

2010 Annual Financial Report

MARCH 2011

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

PRESENTED TO

City of Burleson,
Texas

for the Fiscal Year Ended
September 30, 2009



[Signature]
President
[Signature]
Executive Director

GROCERY, HEALTH CARE, AND RESTAURANTS TOP 2010 ECONOMIC DEVELOPMENT SUCCESSES

While many headlines across the country talked of soaring unemployment, store closings, and economic instability, Burleson's 2010 was an exception to the rule. Several businesses opened in Burleson, creating jobs and shopping and eating destinations. Additionally, sales tax returns were higher than anticipated.

H-E-B grocery opened its first Metroplex H-E-B store in



September 2010 aerial of the opening of H-E-B grocery

CONTINUED ON PAGE 8

TALKING ABOUT SUCCESSES AND THE FUTURE

The City of Burleson offers a wide range of services to its 35,000-plus residents, from police and fire protection, animal control, code enforcement, water and sewer service, garbage collection and recycling, street construction, and maintenance and repair, to amenities such as a public library, parks and recreation, and a golf course. These are funded through a variety of revenues, including property tax, sales tax, user fees, and grants and contributions.

The 2010 Annual Financial Report is presented in a newsletter format and is intended to give you an overview of services delivered by the City to the citizens in fiscal year 2010, what the services cost, and how they were paid for. The financial information is taken from the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended Sept. 30, 2010. The CAFR, produced by the City's finance department in accordance with the Generally Accepted Accounting Principles that guide municipal financial reporting, is audited by an independent accounting firm selected by city council.

Included is information about recent economic development successes, the Renfro-Spinks Airport Connector, public safety grants, and an update on the commuter rail station and surrounding development as well as the future Chisholm Trail Parkway.

The council and the City's management staff hope this report provides insight into how the City's services are financed. I want to thank the finance department staff for excellent work in reporting on our municipal finances, as evidenced by being awarded the Popular Annual Financial Reporting award for the 12th consecutive year.

[Signature]

Curtis Hawk, city manager

INSIDE ...

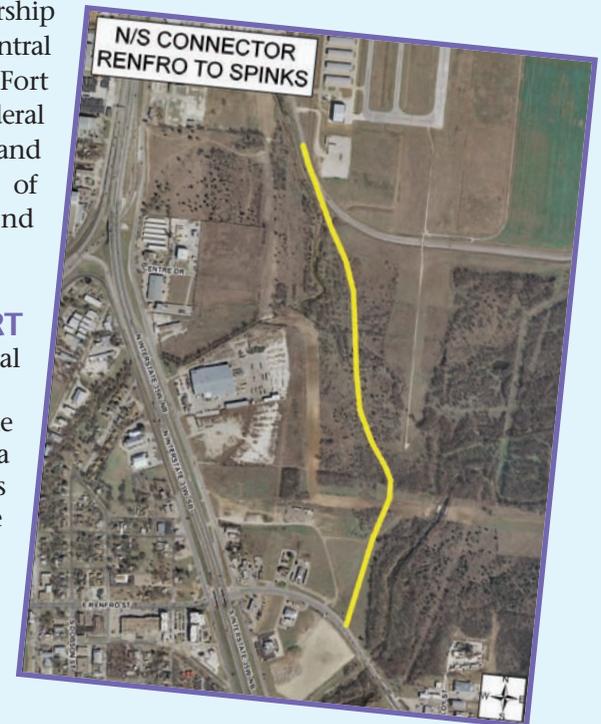
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TRAVEL THE CHISHOLM TRAIL PARKWAY

Construction on the Chisholm Trail Parkway, part of the extension of State Hwy. 121, could be complete by late 2013.

In January 2011, the North Texas Tollway Authority (NTTA) received bids for a design-build contract for the FM 1187 to US 67 section of Chisholm Trail Parkway. The NTTA hosted a public hearing in March to discuss the project finances.

