

2008 Annual Financial Report

MARCH 2009

SALES TAX, GAS WELL REVENUES FUND
NEW RECREATION CENTER

Thanks to sales tax and gas well revenues, the citizens of Burleson and beyond will be enjoying a state-of-the-art recreation center, soccer fields and outdoor swimming pool, all by March 2010.

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Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Burleson
TexasFor its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is, presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



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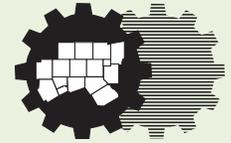
WHAT'S THE COST, AND
HOW IS IT FINANCED?

The City of Burleson provides many services to its 33,000-plus citizens. Police and fire protection, street maintenance, parks and recreation facilities, a public library, and water and sewer service are all amenities provided by the City. These conveniences are funded through a wide range of revenue sources, including sales tax, property tax, user fees, grants and contributions.

The following financial information is designed to give the citizen some idea of what these services cost and how they are financed. The annual report, which this special newsletter is built around, is not designed to answer every question a citizen might have about City finances, but to provide an introduction to the City's Comprehensive Annual Financial Report (CAFR).

The following information is adapted from the City's CAFR for the fiscal year that ended Sept. 30, 2008. Produced by the City's finance department, the CAFR contains detailed information about the City's financial performance. The CAFR is presented in accordance with Generally Accepted Accounting Principles and is audited by an independent accounting firm.

LOCAL GOVERNMENT JOINS PUSH FOR SOLUTION TO TRANSPORTATION, AIR QUALITY ISSUES



Burleson dignitaries joined other area legislators, local city and county officials, and business leaders from across the region recently for the unveiling of the Texas Local Option Transportation Act.

The Texas Local Option Transportation Act is a tool for metropolitan areas to raise money for new roadways, passenger rail service and bridges. All projects and fees must be approved by the voters.

The number of households in Johnson County is expected to more than triple by the year 2030. That means the population will also triple, to a predicted 444,200 residents. The population in Burleson, which lies in Johnson and Tarrant counties, is expected to reach 64,975 by 2030 (it's currently home to 33,250 residents).

Burleson is part of the proposed Cleburne/W-4 line, which will tie Cleburne to Fort Worth. This line will span 29 miles and connect Cleburne, Burleson, Joshua and Crowley to the Intermodal Transportation Center and T&P Terminal in downtown Fort Worth.

The estimated capital cost for the 29 miles of rail is \$373.1 million, which covers the cost of the tracks (\$80.8 million), control/signal/safety systems (\$71.9 million), vehicles (\$58.8 million), stations and park and rides (\$27.4 million) and more, all at 2008 prices. The operating cost is estimated at \$3.3 million, also based on 2008 costs.

The Cleburne/W-4 line will be on the Burlington Northern Santa Fe (BNSF) rail line in Johnson and Tarrant counties. It is one of eight proposed rail corridors in the region. Planners predict a ridership of 4,044 daily on the Cleburne line. That number is equivalent to one lane, in each direction, of drivers on the highway.

The Cleburne line will include one station in Crowley, Burleson and Joshua. Cleburne will have two stations. Burleson's rail station site is located along the BNSF rail line in the northwest quadrant of Shaffstall Road in southwest Burleson. The City of Burleson annexed 653 acres in that area in November 2005 in order to plan for the transit-oriented development that will surround the rail station.

