

CITY OF BURLESON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2016

CITY OFFICIALS

Kenneth Shetter
Mayor

Dan McClendon	Mayor Pro Tem
Rick Green	Councilmember
DanO Strong	Councilmember
Matt Aiken	Councilmember
Stuart Gillaspie	Councilmember
Ronnie Johnson	Councilmember

Dale Cheatham
City Manager

Paul Cain
Deputy City Manager

Bradley Ford
Deputy City Manager

Rhett Clark
Director of Finance

Prepared by: Finance Department



CITY OF BURLESON, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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February 20, 2017

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, 2016. 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. Although legally separate entities, the Burleson Community Services Development Corporation, the Burleson 4A Economic Development Corporation, Tax Increment Finance Reinvestment Zone Number Two, and Tax Increment Finance Reinvestment Zone Number Three 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 Chisholm Trail Parkway toll road. 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 a strong expansion of business with more than \$107 million in new taxable value added in 2016, with more 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 42,000 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, 2015, the Government Finance Officers Association (GFOA) recognized the City for achievement in the presentation of the annual budget document, the Comprehensive 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,



Rhett Clark, CPA
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

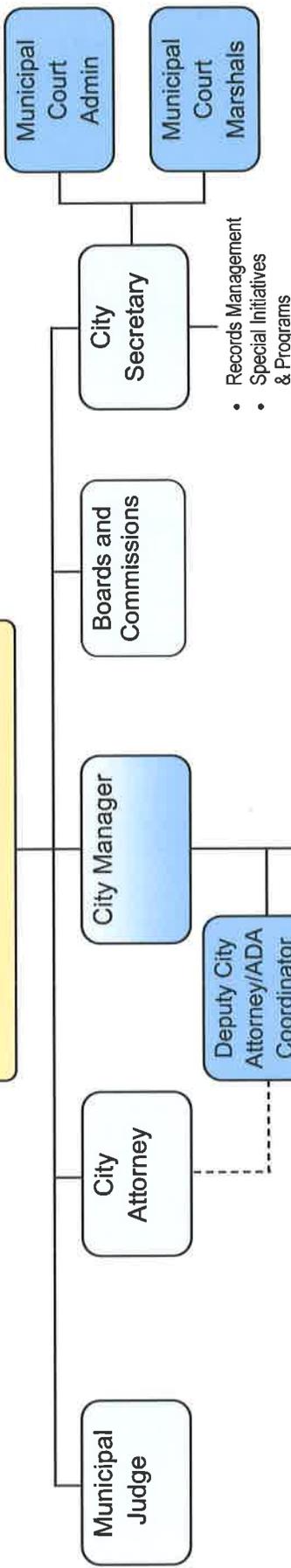
**City of Burleson
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

City Council

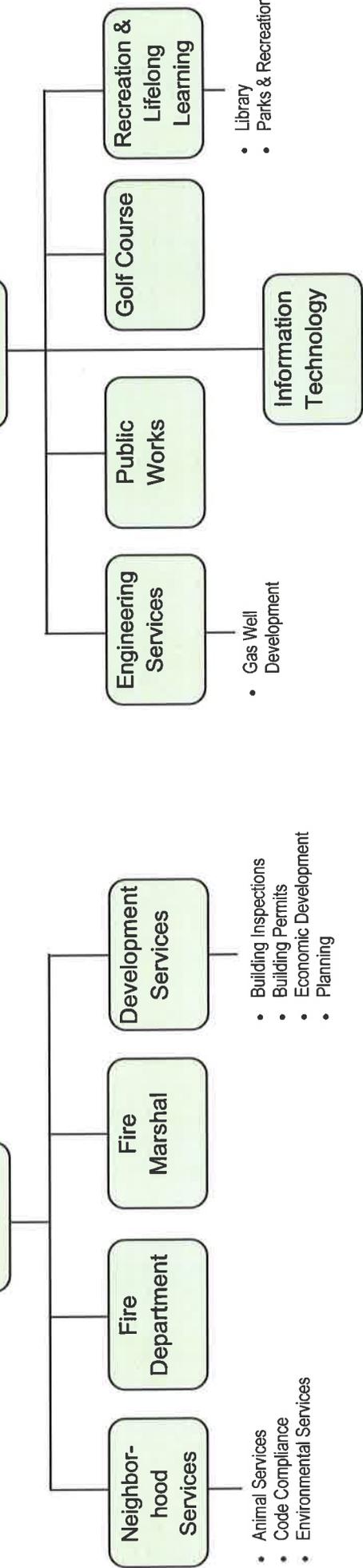


- Records Management
- Special Initiatives & Programs

- Cemetery
- Open Records
- Risk Management

- Emergency Management

Deputy City Manager



- Animal Services
- Code Compliance
- Environmental Services

- Building Inspections
- Building Permits
- Economic Development
- Planning

- Gas Well Development

- Library
- Parks & Recreation

CITY OF BURLESON, TEXAS

List of Principal Officials

September 30, 2016

Elected Officials

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

City Officials

City Manager	Dale Cheatham
Deputy City Manager	Paul Cain
Deputy City Manager	Bradley Ford
Director of Finance	Rhett Clark
City Attorney	Allen Taylor
Police Chief	Kenneth Freeman
City Secretary	Amanda McCrory
Fire Chief	Kenneth Freeman
Director of Community Education and Recreation	Marc Marchand
Director of Human Resources	Maria Reed
Director Fire Prevention/Fire Marshal	Stacy Singleton
Director of Information Technology	Mark Eder
Director of Development Services	Justin Bond
Director of Public Works	Aaron Russell
Director of Engineering Services	Laura Melton
Director of Golf	Dave White
Director of Marketing and Communication	DeAnna Phillips



P A T T I L L O , B R O W N & H I L L , L . L . P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' 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 City of Burleson, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Burleson's 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, as of September 30, 2016, 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, budgetary comparison and pension information on pages 4 through 13 and 64 through 70 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, 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 20, 2017, on our consideration of the City of Burleson's 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's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Hillsboro, Texas
February 20, 2017

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CITY OF BURLESON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED SEPTEMBER 30, 2016
(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, 2016. 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 and deferred outflows of the City of Burleson exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$206,927,809 (net position). Of this amount, \$23,357,203 (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 \$6,524,174. The current year increase was due primarily to the contribution of assets from developers as well as an increase in assets restricted for debt service and economic development/tourism.
- As of the close of the current fiscal year, unassigned fund balance for the general fund was \$9,273,423 or 27.7% of total general fund expenditures.
- The City's total debt increased by \$3,590,000 (2.52%) during the current fiscal year. The increase represents the net effect of scheduled debt retirement and the issuance of \$29,570,000 general obligation refunding and improvement bonds and \$9,605,000 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, and deferred inflows/outflows of resources, with the difference 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. A fund is a grouping of related accounts that the City uses to maintain control over resources that have been segregated for specific activities and objectives. 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 available 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 and deferred outflows of resources exceeded liabilities and deferred inflows by \$206,927,809 as of September 30, 2016.

The largest portion of the City's net position (80.9%) 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.

CITY OF BURLESON, TEXAS – NET POSITION

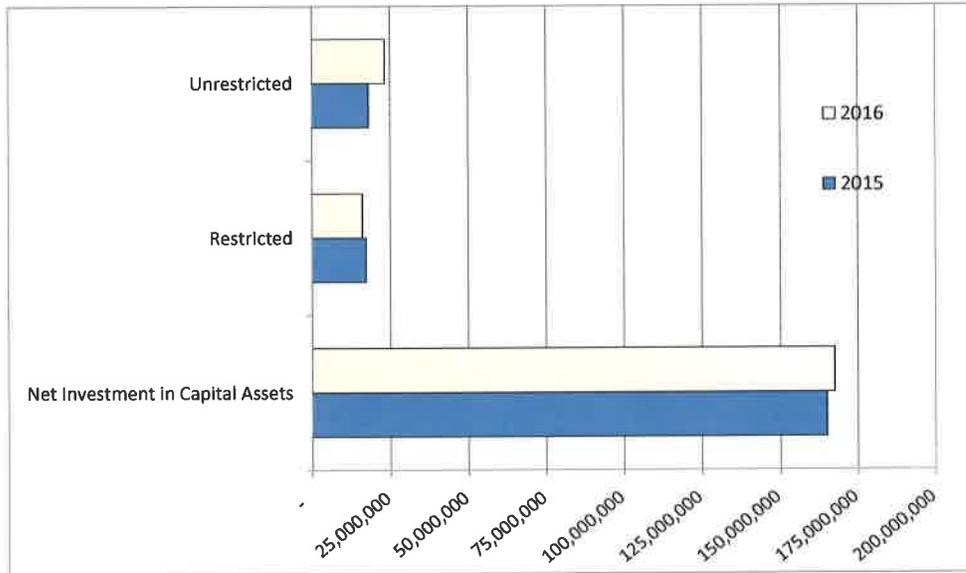
	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Current & other assets	\$ 65,050,820	\$ 59,525,611	\$ 32,214,835	\$ 35,933,710	\$ 97,265,655	\$ 95,459,321
Capital assets	183,788,204	197,161,897	95,956,488	96,607,944	279,744,692	293,769,841
Total assets	<u>248,839,024</u>	<u>256,687,508</u>	<u>128,171,323</u>	<u>132,541,654</u>	<u>377,010,347</u>	<u>389,229,162</u>
Total deferred outflows of resources	<u>3,672,609</u>	<u>8,237,909</u>	<u>1,234,425</u>	<u>1,601,671</u>	<u>4,907,034</u>	<u>9,839,580</u>
Noncurrent liabilities – due in more than one year	107,616,984	116,144,016	51,624,661	54,260,873	159,241,645	170,404,889
Other liabilities	14,420,190	14,782,315	7,817,187	6,762,898	22,237,377	21,545,213
Total liabilities	<u>122,037,174</u>	<u>130,926,331</u>	<u>59,441,848</u>	<u>61,023,771</u>	<u>181,479,022</u>	<u>191,950,102</u>
Total deferred inflows of resources	<u>31,234</u>	<u>173,293</u>	<u>3,490</u>	<u>17,538</u>	<u>34,724</u>	<u>190,831</u>
Net position:						
Net investment in capital asset	105,900,578	111,368,435	59,041,199	56,061,308	164,941,777	167,429,743
Restricted	13,626,779	11,548,400	3,667,415	4,592,463	17,294,194	16,140,863
Unrestricted	10,915,868	10,908,958	7,251,796	12,448,245	18,167,664	23,357,203
Total net position	<u>\$ 130,443,225</u>	<u>\$ 133,825,793</u>	<u>\$ 69,960,410</u>	<u>\$ 73,102,016</u>	<u>\$ 200,403,635</u>	<u>\$ 206,927,809</u>

An additional portion of the City's net position (7.8%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net position (11.3%) may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

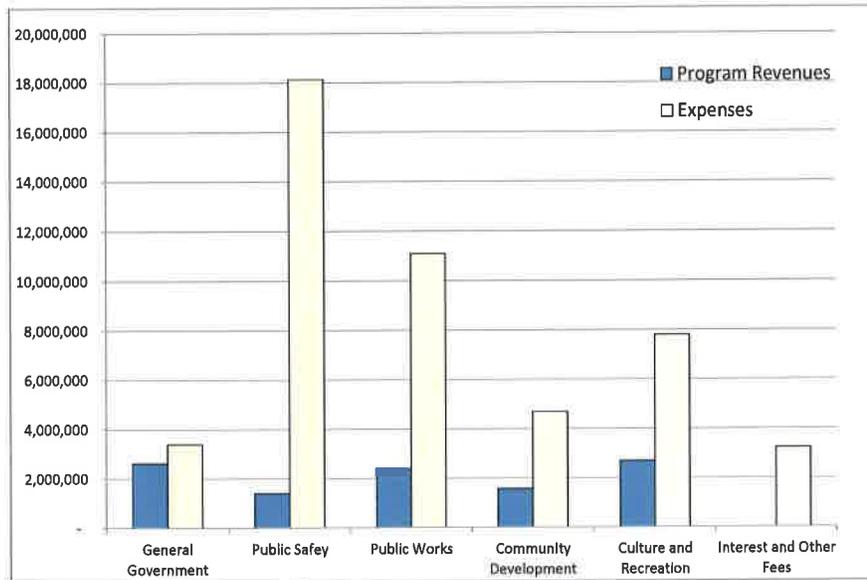
**City of Burleson Net Position
September 30, 2015 and 2016**



The City’s overall net position increased \$6,524,174 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$3,382,568 from the prior fiscal year for an ending balance of \$133,825,793. The reason for the overall increase is primarily the contribution of infrastructure assets by developers.

Expenses and Program Revenues - Governmental Activities



Business-Type Activities. For the City’s business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$73,102,016. The total increase in net position for business-type activities (water and wastewater, Hidden Creek Golf Course, solid waste, and the cemetery) was \$3,141,606 or 4.5% from the prior fiscal year. The growth, in large part, is attributable to a 6.0% water rate increase.

The following table provides a summary of the City’s operations for the year ended September 30, 2016. Overall fiscal year 2016 expenses increased 7.6%. The majority of this increase was created by an across-the-board 3.0% salary increase.

CITY OF BURLESON, TEXAS – CHANGES IN NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2016	2015	2016	2015	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 7,773,637	\$ 7,566,246	\$ 21,331,913	\$ 22,263,652	\$ 29,105,550	\$ 29,829,898
Operating grants and contributions	829,724	971,500	846,581	827,614	1,676,305	1,799,114
Capital grants and contributions	2,983,243	2,144,534	1,766,788	1,067,383	4,750,031	3,211,917
General Revenues:						
Taxes:						
Property taxes levied for general purposes	19,171,938	20,510,482	-	-	19,171,938	20,510,482
Tax Increment Financing	423,586	457,438	-	-	423,586	457,438
Sales and use taxes	16,689,391	16,595,528	-	-	16,689,391	16,595,528
Hotel / motel taxes	192,639	219,250	-	-	192,639	219,250
Franchise fees	3,242,051	3,166,620	-	-	3,242,051	3,166,620
Investment income	95,192	243,568	29,790	114,274	124,982	357,842
Total revenues	51,401,401	51,875,166	23,975,072	24,272,923	75,376,473	76,148,089
Expenses						
General government	5,567,804	3,406,957	-	-	5,567,804	3,406,957
Public safety	15,587,330	18,135,674	-	-	15,587,330	18,135,674
Public works	10,344,069	11,100,276	-	-	10,344,069	11,100,276
Community development	2,467,564	4,701,517	-	-	2,467,564	4,701,517
Culture and recreation	7,062,534	7,801,924	-	-	7,062,534	7,801,924
Interest and other fees	3,218,658	3,237,341	-	-	3,218,658	3,237,341
Water & wastewater	-	-	15,692,100	16,333,488	15,692,100	16,333,488
Hidden Creek Golf course	-	-	1,983,682	2,049,089	1,983,682	2,049,089
Solid Waste	-	-	2,779,193	2,846,497	2,779,193	2,846,497
Cemetery	-	-	11,891	11,152	11,891	11,152
Total expenses	44,247,959	48,383,689	20,466,866	21,240,226	64,714,825	69,623,915
Change in net assets before transfers	7,153,442	3,491,477	3,508,206	3,032,697	10,661,648	6,524,174
Transfers	(244,589)	(108,909)	244,589	108,909	-	-
Change in net position	6,908,853	3,382,568	3,752,795	3,141,606	10,661,648	6,524,174
Net position - beginning	133,357,220	130,443,225	67,296,438	69,960,410	200,653,658	200,403,635
Prior period adjustment	(9,822,848)	-	(1,088,823)	-	(10,911,671)	-
Net position - ending	\$ 130,443,225	\$ 133,825,793	\$ 69,960,410	\$ 73,102,016	\$ 200,403,635	\$ 206,927,809

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48,294,666. 80.8 percent or \$39,021,243 of this total is not available for spending because it is classified as non-spendable (1) for inventory and prepaid items \$30,791; restricted for (2) debt service \$2,530,494, (3) culture and recreation \$1,096, (4) economic development \$8,406,131, (5) tourism \$623,803, and (6) capital projects \$16,233,204; committed for (7) culture and recreation \$683,099, (8) economic development \$484,485, (9) capital projects \$8,325,229, (10) debt service \$404,607 and (11) encumbrances \$251,257; and as assigned for risk management \$1,047,047. Approximately 19.2% of the combined ending fund balance or \$9,273,423 constitutes unassigned fund balance.

Of the \$48,294,666 ending fund balance, \$8,644,897 is accounted for in non-major governmental funds. The General Fund balance is \$11,004,508 at year end – a decrease of \$418,576. This decrease was created by a variety of one-time purchases totaling around \$600,000. These included police vehicles and an update of the City's zoning ordinance and comprehensive plan. The Burleson Community Services Development Corporation (BCSDC) fund balance increased \$77,058 to \$3,036,218 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 decreased \$1,701,553 to a year-end total of \$4,596,058. This decrease is due to the expenditure of approximately \$2,000,000 to acquire an industrial property for economic development purposes. Continued construction work during the period reduced by bond proceeds of \$10,251,000 decreased fund balances in the Bond Funded Capital Projects fund by \$2,759,723 finishing the year at \$16,233,204. The Mineral Lease Capital Project fund balance decreased \$1,865,964 to \$3,278,339. This decrease represents the degree to which current capital project expenditures exceeded mineral income. The Parks Performance fund balance increased by \$99,183, end of the year fund balance for this fund was \$685,716. General Debt Service Fund balance decreased \$57,590 to \$815,726. This decrease represents a planned fund balance draw-down mitigated by larger than expected tax collections.

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 \$68,656,201, and that of Hidden Creek Golf Course totaled (\$871,878). Net position in the water and wastewater fund increased \$2,521,027, and Hidden Creek Golf Course net position increased \$13,412. Approximately 42% 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 increased water sales resulting from drier than normal weather and increased water rates implemented October 1, 2015.

At the end of the fiscal year, the Solid Waste fund reported net position of \$1,139,810. This represents an increase of \$424,659, which results from implementation of rates calculated to increase working capital to comply with City policy.

General Fund Budgetary Highlights – The City's revenue projections were increased approximately \$768,000 or 2.4% when compared with the original budget. The budget for sales taxes increased approximately \$157,000 due to increased consumer spending. The revenue budget was also increased for transfers of \$2,900,000 received from bond proceeds and TIRZ #2 for capital improvements..

Total actual revenue collections exceeded the revised estimates by about \$339,000, or about 1% of the revised estimate.

The general fund's final revised expenditure budget was approximately \$3,613,000 greater than the figure originally adopted, (an increase of about 11.2%). This increase was precipitated primarily by supplemental appropriations of \$1,854,000 capital improvements in old town.

Measured on a GAAP basis, actual year-end expenditures totaled about \$2,382,000 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. Most of the difference results from 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, 2016 amounts to \$293,769,841 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment and roads. The total increase in capital assets for the current fiscal year was approximately 4.9%.