According to the Texas Department of Transportation (TxDOT), when completed, the Hwy. 121/Southwest Parkway project will be a four-lane to six-lane divided toll road extending for approximately 14 miles from I-30 to FM 1187. It will connect with the 13-mile Chisholm Trail Parkway. The project is a partnership among TxDOT, NTTA, North Central Texas Council of Governments, Fort Worth Transportation Authority, Federal Highway Administration, Tarrant and Johnson counties, and the cities of Fort Worth, Burleson, Joshua and Cleburne.



TWO-LANE ROAD WILL LINK EAST RENFRO AND SPIKES AIRPORT

Planning is under way for projects funded by voter-approved general obligation bonds issued in 2010.

The City of Burleson has teamed with the City of Fort Worth on the Renfro-Spinks Airport Connector. This project includes construction of a two-lane road between East Renfro and Spinks Airport. The road includes sidewalks and underground drainage features. The connector will provide additional traffic circulation from Alsbury Boulevard to East Renfro and an additional access route to properties adjacent to the east side of I-35W.

Fort Worth will continue the road from Burleson's northern city limits and connect into FM 1187.

WIDENING OF RENFRO STREET MAY START IN 2012

If the project is funded, the widening of Renfro Street could begin as early as 2012. The Texas Department of Transportation is designing the project, which includes a six-lane divided section that includes raised medians and six-foot sidewalks from I-35W to Hurst Road. At Hurst, Renfro will narrow to a four-lane divided road with raised

medians and six-foot sidewalks. Between Hurst Road and CR 602, Renfro will narrow to the existing two-lane section. The median and all work ends on the west side of the CR 602/Renfro intersection. An environmental impact study on the project is expected to be completed this spring.

TRANSIT ORIENTED DEVELOPMENT OFFERS ALTERNATIVES

Bus service, commuter rail, pedestrian and bicycle access are all in the plans for the Burleson Transit Oriented Development (TOD) project.

The TOD is a 560-acre area straddling the Burlington Northern Santa Fe Railroad in west Burleson. The transit station would be located at the intersection of the future Alsbury Boulevard and Hulen Street

(formerly Shaffstall Road), west of Hwy. 174. The proposed W-4 rail corridor runs from downtown Fort Worth through Burleson and ends in Cleburne. The development plans are for a 560-acre mixed-use development.

The project is a joint effort grant funded through the Regional Transportation Council and managed by the North Central Texas Council of

Governments. The Burleson TOD project is looking at short- and long-term strategies, including an initial bus service and a station that has the flexibility to be converted to a commuter rail station when thresholds are met and funding is available. Pedestrian and bicycle access, in addition to vehicle access to the station, are included in the plans.

Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two presented as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing related to cash flows. Thus, revenues and expenses are reported in this statement for items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The change in net assets is not reported here, but is the difference of total revenues and total expenses. This year, net assets increased by \$5,959,909.

Fund Financial Statements

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

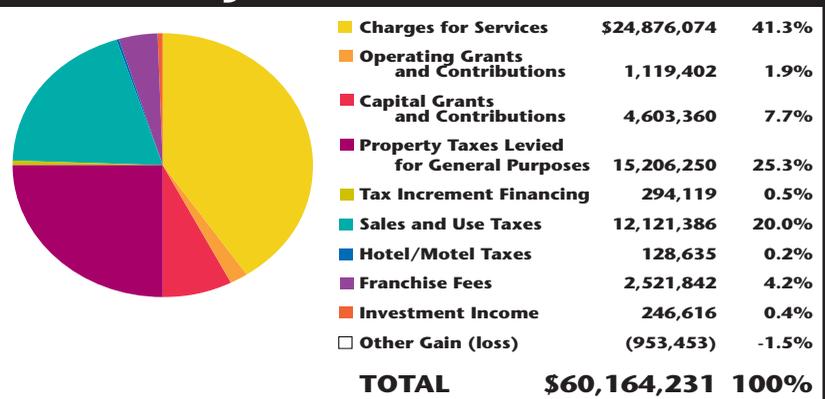
The City has two types of funds: governmental funds and proprietary funds. This report presents only the operating statements of the general fund, water and wastewater fund, and the solid waste fund. For information on the other funds as well as more detailed information on the funds presented here, a copy of the City's Comprehensive Annual Financial Report may be picked up from the finance department at Burleson City Hall, 141 W. Renfro St., and is also available online at www.burlesontx.com.

