office	8	6	6	5	6	6	6.5	6.5	4.5	4.5
City secretary's office	2	2	2	1	2	2	2	2	3	3
Administrative services	1	2	2	2	2	2	1.5	1.5	1.0	1.0
Records management	1	1	1	1	1	1	1	1	1	1
Information technology	2	2	3	4	4	5	7	7	7	7
Economic development	1	1	1	1	1	1	1	1	1	2.5
Human resources	3	3	3	3	3	4	3.5	3.5	3.5	4
Public Information Officer	-	-	-	-	1	1	1	1	1	1
* Judicial										1.15
Legal										0.5
Finance	6	6	6	8	8	9	9	9	9	9
Purchasing	1	1	1	1	1	1	1	1	1	1
Municipal court	4	4	5	5	6	8	8	8	8	8.5
Public Safety										
Police	61	65	70	74	76	76	76.5	76.5	76.5	79
Fire	21	25	28	28	34	34	34	34	34	34
Fire prevention	3	1	2	3	3	3	2	2	2	2
Public Works										
Public works administration	4	5	5	5	5	5	4.5	4.5	3.5	5
Street maintenance	15	15	17	18	18	18	20	20	19	20
Neighborhood services	-	-	-	1	1	1	1	1	1	2
Animal services	3	3	4	4	5	5	5	5	5	5
Environmental services	-	-	-	1	1	1	1	1	1	3
Facility maintenance	5	6	7	7	7	7	6.5	6.5	6.5	2
Building code enforcement	6	8	8	8	9	9	8.5	8.5	6.5	6.5
Community development	3	3	4	4	3	4	5	5	5	5
Engineering	8	8	10	10	11	10	9.7	9.7	9.7	10
Culture & Recreation										
Library	14	14	14	14	16	16	10	10	10	10.46
Parks & recreation administration	4	3	3	3	3	3	4.3	4.3	3.3	3.25
* Recreation	18	18	18	17	18	18	38.5	38.5	57.83	39.12
Park maintenance	12	12	14	14	14	14	9.5	9.5	9.5	12.5
Senior citizens center	1	1	1	1	1	1	1.5	1.5	1.5	1.5
Athletic Fields	-	-	-	-	-	-	2.5	2.5	3.5	10
Russell Farm	-	-	-	-	-	-	-	-	1	1
Enterprise Operations and Administration										
Water/Wastewater										
Water & sewer services	19	17	18	19	23	17	22	22	22	21
Utility billing	6	6	6	8	8	8	8	8	8	8
Hidden Creek Golf Course										
Golf course administration	2	2	2	2	2	2	2	2	2	2
Golf course club house & pro shop	11	11	11	11	9	9	7.4	7.4	7.4	6.07
Golf course maintenance	9	9	9	9	9	9	8	8	8	8
Golf course food & beverage	8	8	7	7	7	8	5.6	5.6	6	5.7
Solid Waste	17	19	19	20	26	5	2	2	2	0.78
Internal Service Operations										
Equipment services	6	6	6	6	6	6	6	6	5	5
Total	322	326	347	332	355	329	342.5	342.5	356.73	352.03

*Based on actual hours worked divided by 2080 hours (full time employees)
Source: City of Burleson Human Resources Department

CITY OF BURLESON, TEXAS
SCHEDULE OF INSURANCE POLICIES IN FORCE (Unaudited)
AS OF SEPTEMBER 30, 2013

TABLE 16

	<u>AM Best Rating</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Coverage</u>	<u>Deductibles</u>	<u>Liability Limits</u>
Texas Municipal League	A++	3511	10/1/2012	General Liability	-	\$1,000,000
Intergovernmental Risk Pool			10/1/2013	Real & Personal Property	\$2,500	64,539,473
				Auto Liability	-	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

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

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**CITY OF BURLESON, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 17