Capital Assets at Year End (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 29,178,750	\$ 26,349,341	\$ 5,142,325	\$ 5,067,307	\$ 34,321,075	\$ 31,416,648
Buildings & improvements	54,547,525	54,478,413	3,487,384	3,655,123	58,034,909	58,133,536
Infrastructure	75,502,037	77,924,704	10,989	14,041	75,513,026	77,938,745
Machinery & equipment	4,034,448	4,457,522	71,929	66,491	4,106,377	4,524,013
Vehicles	2,680,832	2,656,563	1,017,701	1,250,404	3,698,533	3,906,967
Other	45,000	45,000	-	-	45,000	45,000
Water distribution system	-	-	41,668,658	41,895,598	41,668,658	41,895,598
Wastewater system	-	-	37,523,727	38,063,663	37,523,727	38,063,663
Capitalized interest	-	-	749,273	561,090	749,273	561,090
Construction in progress	31,173,305	17,876,653	6,935,958	5,382,771	38,109,263	23,259,424
Total	\$ 197,161,897	\$ 183,788,196	\$ 96,607,944	\$ 95,956,488	\$ 293,769,841	\$ 279,744,684

Major capital asset events during the current fiscal year included the following:

- Construction costs related to arterial roads amounted to approximately \$7,207,641.
- Construction and right-of-way costs related to construction of water infrastructure amounted to approximately \$1,350,350.
- Construction and right-of-way costs related to construction of sanitary sewer lines amounted to approximately \$652,099.
- Cost of purchasing land and buildings to be used as City facilities amounted to \$6,962,089.
- Costs related to construction of City recreational facilities amounted to \$3,518,724.
- Approximately \$555,317 of water lines were donated by developers.
- Approximately \$412,740 of sewer lines were donated by developers.
- Streets and sidewalks worth approximately \$1,609,854 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 \$145,885,000. Of this amount, \$93,470,000 comprises bonded debt backed solely by the full faith and credit of the government, \$44,945,000 represent bonds secured by a combination of property taxes and a limited pledge of other revenues, \$3,815,000 represents bonds secured solely by sales tax revenues, and \$3,655,000 secured by revenues generated from the City's water and wastewater utility. Of the total general obligation outstanding debt of \$93,470,000, \$22,050,000 is to be repaid with revenue generated from the City's water and wastewater utility and \$18,113,247 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	
	2015	2016	2015	2016	2015	2016
General obligation bonds	\$ 55,518,570	\$ 68,653,213	\$ 21,561,430	\$ 24,816,787	\$ 77,080,000	\$ 93,470,000
Certificate of obligation bonds	31,685,000	20,895,000	22,520,000	24,050,000	54,205,000	44,945,000
Utility system revenue bonds	-	-	6,520,000	3,655,000	6,520,000	3,655,000
Sales tax revenue bonds	4,490,000	3,815,000	-	-	4,490,000	3,815,000
	<u>\$ 91,693,570</u>	<u>\$ 93,363,213</u>	<u>\$ 50,601,430</u>	<u>\$ 52,521,787</u>	<u>\$ 142,295,000</u>	<u>\$ 145,885,000</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 \$9,605,000 in combination tax and revenue certificates of obligation. These were issued for the purpose of constructing street and park improvements throughout the City 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, 2016 Tax and Revenue (\$3,855,000), and business type activities as Certificates of Obligation, 2016 Tax and Revenue (\$5,750,000). General obligation refunding and improvement bonds in the amount of \$29,570,000 were issued to refund a portion of the City's outstanding debt for debt service savings and to finance construction of street and public safety improvements throughout the City. In addition, the proceeds of the bond issuance will finance police facility renovations. These bonds are labeled in the notes under governmental activities as General Obligation Bonds, 2016 Series (\$25,135,000). The remaining portion of the bonds are labeled in the notes under business-type activities as General Obligation Bonds 2016 Water & Sewer Refunding (\$4,435,000).

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 2017 budget, general fund revenues and transfers-in are budgeted to decrease by about 4.5% from the fiscal year 2016 final budget. Sales tax revenues are budgeted to increase by about \$172,000 and franchise fees are anticipated to increase about \$114,000. General fund expenditures are budgeted to increase by about 3% from the prior year totals, or a total of about \$1,094,000.

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.

A 1% increase in water rates and 2% increase in sewer rates were implemented beginning October 1, 2016 due to increases in future debt service resulting from the \$5.75 million bond issuance during fiscal year 2016.

Solid Waste had an approximate 6% increase in solid waste rates beginning October 1, 2014 in order to recover increases in the cost of service and to increase unassigned fund balance to policy minimum. This same rate will be carried over into FY 2016, and should result in a working capital equal to 25% of operating expenditures at year end. Policy minimum for working capital is 20% of operating expenditures.

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, 2016

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
<u>Current Assets</u>			
Cash and investments	\$ 54,998,276	\$ 8,231,622	\$ 63,229,898
Receivables, net:			
Taxes	53,968	-	53,968
Accounts and other	4,210,103	2,640,851	6,850,954
Inventories	31,454	371,389	402,843
Accrued interest	11,845	3,062	14,907
Internal balances	145,828	(145,828)	-
Total current assets	<u>59,451,474</u>	<u>11,101,096</u>	<u>70,552,570</u>
<u>Noncurrent assets</u>			
Reserved cash and investments	-	23,051,552	23,051,552
Reserved accrued interest	-	667	667
Other assets	-	1,780,395	1,780,395
Capital assets:			
Nondepreciable	60,397,055	12,078,283	72,475,338
Depreciable, net of depreciation	136,764,842	84,529,661	221,294,503
Other assets	74,137	-	74,137
Total noncurrent assets	<u>197,236,034</u>	<u>121,440,558</u>	<u>318,676,592</u>
TOTAL ASSETS	<u>256,687,508</u>	<u>132,541,654</u>	<u>389,229,162</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	2,477,016	1,018,667	3,495,683
Deferred outflow related to TMRS	5,760,893	583,004	6,343,897
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,237,909</u>	<u>1,601,671</u>	<u>9,839,580</u>
LIABILITIES			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	5,478,738	1,851,798	7,330,536
Accrued interest payable	585,692	244,688	830,380
Deposits payable	-	653,891	653,891
Current portion of:			
Long-term debt	6,182,286	3,857,714	10,040,000
Obligations under capital lease	114,985	2,965	117,950
Liability for compensated absences	2,420,614	151,842	2,572,456
Total current liabilities	<u>14,782,315</u>	<u>6,762,898</u>	<u>21,545,213</u>
<u>Noncurrent Liabilities</u>			
Long-term debt	95,506,137	52,212,392	147,718,529
Obligations under capital lease	297,395	8,937	306,332
Liability for compensated absences	2,482,117	225,707	2,707,824
Net pension liability	17,211,974	1,741,857	18,953,831
Other post-employment benefits	646,393	71,980	718,373
Total noncurrent liabilities	<u>116,144,016</u>	<u>54,260,873</u>	<u>170,404,889</u>
TOTAL LIABILITIES	<u>130,926,331</u>	<u>61,023,771</u>	<u>191,950,102</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to TMRS	173,293	17,538	190,831
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>173,293</u>	<u>17,538</u>	<u>190,831</u>
NET POSITION			
Net investment in capital assets	111,368,435	56,061,308	167,429,743
Restricted for:			
Debt service	2,530,495	4,592,463	7,122,958
Economic development/tourism	9,017,905	-	9,017,905
Unrestricted	10,908,958	12,448,245	23,357,203
TOTAL NET POSITION	<u>\$ 133,825,793</u>	<u>\$ 73,102,016</u>	<u>\$ 206,927,809</u>

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

CITY OF BURLESON, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 3,406,957	\$ 2,450,405	\$ 174,573	\$ -
Public safety	18,135,674	1,074,729	325,425	-
Public works	11,100,276	99,797	294,110	1,997,634
Community development	4,701,517	1,401,920	167,392	-
Culture and recreation	7,801,924	2,539,395	10,000	146,900
Interest and other fees	3,237,341	-	-	-
Total governmental activities	<u>48,383,689</u>	<u>7,566,246</u>	<u>971,500</u>	<u>2,144,534</u>
Business type activities:				
Water and wastewater	16,333,488	17,664,100	827,614	1,067,383
Hidden Creek Golf Course	2,049,089	1,322,624	-	-
Solid waste	2,846,497	3,267,347	-	-
Cemetery	11,152	9,581	-	-
Total business-type activities	<u>21,240,226</u>	<u>22,263,652</u>	<u>827,614</u>	<u>1,067,383</u>
Total primary government	<u>\$ 69,623,915</u>	<u>\$ 29,829,898</u>	<u>\$ 1,799,114</u>	<u>\$ 3,211,917</u>

General revenues:

Taxes:

 Property taxes

 Tax increment financing

 Sales taxes

 Hotel/motel taxes

 Franchise fee based on gross receipts

Unrestricted investment earnings

Transfers between governmental and business type activities

 Total general revenue 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

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$(781,979)	\$ -	\$(781,979)
(16,735,520)	-	(16,735,520)
(8,708,735)	-	(8,708,735)
(3,132,205)	-	(3,132,205)
(5,105,629)	-	(5,105,629)
(3,237,341)	-	(3,237,341)
<u>(37,701,409)</u>	<u>-</u>	<u>(37,701,409)</u>
-	3,225,609	3,225,609
-	(726,465)	(726,465)
-	420,850	420,850
<u>-</u>	<u>(1,571)</u>	<u>(1,571)</u>
-	2,918,423	2,918,423
<u>\$(37,701,409)</u>	<u>\$ 2,918,423</u>	<u>\$(34,782,986)</u>
\$ 20,510,482	\$ -	\$ 20,510,482
457,438	-	457,438
16,595,528	-	16,595,528
219,250	-	219,250
3,166,620	-	3,166,620
243,568	114,274	357,842
<u>(108,909)</u>	<u>108,909</u>	<u>-</u>
<u>41,083,977</u>	<u>223,183</u>	<u>41,307,160</u>
3,382,568	3,141,606	6,524,174
<u>130,443,225</u>	<u>69,960,410</u>	<u>200,403,635</u>
<u>\$ 133,825,793</u>	<u>\$ 73,102,016</u>	<u>\$ 206,927,809</u>

CITY OF BURLESON, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Major Funds			
	General	BCSDC Special Revenue	4A Corp Special Revenue	Parks Performance Fund
ASSETS				
Cash and investments	\$ 10,359,674	\$ 2,331,505	\$ 4,006,050	\$ 891,317
Receivables:				
Delinquent taxes, net	21,333	-	-	-
Accounts receivable	1,019,565	-	-	18,912
Due from other funds	496,695	-	-	-
Due from other governmental units	1,413,511	704,688	703,125	-
Accrued interest	5,113	25	78	398
Inventories	-	-	-	2,617
Prepaid items	28,269	-	-	-
Total Assets	<u>\$ 13,344,160</u>	<u>\$ 3,036,218</u>	<u>\$ 4,709,253</u>	<u>\$ 913,244</u>
LIABILITIES				
Accounts payable	\$ 985,464	\$ -	\$ 108,107	\$ 180,146
Accrued liabilities	916,413	-	5,088	47,382
Due to other funds	-	-	-	-
Total Liabilities	<u>1,901,877</u>	<u>-</u>	<u>113,195</u>	<u>227,528</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - mowing liens	62,024	-	-	-
Unavailable revenue - franchise fees	375,751	-	-	-
Total Deferred Inflows of Resources	<u>437,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventory	-	-	-	2,617
Prepaid items	28,174	-	-	-
Restricted for:				
Debt services	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	3,036,218	4,596,058	-
Tourism	-	-	-	-
Capital projects	-	-	-	-
Committed for:				
Culture and recreation	-	-	-	683,099
Economic development	-	-	-	-
Capital projects	-	-	-	-
Debt services	404,607	-	-	-
Other purposes	251,257	-	-	-
Assigned to:				
Risk management	1,047,047	-	-	-
Unassigned	9,273,423	-	-	-
Total Fund Balances	<u>11,004,508</u>	<u>3,036,218</u>	<u>4,596,058</u>	<u>685,716</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,344,160</u>	<u>\$ 3,036,218</u>	<u>\$ 4,709,253</u>	<u>\$ 913,244</u>

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

Major Funds				
Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	General Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 17,906,949	\$ 3,436,359	\$ 778,906	\$ 10,251,134	\$ 49,961,894
-	-	32,635	56,189	110,157
6,093	-	4,185	4,399	1,053,154
-	-	-	-	496,695
-	-	-	277,632	3,098,956
180	1,639	-	2,364	9,797
-	-	-	-	2,617
-	-	-	-	28,269
<u>\$ 17,913,222</u>	<u>\$ 3,437,998</u>	<u>\$ 815,726</u>	<u>\$ 10,591,718</u>	<u>\$ 54,761,539</u>
\$ 1,680,018	\$ 159,659	\$ -	\$ 649,165	\$ 3,762,559
-	-	-	1,039,454	2,008,337
-	-	-	258,202	258,202
<u>1,680,018</u>	<u>159,659</u>	<u>-</u>	<u>1,946,821</u>	<u>6,029,098</u>
-	-	-	-	62,024
-	-	-	-	375,751
-	-	-	-	437,775
-	-	-	-	2,617
-	-	-	-	28,174
-	-	815,726	1,714,768	2,530,494
-	-	-	1,096	1,096
-	-	-	773,855	8,406,131
-	-	-	623,803	623,803
16,233,204	-	-	-	16,233,204
-	-	-	-	683,099
-	-	-	484,485	484,485
-	3,278,339	-	5,046,890	8,325,229
-	-	-	-	404,607
-	-	-	-	251,257
-	-	-	-	1,047,047
-	-	-	-	9,273,423
<u>16,233,204</u>	<u>3,278,339</u>	<u>815,726</u>	<u>8,644,897</u>	<u>48,294,666</u>
<u>\$ 17,913,222</u>	<u>\$ 3,437,998</u>	<u>\$ 815,726</u>	<u>\$ 10,591,718</u>	<u>\$ 54,761,539</u>

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CITY OF BURLESON, TEXAS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2016

Total fund balances - governmental funds		\$ 48,294,666
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		193,933,132
Certain charges related to the issuance of debt and insurance were expended in this year, but will be amortized over the entire period covered by the payment, and therefore are deferred in the government wide statements.		45,868
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.		7,381,036
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		437,775
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		
Bonds payable	99,211,407	
Obligation under capital lease (net of ISF of \$7,773)	404,607	
Accrued interest	585,692	
Compensated absences (net of internal service funds \$216,928)	4,294,664	
Net pension liability (net of internal service funds \$695,606)	16,516,368	
Deferred resources related to pensions (net of ISF of \$225,818)	(5,361,782)	
Other post-employment benefits (net of ISF of \$30,665)	<u>615,728</u>	
Combined adjustment		<u>(116,266,684)</u>
Total net position - governmental activities		\$ <u>133,825,793</u>

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 BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Major Funds			
	General	BCSDC Special Revenue	4A Corp Special Revenue	Parks Performance Fund
REVENUES				
Property taxes	\$ 14,961,952	\$ -	\$ -	\$ -
Sales taxes	8,173,108	4,123,039	4,123,039	-
Franchise fees	3,150,851	-	-	-
Licenses and permits	1,335,198	-	-	-
Intergovernmental revenue	243,209	-	-	-
Fines and forfeitures	965,863	-	-	-
Donations	-	-	-	-
Charges for services	1,656,556	-	-	2,183,804
Investment earnings	67,334	7,209	17,010	4,267
Mineral lease revenue	-	-	-	-
Street assessments	-	-	-	-
Miscellaneous	838,109	-	333,897	6,557
Total Revenues	31,392,180	4,130,248	4,473,946	2,194,628
EXPENDITURES				
Current:				
General government	5,342,235	-	-	-
Public safety	17,801,734	-	-	-
Public works	6,256,197	-	-	-
Community development	811,439	-	3,603,534	-
Culture and recreation	3,119,832	-	-	3,435,469
Capital expenditures	-	-	-	-
Debt Service:				
Principal retirement	106,195	-	-	-
Interest and fiscal agent charges	23,124	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	33,460,756	-	3,603,534	3,435,469
Excess of revenues over expenditures	(2,068,576)	4,130,248	870,412	(1,240,841)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Issuance of refunding debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Transfers in	3,538,000	-	-	1,340,024
Payment to escrow agent	-	-	-	-
Transfers out	(1,888,000)	(4,053,190)	(2,571,965)	-
Total Other Financing Sources (Uses)	1,650,000	(4,053,190)	(2,571,965)	1,340,024
Net change in fund balances	(418,576)	77,058	(1,701,553)	99,183
Fund balance - beginning	11,423,084	2,959,160	6,297,611	586,533
Fund balance - ending	\$ 11,004,508	\$ 3,036,218	\$ 4,596,058	\$ 685,716

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
\$ -	\$ -	\$ 5,279,729	\$ 986,687	\$ 21,228,368
-	-	-	379,733	16,798,919
-	-	-	-	3,150,851
-	-	-	-	1,335,198
-	-	-	356,101	599,310
-	-	-	436,289	1,402,152
-	-	-	251,840	251,840
-	-	-	-	3,840,360
78,569	19,702	7	29,708	223,806
-	268,183	-	-	268,183
-	-	-	143,429	143,429
-	-	-	400,220	1,578,783
<u>78,569</u>	<u>287,885</u>	<u>5,279,736</u>	<u>2,984,007</u>	<u>50,821,199</u>
-	-	-	14,214	5,356,449
-	-	-	518,504	18,320,238
-	-	-	160,359	6,416,556
-	-	-	642,912	5,057,885
-	90,335	-	222,142	6,867,778
11,216,453	1,623,514	-	2,146,985	14,986,952
-	-	3,118,294	2,517,063	5,741,552
-	-	2,090,570	1,070,959	3,184,653
132,229	-	121,362	119,776	373,367
<u>11,348,682</u>	<u>1,713,849</u>	<u>5,330,226</u>	<u>7,412,914</u>	<u>66,305,430</u>
(11,270,113)	(1,425,964)	(50,490)	(4,428,907)	(15,484,231)
10,251,092	-	-	-	10,251,092
-	-	9,975,000	9,825,000	19,800,000
-	-	1,653,884	1,628,456	3,282,340
259,298	-	105,000	6,774,867	12,017,189
-	-	(11,740,984)	(11,563,579)	(23,304,563)
<u>(2,000,000)</u>	<u>(440,000)</u>	<u>-</u>	<u>(1,206,943)</u>	<u>(12,160,098)</u>
8,510,390	(440,000)	(7,100)	5,457,801	9,885,960
(2,759,723)	(1,865,964)	(57,590)	1,028,894	(5,598,271)
<u>18,992,927</u>	<u>5,144,303</u>	<u>873,316</u>	<u>7,616,003</u>	<u>53,892,937</u>
<u>\$ 16,233,204</u>	<u>\$ 3,278,339</u>	<u>\$ 815,726</u>	<u>\$ 8,644,897</u>	<u>\$ 48,294,666</u>

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CITY OF BURLESON, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Net change in fund balances - total governmental funds		\$(5,598,271)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds reported 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 \$2,925,722 classified as program expenditures on fund statements)	17,912,674	
Depreciation (net of internal service)	(6,097,611)	11,815,063
Certain other capital-related amounts result in differences between the government-wide and fund-level statements.		1,614,205
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		7,820
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.		(1,555,882)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.		(3,746,769)
A reduction of internal charges between the governmental activities and the business type activities is not reported at the fund level.		(13,124)
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>859,526</u>
Change in net position of governmental activities		<u>\$ 3,382,568</u>