Citywide Net Assets

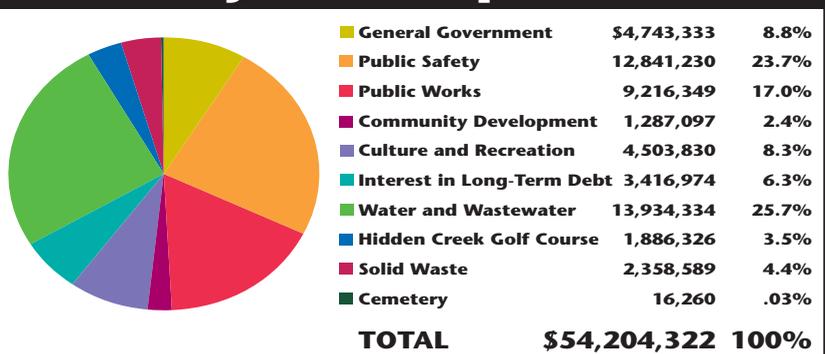
	FY 2009	FY 2010
Current and Other Assets	\$91,032,394	\$68,592,544
Capital and Other Assets	212,531,019	240,223,818
TOTAL ASSETS	303,563,413	308,816,362
Debt and noncurrent liabilities	125,438,123	127,523,585
Other Liabilities	17,087,631	14,295,208
TOTAL LIABILITIES	142,525,754	141,818,793
Net Assets:		
Invested in Capital Assets, Net of Related Debt	125,652,978	132,433,150
Restricted	8,930,092	9,217,450
Unrestricted	26,454,590	25,346,969
TOTAL NET ASSETS	\$161,037,660	\$166,997,569

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two presented as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Citywide Revenues



Citywide Expenses



Revenues and expenses are for the fiscal year ended September 30, 2010.

CITY OF BURLESON, TEXAS **General Fund**

Statement of Revenues, Expenditures and Changes in Fund Balance
for the Year Ended September 30, 2010

	FY 2009	FY 2010
REVENUES		
Property Taxes and Special Assessments	\$10,487,824	\$11,838,884
Sales Taxes	5,763,919	5,855,414
Franchise Fees	2,516,642	2,527,140
Licenses and Permits	1,336,454	1,150,796
Intergovernmental Revenue	169,182	219,713
Fines and Forfeitures	1,102,874	962,387
Charges for Services	1,597,794	1,280,456
Interest Income	97,577	70,334
Miscellaneous	751,295	634,377
TOTAL REVENUES	23,823,561	24,539,501
EXPENDITURES		
General Government	5,300,258	4,442,561
Public Safety	10,754,829	12,397,853
Public Works	4,644,616	5,233,887
Community Development	558,592	678,012
Culture and Recreation	2,369,867	2,212,085
TOTAL EXPENDITURES	23,628,162	24,964,398
Excess (deficiency) of Revenues Over Expenditures	195,399	(424,897)
OTHER FINANCING SOURCES (USES)		
Transfers In	526,127	615,862
Transfers Out	(151,826)	(247,592)
Capital Lease Proceeds	-	511,555
TOTAL OTHER FINANCING SOURCES (USES)	374,301	879,825
NET CHANGE IN FUND BALANCES	569,700	454,928
Fund Balance - Beginning	6,163,567	6,733,267
FUND BALANCE - ENDING	\$6,733,267	\$7,188,195

Governmental Funds

These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more narrow 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, citizens may better understand the long-term impact of the government's near-term financing decisions.

The City of Burleson maintains 15 individual governmental funds. Included in this special newsletter is the general fund statement of revenues, expenditures and changes in fund balance with comparative data from fiscal year 2009. Largest of the City's funds, the general fund accounts for the majority of City services, including library, parks, police, fire, street maintenance and administrative services.

