

Burleson

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

CITY OF BURLESON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2019

CITY OFFICIALS

Kenneth Shetter
Mayor

Dan McClendon	Mayor Pro Tem
Rick Green	Councilmember
Katherine Reading	Councilmember
Todd K. Hulsey	Councilmember
Stuart Gillaspie	Councilmember
Ronnie Johnson	Councilmember

Bryan Langley
City Manager

Robert Ranc
Deputy City Manager

Martin Avila
Director of Finance

Stormy Johnson
Assistant Director of Finance

Prepared by: Finance Department



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CITY OF BURLESON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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INTRODUCTORY SECTION

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141 West Renfro
Burleson, Texas 76028-4261
817-426-9659
Fax 817-426-9369
www.burlesontx.com

February 12, 2020

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, 2019. 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 four. 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 \$100 million in new taxable value added in 2019, 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 nearly 46,000 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 are not 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, 2018, 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,

A handwritten signature in blue ink that reads "Martin Aule". The signature is written in a cursive style.

Finance Department



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, 2018

Christopher P. Morill

Executive Director/CEO

Citizens of Burleson

City Council

Municipal Judge

City Attorney

City Manager

Boards & Commissions

City Secretary

Deputy City Attorney

Fire

Human Resources

Economic Development

Deputy City Manager

Police

Development Services

Finance

Marketing & Communications

Neighborhood Services

Rec & Lifelong Learning

Golf Course

Information Technology

Public Works

CITY OF BURLESON, TEXAS

List of Principal Officials

September 30, 2019

Elected Officials

Mayor	Kenneth Shetter
Mayor Pro-Tem	Dan McClendon
Councilmember	Rick Green
Councilmember	Katherine Reading
Councilmember	Todd K. Hulsey
Councilmember	Stuart Gillaspie
Councilmember	Ronnie Johnson

City Officials

City Manager	Bryan Langley
Deputy City Manager	Robert Ranc
Director of Finance	Martin Avila
City Attorney	Allen Taylor
Police Chief	Billy Cordell
City Secretary	Amanda Campos
Fire Chief	Kenneth Freeman
Director of Recreation and Lifelong Learning	Marc Marchand
Director of Human Resources	Wanda Bullard
Director Fire Prevention/Fire Marshall	Stacy Singleton
Director of Neighborhood Services	Lisa Duello
Director of Information Technology	Mark Eder
Director of Development Services	Mandy Clark
Director of Public Works	Aaron Russell
Director of Golf	Dave White

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burleson, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City'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.

Auditor's 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 as of September 30, 2019, 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.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 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 12, 2020, on our consideration of the City'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 the City's internal control over financial reporting and compliance.

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

Waco, Texas
February 12, 2020

CITY OF BURLESON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED SEPTEMBER 30, 2019
(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, 2019. 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 exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$258,149,827 (net position). Of this amount, \$15,828,966 (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 \$17,899,498. 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 \$9,391,334 or 25% of total general fund expenditures.
- The City's total debt increased by \$186,082 (1.3%) during the current fiscal year. The increase represents the net effect of scheduled debt retirement and the issuance of \$7,415,000 and \$4,470,000 combination tax and revenue certificates of obligation in the governmental activities and the business activities, respectively.

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 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. The City 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$258,149,827 as of September 30, 2019.

The largest portion of the City's net position (87%) 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.

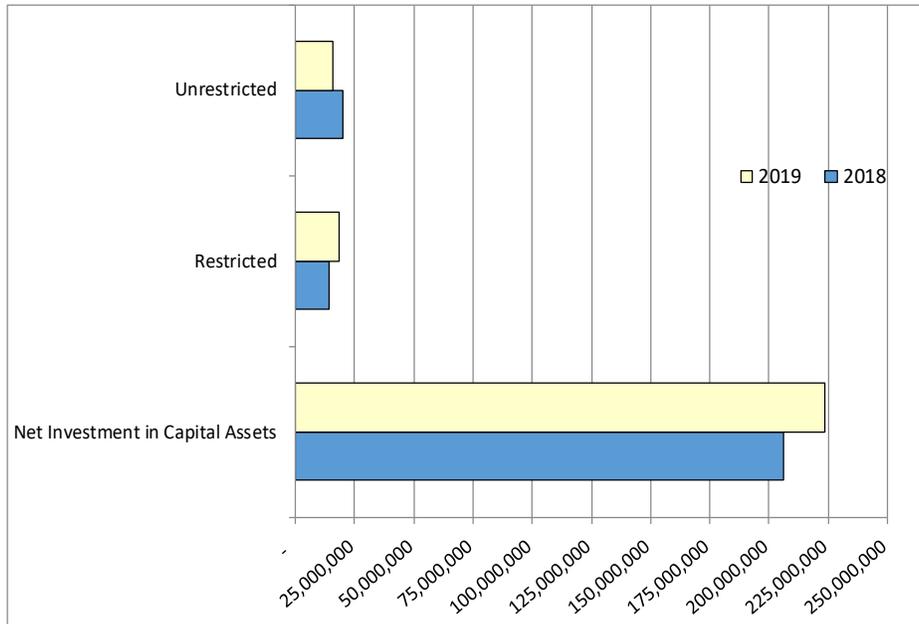
CITY OF BURLESON, TEXAS – NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current & other assets	\$ 69,585,345	\$ 76,414,449	\$ 45,398,535	\$ 51,421,855	\$ 114,983,880	\$ 127,836,304
Capital assets	216,362,210	224,263,212	107,587,575	110,632,647	323,949,785	334,895,859
Total assets	285,947,555	300,677,661	152,986,110	162,054,502	438,933,665	462,732,163
Total deferred outflows of resources	4,890,189	8,487,784	966,471	1,200,569	5,856,660	9,688,353
Noncurrent liabilities – due in more than one year	119,604,079	126,744,956	60,876,586	61,792,819	180,480,665	188,537,775
Other liabilities	14,991,789	16,745,906	6,853,008	8,868,408	21,844,797	25,614,314
Total liabilities	134,595,868	143,490,862	67,729,594	70,661,227	202,325,462	214,152,089
Total deferred inflows of resources	2,017,607	108,056	196,927	10,544	2,214,534	118,600
Net position:						
Net investment in capital asset	136,812,328	148,085,539	69,333,794	75,777,424	206,146,122	223,862,963
Restricted	13,166,573	13,232,818	1,049,746	5,225,080	14,216,319	18,457,898
Unrestricted	4,245,368	4,248,170	15,642,520	11,580,796	19,887,888	15,828,966
Total net position	\$ 154,224,269	\$ 165,566,527	\$ 86,026,060	\$ 92,583,300	\$ 240,250,329	\$ 258,149,827

An additional portion of the City’s net position (7%) represents resources that are subject to external restriction on how they may have been used. The remaining balance of unrestricted net position (6%) may be used to meet the City’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.

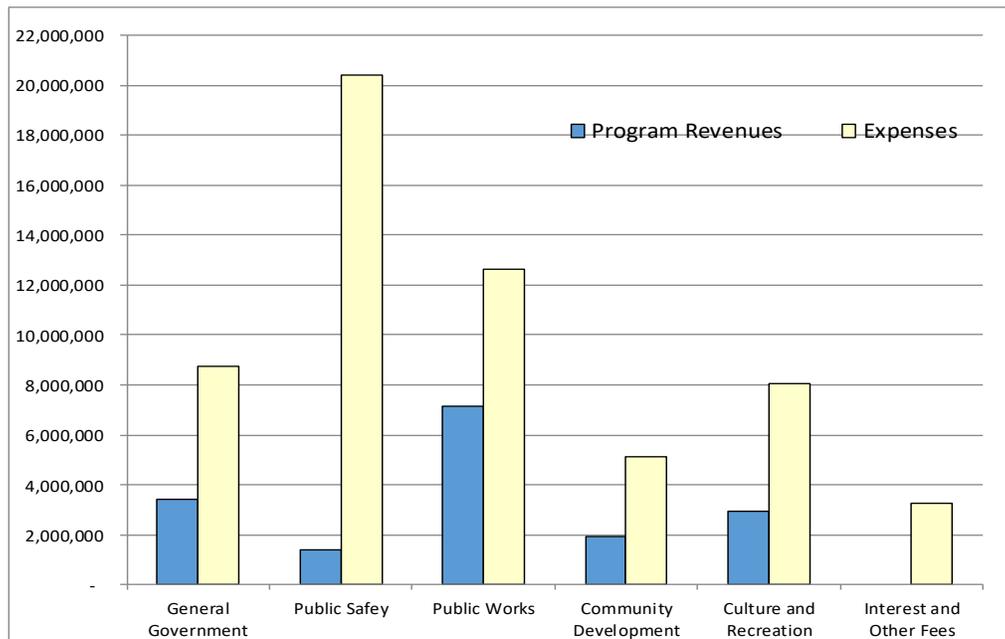
**City of Burleson Net Position
September 30, 2018 and 2019**



The City’s overall net position increased \$17,899,498 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 \$11,342,258 from the prior fiscal year for an ending balance of \$165,566,527. 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 \$92,583,300. The total increase in net position for business-type activities (water and wastewater, Hidden Creek Golf Course, solid waste, and the cemetery) was \$6,557,240 or 8% from the prior fiscal year. The growth, in large part, is attributable to the contribution of infrastructure assets by developers.

The following table provides a summary of the City’s operations for the year ended September 30, 2019. Overall, fiscal year 2019 expenses increased 7% largely due to increase water and wastewater demand cost increases, an across-the-board 3% salary increase, and to bring certain position’s salary up to competitive market value.

CITY OF BURLESON, TEXAS – CHANGES IN NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2019	2018	2019	2018	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 8,784,594	\$ 8,480,206	\$25,809,983	\$25,405,060	\$ 34,594,577	\$ 33,885,266
Operating grants and contributions	1,426,293	738,026	-	16,442	1,426,293	754,468
Capital grants and contributions	6,353,066	7,595,136	2,272,247	3,512,382	8,625,313	11,107,518
General Revenues:						
Taxes:						
Property taxes levied for general purposes	23,972,213	26,785,864	-	-	23,972,213	26,785,864
Tax Increment Financing	620,400	683,559	-	-	620,400	683,559
Sales and use taxes	18,489,311	19,660,908	-	-	18,489,311	19,660,908
Hotel / motel taxes	240,081	237,665	-	-	240,081	237,665
Franchise fees	3,228,293	3,383,906	-	-	3,228,293	3,383,906
Gain on sale of capital assets	4,946	105,767	-	41,100	4,946.00	146,867
Investment income	1,021,913	1,772,832	686,696	1,114,808	1,708,609	2,887,640
Total revenues	64,141,110	69,443,869	28,768,926	30,089,792	92,910,036	99,533,661
Expenses						
General government	7,801,767	8,762,392	-	-	7,801,767	8,762,392
Public safety	19,356,978	20,396,702	-	-	19,356,978	20,396,702
Public works	12,173,830	12,650,861	-	-	12,173,830	12,650,861
Community development	4,902,487	5,138,466	-	-	4,902,487	5,138,466
Culture and recreation	8,134,817	8,053,419	-	-	8,134,817	8,053,419
Interest and other fees	2,954,294	3,242,540	-	-	2,954,294	3,242,540
Water & wastewater	-	-	17,605,194	18,910,941	17,605,194	18,910,941
Hidden Creek Golf course	-	-	2,046,511	2,194,026	2,046,511	2,194,026
Solid Waste	-	-	3,047,978	3,179,444	3,047,978	3,179,444
Cemetery	-	-	12,528	28,894	12,528	28,894
Total expenses	55,324,173	58,244,380	22,712,211	24,313,305	78,036,384	82,557,685
Change in net assets						
before transfers	8,816,937	11,199,489	6,056,715	5,776,487	14,873,652	16,975,976
Transfers	(264,763)	(780,753)	264,763	780,753	-	-
Change in net position	8,552,174	10,418,736	6,321,478	6,557,240	14,873,652	16,975,976
Net position - beginning	147,746,335	154,224,269	79,895,684	86,026,060	227,642,019	240,250,329
Prior period adjustment	(2,074,240)	923,522	(191,102)	-	(2,265,342)	923,522
Net position - ending	\$154,224,269	\$165,566,527	\$86,026,060	\$92,583,300	\$240,250,329	\$258,149,827

FINANCIAL ANALYSIS OF THE CITY'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 \$63,182,551. The 85% or \$53,791,217 of this total has constraints on its spending at because it is classified as either (1) non-spendable for inventory and prepaid items (\$16,597); (2) restricted for debt service (\$2,315,108), culture and recreation (\$1,924), economic development (\$10,147,192), tourism (\$770,518), and capital projects (\$28,908,327); (3) committed for culture and recreation (\$981,885), economic development (\$73,618), capital projects (\$8,263,131), debt service (\$622,908) and other (\$320,191); and (4) assigned for risk management (\$1,369,818). Approximately 15% of the combined ending fund balance, or \$9,391,334, constitutes unassigned fund balance.

Of the \$63,182,551 ending fund balance, \$10,733,139 of non-major governmental funds is accounted for in "Other Governmental Funds". The General Fund balance is \$11,719,228 at year end – a increase of \$1,708,797. The Burleson Community Services Development Corporation (BCSDC) fund balance decreased \$165,361 to \$3,311,062 at year end. This decrease is primarily the result of sales tax revenue outpacing debt service and capital project needs in the current year. The Burleson 4A Economic Development (4A Corp) fund balance increased \$94,306 to a year-end total of \$5,415,295. Continued construction work during the period increased the bond proceeds increasing fund balances in the Bond Funded Capital Projects fund by \$1,804,524 finishing the year at \$28,908,327. The Mineral Lease Capital Project fund balance increased \$66,151 to \$1,585,513. This increase represents the degree to which current mineral income exceeded capital project expenditures. The Parks Performance fund balance increased by \$106,153 and the end of the year fund balance for this fund was \$983,505. General Debt Service Fund balance decreased \$408,653 to \$526,482 as part of the City's strategic planning in the budgetary process.

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

Year-end net position in the water and wastewater fund amounted to \$86,411,416, and that of Hidden Creek Golf Course totaled (\$562,560). Net position in the water and wastewater fund increased \$5,546,787 and Hidden Creek Golf Course net position increased \$86,127. Approximately 40% 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 citizens' increased demand on the water and sewer system and investment earnings

At the end of the fiscal year, the Solid Waste fund reported net position of \$2,023,546. This represents an increase of \$206,028, 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 \$884,045 (or less than 2%) when compared with the original budget

Total actual revenue collections exceeded the revised estimates by about \$274,758, or about 1% of the revised estimate.

The general fund's final revised expenditure budget was approximately \$522,511 greater than the figure originally adopted, (an increase of about 1%). This increase was precipitated primarily by public works maintenance and repairs cost.

Actual year-end expenditures totaled about \$1,502,144 less than the revised budget total. Part of this difference is attributable to presentation and measurement differences inherent to the GAAP and budgetary basis of accounting.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of September 30, 2019 amounts to \$334,895,859 (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 3.4%.

Capital Assets at Year End (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land	\$ 30,927,911	\$ 32,243,204	\$ 5,276,856	\$ 5,277,737	\$ 36,204,767	\$ 37,520,941
Buildings & improvements	64,221,729	67,286,031	3,155,198	3,582,339	67,376,927	70,868,370
Infrastructure	98,004,879	99,873,768	4,884	1,832	98,009,763	99,875,600
Machinery & equipment	4,975,573	4,374,234	59,422	38,003	5,034,995	4,412,237
Vehicles	2,942,048	3,738,308	899,785	1,212,862	3,841,833	4,951,170
Other	45,000	45,000	1,617,694	1,557,627	1,662,694	1,602,627
Water distribution system	-	-	43,343,513	44,679,790	43,343,513	44,679,790
Wastewater system	-	-	42,405,827	42,317,794	42,405,827	42,317,794
Capitalized interest	-	-	710,747	691,484	710,747	691,484
Construction in progress	15,180,507	16,702,667	10,113,649	11,273,179	25,294,156	27,975,846
Total	\$ 216,297,647	\$ 224,263,212	\$ 107,587,575	\$ 110,632,647	\$ 323,885,222	\$ 334,895,859

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

- The Contributed High Point Park Improvements amounted to approximately \$4,589,886.
- Construction related cost of \$5,042,210 for street and drainage infrastructure
- Installation of traffic signals amounting to \$462,837
- Cost of purchasing ROW land for \$1,315,293
- Old Town Plaza improvements for \$2,023,823
- Approximately \$372,000 in sidewalks cost
- Quiet Zone construction project totaling \$492,069

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 \$159,969,999. Of this amount, \$75,714,999 comprises bonded debt backed solely by the full faith and credit of the City, \$79,545,000 represent bonds secured by a combination of property taxes and a limited pledge of other revenues, \$1,615,000 represents bonds secured solely by sales tax revenues, and \$3,095,000 secured by revenues generated from the City's water and wastewater utility. Of the total general obligation outstanding debt of \$75,714,999, \$17,638,144 is to be repaid with revenue generated from the City's water and wastewater utility and \$14,729,302 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	
	2018	2019	2018	2019	2018	2019
General obligation bonds	\$ 63,172,356	\$ 58,076,855	\$ 20,087,644	\$ 17,638,144	\$ 83,260,000	\$ 75,714,999
Certificate of obligation bonds	33,695,000	39,880,000	36,690,000	39,665,000	70,385,000	79,545,000
Utility system revenue bonds	-	-	3,285,000	3,095,000	3,285,000	3,095,000
Sales tax revenue bonds	2,380,000	1,615,000	-	-	2,380,000	1,615,000
	<u>\$ 99,247,356</u>	<u>\$ 99,571,855</u>	<u>\$ 60,062,644</u>	<u>\$ 60,398,144</u>	<u>\$ 159,310,000</u>	<u>\$ 159,969,999</u>

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

	Moody's Investors <u>Service</u>	Standard & Poor's	<u>Fitch</u>
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 \$11,885,000 in combination tax and revenue certificates of obligation. These were issued for the purpose of (i) constructing of improvement and extensions to the City's waterworks and sewer system; (ii) improvements to street and public mobility infrastructure including improvement to streets traffic signal improvements and the acquisition of right-of-ways throughout the city and; (iii) the construction, expansion and improvement of the City's animal shelter. These bonds are labeled in the notes under governmental activities as Certificates of Obligation, 2019 Tax and Revenue (\$7,415,000), and business type activities as Certificates of Obligation, 2019 Tax and Revenue (\$4,470,000).

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 2020 budget, general fund revenues and transfers in are budgeted to increase by about 7.69% from the fiscal year 2019 final budget. Sales tax revenues are budgeted to increase by about 5% or \$470,000 and franchise fees are anticipated to increase about 7% or \$175,000. General fund expenditures are budgeted to increase by about 7% from the prior year totals, or \$1,918,315.

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 5.5% increase in water sewer rates were implemented beginning October 1, 2017 due to increases in future debt service resulting from the \$8.1 million bond issuance during fiscal year 2018.

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 2020 and should result in a working capital equal to 40% 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.