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

CITY OF BURLESON, TEXAS
STATEMENT OF NET POSITION
ALL PROPRIETARY FUNDS
SEPTEMBER 30, 2016

	Business-Type Activities Enterprise Funds		
	Water & Wastewater	Hidden Creek Golf Course	Solid Waste
ASSETS			
Current assets:			
Deposits and investments	\$ 4,563,593	\$ -	\$ 859,032
Receivables:			
Accounts receivable	2,139,877	3,072	494,915
Inventories	282,436	20,553	-
Land held for sale of cemetery lots	-	-	-
Accrued interest	1,888	18	353
Total current assets	<u>6,987,794</u>	<u>23,643</u>	<u>1,354,300</u>
Noncurrent assets:			
Restricted deposits and investments	22,968,707	82,845	-
Restricted accrued interest receivable	667	-	-
Other assets	1,779,320	1,075	-
Capital assets			
Property, plant, and equipment, net	92,393,705	2,964,541	28,074
Total noncurrent assets	<u>117,142,399</u>	<u>3,048,461</u>	<u>28,074</u>
TOTAL ASSETS	<u>124,130,193</u>	<u>3,072,104</u>	<u>1,382,374</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	916,542	102,125	-
Deferred outflow related to TMRS	364,140	218,864	-
TOTAL DEFERRED OUTFLOWS	<u>1,280,682</u>	<u>320,989</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,493,626	60,551	242,081
Accrued liabilities	32,240	22,817	483
Accrued interest payable	235,465	9,223	-
Customer deposits	636,302	-	-
Due to other funds	-	238,493	-
Compensated absences	100,034	51,808	-
Current portion of bonds payable	3,605,000	252,714	-
Current portion of capital lease payable	1,179	1,694	-
Total current liabilities	<u>6,103,846</u>	<u>637,300</u>	<u>242,564</u>
Noncurrent liabilities:			
Revenue bonds payable	49,482,369	2,730,021	-
Capital lease payable	3,922	5,106	-
Net pension liability	1,087,950	653,907	-
Other post-employment benefits	44,795	27,185	-
Compensated absences	20,838	204,868	-
Total noncurrent liabilities	<u>50,639,874</u>	<u>3,621,087</u>	<u>-</u>
TOTAL LIABILITIES	<u>56,743,720</u>	<u>4,258,387</u>	<u>242,564</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to TMRS	10,954	6,584	-
TOTAL DEFERRED INFLOWS	<u>10,954</u>	<u>6,584</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	42,114,320	(23,919)	28,074
Restricted for debt service and construction	3,584,569	82,845	-
Unrestricted	22,957,312	(930,804)	1,111,736
TOTAL NET POSITION	<u>\$ 68,656,201</u>	<u>\$ (871,878)</u>	<u>\$ 1,139,810</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 Internal Service Funds
Non-major	Total	
\$ 1,467,245	\$ 6,889,870	\$ 6,378,133
2,987	2,640,851	3,367
-	302,989	28,837
68,400	68,400	-
130	2,389	2,721
<u>1,538,762</u>	<u>9,904,499</u>	<u>6,413,058</u>
-	23,051,552	-
-	667	-
-	1,780,395	-
<u>203,922</u>	<u>95,590,242</u>	<u>4,246,466</u>
<u>203,922</u>	<u>120,422,856</u>	<u>4,246,466</u>
<u>1,742,684</u>	<u>130,327,355</u>	<u>10,659,524</u>
-	1,018,667	-
-	583,004	232,821
<u>-</u>	<u>1,601,671</u>	<u>232,821</u>
-	1,796,258	80,023
-	55,540	20,906
-	244,688	-
17,589	653,891	-
-	238,493	-
-	151,842	73,778
-	3,857,714	-
-	2,873	1,796
<u>17,589</u>	<u>7,001,299</u>	<u>176,503</u>
-	52,212,390	-
-	9,028	5,977
-	1,741,857	695,605
-	71,980	30,665
-	225,706	143,148
<u>-</u>	<u>54,260,961</u>	<u>875,395</u>
<u>17,589</u>	<u>61,262,260</u>	<u>1,051,898</u>
-	17,538	7,004
<u>-</u>	<u>17,538</u>	<u>7,004</u>
203,922	42,322,397	4,238,693
-	3,667,414	-
<u>1,521,173</u>	<u>24,659,417</u>	<u>5,594,750</u>
\$ <u>1,725,095</u>	\$ <u>70,649,228</u>	\$ <u>9,833,443</u>
	2,598,619	
	(145,831)	
	\$ <u>73,102,016</u>	

CITY OF BURLESON, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities Enterprise Funds		
	Water & Wastewater	Hidden Creek Golf Course	Solid Waste
Operating revenues			
Charges for goods and services	\$ 17,081,453	\$ 1,322,624	\$ 3,267,347
Penalties and interest	419,394	-	-
Miscellaneous	163,255	-	-
Impact fee revenue	827,614	-	-
Mineral lease revenue	-	-	-
Total operating revenues	<u>18,491,716</u>	<u>1,322,624</u>	<u>3,267,347</u>
Operating expenses			
Water and wastewater services	10,861,529	-	-
Cost of golf operations	-	1,864,265	-
Cost of collecting revenues and other administrative expenses	1,868,003	-	-
Cost of cemetery operations	-	-	-
Cost of solid waste operations	-	-	2,845,252
Cost of equipment services	-	-	-
Materials, supplies, and cemetery lots	-	-	-
Depreciation	<u>2,265,798</u>	<u>102,465</u>	<u>1,245</u>
Total operating expenses	<u>14,995,330</u>	<u>1,966,730</u>	<u>2,846,497</u>
Net operating income (loss)	3,496,386	(644,106)	420,850
Non-operating revenues (expenses)			
Gain (loss) on disposition of capital assets	-	-	-
Investment earnings	101,457	213	3,809
Interest and fiscal agent charges	<u>(1,506,199)</u>	<u>(89,604)</u>	<u>-</u>
Total non-operating revenue	<u>(1,404,742)</u>	<u>(89,391)</u>	<u>3,809</u>
Income (loss) before capital contributions and transfers	2,091,644	(733,497)	424,659
Transfers in	-	746,909	-
Transfers out	<u>(638,000)</u>	<u>-</u>	<u>-</u>
Capital contributions	<u>1,067,383</u>	<u>-</u>	<u>-</u>
Net income	2,521,027	13,412	424,659
Net position at beginning of year	<u>66,135,174</u>	<u>(885,290)</u>	<u>715,151</u>
Net position at end of year	<u>\$ 68,656,201</u>	<u>\$ (871,878)</u>	<u>\$ 1,139,810</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 statement are an integral part of this statement.

Business-Type Activities Enterprise Funds		Governmental Activities
Non-Major	Total	Internal Service Fund
\$ 7,022	\$ 21,678,446	\$ 3,693,978
-	419,394	-
-	163,255	-
-	827,614	-
2,558	2,558	-
<u>9,580</u>	<u>23,091,267</u>	<u>3,693,978</u>
-	10,861,529	-
-	1,864,265	-
-	1,868,003	1,060,588
330	330	-
-	2,845,252	-
-	-	625,820
197	197	-
<u>10,625</u>	<u>2,380,133</u>	<u>1,028,754</u>
<u>11,152</u>	<u>19,819,709</u>	<u>2,715,162</u>
(1,572)	3,271,558	978,816
-	-	(13,047)
1,454	106,933	29,642
-	(1,595,803)	(380)
<u>1,454</u>	<u>(1,488,870)</u>	<u>16,215</u>
(118)	1,782,688	995,031
-	746,909	34,000
-	(638,000)	-
-	1,067,383	-
(118)	2,958,980	1,029,031
<u>1,725,213</u>		<u>8,804,412</u>
<u>\$ 1,725,095</u>		<u>\$ 9,833,443</u>
	<u>182,626</u>	
	<u>\$ 3,141,606</u>	

CITY OF BURLESON, TEXAS
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities Enterprise Funds		Business-Type Activities Enterprise Funds		Total Enterprise Funds	Governmental Activities Internal Service Funds
	Water & Wastewater	Golf Course	Solid Waste	Non-Major		
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 18,744,017	\$ 1,326,909	\$ 3,190,143	\$ 7,684	\$ 23,268,753	\$ -
Chas received from deposits	4,811	-	-	-	4,811	-
Cash received from interfund services provided	-	-	-	-	-	3,715,223
Cash payments (loan receivable) from other funds	-	93,294	-	-	93,294	-
Cash payments to vendors, suppliers, and contractors	(9,826,011)	(711,075)	(3,027,173)	(331)	(13,564,590)	(696,302)
Payments to employees for services	(1,719,198)	(1,100,419)	(25,157)	-	(2,844,774)	(1,076,865)
Payments to other funds	(2,234,083)	-	-	-	(2,234,083)	-
Net cash provided by operating activities	<u>4,969,536</u>	<u>(391,291)</u>	<u>137,813</u>	<u>7,353</u>	<u>4,723,411</u>	<u>1,942,056</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from other funds	-	746,909	-	-	746,909	34,000
Transfer to other funds	(638,000)	-	-	-	(638,000)	-
Net cash used by noncapital financing activities	<u>(638,000)</u>	<u>746,909</u>	<u>-</u>	<u>-</u>	<u>108,909</u>	<u>34,000</u>
ACTIVITIES						
Capital contributions	99,325	-	-	-	99,325	-
Receipt on disposal of capital assets	-	-	-	-	-	60,116
Principal paid on capital debt	(1,179)	(1,573)	-	-	(2,752)	(1,796)
Interest paid on capital debt	(249)	(332)	-	-	(581)	(380)
Principal paid on bonds	(3,280,000)	(239,643)	-	-	(3,519,643)	-
Interest payments on long-term debt	(1,610,572)	(114,314)	325	-	(1,724,561)	-
Proceeds of bond issuance	6,553,712	-	-	-	6,553,712	-
Cost of bond issuance	(538,894)	-	-	-	(538,894)	-
(Acquisition) disposal of capital assets	(2,021,627)	-	(7,000)	-	(2,028,627)	(813,642)
Net cash provided by (used for) capital and related financial activities	<u>(799,484)</u>	<u>(355,862)</u>	<u>(6,675)</u>	<u>-</u>	<u>(1,162,021)</u>	<u>(755,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	105,233	244	3,809	1,737	111,023	32,917
Proceeds from sale of investments	1,568,307	-	113,573	71,039	1,752,919	1,442,927
Purchase of investments	(793,508)	-	(95,246)	(39,195)	(927,949)	(737,724)
Net cash provided by investing activities	<u>880,032</u>	<u>244</u>	<u>22,136</u>	<u>33,581</u>	<u>935,993</u>	<u>738,120</u>
Net (decrease) in cash and cash equivalents	4,412,084	-	153,274	40,934	4,606,292	1,958,474
Cash and cash equivalents - beginning of year	<u>20,014,521</u>	<u>80,768</u>	<u>705,758</u>	<u>1,426,311</u>	<u>22,227,358</u>	<u>3,902,423</u>
Cash and cash equivalents - end of year	24,426,605	80,768	859,032	1,467,245	26,833,650	5,860,897
Investments	<u>3,105,695</u>	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>3,107,772</u>	<u>517,236</u>
Total cash and investments	<u>\$ 27,532,300</u>	<u>\$ 82,845</u>	<u>\$ 859,032</u>	<u>\$ 1,467,245</u>	<u>\$ 29,941,422</u>	<u>\$ 6,378,133</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 3,496,386	\$(644,106)	\$ 420,850	\$(1,572)	\$ 3,271,558	\$ 978,816
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	2,265,798	102,465	1,245	10,625	2,380,133	1,028,754
(Increase) decrease in accounts receivable	252,301	4,285	(77,204)	(1,896)	177,486	21,245
(Increase) decrease in inventories	111,588	18,423	-	197	130,208	14,906
(Increase) decrease in deferred outflows related to TMRS	(185,174)	(110,512)	-	-	(295,686)	(105,887)
Increase (decrease) in vouchers and accounts payable	(1,092,685)	5,437	(206,273)	(1)	(1,293,522)	(45,876)
Increase (decrease) in accrued liabilities	(47,215)	(29,710)	(805)	-	(77,730)	(36,247)
Increase (decrease) in deposits payable	4,811	-	-	-	4,811	-
Increase (decrease) in due to other funds	-	93,294	-	-	93,294	-
Increase (decrease) in compensated absences	(13,825)	66,497	-	-	52,672	37,812
Increase (decrease) in net pension liability	168,771	97,368	-	-	266,139	43,071
Increase (decrease) in deferred inflows related to TMRS	8,780	5,268	-	-	14,048	5,462
Net cash provided by operating activities	<u>4,969,536</u>	<u>(391,291)</u>	<u>137,813</u>	<u>7,353</u>	<u>4,723,411</u>	<u>1,942,056</u>
Noncash Capital and related financing activities						
Contributions from developers	968,058	-	-	-	968,058	-
Total noncash capital and related financing activities	<u>\$ 968,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 968,058</u>	<u>\$ -</u>

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

CITY OF BURLESON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 more significant policies.

A. Reporting Entity

The City of Burleson, Texas (the "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 the 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 (hereafter "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 financial 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.

Tax Increment Finance Reinvestment Zone Number Three (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 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 State 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 City's primary operating fund. It accounts for all financial resources, except those required to be accounted for in other funds.

The **BCSDC Special Fund** is used to account for the half cent sales tax collected to fund the activities of Burleson Community Service Development Corporation.

The **4A Corp Special Revenue Fund** is used to account for the half cent sales tax collected to fund the activities of Burleson 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 Burleson 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/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 operations of the City's solid waste collection utility.

The *Cemetery Enterprise Fund*, which is not a major fund, it 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 City's water and wastewater fund and various other funds of the City. 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 reported for the various funds concerned.

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 proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and the City'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, 2016, the city did not own any types of securities other than those permitted by state law.

- (2) Receivables and Payables - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reports 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 uncollectable receivables. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectable receivables. The net property tax receivable is comprised of the property tax revenues collected within 60 days after year end. The City believes amounts remaining uncollected at sixty days after year-end are generally uncollectible and are recorded as taxes receivable and deferred revenue.

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 2016 levy was based, was approximately \$3,012,339,710. 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 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 and b) 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, 2016 was \$0.7400 per \$100 of assessed valuation.

- (3) Inventories – All inventories are valued using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.
- (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. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. 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 expenses. 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 and sewer system	50 years
Improvements other than building	20 years
Infrastructure	15 - 40 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest accrued during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City during the current year was \$3,360,868. Of this amount, \$351,716 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) Pensions - For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(8) Net Position - Net position represents the difference between assets, deferred outflows (inflows) of resources, 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 purposes for which both restricted and unrestricted net position are available.

(9) 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 resource 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 authorized the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and include 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 deployed 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 the City Manager, pursuant to the City’s fund balance policy.

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 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.

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.

(10) Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: mowing liens and franchise fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has one type of item that qualifies for reporting in this category in the government-wide financial statements. The difference in expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

(11) Fund Balances -Summary of governmental fund balances as of September 30, 2016 are as follows:

	General Fund	Special Revenue Fund (1)	Capital Project Funds (1)	Debt Service Funds	Total
Fund balances:					
Nonspendable:					
Inventory	\$ -	\$ 2,617	\$ -	\$ -	\$ 2,617
Prepays	28,174	-	-	-	28,174
Restricted for:					
Debt service	-	-	-	2,530,494	2,530,494
Culture and recreation	-	1,096	-	-	1,096
Economic development	-	8,406,131	-	-	8,406,131
Tourism	-	623,803	-	-	623,803
Capital projects	-	-	16,233,204	-	16,233,204
Committed to:					
Recreation facilities operation	-	683,099	-	-	683,099
Economic development incentives	-	484,485	-	-	484,485
Capital projects	-	-	8,325,229	-	8,325,229
Debt service	404,607	-	-	-	404,607
Other purposes:					
General government	6,147	-	-	-	6,147
Public safety	14,862	-	-	-	14,862
Culture and recreation	3,889	-	-	-	3,889
Public works	4,742	-	-	-	4,742
Planning and engineering	221,617	-	-	-	221,617
Assigned to:					
Risk management	1,047,047	-	-	-	1,047,047
Unassigned:	<u>9,273,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,273,423</u>
Total fund balances	<u>\$ 11,004,508</u>	<u>\$ 10,201,231</u>	<u>\$ 24,558,433</u>	<u>\$ 2,530,494</u>	<u>\$ 48,294,666</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, 2016, expenditures exceeded appropriations in Legal, Risk Management, Police, Fire, Animal Services, Municipal Court, Neighborhood Services, Environmental Services, Community Development, and Recreation departments (the legal level of budgeting control) of the general fund by \$586, \$213,557, \$51,406, \$15,097, \$9,038, \$95,927, \$1,189, \$7,389, \$1,567 and \$11,222, respectively. These over-expenditures were funded by savings in other departments.

F. Accounting Pronouncements

During fiscal year 2016, the City adopted the following Governmental Accounting Standards Board (“GASB”) Statements:

Statement No. 72 (“GASB 72”), *Fair Value Measurement and Application* is effective for periods beginning after June 15, 2015. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The purpose of this Statement is to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques.

Statement No. 73 (“GASB 73”), *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 & 68* is effective for fiscal years beginning after June 15, 2015. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

Statement No. 76 (“GASB 76”), *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* is effective for reporting periods beginning after June 15, 2015. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

Statement No. 79 (“GASB 79”), *Certain External Investment Pools and Pool Participants* is effective for reporting periods beginning after June 15, 2015. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes.

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

Statement No. 74 (“GASB 74”), *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* is effective for fiscal years beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

Statement No. 75 (“GASB 75”), *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Statement No. 77 (“GASB 77”), *Tax Abatement Disclosures* is effective for fiscal years beginning after December 15, 2015. This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues.

Statement No. 78 (“GASB 78”), *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* is effective for reporting periods beginning after December 15, 2015. The objective of this Statement is to address an issue associated with pensions provided through certain multiple-employer defined benefit pension plans and state or local governmental employers whose employees are provided with such pensions.

Statement No. 80 (“GASB 80”), *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14* is effective for reporting periods beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

Statement No. 81 (“GASB 81”), *Irrevocable Split-Interest Agreements* is effective for reporting periods beginning after December 15, 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Statement No. 82 (“GASB 82”), *Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73* is effective for reporting periods beginning after June 15, 2016. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

G. Deficit Net Position

At September 30, 2016, the Hidden Creek Golf Course Fund had an accumulated deficit of \$871,878. Of this net deficit, \$23,919 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, 2016, are classified in the statement of net position as cash and investments and restricted cash and investments. The cash and investments included the following:

Cash on hand	\$ 17,888
Demand deposits	329,631
Money market mutual funds	5,259,903
TexPool (State of Texas Treasurer's Investment Pool)	10,402,291
TexPool Prime (State of Texas Treasurer's Investment Pool)	9,178,756
Lone Star Investment pool - Liquidity Plus Fund	4,143,751
TexSTAR Investment pool	6,656,233
Logic Investment Pool	46,182,577
Municipal Obligations	<u>4,110,420</u>
Total cash and investments	\$ <u>86,281,450</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, 2016, the carrying amount of the City's deposits was \$329,631 with an overall bank balance of approximately \$1,620,521. 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	\$ 5,259,903	\$ 5,259,903	\$ -	\$ -
TexPool (State of Texas Treasurer's Investment Pool)	10,402,291	10,402,291	-	-
TexPool Prime (State of Texas Treasurer's Investment Pool)	9,178,756	9,178,756	-	-
Lone Star Investment Pool - LiquidityPlus Fund	4,143,751	4,143,751	-	-
TexSTAR Investment Pool	6,656,233	6,656,233	-	-
Logic Investment Pool	46,182,577	46,182,577	-	-
Municipal Obligations	4,110,420	3,610,320	500,100	-
	<u>\$ 85,933,931</u>	<u>\$ 85,433,831</u>	<u>\$ 500,100</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 or 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, 2016:

- Certificates of deposit and money market accounts represented 6.12% of the total portfolio,
- Investment in four AAA-rated local government investment pools represented 89.10% of the total portfolio, and
- Investment in municipal obligations rated A or better represented 4.78% 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 diversity 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 issuers, 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, 2016, as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>Reported Amount</u>	<u>Percentage of Total Portfolio</u>
Local Government Investment Pools	TexPool	\$ 19,581,047	25.58%
	Lone Star - Liquidity Plus Fund	4,143,751	5.41%
	TexSTAR Investment Pool	6,656,233	8.69%
	Logic Investment Pool	46,182,577	60.32%

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 investments. 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, 2016, 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 69 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.

3. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of September 30, 2016 for the City's individual major funds, and non-major funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	General Fund	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	Total Governmental Funds
Receivables:									
Taxes	\$ 450,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,267	\$ 56,189	\$ 550,226
Accounts	1,019,565	-	-	18,912	6,093	-	4,185	4,399	1,053,154
Due from other funds	496,695	-	-	-	-	-	-	-	496,695
Intergovernmental	1,413,511	704,688	703,125	-	-	-	-	277,632	3,098,956
Interest	5,113	25	78	398	180	1,639	-	2,364	9,797
Gross receivables	3,385,654	704,713	703,203	19,310	6,273	1,639	47,452	340,584	5,208,828
Less: allowance for uncollectibles	(429,437)	-	-	-	-	-	(10,632)	-	(440,069)
Net total receivables	\$ 2,956,217	\$ 704,713	\$ 703,203	\$ 19,310	\$ 6,273	\$ 1,639	\$ 36,820	\$ 340,584	\$ 4,768,759
Deferred inflows of resources									
Mowing liens	\$ 62,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,024
Franchise fees	375,751	-	-	-	-	-	-	-	375,751
Total deferred inflows	\$ 437,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 437,775

	Water and Wastewater	Golf Course	Solid Waste	Non-major	Activities Total
Receivables:					
Accounts	\$ 1,193,714	\$ 3,072	\$ 245,401	\$ 6,007	\$ 1,448,194
Unbilled accounts	950,349	-	251,686	-	1,202,035
Interest	1,888	18	353	130	2,389
Gross receivables	2,145,951	3,090	497,440	6,137	2,652,618
Less: Allowance for uncollectibles	(4,186)	-	(2,172)	(3,020)	(9,378)
Net total receivables	\$ 2,141,765	\$ 3,090	\$ 495,268	\$ 3,117	\$ 2,643,240

4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Transfers/ Additions	Transfers/ Deletions	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 26,349,344	\$ 2,829,406	\$ -	\$ 29,178,750
Construction in progress	17,876,652	13,296,653	-	31,173,305
Historical/Artwork collections	45,000	-	-	45,000
Total capital assets not being depreciated	<u>44,270,996</u>	<u>16,126,059</u>	<u>-</u>	<u>60,397,055</u>
Capital assets being depreciated:				
Buildings and improvements	41,137,589	1,914,543	-	43,052,132
Improvements other than buildings	27,348,140	62,586	-	27,410,726
Infrastructure	126,560,172	1,195,123	-	127,755,295
Vehicles	6,080,209	714,584	(477,467)	6,317,326
Machinery and equipment	13,010,859	327,627	(232,066)	13,106,420
Total capital assets being depreciated	<u>214,136,969</u>	<u>4,214,463</u>	<u>(709,533)</u>	<u>217,641,899</u>
Less accumulated depreciation for:				
Buildings	(7,115,991)	(838,139)	-	(7,954,130)
Improvements other than buildings	(6,891,326)	(1,069,877)	-	(7,961,203)
Infrastructure	(48,635,466)	(3,617,792)	-	(52,253,258)
Vehicles	(3,423,640)	(622,656)	409,802	(3,636,494)
Machinery and equipment	(8,553,338)	(750,700)	232,066	(9,071,972)
Total accumulated depreciation	<u>(74,619,761)</u>	<u>(6,899,164)</u>	<u>641,868</u>	<u>(80,877,057)</u>
Total capital assets being depreciated, net	<u>139,517,208</u>	<u>(2,684,701)</u>	<u>(67,665)</u>	<u>136,764,842</u>
Governmental activities capital assets, net	<u>\$ 183,788,204</u>	<u>\$ 13,441,358</u>	<u>\$(67,665)</u>	<u>\$ 197,161,897</u>

	Beginning Balance	Transfers/ Additions	Transfers/ Deletions	Ending Balance
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 5,067,307	\$ 75,018	\$ -	\$ 5,142,325
Construction in progress	5,382,771	1,553,187	-	6,935,958
Total capital assets not being depreciated	<u>10,450,078</u>	<u>1,628,205</u>	<u>-</u>	<u>12,078,283</u>
Capital assets being depreciated:				
Water systems	54,907,509	929,563	-	55,837,072
Wastewater systems	47,243,608	412,741	-	47,656,349
Infrastructure	30,524	-	-	30,524
Buildings and improvements	6,850,965	-	-	6,850,965
Machinery and equipment	837,362	26,177	-	863,539
Vehicles	2,439,754	-	(56,267)	2,383,487
Capitalized interest	690,568	205,395	-	895,963
Total capital assets being depreciated	<u>113,000,290</u>	<u>1,573,876</u>	<u>(56,267)</u>	<u>114,517,899</u>
Less accumulated depreciation for:				
Water systems	(13,011,909)	(1,156,505)	-	(14,168,414)
Wastewater systems	(9,179,945)	(952,677)	-	(10,132,622)
Infrastructure	(16,482)	(3,053)	-	(19,535)
Buildings and improvements	(3,195,842)	(167,739)	-	(3,363,581)
Machinery and equipment	(770,871)	(20,739)	-	(791,610)
Vehicles	(1,189,350)	(227,203)	50,767	(1,365,786)
Capitalized interest	(129,481)	(17,209)	-	(146,690)
Total accumulated depreciation	<u>(27,493,880)</u>	<u>(2,545,125)</u>	<u>50,767</u>	<u>(29,988,238)</u>
Total capital assets being depreciated, net	<u>85,506,410</u>	<u>(971,249)</u>	<u>(5,500)</u>	<u>84,529,661</u>
Business-type activities capital assets, net	<u>\$ 95,956,488</u>	<u>\$ 656,956</u>	<u>\$(5,500)</u>	<u>\$ 96,607,944</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 \$1,017,701 and are included in the above schedule.

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

Governmental activities:		
General government	\$	208,081
Public safety		975,917
Public works, which includes the depreciation of general infrastructure assets		4,920,085
Culture and recreation		<u>795,081</u>
Total governmental activities depreciation	\$	<u>6,899,164</u>
Business-type activities:		
Water and wastewater	\$	2,206,437
Golf course		100,315
Solid waste disposal and collection		545
Cemetery		10,625
Vehicle replacement fund		<u>227,203</u>
Total business-type activities depreciation	\$	<u>2,545,125</u>

Construction Commitments

The City entered into several design contracts during the fiscal year. As of September 30, 2016, the City had outstanding design contracts totaling \$1,793,230 related to water, sewer, parks, and street infrastructure. These commitments will be financed from proceeds of bonds issued in the fiscal year 2015 as well as in prior years. The City has \$4,756,866 outstanding construction commitments at September 30, 2016.

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 2016. 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, 2016.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Machinery and equipment	\$ 876,188	\$ 122,911
Infrastructure	592,423	30,524
Less: Accumulated depreciation	<u>(812,526)</u>	<u>(142,446)</u>
Total	<u>\$ 656,085</u>	<u>\$ 10,989</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 2007 water and sewer CO bonds. The costs are being amortized over the life of the bond issue.	\$ 703
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.	2,651
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.	1,295,925
Prepaid arbitrage liability.	<u>38,142</u>
	<u>\$ 1,337,421</u>

The amounts above are net of accumulated amortization of \$545,804.

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.	\$ 386,377
Costs incurred in the development of a long-term master infrastructure plan. The costs are being amortized over 20 years.	<u>55,522</u>
	<u>\$ 441,899</u>

The amounts above are net of accumulated amortization of \$408,983.

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.	\$ 1,075
	<u>\$ 1,075</u>

The amount above is net of accumulated amortization of \$41,925.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

The composition of inter-fund balances as of September 30, 2016, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Hidden Creek Golf Course Fund	\$ 238,493
General Fund	Non-Major Governmental Fund	258,202

Interfund Transfers

Inter-fund transfers during the year ended September 30, 2016, were as follows:

Transfers out:	Transfers in:					
	General Fund	Parks Performance	Bond Funded Capital Projects	Hidden Creek GC	Equipment Services Fund	Support Services Fund
BCSDC Special Revenue	\$ -	\$ 1,340,024	\$ -	\$ 746,909	\$ -	\$ -
4A Corp Special Revenue	-	-	-	-	-	-
General Fund	-	-	-	-	11,000	23,000
Water and Wastewater	638,000	-	-	-	-	-
Bond Funded Cap Proj	2,000,000	-	-	-	-	-
Mineral Lease Funded	-	-	-	-	-	-
Non-major Governmental	<u>900,000</u>	<u>-</u>	<u>259,298</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,538,000</u>	<u>\$ 1,340,024</u>	<u>\$ 259,298</u>	<u>\$ 746,909</u>	<u>\$ 11,000</u>	<u>\$ 23,000</u>

Transfers out:	Transfers in:		
	General Debt Service Fund	Non-major Governmental	Total Transfers From
BCSDC Special Revenue	\$ -	\$ 1,966,257	\$ 4,053,190
4A Corp Special Revenue	105,000	2,466,965	2,571,965
General Fund	-	1,854,000	1,888,000
Water and Wastewater	-	-	638,000
Bond Funded Cap Proj	-	-	2,000,000
Mineral Lease Funded	-	440,000	440,000
Non-major Governmental	<u>-</u>	<u>47,645</u>	<u>1,206,943</u>
Total	<u>\$ 105,000</u>	<u>\$ 6,774,867</u>	<u>\$ 12,798,098</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) transfer additional funds to the Golf Course (4) pay for property purchased in advance of bond issuance (5) 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	\$ 1,115,053
4A Corp Special Revenue	196,006
Parks Performance Fund	168,500
Hotel Motel	11,000
Solid Waste	<u>53,105</u>
Total to General Fund	\$ <u>1,543,664</u>

Franchise Fee

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	\$ 679,000
Solid Waste	<u>81,600</u>
Total to General Fund	\$ <u>760,600</u>

Payments in Lieu of Property Taxes

For fiscal year 2016, the Water and Wastewater fund made a \$638,000 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, 2016 are summarized as follows:

	Balance at October 1, 2015	Increased	Retired	Balance at September 30, 2016	Due Within One Year
<i>Governmental activities:</i>					
General obligation bonds	\$ 55,518,570	\$ 25,135,000	\$ 12,000,357	\$ 68,653,213	\$ 3,597,286
Certificates of obligation	31,685,000	5,926,079	16,716,079	20,895,000	1,885,000
Sales tax revenue bonds	4,490,000	-	675,000	3,815,000	700,000
Compensated absences	4,457,509	2,401,066	1,955,844	4,902,731	2,420,614
Capital leases	520,372	-	107,992	412,380	114,985
Premium on debt	4,790,377	4,343,433	808,600	8,325,210	-
Net pension liability	<u>13,328,910</u>	<u>6,583,240</u>	<u>2,700,176</u>	<u>17,211,974</u>	<u>-</u>
Governmental activities long-term debt	<u>\$ 114,790,738</u>	<u>\$ 44,388,818</u>	<u>\$ 34,964,048</u>	<u>\$ 124,215,508</u>	<u>\$ 8,717,885</u>
<i>Business-type activities:</i>					
General obligation bonds	\$ 21,561,430	\$ 4,435,000	\$ 1,179,643	\$ 24,816,787	\$ 2,252,714
Certificates of obligation	22,520,000	5,750,000	4,220,000	24,050,000	1,420,000
Water and sewer revenue bonds	6,520,000	-	2,865,000	3,655,000	185,000
Compensated absences	324,876	274,083	221,410	377,549	151,842
Capital leases	14,653	-	2,751	11,902	2,965
Premium on debt	2,860,630	1,113,712	426,023	3,548,319	-
Net pension liability	<u>1,489,222</u>	<u>525,894</u>	<u>273,259</u>	<u>1,741,857</u>	<u>-</u>
Business-type activities long-term debt	<u>\$ 55,290,811</u>	<u>\$ 12,098,689</u>	<u>\$ 9,188,086</u>	<u>\$ 58,201,414</u>	<u>\$ 4,012,521</u>

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

Bonds payable at September 30, 2016 comprises the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Amount Outstanding
<i>Governmental Activities:</i>					
General obligation bonds:					
2007 Series	4.00-4.625	6/15/2007	3/1/2024	\$ 4,100,000	\$ 195,000
2008 Series	4.00-4.625	4/15/2008	3/1/2028	14,750,000	1,390,000
2010 Series	2.00-4.25	5/1/2010	3/1/2030	10,805,000	7,705,000
2012 Series	2.00-4.00	5/16/2012	5/16/2032	5,040,000	4,210,000
2014 Series	2.00-4.00	7/2/2014	3/1/2034	19,558,570	17,953,213
2015 Series	1.00-5.00	4/20/2015	3/1/2035	12,150,000	12,065,000
2016 Series	2.00-5.00	6/6/2016	3/1/2036	25,135,000	25,135,000
Total general obligated bonds				<u>91,538,570</u>	<u>68,653,213</u>
Certificates of Obligation:					
2007 Tax and Revenue	4.00-4.625	6/15/2007	3/1/2024	4,100,000	195,000
2008 Tax and Revenue	4.00-4.625	4/15/2008	3/1/2028	20,900,000	1,965,000
2013 Tax and Revenue	2.00-3.00	5/1/2013	3/1/2033	4,620,000	4,075,000
2014 Tax and Revenue	2.00-4.00	7/2/2014	3/1/2034	4,685,000	4,395,000
2015 Tax and Revenue	1.00-5.00	4/20/2015	3/1/2035	6,565,000	6,410,000
2016 Tax and Revenue	2.00-5.00	6/6/2016	3/1/2036	3,855,000	3,855,000
Total certificates of obligation				<u>44,725,000</u>	<u>20,895,000</u>
Sales tax revenue bonds:					
2010 Sales Tax Revenue bonds	2.00-4.00	5/1/2010	9/1/2021	8,565,000	3,815,000
				<u>8,565,000</u>	<u>3,815,000</u>
Total governmental activities				<u>\$ 144,828,570</u>	<u>\$ 93,363,213</u>
<i>Business Activities:</i>					
General obligation bonds:					
2011 Water & Sewer refunding	4.00-4.375	5/1/2011	3/1/2027	\$ 10,770,000	\$ 7,105,000
2014 Water & Sewer refunding	2.00-4.00	7/2/2014	3/1/2034	3,006,430	2,766,787
2015 Water & Sewer refunding	1.00-5.00	4/20/2015	3/1/2035	10,730,000	10,510,000
2016 Water & Sewer refunding	2.00-5.00	6/6/2016	3/1/2036	4,435,000	4,435,000
Total general obligated bonds				<u>28,941,430</u>	<u>24,816,787</u>
Certificates of Obligation:					
2006 Tax and Revenue	4.00-4.25	11/15/2006	3/1/2026	\$ 6,125,000	\$ -
2007 Tax and Revenue	4.00-4.625	6/15/2007	3/1/2024	5,700,000	270,000
2008 Tax and Revenue	4.00-4.325	4/15/2008	3/1/2028	4,545,000	430,000
2011 Tax and Revenue	4.00-4.375	5/1/2011	3/1/2031	7,075,000	5,830,000
2013 Tax and Revenue	2.00-3.00	5/1/2013	3/1/2033	2,160,000	1,905,000
2014 Tax and Revenue	2.00-4.00	7/2/2014	3/1/2034	5,480,000	5,130,000
2015 Tax and Revenue	1.00-5.00	4/20/2015	3/1/2035	4,855,000	4,735,000
2016 Tax and Revenue	2.00-5.00	6/6/2016	3/1/2036	5,750,000	5,750,000
Total certificates of obligation				<u>41,690,000</u>	<u>24,050,000</u>
Water and sewer revenue bonds					
2012 Improvement	2.00-4.00	4/15/2012	3/1/2032	4,300,000	3,655,000
Total water and sewer revenue bonds				<u>4,300,000</u>	<u>3,655,000</u>
Total business-type activities				<u>\$ 74,931,430</u>	<u>\$ 52,521,787</u>

The City currently has \$2,194,000 of authorized, but unissued, general obligation bonds.

The annual requirements to amortize all debt outstanding as of September 20, 2016, are as follows:

Year Ending September 30,	Governmental Activities							
	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Sales Tax Revenue Bonds	STR Interest	Capital Leases	Capital Lease Interest
2017	\$ 3,597,286	\$ 2,838,612	\$ 1,885,000	\$ 757,124	\$ 700,000	\$ 152,600	\$ 114,985	\$ 18,412
2018	3,968,571	2,548,496	1,770,000	673,412	735,000	124,600	122,301	12,998
2019	5,020,500	2,403,722	790,000	633,919	765,000	95,200	129,953	7,248
2020	5,193,071	2,224,808	800,000	612,819	790,000	64,600	45,141	1,413
2021	5,384,357	2,023,488	830,000	590,019	825,000	33,000	-	-
2022-2026	27,599,428	6,898,823	4,605,000	2,485,169	-	-	-	-
2027-2031	13,115,000	2,102,454	5,580,000	1,499,909	-	-	-	-
2032-2036	4,775,000	391,706	4,635,000	362,850	-	-	-	-
Total	\$ 68,653,213	\$ 21,432,109	\$ 20,895,000	\$ 7,615,221	\$ 3,815,000	\$ 470,000	\$ 412,380	\$ 40,071

Year Ending September 30,	Business-Type Activities							
	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Water and Wastewater Revenue Bonds	Water and Wastewater Interest	Capital Leases	Capital Lease Interest
2016	\$ 2,252,714	\$ 962,171	\$ 1,420,000	\$ 941,453	\$ 185,000	\$ 118,625	\$ 2,965	\$ 465
2017	2,476,429	867,147	1,215,000	868,049	185,000	114,925	3,189	339
2018	2,449,500	793,041	1,020,000	833,057	190,000	111,175	3,422	204
2019	2,371,929	707,849	1,060,000	800,932	195,000	106,838	2,326	73
2020	2,365,643	614,472	1,090,000	766,882	200,000	101,900	-	-
2021-2025	11,540,572	1,538,574	6,105,000	3,178,983	1,095,000	448,950	-	-
2026-2030	1,360,000	48,125	7,500,000	1,780,214	1,310,000	246,000	-	-
2031-2035	-	-	4,640,000	385,800	295,000	23,400	-	-
Total	\$ 24,816,787	\$ 5,531,379	\$ 24,050,000	\$ 9,555,370	\$ 3,655,000	\$ 1,271,813	\$ 11,902	\$ 1,081

Advance Refunding

The City issued \$29,570,000 in general obligation refunding and improvement bonds with interest rates ranging from 2.0% to 5.0%. The proceeds were used to advance refund \$26,430,000 of outstanding 2008 Combination Tax and Revenue Certificates of Obligation, 2008 General Obligation Bonds and 2006 Waterworks and Sewer System Revenue Refunding Bonds, which had interest rates ranging from 4.00% to 4.625%. The net proceeds of \$33,650,069 (including a \$4,453,372 premium and after payment of \$373,303 in underwriting fees and other issuance costs) included \$5,926,079 deposited into the appropriate City bank account and \$28,299,335 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds less \$575,345 representing certain debt service and debt service reserve funds transferred from the City's bank account. As a result, the previously noted bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,869,335. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 2008 Combination Tax and Revenue Certificates of Obligation, 2008 General Obligation Bonds and 2006 Waterworks and Sewer System Revenue Refunding Bonds to reduce its total debt service payments over 12 years by \$2,894,310 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,486,178.

In prior years, the City defeased certain General Obligation Bonds, Certificates of Obligation, and Water and Sewer System Revenue Bonds and 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, 2016, the unpaid amount of the defeased bonds total \$32,955,000.

The ordinances authorizing the issuance of Water and Sewer serial bonds created the revenue bond debt service and retirement funds. The gross revenues of the waterworks system, after deduction of reasonable expenses of operation and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the revenue bond and emergency funds. At September 30, 2016, 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 requirement. At September 30, 2016, 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 an 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, 2016, 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 year; 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, 2016, the City had no arbitrage.

10. WATER AND SEWER CONTRACT

In 1989 the City entered into a contract with the City of Fort Worth, Texas for the purchase of treated 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 fiscal year 2016, 1,535,843,948 gallons of treated water were purchased under the contract at a cost of \$4,231,740.