CITY'S FINANCE DEPARTMENT EARNS MULTIPLE KUDOS

The City received the Certificate of Achievement for Excellence in Financial Reporting for the 2008-2009 Comprehensive Annual Financial Report and the award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year

ending Sept. 30, 2009. Both honors are awarded by the Government Finance Officers Association (GFOA). The finance department has received both GFOA awards for 12 consecutive years. Texas Comptroller Susan Combs has applauded the City for its financial

transparency with her office's highest Leadership Circle Level – Gold. The City of Burleson has also been spotlighted on the Texas Transparency Check-Up website, www.window.state.tx.us/comptrol/checkup/.

City Water Customers

2001	7,968
2002	8,460
2003	9,042
2004	9,620
2005	10,265
2006	10,962
2007	11,440
2008	12,000
2009	12,157
2010	12,435

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 fund-wide financial statements. Enterprise funds are used to account for water and wastewater, golf, solid waste and cemetery operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Burleson uses internal service funds to account for the acquisition and replacement of major pieces of equipment used throughout the organization, such as the fleet of City vehicles, as well as for the repair and maintenance of significant pieces 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 and wastewater fund statement of revenues, expenditures and changes in fund balance is presented in this special newsletter with comparative data from fiscal year 2009.

CITY OF BURLESON, TEXAS

Water and Wastewater Fund

Statement of Revenues, Expenditures and Changes in Fund Balance for the Year Ended September 30, 2010

	FY 2009	FY 2010
OPERATING REVENUES		
Charges for Services	\$13,762,295	\$13,703,256
Penalties and Interest	411,413	387,586
Impact Fee Revenue	337,613	414,260
Miscellaneous	22,825	71,537
TOTAL OPERATING REVENUES	14,534,146	14,576,639
OPERATING EXPENSES		
Water and Wastewater Services	8,203,747	9,508,174
Cost of Collecting Revenues and Other		
Administrative Expenses	974,030	794,415
Depreciation	1,667,092	1,734,856
TOTAL OPERATING EXPENSES	10,844,869	12,037,445
NET OPERATING INCOME (LOSS)	3,689,277	2,539,194
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on disposition of fixed assets		(5,743)
Investment Income	232,829	46,904
Interest Expense	(1,874,106)	(1,792,607)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,641,277)	(1,751,446)
Income (loss) Before Capital Contributions and Transfers	2,048,000	787,748
Transfers to Other Funds	(385,000)	(441,631)
Capital Contributions	1,461,885	1,044,954
NET INCOME	3,124,885	1,391,071
Net Assets (liabilities) at Beginning of Year	45,778,331	48,903,216
NET ASSETS AT END OF YEAR	\$48,903,216	\$50,294,287

While this presentation does not conform to Generally Accepted Accounting Principles (GAAP), the purpose of these statements is to provide the citizen with a selection of the information contained within the City's Comprehensive Annual Financial Report (CAFR). The City's accounting policies do conform to GAAP as set forth by the Governmental Accounting Standards Board. The City's separately prepared and audited CAFR offers a complete description of the City's significant accounting policies and other disclosures required by GAAP, as well as a more detailed analysis of the City's financial position. A copy of the CAFR can be picked up at the finance department at Burleson City Hall (141 W. Renfro St.) or log on to the City website, www.burlesontx.com, and click on Budget & Annual Financial Reports in the middle of the home page.