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CITY OF BURLESON, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

	Governmental Activities	Business-Type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
<u>Current Assets</u>			
Cash and investments	\$ 70,929,684	\$ 12,072,800	\$ 83,002,484
Receivables, net:			
Taxes	125,818	-	125,818
Accounts	1,637,659	3,474,770	5,112,429
Due from other governmental units	3,298,995	-	3,298,995
Accrued interest	20,480	9,926	30,406
Inventories	25,568	570,648	596,216
Prepaid items	14,977	-	14,977
Internal balances	<u>361,268</u>	<u>(361,268)</u>	<u>-</u>
Total current assets	<u>76,414,449</u>	<u>15,766,876</u>	<u>92,181,325</u>
<u>Noncurrent assets</u>			
Restricted cash and investments	-	35,616,837	35,616,837
Other assets	-	38,142	38,142
Capital assets:			
Nondepreciable	48,990,871	16,550,916	65,541,787
Depreciable, net of depreciation	<u>175,272,341</u>	<u>94,081,731</u>	<u>269,354,072</u>
Total noncurrent assets	<u>224,263,212</u>	<u>146,287,626</u>	<u>370,550,838</u>
Total assets	<u>300,677,661</u>	<u>162,054,502</u>	<u>462,732,163</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,404,321	509,340	1,913,661
Deferred outflows related to pensions	6,609,670	644,995	7,254,665
Deferred outflows related to OPEB (RHP)	430,829	42,038	472,867
Deferred outflows related to OPEB (SDBF)	<u>42,964</u>	<u>4,196</u>	<u>47,160</u>
Total deferred outflows of resources	<u>8,487,784</u>	<u>1,200,569</u>	<u>9,688,353</u>

CITY OF BURLESON, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

LIABILITIES	Governmental Activities	Business-Type Activities	Total
<u>Current Liabilities</u>			
Accounts payable	\$ 4,007,396	\$ 3,526,071	\$ 7,533,467
Accrued liabilities	2,677,336	72,988	2,750,324
Accrued interest payable	369,995	188,125	558,120
Deposits payable	-	687,724	687,724
Current portion of:			
Bonds payable	7,628,071	4,306,929	11,935,000
Obligations under capital lease	102,621	2,326	104,947
Compensated absences	1,917,666	80,066	1,997,732
Total OPEB liability (RHP)	38,748	3,781	42,529
Total OPEB liability (SDBF)	<u>4,073</u>	<u>398</u>	<u>4,471</u>
Total current liabilities	<u>16,745,906</u>	<u>8,868,408</u>	<u>25,614,314</u>
<u>Noncurrent Liabilities</u>			
Bonds payable	98,237,822	59,093,774	157,331,596
Obligations under capital lease	521,807	-	521,807
Compensated absences	3,264,826	286,960	3,551,786
Net pension liability	20,863,390	2,035,731	22,899,121
Total OPEB liability (RHP)	3,236,310	315,781	3,552,091
Total OPEB liability (SDBF)	<u>620,801</u>	<u>60,573</u>	<u>681,374</u>
Total noncurrent liabilities	<u>126,744,956</u>	<u>61,792,819</u>	<u>188,537,775</u>
Total liabilities	<u>143,490,862</u>	<u>70,661,227</u>	<u>214,152,089</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	51,835	5,058	56,893
Deferred inflows related to OPEB (SDBF)	<u>56,221</u>	<u>5,486</u>	<u>61,707</u>
Total deferred inflows of resources	<u>108,056</u>	<u>10,544</u>	<u>118,600</u>
NET POSITION			
Net investment in capital assets	148,085,539	75,777,424	223,862,963
Restricted for:			
Debt service	2,315,108	5,225,080	7,540,188
Economic development/tourism	10,917,710	-	10,917,710
Unrestricted	<u>4,248,170</u>	<u>11,580,796</u>	<u>15,828,966</u>
Total net position	<u>\$ 165,566,527</u>	<u>\$ 92,583,300</u>	<u>\$ 258,149,827</u>

CITY OF BURLESON, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 8,762,392	\$ 3,337,364	\$ 67,378
Public safety	20,396,702	997,285	402,456
Public works	12,650,861	44,021	20,987
Community development	5,138,466	1,680,690	240,352
Culture and recreation	8,053,419	2,420,846	6,853
Interest and other fees	3,242,540	-	-
Total governmental activities	<u>58,244,380</u>	<u>8,480,206</u>	<u>738,026</u>
Business type activities:			
Water and wastewater	18,910,941	20,759,099	-
Hidden Creek Golf Course	2,194,026	1,296,386	-
Solid waste	3,179,444	3,338,988	-
Cemetery	28,894	10,587	16,442
Total business-type activities	<u>24,313,305</u>	<u>25,405,060</u>	<u>16,442</u>
Total	<u>\$ 82,557,685</u>	<u>\$ 33,885,266</u>	<u>\$ 754,468</u>

General revenues:

Taxes:

 Property

 Tax increment financing

 Sales and use

 Hotel occupancy taxes

Franchise fees based on gross receipts

Unrestricted investment earnings

Gain on sale of capital assets

Transfers between governmental and business-type activities

 Total general revenues and transfers

Change in net position

Net position - beginning

Prior period adjustment

Net position - ending

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$(5,357,650)	\$ -	\$(5,357,650)
-	(18,996,961)	-	(18,996,961)
7,081,536	(5,504,317)	-	(5,504,317)
-	(3,217,424)	-	(3,217,424)
513,600	(5,112,120)	-	(5,112,120)
-	(3,242,540)	-	(3,242,540)
<u>7,595,136</u>	<u>(41,431,012)</u>	<u>-</u>	<u>(41,431,012)</u>
3,512,382	-	5,360,540	5,360,540
-	-	(897,640)	(897,640)
-	-	159,544	159,544
-	-	(1,865)	(1,865)
<u>3,512,382</u>	<u>-</u>	<u>4,620,579</u>	<u>4,620,579</u>
\$ <u>11,107,518</u>	<u>(41,431,012)</u>	<u>4,620,579</u>	<u>(36,810,433)</u>
	26,785,864	-	26,785,864
	683,559	-	683,559
	19,660,908	-	19,660,908
	237,665	-	237,665
	3,383,906	-	3,383,906
	1,772,832	1,114,808	2,887,640
	105,767	41,100	146,867
	(780,753)	780,753	-
	<u>51,849,748</u>	<u>1,936,661</u>	<u>53,786,409</u>
	10,418,736	6,557,240	16,975,976
	154,224,269	86,026,060	240,250,329
	<u>923,522</u>	<u>-</u>	<u>923,522</u>
	\$ <u>165,566,527</u>	\$ <u>92,583,300</u>	\$ <u>258,149,827</u>

CITY OF BURLESON, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

	Major Funds		
	General	BCSDC Special Revenue	4A Corp Special Revenue
ASSETS			
Cash and investments	\$ 11,155,444	\$ 2,494,794	\$ 5,162,684
Receivables:			
Taxes, net	28,444	-	-
Accounts	1,160,675	1,616	-
Due from other funds	231,009	-	-
Due from other governmental units	1,623,134	814,652	814,652
Accrued interest	9,526	-	-
Inventories	-	-	-
Prepaid items	14,977	-	-
Total Assets	<u>\$ 14,223,209</u>	<u>\$ 3,311,062</u>	<u>\$ 5,977,336</u>
LIABILITIES			
Accounts payable	\$ 887,074	\$ -	\$ 556,806
Accrued liabilities	1,110,535	-	5,235
Total Liabilities	<u>1,997,609</u>	<u>-</u>	<u>562,041</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - mowing liens	65,256	-	-
Unavailable revenue - franchise fees	441,116	-	-
Total Deferred Inflows of Resources	<u>506,372</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
Inventory	-	-	-
Prepaid items	14,977	-	-
Restricted:			
Debt service	-	-	-
Culture and recreation	-	-	-
Economic development	-	3,311,062	5,415,295
Tourism	-	-	-
Capital projects	-	-	-
Committed:			
Culture and recreation	-	-	-
Economic development	-	-	-
Capital projects	-	-	-
Debt service	622,908	-	-
Other purposes	320,191	-	-
Assigned:			
Risk management	1,369,818	-	-
Unassigned	9,391,334	-	-
Total Fund Balances	<u>11,719,228</u>	<u>3,311,062</u>	<u>5,415,295</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 14,223,209</u>	 <u>\$ 3,311,062</u>	 <u>\$ 5,977,336</u>

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

Major Funds					
Parks Performance	Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	General Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 1,123,611	\$ 30,881,583	\$ 1,586,634	\$ 492,073	\$ 12,231,562	\$ 65,128,385
-	-	-	34,985	62,389	125,818
35,664	25,681	-	-	230,692	1,454,328
-	-	-	-	-	231,009
-	-	-	-	46,557	3,298,995
715	232	1,058	-	5,174	16,705
1,620	-	-	-	-	1,620
-	-	-	-	-	14,977
<u>\$ 1,161,610</u>	<u>\$ 30,907,496</u>	<u>\$ 1,587,692</u>	<u>\$ 527,058</u>	<u>\$ 12,576,374</u>	<u>\$ 70,271,837</u>
\$ 121,200	\$ 1,999,169	\$ 2,179	\$ 576	\$ 368,447	\$ 3,935,451
56,905	-	-	-	1,474,788	2,647,463
<u>178,105</u>	<u>1,999,169</u>	<u>2,179</u>	<u>576</u>	<u>1,843,235</u>	<u>6,582,914</u>
-	-	-	-	-	65,256
-	-	-	-	-	441,116
-	-	-	-	-	506,372
1,620	-	-	-	-	1,620
-	-	-	-	-	14,977
-	-	-	526,482	1,788,626	2,315,108
-	-	-	-	1,924	1,924
-	-	-	-	1,420,835	10,147,192
-	-	-	-	770,518	770,518
-	28,908,327	-	-	-	28,908,327
981,885	-	-	-	-	981,885
-	-	-	-	73,618	73,618
-	-	1,585,513	-	6,677,618	8,263,131
-	-	-	-	-	622,908
-	-	-	-	-	320,191
-	-	-	-	-	1,369,818
-	-	-	-	-	9,391,334
<u>983,505</u>	<u>28,908,327</u>	<u>1,585,513</u>	<u>526,482</u>	<u>10,733,139</u>	<u>63,182,551</u>
<u>\$ 1,161,610</u>	<u>\$ 30,907,496</u>	<u>\$ 1,587,692</u>	<u>\$ 527,058</u>	<u>\$ 12,576,374</u>	<u>\$ 70,271,837</u>

CITY OF BURLESON, TEXAS

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

SEPTEMBER 30, 2019

Total fund balances - governmental funds	\$ 63,182,551
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	220,597,277
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Internal service funds are used by the City's management for equipment maintenance and vehicle replacement. The assets and liabilities of certain internal service funds are included with governmental activities in the Statement of Net Position but are not included at the fund level.	8,794,882
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Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	506,372
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Long-term liabilities and related balance sheet items are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds payable	(105,865,893)	
Deferred charge on refunding	1,404,321	
Obligation under capital lease (net of ISF of \$1,519)	(622,909)	
Accrued interest payable	(369,995)	
Compensated absences (net of ISF of \$230,311)	(4,952,181)	
Net pension liability (net of ISF of \$796,890)	(20,066,500)	
Deferred outflows related to pensions (net of ISF of \$100,838)	6,357,804	
Deferred inflows related to pensions (net of ISF of \$1,980)	(49,855)	
Total RHP OPEB liability (net of ISF of \$125,093)	(3,149,965)	
Deferred outflows related to RHP OPEB (net of ISF of \$16,455)	414,374	
Total SDBF OPEB liability (net of ISF of \$23,868)	(601,006)	
Deferred outflows related to SDBF OPEB (net of ISF of \$1,640)	41,324	
Deferred inflows related to SDBF OPEB (net of ISF of \$2,147)	(54,074)	
Combined adjustment		(127,514,555)

Total net position - governmental activities	\$ <u>165,566,527</u>
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CITY OF BURLESON, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Major Funds		
	General	BCSDC Special Revenue	4A Corp Special Revenue
REVENUES			
Property taxes	\$ 19,072,872	\$ -	\$ -
Sales and use taxes	9,643,712	4,878,596	4,878,596
Hotel occupancy taxes	-	-	-
Franchise fees	3,289,676	-	-
Charges for services	2,092,833	-	-
Licenses and permits	1,408,566	-	-
Intergovernmental	399,654	-	-
Fines	810,138	-	-
Contributions and donations	-	-	-
Investment earnings	343,843	71,776	103,627
Mineral lease	-	-	-
Street assessments	-	-	-
Miscellaneous	<u>1,441,631</u>	<u>-</u>	<u>184,082</u>
Total Revenues	<u>38,502,925</u>	<u>4,950,372</u>	<u>5,166,305</u>
EXPENDITURES			
Current:			
General government	8,031,338	-	-
Public safety	17,864,724	-	-
Public works	6,685,344	-	-
Community development	1,014,214	3,502	2,973,743
Culture and recreation	3,387,069	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	179,952	-	-
Interest and fiscal agent charges	30,885	-	-
Debt issuance costs	-	-	-
Total Expenditures	<u>37,193,526</u>	<u>3,502</u>	<u>2,973,743</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,309,399	4,946,870	2,192,562
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Premium on debt issuance	-	-	-
Transfers in	714,000	-	-
Transfers out	<u>(314,602)</u>	<u>(5,112,231)</u>	<u>(2,098,256)</u>
Total Other Financing Sources (Uses)	<u>399,398</u>	<u>(5,112,231)</u>	<u>(2,098,256)</u>
NET CHANGE IN FUND BALANCE	1,708,797	(165,361)	94,306
FUND BALANCE, BEGINNING	10,010,431	3,476,423	5,320,989
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 11,719,228</u>	<u>\$ 3,311,062</u>	<u>\$ 5,415,295</u>

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

Major Funds					
Parks Performance	Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	General Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 6,724,297	\$ 1,672,254	\$ 27,469,423
-	-	-	-	260,004	19,660,908
-	-	-	-	217,630	217,630
-	-	-	-	63,878	3,353,554
2,098,452	-	-	-	-	4,191,285
-	-	-	-	-	1,408,566
-	-	-	-	136,230	535,884
-	-	-	-	306,159	1,116,297
-	25,267	-	-	834,562	859,829
27,452	707,679	43,925	-	236,851	1,535,153
-	-	274,053	-	-	274,053
-	-	-	-	686,010	686,010
5,106	-	-	-	5,180	1,635,999
<u>2,131,010</u>	<u>732,946</u>	<u>317,978</u>	<u>6,724,297</u>	<u>4,418,758</u>	<u>62,944,591</u>
-	-	-	-	102,399	8,133,737
-	-	-	-	439,665	18,304,389
-	-	-	-	25,963	6,711,307
-	-	-	-	1,198,151	5,189,610
3,459,609	-	122,852	-	230,545	7,200,075
-	6,945,270	128,975	-	2,499,832	9,574,077
-	-	-	4,210,846	2,879,655	7,270,453
-	-	-	2,922,187	993,532	3,946,604
-	123,526	-	-	-	123,526
<u>3,459,609</u>	<u>7,068,796</u>	<u>251,827</u>	<u>7,133,033</u>	<u>8,369,742</u>	<u>66,453,778</u>
(1,328,599)	(6,335,850)	66,151	(408,736)	(3,950,984)	(3,509,187)
-	7,415,000	-	-	-	7,415,000
-	727,114	-	-	-	727,114
1,434,752	-	-	83	6,601,865	8,750,700
-	(1,740)	-	-	(1,912,624)	(9,439,453)
<u>1,434,752</u>	<u>8,140,374</u>	<u>-</u>	<u>83</u>	<u>4,689,241</u>	<u>7,453,361</u>
106,153	1,804,524	66,151	(408,653)	738,257	3,944,174
877,352	27,103,803	1,519,362	935,135	9,071,360	58,314,855
-	-	-	-	923,522	923,522
<u>\$ 983,505</u>	<u>\$ 28,908,327</u>	<u>\$ 1,585,513</u>	<u>\$ 526,482</u>	<u>\$ 10,733,139</u>	<u>\$ 63,182,551</u>

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, 2019

Net change in fund balances - total governmental funds	\$ 3,944,174
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	10,918,936	
Depreciation (net of internal service funds)	<u>(9,016,258)</u>	
Combined adjustment		1,902,678

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is reported with governmental activities.	6,053,699
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	32,920
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(1,761,349)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	(8,142,114)
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Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	7,971,326
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Internal service funds are used by management to charge the costs of certain activities, such as equipment maintenance and vehicle replacement, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	<u>417,402</u>
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Change in net position of governmental activities	\$ <u>10,418,736</u>
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CITY OF BURLESON, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

SEPTEMBER 30, 2019

	Business-Type Activities Enterprise Funds	
	Water & Wastewater	Hidden Creek Golf Course
ASSETS		
Current assets:		
Deposits and investments	\$ 6,911,169	\$ -
Receivables:		
Accounts	2,950,927	-
Accrued interest	6,842	28
Inventories	456,115	46,954
Land held for sale of cemetery lots	-	-
Total current assets	<u>10,325,053</u>	<u>46,982</u>
Noncurrent assets:		
Restricted deposits and investments	35,533,992	82,845
Other assets	38,142	-
Capital assets, net	<u>106,542,515</u>	<u>2,682,984</u>
Total noncurrent assets	<u>142,114,649</u>	<u>2,765,829</u>
Total assets	<u>152,439,702</u>	<u>2,812,811</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	459,243	50,097
Deferred outflows related to pensions	387,432	257,563
Deferred outflows related to OPEB (RHP)	25,251	16,787
Deferred outflows related to OPEB (SDBF)	<u>2,520</u>	<u>1,676</u>
Total deferred outflows of resources	<u>874,446</u>	<u>326,123</u>

Business-Type Activities Enterprise Funds			Internal Service Funds
Solid Waste	Non-major	Total	
\$ 1,799,131	\$ 1,586,245	\$ 10,296,545	\$ 7,577,554
480,717	2,926	3,434,570	223,531
1,133	722	8,725	4,976
-	-	503,069	23,948
-	67,579	67,579	-
<u>2,280,981</u>	<u>1,657,472</u>	<u>14,310,488</u>	<u>7,830,009</u>
-	-	35,616,837	-
-	-	38,142	-
<u>22,240</u>	<u>172,047</u>	<u>109,419,786</u>	<u>4,878,796</u>
<u>22,240</u>	<u>172,047</u>	<u>145,074,765</u>	<u>4,878,796</u>
<u>2,303,221</u>	<u>1,829,519</u>	<u>159,385,253</u>	<u>12,708,805</u>
-	-	509,340	-
-	-	644,995	251,866
-	-	42,038	16,455
-	-	4,196	1,640
<u>-</u>	<u>-</u>	<u>1,200,569</u>	<u>269,961</u>

CITY OF BURLESON, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2019

	Business-Type Activities Enterprise Funds	
	Water & Wastewater	Hidden Creek Golf Course
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 3,187,843	\$ 58,482
Accrued liabilities	41,888	29,881
Accrued interest payable	181,531	6,594
Customer deposits	670,135	-
Due to other funds	-	231,009
Total OPEB liability (RHP)	2,271	1,510
Total OPEB liability (SDBF)	239	159
Compensated absences	12,222	67,844
Current portion of bonds payable	4,015,000	291,929
Current portion of capital lease payable	997	1,329
Total current liabilities	8,112,126	688,737
Noncurrent liabilities:		
Revenue bonds payable	57,301,946	1,791,828
Net pension liability	1,222,813	812,918
Total OPEB liability (RHP)	189,682	126,099
Total OPEB liability (SDBF)	36,385	24,188
Compensated absences	33,447	253,513
Total noncurrent liabilities	58,784,273	3,008,546
Total liabilities	66,896,399	3,697,283
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	3,038	2,020
Deferred inflows related to OPEB (SDBF)	3,295	2,191
Total deferred inflows of resources	6,333	4,211
NET POSITION		
Net investment in capital assets	73,722,281	647,995
Restricted for debt service	5,148,829	76,251
Unrestricted	7,540,306	(1,286,806)
Total net position	\$ 86,411,416	\$(562,560)

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

Business-Type Activities Enterprise Funds			Internal Service Funds
Solid Waste	Non-major	Total	
\$ 278,456	\$ 1,290	\$ 3,526,071	\$ 71,945
1,219	-	72,988	29,873
-	-	188,125	-
-	17,589	687,724	-
-	-	231,009	-
-	-	3,781	1,480
-	-	398	155
-	-	80,066	75,183
-	-	4,306,929	-
-	-	2,326	1,519
<u>279,675</u>	<u>18,879</u>	<u>9,099,417</u>	<u>180,155</u>
-	-	59,093,774	-
-	-	2,035,731	796,890
-	-	315,781	123,613
-	-	60,573	23,713
-	-	286,960	155,128
-	-	61,792,819	1,099,344
<u>279,675</u>	<u>18,879</u>	<u>70,892,236</u>	<u>1,279,499</u>
-	-	5,058	1,980
-	-	5,486	2,147
-	-	10,544	4,127
22,240	172,047	74,564,563	4,877,277
-	-	5,225,080	-
<u>2,001,306</u>	<u>1,638,593</u>	<u>9,893,399</u>	<u>6,817,863</u>
\$ <u>2,023,546</u>	\$ <u>1,810,640</u>	\$ <u>89,683,042</u>	\$ <u>11,695,140</u>
		3,030,517	
		(130,259)	
		\$ <u>92,583,300</u>	

CITY OF BURLESON, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - ALL PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities Enterprise Funds	
	Water & Wastewater	Hidden Creek Golf Course
Operating revenues:		
Charges for goods and services	\$ 20,232,076	\$ 1,296,386
Penalties and interest	406,920	-
Miscellaneous	120,103	-
Impact fees	1,292,372	-
Mineral lease	-	-
Total operating revenues	22,051,471	1,296,386
Operating expenses:		
Water and wastewater services	12,420,635	-
Cost of golf operations	-	2,056,623
Cost of collecting revenues and other administrative expenses	2,084,079	-
Cost of cemetery operations	-	-
Cost of solid waste operations	-	-
Cost of equipment services	-	-
Materials, supplies, and cemetery lots	-	-
Depreciation	2,553,707	91,818
Total operating expenses	17,058,421	2,148,441
Operating income (loss)	4,993,050	(852,055)
Non-operating revenues (expenses):		
Gain (loss) on disposition of capital assets	10	3,280
Investment earnings	979,012	1,242
Interest and fiscal agent charges	(1,931,295)	(66,456)
Total non-operating revenues	(952,273)	(61,934)
Income (loss) before capital contributions and transfers	4,040,777	(913,989)
Transfers in	-	1,000,116
Transfers out	(714,000)	-
Capital contributions	2,220,010	-
Change in net position	5,546,787	86,127
Net position at beginning of year	80,864,629	(648,687)
Net position at end of year	\$ 86,411,416	\$(562,560)