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 fiscal year 2016, 1,507,138,457 gallons of sanitary sewage were treated by the City of Fort Worth, Texas at a cost of \$3,377,265.

11. EMPLOYEES' RETIREMENT SYSTEM

Texas Municipal Retirement System

Plan Description - The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tMrs.org.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in over of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Beginning in 1996, the City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1996, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% Repeating, Transfers
Annuity increase to retirees	70% of CPI Repeating

Employees covered by benefit terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	95
Inactive employees entitled to but not yet receiving benefits	139
Active employees	<u>320</u>
	<u>554</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contributions rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.25% and 15.10% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$3,290,623, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS. The target allocation and best estimates of arithmetic real rates return for each major assets class are summarized in the following table

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension
	(a)	(b)	(a) - (b)
Balance at 12/31/2014	\$ 75,314,138	\$ 60,496,005	\$ 14,818,133
Changes for the year:			
Service cost	3,299,052	-	3,299,052
Interest	5,311,694	-	5,311,694
Difference between expected and actual experience	96,222	-	96,222
Changes of assumptions	(200,754)	-	-
Contributions - employer	-	2,973,435	(2,973,435)
Contributions - employee	-	1,364,856	(1,364,856)
Net investment income	-	89,281	(89,281)
Benefit payments, including refunds of employee contributions	(2,164,637)	(2,164,637)	-
Administrative expense	-	(54,372)	54,372
Other changes	-	(2,684)	2,684
Net changes	<u>6,341,577</u>	<u>2,205,879</u>	<u>4,135,698</u>
Balance at 12/31/2015	<u>\$ 81,655,715</u>	<u>\$ 62,701,884</u>	<u>\$ 18,953,831</u>

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) of 1-percentage-higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 32,394,003	\$ 18,953,831	\$ 8,091,130

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. The report may be obtained on the Internet at www.tmr.org.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2016, the City recognized pension expense of \$4,012,180.

At September 30, 2016, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 78,469	\$ 27,116
Changes in actuarial assumptions	-	163,715
Difference between projected and actual investment earnings	3,741,625	-
Contributions subsequent to the measurement date	<u>2,523,803</u>	<u>-</u>
Total	<u>\$ 6,343,897</u>	<u>\$ 190,831</u>

\$2,523,803 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ending December 31,</u>	
2017	\$ 943,953
2018	943,953
2019	943,953
2020	805,505
2021	(8,101)

12. DEFERRED COMPENSATION PLAN

The City participates in a deferred compensation plan which falls under Internal Revenue Code Section 475. 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 2016, employers or employees through salary reductions may contribute up to the limit of \$18,000 compensation on behalf of the participant under this plan. Employees age 50 or older may contribute up to an additional \$6,000, for a total of \$24,000. Employees taking advantage of the special pre-retirement catch-up may be eligible to contribute up to double the normal limit, for a total of \$36,000.

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 were 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 it not believed to be material.

The City is a party to several economic development incentive agreements with terms extending through calendar year 2028 with a maximum pay-out of \$14,985,000. The total amount paid to date by the City is approximately \$3,287,699 with a resulting maximum commitment remaining of \$11,697,301.

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: \$125,000 per covered enrollee per year and up to \$2,646,679 per period benefit, and transfers risk in excess of these amounts to a reinsurer. The City's operating funds are charged with 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-EMPLOYEMENT 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 services.

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 retiree's 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; these 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's annual OPEB cost for the fiscal year ending September 30, 2016, is as follows:

Annual Required Contribution (ARC)	\$ 192,751
Interest on net OPEB Obligation	22,859
Adjustment to the ARC	(22,269)
End of Year Annual OPEB Cost (Expense)	193,341
Net Estimated Employer Contributions	(46,448)
Increase in Net OPEB Obligation	<u>\$ 146,893</u>
Beginning of Year Net OPEB Obligation (Asset)	<u>\$ 571,480</u>
End of Year Net OPEB Obligation (Asset)	<u>\$ 718,373</u>

The City's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2016 and the preceding two fiscal years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
2014	\$ 147,362	\$ 50,554	34.3%	\$ 500,592
2015	105,693	34,804	32.9%	571,480
2016	193,341	46,448	24.0%	718,373

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, 2015 is as follows:

Actuarial Valuation Date as of December 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)]/(c)
2012	\$ -	\$ 2,878,786	\$ 2,878,786	0%	\$ 16,259,376	17.71%
2014	-	1,080,947	1,080,947	0%	19,342,846	5.59%
2016	-	1,700,642	1,700,642	0%	21,398,660	7.95%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,700,642 as of December 31, 2015. As of the most recent valuation, the ratio of the unfunded actuarial liability to annual covered payroll is 7.95%.

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 recognition of the cost of 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 of 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 its 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.

Actual Methods and Assumptions:

Inflation rate	2.50% per annum
Investment rate of return	4.00%, 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
Payroll growth	3.00% per annum
Medical Trend	Initial rate of 7.50%, declining to an ultimate rate of 4.50% after 14 years

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. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Supplemental Death Benefit

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employee 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)

<u>Plan Year</u>	<u>Annual Required Contribution (Rate)</u>	<u>Actual Contribution Made (Rate)</u>	<u>Percentage of ARC Contributed</u>
2014	0.02%	0.02%	100.0%
2015	0.02%	0.02%	100.0%
2016	0.02%	0.02%	100.0%

15. RELATED PARTY TRANSACTIONS

During the fiscal year, the City contracted McClendon Construction Company, Inc. for various construction projects. This company is owned by City Council Member Dan McClendon. Total payments remitted to the company for the year were \$3,971,577. Also, during the year, the City purchased land from Beverly Powell, mother of Mayor Ken Shetter, in the amount of \$304,500.

CITY OF BURLESON, TEXAS
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2016

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	Budgeted Amounts		Actual Amounts	Adjustments	Actual Amounts	Variance -
	Original	Final	GAAP Basis	Budget Basis	Budget Basis	Positive (Negative)
REVENUES						
Property taxes	\$ 14,839,239	\$ 14,800,000	\$ 14,961,952	\$ -	\$ 14,961,952	\$ 161,952
Sales taxes	8,043,000	8,200,000	8,173,108	-	8,173,108	(26,892)
Franchise fees	3,056,847	3,136,527	3,150,851	-	3,150,851	14,324
Licenses and permits	1,327,750	1,308,200	1,335,198	-	1,335,198	26,998
Intergovernmental	255,694	277,971	243,209	-	243,209	(34,762)
Charges for services	1,671,239	1,679,749	1,656,556	-	1,656,556	(23,193)
Fines and forfeitures	1,180,000	860,000	965,862	-	965,862	105,862
Investment income	35,000	50,000	67,335	-	67,335	17,335
Miscellaneous and other	1,414,180	4,278,585	838,109	3,538,000	4,376,109	97,524
Total revenues	<u>31,822,949</u>	<u>34,591,032</u>	<u>31,392,180</u>	<u>3,538,000</u>	<u>34,930,180</u>	<u>339,148</u>
EXPENDITURES						
General government						
City Council	89,572	89,837	75,377	-	75,377	14,460
City Manager's office	968,687	994,534	982,218	(1,906)	980,312	14,222
Legal	374,285	322,930	323,512	4	323,516	(586)
Communications	134,041	193,420	174,887	(629)	174,258	19,162
City Secretary's office	559,953	591,239	584,534	197	584,731	6,508
Records management	91,607	104,991	100,210	1,653	101,863	3,128
Judicial	109,854	107,796	101,935	42	101,977	5,819
Human resources	598,202	580,212	547,857	(523)	547,334	32,878
Finance	1,075,223	975,808	965,562	7,749	973,311	2,497
Tax	351,298	330,361	330,361	-	330,361	-
Support services	189,271	196,845	178,877	67	178,944	17,901
Purchasing	125,337	128,443	128,738	(654)	128,084	359
Non-Departmental	493,882	2,413,206	499,324	1,888,000	2,387,324	25,882
Risk management	-	-	213,557	-	213,557	(213,557)
	<u>5,161,212</u>	<u>7,029,622</u>	<u>5,206,949</u>	<u>1,894,000</u>	<u>7,100,949</u>	<u>(71,327)</u>
Public safety						
Police	9,372,120	10,270,866	10,343,275	(21,003)	10,322,272	(51,406)
Fire	5,060,739	5,193,327	5,233,905	(25,481)	5,208,424	(15,097)
Fire prevention	510,296	519,501	510,980	490	511,470	8,031
Emergency services	90,644	90,916	80,792	-	80,792	10,124
Animal services	453,368	450,925	458,816	1,147	459,963	(9,038)
Municipal court	444,290	452,947	558,898	(10,024)	548,874	(95,927)
Marshals service	466,345	453,106	416,598	2,863	419,461	33,645
	<u>16,397,802</u>	<u>17,431,588</u>	<u>17,603,264</u>	<u>(52,008)</u>	<u>17,551,256</u>	<u>(119,668)</u>
Public works						
Public works administration	721,473	782,917	779,370	(4,055)	775,315	7,602
Pavement maintenance	2,402,902	2,546,870	2,333,859	(7,032)	2,326,827	220,043
Drainage maintenance	535,314	617,872	555,789	(915)	554,874	62,998
Traffic control maintenance	278,524	267,827	261,465	3,382	264,847	2,980
Facilities maintenance	494,695	634,615	622,106	(485)	621,621	12,994
	<u>4,432,908</u>	<u>4,850,101</u>	<u>4,552,589</u>	<u>(9,105)</u>	<u>4,543,484</u>	<u>306,617</u>
Neighborhood services						
Neighborhood services	196,707	196,384	197,784	(211)	197,573	(1,189)
Code enforcement	300,419	284,391	265,292	(984)	264,308	20,083
Environmental services	184,887	189,129	192,466	4,052	196,518	(7,389)
	<u>682,013</u>	<u>669,904</u>	<u>655,542</u>	<u>2,857</u>	<u>658,399</u>	<u>11,505</u>

CITY OF BURLESON, TEXAS
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2016

D-1

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
	Original	Final				
Planning and engineering services						
Community Development	246,381	281,235	282,919	(117)	282,802	(1,567)
Planning	628,947	743,280	528,520	183,230	711,750	31,530
Building inspections	524,596	566,177	547,556	(974)	546,582	19,595
Engineering/capital	315,651	357,333	358,864	(1,541)	357,323	10
Engineering/development	392,071	413,480	296,978	40,170	337,148	76,332
Gas well development	340,448	310,607	307,742	(444)	307,298	3,309
	<u>2,448,094</u>	<u>2,672,112</u>	<u>2,322,579</u>	<u>220,324</u>	<u>2,542,903</u>	<u>129,209</u>
Culture and recreation						
Library	1,247,141	1,204,894	1,191,709	(1,403)	1,190,306	14,588
Parks and recreation administration	293,418	405,043	403,604	(1,280)	402,324	2,719
Recreation	222,320	220,124	230,473	873	231,346	(11,222)
Parks maintenance	1,250,718	1,271,586	1,212,614	674	1,213,288	58,298
Senior Center	93,900	87,792	81,433	(1,092)	80,341	7,451
	<u>3,107,497</u>	<u>3,189,439</u>	<u>3,119,833</u>	<u>(2,228)</u>	<u>3,117,605</u>	<u>71,834</u>
Total expenditures	<u>32,229,526</u>	<u>35,842,766</u>	<u>33,460,756</u>	<u>2,053,840</u>	<u>35,514,596</u>	<u>328,170</u>
Excess of revenues over expenditures	(406,577)	(1,251,734)	(2,068,576)	1,484,160	(584,416)	667,318
OTHER FINANCING SOURCES (USES)						
Capital lease proceeds	-	-	-	-	-	-
Operating transfers in	-	-	3,538,000	(3,538,000)	-	-
Operating transfers out	-	-	(1,888,000)	1,888,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,650,000</u>	<u>(1,650,000)</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	(406,577)	(1,251,734)	(418,576)	(165,840)	(584,416)	667,318
Fund balances - beginning	11,423,084	11,423,084	11,423,084		11,423,084	-
Fund balances - ending	<u>\$ 11,016,507</u>	<u>\$ 10,171,350</u>	<u>\$ 11,004,508</u>	<u>\$ (165,840)</u>	<u>\$ 10,838,668</u>	<u>\$ 667,318</u>

Explanation of differences:

Reserved (GAAP) for encumbrances at September 30, 2016 but recognized as expenditures for budget purposes	\$ (251,248)
Non-cash GAAP items not included in budget	85,408
Net decrease in fund balance - GAAP to budget	<u>\$ (165,840)</u>

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CITY OF BURLESON, TEXAS

**MAJOR SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	BCSDC Special Revenue			Variance Positive (Negative)	4A Corp Special
	Original Budget	Final Budget	Actual		Original Budget
REVENUES					
Sales taxes	\$ 4,080,000	\$ 4,100,000	\$ 4,123,039	\$ 23,039	\$ 4,080,000
Charges for goods and services	-	-	-	-	-
Investment earnings	1,575	1,575	7,209	5,634	3,000
Miscellaneous	-	-	-	-	-
Total revenues	<u>4,081,575</u>	<u>4,101,575</u>	<u>4,130,248</u>	<u>28,673</u>	<u>4,083,000</u>
EXPENDITURES					
Current:					
Community development	3,500	3,500	-	3,500	1,152,517
Culture and recreation	-	-	-	-	-
Total expenditures	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>	<u>1,152,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,078,075</u>	<u>4,098,075</u>	<u>4,130,248</u>	<u>32,173</u>	<u>2,930,483</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in (out)	(3,813,831)	(3,898,024)	(4,053,190)	(155,166)	(2,172,151)
Total other financing sources (uses)	<u>(3,813,831)</u>	<u>(3,898,024)</u>	<u>(4,053,190)</u>	<u>(155,166)</u>	<u>(2,172,151)</u>
Net change in fund balance	264,244	200,051	77,058	(122,993)	758,332
Fund balance - beginning	<u>2,959,160</u>	<u>2,959,160</u>	<u>2,959,160</u>	<u>-</u>	<u>6,297,611</u>
Fund balance - ending	<u>\$ 3,223,404</u>	<u>\$ 3,159,211</u>	<u>\$ 3,036,218</u>	<u>\$ (122,993)</u>	<u>\$ 7,055,943</u>

4A Corp Special Revenue			Parks Performance Fund			
Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 4,100,000	\$ 4,123,039	\$ 23,039	\$ -	\$ -	\$ -	\$ -
-	-	-	2,089,880	1,955,164	2,183,804	228,640
3,000	17,010	14,010	600	600	4,267	3,667
<u>346,866</u>	<u>333,897</u>	<u>(12,969)</u>	<u>-</u>	<u>-</u>	<u>6,557</u>	<u>6,557</u>
<u>4,449,866</u>	<u>4,473,946</u>	<u>24,080</u>	<u>2,090,480</u>	<u>1,955,764</u>	<u>2,194,628</u>	<u>238,864</u>
3,875,375	3,603,534	271,841	-	-	-	-
-	-	-	3,430,504	3,462,420	3,435,469	26,951
<u>3,875,375</u>	<u>3,603,534</u>	<u>271,841</u>	<u>3,430,504</u>	<u>3,462,420</u>	<u>3,435,469</u>	<u>26,951</u>
<u>574,491</u>	<u>870,412</u>	<u>295,921</u>	<u>(1,340,024)</u>	<u>(1,506,656)</u>	<u>(1,240,841)</u>	<u>265,815</u>
<u>(2,572,163)</u>	<u>(2,571,965)</u>	<u>198</u>	<u>1,340,024</u>	<u>1,340,024</u>	<u>1,340,024</u>	<u>-</u>
<u>(2,572,163)</u>	<u>(2,571,965)</u>	<u>198</u>	<u>1,340,024</u>	<u>1,340,024</u>	<u>1,340,024</u>	<u>-</u>
<u>(1,997,672)</u>	<u>(1,701,553)</u>	<u>296,119</u>	<u>-</u>	<u>(166,632)</u>	<u>99,183</u>	<u>265,815</u>
<u>6,297,611</u>	<u>6,297,611</u>	<u>-</u>	<u>586,533</u>	<u>586,533</u>	<u>586,533</u>	<u>-</u>
<u>\$ 4,299,939</u>	<u>\$ 4,596,058</u>	<u>\$ 296,119</u>	<u>\$ 586,533</u>	<u>\$ 419,901</u>	<u>\$ 685,716</u>	<u>\$ 265,815</u>

CITY OF BURLESON, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Plan Year	<u>2014</u>	<u>2015</u>
A. Total pension liability		
Service Cost	\$ 2,909,890	\$ 3,299,052
Interest (on the Total Pension Liability)	4,907,692	5,311,694
Change of benefit terms	-	-
Difference between expected and actual experience	(42,330)	96,222
Change of assumptions	-	(200,754)
Benefit payments, including refunds of employee contributions	(2,232,107)	(2,164,637)
Net change in total pension liability	5,543,145	6,341,577
Total pension liability - beginning	<u>69,770,993</u>	<u>75,314,138</u>
Total pension liability - ending (a)	<u>\$ 75,314,138</u>	<u>\$ 81,655,715</u>
B. Plan fiduciary net position		
Contributions - employer	\$ 2,850,708	\$ 2,973,435
Contributions - employee	1,288,039	1,364,856
Net investment income	3,172,873	89,281
Benefit payments, including refunds of employee contributions	(2,232,107)	(2,164,637)
Administrative expenses	(33,119)	(54,372)
Other	<u>(2,723)</u>	<u>(2,684)</u>
Net change in plan fiduciary net position	5,043,671	2,205,879
Plan fiduciary net position - beginning	<u>55,452,334</u>	<u>60,496,005</u>
Plan fiduciary net position - ending (b)	<u>\$ 60,496,005</u>	<u>\$ 62,701,884</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 14,818,133</u>	<u>\$ 18,953,831</u>
D. Plan fiduciary net position as a percentage of total pension liability	80.32%	76.79%
E. Covered employee payroll	\$ 18,400,559	\$ 19,497,945
F. Net position liability as a percentage of covered employee payroll	80.53%	97.21%

Note: 10 years of information is required to be provided in this schedule, but information prior to 2014 is not available.

CITY OF BURLESON TEXAS
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarial determined contribution	\$ 2,801,196	\$ 2,929,061	\$ 3,290,623
Contributions in relation to the actuarially determined contribution	<u>2,801,196</u>	<u>2,929,061</u>	<u>3,290,623</u>
Contribution deficiency (excess)	-	-	-
Covered employee payroll	18,190,435	19,127,256	21,503,209
Contributions as a percentage of covered employee payroll	15.40%	15.31%	15.30%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.

Mortality RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with BB.

Other Information There were no benefit changes during

Note: 10 years of information is required to be provided in this schedule, but information prior to 2014 is not available.

CITY OF BURLESON, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2016

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

1. The City Manager submits to the city Council a proposed budget for the fiscal year commencing the following October 1st. The budget includes proposes 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 1st, 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 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 ono-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.

COMBINING FINANCIAL STATEMENTS NONMAJOR 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 – This fund is used to account 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.

Grant Funds – These funds account for various miscellaneous grants from the federal, state or local governments.

Tax Increment Financing District (TIF) Fund – This 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 financial method used as a subsidy for development and community improvement projects.

Other Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Traffic safety, public safety, public works, culture and recreation, and economic incentive funds are included under this heading.

Non-major Capital Project Funds

Capital Projects Funds are used to account for capital improvements which are financed by designated resources other than City obligation bonds.

The Burleson 4A Economic Development Corporation Fund 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 Burleson Community Services Development Corporation (4B) is another component unit of the City. The BCSDC administers ½ cents sales tax. The proceeds of this tax are used to pay debt service on bonds issued for various capital improvements. The special revenue 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.