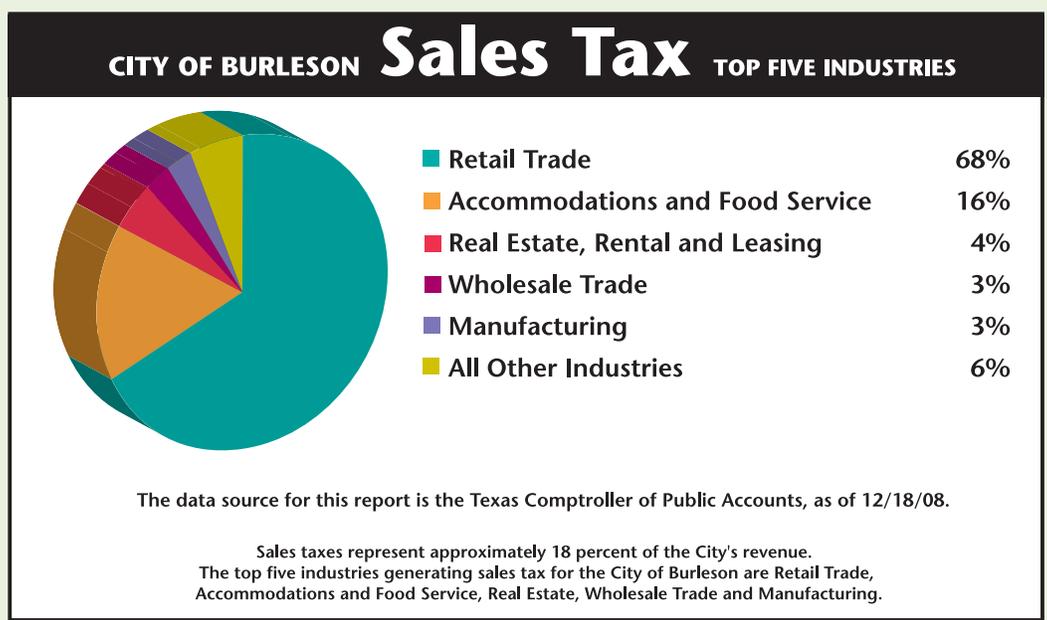
Methods of financing the roads, passenger rail and bridges include a new resident

impact fee imposed on vehicles previously registered out of state; a mobility improvement fee imposed on renewal of vehicle registration (not on purchase); a driver fee imposed on driver's license issuance and renewal (once every six years); a local option gas tax imposed on the sale of gas (and indexed); and a parking fee or emissions fee.

Funds raised in a county can only be spent on projects located within the county unless the county authorizes money to be spent on projects determined to benefit the region. For residents who are low income or moderate income and who can demonstrate financial hardship, the assessed fees may be reduced or waived.

Transportation, particularly rail, is the top priority for the City of Burleson in the 81st Legislature. The Burleson City Council adopted a resolution in January to support the initiative. The Regional Transportation Council, comprised of local elected officials from the North Central Texas Council of Governments and designated by the state as the transportation policy body for the region, has also made transportation its highest legislative priority. The North Texas region is preparing to address the transportation needs of the projected 9 million residents who will live in this region by 2030.

For more information about the rail initiative, log on to the North Central Texas Council of Governments web site at www.nctcog.org/trans/legislative.



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, an increase of \$16,796,717.

Citywide Net Assets

	FY 2007	FY 2008
Current and Other Assets	\$53,398,989	\$87,360,209
Capital and Other Assets	184,644,046	207,156,767
TOTAL ASSETS	238,043,035	294,516,976
Debt and Noncurrent Liabilities	94,948,711	130,729,222
Other Liabilities	10,621,683	14,518,396
TOTAL LIABILITIES	105,570,394	145,247,618
Net Assets:		
Invested in Capital Assets, Net of Related Debt	103,460,825	114,627,013
Restricted	8,927,633	10,075,119
Unrestricted	20,084,183	24,567,226
TOTAL NET ASSETS	\$132,472,641	\$149,269,358