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

Business-Type Activities Enterprise Funds			Governmental Activities
Solid Waste	Non-Major	Total	Internal Service Fund
\$ 3,338,988	\$ 10,587	\$ 24,878,037	\$ 4,107,342
-	-	406,920	-
-	-	120,103	-
-	-	1,292,372	-
-	16,442	16,442	-
<u>3,338,988</u>	<u>27,029</u>	<u>26,713,874</u>	<u>4,107,342</u>
-	-	12,420,635	-
-	-	2,056,623	-
-	-	2,084,079	1,391,472
-	17,970	17,970	-
3,179,773	-	3,179,773	-
-	-	-	1,017,242
-	299	299	-
<u>1,945</u>	<u>10,625</u>	<u>2,658,095</u>	<u>1,357,737</u>
<u>3,181,718</u>	<u>28,894</u>	<u>22,417,474</u>	<u>3,766,451</u>
<u>157,270</u>	<u>(1,865)</u>	<u>4,296,400</u>	<u>340,891</u>
-	-	3,290	143,577
48,758	30,355	1,059,367	220,239
-	-	(1,997,751)	(133)
<u>48,758</u>	<u>30,355</u>	<u>(935,094)</u>	<u>363,683</u>
<u>206,028</u>	<u>28,490</u>	<u>3,361,306</u>	<u>704,574</u>
-	494,637	1,494,753	34,000
-	-	(714,000)	(126,000)
-	-	2,220,010	-
206,028	523,127	6,362,069	612,574
<u>1,817,518</u>	<u>1,287,513</u>	<u>83,320,973</u>	<u>11,082,566</u>
\$ <u>2,023,546</u>	\$ <u>1,810,640</u>	\$ <u>89,683,042</u>	\$ <u>11,695,140</u>

Adjustment to reflect the consolidation of internal
service fund activities related to enterprise funds 195,171

Change in net position of business-type activities \$ 6,557,240

CITY OF BURLESON, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities Enterprise Funds	
	Water & Wastewater	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 21,666,429	\$ 1,296,893
Refunds of customer deposits	(42,798)	-
Receipts from interfund services provided	-	-
Payments to suppliers and service providers	(8,328,060)	(688,985)
Payments to employees for salaries and benefits	(1,760,848)	(1,242,805)
Payments to other funds for services provided	(2,318,945)	(8,510)
Other receipts	-	-
Net cash provided by (used for) operating activities	9,215,778	(643,407)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments from other funds	-	1,000,116
Payments to other funds	(714,000)	-
Net cash provided by (used for) noncapital financing activities	(714,000)	1,000,116
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from sale of capital assets	10	3,280
Principal paid on capital lease	(1,467)	(1,955)
Interest paid on capital lease	(87)	(117)
Principal paid on bonds	(4,134,500)	(291,929)
Interest payments on bonds	(1,618,370)	(67,240)
Proceeds of bond issuance	4,470,000	-
Acquisition of capital assets	(3,170,081)	-
Net cash provided by (used for) capital and related financial activities	(4,454,495)	(357,961)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	980,464	1,252
Net cash provided by investing activities	980,464	1,252
 Net increase (decrease) in cash and cash equivalents	5,027,747	-
 Cash and cash equivalents - beginning of year (including \$26,422,958 reported in restricted accounts)	37,417,414	82,845
 Cash and cash equivalents - end of year (including \$35,616,837 reported in restricted accounts)	\$ 42,445,161	\$ 82,845

Business-Type Activities Enterprise Funds			Governmental Activities
Solid Waste	Non-Major	Total Enterprise Funds	Internal Service Funds
\$ 3,415,433	\$ 10,590	\$ 26,389,345	\$ -
-	-	(42,798)	-
-	-	-	3,884,874
(3,137,000)	(16,683)	(12,170,728)	(1,024,235)
(24,796)	-	(3,028,449)	(1,323,657)
-	-	(2,327,455)	-
-	16,442	16,442	-
<u>253,637</u>	<u>10,349</u>	<u>8,836,357</u>	<u>1,536,982</u>
-	494,637	1,494,753	(92,000)
-	-	(714,000)	-
-	<u>494,637</u>	<u>780,753</u>	<u>(92,000)</u>
-	-	3,290	143,577
-	-	(3,422)	(2,235)
-	-	(204)	(133)
-	-	(4,426,429)	-
-	-	(1,685,610)	-
-	-	4,470,000	-
-	-	(3,170,081)	(1,680,001)
-	-	(4,812,456)	(1,538,792)
<u>48,960</u>	<u>30,976</u>	<u>1,061,652</u>	<u>221,959</u>
<u>48,960</u>	<u>30,976</u>	<u>1,061,652</u>	<u>221,959</u>
302,597	535,962	5,866,306	128,149
<u>1,496,534</u>	<u>1,050,283</u>	<u>40,047,076</u>	<u>7,449,405</u>
\$ <u>1,799,131</u>	\$ <u>1,586,245</u>	\$ <u>45,913,382</u>	\$ <u>7,577,554</u>

CITY OF BURLESON, TEXAS

STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities Enterprise Funds	
	Water & Wastewater	Golf Course
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 4,993,050	\$(852,055)
Depreciation	2,553,707	91,818
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(385,042)	507
(Increase) decrease in inventories	36,040	3,058
(Increase) decrease in deferred outflows related to pension	(232,499)	(154,647)
(Increase) decrease in deferred outflows related to OPEB	2,266	1,489
Increase (decrease) in accounts payable	1,949,902	29,365
Increase (decrease) in accrued liabilities	15,163	1,518
Increase (decrease) in deposits payable	(42,798)	-
Increase (decrease) in due to other funds	-	(8,510)
Increase (decrease) in compensated absences	6,046	27,983
Increase (decrease) in net pension liability and total OPEB liability	431,937	290,456
Increase (decrease) in deferred inflows related to pension	(115,289)	(76,580)
Increase (decrease) in deferred inflows related to OPEB	3,295	2,191
Net cash provided (used) by operating activities	9,215,778	(643,407)
Noncash capital and related financing activities:		
Contributions from developers	2,220,010	-
Total noncash capital and related financing activities	\$ 2,220,010	\$ -

Business-Type Activities Enterprise Funds			Governmental Activities	
Solid Waste	Non-Major	Total Enterprise Funds	Internal Service Funds	
\$ 157,270	\$ (1,865)	\$ 4,296,400	\$ 340,891	
1,945	10,625	2,658,095	1,357,737	
76,445	3	(308,087)	(222,468)	
-	296	39,394	3,545	
-	-	(387,146)	(151,028)	
-	-	3,755	1,454	
16,758	1,290	1,997,315	(10,538)	
1,219	-	17,900	7,196	
-	-	(42,798)	-	
-	-	(8,510)	-	
-	-	34,029	2,068	
-	-	722,393	279,629	
-	-	(191,869)	(75,032)	
-	-	5,486	3,528	
<u>253,637</u>	<u>10,349</u>	<u>8,836,357</u>	<u>1,536,982</u>	
-	-	<u>2,220,010</u>	-	
\$ -	\$ -	\$ <u>2,220,010</u>	\$ -	

CITY OF BURLESON, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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 ("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 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 substantively the same as the City Council. 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 substantively the same as the City Council. Separate financial statements for the 4A Corporation are not available.

Tax Increment Finance Reinvestment Zone Number Two (TIF 2) 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 substantively the same as the City Council. Separate financial statements for TIF 2 are not available.

Tax Increment Finance Reinvestment Zone Number Three (TIF 3) 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 substantively the same as the City Council. Separate financial statements for TIF 3 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 Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City 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 taxes, franchise fees, sales taxes, 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The **BCSDC Special Revenue Fund** is used to account for the half cent sales tax collected to fund the activities of Burleson Community Services 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 Burselson 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, is used to account for the operations of the City's cemetery.

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 interfund 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.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. **Deposits and Investments** – Substantially all operating deposits and investments are maintained in pooled deposit 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, 2019, the City did not own any types of securities other than those permitted by state law.

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

Advances between funds, as reported in the fund financial statements are offset by a nonspendable fund balance 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 uncollectible receivables. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectible 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.

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 2019 levy was based, was approximately \$3,781,828,300. 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, 2019 was \$0.73500 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. Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.
5. 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.
6. 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 expensed. A capitalization threshold of \$5,000 is used for all capital assets. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives.

Buildings	30 -50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years
Water 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.

7. 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.

8. Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of 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.
9. Other Post-Employment Benefits

TMRS Supplemental Death Benefits Fund. The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single-employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. For purposes of measuring the total TMRS SDBF OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City’s total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City’s total OPEB liability is obtained from a report prepared by a consulting actuary.

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 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 refunding – 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 and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
 - Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
 - Difference in expected and actual economic experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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 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 the following types of items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in expected and actual economic experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

11. Net position flow assumption – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

12. Fund balance flow assumptions – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Fund Balance Policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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 committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

It is the goal of the City that unassigned fund balance of the General Fund should be at least 20% of General Fund annual expenditures. This percentage is the equivalent of 73 days of 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. At September 30, 2019, the General Fund unassigned fund balance equated to 92 days of expenditures.

E. Revenues and expenditures/expenses

1. Program revenues – Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.
2. Proprietary funds operating and nonoperating revenues and expenses – 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 enterprise funds and 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.

F. 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 the General Fund, debt service funds and all special revenue funds except for the Grants Fund, the TIF Fund and the Other Special Revenue Fund. Budgetary data for capital projects funds is 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, 2019, expenditures exceeded appropriations in the following:

<u>Fund/Department</u>	<u>Excess of Expenditures Over Appropriations</u>
General Fund:	
General government:	
Legal	\$ 79,836
Communications	22,584
Judicial	8,548
Finance	5,855
Public safety:	
Police	186,936
Fire prevention	1,359
Animal services	1,505
Municipal court	28,011
Public works:	
Public works administration	9,259
Neighborhood services:	
Neighborhood services	22,968
Planning and engineering services:	
Community Development	9,587
Engineering/capital	70,731
Gas well development	19,723
Culture and recreation:	
Recreation	2,253

These excess expenditures were funded by revenues in excess of expenditures in other departments or by available fund balance.

G. Accounting Pronouncements

During fiscal year 2019, the City adopted the following Governmental Accounting Standards Board ("GASB") Statements:

Statement No. 83 ("GASB 83"), *Certain Asset Retirement Obligations* is effective for reporting periods beginning after June 15, 2018. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.

Statement No. 88 ("GASB 88"), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* is effective for reporting periods beginning after June 15, 2018. The objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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

Statement No. 84 ("GASB 84"), *Fiduciary Activities* is effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Statement No. 87 ("GASB 87"), *Leases* is effective for reporting periods beginning after December 15, 2019. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Statement No. 89 ("GASB 89"), *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for reporting periods beginning after December 15, 2019. The objectives of this statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Statement No. 90 ("GASB 90"), *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61* is effective for reporting periods beginning after December 15, 2018. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Statement No. 91 ("GASB 91"), *Conduit Debt Obligations* is effective for reporting periods beginning after December 15, 2020. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Statement No. 92 ("GASB 92"), *Omnibus 2020* is generally effective for reporting periods beginning after June 15, 2020. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

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

H. Deficit Net Position

At September 30, 2019, the Hidden Creek Golf Course Fund had an accumulated deficit of \$562,560. This deficit will be eliminated as resources are obtained (e.g., from revenues or transfers in).

I. 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

A. Cash deposits with financial institutions

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 – Deposits. 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 FDIC insurance.

At September 30, 2019, the carrying amount of the City's deposits was \$2,512,940. 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.

B. Investments

In accordance with the Texas Public Funds Investment Act and the City's 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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles, which provides a framework for measuring fair value by establishing a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Of the City's investments, \$3,502,275 was valued using an option-adjusted discount cash flow model and \$1,001,675 was valued using documented trade history in the exact security.

As of September 30, 2019, the City had the following cash and investments:

	9/30/2019	Fair Value Measurement Using			Percent of Total Investment Portfolio	Weighted Average Maturity (Days)
		(Level 1)	(Level 2)	(Level 3)		
Cash	\$ 2,512,490					
Investments measured at net asset value per share:						
Investment pools:						
TexPool	16,361,079				14.1%	38
TexPool Prime	9,491,416				8.2%	31
TexStar	6,965,807				6.0%	20
LOGIC	74,043,377				63.8%	49
Lone Star	4,741,202				4.1%	33
Investments by fair value level:						
Debt securities:						
FHLB	\$ 2,000,050	\$ -	\$ 2,000,050	\$ -	1.7%	262
FHLMC	<u>2,503,900</u>	<u>-</u>	<u>2,503,900</u>	<u>-</u>	2.2%	1157
Total investments	<u>116,106,831</u>	<u>-</u>	<u>4,503,950</u>	<u>-</u>		
Total cash and investments	\$ <u>118,619,321</u>	\$ <u>-</u>	\$ <u>4,503,950</u>	\$ <u>-</u>		

Portfolio weighted average maturity (days)

71

Investment Pools

Investment pools are not categorized as to investment risk since specific securities relating to the City cannot be identified. Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accountants. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

Under the LOGIC Participation Agreement, administrative and investment services to LOGIC are provided by Hilltop Securities, Inc. and JP Morgan Asset Management, Inc. as co-administrators. The administrators settle all trades for LOGIC and secure and value its assets every day. The fair value of the City's position in these pools is the same as the value of the pool shares.

The City's investment pools each have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the City'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.

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'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'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 primary dealers (as defined by the Federal Reserve) and Texas banks.

The City's adopted Investment Policy restricts investment in SEC registered money market mutual funds striving to maintain a \$1 net asset value as 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. As of September 30, 2019, the City's investments in investment pools were all rated AAAM by Standard & Poor's.

As of September 30, 2019, the City's investments in U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by FNMA, FHLB, FHLMC, FFCB, and the SLMA) were rated AA by Standard and Poor's.

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 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 issuer, or a specific class of securities.

Custodial Risk

To control custody and safekeeping risk, State law and the City'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 counterparty of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

C. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of September 30, 2019 for the City's individual major funds, and non-major funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	Governmental Activities								
	General	BCSDC Special Revenue	4A Corp Special Revenue	Parks Performance	Bond Funded Capital Projects	Mineral Lease Funded Capital Projects	General Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Receivables:									
Taxes	\$ 501,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,921	\$ 90,606	\$ 630,940
Accounts	1,160,675	1,616	-	35,664	25,681	-	-	230,692	1,454,328
Intergovernmental	1,623,134	814,652	814,652	-	-	-	-	46,557	3,298,995
Interest	9,526	-	-	715	232	1,058	-	5,174	16,705
Gross receivables	<u>3,294,748</u>	<u>816,268</u>	<u>814,652</u>	<u>36,379</u>	<u>25,913</u>	<u>1,058</u>	<u>38,921</u>	<u>373,029</u>	<u>5,400,968</u>
Less: allowance for uncollectibles	(472,969)	-	-	-	-	-	(3,936)	(28,217)	(505,122)
Net total receivables	<u>\$ 2,821,779</u>	<u>\$ 816,268</u>	<u>\$ 814,652</u>	<u>\$ 36,379</u>	<u>\$ 25,913</u>	<u>\$ 1,058</u>	<u>\$ 34,985</u>	<u>\$ 344,812</u>	<u>\$ 4,895,846</u>
Deferred inflows of resources:									
Mowing liens	\$ 65,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,256
Franchise fees	441,116	-	-	-	-	-	-	-	441,116
Total deferred inflows	<u>\$ 506,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,372</u>

	Business-type Activities				
	Water and Wastewater	Golf Course	Solid Waste	Non-major	Enterprise Funds Total
Receivables:					
Accounts	\$ 1,770,094	\$ -	\$ 286,937	\$ 5,946	\$ 2,062,977
Unbilled	1,186,430	-	195,273	-	1,381,703
Interest	6,842	28	1,133	722	8,725
Gross receivables	<u>2,963,366</u>	<u>28</u>	<u>483,343</u>	<u>6,668</u>	<u>3,453,405</u>
Less: Allowance for uncollectibles	(5,597)	-	(1,493)	(3,020)	(10,110)
Net total receivables	<u>\$ 2,957,769</u>	<u>\$ 28</u>	<u>\$ 481,850</u>	<u>\$ 3,648</u>	<u>\$ 3,443,295</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Transfers/ Additions	Transfers/ Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 30,927,911	\$ 1,315,293	\$ -	\$ 32,243,204
Construction in progress	15,180,506	8,682,117	(7,159,956)	16,702,667
Historical/Artwork collections	45,000	-	-	45,000
Total capital assets not being depreciated	<u>46,153,417</u>	<u>9,997,410</u>	<u>(7,159,956)</u>	<u>48,990,871</u>
Capital assets being depreciated:				
Buildings and improvements	49,065,526	106,022	-	49,171,548
Improvements other than buildings	35,362,636	5,438,518	-	40,801,154
Infrastructure	158,621,055	6,517,308	-	165,138,363
Vehicles	8,578,332	1,170,808	(1,040,534)	8,708,606
Machinery and equipment	15,385,043	1,053,808	(160,834)	16,278,017
Total capital assets being depreciated	<u>267,012,592</u>	<u>14,286,464</u>	<u>(1,201,368)</u>	<u>280,097,688</u>
Less accumulated depreciation for:				
Buildings	(9,637,997)	(986,090)	-	(10,624,087)
Improvements other than buildings	(10,568,436)	(1,494,148)	-	(12,062,584)
Infrastructure	(60,620,261)	(4,644,334)	-	(65,264,595)
Vehicles	(5,006,568)	(866,514)	902,784	(4,970,298)
Machinery and equipment	(11,040,990)	(1,019,283)	156,490	(11,903,783)
Total accumulated depreciation	<u>(96,874,252)</u>	<u>(9,010,369)</u>	<u>1,059,274</u>	<u>(104,825,347)</u>
Total capital assets being depreciated, net	<u>170,138,340</u>	<u>5,276,095</u>	<u>(142,094)</u>	<u>175,272,341</u>
Governmental activities capital assets, net	<u>\$ 216,291,757</u>	<u>\$ 15,273,505</u>	<u>\$ (7,302,050)</u>	<u>\$ 224,263,212</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,276,856	\$ 881	\$ -	\$ 5,277,737
Construction in progress	10,128,989	3,116,084	(1,971,894)	11,273,179
Total capital assets not being depreciated	<u>15,405,845</u>	<u>3,116,965</u>	<u>(1,971,894)</u>	<u>16,550,916</u>
Capital assets being depreciated:				
Water systems	59,947,429	2,609,775	-	62,557,204
Wastewater systems	54,624,936	1,018,560	-	55,643,496
Infrastructure	30,524	-	-	30,524
Buildings and improvements	6,830,606	601,344	-	7,431,950
Machinery and equipment	880,265	-	-	880,265
Vehicles	2,709,688	563,430	(175,045)	3,098,073
Intangible assets	3,047,865	-	-	3,047,865
Capitalized interest	895,963	-	-	895,963
Total capital assets being depreciated	<u>128,967,276</u>	<u>4,793,109</u>	<u>(175,045)</u>	<u>133,585,340</u>
Less accumulated depreciation for:				
Water systems	(16,603,916)	(1,273,498)	-	(17,877,414)
Wastewater systems	(12,219,109)	(1,106,593)	-	(13,325,702)
Infrastructure	(25,640)	(3,052)	-	(28,692)
Buildings and improvements	(3,675,408)	(174,203)	-	(3,849,611)
Machinery and equipment	(820,842)	(21,420)	-	(842,262)
Vehicles	(1,809,902)	(233,853)	158,544	(1,885,211)
Intangible assets	(1,430,171)	(60,067)	-	(1,490,238)
Capitalized interest	(185,216)	(19,263)	-	(204,479)
Total accumulated depreciation	<u>(36,770,204)</u>	<u>(2,891,949)</u>	<u>158,544</u>	<u>(39,503,609)</u>
Total capital assets being depreciated, net	<u>92,197,072</u>	<u>1,901,160</u>	<u>(16,501)</u>	<u>94,081,731</u>
Business-type activities capital assets, net	<u>\$ 107,602,917</u>	<u>\$ 5,018,125</u>	<u>\$ (1,988,395)</u>	<u>\$ 110,632,647</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. The net value of capital assets in the Proprietary Vehicle Replacement fund is \$1,212,861 and is included in the above schedule.

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 236,328
Public safety	1,401,848
Public works, which includes the depreciation of general infrastructure assets	6,251,649
Culture and recreation	<u>1,120,544</u>
Total governmental activities depreciation	<u>\$ 9,010,369</u>
Business-type activities:	
Water and wastewater	\$ 2,553,707
Golf course	91,818
Solid waste disposal and collection	1,945
Cemetery	10,625
Vehicle replacement fund	<u>233,854</u>
Total business-type activities depreciation	<u>\$ 2,891,949</u>

E. CAPITAL LEASES

In a prior year, 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 included lighting and controls, water conservation, HVAC improvements, and power management. Costs associated with this lease were to be partially covered by utility savings that were guaranteed by JCI through the energy efficiency contract.