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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 Burleson 4A Economic Development Corporation Fund accounts for receipts of sales tax revenue transfer and payment of the debt service.

The Burleson 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, 2016

	Special Revenue Funds			Other Special Revenue
	Hotel/Motel	Grants	TIF	
ASSETS				
Current assets:				
Cash, cash equivalents and temporary investments	\$ 575,197	\$ -	\$ 761,453	\$ 2,136,579
Receivables:				
Accrued interest	240	-	-	-
Taxes receivable	56,189	-	-	-
Accounts receivable	260	-	-	-
Due from other governmental units	-	259,298	-	18,334
Total assets	<u>\$ 631,886</u>	<u>\$ 259,298</u>	<u>\$ 761,453</u>	<u>\$ 2,154,913</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 8,083	\$ -	\$ -	\$ 618,572
Accrued liabilities	-	-	-	1,039,454
Due to other funds	-	258,202	-	-
Total liabilities	<u>8,083</u>	<u>258,202</u>	<u>-</u>	<u>1,658,026</u>
FUND BALANCES				
Restricted for:				
Debt service	-	-	-	-
Culture and Recreation	-	1,096	-	-
Economic development	-	-	761,453	12,402
Tourism	623,803	-	-	-
Committed for:				
Economic development	-	-	-	484,485
Capital projects	-	-	-	-
Total fund balances	<u>623,803</u>	<u>1,096</u>	<u>761,453</u>	<u>496,887</u>
Total liabilities and fund balances	<u>\$ 631,886</u>	<u>\$ 259,298</u>	<u>\$ 761,453</u>	<u>\$ 2,154,913</u>

Capital Projects 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	
\$ 712,839	\$ 98,100	\$ 1,934,677	\$ 2,321,660	\$ 529,306	\$ 1,181,323	\$ 10,251,134
283	55	839	947	-	-	2,364
-	-	-	-	-	-	56,189
-	-	-	-	1,353	2,786	4,399
-	-	-	-	-	-	277,632
<u>\$ 713,122</u>	<u>\$ 98,155</u>	<u>\$ 1,935,516</u>	<u>\$ 2,322,607</u>	<u>\$ 530,659</u>	<u>\$ 1,184,109</u>	<u>\$ 10,591,718</u>
\$ -	\$ 155	\$ -	\$ 22,355	\$ -	\$ -	\$ 649,165
-	-	-	-	-	-	1,039,454
-	-	-	-	-	-	258,202
-	155	-	22,355	-	-	1,946,821
-	-	-	-	530,659	1,184,109	1,714,768
-	-	-	-	-	-	1,096
-	-	-	-	-	-	773,855
-	-	-	-	-	-	623,803
-	-	-	-	-	-	484,485
<u>713,122</u>	<u>98,000</u>	<u>1,935,516</u>	<u>2,300,252</u>	<u>-</u>	<u>-</u>	<u>5,046,890</u>
<u>713,122</u>	<u>98,000</u>	<u>1,935,516</u>	<u>2,300,252</u>	<u>530,659</u>	<u>1,184,109</u>	<u>8,644,897</u>
<u>\$ 713,122</u>	<u>\$ 98,155</u>	<u>\$ 1,935,516</u>	<u>\$ 2,322,607</u>	<u>\$ 530,659</u>	<u>\$ 1,184,109</u>	<u>\$ 10,591,718</u>

CITY OF BURLESON, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds			
	Hotel/Motel	Grants	TIF	Other Special Revenue
REVENUES				
Property taxes	\$ -	\$ -	\$ 445,465	\$ 541,222
Street assessments	-	-	-	-
Sales taxes	203,392	-	-	176,341
Intergovernmental revenue	-	356,101	-	-
Court costs and fines	-	-	-	436,289
Contributions and donations	-	-	-	251,840
Investment earnings	2,538	-	-	-
Miscellaneous	13,320	-	-	-
Total revenues	<u>219,250</u>	<u>356,101</u>	<u>445,465</u>	<u>1,405,692</u>
EXPENDITURES				
Current operations:				
General government	-	-	-	14,214
Community development	-	-	-	642,912
Public safety	-	51,991	-	466,513
Public works	-	-	-	160,359
Culture and recreation	168,167	18,904	-	35,071
Debt Service:				
Principal retirement	-	-	-	-
Interest and fiscal agent charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital expenditures	-	-	-	-
Total expenditures	<u>168,167</u>	<u>70,895</u>	<u>-</u>	<u>1,319,069</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,083</u>	<u>285,206</u>	<u>445,465</u>	<u>86,623</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Payment to escrow agent	-	-	-	-
Issuance of refunding debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Transfers out	-	(294,110)	(900,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(294,110)</u>	<u>(900,000)</u>	<u>-</u>
Net change in fund balances	51,083	(8,904)	(454,535)	86,623
Fund balance - beginning	<u>572,720</u>	<u>10,000</u>	<u>1,215,988</u>	<u>410,264</u>
Fund balance - ending	<u>\$ 623,803</u>	<u>\$ 1,096</u>	<u>\$ 761,453</u>	<u>\$ 496,887</u>

Capital Projects 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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 986,687
-	-	143,429	-	-	-	143,429
-	-	-	-	-	-	379,733
-	-	-	-	-	-	356,101
-	-	-	-	-	-	436,289
-	-	-	-	-	-	251,840
2,722	764	9,328	10,043	1,488	2,825	29,708
-	-	-	386,900	-	-	400,220
<u>2,722</u>	<u>764</u>	<u>152,757</u>	<u>396,943</u>	<u>1,488</u>	<u>2,825</u>	<u>2,984,007</u>
-	-	-	-	-	-	14,214
-	-	-	-	-	-	642,912
-	-	-	-	-	-	518,504
-	-	-	-	-	-	160,359
-	-	-	-	-	-	222,142
-	-	-	-	1,437,063	1,080,000	2,517,063
-	-	-	-	554,976	515,983	1,070,959
-	-	-	-	38,865	80,911	119,776
-	177,857	-	1,969,128	-	-	2,146,985
-	<u>177,857</u>	-	<u>1,969,128</u>	<u>2,030,904</u>	<u>1,676,894</u>	<u>7,412,914</u>
<u>2,722</u>	<u>(177,093)</u>	<u>152,757</u>	<u>(1,572,185)</u>	<u>(2,029,416)</u>	<u>(1,674,069)</u>	<u>(4,428,907)</u>
400,000	212,400	-	2,341,645	2,066,965	1,753,857	6,774,867
-	-	-	-	(3,723,779)	(7,839,800)	(11,563,579)
-	-	-	-	3,165,000	6,660,000	9,825,000
-	-	-	-	523,630	1,104,826	1,628,456
-	-	(12,833)	-	-	-	(1,206,943)
<u>400,000</u>	<u>212,400</u>	<u>(12,833)</u>	<u>2,341,645</u>	<u>2,031,816</u>	<u>1,678,883</u>	<u>5,457,801</u>
402,722	35,307	139,924	769,460	2,400	4,814	1,028,894
<u>310,400</u>	<u>62,693</u>	<u>1,795,592</u>	<u>1,530,792</u>	<u>528,259</u>	<u>1,179,295</u>	<u>7,616,003</u>
<u>\$ 713,122</u>	<u>\$ 98,000</u>	<u>\$ 1,935,516</u>	<u>\$ 2,300,252</u>	<u>\$ 530,659</u>	<u>\$ 1,184,109</u>	<u>\$ 8,644,897</u>

CITY OF BURLESON, TEXAS

**DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Debt Service Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes and assessments	\$ 5,243,143	\$ 5,219,000	\$ 5,279,729	\$ 60,729
Investment earnings	-	-	7	7
Total revenues	<u>5,243,143</u>	<u>5,219,000</u>	<u>5,279,736</u>	<u>60,736</u>
EXPENDITURES				
Debt service:				
Principal retirement	3,108,295	3,118,295	3,118,294	1
Interest and fiscal agent charges	2,327,962	2,091,973	2,090,570	1,403
Debt issuance costs	-	125,540	121,362	4,178
Total expenditures	<u>5,436,257</u>	<u>5,335,808</u>	<u>5,330,226</u>	<u>5,582</u>
Excess (deficiency) of revenues over (under) expenditures	(193,114)	(116,808)	(50,490)	66,318
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	105,000	-	105,000	105,000
Payment to escrow agent	-	(11,740,984)	(11,740,984)	-
Issuance of refunding debt	-	9,975,000	9,975,000	-
Premium on debt issuance	-	1,653,884	1,653,884	-
Total other financing sources (uses)	<u>105,000</u>	<u>(112,100)</u>	<u>(7,100)</u>	<u>105,000</u>
Net change in fund balances	(88,114)	(228,908)	(57,590)	171,318
Fund balance - beginning	<u>873,316</u>	<u>873,316</u>	<u>873,316</u>	<u>-</u>
Fund balance - ending	<u>\$ 785,202</u>	<u>\$ 644,408</u>	<u>\$ 815,726</u>	<u>\$ 171,318</u>

BCDC Debt Service Fund				4A Corp Debt Service Fund			
Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
510	-	2,825	2,825	250	-	1,488	1,488
510	-	2,825	2,825	250	-	1,488	1,488
1,075,000	1,080,000	1,080,000	-	1,437,063	1,437,063	1,437,063	-
687,363	515,192	515,983	(791)	630,088	555,275	554,976	299
-	-	80,911	(80,911)	-	-	38,865	(38,865)
1,762,363	1,595,192	1,676,894	(81,702)	2,067,151	1,992,338	2,030,904	(38,566)
(1,761,853)	(1,595,192)	(1,674,069)	(78,877)	(2,066,901)	(1,992,338)	(2,029,416)	(37,078)
1,762,363	1,595,191	1,753,857	158,666	2,067,151	1,991,798	2,066,965	75,167
-	(7,839,800)	(7,839,800)	-	-	(3,723,779)	(3,723,779)	-
-	6,660,000	6,660,000	-	-	3,165,000	3,165,000	-
-	1,104,826	1,104,826	-	-	523,630	523,630	-
1,762,363	1,520,217	1,678,883	158,666	2,067,151	1,956,649	2,031,816	75,167
510	(74,975)	4,814	79,789	250	(35,689)	2,400	38,089
1,179,295	1,179,295	1,179,295	-	528,259	528,259	528,259	-
\$ 1,179,805	\$ 1,104,320	\$ 1,184,109	\$ 79,789	\$ -	\$ 492,570	\$ 530,659	\$ 38,089

CITY OF BURLESON, TEXAS

OTHER GOVERNMENTAL FUNDS
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Hotel/Motel Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Sales taxes	\$ 160,000	\$ 190,000	203,392	\$ 13,392
Investment earnings	-	-	2,538	2,538
Miscellaneous	-	-	13,320	13,320
Total revenues	<u>160,000</u>	<u>190,000</u>	<u>219,250</u>	<u>29,250</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>182,000</u>	<u>142,017</u>	<u>168,167</u>	<u>(26,150)</u>
Total expenditures	<u>182,000</u>	<u>142,017</u>	<u>168,167</u>	<u>(26,150)</u>
Net change in fund balances	(22,000)	47,983	51,083	3,100
Fund balance - beginning	<u>572,720</u>	<u>572,720</u>	<u>572,720</u>	<u>-</u>
Fund balance - ending	<u>\$ 550,720</u>	<u>\$ 620,703</u>	<u>\$ 623,803</u>	<u>\$ 3,100</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, 2016

	Equipment Services	Vehicle Replacement - Governmental	Vehicle Replacement - Business-Type	Support Services Fund	Total Internal Service Funds
ASSETS:					
Current assets:					
Cash and investments	\$ 224,522	\$ 3,946,501	\$ 1,580,245	\$ 626,865	\$ 6,378,133
Receivables					
Accounts receivable	1,063	-	-	2,304	3,367
Accrued interest receivable	87	1,712	673	249	2,721
Inventories	<u>28,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,837</u>
Total current assets	<u>254,509</u>	<u>3,948,213</u>	<u>1,580,918</u>	<u>629,418</u>	<u>6,413,058</u>
Noncurrent assets:					
Property, plant, and equipment, net	<u>33,805</u>	<u>2,680,827</u>	<u>1,017,701</u>	<u>514,133</u>	<u>4,246,466</u>
Total noncurrent assets	<u>33,805</u>	<u>2,680,827</u>	<u>1,017,701</u>	<u>514,133</u>	<u>4,246,466</u>
Total assets	<u>288,314</u>	<u>6,629,040</u>	<u>2,598,619</u>	<u>1,143,551</u>	<u>10,659,524</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to TMRS	<u>52,020</u>	<u>-</u>	<u>-</u>	<u>180,801</u>	<u>232,821</u>
Total deferred outflows	<u>52,020</u>	<u>-</u>	<u>-</u>	<u>180,801</u>	<u>232,821</u>
LIABILITIES					
Current liabilities:					
Accounts payable	25,478	3,270	-	51,275	80,023
Compensated absences	22,149	-	-	51,629	73,778
Accrued liabilities	5,185	-	-	15,721	20,906
Capital lease payable	<u>1,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,796</u>
Total current liabilities	<u>54,608</u>	<u>3,270</u>	<u>-</u>	<u>118,625</u>	<u>176,503</u>
Noncurrent liabilities:					
Net pension liability	155,421	-	-	540,184	695,605
Other post-employment benefits	10,409	-	-	20,256	30,665
Capital lease payable	5,977	-	-	-	5,977
Compensated absences	<u>22,051</u>	<u>-</u>	<u>-</u>	<u>121,097</u>	<u>143,148</u>
Total noncurrent liabilities	<u>193,858</u>	<u>-</u>	<u>-</u>	<u>681,537</u>	<u>875,395</u>
Total liabilities	<u>248,466</u>	<u>3,270</u>	<u>-</u>	<u>800,162</u>	<u>1,051,898</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow related to TMRS	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>5,439</u>	<u>7,004</u>
Total deferred inflows	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>5,439</u>	<u>7,004</u>
NET POSITION					
Net investment in capital assets	26,032	2,680,827	1,017,701	514,133	4,238,693
Unrestricted	<u>64,271</u>	<u>3,944,943</u>	<u>1,580,918</u>	<u>4,618</u>	<u>5,594,750</u>
Total net position	<u>\$ 90,303</u>	<u>\$ 6,625,770</u>	<u>\$ 2,598,619</u>	<u>\$ 518,751</u>	<u>\$ 9,833,443</u>

CITY OF BURLESON, TEXAS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Equipment Services	Vehicle Replacement - Governmental	Vehicle Replacement - Business-Type	Support Services Fund	Total Internal Service Funds
Operating revenue					
Charges for goods and services	\$ 381,830	\$ 1,279,505	\$ 382,320	\$ 1,650,323	\$ 3,693,978
Total operating revenue	<u>381,830</u>	<u>1,279,505</u>	<u>382,320</u>	<u>1,650,323</u>	<u>3,693,978</u>
Operating expense					
Personal services	176,949	-	-	883,639	1,060,588
Repairs and maintenance	4,876	-	-	413,495	418,371
Materials, supplies	67,040	6,099	-	134,310	207,449
Depreciation	<u>3,579</u>	<u>622,656</u>	<u>227,203</u>	<u>175,316</u>	<u>1,028,754</u>
Total operating expenses	<u>252,444</u>	<u>628,755</u>	<u>227,203</u>	<u>1,606,760</u>	<u>2,715,162</u>
Net operating income (loss)	<u>129,386</u>	<u>650,750</u>	<u>155,117</u>	<u>43,563</u>	<u>978,816</u>
Nonoperating revenue (expense)					
Gain or loss on disposition of fixed assets	-	(20,096)	7,049	-	(13,047)
Investment earnings	901	18,852	7,339	2,550	29,642
Interest and fiscal agent charges	<u>(380)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(380)</u>
Total nonoperating revenues	<u>521</u>	<u>(1,244)</u>	<u>14,388</u>	<u>2,550</u>	<u>16,215</u>
Income (loss) before transfers	<u>129,907</u>	<u>649,506</u>	<u>169,505</u>	<u>46,113</u>	<u>995,031</u>
Operating transfers in	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>23,000</u>	<u>34,000</u>
Change in net position	<u>140,907</u>	<u>649,506</u>	<u>169,505</u>	<u>69,113</u>	<u>1,029,031</u>
Net position - beginning of year	<u>(50,604)</u>	<u>5,976,264</u>	<u>2,429,114</u>	<u>449,638</u>	<u>8,804,412</u>
Net position - end of year	\$ <u>90,303</u>	\$ <u>6,625,770</u>	\$ <u>2,598,619</u>	\$ <u>518,751</u>	\$ <u>9,833,443</u>

CITY OF BURLESON, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Equipment Services	Vehicle Replacement - Governmental	Vehicle Replacement - Business-Type	Support Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received for equipment replacement	\$ -	\$ 1,279,505	\$ -	\$ 1,669,718	\$ 2,949,223
Cash received for fleet maintenance services	383,680	-	382,320	-	766,000
Payments to vendors, suppliers and contractors	(79,325)	(68,134)	-	(548,843)	(696,302)
Payments to employees for services	(244,866)	-	-	(831,999)	(1,076,865)
Net cash provided by operating activities	<u>59,489</u>	<u>1,211,371</u>	<u>382,320</u>	<u>288,876</u>	<u>1,942,056</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	11,000	-	-	23,000	34,000
Net cash provided by noncapital financing activities	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>23,000</u>	<u>34,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Receipt on disposal of capital assets	-	47,567	12,549	-	60,116
Principal payments on capital debt	(1,796)	-	-	-	(1,796)
Interest payments on capital debt	(380)	-	-	-	(380)
Acquisition and construction of capital assets	(28,214)	(714,584)	-	(70,844)	(813,642)
Net cash (used) by capital and related financing activities	<u>(30,390)</u>	<u>(667,017)</u>	<u>12,549</u>	<u>(70,844)</u>	<u>(755,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	929	21,311	8,068	2,609	32,917
Proceeds from sale of investments	42,044	937,314	348,443	115,126	1,442,927
Purchase of investments	(21,273)	(474,248)	(183,953)	(58,250)	(737,724)
Net cash provided by investing activities	21,700	484,377	172,558	59,485	738,120
Net increase (decrease) in cash and cash equivalents	61,799	1,028,731	567,427	300,517	1,958,474
Cash and cash equivalents - beginning of year	110,199	2,615,798	1,012,818	163,608	3,902,423
Cash and cash equivalents - end of year	171,998	3,644,529	1,580,245	464,125	5,860,897
Investments	52,524	301,972	-	162,740	517,236
Total cash and investments	<u>224,522</u>	<u>3,946,501</u>	<u>1,580,245</u>	<u>626,865</u>	<u>6,378,133</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	129,386	650,750	155,117	43,563	978,816
Depreciation	3,579	622,656	227,203	175,316	1,028,754
Change in operating assets and liabilities:					
Decrease (increase) in inventories	14,906	-	-	-	14,906
Decrease (increase) in accounts receivable	1,850	-	-	19,395	21,245
Decrease (increase) in deferred outflows related to TMRS	(10,566)	-	-	(95,321)	(105,887)
Increase (decrease) in accounts payable	(7,531)	(62,035)	-	23,690	(45,876)
Increase (decrease) in accrued liabilities	(13,345)	-	-	(22,902)	(36,247)
Increase (decrease) in compensated absences	(1,609)	-	-	39,421	37,812
Increase (decrease) in net pension liability	(58,242)	-	-	101,313	43,071
Increase (decrease) in deferred inflows related to TMRS	1,061	-	-	4,401	5,462
Net cash provided by operating activities	<u>\$ 59,489</u>	<u>\$ 1,211,371</u>	<u>\$ 382,320</u>	<u>\$ 288,876</u>	<u>\$ 1,942,056</u>