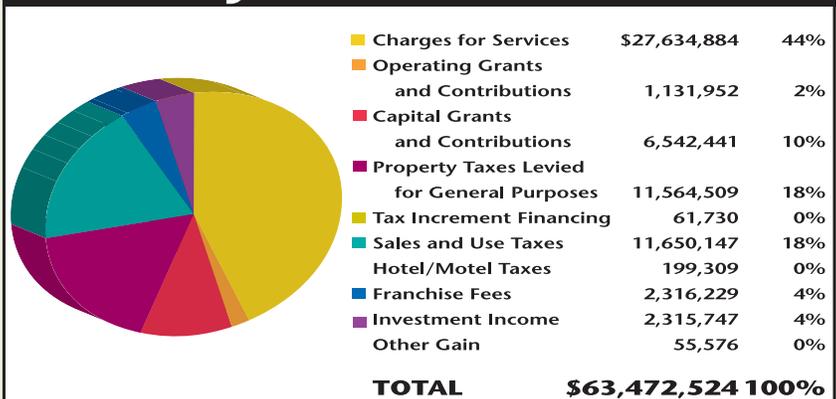
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Fund Financial Statements

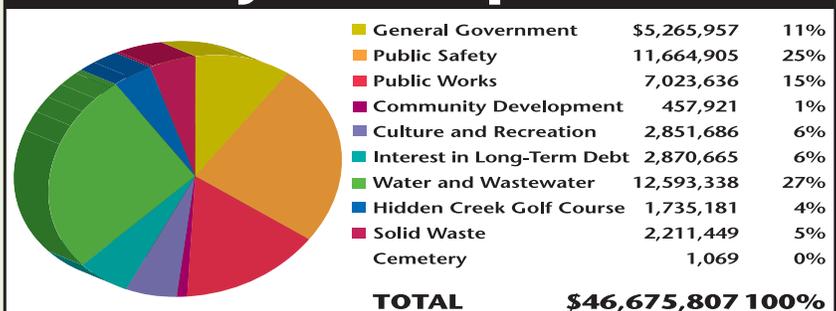
The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law or bond covenants. 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. In the current year, the City began accounting for the solid waste operations in a proprietary fund instead of in the general 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 (CAFR) 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 Revenues



Citywide Expenses



Revenues and expenses are for the fiscal year ended September 30, 2008.

CITY OF BURLESON, TEXAS General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
for the Year Ended September 30, 2008

	FY 2007	FY 2008
REVENUES		
Property Taxes and Special Assessments	\$8,324,294	\$9,071,383
Sales Taxes	5,021,672	5,628,525
Franchise Fees	2,020,661	2,309,467
Licenses and Permits	1,106,496	886,238
Intergovernmental Revenue	145,688	154,036
Fines and Forfeitures	1,149,028	1,240,706
Charges for Services	3,169,601	1,476,841
Interest Income	411,065	249,929
Miscellaneous	1,212,472	1,417,323
TOTAL REVENUES	22,560,977	22,434,448
EXPENDITURES		
General Government	3,893,811	4,948,677
Public Safety	8,712,829	10,527,365
Public Works	4,335,462	4,773,860
Solid Waste	1,658,587	-
Community Development	396,463	349,238
Culture and Recreation	2,099,216	2,444,971
TOTAL EXPENDITURES	21,096,368	23,044,111
Excess (deficiency) of Revenues Over Expenditures	1,464,609	(609,663)
OTHER FINANCING SOURCES (USES)		
Transfers In	200,000	337,700
Transfers Out	(202,940)	(274,941)
Capital Lease Proceeds	69,990	-
TOTAL OTHER FINANCING SOURCES (USES)	67,050	62,759
NET CHANGE IN FUND BALANCES	1,531,659	(546,904)
Fund Balance - Beginning	5,011,543	6,710,471
FUND BALANCE - ENDING	\$6,543,202	\$6,163,567

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 14 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 2007. 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.

The general fund accounts for most activities of the City, including police, fire and street maintenance.

City Water Customers

1999	7,131
2000	7,655
2001	7,968
2002	8,460
2003	9,042
2004	9,620
2005	10,265
2006	10,962
2007	11,440
2008	12,000

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 2007.