In a prior year, the City entered into a lease agreement as lessee for financing the acquisition of a fire truck for the fire department.

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 the long-term debt note for the future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019.

The assets acquired through these capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Machinery and equipment	\$ 1,507,708	\$ 107,677
Infrastructure	592,423	30,524
Less: Accumulated depreciation	<u>(1,178,983)</u>	<u>(136,370)</u>
Total	<u>\$ 921,148</u>	<u>\$ 1,831</u>

F. INTERFUND BALANCES AND TRANSACTIONS

1. Interfund Receivables/Payables

The composition of interfund balances as of September 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General Fund	Hidden Creek Golf Course	\$ 231,009

The outstanding balances between funds result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

2. Interfund Transfers

Interfund transfers during the year ended September 30, 2019, were as follows:

<u>Transfers out:</u>	<u>Transfers in:</u>	<u>Amount</u>
General Fund	Internal service funds	\$ 34,000
General Fund	Nonmajor governmental	280,602
BCSDC Special Revenue	Hidden Creek Golf Course	1,000,116
BCSDC Special Revenue	Nonmajor governmental	2,677,363
BCSDC Special Revenue	Parks Performance	1,434,752
4A Corp Special Revenue	Nonmajor governmental	2,098,256
Bond Funded Capital Projects	Nonmajor governmental	1,657
Bond Funded Capital Projects	General Debt Service	83
Nonmajor governmental	Nonmajor enterprise	494,637
Nonmajor governmental	Nonmajor governmental	1,417,987
Water & Wastewater	General Fund	714,000
Internal service funds	Nonmajor governmental	<u>126,000</u>
Total		<u>\$ 10,279,453</u>

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 a debt service fund as debt service payments become due, (3) transfer additional funds to the Golf Course (4) and pay the water and solid waste utilities' payments in lieu of taxes.

In the government-wide financial statements, interfund transfers are eliminated within the governmental activities column and business-type column, as appropriate.

3. 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 revenues in the General fund and expenses (expenditures) 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	\$ 1,420,000
4A Corp Special Revenue	295,383
Parks Performance Fund	263,100
Hotel Motel	26,000
Solid Waste	<u>13,500</u>
Total	<u>\$ 2,017,983</u>

4. Franchise Fees

The City's enterprise funds, which use the public rights-of-way, 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 rights-of-way. 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 expenses in the enterprise funds. Such fees paid during the year were:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater	\$ 815,000
Solid Waste	<u>81,600</u>
Total	<u>\$ 896,600</u>

5. Payments in Lieu of Property Taxes

For fiscal year 2019, the Water and Wastewater fund made a \$714,000 payment in lieu of property taxes to the General Fund. The payment is calculated by applying the City's property tax rate to the net book value of the enterprise fund's capital assets.

G. LONG-TERM DEBT AND OBLIGATIONS

1. 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.

2. 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, 2019, are summarized as follows:

	Beginning Balance	Increased	Retired	Ending Balance	Due Within One Year
<i>Governmental activities:</i>					
General obligation bonds	\$ 63,172,356	\$ -	\$ 5,095,501	\$ 58,076,855	\$ 5,273,071
Certificates of obligation	33,695,000	7,415,000	1,230,000	39,880,000	1,565,000
Sales tax revenue bonds	2,380,000	-	765,000	1,615,000	790,000
Compensated absences	5,180,424	2,846,606	2,844,538	5,182,492	1,917,666
Capital leases	806,615	-	182,187	624,428	102,621
Premium on debt	<u>6,599,717</u>	<u>727,114</u>	<u>1,032,793</u>	<u>6,294,038</u>	<u>-</u>
Governmental activities long-term debt	<u>\$ 111,834,112</u>	<u>\$ 10,988,720</u>	<u>\$ 11,150,019</u>	<u>\$ 111,672,813</u>	<u>\$ 9,648,358</u>
<i>Business-type activities:</i>					
General obligation bonds	\$ 20,087,644	\$ -	\$ 2,449,500	\$ 17,638,144	\$ 2,371,929
Certificates of obligation	36,690,000	4,470,000	1,495,000	39,665,000	1,740,000
Water & sewer revenue bonds	3,285,000	-	190,000	3,095,000	195,000
Compensated absences	332,997	206,766	172,737	367,026	80,066
Capital leases	5,748	-	3,422	2,326	2,326
Premium on debt	<u>3,028,819</u>	<u>437,756</u>	<u>464,016</u>	<u>3,002,559</u>	<u>-</u>
Business-type activities long-term debt	<u>\$ 63,430,208</u>	<u>\$ 5,114,522</u>	<u>\$ 4,774,675</u>	<u>\$ 63,770,055</u>	<u>\$ 4,389,321</u>

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

In the current year the City issued Series 2019 Certificates of Obligation in the amount of \$11,885,000, split between governmental and business-type activities. The bonds were issued for improvements to the waterworks and sewer system, streets and public mobility infrastructure, and the City's animal shelter. The bonds carry interest rates between 3% and 5% and mature in the year 2038.

The City's direct borrowings (capital leases) related to governmental and business-type activities are secured with equipment as collateral.

The City's outstanding certificates of obligations and revenue bonds related to governmental and business-type activities are secured with property tax revenue.

The revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish and maintain the revenue bond funds. Should the City default on these bonds, any registered owner of the certificates is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the City.

Bonds payable at September 30, 2019, is comprised of the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Amount Outstanding
<i>Governmental Activities:</i>					
General obligation bonds:					
2010 Series	2.00-4.25	5/1/2010	3/1/2030	\$ 10,805,000	\$ 5,860,000
2012 Series	2.00-4.00	5/16/2012	5/16/2032	5,040,000	3,899,999
2014 Series	2.00-4.00	7/2/2014	3/1/2034	19,558,570	13,661,856
2015 Series	1.00-5.00	4/20/2015	3/1/2035	12,150,000	9,695,000
2016 Series	2.00-5.00	6/6/2016	3/1/2036	25,135,000	22,950,000
2017 Series	2.50-4.00	7/17/2017	3/1/2037	<u>2,155,000</u>	<u>2,010,000</u>
Total general obligated bonds				<u>74,843,570</u>	<u>58,076,855</u>
Certificates of Obligation:					
2013 Tax and Revenue	2.00-3.00	5/1/2013	3/1/2033	\$ 4,620,000	\$ 3,460,000
2014 Tax and Revenue	2.00-4.00	7/2/2014	3/1/2034	4,685,000	3,865,000
2015 Tax and Revenue	1.00-5.00	4/20/2015	3/1/2035	6,565,000	5,675,000
2016 Tax and Revenue	2.00-5.00	6/6/2016	3/1/2036	3,855,000	3,450,000
2017 Tax and Revenue	2.50-4.00	7/17/2017	3/1/2037	2,810,000	2,605,000
2018 Tax and Revenue	3.50-4.00	5/16/2018	3/1/2038	13,745,000	13,410,000
2019 Tax and Revenue	3.00-5.00	5/6/2019	3/1/2039	<u>7,415,000</u>	<u>7,415,000</u>
Total certificates of obligation				<u>43,695,000</u>	<u>39,880,000</u>
Sales tax revenue bonds:					
2010 Sales Tax Revenue bonds	2.00-4.00	5/1/2010	9/1/2021	\$ 8,565,000	\$ 1,615,000
Total Sales Tax Revenue bonds				<u>8,565,000</u>	<u>1,615,000</u>
Total governmental activities				<u>\$ 127,103,570</u>	<u>\$ 99,571,855</u>
<i>Business-type Activities:</i>					
General obligation bonds:					
2011 Water & Sewer refunding	4.00-4.375	5/1/2011	3/1/2027	\$ 10,770,000	\$ 5,040,000
2014 Golf Course refunding	2.00-4.00	7/2/2014	3/1/2034	3,006,430	1,978,144
2015 Water & Sewer refunding	1.00-5.00	4/20/2015	3/1/2035	10,730,000	7,730,000
2016 Water & Sewer refunding	2.00-5.00	6/6/2016	3/1/2036	<u>4,435,000</u>	<u>2,890,000</u>
Total general obligated bonds				<u>28,941,430</u>	<u>17,638,144</u>
Certificates of Obligation:					
2011 Tax and Revenue	4.00-4.375	5/1/2011	3/1/2031	\$ 7,075,000	\$ 4,930,000
2013 Tax and Revenue	2.00-3.00	5/1/2013	3/1/2033	2,160,000	1,620,000
2014 Tax and Revenue	2.00-4.00	7/2/2014	3/1/2034	5,480,000	4,505,000
2015 Tax and Revenue	1.00-5.00	4/20/2015	3/1/2035	4,855,000	4,190,000
2016 Tax and Revenue	2.00-5.00	6/6/2016	3/1/2036	5,750,000	5,150,000
2017 Tax and Revenue	2.50-4.00	7/17/2017	3/1/2037	7,400,000	6,865,000
2018 Tax and Revenue	3.50-4.00	5/16/2018	3/1/2038	8,135,000	7,935,000
2019 Tax and Revenue	3.00-5.00	5/6/2019	3/1/2038	<u>4,470,000</u>	<u>4,470,000</u>
Total certificates of obligation				<u>45,325,000</u>	<u>39,665,000</u>
Water and sewer revenue bonds					
2012 Improvement	2.00-4.00	4/15/2012	3/1/2032	\$ 4,300,000	\$ 3,095,000
Total water and sewer revenue bonds				<u>4,300,000</u>	<u>3,095,000</u>
Total business-type activities				<u>\$ 78,566,430</u>	<u>\$ 60,398,144</u>

The annual requirements to amortize all debt outstanding as of September 20, 2019, are as follows:

Governmental Activities								
Year Ending September 30,	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Sales Tax Revenue Bonds	STR Interest	Capital Leases	Capital Lease Interest
2020	\$ 5,273,071	\$ 2,292,664	\$ 1,565,000	\$ 1,526,902	\$ 790,000	\$ 64,600	\$ 101,102	\$ 31,019
2021	5,469,357	2,088,044	1,700,000	1,398,619	825,000	33,000	57,897	21,457
2022	5,427,571	1,887,357	1,760,000	1,335,494	-	-	59,901	18,107
2023	5,635,143	1,672,467	1,840,000	1,267,219	-	-	61,973	16,104
2024	5,866,428	1,442,461	1,900,000	1,192,350	-	-	64,118	14,031
2025-2029	21,590,285	3,848,047	10,780,000	4,696,016	-	-	279,437	36,469
2030-2034	7,470,000	1,010,984	12,740,000	2,426,753	-	-	-	-
2035-2039	1,345,000	52,794	7,595,000	496,134	-	-	-	-
Total	\$ 58,076,855	\$ 14,294,818	\$ 39,880,000	\$ 14,339,487	\$ 1615,000	\$ 97,600	\$ 624,428	\$ 137,187

Business-Type Activities								
Year Ending September 30,	General Obligation	GO Interest	Certificates of Obligation	CO Interest	Water and Wastewater Revenue Bonds	Water and Wastewater Interest	Capital Leases	Capital Lease Interest
2020	\$ 2,371,929	\$ 707,849	\$ 1,740,000	\$ 1,517,402	\$ 195,000	\$ 106,838	\$ 2,326	\$ 73
2021	2,365,643	614,472	1,830,000	1,413,295	200,000	101,900	-	-
2022	2,442,429	522,386	1,895,000	1,346,895	205,000	96,325	-	-
2023	2,554,857	417,966	1,970,000	1,275,020	210,000	90,100	-	-
2024	2,663,572	303,460	2,060,000	1,194,826	220,000	83,650	-	-
2025-2029	5,239,714	342,887	11,640,000	4,588,984	1,210,000	294,275	-	-
2030-2034	-	-	12,350,000	2,146,975	855,000	52,100	-	-
2035-2039	-	-	6,180,000	371,022	-	-	-	-
Total	\$ 17,638,144	\$ 2,909,020	\$ 39,665,000	\$ 13,854,419	\$ 3,095,000	\$ 825,188	\$ 2,326	\$ 73

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, 2019, 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, 2019, 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, 2019, this requirement had been met.

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

H. WATER AND SEWER CONTRACT

On July 19, 2010, the City entered into a contract with the City of Fort Worth, Texas, for the purchase of treated water 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 2019, the City purchased \$4,451,718 of treated water under the terms of this contract.

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 2019, the City paid \$4,657,062 for the treatment and disposal of sanitary sewage under the terms of this contract.

I. EMPLOYEES' RETIREMENT SYSTEM

1. Texas Municipal Retirement System

Plan Description. The City participates as one of 887 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.tmr.com.

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 one 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.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 1996, the City granted an annually repeating (automatic) basis 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, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	132
Inactive employees entitled to but not yet receiving benefits	178
Active employees	<u>335</u>
Total	<u><u>645</u></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 either 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 15.55% and 15.55% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$3,737,211, and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Within the governmental activities, the General Fund generally liquidates the net pension liability. In the business-type activities, the net pension liability is liquidated by the Utility Fund.

Actuarial assumptions. The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%

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, 2018, 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 2009 through 2011 and 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. 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).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
U.S. Equities	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Estate	10.00%	3.80%
Real Return	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	<u>5.00%</u>	7.50%
Total	<u>100.0%</u>	

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

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a) - (b)
Balance at 12/31/2017	\$ 95,313,306	\$ 80,247,604	\$ 15,065,702
Changes for the year:			
Service cost	3,887,921	-	3,887,921
Interest	6,464,469	-	6,464,469
Difference between expected and actual experience	37,485	-	37,485
Contributions - employer	-	3,446,107	(3,446,107)
Contributions - employee	-	1,565,006	(1,565,006)
Net investment income	-	(2,405,770)	2,405,770
Benefit payments, including refunds of employee contributions	(2,974,711)	(2,974,711)	-
Administrative expense	-	(46,457)	46,457
Other changes	-	(2,430)	2,430
Net changes	<u>7,415,164</u>	<u>(418,255)</u>	<u>7,833,419</u>
Balance at 12/31/2018	<u>\$ 102,728,470</u>	<u>\$ 79,829,349</u>	<u>\$ 22,899,121</u>

Sensitivity of the net pension liability to changes in the discount rate. 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:

	<u>1% Decrease in Discount Rate (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Increase in Discount Rate (7.75%)</u>
City's net pension liability	\$ 39,172,879	\$ 22,899,121	\$ 9,710,503

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 and inflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2019, the City recognized pension expense of \$3,676,144.

At September 30, 2019, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 223,399	\$ 4,296
Changes in actuarial assumptions	-	52,597
Difference between projected and actual investment earnings	4,152,769	-
Contributions subsequent to the measurement date	<u>2,878,497</u>	<u>-</u>
Total	<u>\$ 7,254,665</u>	<u>\$ 56,893</u>

\$2,878,497 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, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ending December 31,	Amount
2020	\$ 1,464,492
2021	650,886
2022	630,426
2023	1,572,954
2024	517

J. OTHER POST-EMPLOYMENT BENEFIT PLANS

1. TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a single-employer defined benefit Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and 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.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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). The death benefit for retirees is considered an other post-employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	96
Inactive employees entitled to but not yet receiving benefits	51
Active employees	<u>335</u>
Total	<u><u>482</u></u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.14% for 2018 and 0.14% for 2019, of which 0.02% and 0.02%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2019 and 2018 were \$33,647 and \$30,491, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Discount rate	3.71%
Actuarial cost method	Entry Age Normal Method
Projected salary increases	3.50% to 10.50% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

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 male 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 became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 3.71% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2018.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.71%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Total OPEB Liability	\$ 841,223	\$ 685,845	\$ 566,979

OPEB Liabilities, OPEB Expense, and Deferred Outflows and inflows of Resources Related to OPEBs. At September 30, 2019, the City reported a liability of \$685,845 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2018. For the year ended September 30, 2019, the City recognized OPEB expense of \$62,454. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Within the governmental activities, the General Fund generally liquidates the total OPEB liability. In the business-type activities, the total OPEB liability is liquidated by the Utility Fund.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2017	\$ 698,898
Changes for the year:	
Service cost	40,243
Interest	23,726
Difference between expected and actual experience	(15,410)
Changes of assumptions	(57,141)
Benefit payments	<u>(4,471)</u>
Net changes	<u>(13,053)</u>
Balance at 12/31/2018	<u>\$ 685,845</u>

At September 30, 2019, the City reported deferred outflows and inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 13,107
Changes in actuarial assumptions	43,753	48,600
Contributions subsequent to the measurement date	<u>3,407</u>	<u>-</u>
Totals	<u>\$ 47,160</u>	<u>\$ 61,707</u>

\$3,407 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	<u>Amount</u>
2020	\$(1,516)
2021	(1,516)
2022	(1,516)
2023	(1,516)
2024	(4,408)
Thereafter	(7,482)

2. Post-retirement Healthcare Benefits

Plan Description. The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under City policy. This plan is administered by the City and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. To be eligible for this employer-provided subsidy, a participant must be at least age fifty-eight (58) and have at least twenty (20) or more years of service with the City. Eligible retirees may elect coverage that will include the same healthcare 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. Benefits commence 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. Since retirees pay the full premium for all other OPEB benefits (dental and vision), no liability is included in this valuation as no implicit subsidy exists for these benefits.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>327</u>
Total	<u><u>338</u></u>

Contributions. The City’s contributions to the plan for the year ended September 30, 2019, were \$83,018.

Actuarial Assumptions. The Total OPEB Liability in the October 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50% per annum
Salary increases	2.75% per annum
Discount rate	3.58%
Actuarial cost method	Entry Age Normal Method
Healthcare cost trend rates	5.31% initial medical trend rate for pre-65 retirees decreasing to an ultimate rate of 3.81% in the year 2073

Mortality rates were updated and are based upon the RP-2014h sex distinct mortality improvement table with generational mortality improvement scale MP-2018. Per capita costs for Pre-65 retirees were derived based upon the fully insured rates on a retiree-only experience basis. Medicare eligible retirees are assumed to rescind the City’s plan and take Medicare coverage. Any Medicare Part D subsidy was not reflected in the estimate. The participation rate for future retirees is based upon years of service at retirement. Any participant that retires prior to age 50 is assumed to waive the City’s healthcare plan. For any future retiree assumed to elect retiree healthcare, their spouse is assumed to waive coverage. 40% of retirees are assumed to drop coverage at the time the employer subsidy ends. The per capita claims costs include a 7% load for administrative expenses and a 10% load for stop loss premiums where both are assumed to escalate with the healthcare trend rates each year

Discount Rate. The discount rate of 3.58% is based upon the yield of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The other financial assumptions for long-term inflation, payroll growth, and salary scale were taken from the TMRS actuary study. The per capita claims costs and how these costs are expected to escalate in the future were set by IPS Advisors who develop the funding rates.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.58%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (2.58%)	Discount Rate (3.58%)	1% Increase in Discount Rate (4.58%)
Total OPEB Liability	\$ 3,928,331	\$ 3,594,620	\$ 3,292,448

Healthcare Cost Trend Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the healthcare cost trend rate used was 1% less than and 1% greater than the rate that was used (5.31%) in measuring the Total OPEB Liability.

	1% Decrease in Rate (4.31%)	Healthcare Cost Trend Rate (5.31%)	1% Increase in Rate (6.31%)
Total OPEB Liability	\$ 3,191,025	\$ 3,594,620	\$ 4,069,912

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2019, the City reported a liability of \$3,594,620 for its Total OPEB Liability for this plan. The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2018.

For the year ended September 30, 2019, the City recognized OPEB expense of \$344,711. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Within the governmental activities, the General Fund generally liquidates the total OPEB liability. In the business-type activities, the total OPEB liability is liquidated by the Utility Fund.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 9/30/18	\$ 3,303,334
Changes for the year:	
Service cost	152,883
Interest	128,811
Changes of assumptions	52,121
Benefit payments	<u>(42,529)</u>
Net changes	<u>291,286</u>
Balance at 9/30/19	<u>\$ 3,594,620</u>

At September 30, 2019, the City reported deferred outflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 245,049
Changes in actuarial assumptions	<u>227,818</u>
Total	<u>\$ 472,867</u>

Amounts reported as deferred outflows of resources related to this OPEB plan will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	<u>Amount</u>
2020	\$ 84,916
2021	84,916
2022	84,916
2023	84,916
2024	84,916
Thereafter	48,287

K. 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 fiscal year 2019, employers or employees through salary reductions may contribute up to the limit of \$19,000 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 \$25,000. 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 \$38,000.

L. COMMITMENTS AND CONTINGENCIES

1. 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 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.

2. Construction Commitments

The City has active construction projects as of September 30, 2019. At year end the City has \$7,316,359 of outstanding construction commitments.

3. Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end the encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<u>Fund</u>	<u>Amount</u>
General fund	\$ 320,191
Bond-Funded capital projects	11,394,728
4A Corp special revenue	78,565
Mineral Lease Funded capital projects	6,039
Parks performance fund	2,600
Nonmajor governmental funds	1,111,421
Solid waste	21,250
Water & wastewater	1,036,123
Internal service funds	<u>309,551</u>
 Total	 \$ <u><u>14,280,468</u></u>

M. 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 United Health Care 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 \$1,369,818 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 interfund premiums are used to reduce the amount of actual expenditures.