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Police										
Number of employees	61	65	70	71	76	81	76	77	77	80
Total calls	47,323	50,194	49,851	58,434	57,693	61,154	77,792	76,570	75,506	78,426
Arrests	1,415	1,451	1,338	1,640	1,583	1,246	1,386	1,243	1,192	1,068
Traffic enforcement	12,712	11,338	11,210	17,565	16,798	12,222	10,814	8,440	7,380	7,929
Fire										
Number of employees	51	51	55	40	46	46	48	34	34	34
Number of calls for service	2,518	2,614	2,700	3,300	3,148	3,300	3,400	3,400	3,096	3,622
Inspections	222	250	530	650	725	725	800	830	1,152	2,038
Public Works										
Preventive Maintenance Hours	444	497	560	405	435	400	395	395	*488	*661
Facility repairs	1,100	1,300	1,400	1,400	1,400	1,400	1,660	1,660	*1809	*2182
Animal Control										
Animals Adopted	250	400	450	500	550	700	720	558	452	352
Animals Impounded	1,400	2,000	2,000	2,485	2,900	2,900	3,188	2,930	1,870	1,900
Environmental Health										
Permits	162	165	-	-	-	-	-	-	-	-
Inspections	285	3	-	-	-	-	-	-	-	-
Community Development										
Permits Issued	7,341	4,048	8,075	9,922	6,994	6,316	7,264	3,660	4,028	4,627
Inspections Made	17,477	17,886	19,280	23,186	21,199	12,444	14,311	9,365	8,065	11,015
Culture and Recreation										
Recreation										
Special Event Participants	23,000	25,750	24,650	25,000	25,000	32,565	33,216	33,216	45,800	33,725
Swim Lesson Participants	323	300	300	480	470	415	460	920	1,477	4,412
Swim Programs	45	45	45	70	70	40	100	100	100	25
Senior Citizen Participants	25,006	26,345	27,000	28,050	28,891	31,000	31,500	31,500	33,357	34,219
Senior Van Riders	1,320	1,400	1,500	1,320	1,054	550	600	600	632	1,075
Library										
Books in Collection	47,572	55,000	51,012	56,075	58,425	64,800	65,500	65,832	64,327	64,640
Materials borrowed	180,047	185,483	225,000	209,576	233,669	313,762	316,899	418,977	437,547	406,379
Water and Sewer										
Number of water customers	9,620	10,265	10,962	11,440	12,000	12,157	12,435	12,693	12,844	13,251
Number of sewer connections	9,515	10,153	10,870	11,503	12,074	11,250	11,250	12,975	13,086	13,396
Gas Well										
Number of Permits	-	-	-	-	-	56	55	64	18	-
Number of Pad Site Inspections	-	-	-	-	-	2,464	950	1,350	5,928	6,350

Source: Various City Departments * Work Order System implemented to correctly track numbers.

**CITY OF BURLESON, TEXAS
 MISCELLANEOUS STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)**

		FISCAL YEAR			
		2004	2005	2006	2007
Date of incorporation	May 12, 1912				
Date of charter	April 5, 1989				
Area incorporated (square miles)		23.17	23.31	23.31	24.36
Form of government	Council/Manager				
Education:					
Attendance centers		11	11	11	11
Number of teachers		438	600	531	586
Number of students		7,290	8,007	8,527	8,999
Miles of streets ⁽¹⁾		115.64	128.00	137.00	137.00
Miles of sewers:					
Sanitary sewers		119.77	133.00	143.00	154.00
Storm sewers		16.56	21.00	23.00	28.00
Culture and recreation:					
Parks - number of acres		192	198	262	248
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
Municipal water system:					
Number of water customers		9,515	10,265	10,265	11,556
Daily average consumption (gallons)		2,647,600	3,167,502	4,100,620	3,237,941
System capacity (gallons per day)		12,200,000	12,200,000	14,550,000	14,550,000
Miles of water mains		133.01	145.00	153.00	153.00
Number of fire hydrants		811	942	1002	1002
Municipal sewer system:					
Number of sewer connections		9,515	10,153	10,870	11,503
System capacity (gallons per day)		9,840,000	9,840,000	11,890,000	11,890,000
Number of street lights		923	985	1171	1255
City employees:					
Full-time		243	263	263	263
Part-time		29	30	30	30
Temporary		19	19	19	19

(continued)

Source: Various City Departments

(1) Beginning in 2013 this includes only streets maintained by the City

TABLE 18

FISCAL YEAR					
2008	2009	2010	2011	2012	2013
26.34	26.04	26.04	26.06	26.34	26.17
11	14	15	15	15	15
595	640	672	658	669	665
9,583	9,834	10,045	9,833	10,211	10,457
140.00	200.00	200.00	200.00	200.00	185.00
158.00	182.00	182.00	190.91	197.64	200.00
30.00	32.82	46.12	52.44	54.50	49.00
358	334	334	348	364	454
1	1	1	2	2	2
12	12	20	23	23	16
1	1	1	1	1	2
12,040	12,209	12,321	12,475	12,844	13,251
3,915,426	4,443,470	3,880,821	4,931,611	4,315,099	4,227,154
14,550,000	14,550,000	14,550,000	14,550,000	14,550,000	14,550,000
159.00	175.00	175.00	192.36	193.68	189.00
1064	1200	1200	1331	1348	1349
12,000	12,222	12,474	12,693	13,086	13,396
11,890,000	11,800,000	11,800,000	11,890,000	11,890,000	11,890,000
1297	1357	1406	1415	1421	1421
301	397	303	290	290	294
29	21	61	66	60.25	81
19	4	20	11	16.75	5

(concluded)

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