CITY OF BURLESON, TEXAS
Water and Wastewater Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
 for the Year Ended September 30, 2008

	FY 2007	FY 2008
OPERATING REVENUES		
Charges for Services	\$10,109,405	\$11,872,270
Penalties and Interest	348,604	395,409
Impact Fee Revenue	122,555	597,779
Miscellaneous	751,266	53,096
TOTAL OPERATING REVENUES	11,331,830	12,918,554
OPERATING EXPENSES		
Water and Wastewater Services	7,063,045	8,049,264
Cost of Collecting Revenues and Other		
Administrative Expenses	892,822	982,191
Depreciation	1,440,464	1,570,427
TOTAL OPERATING EXPENSES	9,396,331	10,601,882
NET OPERATING INCOME (LOSS)	1,935,499	2,316,672
NONOPERATING REVENUES (EXPENSES)		
Investment Income	799,541	654,873
Interest Expense	(1,600,228)	(1,829,705)
TOTAL NONOPERATING REVENUES (EXPENSES)	(800,687)	(1,174,832)
Income (loss) Before Capital Contributions and Transfers	1,134,812	1,141,840
Transfers to Other Funds	(200,000)	(330,000)
Capital Contributions	2,843,679	2,242,694
NET INCOME	3,778,491	3,054,534
Net Assets (liabilities) at Beginning of Year	38,884,057	42,723,797
NET ASSETS AT END OF YEAR	\$42,662,548	\$45,778,331

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 www.burlesontx.com and click on the finance department's web page under the "Departments" link.

SHOPPERS BANKROLL CITY'S THIRD FIRE STATION

The residences and businesses in south Burleson will reap the benefits when Burleson's Fire Station #3 opens in the midsummer of 2009, but the funds for the station are on the shoulders of those who shop in Burleson.

The \$2.217 million funding for the station, being built on Lakewood Drive north of Hwy. 174, is coming from 4A half cent sales tax funds (the station was adopted as a 4A project in 2001; the land was adopted as a 4A project in 2002). That means everyone who eats, shops and plays in Burleson is chipping in on the structure. The third station will provide fire and emergency response to the southwest part of the city, which includes North Joshua Elementary and Caddo Grove Elementary.

In April, the fire department will hire six additional firefighters to staff the fire station 24 hours a day, seven days a week. The 9,990-square-foot station features a workout room, kitchen, sleeping quarters for seven, a lieutenant's office, and an apparatus bay. The additional firefighters will bring the fire department's force to one chief, two battalion fire chiefs, an administrative secretary, 30 career firefighters, and seven volunteer firefighters. Three of the department's current firefighters will be promoted to lieutenant and three will be promoted to driver once the third station opens.

Fire Station #1, located on Alsbury Boulevard, was built in 2003 using general obligation bond money. Fire Station #2 and the fire training tower, located on Memorial Plaza, were built in 1995 and expanded in 2003, also courtesy of half cent sales tax funds. The Burleson Fire Department's district includes more than 24 square miles and more than 33,000 residents.



Aerial of Fire Station #3, Feb. 25, 2009



Rendering of Fire Station #3

CITY OF BURLESON, TEXAS	
Solid Waste Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance for the Year Ended September 30, 2008	
	FY 2008
OPERATING REVENUES	
Charges for Services	\$2,429,079
OPERATING EXPENSES	
Solid Waste Operations	2,172,338
Depreciation	77,685
Total Operating Expenses	2,250,023
Net Operating Income (loss)	179,056
NONOPERATING REVENUES (EXPENSES)	
Investment Income	6,336
Income (loss) Before Capital Contributions and Transfers	185,392
Transfers In	626,998
Transfers Out	(112,748)
Net Income	699,642
Net Assets (liabilities) at Beginning of Year	0
Net Assets at End of Year	\$699,642