N. TAX ABATEMENTS

The City enters into economic development agreements subject to the Bursleson Economic Development Incentives Program adopted in 1993. Abatement incentives are provided in accordance with Chapter 312 of the Texas Tax Code.

- For the fiscal year ended September 30, 2019, the property tax abatement agreement with Jam Real Property provides a 75% tax abatement for 7 years, beginning in 2018 for development of a restaurant distribution facility. In fiscal year 2019, this agreement resulted in abated property taxes of \$6,409.

- For the fiscal year ended September 30, 2019, there was one property tax abatement agreement in place. The agreement with McLane Burleson Properties provides a 80% tax abatement for 10 years, starting now for development of a restaurant distribution facility. In fiscal year 2019, this agreement resulted in abated property taxes of \$58,529.
- For the fiscal year ended September 30, 2019, there was one property tax abatement agreement in place. The agreement with Chicken E Food Services provides a 75% tax abatement for 7 years, beginning in 2014 for development of a restaurant distribution facility. In fiscal year 2019, this agreement resulted in abated property taxes of \$54,754.

Other incentives are provided according to Chapter 380 of the Texas Local Government Code. These consist of incentives tied to a percentage of property taxes paid, a percentage of sales taxes generated, or some other metric such as employment. The agreements are presented here in aggregate.

- Property tax rebate incentives – \$305,137
- Sales tax rebate incentives – \$211,537
- Grant payments for meeting other performance targets – \$2,089,000

O. PRIOR PERIOD ADJUSTMENT

During fiscal year 2019, the City adjusted accrued liabilities balances in its Other Special Revenue and Street Paving Trust funds in the amount of \$923,522. This adjustment increased beginning fund balance upward by \$923,522.

CITY OF BURLESON, TEXAS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	GAAP Basis
REVENUES			
Property taxes	\$ 18,875,920	\$ 18,887,920	\$ 19,072,872
Sales taxes	9,055,000	9,520,000	9,643,712
Franchise fees	3,306,991	3,355,014	3,289,676
Licenses and permits	1,351,200	1,273,000	1,408,566
Intergovernmental	395,808	395,808	399,654
Charges for services	2,142,704	2,084,144	2,095,983
Fines and forfeitures	1,110,000	900,000	810,138
Investment earnings	299,999	373,393	343,843
Miscellaneous	806,500	1,438,888	1,438,481
Total revenues	<u>37,344,122</u>	<u>38,228,167</u>	<u>38,502,925</u>
EXPENDITURES			
General government:			
City Council	103,865	103,530	103,351
City Manager's office	852,753	1,177,494	1,171,156
Legal	342,219	346,091	423,627
Communications	344,949	346,117	315,201
City Secretary's office	635,947	625,299	619,197
Records management	88,264	86,161	84,806
Judicial	102,525	100,625	107,023
Human resources	533,792	561,673	503,160
Finance	1,098,182	1,081,910	1,087,765
Tax	370,298	370,298	353,309
Support services	179,316	178,047	148,304
Purchasing	88,616	90,693	90,326
Non-Departmental	754,575	848,420	505,780
Risk management	3,468,287	3,266,663	2,586,339
	<u>8,963,588</u>	<u>9,183,021</u>	<u>8,099,344</u>
Public safety:			
Police	9,894,099	9,999,592	10,185,275
Fire	5,889,836	5,779,713	5,625,641
Fire prevention	564,805	565,439	566,798
Emergency services	245,989	275,949	241,662
Animal services	469,298	475,992	458,593
Code enforcement	284,723	275,104	261,566
Municipal court	333,898	309,888	337,899
Marshals service	362,811	339,125	330,121
	<u>18,045,459</u>	<u>18,020,802</u>	<u>18,007,555</u>
Public works:			
Public works administration	706,625	712,538	721,797
Pavement maintenance	2,565,727	2,688,624	2,594,042
Drainage maintenance	351,005	389,192	384,515
Traffic control maintenance	279,197	293,715	267,486
Facilities maintenance	762,156	851,634	794,445
	<u>4,664,710</u>	<u>4,935,703</u>	<u>4,762,285</u>
Neighborhood services:			
Neighborhood services	204,844	203,640	226,608
Environmental services	236,764	236,780	220,961
	<u>441,608</u>	<u>440,420</u>	<u>447,569</u>

The accompanying notes are an integral part of this schedule.

Adjustments Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
\$ -	\$ 19,072,872	\$ 184,952
-	9,643,712	123,712
-	3,289,676	(65,338)
-	1,408,566	135,566
-	399,654	3,846
-	2,095,983	11,839
-	810,138	(89,862)
-	343,843	(29,550)
-	1,438,481	(407)
<u>-</u>	<u>38,502,925</u>	<u>274,758</u>
-	103,351	179
-	1,171,156	6,338
2,300	425,927	(79,836)
53,500	368,701	(22,584)
-	619,197	6,102
-	84,806	1,355
2,150	109,173	(8,548)
24,990	528,150	33,523
-	1,087,765	(5,855)
-	353,309	16,989
5,347	153,651	24,396
-	90,326	367
7,670	513,450	334,970
10,000	2,596,339	670,324
<u>105,957</u>	<u>8,205,301</u>	<u>977,720</u>
1,253	10,186,528	(186,936)
38,002	5,663,643	116,070
-	566,798	(1,359)
(33,000)	208,662	67,287
18,904	477,497	(1,505)
-	261,566	13,538
-	337,899	(28,011)
-	330,121	9,004
<u>25,159</u>	<u>18,032,714</u>	<u>(11,912)</u>
-	721,797	(9,259)
(121,839)	2,472,203	216,421
-	384,515	4,677
2,753	270,239	23,476
(90,003)	704,442	147,192
<u>(209,089)</u>	<u>4,553,196</u>	<u>382,507</u>
-	226,608	(22,968)
-	220,961	15,819
<u>-</u>	<u>447,569</u>	<u>(7,149)</u>

CITY OF BURLESON, TEXAS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	GAAP Basis
Planning and engineering services:			
Community Development	\$ 496,615	\$ 480,735	\$ 490,322
Planning	754,978	761,086	523,684
Building inspections	587,875	597,087	595,834
Engineering/capital	570,972	567,967	568,682
Engineering/development	21,887	-	-
Gas well development	291,296	290,775	310,974
	<u>2,723,623</u>	<u>2,697,650</u>	<u>2,489,496</u>
Culture and recreation:			
Library	1,294,043	1,316,960	1,265,162
Parks and recreation administration	290,303	293,101	292,963
Recreation	253,393	249,447	251,700
Parks maintenance	1,402,241	1,461,977	1,419,933
Senior Center	168,642	171,040	157,519
	<u>3,408,622</u>	<u>3,492,525</u>	<u>3,387,277</u>
Total expenditures	<u>38,247,610</u>	<u>38,770,121</u>	<u>37,193,526</u>
Excess of revenues over expenditures	<u>(903,488)</u>	<u>(541,954)</u>	<u>1,309,399</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	714,000	714,000	714,000
Transfers out	<u>(34,000)</u>	<u>(284,602)</u>	<u>(314,602)</u>
Total other financing sources (uses)	<u>680,000</u>	<u>429,398</u>	<u>399,398</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>(223,488)</u>	<u>(112,556)</u>	<u>1,708,797</u>
Fund balances - beginning	<u>10,010,431</u>	<u>10,010,431</u>	<u>10,010,431</u>
Fund balance - ending	<u>\$ 9,786,943</u>	<u>\$ 9,897,875</u>	<u>\$ 11,719,228</u>
<u>Explanation of differences:</u>			
Encumbrances at fiscal year-end are recognized as expenditures for budget purposes		\$(74,451)	

Adjustments Budget Basis	Actual Amounts Budget Basis	Variance - Positive (Negative)
\$ -	\$ 490,322	\$ (9,587)
34,947	558,631	202,455
920	596,754	333
70,016	638,698	(70,731)
-	-	-
(476)	310,498	(19,723)
<u>105,407</u>	<u>2,594,903</u>	<u>102,747</u>
36,756	1,301,918	15,042
-	292,963	138
-	251,700	(2,253)
6,970	1,426,903	35,074
<u>3,291</u>	<u>160,810</u>	<u>10,230</u>
<u>47,017</u>	<u>3,434,294</u>	<u>58,231</u>
<u>74,451</u>	<u>37,267,977</u>	<u>1,502,144</u>
(74,451)	1,234,948	1,776,902
-	714,000	-
-	(314,602)	30,000
-	399,398	30,000
(74,451)	1,634,346	1,806,902
-	10,010,431	-
<u>\$(74,451)</u>	<u>\$ 11,644,777</u>	<u>\$ 1,806,902</u>

CITY OF BURLESON, TEXAS

MAJOR SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	BCSDC Special Revenue			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Sales taxes	\$ 4,571,000	\$ 4,571,000	\$ 4,878,596	\$ 307,596
Charges for services	-	-	-	-
Investment earnings	35,000	35,000	71,776	36,776
Miscellaneous	-	-	-	-
Total revenues	<u>4,606,000</u>	<u>4,606,000</u>	<u>4,950,372</u>	<u>344,372</u>
EXPENDITURES				
Current:				
Community development	3,500	7,000	3,502	3,498
Culture and recreation	-	-	-	-
Total expenditures	<u>3,500</u>	<u>7,000</u>	<u>3,502</u>	<u>3,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,602,500</u>	<u>4,599,000</u>	<u>4,946,870</u>	<u>347,870</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(4,639,093)	(5,112,231)	(5,112,231)	-
Total other financing sources (uses)	<u>(4,639,093)</u>	<u>(5,112,231)</u>	<u>(5,112,231)</u>	<u>-</u>
Net change in fund balance	(36,593)	(513,231)	(165,361)	347,870
Fund balance - beginning	<u>3,476,423</u>	<u>3,476,423</u>	<u>3,476,423</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,439,830</u>	<u>\$ 2,963,192</u>	<u>\$ 3,311,062</u>	<u>\$ 347,870</u>

4A Corp Special Revenue			
Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ 4,571,000	\$ 4,571,000	\$ 4,878,596	\$ 307,596
-	-	-	-
59,000	59,000	103,627	44,627
<u>155,625</u>	<u>155,625</u>	<u>184,082</u>	<u>28,457</u>
<u>4,785,625</u>	<u>4,785,625</u>	<u>5,166,305</u>	<u>380,680</u>
3,366,188	3,266,905	2,973,743	293,162
-	-	-	-
<u>3,366,188</u>	<u>3,266,905</u>	<u>2,973,743</u>	<u>293,162</u>
<u>1,419,437</u>	<u>1,518,720</u>	<u>2,192,562</u>	<u>673,842</u>
(2,212,342)	(2,528,325)	(2,098,256)	430,069
(2,212,342)	(2,528,325)	(2,098,256)	430,069
(792,905)	(1,009,605)	94,306	1,103,911
<u>5,320,989</u>	<u>5,320,989</u>	<u>5,320,989</u>	<u>-</u>
\$ <u>4,528,084</u>	\$ <u>4,311,384</u>	\$ <u>5,415,295</u>	\$ <u>1,103,911</u>

CITY OF BURLESON, TEXAS

MAJOR SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Parks Performance Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	2,146,800	2,092,072	2,098,452	6,380
Investment earnings	12,000	12,000	27,452	15,452
Miscellaneous	5,000	5,000	5,106	106
Total revenues	<u>2,163,800</u>	<u>2,109,072</u>	<u>2,131,010</u>	<u>21,938</u>
EXPENDITURES				
Current:				
Community development	-	-	-	-
Culture and recreation	<u>3,598,552</u>	<u>3,632,064</u>	<u>3,459,609</u>	<u>172,455</u>
Total expenditures	<u>3,598,552</u>	<u>3,632,064</u>	<u>3,459,609</u>	<u>172,455</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,434,752)</u>	<u>(1,522,992)</u>	<u>(1,328,599)</u>	<u>194,393</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>1,434,752</u>	<u>1,434,752</u>	<u>1,434,752</u>	<u>-</u>
Total other financing sources (uses)	<u>1,434,752</u>	<u>1,434,752</u>	<u>1,434,752</u>	<u>-</u>
Net change in fund balance	-	(88,240)	106,153	194,393
Fund balance - beginning	<u>877,352</u>	<u>877,352</u>	<u>877,352</u>	<u>-</u>
Fund balance - ending	<u>\$ 877,352</u>	<u>\$ 789,112</u>	<u>\$ 983,505</u>	<u>\$ 194,393</u>

CITY OF BURLESON, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY SCHEDULES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following October 1st. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to October 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 commitments; transfers of appropriations between funds; transfers between departments within funds; new interfund loans or advances; and creation of new capital projects or increases to existing capital projects.
 - b. Items delegated to the City Manager – transfers within departments.
5. Annual budgets are legally adopted and amended as required for the General Fund, the following special revenue funds: the BCSDC Special Revenue Fund, the 4A Corp Special Revenue Fund, the Parks Performance Fund and the Hotel/Motel Fund, enterprise funds and internal service funds. Project-length budgets are adopted for the capital project funds. All budgets are prepared on a budgetary basis, and budgetary comparisons for the general and major special revenue funds are presented on this basis in the required supplementary information. A debt service payment schedule for the debt service funds is also approved as part of the budget process. The budget is based on the modified accrual basis of accounting with the exception of certain non-cash expenditure accruals, which are not budgeted.
6. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.
7. For each legally adopted operating budget, expenditures should not exceed budgeted appropriations at the fund level. However, the legal appropriation basis for the General Fund is at the department level. Encumbrance accounting, under which purchase orders, contracts, and the other commitments are recorded to reserve the applicable appropriations, is employed in 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.

CITY OF BURLESON, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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
Difference between expected and actual experience	(42,330)	96,222
Change of assumptions	-	(200,754)
Benefit payments, including refunds of employee contributions	<u>(2,232,107)</u>	<u>(2,164,637)</u>
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 payroll	\$ 18,400,559	\$ 19,497,945
F. Net position liability as a percentage of covered payroll	80.53%	97.21%

Notes to Schedule:

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	3,628,862	\$ 3,745,062	\$ 3,887,921
	5,536,081	5,991,443	6,464,469
	324,293	34,315	37,485
	-	-	-
(	<u>2,908,249)</u>	<u>(2,694,216)</u>	<u>(2,974,711)</u>
	6,580,987	7,076,604	7,415,164
	<u>81,655,715</u>	<u>88,236,702</u>	<u>95,313,306</u>
\$	<u>88,236,702</u>	\$ <u>95,313,306</u>	\$ <u>102,728,470</u>
\$	3,195,301	\$ 3,326,528	\$ 3,446,107
	1,459,887	1,510,106	1,565,006
	4,240,199	9,518,399	(2,405,770)
(	<u>2,908,249)</u>	<u>(2,694,216)</u>	<u>(2,974,711)</u>
(	47,857)	(49,301)	(46,457)
(	<u>2,578)</u>	<u>(2,499)</u>	<u>(2,430)</u>
	5,936,703	11,609,017	(418,255)
	<u>62,701,884</u>	<u>68,638,587</u>	<u>80,247,604</u>
\$	<u>68,638,587</u>	\$ <u>80,247,604</u>	\$ <u>79,829,349</u>
\$	<u>19,598,115</u>	\$ <u>15,065,702</u>	\$ <u>22,899,121</u>
	77.79%	84.19%	77.71%
\$	20,855,530	\$ 21,572,943	\$ 22,357,225
	93.97%	69.84%	102.42%

CITY OF BURLESON TEXAS

SCHEDULE OF PENSION CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Fiscal Year	2014	2015
Actuarial determined contribution	\$ 2,801,196	\$ 2,929,061
Contributions in relation to the actuarially determined contribution	2,801,196	2,929,061
Contribution deficiency (excess)	-	-
Covered payroll	18,190,435	19,127,256
Contributions as a percentage of covered payroll	15.40%	15.31%

Notes to Schedule:

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	27 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

Other Information There were no benefit changes during the year.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	3,290,623	\$ 3,270,142	\$ 3,413,058	\$ 3,737,211
	<u>3,290,623</u>	<u>3,270,142</u>	<u>3,413,058</u>	<u>3,737,211</u>
	-	-	-	-
	21,503,209	21,235,212	21,235,212	24,033,514
	15.30%	15.40%	16.07%	15.55%

CITY OF BURLESON, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Plan Year ended December 31,	<u>2017</u>	<u>2018</u>
A. Total OPEB Liability		
Service Cost	\$ 32,359	\$ 40,243
Interest (on the Total OPEB Liability)	22,672	23,726
Difference between expected and actual experience	-	(15,410)
Changes of assumptions	62,411	(57,141)
Benefit payments, including refunds of employee contributions	<u>(4,315)</u>	<u>(4,471)</u>
Net change in Total OPEB Liability	113,127	(13,053)
Total OPEB Liability - beginning	<u>585,771</u>	<u>698,898</u>
Total OPEB liability - ending	<u>698,898</u>	<u>685,845</u>
B. Covered-employee payroll	\$ 21,572,943	\$ 22,357,225
C. Total OPEB Liability as a percentage of covered-employee payroll	3.24%	3.07%

Notes to Schedule:

This schedule is required to have 10 years of information, but information prior to 2017 is not available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

CITY OF BURLESON, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH CARE BENEFIT PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Measurement Date September 30,	<u>2018</u>	<u>2019</u>
A. Total OPEB Liability		
Service Cost	\$ 148,455	\$ 152,883
Interest (on the Total OPEB Liability)	118,786	128,811
Difference between expected and actual experience	326,732	-
Changes of assumptions and other inputs	256,399	52,121
Benefit payments	(83,018)	(42,529)
Net change in Total OPEB Liability	<u>767,354</u>	<u>291,286</u>
Total OPEB Liability - beginning	<u>2,535,980</u>	<u>3,303,334</u>
Total OPEB liability - ending	\$ <u>3,303,334</u>	\$ <u>3,594,620</u>
B. Covered-employee payroll	\$ 18,416,233	\$ 22,342,123
C. Total OPEB liability as a percentage of covered-employee payroll	17.94%	16.09%

Notes to Schedule:

No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

This schedule is required to have 10 years of information, but information prior to 2018 is not available.

**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 four nonmajor special revenue funds which include:

The **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.

The **Grants Fund** – This fund accounts for various miscellaneous grants from federal, state or local governments.

The **Tax Increment Financing District (TIF) Fund** – This fund accounts for the activity of the City’s TIF. Revenues collected are primarily interlocal property tax increment funding. A TIF is a public financial method used as a subsidy for development and community improvement projects.

The **Other Special Revenue Fund** – This fund accounts for the proceeds of other 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.

Nonmajor Capital Projects Funds

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

The **4A Economic Development Corporation Non-Bond Funded 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. This 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) Non-Bond Funded Fund** 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 Non-Bond Funded Fund** includes the Park Dedication subfund and the miscellaneous non-bond funded capital project subfunds. These subfunds account for the proceeds of other sources of revenue and expenditures for authorized projects.

Debt Service Funds

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

The **4A Economic Development Corporation Fund** accounts for receipts of sales tax revenue and payment of debt service.

The **Burleson Community Service Development Corporation (4B) Debt Service Fund** accounts for the receipt of sales tax revenue and payment of debt service.