**CITY OF BURLESON, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2016
 STATISTICAL SECTION INDEX
 (Unaudited)**

This part of the City of Burleson's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS	TABLES
<p>FINANCIAL TRENDS These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</p>	1-4
<p>REVENUE CAPACITY These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</p>	5-8
<p>DEBT CAPACITY These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</p>	9-12
<p>DEMOGRAPHIC AND ECONOMIC INFORMATION These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	13-14
<p>OPERATING INFORMATION These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</p>	15-18

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

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

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities:				
Net investment in capital assets	\$ 67,844,305	\$ 75,675,895	\$ 84,795,578	\$ 89,235,983
Restricted	6,127,141	6,902,812	5,757,785	6,013,922
Unrestricted	14,992,647	18,368,320	18,968,946	19,153,205
Total governmental activities net position	<u>\$ 88,964,093</u>	<u>\$ 100,947,027</u>	<u>\$ 109,522,309</u>	<u>\$ 114,403,110</u>
Business-type activities:				
Net investment in capital assets	\$ 35,616,520	\$ 38,951,118	\$ 40,857,400	\$ 43,197,167
Restricted	2,800,492	3,172,307	3,172,307	3,203,528
Unrestricted	5,091,536	6,198,905	7,485,644	6,193,764
Total business-type activities net position	<u>\$ 43,508,548</u>	<u>\$ 48,322,330</u>	<u>\$ 51,515,351</u>	<u>\$ 52,594,459</u>
Primary government:				
Net investment in capital assets	\$ 103,460,825	\$ 114,627,013	\$ 125,652,978	\$ 132,433,150
Restricted	8,927,633	10,075,119	8,930,092	9,217,450
Unrestricted	20,084,183	24,567,225	26,454,590	25,346,969
Total primary government activities net position	<u>\$ 132,472,641</u>	<u>\$ 149,269,357</u>	<u>\$ 161,037,660</u>	<u>\$ 166,997,569</u>

(continued)

TABLE 1

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 91,490,189	\$ 96,854,973	\$ 101,280,575	\$ 102,518,051	\$ 105,900,578	\$ 111,368,435
7,647,833	9,129,987	10,262,236	11,786,219	13,626,779	11,548,400
19,728,287	17,251,062	18,176,631	19,052,951	10,915,868	10,908,958
<u>\$ 118,866,309</u>	<u>\$ 123,236,022</u>	<u>\$ 129,719,442</u>	<u>\$ 133,357,221</u>	<u>\$ 130,443,225</u>	<u>\$ 133,825,793</u>
\$ 44,846,342	\$ 45,090,529	\$ 53,375,788	\$ 55,348,196	\$ 59,041,199	\$ 56,061,308
2,469,836	4,081,263	3,250,923	4,592,463	3,667,415	4,592,463
8,976,274	10,417,168	6,943,042	7,355,782	7,251,796	12,448,245
<u>\$ 56,292,452</u>	<u>\$ 59,588,960</u>	<u>\$ 63,569,753</u>	<u>\$ 67,296,441</u>	<u>\$ 69,960,410</u>	<u>\$ 73,102,016</u>
\$ 136,336,531	\$ 141,945,502	\$ 154,656,363	\$ 157,866,247	\$ 164,941,777	\$ 167,429,743
10,117,669	13,211,250	13,513,159	16,378,682	17,294,194	16,140,863
28,704,561	27,668,230	25,119,673	26,408,733	18,167,664	23,357,203
<u>\$ 175,158,761</u>	<u>\$ 182,824,982</u>	<u>\$ 193,289,195</u>	<u>\$ 200,653,662</u>	<u>\$ 200,403,635</u>	<u>\$ 206,927,809</u>

(concluded)

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

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 4,060,608	\$ 5,265,957	\$ 5,858,171	\$ 4,743,333
Public safety	9,784,360	11,664,905	11,721,926	12,841,230
Public works	6,788,351	4,602,125	8,105,075	9,216,349
Community Development	1,173,452	2,879,432	1,004,358	1,287,097
Culture and recreation	2,494,174	2,851,686	3,025,067	4,503,830
Interest and other fees	2,035,972	2,870,665	3,619,571	3,416,974
Total governmental activities expenses	<u>26,336,917</u>	<u>30,134,770</u>	<u>33,334,168</u>	<u>36,008,813</u>
Business-type activities:				
Water and wastewater	11,047,187	12,593,338	12,673,707	13,934,334
Hidden Creek Golf Course	1,761,513	1,735,181	2,005,748	1,886,326
Solid Waste	1,547,740	2,211,449	2,218,385	2,358,589
Cemetery	31,572	1,069	3,699	16,260
Total business-type activities expenses	<u>14,388,012</u>	<u>16,541,037</u>	<u>16,901,539</u>	<u>18,195,509</u>
Total primary government expenses	<u>\$ 40,724,929</u>	<u>\$ 46,675,807</u>	<u>\$ 50,235,707</u>	<u>\$ 54,204,322</u>
Program Revenues:				
Governmental activities:				
Charges for services	\$ 6,920,756	\$ 10,850,388	\$ 8,714,188	\$ 7,052,495
Operating grants and contributions	587,515	534,172	578,243	705,142
Capital grants and contributions	7,813,051	4,299,747	3,033,884	3,558,406
Total governmental activities program revenues	<u>15,321,322</u>	<u>15,684,307</u>	<u>12,326,315</u>	<u>11,316,043</u>
Business-type activities:				
Charges for services	12,096,207	16,784,496	18,433,105	17,823,579
Operating grants and contributions	751,266	597,780	337,613	414,260
Capital grants and contributions	2,843,679	2,242,694	1,461,885	1,044,954
Total business-type activities program revenues	<u>15,691,152</u>	<u>19,624,970</u>	<u>20,232,603</u>	<u>19,282,793</u>
Total primary government program revenues	<u>\$ 31,012,474</u>	<u>\$ 35,309,277</u>	<u>\$ 32,558,918</u>	<u>\$ 30,598,836</u>
Net (expense)/revenue				
Governmental activities	\$ (11,015,595)	\$ (14,450,463)	\$ (21,007,853)	\$ (24,692,770)
Business-type activities	1,303,140	3,083,933	3,331,064	1,087,284
Total primary government net expense	<u>\$ (9,712,455)</u>	<u>\$ (11,366,530)</u>	<u>\$ (17,676,789)</u>	<u>\$ (23,605,486)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 9,910,567	\$ 11,564,509	\$ 13,473,315	\$ 15,206,250
Tax Increment Financing	547,712	61,730	147,414	294,119
Sales and use taxes	10,347,816	11,650,147	11,805,360	12,121,386
Hotel/motel taxes	172,078	199,309	170,116	128,635
Franchise fees	2,027,326	2,316,229	2,560,705	2,521,842
Investment income	2,021,700	1,600,937	793,416	187,338
Gain on sale of assets	-	-	343,648	-
Lawsuit settlement	-	-	-	(953,453)
Transfers	(449,595)	(959,463)	289,160	67,454
Total governmental activities	<u>24,577,604</u>	<u>26,433,398</u>	<u>29,583,134</u>	<u>29,573,571</u>
Business-type activities:				
Investment income	871,763	714,810	270,274	59,278
Gain on sale of assets	-	55,576	(119,157)	-
Transfers	449,595	959,463	(289,160)	(67,454)
Total business-type revenues	<u>1,321,358</u>	<u>1,729,849</u>	<u>(138,043)</u>	<u>(8,176)</u>
Total primary government	<u>\$ 25,898,962</u>	<u>\$ 28,163,247</u>	<u>\$ 29,445,091</u>	<u>\$ 29,565,395</u>
Change in Net Position				
Governmental activities	\$ 13,112,414	\$ 11,982,935	\$ 8,575,281	\$ 4,880,801
Business-type activities	3,074,093	4,813,782	3,193,021	1,079,108
Total primary government	<u>\$ 16,186,507</u>	<u>\$ 16,796,717</u>	<u>\$ 11,768,302</u>	<u>\$ 5,959,909</u>

(continued)

TABLE 2

		Fiscal Year									
		2011	2012	2013	2014	2015	2016				
\$	5,985,553	\$	4,579,709	\$	4,779,683	\$	6,027,808	\$	5,567,804	\$	3,406,957
	12,597,427		13,755,003		14,505,108		14,793,251		15,587,330		18,135,674
	9,414,047		9,400,406		9,476,476		10,025,105		10,344,069		11,100,276
	1,483,991		1,443,045		1,534,915		2,071,758		2,467,564		4,701,517
	5,671,656		6,050,849		6,148,475		6,851,657		7,062,534		7,801,924
	3,643,362		3,490,537		3,256,327		3,319,768		3,218,658		3,237,341
	<u>38,796,036</u>		<u>38,719,549</u>		<u>39,700,984</u>		<u>43,089,347</u>		<u>44,247,959</u>		<u>48,383,689</u>
	13,776,701		13,858,927		14,553,979		14,699,969		15,692,100		16,333,488
	1,872,971		1,774,465		2,100,255		1,922,102		1,983,682		2,049,089
	2,385,558		2,451,503		2,595,756		2,742,100		2,779,193		2,846,497
	13,598		17,743		10,994		11,498		11,891		11,152
	<u>18,048,828</u>		<u>18,102,638</u>		<u>19,260,984</u>		<u>19,375,669</u>		<u>20,466,866</u>		<u>21,240,226</u>
\$	<u>56,844,864</u>	\$	<u>56,822,187</u>	\$	<u>58,961,968</u>	\$	<u>62,465,016</u>	\$	<u>64,714,825</u>	\$	<u>69,623,915</u>
\$	8,948,079	\$	7,799,248	\$	8,127,467	\$	8,036,809	\$	7,773,637	\$	7,566,246
	621,034		721,595		603,962		294,371		829,724		971,500
	2,265,193		2,624,666		3,769,399		3,752,163		2,983,243		2,144,534
	<u>11,834,306</u>		<u>11,145,509</u>		<u>12,500,828</u>		<u>12,083,343</u>		<u>11,586,604</u>		<u>10,682,280</u>
	19,924,565		18,442,552		19,788,547		20,526,744		21,331,913		22,263,652
	359,271		364,359		561,332		1,004,948		846,581		827,614
	920,504		1,800,117		2,976,121		1,938,294		1,766,788		1,067,383
	<u>21,204,340</u>		<u>20,607,028</u>		<u>23,326,000</u>		<u>23,469,986</u>		<u>23,945,282</u>		<u>24,158,649</u>
\$	<u>33,038,646</u>	\$	<u>31,752,537</u>	\$	<u>35,826,828</u>	\$	<u>35,553,329</u>	\$	<u>35,531,886</u>	\$	<u>34,840,929</u>
\$	(26,961,730)	\$	(27,574,040)	\$	(27,200,156)	\$	(31,006,004)	\$	(32,661,355)	\$	(37,701,409)
	3,155,512		2,504,390		4,065,016		4,094,317		3,478,416		2,918,423
\$	<u>(23,806,218)</u>	\$	<u>(25,069,650)</u>	\$	<u>(23,135,140)</u>	\$	<u>(26,911,687)</u>	\$	<u>(29,182,939)</u>	\$	<u>(34,782,986)</u>
\$	15,074,189	\$	15,414,948	\$	15,853,216	\$	16,377,575	\$	19,171,938	\$	20,510,482
	320,737		199,229		254,600		406,445		423,586		457,438
	13,453,923		14,818,398		14,110,028		16,051,878		16,689,391		16,595,528
	144,520		146,202		146,986		165,550		192,639		219,250
	2,844,181		2,760,074		2,659,237		2,968,801		3,242,051		3,166,620
	92,091		105,892		536,572		80,273		95,192		243,568
	-		-		-		-		-		-
	(504,712)		(263,167)		122,937		(258,909)		(244,589)		(108,909)
	<u>31,424,929</u>		<u>33,181,576</u>		<u>33,683,576</u>		<u>35,791,613</u>		<u>39,570,208</u>		<u>41,083,977</u>
	37,765		48,613		38,714		26,334		29,790		114,274
	-		-		-		-		-		-
	504,712		263,167		(122,937)		258,909		244,589		108,909
	<u>542,477</u>		<u>311,780</u>		<u>(84,223)</u>		<u>285,243</u>		<u>274,379</u>		<u>223,183</u>
\$	<u>31,967,406</u>	\$	<u>33,493,356</u>	\$	<u>33,599,353</u>	\$	<u>36,076,856</u>	\$	<u>39,844,587</u>	\$	<u>41,307,160</u>
\$	4,463,199	\$	5,607,536	\$	6,483,420	\$	4,785,609	\$	6,908,853	\$	3,382,568
	3,697,989		2,816,170		3,980,793		4,379,560		3,752,795		3,141,606
\$	<u>8,161,188</u>	\$	<u>8,423,706</u>	\$	<u>10,464,213</u>	\$	<u>9,165,169</u>	\$	<u>10,661,648</u>	\$	<u>6,524,174</u>

(concluded)

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

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 236,359	\$ 292,510	\$ 176,254	\$ 179,419	\$ -
Unreserved	6,474,112	5,871,057	6,557,013	7,008,776	-
Nonspendable	-	-	-	-	59,832
Committed to:					
Debt service	-	-	-	-	872,880
Other Purposes	-	-	-	-	63,826
Assigned to:					
Risk management	-	-	-	-	1,007,782
Uassigned	-	-	-	-	6,442,458
Total general fund	<u>\$ 6,710,471</u>	<u>\$ 6,163,567</u>	<u>\$ 6,733,267</u>	<u>\$ 7,188,195</u>	<u>\$ 8,446,778</u>
All Other Governmental Funds					
Reserved	\$ 33,802,921	\$ 64,065,336	\$ 45,495,454	\$ 29,567,700	-
Unreserved, reported in:					
Special Revenue Funds	274,192	629,680	895,046	839,018	-
Nonspendable					
Restricted for:					
Debt service	-	-	-	-	2,666,165
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	4,714,757
Tourism	-	-	-	-	293,192
Capital projects	-	-	-	-	11,340,114
Committed to:					
Culture and recreation	-	-	-	-	362,472
Economic development	-	-	-	-	283,046
Capital projects	-	-	-	-	6,269,916
Debt service	-	-	-	-	4,063,471
Total all other governmental fund	<u>\$ 34,077,113</u>	<u>\$ 64,695,016</u>	<u>\$ 46,390,500</u>	<u>\$ 30,406,718</u>	<u>\$ 29,993,133</u>

(continued)

TABLE 3

Fiscal Year				
2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
59,031	53,769	24,806	32,024	28,174
791,215	703,824	610,445	510,802	404,607
149,771	718,732	513,332	809,956	251,257
733,781	874,825	1,047,047	1,047,047	1,047,047
8,796,643	8,841,408	9,945,249	9,023,255	9,273,423
<u>\$ 10,530,441</u>	<u>\$ 11,192,558</u>	<u>\$ 12,140,879</u>	<u>\$ 11,423,084</u>	<u>\$ 11,004,508</u>
-	-	-	-	-
-	-	-	-	-
-	300	1,437	1,389	2,617
2,677,418	2,704,260	2,576,315	2,580,870	2,530,494
-	-	-	10,000	1,096
6,066,072	7,074,668	8,702,328	10,473,189	8,406,131
386,497	483,308	507,576	572,720	623,803
-	-	-	18,992,927	16,233,204
539,541	723,587	530,845	585,144	683,099
67,249	140,743	272,383	409,834	484,485
13,779,002	19,994,818	27,119,647	8,843,780	8,325,229
2,872,822	511,000	-	-	-
<u>\$ 26,388,601</u>	<u>\$ 31,632,684</u>	<u>\$ 39,710,531</u>	<u>\$ 42,469,853</u>	<u>\$ 37,290,158</u>
				(concluded)

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues					
Property taxes	\$ 10,027,181	\$ 11,506,820	\$ 13,647,213	\$ 15,509,577	\$ 15,430,774
Sales taxes	10,842,693	11,849,457	11,975,477	12,250,021	13,598,440
Franchise fees	2,020,661	2,309,467	2,516,642	2,527,140	2,842,740
Licenses and permits	1,106,496	886,238	1,336,454	1,150,796	1,017,237
Intergovernmental revenue	471,520	168,544	429,498	450,031	369,865
Fines and forfeitures	1,149,028	1,472,535	1,530,831	1,406,892	1,267,346
Donations	25,547	19,343	10,970	18,052	251,169
Charges for service	3,169,601	1,476,841	1,597,794	2,057,565	2,911,172
Interest income	1,901,343	1,542,276	787,753	178,867	88,992
Mineral lease revenue	-	5,985,783	3,556,228	1,838,611	2,113,091
Street Assessments	112,377	126,041	9,163	213,913	24,285
Miscellaneous	1,918,118	1,601,601	1,906,011	1,268,989	1,783,682
Total revenues	32,744,565	38,944,946	39,304,034	38,870,454	41,698,793
Expenditures					
Current Operations:					-
General government	3,919,724	5,018,217	5,361,405	4,658,823	5,697,945
Public safety	8,721,159	10,776,171	11,475,649	12,981,168	12,269,841
Public works	4,319,240	4,773,860	4,644,616	5,339,771	5,110,274
Sanitation	1,656,198	-	-	-	-
Community Development	1,400,905	519,651	1,230,424	1,503,442	1,700,475
Culture and recreation	2,219,504	2,568,836	2,536,777	3,899,848	4,929,907
Capital Outlay	7,823,319	15,060,574	24,730,676	27,891,966	2,674,837
Debt Service:					
Principal	1,966,000	2,342,000	3,242,000	4,180,000	4,835,507
Interest and fiscal agent charges	1,962,297	3,244,180	4,070,379	3,879,046	3,726,968
Total expenditures	33,988,346	44,303,489	57,291,926	64,334,064	40,945,754
Excess (deficiency) of revenues over (under) expenditures	(1,243,781)	(5,358,543)	(17,987,892)	(25,463,610)	753,039
Other financing sources (uses)					
Transfers in	7,083,479	5,241,662	11,319,490	6,813,507	6,825,205
Transfers out	(8,218,456)	(5,541,191)	(11,066,415)	(6,820,858)	(6,734,919)
Proceeds of capital lease	69,990	-	-	1,369,061	1,673
Proceeds of bond issuance	16,449,717	35,650,000	-	19,370,000	-
Payment to refunded bonds agent	-	-	-	(11,326,305)	-
Premium	-	75,384	-	529,352	-
Total other financing sources (uses)	15,384,730	35,425,855	253,075	9,934,757	91,959
Net change in fund balances	\$ 14,140,949	\$ 30,067,312	\$ (17,734,817)	\$ (15,528,853)	\$ 844,998

Debt service as a percentage of non-capital expenditures (1) 18.42% 15.32% 17.45% 20.81% 69.16%