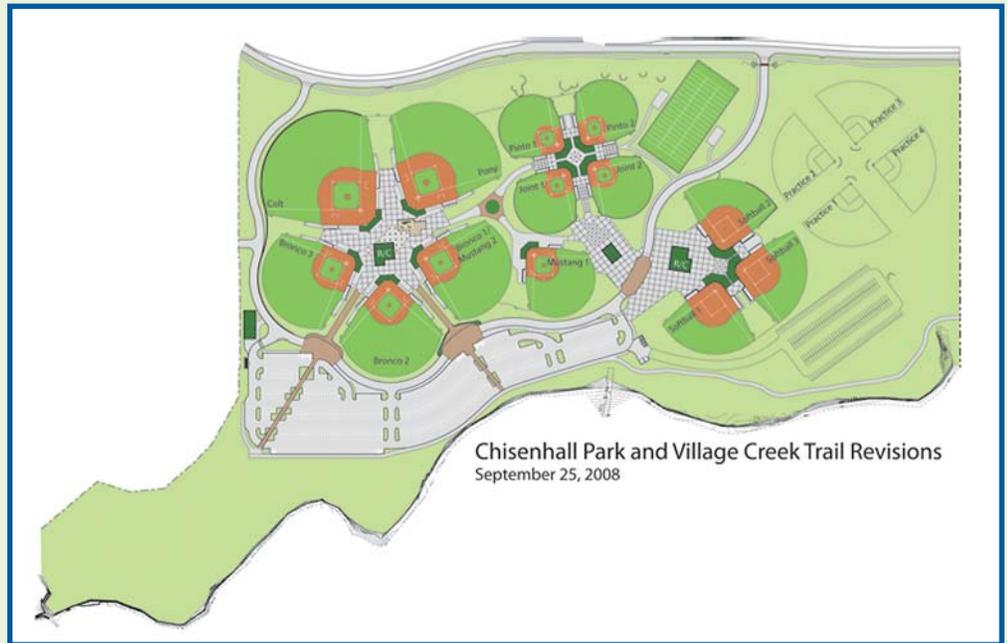
BATS WILL BE CRACKING AT CHISENHALL BY 2010, THANKS TO BOND MONEY AND GAS REVENUES

If Bartlett Park is being transformed into a recreation center, soccer complex and outdoor pool, where are the baseball and softball players going?

By March 2010, they will be calling strikes and balls at the Fields at Chisenhall Farms Sports Complex, formerly known as Chisenhall Park. Chisenhall has been home to the municipal pool and community center since 1981 when the original facilities were built. Construction on the Chisenhall Farms Sports Complex is slated to begin this month. Until 2010, the softball teams will play at Hidden Creek Sports Complex with boys football playing at both Hughes and Kerr middle school fields.

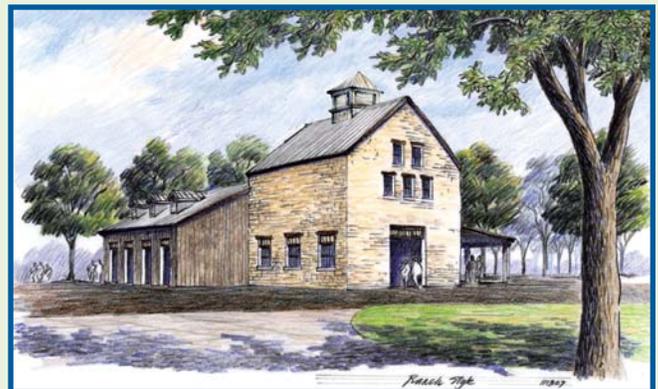
The softball/baseball megaplex, which will cost an estimated \$15 million, will be constructed in phases. In Phase 1, Chisenhall Farms will include one football field, eight dedicated baseball fields, two joint-use baseball/softball fields, three dedicated softball fields, and four day-use-only softball fields. In Phase 2, the joint-use fields will become dedicated baseball fields and the day-use fields will be completed with lights and cover. The park will also include two concession stands/restrooms, play area, pavilion, covered spectator seating, backstop netting, and numerous other amenities.