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CITY OF BURLESON, TEXAS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			
	Hotel/Motel	Grants	TIF	Other Special Revenue
ASSETS				
Cash and investments	\$ 709,160	\$ 11,427	\$ 842,964	\$ 2,147,744
Receivables:				
Taxes, net	62,389	-	-	-
Accounts	2,950	-	-	27,507
Accrued interest	475	-	-	-
Due from other governments	-	3,223	-	43,334
Total assets	\$ 774,974	\$ 14,650	\$ 842,964	\$ 2,218,585
LIABILITIES				
Accounts payable	\$ 4,456	\$ 12,726	\$ -	\$ 92,308
Accrued liabilities	-	-	-	1,474,788
Total liabilities	4,456	12,726	-	1,567,096
FUND BALANCES				
Restricted for:				
Debt service	-	-	-	-
Culture and recreation	-	1,924	-	-
Economic development	-	-	842,964	577,871
Tourism	770,518	-	-	-
Committed for:				
Economic development	-	-	-	73,618
Capital projects	-	-	-	-
Total fund balances	770,518	1,924	842,964	651,489
Total liabilities and fund balances	\$ 774,974	\$ 14,650	\$ 842,964	\$ 2,218,585

Capital Projects Funds				Debt Service Funds		Total Other Governmental Funds
4A EDC Non-bond Funded	BCSDC Non-bond Funded	Street Paving Trust	Miscellaneous Non-bond Funded	4A EDC Debt Service	BCSDC Debt Service	
\$ 382,462	\$ 343,243	\$ 3,250,327	\$ 2,755,609	\$ 556,313	\$ 1,232,313	\$ 12,231,562
-	-	-	-	-	-	62,389
-	-	-	200,235	-	-	230,692
252	319	2,003	2,125	-	-	5,174
-	-	-	-	-	-	46,557
<u>\$ 382,714</u>	<u>\$ 343,562</u>	<u>\$ 3,252,330</u>	<u>\$ 2,957,969</u>	<u>\$ 556,313</u>	<u>\$ 1,232,313</u>	<u>\$ 12,576,374</u>
\$ 6,900	\$ -	\$ 2	\$ 252,055	\$ -	\$ -	\$ 368,447
-	-	-	-	-	-	1,474,788
<u>6,900</u>	<u>-</u>	<u>2</u>	<u>252,055</u>	<u>-</u>	<u>-</u>	<u>1,843,235</u>
-	-	-	-	556,313	1,232,313	1,788,626
-	-	-	-	-	-	1,924
-	-	-	-	-	-	1,420,835
-	-	-	-	-	-	770,518
-	-	-	-	-	-	73,618
<u>375,814</u>	<u>343,562</u>	<u>3,252,328</u>	<u>2,705,914</u>	<u>-</u>	<u>-</u>	<u>6,677,618</u>
<u>375,814</u>	<u>343,562</u>	<u>3,252,328</u>	<u>2,705,914</u>	<u>556,313</u>	<u>1,232,313</u>	<u>10,733,139</u>
<u>\$ 382,714</u>	<u>\$ 343,562</u>	<u>\$ 3,252,330</u>	<u>\$ 2,957,969</u>	<u>\$ 556,313</u>	<u>\$ 1,232,313</u>	<u>\$ 12,576,374</u>

CITY OF BURLESON, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			
	Hotel/Motel	Grants	TIF	Other Special Revenue
REVENUES				
Property taxes	\$ -	\$ -	\$ 667,433	\$ 1,004,821
Sales and use taxes	-	-	-	260,004
Hotel occupancy taxes	217,630	-	-	-
Franchise fees	-	-	-	63,878
Intergovernmental	-	136,230	-	-
Fines	-	-	-	306,159
Contributions and donations	-	3,000	-	118,229
Investment earnings	20,035	-	-	-
Street assessments	-	-	-	-
Miscellaneous	4,700	-	-	480
Total revenues	<u>242,365</u>	<u>139,230</u>	<u>667,433</u>	<u>1,753,571</u>
EXPENDITURES				
Current:				
General government	-	-	-	102,399
Community development	-	-	12,618	1,185,533
Public safety	-	118,599	-	321,066
Public works	-	-	-	25,963
Culture and recreation	193,084	1,129	-	36,332
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal agent charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>193,084</u>	<u>119,728</u>	<u>12,618</u>	<u>1,671,293</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>49,281</u>	<u>19,502</u>	<u>654,815</u>	<u>82,278</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(17,987)	(1,400,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(17,987)</u>	<u>(1,400,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	49,281	1,515	(745,185)	82,278
FUND BALANCE, BEGINNING	721,237	409	1,588,149	116,446
PRIOR PERIOD ADJUSTMENT	-	-	-	452,765
FUND BALANCE, ENDING	<u>\$ 770,518</u>	<u>\$ 1,924</u>	<u>\$ 842,964</u>	<u>\$ 651,489</u>

Capital Projects Funds				Debt Service Funds		Total Other Governmental Funds
4A EDC Non-bond Funded	BCSDC Non-bond Funded	Street Paving Trust	Miscellaneous Non-bond Funded	4A EDC Debt Service	BCSDC Debt Service	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,672,254
-	-	-	-	-	-	260,004
-	-	-	-	-	-	217,630
-	-	-	-	-	-	63,878
-	-	-	-	-	-	136,230
-	-	-	-	-	-	306,159
-	-	-	713,333	-	-	834,562
10,005	14,578	79,656	72,448	12,359	27,770	236,851
-	-	686,010	-	-	-	686,010
-	-	-	-	-	-	5,180
<u>10,005</u>	<u>14,578</u>	<u>765,666</u>	<u>785,781</u>	<u>12,359</u>	<u>27,770</u>	<u>4,418,758</u>
-	-	-	-	-	-	102,399
-	-	-	-	-	-	1,198,151
-	-	-	-	-	-	439,665
-	-	-	-	-	-	25,963
-	-	-	-	-	-	230,545
-	-	-	-	1,594,655	1,285,000	2,879,655
-	-	-	-	448,601	544,931	993,532
<u>18,201</u>	<u>674,368</u>	<u>-</u>	<u>1,807,263</u>	<u>-</u>	<u>-</u>	<u>2,499,832</u>
<u>18,201</u>	<u>674,368</u>	<u>-</u>	<u>1,807,263</u>	<u>2,043,256</u>	<u>1,829,931</u>	<u>8,369,742</u>
(8,196)	(659,790)	765,666	(1,021,482)	(2,030,897)	(1,802,161)	(3,950,984)
55,000	848,138	-	1,824,589	2,044,913	1,829,225	6,601,865
-	-	-	(494,637)	-	-	(1,912,624)
<u>55,000</u>	<u>848,138</u>	<u>-</u>	<u>1,329,952</u>	<u>2,044,913</u>	<u>1,829,225</u>	<u>4,689,241</u>
46,804	188,348	765,666	308,470	14,016	27,064	738,257
329,010	155,214	2,015,905	2,397,444	542,297	1,205,249	9,071,360
-	-	470,757	-	-	-	923,522
<u>\$ 375,814</u>	<u>\$ 343,562</u>	<u>\$ 3,252,328</u>	<u>\$ 2,705,914</u>	<u>\$ 556,313</u>	<u>\$ 1,232,313</u>	<u>\$ 10,733,139</u>

CITY OF BURLESON, TEXAS

DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Debt Service			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes and assessments	\$ 6,626,756	\$ 6,626,756	\$ 6,724,297	\$ 97,541
Investment earnings	-	-	-	-
Total revenues	<u>6,626,756</u>	<u>6,626,756</u>	<u>6,724,297</u>	<u>97,541</u>
EXPENDITURES				
Debt service:				
Principal retirement	4,210,846	4,210,846	4,210,846	-
Interest and fiscal agent charges	<u>2,923,862</u>	<u>2,923,862</u>	<u>2,922,187</u>	<u>1,675</u>
Total expenditures	<u>7,134,708</u>	<u>7,134,708</u>	<u>7,133,033</u>	<u>1,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(507,952)</u>	<u>(507,952)</u>	<u>(408,736)</u>	<u>99,216</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>559,844</u>	<u>820,827</u>	<u>83</u>	<u>(820,744)</u>
Total other financing sources (uses)	<u>559,844</u>	<u>820,827</u>	<u>83</u>	<u>(820,744)</u>
NET CHANGE IN FUND BALANCE	51,892	312,875	(408,653)	(721,528)
FUND BALANCE, BEGINNING	<u>935,135</u>	<u>935,135</u>	<u>935,135</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 987,027</u>	<u>\$ 1,248,010</u>	<u>\$ 526,482</u>	<u>\$ (721,528)</u>

BCSDC Debt Service			
Original Budget	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -
<u>1,400</u>	<u>1,400</u>	<u>27,770</u>	<u>26,370</u>
<u>1,400</u>	<u>1,400</u>	<u>27,770</u>	<u>26,370</u>
1,285,000	1,285,000	1,285,000	-
<u>545,275</u>	<u>545,275</u>	<u>544,931</u>	<u>344</u>
<u>1,830,275</u>	<u>1,830,275</u>	<u>1,829,931</u>	<u>344</u>
(<u>1,828,875</u>)	(<u>1,828,875</u>)	(<u>1,802,161</u>)	<u>26,714</u>
<u>1,829,225</u>	<u>1,829,225</u>	<u>1,829,225</u>	<u>-</u>
<u>1,829,225</u>	<u>1,829,225</u>	<u>1,829,225</u>	<u>-</u>
350	350	27,064	26,714
<u>1,205,249</u>	<u>1,205,249</u>	<u>1,205,249</u>	<u>-</u>
\$ <u>1,205,599</u>	\$ <u>1,205,599</u>	\$ <u>1,232,313</u>	\$ <u>26,714</u>

CITY OF BURLESON, TEXAS

DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	4A EDC Debt Service			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes and assessments	\$ -	\$ -	\$ -	\$ -
Investment earnings	<u>6,000</u>	<u>6,000</u>	<u>12,359</u>	<u>6,359</u>
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>12,359</u>	<u>6,359</u>
EXPENDITURES				
Debt service:				
Principal retirement	1,594,655	1,594,655	1,594,655	-
Interest and fiscal agent charges	<u>448,670</u>	<u>448,670</u>	<u>448,601</u>	<u>69</u>
Total expenditures	<u>2,043,325</u>	<u>2,043,325</u>	<u>2,043,256</u>	<u>69</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,037,325)</u>	<u>(2,037,325)</u>	<u>(2,030,897)</u>	<u>6,428</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,042,786</u>	<u>2,042,786</u>	<u>2,044,913</u>	<u>2,127</u>
Total other financing sources (uses)	<u>2,042,786</u>	<u>2,042,786</u>	<u>2,044,913</u>	<u>2,127</u>
NET CHANGE IN FUND BALANCE	5,461	5,461	14,016	8,555
FUND BALANCE, BEGINNING	<u>542,297</u>	<u>542,297</u>	<u>542,297</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 547,758</u>	<u>\$ 556,313</u>	<u>\$ 8,555</u>

CITY OF BURLESON, TEXAS

NONMAJOR SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Hotel/Motel Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Hotel occupancy taxes	\$ 207,000	\$ 207,000	\$ 217,630	\$ 10,630
Investment earnings	-	-	20,035	20,035
Miscellaneous	-	-	4,700	4,700
Total revenues	<u>207,000</u>	<u>207,000</u>	<u>242,365</u>	<u>35,365</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>221,064</u>	<u>220,748</u>	<u>193,084</u>	<u>27,664</u>
Total expenditures	<u>221,064</u>	<u>220,748</u>	<u>193,084</u>	<u>27,664</u>
NET CHANGE IN FUND BALANCE	(14,064)	(13,748)	49,281	7,701
FUND BALANCE, BEGINNING	<u>721,237</u>	<u>721,237</u>	<u>721,237</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 707,173</u>	<u>\$ 707,489</u>	<u>\$ 770,518</u>	<u>\$ 7,701</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:

The ***Equipment Services 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.

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

The ***Business-Type Vehicle 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.

The ***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.

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CITY OF BURLESON, TEXAS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2019

	<u>Equipment Services</u>	<u>Governmental Vehicle Replacement</u>
ASSETS		
Current assets:		
Cash and investments	\$ 125,181	\$ 4,825,253
Receivables:		
Accounts	4,051	178,700
Accrued interest	33	3,293
Inventories	<u>23,948</u>	<u>-</u>
Total current assets	<u>153,213</u>	<u>5,007,246</u>
Noncurrent assets:		
Capital assets, net	<u>190,456</u>	<u>3,106,787</u>
Total noncurrent assets	<u>190,456</u>	<u>3,106,787</u>
Total assets	<u>343,669</u>	<u>8,114,033</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	39,179	-
Deferred outflows related to OPEB (RHP)	2,553	-
Deferred outflows related to OPEB (SDBF)	<u>256</u>	<u>-</u>
Total deferred outflows	<u>41,988</u>	<u>-</u>

Business-type Vehicle Replacement	Support Services Fund	Total Internal Service Funds
\$ 1,776,255	\$ 850,865	\$ 7,577,554
40,200	580	223,531
1,201	449	4,976
-	-	23,948
<u>1,817,656</u>	<u>851,894</u>	<u>7,830,009</u>
<u>1,212,861</u>	<u>368,692</u>	<u>4,878,796</u>
<u>1,212,861</u>	<u>368,692</u>	<u>4,878,796</u>
<u>3,030,517</u>	<u>1,220,586</u>	<u>12,708,805</u>
-	212,687	251,866
-	13,902	16,455
-	1,384	1,640
<u>-</u>	<u>227,973</u>	<u>269,961</u>

Vehicle Replacement Business-Type	Support Services Fund	Total Internal Service Funds
\$ -	\$ 41,824	\$ 71,945
-	74,190	75,183
-	25,271	29,873
-	-	1,519
-	1,250	1,480
-	131	155
<u>-</u>	<u>142,666</u>	<u>180,155</u>
-	673,235	796,890
-	104,432	123,613
-	20,033	23,713
-	153,079	155,128
<u>-</u>	<u>950,779</u>	<u>1,099,344</u>
<u>-</u>	<u>1,093,445</u>	<u>1,279,499</u>
-	1,673	1,980
-	1,814	2,147
<u>-</u>	<u>3,487</u>	<u>4,127</u>
1,212,861	368,692	4,877,277
<u>1,817,656</u>	<u>(17,065)</u>	<u>6,817,863</u>
\$ <u>3,030,517</u>	\$ <u>351,627</u>	\$ <u>11,695,140</u>

CITY OF BURLESON, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Equipment Services</u>	<u>Governmental Vehicle Replacement</u>
Operating revenues:		
Charges for goods and services	\$ 471,552	\$ 1,157,070
Total operating revenues	<u>471,552</u>	<u>1,157,070</u>
Operating expenses:		
Personnel services	204,120	-
Repairs and maintenance	16,731	-
Materials and supplies	201,036	-
Depreciation	<u>50,488</u>	<u>866,512</u>
Total operating expenses	<u>472,375</u>	<u>866,512</u>
Operating income (loss)	<u>(823)</u>	<u>290,558</u>
Nonoperating revenues (expenses):		
Gain on sale of capital assets	-	105,767
Investment earnings	604	146,416
Interest and fiscal agent charges	<u>(133)</u>	<u>-</u>
Total nonoperating revenues	<u>471</u>	<u>252,183</u>
Income (loss) before transfers	<u>(352)</u>	<u>542,741</u>
Transfers in	11,000	-
Transfers out	<u>-</u>	<u>(126,000)</u>
Change in net position	10,648	416,741
Net position - beginning of year	<u>188,315</u>	<u>7,697,292</u>
Net position - end of year	\$ <u>198,963</u>	\$ <u>8,114,033</u>

Business-type Vehicle Replacement	Support Services Fund	Total Internal Service Funds
\$ 314,588	\$ 2,164,132	\$ 4,107,342
<u>314,588</u>	<u>2,164,132</u>	<u>4,107,342</u>
-	1,187,352	1,391,472
-	651,617	668,348
-	147,858	348,894
<u>233,854</u>	<u>206,883</u>	<u>1,357,737</u>
<u>233,854</u>	<u>2,193,710</u>	<u>3,766,451</u>
<u>80,734</u>	<u>(29,578)</u>	<u>340,891</u>
37,810	-	143,577
55,441	17,778	220,239
<u>-</u>	<u>-</u>	<u>(133)</u>
<u>93,251</u>	<u>17,778</u>	<u>363,683</u>
<u>173,985</u>	<u>(11,800)</u>	<u>704,574</u>
-	23,000	34,000
<u>-</u>	<u>-</u>	<u>(126,000)</u>
173,985	11,200	612,574
<u>2,856,532</u>	<u>340,427</u>	<u>11,082,566</u>
<u>\$ 3,030,517</u>	<u>\$ 351,627</u>	<u>\$ 11,695,140</u>

CITY OF BURLESON, TEXAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Equipment Services	Vehicle Replacement Governmental
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts for interfund charges	\$ 468,564	\$ 978,370
Payments to vendors, suppliers and contractors	(208,540)	-
Payments to employees for services	(224,498)	-
Net cash provided by operating activities	<u>35,526</u>	<u>978,370</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	<u>11,000</u>	<u>(126,000)</u>
Net cash provided by noncapital financing activities	<u>11,000</u>	<u>(126,000)</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts for sale of capital assets	-	105,767
Principal payments on capital debt	(2,235)	-
Interest payments on capital debt	(133)	-
Acquisition and construction of capital assets	<u>(8,909)</u>	<u>(1,033,060)</u>
Net cash used by capital and related financing activities	<u>(11,277)</u>	<u>(927,293)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>631</u>	<u>147,401</u>
Net cash provided by investing activities	<u>631</u>	<u>147,401</u>
 Net increase (decrease) in cash and cash equivalents	35,880	72,478
Cash and cash equivalents - beginning of year	<u>89,301</u>	<u>4,752,775</u>
 Cash and cash equivalents - end of year	\$ <u>125,181</u>	\$ <u>4,825,253</u>

Vehicle Replacement Business-Type	Support Services	Total
\$ 274,388	\$ 2,163,552	\$ 3,884,874
-	(815,695)	(1,024,235)
-	(1,099,159)	(1,323,657)
<u>274,388</u>	<u>248,698</u>	<u>1,536,982</u>
-	<u>23,000</u>	(<u>92,000</u>)
-	<u>23,000</u>	(<u>92,000</u>)
37,810	-	143,577
-	-	(2,235)
-	-	(133)
(<u>546,930</u>)	(<u>91,102</u>)	(<u>1,680,001</u>)
(<u>509,120</u>)	(<u>91,102</u>)	(<u>1,538,792</u>)
<u>56,003</u>	<u>17,924</u>	<u>221,959</u>
<u>56,003</u>	<u>17,924</u>	<u>221,959</u>
(178,729)	198,520	128,149
<u>1,954,984</u>	<u>652,345</u>	<u>7,449,405</u>
\$ <u>1,776,255</u>	\$ <u>850,865</u>	\$ <u>7,577,554</u>

CITY OF BURLESON, TEXAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Equipment Services</u>	<u>Governmental Vehicle Replacement</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$(823)	\$ 290,558
Depreciation	50,488	866,512
Change in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(2,988)	(178,700)
Decrease (increase) in inventories	3,545	-
Decrease (increase) in deferred outflows related to pension	(23,473)	-
Decrease (increase) in deferred outflows related to OPEB	236	-
Increase (decrease) in accounts payable	5,682	-
Increase (decrease) in accrued liabilities	835	-
Increase (decrease) in compensated absences	(24,078)	-
Increase (decrease) in net pension liability	37,457	-
Increase (decrease) in deferred inflows related to pension	(11,688)	-
Increase (decrease) in deferred inflows related to OPEB	333	-
Net cash provided by operating activities	<u>\$ 35,526</u>	<u>\$ 978,370</u>

Business-type Vehicle Replacement	Support Services	Total
\$ 80,734	\$(29,578)	\$ 340,891
233,854	206,883	1,357,737
(40,200)	(580)	(222,468)
-	-	3,545
-	(127,555)	(151,028)
-	1,218	1,454
-	(16,220)	(10,538)
-	6,361	7,196
-	26,146	2,068
-	242,172	279,629
-	(63,344)	(75,032)
-	3,195	3,528
<u>\$ 274,388</u>	<u>\$ 248,698</u>	<u>\$ 1,536,982</u>

CITY OF BURLESON, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019
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 City's overall financial health.