SALES TAX COLLECTIONS UP IN 2010

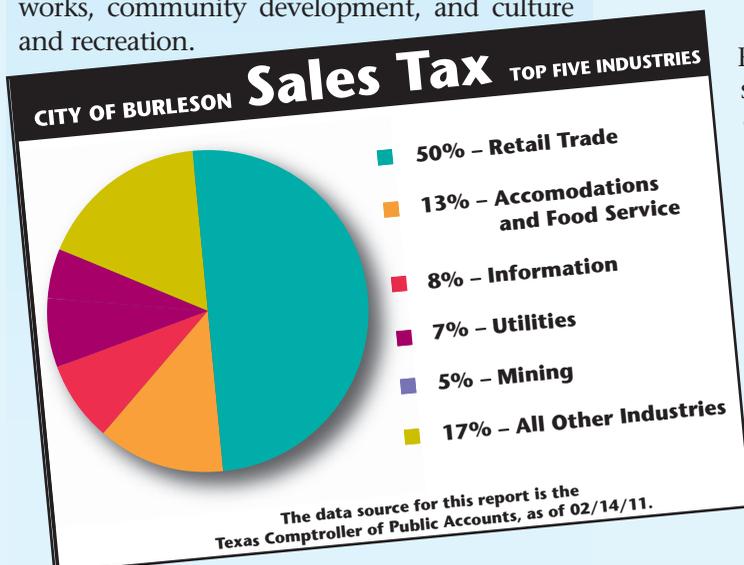
In 2010, sales tax collections totaled \$12,121,386, up from \$11,805,360 in 2009. Sales tax revenue represented approximately 20 percent and 19 percent of the City's total revenue in 2010 and 2009, respectively.

The top five industries generating sales tax for the City are retail trade, accommodations and food service, information, utilities, and mining. The top five sales tax producing industries in the City have remained relatively consistent from year to year. The retail trade industry has decreased by 1 percent since last year. The information industry, on the other hand, has increased by 2 percentage points and moved up to third, bumping utilities down one.

CITY'S SHARE IS 2 PERCENT

The sales tax rate inside the city limits of Burleson is 8.25 percent of eligible sales. Of that, the City's portion is 2 percent.

The City allocates 24.3 percent and 24.6 percent of the City's part of collected sales tax revenue to the Burleson Community Development Corporation (BCDC) and the Burleson 4A Economic Development Corporation (4A Corporation), respectively, for debt service. Both corporations are part of the City. The BCDC is organized specifically for construction and renovation of municipal buildings and other facilities. The goal of the 4A Corporation is to promote and provide economic development within the city limits. The rest of the sales taxes collected are used for general expenditures, public safety, public works, community development, and culture and recreation.



CITY OF BURLESON, TEXAS Solid Waste Fund

Statement of Revenues, Expenditures and Changes in Fund Balance for the Year Ended September 30, 2010

	FY 2009	FY 2010
OPERATING REVENUES		
Charges for Services	\$2,606,816	\$2,311,221
OPERATING EXPENSES		
Solid Waste Operations	2,195,302	2,353,430
Depreciation	55,763	545
Total Operating Expenses	2,251,065	2,353,975
Net Operating Income (loss)	355,751	(42,754)
NONOPERATING REVENUES (EXPENSES)		
Loss on Disposition of Fixed Assets	(119,157)	–
Investment Income	7,221	2,151
Total Nonoperating Revenue (expense)	(111,936)	2,151
Income (loss) Before Capital Contributions and Transfers	243,815	(40,603)
Transfers In	–	–
Transfers Out	(301,432)	(230,862)
Net Income	(57,617)	(271,465)
Net Assets (liabilities) at Beginning of Year	699,642	642,025
Net Assets at End of Year	\$642,025	\$370,560

WE WOULD LIKE TO ACKNOWLEDGE ...

The presentation and development of this Annual Financial Report would not have been possible without the special efforts of the Finance Committee and cooperation of contributing City staff members. We would also like to express our appreciation to the mayor, city council and city management for their interest in and support of City financial operations.

The Government Finance Officers Association of the United States and Canada presented an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Burleson for its Popular Annual Financial Report for the year that ended Sept. 30, 2009. This prestigious national award recognizes conformance with the highest standards for preparation of state and local government popular reports.

DEPARTMENT OF JUSTICE GRANTS GIVE POLICE MORE TOOLS

Citizens, businesses, and visitors benefitted when the City secured two United States Department of Justice JAG grants in fiscal year 2010.