The first phase of the Village Creek Trail is also being constructed with the first phase of the park. This trail will provide a nonmotorized transportation route from the park under the Hidden Creek Parkway to the newest jewel on the City's park system, Bailey Lake Park. The trail will also link to the parkway providing access to Hwy. 174 and across I-35W.

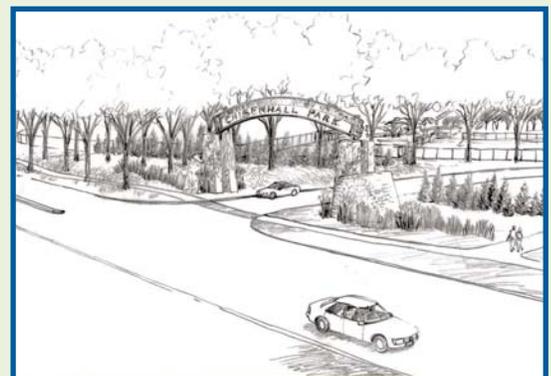


“This revised plan preserves the unique architectural standards and themes of the original park design and is certain to amaze all of our visitors,” Peter Krause, director of parks and recreation, said. “All of the structures carry a farm theme with their styling and building materials. Attention to detail is evident from the use of ‘cut off’ lighting to reduce light pollution to the entryway, with its 30-foot-high arch and stone pediments. There is nothing in the area like this park, and we’re anxious to get it started and ultimately opened.”

The Fields at Chisenhall Farms Sports Complex is funded through a combination of voter-approved general obligation bonds and gas royalty revenues.



Rendering of a concession stand/restroom



Rendering of entryway for the Fields at Chisenhall Farms Sports Complex

SALES TAX, GAS WELL REVENUES FUND NEW RECREATION CENTER CONTINUED

Dignitaries broke ground on the Burleson Recreation Center, formerly known as Bartlett Park Recreation Center, on Dec. 1. The two-story 65,000-square-foot recreation center is being constructed on 34 acres on Summercrest Boulevard. The site was once home to softball and baseball fields, which are being moved to Chisenhall Park.

The family fitness center will feature two 1,400-square-foot meeting rooms equipped with audiovisual capabilities; a trellised patio for large group events, including receptions and weddings; an indoor swimming area complete with water slides, vortex pools, a current river, and a 5-lane lap pool; a 10,000-square-foot aerobics center; and a walking track suspended above the gymnasium floor. The second level of the center will be home to more than 50 types of exercise equipment, both cardio and strength training (treadmills, ellipticals, stairclimbers) and will include room for Tai Chi, Pilates and gymnastics. Dancing, tumbling and exercise classes will all be taught on the second level. Trainers with nutritional and dietetic backgrounds will

join the recreation center staff.

The acreage will also include an outdoor pool.

No property taxes are used to fund the construction of the recreation center.

The Burleson Recreation Center will offer family-friendly membership fees that are expected to be below rates charged by fitness centers of comparable size.

The center was designed by Yarger Design Group out of Missouri. The architect is GSBS Architects of Fort Worth, and the general contractor is Hill and Wilkinson Ltd. of Plano.



City of Burleson

141 W. Renfro, Burleson, Texas 76028-4261



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City Council

*Mayor Ken Shetter,
Mayor Pro Tem Stuart Gillaspie,
Jim Wadlow, Matt Powell, Carter Mahanay,
Dan McClendon and Chip Stephens*

The Burleson City Council normally meets on the first and third Monday of each month at 7 p.m. at Burleson City Hall, 141 W. Renfro St. Call 817-447-5400 (toll free 877-447-5460) for meeting dates, or visit the City web site at www.burlesontx.com and click on "Agendas and Minutes" in the blue online feature box on the home page.

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