CONTENTS **TABLES**

FINANCIAL TRENDS 1-4

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY 5-8

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

DEBT CAPACITY 9-12

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION 13-14

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION 15-18

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

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CITY OF BURLESON, TEXAS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
Net investment in capital assets	\$ 89,235,983	\$ 91,490,189	\$ 96,854,973	\$ 101,280,575
Restricted	6,013,922	7,647,833	9,129,987	10,262,236
Unrestricted	<u>19,153,205</u>	<u>19,728,287</u>	<u>17,251,062</u>	<u>18,176,631</u>
Total governmental activities net position	\$ <u>114,403,110</u>	\$ <u>118,866,309</u>	\$ <u>123,236,022</u>	\$ <u>129,719,442</u>
Business-type activities:				
Net investment in capital assets	\$ 43,197,167	\$ 44,846,342	\$ 45,090,529	\$ 53,375,788
Restricted	3,203,528	2,469,836	4,081,263	3,250,923
Unrestricted	<u>6,193,764</u>	<u>8,976,274</u>	<u>10,417,168</u>	<u>6,943,042</u>
Total business-type activities net position	\$ <u>52,594,459</u>	\$ <u>56,292,452</u>	\$ <u>59,588,960</u>	\$ <u>63,569,753</u>
Primary government:				
Net investment in capital assets	\$ 132,433,150	\$ 136,336,531	\$ 141,945,502	\$ 154,656,363
Restricted	9,217,450	10,117,669	13,211,250	13,513,159
Unrestricted	<u>25,346,969</u>	<u>28,704,561</u>	<u>27,668,230</u>	<u>25,119,673</u>
Total primary government net position	\$ <u>166,997,569</u>	\$ <u>175,158,761</u>	\$ <u>182,824,982</u>	\$ <u>193,289,195</u>

TABLE 1

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 102,518,051	\$ 105,900,578	\$ 111,368,435	\$ 127,316,098	\$ 136,812,328	\$ 148,085,539
11,786,219	13,626,779	11,548,400	12,262,240	13,166,573	13,232,818
<u>19,052,951</u>	<u>10,915,868</u>	<u>10,908,958</u>	<u>8,167,997</u>	<u>4,245,368</u>	<u>4,248,170</u>
\$ <u>133,357,221</u>	\$ <u>130,443,225</u>	\$ <u>133,825,793</u>	\$ <u>147,746,335</u>	\$ <u>154,224,269</u>	\$ <u>165,566,527</u>
\$ 55,348,196	\$ 59,041,199	\$ 56,061,308	\$ 68,346,297	\$ 69,333,794	\$ 75,777,424
4,592,463	3,667,415	4,592,463	1,049,746	1,049,746	5,225,080
<u>7,355,782</u>	<u>7,251,796</u>	<u>12,448,245</u>	<u>10,499,641</u>	<u>15,642,520</u>	<u>11,580,796</u>
\$ <u>67,296,441</u>	\$ <u>69,960,410</u>	\$ <u>73,102,016</u>	\$ <u>79,895,684</u>	\$ <u>86,026,060</u>	\$ <u>92,583,300</u>
\$ 157,866,247	\$ 164,941,777	\$ 167,429,743	\$ 195,662,395	\$ 206,146,122	\$ 223,862,963
16,378,682	17,294,194	16,140,863	13,311,986	14,216,319	18,457,898
<u>26,408,733</u>	<u>18,167,664</u>	<u>23,357,203</u>	<u>18,667,638</u>	<u>19,887,888</u>	<u>15,828,966</u>
\$ <u>200,653,662</u>	\$ <u>200,403,635</u>	\$ <u>206,927,809</u>	\$ <u>227,642,019</u>	\$ <u>240,250,329</u>	\$ <u>258,149,827</u>

CITY OF BURLESON, TEXAS

CHANGE IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses:				
Governmental activities:				
General government	\$ 4,743,333	\$ 5,985,553	\$ 4,579,709	\$ 4,779,683
Public safety	12,841,230	12,597,427	13,755,003	14,505,108
Public works	9,216,349	9,414,047	9,400,406	9,476,476
Community Development	1,287,097	1,483,991	1,443,045	1,534,915
Culture and recreation	4,503,830	5,671,656	6,050,849	6,148,475
Interest and other fees	<u>3,416,974</u>	<u>3,643,362</u>	<u>3,490,537</u>	<u>3,256,327</u>
Total governmental activities expenses	<u>36,008,813</u>	<u>38,796,036</u>	<u>38,719,549</u>	<u>39,700,984</u>
Business-type activities:				
Water and wastewater	13,934,334	13,776,701	13,858,927	14,553,979
Hidden Creek Golf Course	1,886,326	1,872,971	1,774,465	2,100,255
Solid Waste	2,358,589	2,385,558	2,451,503	2,595,756
Cemetery	<u>16,260</u>	<u>13,598</u>	<u>17,743</u>	<u>10,994</u>
Total business-type activities expenses	<u>18,195,509</u>	<u>18,048,828</u>	<u>18,102,638</u>	<u>19,260,984</u>
Total primary government expenses	<u>\$ 54,204,322</u>	<u>\$ 56,844,864</u>	<u>\$ 56,822,187</u>	<u>\$ 58,961,968</u>
Program Revenues:				
Governmental activities:				
Charges for services	\$ 7,052,495	\$ 8,948,079	\$ 7,799,248	\$ 8,127,467
Operating grants and contributions	705,142	621,034	721,595	603,962
Capital grants and contributions	<u>3,558,406</u>	<u>2,265,193</u>	<u>2,624,666</u>	<u>3,769,399</u>
Total governmental activities program revenues	<u>11,316,043</u>	<u>11,834,306</u>	<u>11,145,509</u>	<u>12,500,828</u>
Business-type activities:				
Charges for services	17,823,579	19,924,565	18,442,552	19,788,547
Operating grants and contributions	414,260	359,271	364,359	561,332
Capital grants and contributions	<u>1,044,954</u>	<u>920,504</u>	<u>1,800,117</u>	<u>2,976,121</u>
Total business-type activities program revenues	<u>19,282,793</u>	<u>21,204,340</u>	<u>20,607,028</u>	<u>23,326,000</u>
Total primary government program revenues	<u>\$ 30,598,836</u>	<u>\$ 33,038,646</u>	<u>\$ 31,752,537</u>	<u>\$ 35,826,828</u>
Net (expense)/revenue				
Governmental activities	\$(24,692,770)	\$(26,961,730)	\$(27,574,040)	\$(27,200,156)
Business-type activities	<u>1,087,284</u>	<u>3,155,512</u>	<u>2,504,390</u>	<u>4,065,016</u>
Total primary government net expense	<u>\$(23,605,486)</u>	<u>\$(23,806,218)</u>	<u>\$(25,069,650)</u>	<u>\$(23,135,140)</u>

TABLE 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 6,027,808	\$ 5,567,804	\$ 3,406,957	\$ 7,611,844	\$ 7,801,767	\$ 8,762,392
14,793,251	15,587,330	18,135,674	18,619,648	19,356,978	20,396,702
10,025,105	10,344,069	11,100,276	11,263,930	12,173,830	12,650,861
2,071,758	2,467,564	4,701,517	2,740,816	4,902,487	5,138,466
6,851,657	7,062,534	7,801,924	8,091,904	8,134,817	8,053,419
<u>3,319,768</u>	<u>3,218,658</u>	<u>3,237,341</u>	<u>3,118,052</u>	<u>2,954,294</u>	<u>3,242,540</u>
<u>43,089,347</u>	<u>44,247,959</u>	<u>48,383,689</u>	<u>51,446,194</u>	<u>55,324,173</u>	<u>58,244,380</u>
14,699,969	15,692,100	16,333,488	16,349,125	17,605,194	18,910,941
1,922,102	1,983,682	2,049,089	2,141,509	2,046,511	2,194,026
2,742,100	2,779,193	2,846,497	2,957,738	3,047,978	3,179,444
<u>11,498</u>	<u>11,891</u>	<u>11,152</u>	<u>11,910</u>	<u>12,528</u>	<u>28,894</u>
<u>19,375,669</u>	<u>20,466,866</u>	<u>21,240,226</u>	<u>21,460,282</u>	<u>22,712,211</u>	<u>24,313,305</u>
\$ <u>62,465,016</u>	\$ <u>64,714,825</u>	\$ <u>69,623,915</u>	\$ <u>72,906,476</u>	\$ <u>78,036,384</u>	\$ <u>82,557,685</u>
\$ 8,036,809	\$ 7,773,637	\$ 7,566,246	\$ 8,782,144	\$ 8,784,594	\$ 8,480,206
294,371	829,724	971,500	1,592,388	1,426,293	738,026
<u>3,752,163</u>	<u>2,983,243</u>	<u>2,144,534</u>	<u>11,440,915</u>	<u>6,353,066</u>	<u>7,595,136</u>
<u>12,083,343</u>	<u>11,586,604</u>	<u>10,682,280</u>	<u>21,815,447</u>	<u>16,563,953</u>	<u>16,813,368</u>
20,526,744	21,331,913	22,263,652	23,108,557	25,809,983	25,405,060
1,004,948	846,581	827,614	1,108,892	-	16,442
<u>1,938,294</u>	<u>1,766,788</u>	<u>1,067,383</u>	<u>4,020,669</u>	<u>2,272,247</u>	<u>3,512,382</u>
<u>23,469,986</u>	<u>23,945,282</u>	<u>24,158,649</u>	<u>28,238,118</u>	<u>28,082,230</u>	<u>28,933,884</u>
\$ <u>35,553,329</u>	\$ <u>35,531,886</u>	\$ <u>34,840,929</u>	\$ <u>50,053,565</u>	\$ <u>44,646,183</u>	\$ <u>45,747,252</u>
\$(31,006,004)	\$(32,661,355)	\$(37,701,409)	\$(29,630,747)	\$(38,760,220)	\$(41,431,012)
<u>4,094,317</u>	<u>3,478,416</u>	<u>2,918,423</u>	<u>6,777,836</u>	<u>5,370,019</u>	<u>4,620,579</u>
\$ <u>(26,911,687)</u>	\$ <u>(29,182,939)</u>	\$ <u>(34,782,986)</u>	\$ <u>(22,852,911)</u>	\$ <u>(33,390,201)</u>	\$ <u>(36,810,433)</u>

CITY OF BURLESON, TEXAS

CHANGE IN NET POSITION (Unaudited)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Revenues and Other				
Changes in Net Position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 15,206,250	\$ 15,074,189	\$ 15,414,948	\$ 15,853,216
Tax Increment Financing	294,119	320,737	199,229	254,600
Sales and use taxes	12,121,386	13,453,923	14,818,398	14,110,028
Hotel/motel taxes	128,635	144,520	146,202	146,986
Franchise fees	2,521,842	2,844,181	2,760,074	2,659,237
Investment income	187,338	92,091	105,892	536,572
Gain on sale of assets	-	-	-	-
Lawsuit settlement	(953,453)	-	-	-
Transfers	<u>67,454</u>	<u>(504,712)</u>	<u>(263,167)</u>	<u>122,937</u>
Total governmental activities	<u>29,573,571</u>	<u>31,424,929</u>	<u>33,181,576</u>	<u>33,683,576</u>
Business-type activities:				
Investment income	59,278	37,765	48,613	38,714
Gain on sale of assets	-	-	-	-
Transfers	<u>(67,454)</u>	<u>504,712</u>	<u>263,167</u>	<u>(122,937)</u>
Total business-type activities	<u>(8,176)</u>	<u>542,477</u>	<u>311,780</u>	<u>(84,223)</u>
Total primary government	<u>\$ 29,565,395</u>	<u>\$ 31,967,406</u>	<u>\$ 33,493,356</u>	<u>\$ 33,599,353</u>
Change in Net Position:				
Governmental activities	\$ 4,880,801	\$ 4,463,199	\$ 5,607,536	\$ 6,483,420
Business-type activities	<u>1,079,108</u>	<u>3,697,989</u>	<u>2,816,170</u>	<u>3,980,793</u>
Total primary government	<u>\$ 5,959,909</u>	<u>\$ 8,161,188</u>	<u>\$ 8,423,706</u>	<u>\$ 10,464,213</u>

TABLE 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 16,377,575	\$ 19,171,938	\$ 20,510,482	\$ 21,776,804	\$ 21,776,804	\$ 26,785,864
406,445	423,586	457,438	536,812	536,812	683,559
16,051,878	16,689,391	16,595,528	17,099,917	17,099,917	19,660,908
165,550	192,639	219,250	222,652	222,652	237,665
2,968,801	3,242,051	3,166,620	3,113,999	3,113,999	3,383,906
80,273	95,192	243,568	471,436	471,436	1,772,832
-	-	-	-	-	105,767
-	-	-	-	-	-
(258,909)	(244,589)	(108,909)	329,669	329,669	(780,753)
<u>35,791,613</u>	<u>39,570,208</u>	<u>41,083,977</u>	<u>43,551,289</u>	<u>43,551,289</u>	<u>51,849,748</u>
26,334	29,790	114,274	311,582	311,582	1,114,808
-	-	-	33,919	33,919	41,100
<u>258,909</u>	<u>244,589</u>	<u>108,909</u>	(329,669)	(329,669)	<u>780,753</u>
<u>285,243</u>	<u>274,379</u>	<u>223,183</u>	<u>15,832</u>	<u>15,832</u>	<u>1,936,661</u>
\$ <u>36,076,856</u>	\$ <u>39,844,587</u>	\$ <u>41,307,160</u>	\$ <u>43,567,121</u>	\$ <u>43,567,121</u>	\$ <u>53,786,409</u>
\$ 4,785,609	\$ 6,908,853	\$ 3,382,568	\$ 13,920,542	\$ 4,791,069	\$ 10,418,736
<u>4,379,560</u>	<u>3,752,795</u>	<u>3,141,606</u>	<u>6,793,668</u>	<u>5,385,851</u>	<u>6,557,240</u>
\$ <u>9,165,169</u>	\$ <u>10,661,648</u>	\$ <u>6,524,174</u>	\$ <u>20,714,210</u>	\$ <u>10,176,920</u>	\$ <u>16,975,976</u>

CITY OF BURLESON, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund:				
Reserved	\$ 179,419	\$ -	\$ -	\$ -
Unreserved	7,008,776	-	-	-
Nonspendable	-	59,832	59,031	53,769
Committed to:				
Debt service	-	872,880	791,215	703,824
Other Purposes	-	63,826	149,771	718,732
Assigned to:				
Risk management	-	1,007,782	733,781	874,825
Unassigned	-	6,442,458	8,796,643	8,841,408
Total general fund	<u>\$ 7,188,195</u>	<u>\$ 8,446,778</u>	<u>\$ 10,530,441</u>	<u>\$ 11,192,558</u>
All Other Governmental Funds:				
Reserved	\$ 29,567,700	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special Revenue Funds	839,018	-	-	-
Nonspendable	-	-	-	300
Restricted for:				
Debt service	-	2,666,165	2,677,418	2,704,260
Culture and recreation	-	-	-	-
Economic development	-	4,714,757	6,066,072	7,074,668
Tourism	-	293,192	386,497	483,308
Capital projects	-	11,340,114	-	-
Committed to:				
Culture and recreation	-	362,472	539,541	723,587
Economic development	-	283,046	67,249	140,743
Capital projects	-	6,269,916	13,779,002	19,994,818
Debt service	-	4,063,471	2,872,822	511,000
Total all other governmental funds	<u>\$ 30,406,718</u>	<u>\$ 29,993,133</u>	<u>\$ 26,388,601</u>	<u>\$ 31,632,684</u>

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011.

TABLE 3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
24,806	32,024	28,174	26,769	40,389	14,977
610,445	510,802	404,607	291,558	802,860	622,908
513,332	809,956	251,257	299,254	586,007	320,191
1,047,047	1,047,047	1,047,047	1,047,047	1,047,047	1,369,818
9,945,249	9,023,255	9,273,423	8,334,083	7,534,128	9,391,334
<u>\$ 12,140,879</u>	<u>\$ 11,423,084</u>	<u>\$ 11,004,508</u>	<u>\$ 9,998,711</u>	<u>\$ 10,010,431</u>	<u>\$ 11,719,228</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,437	1,389	2,617	5,190	1,412	1,620
2,576,315	2,580,870	2,530,494	2,545,853	2,682,681	2,315,108
-	10,000	1,096	408	409	1,924
8,702,328	10,473,189	8,406,131	9,597,492	10,428,389	10,147,192
507,576	572,720	623,803	647,895	721,237	770,518
-	18,992,927	16,233,204	15,166,607	27,103,803	28,908,327
530,845	585,144	683,099	889,250	875,940	981,885
272,383	409,834	484,485	395,759	73,618	73,618
27,119,647	8,843,780	8,325,229	8,127,991	6,416,935	8,263,131
-	-	-	-	-	-
<u>\$ 39,710,531</u>	<u>\$ 42,469,853</u>	<u>\$ 37,290,158</u>	<u>\$ 37,376,445</u>	<u>\$ 48,304,424</u>	<u>\$ 51,463,323</u>

CITY OF BURLESON, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues:				
Property taxes	\$ 15,509,577	\$ 15,430,774	\$ 15,659,684	\$ 16,247,528
Sales and use taxes	12,250,021	13,598,440	14,964,599	14,257,015
Franchise fees	2,527,140	2,842,740	2,755,431	2,714,231
Licenses and permits	1,150,796	1,017,237	1,014,677	1,147,361
Intergovernmental	450,031	369,865	278,234	212,609
Fines and forfeitures	1,406,892	1,267,346	1,212,414	1,127,906
Donations	18,052	251,169	443,361	391,353
Charges for services	2,057,565	2,911,172	3,394,823	3,267,802
Investment income	178,867	88,992	101,182	81,002
Mineral lease	1,838,611	2,113,091	1,096,666	1,058,233
Street assessments	213,913	24,285	80,031	86,535
Miscellaneous	1,268,989	1,783,682	1,391,018	2,296,743
Total revenues	<u>38,870,454</u>	<u>41,698,793</u>	<u>42,392,120</u>	<u>42,888,318</u>
Expenditures:				
Current:				
General government	4,658,823	5,697,945	4,698,889	5,109,652
Public safety	12,981,168	12,269,841	13,189,268	13,916,985
Public works	5,339,771	5,110,274	5,088,899	5,434,287
Community development	1,503,442	1,700,475	1,645,680	1,790,790
Culture and recreation	3,899,848	4,929,907	5,102,392	5,527,597
Capital outlay	27,891,966	2,674,837	4,986,097	1,723,052
Debt service:				
Principal	4,180,000	4,835,507	4,890,666	5,106,392
Interest and fiscal agent charges	3,879,046	3,726,968	3,493,688	3,262,591
Debt issuance costs	-	-	-	-
Total expenditures	<u>64,334,064</u>	<u>40,945,754</u>	<u>43,095,579</u>	<u>41,871,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,463,610)</u>	<u>753,039</u>	<u>(703,459)</u>	<u>1,016,972</u>
Other financing sources (uses):				
Transfers in	6,813,507	6,825,205	7,482,456	7,193,956
Transfers out	(6,820,858)	(6,734,919)	(7,767,346)	(7,096,019)
Issuance of capital lease	1,369,061	1,673	-	-
Issuance of bonds	19,370,000	-	5,040,000	4,620,000
Payment to refunded bonds escrow agent	(11,326,305)	-	(5,239,802)	-
Premium	529,352	-	241,346	171,291
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>9,934,757</u>	<u>91,959</u>	<u>(243,346)</u>	<u>4,889,228</u>
Net change in fund balances	<u>\$(15,528,853)</u>	<u>\$ 844,998</u>	<u>\$(946,805)</u>	<u>\$ 5,906,200</u>
Debt service as a percentage of non-capital expenditures (1)	20.81%	69.16%	21.09%	22.65%

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

TABLE 4

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	16,980,934	\$	19,856,938	\$	21,228,368	\$	22,662,335	\$	25,189,670	\$	27,469,423
	16,216,375		16,880,929		16,798,919		17,305,748		18,729,392		19,878,538
	2,940,465		3,193,511		3,150,851		3,089,998		3,249,704		3,353,554
	1,446,281		1,415,034		1,335,198		1,356,969		1,351,498		1,408,566
	242,262		287,832		599,310		1,345,592		1,022,835		535,884
	1,282,599		1,422,084		1,402,152		1,543,257		1,445,053		1,116,297
	52,110		533,822		251,840		133,652		227,283		859,829
	3,555,560		3,727,378		3,840,360		4,127,562		4,046,803		4,191,285
	74,873		88,026		223,806		428,422		920,364		1,535,153
	969,979		521,976		268,183		311,715		308,858		274,053
	70,473		166,226		143,429		47,481		27,947		686,010
	1,581,916		1,874,647		1,578,783		1,831,166		1,787,707		1,635,999
	<u>45,413,827</u>		<u>49,968,403</u>		<u>50,821,199</u>		<u>54,183,897</u>		<u>58,307,114</u>		<u>62,944,591</u>
	4,596,577		5,178,035		5,356,449		6,958,826		7,467,748		8,133,737
	14,734,093		17,829,372		18,320,238		17,536,369		19,465,973		18,304,389
	5,755,348		5,869,224		6,416,556		6,020,703		6,807,958		6,711,307
	2,401,704		2,834,550		5,057,885		3,159,634		5,449,827		5,189,610
	6,249,210		6,275,252		6,867,778		7,076,266		7,186,446		7,200,075
	11,310,554		10,414,349		14,986,952		9,629,088		5,084,668		9,574,077
	4,627,379		5,230,643		5,741,552		6,295,335		663,791		7,270,453
	3,202,770		3,815,653		3,558,020		3,901,892		3,536,470		3,946,604
	-		-		-		-		173,355		123,526
	<u>52,877,635</u>		<u>57,447,078</u>		<u>66,305,430</u>		<u>60,578,113</u>		<u>55,836,236</u>		<u>66,453,778</u>
(	<u>7,463,808</u>)	(	<u>7,478,675</u>)	(	<u>15,484,231</u>)	(	<u>6,394,216</u>)		<u>2,470,878</u>	(	<u>3,509,187</u>)
	6,214,654		8,009,497		12,017,189		10,673,496		6,990,660		8,750,700
(	<u>6,486,563</u>)	(	<u>8,288,086</u>)	(	<u>12,160,098</u>)	(	<u>10,377,827</u>)	(	<u>7,289,423</u>)	(	<u>9,439,453</u>)
	-		-		-		-		631,520		-
	24,243,570		18,715,000		30,051,092		4,965,000		13,745,000		7,415,000
(	<u>10,009,448</u>)	(	<u>11,047,964</u>)	(	<u>23,304,563</u>)		-		-		-
	2,527,764		2,131,755		3,282,340		214,037		278,976		727,114
	-		-		-		-		212,088		-
	<u>16,489,977</u>		<u>9,520,202</u>		<u>9,885,960</u>		<u>5,474,706</u>		<u>14,568,821</u>		<u>7,453,361</u>
\$	<u>9,026,169</u>	\$	<u>2,041,527</u>	\$	<u>(5,598,271)</u>	\$	<u>(919,510)</u>	\$	<u>17,039,699</u>	\$	<u>3,944,174</u>
	15.47%		19.75%		19.22%		19.84%		18.71%		20.20%

CITY OF BURLESON, TEXAS

ASSESSSED AND ACTUAL
VALUE OF TAXABLE PROPERTY (Unaudited)
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Industrial/ Commercial Property	Mineral Reserves	Less: Tax-Exempt Property
2010	\$ 1,731,504,630	\$ 578,037,676	\$ 105,935,597	\$ 183,007,960
2011	1,770,352,770	579,118,177	93,920,686	220,261,774
2012	1,907,739,189	629,673,799	111,060,424	347,152,435
2013	1,949,702,876	690,001,727	111,483,802	341,644,076
2014	2,039,186,901	723,992,280	84,403,921	358,372,460
2015	2,237,761,861	730,854,710	184,302,872	369,333,494
2016	2,423,710,740	809,276,528	160,436,595	381,084,153
2017	2,770,858,176	865,977,924	42,719,357	435,249,706
2018	3,151,831,317	889,341,356	43,348,115	452,988,413
2019	3,561,153,075	939,220,256	50,736,216	543,091,182

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 Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$	2,232,469,943	0.6940	\$ 2,232,469,943	100%
	2,223,129,859	0.7100	2,223,129,859	100%
	2,301,320,977	0.6900	2,301,320,977	100%
	2,409,544,329	0.6900	2,409,544,329	100%
	2,488,710,642	0.6900	2,488,710,642	100%
	2,783,585,949	0.7400	2,783,585,949	100%
	3,012,339,710	0.7400	3,012,339,710	100%
	3,244,305,751	0.7350	3,244,305,751	100%
	3,631,532,375	0.7350	3,631,532,375	100%
	4,008,018,365	0.7350	4,008,018,365	100%

CITY OF BURLESON, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Unaudited)
LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
OVERLAPPING RATES				
Tarrant County	0.2640	0.2640	0.2640	0.2640
Tarrant County Hospital District	0.2278	0.2279	0.2279	0.2279
Tarrant County College	0.1379	0.1379	0.1490	0.1495
Tarrant County Regional Water District	0.0200	0.0200	0.0200	0.0200
Johnson County	0.3006	0.3275	0.3305	0.3332
Burleson Independent School District	1.5400	1.5400	1.5400	1.5400
Joshua Independent School District	1.3900	1.3900	1.4900	1.4900
Crowley Independent School District	1.5350	1.5350	1.6700	1.6700
CITY DIRECT RATES				
Operating & maintenance	0.5318	0.5478	0.5278	0.5278
Interest & sinking	0.1622	0.1622	0.1622	0.1622
Total Direct Rate	0.6940	0.7100	0.6900	0.6900

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

Note: All rates per \$100 assessed value.
Some of the jurisdictions are mutually exclusive.