The police department earned a \$36,170 JAG grant from the governor's Criminal Justice Division under the American Recovery and Reinvestment Act. That grant was used to purchase a watch tower, which elevates to 18 feet. The tower is a crime prevention tool aimed at reducing burglaries and thefts in retail and commercial parking lots. The tower is also used at major sporting events such as football games and for major tournaments at Chisenhall Fields. The tower is roomy enough to house two people. Members of the Citizens On Patrol man the tower and radio suspicious activity to the police department.

The police department also

received a \$27,331 JAG award to purchase Tasers for police officers. Twenty-five Tasers (including 25 extended warranties and 123 air cartridges) were purchased with the grant funds. All uniformed officers (patrol, traffic, community resource, and school resource) are issued the devices. Tasers are beneficial because they give officers another option when use of force is required.



Department-issued Taser



The watch tower extends up to 18 feet. Pictured are Community Resource Officer Jack Goleman and Citizens On Patrol members Patricia James and Vicki McElroy.

FIRE DEPARTMENT'S ABILITY TO RESCUE TRAPPED VICTIMS IMPROVES WITH GRANT

In the event of a confined space rescue, the Burleson Fire Department will be prepared, thanks to a \$16,166 grant from the State Homeland Security Grant program. The money was used to purchase an Urban Search and Rescue (US&R) concrete chainsaw and associated equipment. Burleson firefighters have responded to numerous partial and full structural collapses. Most of these collapses have been due to weather events. The diamond-tipped concrete chainsaw is one of the most powerful and quickest cutting concrete saws available. It is

typically used by state and federal US&R teams. The concrete saw gives firefighters the ability to break through concrete walls to reach victims.

The Burleson Fire Department has firefighters trained in US&R. US&R involves the location, extrication, and initial medical stabilization of victims trapped in confined spaces. Structural collapse is most often the cause of victims being trapped, but victims may also be trapped in transportation accidents, natural disasters, and collapsed trenches.

GOAL TO CONSERVE ENERGY GETS ASSIST FROM DEPARTMENT OF ENERGY

The City earned some assistance in energy conservation thanks to the United States Department of Energy. The City was awarded a grant for \$86,365 under the Energy Efficiency and Conservation Block Grant program for lighting upgrades related to energy conservation efforts by the City. In August 2009, city council adopted a resolution that established the goal to reduce electric consumption by existing City facilities by 5 percent each state fiscal year for six years (beginning Sept. 1, 2007). This resolution was done in accordance with Senate Bill 12 of the 80th Texas Legislative Session.

Thanks to this grant, the City has completed lighting upgrades at Fire Station #1, the library, and the police department. Previous lighting technology was replaced by high-efficiency technology including instant-start electronic ballasts; extended life T-8 lamps; high-efficiency, hard wired compact fluorescents; and LED exit signs. Ceiling or wall mounted occupancy sensors were installed in selected areas to automatically turn lights on and off.

CITY COUNCIL

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The Burleson City Council meets on the first and third Mondays at 7 p.m. at city hall, 141 W. Renfro St. For meeting dates and agendas, go to the City Council Agendas & Minutes page at <http://tinyurl.com/4933ujk> on the City website.

CITY MANAGEMENT

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The City of Burleson's Annual Financial Report is published in March by the City of Burleson's Office of Communications. The Annual Financial Report is available on the City's website, www.burlesontx.com, as well as through links on the "City of Burleson, Texas" Facebook and Twitter pages. To learn more about the functions of the City's finance department, go to <http://tinyurl.com/6e6bqz7> on the City website. This is an official publication of the City of Burleson.