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

TABLE 4

		Fiscal Year							
		2012	2013	2014	2015	2016			
\$	15,659,684	\$	16,247,528	\$	16,980,934	\$	19,856,938	\$	21,228,368
	14,964,599		14,257,015		16,216,375		16,880,929		16,798,919
	2,755,431		2,714,231		2,940,465		3,193,511		3,150,851
	1,014,677		1,147,361		1,446,281		1,415,034		1,335,198
	278,234		212,609		242,262		287,832		599,310
	1,212,414		1,127,906		1,282,599		1,422,084		1,402,152
	443,361		391,353		52,110		533,822		251,840
	3,394,823		3,267,802		3,555,560		3,727,378		3,840,360
	101,182		81,002		74,873		88,026		223,806
	1,096,666		1,058,233		969,979		521,976		268,183
	80,031		86,535		70,473		166,226		143,429
	1,391,018		2,296,743		1,581,916		1,874,647		1,578,783
	42,392,120		42,888,318		45,413,827		49,968,403		50,821,199
	4,698,889		5,109,652		4,596,577		5,178,035		5,356,449
	13,189,268		13,916,985		14,734,093		17,829,372		18,320,238
	5,088,899		5,434,287		5,755,348		5,869,224		6,416,556
	-		-		-		-		-
	1,645,680		1,790,790		2,401,704		2,834,550		5,057,885
	5,102,392		5,527,597		6,249,210		6,275,252		6,867,778
	4,986,097		1,723,052		11,310,554		10,414,349		14,986,952
	4,890,666		5,106,392		4,627,379		5,230,643		5,741,552
	3,493,688		3,262,591		3,202,770		3,815,653		3,558,020
	43,095,579		41,871,346		52,877,635		57,447,078		66,305,430
	(703,459)		1,016,972		(7,463,808)		(7,478,675)		(15,484,231)
	7,482,456		7,193,956		6,214,654		8,009,497		12,017,189
	(7,767,346)		(7,096,019)		(6,486,563)		(8,288,086)		(12,160,098)
	-		-		-		-		-
	5,040,000		4,620,000		24,243,570		18,715,000		30,051,092
	(5,239,802)		-		(10,009,448)		(11,047,964)		(23,304,563)
	241,346		171,291		2,527,764		2,131,755		3,282,340
	(243,346)		4,889,228		16,489,977		9,520,202		9,885,960
\$	(946,805)	\$	5,906,200	\$	9,026,169	\$	2,041,527	\$	(5,598,271)
	21.09%		22.65%		15.47%		19.75%		19.22%
									(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
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
2014	2,039,186,901	723,992,280	84,403,921	358,372,460	2,488,710,642
2015	2,237,761,861	730,854,710	184,302,872	369,333,494	2,783,585,949
2016	2,423,710,740	809,276,528	160,436,595	381,084,153	3,012,339,710

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
0.6299	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%
0.6900	2,488,710,642	100.0%
0.7400	2,783,585,949	100.0%
0.7400	3,012,339,710	100.0%

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

	FISCAL YEAR					
	2007	2008	2009	2010	2011	2012
OVERLAPPING RATES						
Tarrant County	0.2665	0.2665	0.2640	0.2640	0.2640	0.2640
Tarrant County Hospital District	0.2354	0.2340	0.2278	0.2278	0.2279	0.2279
Tarrant County College	0.1394	0.1394	0.1379	0.1379	0.1379	0.1490
Tarrant County Regional Water District	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Johnson County	0.4218	0.4098	0.3067	0.3006	0.3275	0.3305
Burleson Independent School District	1.4501	1.4051	1.4688	1.5400	1.5400	1.5400
Joshua Independent School District	1.5389	1.4600	1.3900	1.3900	1.3900	1.4900
Crowley Independent School District	1.6710	1.4099	1.5350	1.5350	1.5350	1.6700
CITY DIRECT RATES						
Operating & Maintenance	0.5349	0.5241	0.5318	0.5318	0.5478	0.5278
Interest & Sinking	0.0950	0.1377	0.1622	0.1622	0.1622	0.1622
Total Direct Rate	0.6299	0.6618	0.6940	0.6940	0.7100	0.6900

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			
2013	2014	2015	2016
0.2640	0.2640	0.2640	0.2640
0.2279	0.2279	0.2279	0.2279
0.1495	0.1495	0.1495	0.1495
0.0200	0.0200	0.0200	0.0200
0.3332	0.3712	0.4054	0.4077
1.5400	1.5400	1.5400	1.5400
1.4900	1.4900	1.4200	1.6000
1.6700	1.6700	1.6500	1.6500
0.5278	0.5278	0.5278	0.5278
0.1622	0.1622	0.2122	0.2122
0.6900	0.6900	0.7400	0.7400

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

TABLE 7

Taxpayer	2016			2007		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Wagner Smith Equipment CO	29,847,294	1	0.79 %	-		0.00 %
Burleson Gateway Station LP	25,445,562	2	0.67	-		0.00
Halliburton Energy Services	21,436,431	3	0.57	-		0.00
H E BUTT Grocery Company	20,725,568	4	0.55	-		0.00
Sam's Real Estate Business/Sam's East	18,817,470	5	0.50	-		0.00
Baker Hughes Oilfield Operations INC	18,605,022	6	0.49	-		0.00
EB Reserve LLC & RL Reserve LLC	15,808,651	7	0.42	-		0.00
Dolce Living At Burleson	13,454,590	8	0.36	-		0.00
JAHCO Burleson Town Center	13,400,000	9	0.36	11,456,256	4	0.78
Encore MF Burleson LP	13,313,376	10	0.35	-		0.00
EE Burleson LP	-		-	27,413,595	1	1.87
WalMart Stores Inc. #220	-		-	17,066,688	2	1.17
Oncor Electric	-		-	14,796,750	3	1.01
Target Corporation	-		-	11,005,945	5	0.75
Southwestern Bell	-		-	8,545,010	6	0.58
B-CDC Corporation	-		-	7,099,163	7	0.48
Lynn Smith Corporation	-		-	6,913,121	8	0.47
Home Depot	-		-	5,495,383	9	0.38
Redman Homes, Inc	-		-	5,489,648	10	0.37
Total	\$ 190,853,964		5.06 %	\$ 115,281,559		7.87 %

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
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%
2014	2013	16,528,604	16,348,465	98.91%	161,390	16,509,855	99.89%
2015	2014	19,537,616	19,313,610	98.85%	119,028	19,432,638	99.46%
2016	2015	20,896,042	20,713,371	99.13%	74,875	20,788,246	99.48%

Sources: Johnson County Tax Office reports

**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
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
2014	49,584,570	33,800,000	5,140,000	621,676	11,770,430	23,220,000
2015	55,518,570	31,685,000	4,490,000	520,372	21,561,430	22,520,000
2016	68,653,213	20,895,000	3,815,000	412,380	24,816,787	24,050,000

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

BUSINESS-TYPE ACTIVITIES				
Capital Leases	Water Revenue Bonds	Total Primary Government (2)	Percentage of Personal Income (3)	Per Capita (3)
422,273	26,335,000	98,225,109	11.80%	3,242
1,157,276	25,035,000	134,534,637	15.48%	4,251
290,239	23,785,000	128,944,428	16.40%	4,074
398,129	22,475,000	131,735,011	13.96%	3,835
307,838	10,590,000	131,849,362	13.80%	3,764
230,132	13,660,000	128,621,738	13.31%	3,506
171,101	12,740,000	127,444,092	12.41%	3,342
17,198	12,340,000	136,493,874	12.26%	3,499
14,653	6,520,000	142,830,025	12.39%	3,508
11,902	3,655,000	146,315,969	12.44%	3,550

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

Fiscal Year	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES	
	General Obligation Bonds	Certificates of Obligation (3)	Less: Amounts Available in Debt Service Fund	General Obligation Bonds (3)	Certificates of Obligation (3)
2007	18,224,000	24,365,000	525,277	5,069,000	11,825,000
2008	32,162,000	44,520,000	707,132	4,716,000	16,015,000
2009	30,935,000	43,325,000	805,575	4,542,000	15,510,000
2010	37,782,000	41,610,000	1,002,215	4,363,000	14,910,000
2011	35,910,000	39,825,000	778,717	14,945,000	21,365,000
2012	36,836,000	35,220,000	819,907	14,499,000	20,555,000
2013	34,692,000	37,925,000	846,752	13,608,000	21,780,000
2014	49,584,570	33,800,000	857,274	11,770,430	26,220,000
2015	55,518,570	31,685,000	873,316	21,561,430	22,520,000
2016	68,653,213	20,895,000	815,726	24,816,787	24,050,000

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

Total General Bonded Debt	Less: Self-supported Debt (4)	Net General Bonded Debt Outstanding	Percentage of Actual Property Value (1)	Per Capita (2)
58,957,723	31,706,720	27,251,003	1.92%	861
96,705,868	52,646,840	44,059,028	2.83%	1,392
93,506,425	50,280,052	43,226,373	2.19%	1,258
97,662,785	49,047,054	48,615,731	2.18%	1,388
111,266,283	64,809,846	46,456,437	2.09%	1,266
106,290,093	62,455,146	43,834,947	1.90%	1,150
107,158,248	61,140,001	46,018,247	1.91%	1,180
120,517,726	66,191,289	54,326,437	2.18%	1,334
130,411,684	73,906,740	56,504,944	2.03%	1,371
137,599,274	70,561,740	67,037,534	2.23%	1,627

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CITY OF BURLESON, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT (Unaudited)
SEPTEMBER 30, 2016

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	\$ 93,363,213	100%	\$ 93,363,213
Johnson County	34,175,000	23.80%	8,133,336
Tarrant County	344,185,000	0.39%	1,338,634
Tarrant County Hospital District	42,485,000	0.39%	164,578
Tarrant County Junior College District	-	0.39%	-
Crowley ISD	325,046,535	**	-
Burleson ISD	296,800,852	49.87%	148,016,864
Joshua ISD	109,622,432	23.80%	<u>26,089,133</u>
Total overlapping debt			<u>\$ 183,742,546</u>
Total direct and overlapping debt			<u>\$ 277,105,759</u>
Per capita direct and overlapping debt			<u>\$ 6,511</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: 42,560

** 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
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
2014	17,263,299	10,908,767	6,354,532	400,000	492,016
2015	17,792,538	11,053,011	6,739,527	1,070,000	492,014
2016	18,593,177	10,989,736	7,603,441	890,000	365,595

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 Water & Sewer Bond Coverage
Total	Coverage	Debt Service		Total	Coverage	
		Principal	Interest			
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
892,016	7.12	1,040,000	777,845	1,817,845	3.50	2.34
1,562,014	4.31	1,250,000	871,317	2,121,317	3.18	1.83
1,255,595	6.06	1,450,000	924,667	2,374,667	3.20	2.09

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

TABLE 13

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars) (2)</u>	<u>Per Capita Income (1)</u>	<u>Median Age (3)</u>	<u>Education Level In School (3)</u>	<u>Public School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
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%
2014	40,714	1,152,369	28,304	33.0	14.2	10,618	3.9%
2015	41,213	1,175,807	28,530	33.0	14.2	11,363	3.2%
2016	42,560	1,214,833	28,544	32.9	14.2	11,376	3.1%

Sources:

- (1) City of Burleson Community Development Department
- (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

Employer	2016			2011		
	Employees	Rank	Percent(1)	Employees	Rank	Percent
Burleson Independent School District	1,500	1	10.55 %	1480	1	11.64 %
City of Burleson	408	2	2.87	383	4	3.01
Wal-Mart	375	3	2.64	416	2	3.27
H.E.B. Grocery	370	4	2.60	375	3	--
Champion Buildings Mfg	335	5	2.36	125	7	--
Target	175	6	1.23	144	5	1.13
Basden Steel	161	7	1.13	--	--	--
Lowe's Companies	140	8	0.98	--	--	--
KWS Manufacturing	135	9	0.95	145	6	1.14
Thomas Conveyor Mfg	130	10	0.91	115	8	0.90
Indicom Buildings	--	--	--	85	9	0.67
Industrial Screw Conveyor	--	--	--	65	10	0.51
Total	<u>3,729</u>		<u>26.22</u>	<u>3,333</u>		<u>22.28</u>

Source: City of Burleson Economic Development Department & Burleson Independent School District
 (1) 2014 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
General government and Administration										
City manager's office	5	6	6	6.5	6.5	4.5	4.5	4	4	5
City secretary's office	1	2	2	2	2	3	3	3.5	4.5	5
Support Services	2	2	2	1.5	1.5	1	1	1	1	1
Records management	1	1	1	1	1	1	1	1	1	1
Information technology	4	4	5	7	7	7	7	8	8	8
Economic development	1	1	1	1	1	1	2.5	2	2	2.5
Human resources	3	3	4	3.5	3.5	3.5	4	3	4	4
Communications	-	1	1	1	1	1	1	1	1	1
* Judicial	-	-	-	-	-	-	1.15	0.5	0.5	1.5
Legal	-	-	-	-	-	-	0.5	1	1	1
Finance	8	8	9	9	9	9	9	9	9	8
Purchasing	1	1	1	1	1	1	1	1	1	1
Municipal court	5	6	8	8	8	8	8.5	6.5	8	3
Public Safety										
Police	74	76	76	76.5	76.5	76.5	79	82	78.5	84
Fire	28	34	34	34	34	34	34	36	38	40
Fire prevention	3	3	3	2	2	2	2	2	3	3
Public Works										
Public works administration	5	5	5	4.5	4.5	3.5	5	5	5	6
Street maintenance	18	18	18	20	20	19	20	18	17	17
Neighborhood services	1	1	1	1	1	1	2	2	2	2
Animal services	4	5	5	5	5	5	5	5	5	5
Environmental services	1	1	1	1	1	1	3	1	1	1.5
Facility maintenance	7	7	7	6.5	6.5	6.5	2	2	2	3
Planning	3	4	6	5	5	3	4	4	4	5
Building code enforcement	8	9	9	8.5	8.5	6.5	6.5	6.5	9	9
Community development	4	3	4	5	5	5	5	3	2	2.5
Engineering	10	11	10	9.7	9.7	9.7	10	9	9	12
Culture & Recreation										
Library	14	16	16	10	10	10	10.46	11.5	12.5	11
Parks & recreation administration	3	3	3	4.3	4.3	3.3	3.25	2	3	2
* Recreation	17	18	18	38.5	38.5	57.83	39.12	34.67	42.2	41.9
Park maintenance	14	14	14	9.5	9.5	9.5	12.5	11	11.5	12
Senior citizens center	1	1	1	1.5	1.5	1.5	1.5	2	2	2
Athletic Fields	-	-	-	2.5	2.5	3.5	10	10	10	10
Russell Farm	-	-	-	-	-	1	1	1	1	1
Enterprise Operations and Administration										
Water/Wastewater										
Water & sewer services	19	23	17	22	22	22	21	19	19	21
Utility billing	8	8	8	8	8	8	8	8	8	8
Hidden Creek Golf Course										
Golf course administration	2	2	2	2	2	2	2	1	1	2
Golf course club house & pro shop	11	9	9	7.4	7.4	7.4	6.07	6.25	6.25	6.5
Golf course maintenance	9	9	9	8	8	8	8	7	6	8.5
Golf course food & beverage	7	7	8	5.6	5.6	6	5.7	4.5	4.5	5.9
Solid Waste	20	26	5	2	2	2	0.78	1	2	1
Internal Service Operations										
Equipment services	6	6	6	6	6	5	5	5	4	3
Total	332	355	335	347.5	347.5	359.73	356.03	340.92	353.45	367.8

*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, 2016**

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	10/1/2016	General Liability	-	\$1,000,000
Intergovernmental Risk Pool			10/1/2017	Real & Personal Property	\$2,500	74,444,849
				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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police										
Number of employees	71	76	81	76	77	77	80	83	83	84
Total calls	58,434	57,693	61,154	77,792	76,570	75,506	78,426	83,937	82,340	72,900
Arrests	1,640	1,583	1,246	1,386	1,243	1,192	1,068	1,050	1,077	1,089
Traffic enforcement	17,565	16,798	12,222	10,814	8,440	7,380	7,929	8,981	6,470	6,312
Fire										
Number of employees	40	46	46	48	34	34	34	36	38	40
Number of calls for service	3,300	3,148	3,300	3,400	3,400	3,096	3,622	3,821	4,121	4,338
Inspections	650	725	725	800	830	1,152	2,038	2,719	3,957	4,012
Animal Control										
Animals Adopted	500	550	700	720	558	452	352	426	478	457
Animals Impounded	2,485	2,900	2,900	3,188	2,930	1,870	1,900	1,907	1,942	2,041
Environmental Health										
Permits	-	-	-	-	-	-	-	-	-	-
Inspections	-	-	-	-	-	-	-	131	162	182
Community Development										
Permits Issued	9,922	6,994	6,316	7,264	3,660	4,028	4,627	4,734	4,826	7,088
Inspections Made	23,186	21,199	12,444	14,311	9,365	8,065	11,015	13,827	15,071	15,186
Culture and Recreation										
Recreation										
Special Event Participants	25,000	25,000	32,565	33,216	33,216	45,800	33,725	28,415	38,181	41,300
Swim Lesson Participants	480	470	415	460	920	1,477	4,412	1,434	1,360	1,254
Swim Programs	70	70	40	100	100	100	25	298	358	334
Senior Citizen Participants	28,050	28,891	31,000	31,500	31,500	33,357	34,219	35,124	33,535	37,688
Senior Van Riders	1,320	1,054	550	600	600	632	1,075	1,081	1,044	562
Library										
Books in Collection	56,075	58,425	64,800	65,500	65,832	64,327	64,640	66,435	70,545	70,828
Materials borrowed	209,576	233,669	313,762	316,899	418,977	437,547	406,379	432,189	413,732	436,033
Water and Sewer										
Number of water customers	11,440	12,000	12,157	12,435	12,693	12,844	13,251	13,501	13,877	14,224
Number of sewer connections	11,503	12,074	11,250	11,250	12,975	13,086	13,396	13,495	14,087	14,457
Gas Well										
Number of Permits	-	-	56	55	64	18	-	7	-	-
Number of Pad Site Inspections	-	-	2,464	950	1,350	5,928	6,350	6,032	3,033	2,964

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			
		2007	2008	2009	2010
Date of incorporation	May 12, 1912				
Date of charter	April 5, 1989				
Area incorporated (square miles)		24.36	26.34	26.04	26.04
Form of government	Council/Manager				
Education:					
Attendance centers		11	11	14	15
Number of teachers		586	595	640	672
Number of students		8,999	9,583	9,834	10,045
Miles of streets ⁽¹⁾		137.00	140.00	200.00	200.00
Miles of sewers:					
Sanitary sewers		118.21	158.00	182.00	182.00
Storm sewers		19.07	30.00	32.82	46.12
Culture and recreation:					
Parks - number of acres		248	358	334	334
Number of municipal pools		1	1	1	1
Number of lighted ball diamonds		12	12	12	20
Number of community centers		1	1	1	1
Municipal water system:					
Number of water customers		11,556	12,040	12,209	12,321
Daily average consumption (gallons)		3,237,941	3,915,426	4,443,470	3,880,821
System capacity (gallons per day)		14,550,000	14,550,000	14,550,000	14,550,000
Miles of water mains		153.00	159.00	175.00	175.00
Number of fire hydrants		1,002	1,064	1,200	1,200
Municipal sewer system:					
Number of sewer connections		11,503	12,000	12,222	12,474
System capacity (gallons per day)		11,890,000	11,890,000	11,800,000	11,800,000
Number of street lights		1,255	1,297	1,357	1,406
City employees:					
Full-time		263	301	397	303
Part-time		30	29	21	61
Temporary		19	19	4	20

(continued)

Source: Various City Departments

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

TABLE 18

FISCAL YEAR					
2011	2012	2013	2014	2015	2016
26.06	26.34	26.17	26.17	26.33	28.06
15	15	15	15	15	16
658	669	665	675	685	706
9,833	10,211	10,457	10,618	10,807	11,376
200.00	200.00	185.00	181.00	185.17	192.76
190.91	197.64	200.00	199.39	202.39	203.38
52.44	54.50	49.00	49.70	49.47	50.68
348	364	454	463.44	463.44	486.19
2	2	2	2	2	2
23	23	16	16	16	16
1	1	2	2	2	2
12,475	12,844	13,251	13,501	13,877	14,224
4,931,611	4,315,099	4,227,154	4,344,483	4,129,146	4,196,295
14,550,000	14,550,000	14,550,000	14,550,000	17,500,000	17,500,000
192.36	193.68	189.00	192.09	205.24	204.72
1,331	1,348	1,349	1,431	1,463	1,497
12,693	13,086	13,396	13,495	14,087	14,457
11,890,000	11,890,000	11,890,000	11,890,000	11,890,000	11,890,000
1,415	1,421	1,421	1,442	1,457	1,539
290	290	294	295	305	311
66	60.25	81	83	83	93
11	16.75	5	6	4	4

(concluded)

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