TABLE 6

Fiscal Year					
2014	2015	2016	2017	2018	2019
0.2640	0.2640	0.2640	0.2540	0.2440	0.2340
0.2279	0.2279	0.2279	0.2279	0.2244	0.2244
0.1495	0.1495	0.1495	0.1447	0.1401	0.1361
0.0200	0.0200	0.0200	0.0194	0.0194	0.0194
0.3712	0.4054	0.4077	0.4227	0.4417	0.4417
1.5400	1.5400	1.5400	1.5400	1.6700	1.6700
1.4900	1.4200	1.6000	1.6100	1.6000	1.5200
1.6700	1.6500	1.6500	1.6500	1.6700	1.6700
0.5278	0.5278	0.5278	0.5228	0.5228	0.5228
0.1622	0.2122	0.2122	0.2122	0.2122	0.2122
0.6900	0.7400	0.7400	0.7350	0.7350	0.7350

TABLE 7**CITY OF BURLESON, TEXAS**PRINCIPAL PROPERTY TAX PAYERS (Unaudited)
CURRENT AND NINE YEARS AGO

Taxpayer	2019			2010		
	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	
TEP Barnett USA LLC	\$ 34,649,445	1	0.86 %	\$ -	-	
Halliburton Energy Services	34,629,175	2	0.86	-	-	
Burleson Gateway Station LP	32,793,593	3	0.82	-	-	
Wagner Smith Equipment Co.	28,237,011	4	0.70	10,308,075	8	0.46 %
Oncor Electric Delivery CO LLP	19,190,062	5	0.48	9,027,550	9	0.40
Sam's Real Estate Business/Sam's	19,064,673	6	0.48	-	-	
MA Summercrest at Burleson LLC	16,538,853	7	0.41	-	-	
JAHCO Burleson Town Center	15,816,404	8	0.39	10,648,039	6	0.48
EB Reserve LLC & RL Reserve LLC	15,533,048	9	0.39	-	-	
CAR Transport Inc.	13,329,325	10	0.33	-	-	
EE Burleson LP	-	-	-	24,589,820	1	1.10
WalMart Stores Inc.	-	-	-	18,551,568	2	0.83
Williams Production Golf	-	-	-	17,526,128	3	0.79
Burleson Commons LP	-	-	-	15,654,757	4	0.70
Chesapeake Operating LP	-	-	-	11,297,091	5	0.51
Target Corporation	-	-	-	10,803,633	7	0.48
Burleson Hidden Vistas LP	-	-	-	8,922,236	10	0.40
Total	\$ <u>229,781,589</u>		<u>5.73</u> %	\$ <u>137,328,897</u>		<u>6.15</u> %

Source: Johnson County Appraisal District

CITY OF BURLESON, TEXAS

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

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
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%
2017	2016	22,079,157	21,915,940	99.26%	102,492	22,018,432	99.72%
2018	2017	24,363,253	24,227,984	99.44%	202,492	24,430,476	99.44%
2019	2018	26,615,336	26,583,649	99.88%	-	26,644,791	99.88%

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
2010	\$ 37,782,000	\$ 41,610,000	\$ 8,540,000	\$ 1,656,882	\$ 4,363,000
2011	35,910,000	39,825,000	7,645,000	1,261,524	14,945,000
2012	36,836,000	35,220,000	6,725,000	896,606	14,499,000
2013	34,692,000	37,925,000	5,765,000	762,991	13,608,000
2014	49,584,570	33,800,000	5,140,000	621,676	11,770,430
2015	55,518,570	31,685,000	4,490,000	520,372	21,561,430
2016	68,653,213	20,895,000	3,815,000	419,067	24,816,787
2017	73,129,176	23,256,570	3,179,150	297,396	24,159,171
2018	68,172,381	35,255,727	2,418,965	806,615	20,186,166
2019	62,239,789	41,991,379	1,634,725	624,428	17,723,520

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					
Certificates of Obligation	Capital Leases	Water Revenue Bonds	Total Primary Government (2)	Percentage of Personal Income (3)	Per Capita (3)
\$ 14,910,000	\$ 398,129	\$ 22,475,000	\$ 131,735,011	13.79%	\$ 3,761
21,365,000	307,838	10,590,000	131,849,362	13.65%	3,594
20,555,000	230,132	13,660,000	128,621,738	12.52%	3,373
21,780,000	171,101	12,740,000	127,444,092	11.45%	3,267
23,220,000	17,198	12,340,000	136,493,874	11.84%	3,353
22,520,000	14,653	6,520,000	142,830,025	12.15%	3,466
24,050,000	12,108	3,655,000	146,316,175	12.04%	3,438
31,672,038	8,937	3,582,475	159,284,913	12.33%	3,623
38,335,941	5,748	4,569,356	169,750,899	12.30%	3,784
41,572,678	2,326	4,104,505	169,893,350	10.81%	3,512

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)
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
2017	73,129,176	23,256,570	2,016,853	24,159,171	31,672,038
2018	63,172,356	33,695,000	935,135	20,186,166	38,335,941
2019	58,076,855	39,880,000	526,482	17,638,144	39,665,000

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)
\$ 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%	1,575
150,200,102	78,104,527	76,013,162	2.34%	1,729
154,454,328	83,101,740	71,352,588	1.96%	1,591
154,733,518	90,211,289	64,522,229	1.61%	1,414

TABLE 11

CITY OF BURLESON, TEXAS

DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT (Unaudited)
SEPTEMBER 30, 2019

<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	\$ 105,865,893	100%	\$ 105,865,893
Johnson County	24,205,000	26.98%	6,530,509
Tarrant County	278,259,000	0.38%	1,057,384
Tarrant County Hospital District	33,290,000	0.38%	126,502
Tarrant County Junior College District	-	0.38%	-
Crowley ISD	467,571,874	**	-
Burleson ISD	340,570,852	82.04%	279,404,327
Joshua ISD	100,270,002	26.98%	<u>27,052,847</u>
Total overlapping debt			\$ 314,171,569
Total direct and overlapping debt			\$ 420,037,462
Per capita direct and overlapping debt			\$ 9,207

(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: 45,620

** Less than 0.01%

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CITY OF BURLESON, TEXAS
 PLEDGED - 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
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
2017	19,789,388	10,568,950	9,220,438	185,000	118,625
2018	22,369,878	11,552,023	10,817,855	185,000	114,925
2019	22,246,776	12,765,375	9,481,401	190,000	111,175

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

TABLE 12

Water and Sewer Debt

Revenue Bonds		Combination Tax & Revenue Bonds				Total Water & Sewer Bond Coverage
Debt Service		Debt Service				
Total	Coverage	Principal	Interest	Total	Coverage	
\$ 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
303,625	30.37	1,420,000	941,453	2,361,453	3.90	3.46
299,925	36.07	1,475,000	1,115,842	2,590,842	4.18	3.74
301,175	31.48	1,495,000	1,429,433	2,924,433	3.24	2.94

CITY OF BURLESON, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars) (2)</u>	<u>Per Capita Income (6)</u>	<u>Median Age (3)</u>	<u>Education Level In School (3)</u>	<u>Public School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
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%
2017	43,960	1,291,589	29,381	32.8	14.2	11,748	3.2%
2018	44,860	1,380,162	30,766	33.0	14.2	12,054	3.2%
2019	45,620	1,481,783	32,481	33.0	14.2	12,440	2.9%

- Source (1) North Central Texas Council of Governments (Census 2000 information average)
 (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) Texas Workforce Commission
 (6) U.S. Census Bureau

TABLE 14

CITY OF BURLESON, TEXAS

PRINCIPAL EMPLOYERS (Unaudited)
CURRENT YEAR AND NINE YEARS AGO

Employer	2019			2010		
	Employees	Rank	Percent	Employees	Rank	Percent
Burleson Independent School Dist	1,738	1	11.22 %	1,500	1	23.00 %
Wal-Mart	565	2	3.65	616	2	9.44
City of Burleson	449	3	2.90	383	4	5.87
H.E.B. Grocery	422	4	2.72	403	3	6.18
Champion Buildings Mfg	340	5	2.19			
Kroger	190	6	1.23			
Lowe's Companies	150	7	0.97			
Basden Steel	150	8	0.97			
KWS Manufacturing	150	9	0.97	130	6	1.99
Golden State Foods	<u>125</u>	10	<u>0.81</u>	90	10	1.38
Target				144	5	2.21
Lynn Smith Chevrolet				117	7	1.79
Trinity Mission Health & Rehab				114	8	1.75
Car Transport Inc.				93	9	1.43
Home Depot				<u>90</u>	10	<u>1.38</u>
Total	<u>4,279</u>		<u>27.62</u>	<u>3,680</u>		<u>56.42</u>

Source: City of Burleson Economic Development Department

CITY OF BURLESON, TEXAS

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

Function/Program	2010	2011	2012	2013	2014
General government and Administration:					
City manager's office	6.5	6.5	4.5	4.5	4
City secretary's office	2	2	3	3	3.5
Support Services	1.5	1.5	1	1	1
Records management	1	1	1	1	1
Information technology	7	7	7	7	8
Economic development	1	1	1	2.5	2
Human resources	3.5	3.5	3.5	4	3
Communications	1	1	1	1	1
* Judicial	-	-	-	1.2	0.5
Legal	-	-	-	0.5	1
Finance	9	9	9	9	9
Purchasing	1	1	1	1	1
Public Safety:					
Police	76.5	76.5	76.5	79	82
Fire	34	34	34	34	36
Fire prevention	2	2	2	2	2
Emergency Services	-	-	-	-	-
Municipal Court	8	8	8	8.5	6.5
Marshals Service	-	-	-	-	-
Public Works:					
Public works administration	4.5	4.5	3.5	5	5
Street maintenance	20	20	19	20	18
Neighborhood services	1	1	1	2	2
Animal services	5	5	5	5	5
Environmental services	1	1	1	3	1
Facility maintenance	6.5	6.5	6.5	2	2
Planning	5	5	3	4	4
Building code enforcement	8.5	8.5	6.5	6.5	6.5
Community development	5	5	5	5	3
Engineering	9.7	9.7	9.7	10	9
Culture & Recreation:					
Library	10	10	10	10.5	11.5
Parks & recreation administration	4.3	4.3	3.3	3.3	2
* Recreation	38.5	38.5	57.8	39.1	34.7
Park maintenance	9.5	9.5	9.5	12.5	11
Senior citizens center	1.5	1.5	1.5	1.5	2
Athletic Fields	2.5	2.5	3.5	10	10
Russell Farm	-	-	1	1	1
Enterprise Operations and Administration:					
Water/Wastewater:					
Water & sewer services	22	22	22	21	19
Utility billing	8	8	8	8	8
Hidden Creek Golf Course:					
Golf course administration	2	2	2	2	1
Golf course club house & pro shop	7.4	7.4	7.4	6.1	6.3
Golf course maintenance	8	8	8	8	7
Golf course food & beverage	5.6	5.6	6	5.7	4.5
Solid Waste	2	2	2	0.8	1
Internal Service Operations:					
Equipment services	6	6	5	5	5
Total	347.5	347.5	359.7	356.0	340.9

*Based on actual hours worked divided by 2080 hours (full time employees)

Source: City of Burleson Human Resources Department

TABLE 15

2015	2016	2017	2018	2019
4	5	4	4	3
4.5	5	4	4	4
1	1	1	1	-
1	1	1	1	1
8	8	8	9	9
2	2.5	2.5	2.5	2
4	4	4	4	4
1	1	2	2	3.5
0.5	1.5	1	-	-
1	1	1	1	1
9	8	8	8	9
1	1	1	1	1
78.5	84	84.5	85.0	90
38	40	48	49	49
3	3	3	3	3
-	-	-	-	1
8	3	4	4	4
-	3	3	3	3
5	6	6	6	6
17	17	18	18	17
2	2	2	2	2
5	5	5.5	5.5	5.5
1	1.5	2	2	2
2	3	5	5	5
4	5	5	5	5
9	9	9	10	10
2	2.5	2.5	2.5	4
9	12	12	12	11
12.5	11	11	11	10.2
3	2	2	2	2
42.2	41.9	37.1	38.6	37.9
11.5	12	12	12	12
2	2	2	3	2.7
10	10	10	10	7
1	1	1	1	1.9
19	21	21	21	21
8	8	8	8	8
1	2	2	2	2
6.3	6.5	6.5	6.5	6.5
6	8.5	9	9	8
4.5	5.9	5.3	5.3	3.5
2	1	1	1	1
<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u>353.5</u>	<u>370.8</u>	<u>377.9</u>	<u>382.4</u>	<u>381.7</u>

TABLE 16

CITY OF BURLESON, TEXAS
SCHEDULE OF INSURANCE POLICIES IN FORCE (Unaudited)
AS OF SEPTEMBER 30, 2019

	AM Best Rating	Policy Number	Policy Period
Texas Municipal League Intergovernmental Risk Pool	A++	3511	10/1/2018 9/30/2019
	Coverage	Deductibles	Liability Limits
	General Liability	\$ -	\$ 1,000,000
	Real & Personal Property	2,500	84,247,604
	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	250	500,000
	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)

	Fiscal Year				
	2010	2011	2012	2013	2014
Public safety:					
Police:					
Number of employees	76	77	77	80	83
Total calls	77,792	76,570	75,506	78,426	83,937
Arrests	1,386	1,243	1,192	1,068	1,050
Traffic enforcement	10,814	8,440	7,380	7,929	8,981
Fire:					
Number of employees	48	34	34	34	36
Number of calls for service	3,400	3,400	3,096	3,622	3,821
Inspections	800	830	1,152	2,038	2,719
Animal Control:					
Animals Adopted	720	558	452	352	426
Animals Impounded	3,188	2,930	1,870	1,900	1,907
Environmental Health:					
Permits ¹	-	-	-	-	-
Inspections	-	-	-	-	131
Community Development:					
Permits Issued	7,264	3,660	4,028	4,627	4,734
Inspections Made	14,311	9,365	8,065	11,015	13,827
Culture and Recreation:					
Recreation:					
Special Event Participants	33,216	33,216	45,800	33,725	28,415
Senior Citizen Participants	31,500	31,500	33,357	34,219	35,124
Library:					
Books in Collection	65,500	65,832	64,327	64,640	66,435
Materials borrowed ²	316,899	418,977	437,547	406,379	432,189
Water and Sewer:					
Number of water customers	12,435	12,693	12,844	13,251	13,501
Number of sewer connections	11,250	12,975	13,086	13,396	13,495
Gas Well:					
Number of Permits	55	64	18	-	7
Number of Pad Site Inspections	950	1,350	5,928	6,350	6,032

Source: Various City Departments¹ All permits collected by Tarrant County Health Department

² Beginning 2017, Library discontinued counting in-house circulations.

TABLE 17

Fiscal Year				
2015	2016	2017	2018	2019
83	84	84.5	85.0	90.0
82,340	72,900	63,460	59,062	45,349
1,077	1,089	1,045	1,107	1,210
6,470	6,312	11,374	8,733	6,672
38	40	48	49	49
4,121	4,338	4,491	4,274	4,505
3,957	4,012	2,895	1,427	3,281
478	457	564	719	799
1,942	2,041	2,352	1,777	1,860
-	-	265	294	336
162	182	521	507	447
4,826	7,088	4,829	4,844	4,560
15,071	15,186	14,225	13,104	12,276
38,181	41,300	44,225	44,500	45,200
33,535	37,688	36,450	35,247	55,032
70,545	70,828	70,210	68,980	65,951
413,732	436,033	333,290	338,654	348,100
13,877	14,224	14,432	14,588	15,185
14,087	14,457	14,513	14,849	15,666
-	-	-	-	-
3,033	2,964	3,380	3,276	1,000

CITY OF BURLESON, TEXAS

MISCELLANEOUS STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

		Fiscal Year			
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Date of incorporation	May 12, 1912				
Date of charter	April 5, 1989				
Area incorporated (square miles)		26.04	26.06	26.34	26.17
Form of government	Council/Manager				
Education:					
Attendance centers		15	15	15	15
Number of teachers		672	658	669	665
Number of students		10,045	9,833	10,211	10,457
Miles of streets ⁽¹⁾		200.00	200.00	200.00	185.00
Miles of sewers:					
Sanitary sewers		182.00	190.91	197.64	200.00
Storm sewers		46.12	52.44	54.50	49.00
Culture and recreation:					
Parks - number of acres		334	348	364	454
Number of municipal pools		1	2	2	2
Number of lighted ball diamonds		20	23	23	16
Number of community centers		1	1	1	2
Municipal water system:					
Number of water customers		12,321	12,475	12,844	13,251
Daily average consumption (gallons)		3,880,821	4,931,611	4,315,099	4,227,154
System capacity (gallons per day)		14,550,000	14,550,000	14,550,000	14,550,000
Miles of water mains		175.00	192.36	193.68	189.00
Number of fire hydrants		1,200	1,331	1,348	1,349
Municipal sewer system:					
Number of sewer connections		12,474	12,693	13,086	13,396
System capacity (gallons per day)		11,800,000	11,890,000	11,890,000	11,890,000
Number of street lights		1,406	1,415	1,421	1,421
City employees:					
Full-time		303	290	290	294
Part-time		61	66	60.25	81
Temporary		20	11	16.75	5

TABLE 18

Fiscal Year					
2014	2015	2016	2017	2018	2019
26.17	26.33	28.06	28.21	28.28	28.33
15	15	16	16	16	17
675	685	706	759	773	780
10,618	10,807	11,376	11,748	12,054	12,340
181.00	185.17	192.76	196.86	201.10	209.05
199.39	202.39	203.38	209.15	213.42	214.99
49.70	49.47	50.68	55.74	60.17	59.97
463.44	463.44	486.19	477.66	542.8	554.49
2	2	2	2	2	2
16	16	16	16	16	18
2	2	2	2	2	2
13,501	13,877	14,224	14,432	14,588	15,185
4,344,483	4,129,146	4,196,295	4,582,278	4,928,277	4,354,776
14,550,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
192.09	205.24	204.72	208.61	211.44	212.49
1,431	1,463	1,497	1,553	1,568	1,587
13,495	14,087	14,457	14,513	14,849	15,666
11,890,000	11,890,000	11,890,000	11,890,000	11,890,000	11,890,000
1,442	1,457	1,539	1,576	1,588	1,638
295	305	311	315	320	341
83	83	93	96	91	78
6	4	4	4	4	13