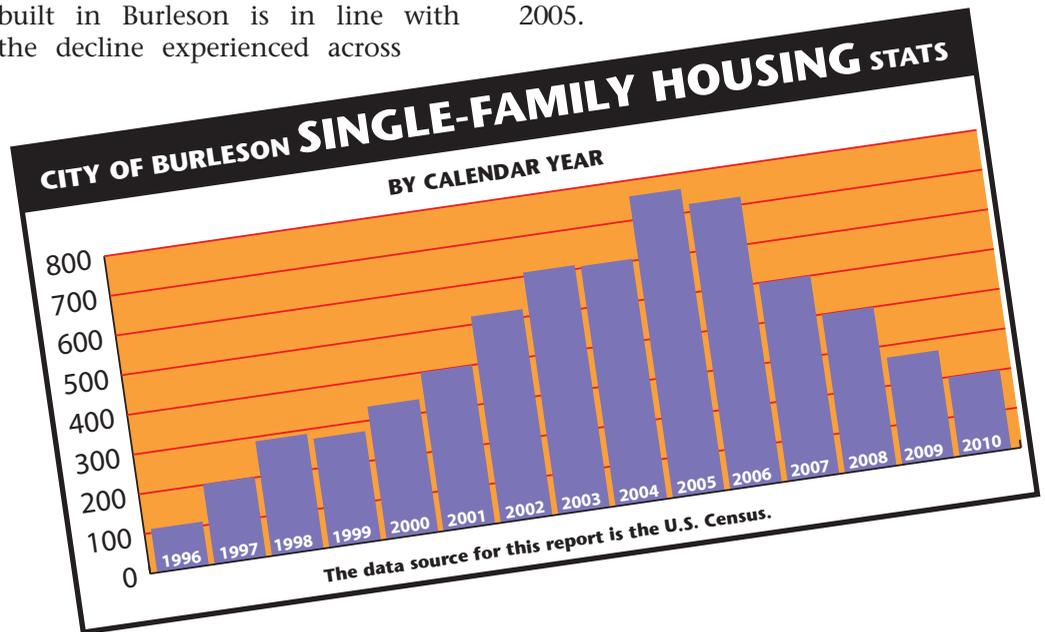
BUILDINGS ARE GOING GREEN

A new type of growth in Burleson sprouted in 2010. Green building, which is a strategic goal from the City's Imagine Burleson comprehensive plan, is popping up around town. Honda of Burleson is slated to become the City's first LEED certified building. LEED (Leadership in Energy and Environmental Design) honors developments that meet the highest green building and sustainability standards. United Cooperative Services is also considering the construction of a LEED certified development in Burleson. LEED developments historically have lower operating costs, most specifically for conservation of energy and water, as well as a reduction in waste sent to landfills. For information on LEED certification, visit the United States Green Building Council website at www.usgbc.org.

GROWTH DECLINED, BUT VALUE INCREASED ON NEW HOMES

New home construction slowed to 198 in 2010. This is significantly lower than the peak of 2005 when more than 700 new homes were constructed. The decline in the number of homes built in Burleson is in line with the decline experienced across

Texas and the entire United States. A bright spot in Burleson's residential construction market is that the value of new homes averaged \$135,000 compared to \$105,000 in 2005.



TOP 2010 ECONOMIC DEVELOPMENT SUCCESSES CONTINUED

Burleson in September 2010, which created more than 400 new jobs. The store has become a destination for people from across the Dallas-Fort Worth Metroplex. Additionally, the store has created a significant draw for new businesses seeking locations near H-E-B. During 2011, Chase Bank and Chick-Fil-A will open locations on the H-E-B property. Further retail development opportunities are also possible on this site.

A new grocery store isn't the only feather in Burleson's cap for 2010. Two major medical providers now call Burleson home. Texas Health Resources opened the first phase of a modern medical complex along Hwy. 174. The 8-acre campus features an emergency room, helipad, a state-of-the-art imaging center, as well as a fitness center. Additionally, Cook Children's opened a children's medical services office on John Jones Drive in Burleson.

And, if you are looking for a great place to eat, Burleson has more than 100 restaurants to choose from. In 2010, Old Town Burleson became the hot spot for new restaurants. Bailey's, D'Vine Wine, Grumps, J&J Oyster Bar, Fuzzy's Taco Shop, and Giovanni's were added to the list of Old Town destinations.