



Popular Annual Financial Report For Fiscal Year Ended September 30, 2011

MARCH 2012

A MESSAGE FROM THE CITY MANAGER

TO THE CITIZENS OF THE CITY OF BURLESON:

I am pleased to present to you the City of Burleson Popular Annual Financial Report for the year ended September 30, 2011. This report is intended to increase awareness throughout the community of the financial operations of the City. As such, this report is written in a manner that will summarize and communicate, in a user friendly manner, the City's financial condition.

In addition to providing financial information, it is important to demonstrate what makes Burleson a great place to live, work and play. It is important to us to demonstrate the role City government plays in supporting these activities.

I would like to thank the directors and their staff for their commitment to develop a budget that provides funding support for a quality level of service delivery while maintaining expenditures within fiscally conservative parameters. Lastly, I wish to express appreciation to you, citizens of Burleson, and to the Mayor and City Council, for your commitment to this municipal organization.

I welcome any feedback, comments, or concerns regarding the information included in this report.

Sincerely,

Dale Cheatham
City Manager



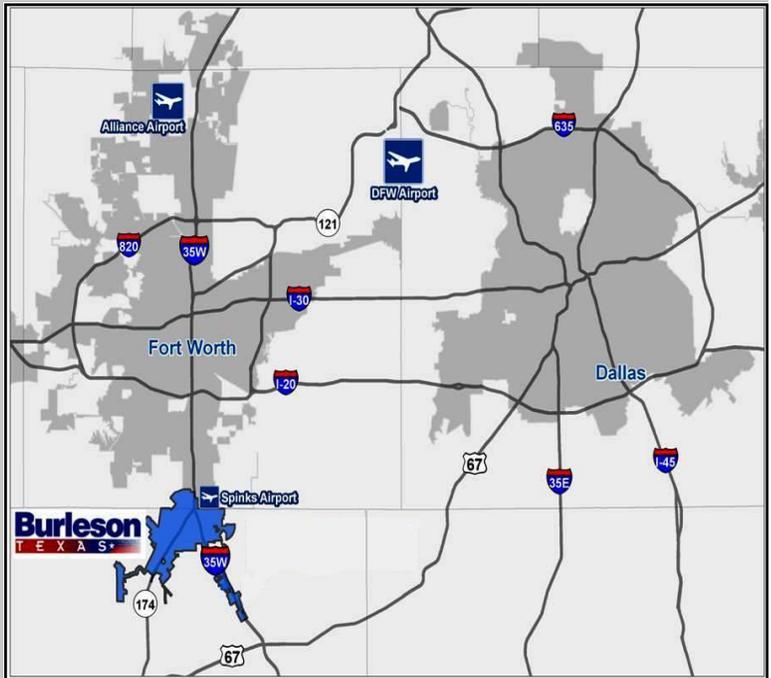
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City's Profile

Burleson is located along the southwestern edge of the Dallas/Fort Worth Metroplex, on Interstate Highway 35W and State Highway 174. The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State and City's home rule Charter.

Burleson was incorporated in 1912 and operates under a council-manager form of government. The City Council shapes the City's governmental functions through adoption of ordinances (laws) and resolutions that provide policy direction for the City's administration staff. The City Manager oversees day-to-day operations, implements ordinances and policies, and prepares the annual budget. This position is similar to a corporate chief executive officer. The City Manager works with a management team that oversees the various departments and divisions of the City.



2011 FAST FACTS

Population:	36,690
Median Age:	32.9
Per Capita Income:	\$26,334
Public Safety	
Number of police calls	75,000
Number of fire calls	3,400
Public Works	
Number of street lights	1,415
Miles of streets	200
Animal Control	
Animals adopted	558
Animals impounded	2,930
Library	
Books in collection	65,832
Materials borrowed	418,977
Water and Sewer	
Number of water customers	12,693
Number of sewer connections	12,975

Economically, the City is situated in a region that is ranked as one of the most robust in Texas. The development of the Barnett Shale natural gas reserves has added more than \$120 million in new annual wages into the local economy since 2006. Once largely agricultural, the area has developed into a form of semi-urban, residential use. Many of the individuals residing in adjacent areas shop, dine, and send their children to schools located in Burleson. Thus, functionally speaking, Burleson's estimated population of over 36,000 belies the true size of the community's economy. The combination of highway accessibility and more than 300,000 people located within a 15 minute drive time create a community with a strong and growing trading area.

Close proximity to Fort Worth and Dallas also makes Burleson an attractive shipping point for manufactured products. Interstate 20 is just eight miles north, while Interstate 35W and State Highway 174 intersect in Burleson, providing easy access to major markets by truck. Two major rail lines (the Union Pacific and the Burlington Northern Santa Fe), serve Burleson. Spinks General Aviation Airport just north of Burleson offers flyers a lighted, 6,000-foot concrete runway. Both Alliance Airport and Dallas/Fort Worth International Airport are within 45 minutes of Burleson.

About this Financial Report

The financial information within this report is derived from the City's 2011 independently audited set of financial statements that are prepared in accordance with generally accepted accounting principles (GAAP). These audited statements are part of the City's 2011 Comprehensive Annual Financial Report (CAFR). We are proud to say that the City's CAFR has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Governmental Finance Officers Association (GFOA) for each of the past 14 years.

The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to standards. Such CAFR must satisfy both GAAP and applicable legal requirements.

Unlike the CAFR, the Popular Annual Financial Report (PAFR) is un-audited and presented on a non-GAAP basis. The GAAP basis presentation in the CAFR includes the presentation of individual funds, as well as full disclosure of all material events, financial and nonfinancial, in notes and financial statements. Copies of the CAFR are available at City Hall and online at www.burlesontx.com

2011 Highlights

Although Burleson has experienced an economic slowdown over the last several years, the experience has not been as painful as in some cities across the Metroplex and the state, and certainly not as dour as in other parts of the country. Even given our slowdown and the current economic climate nationally, the outlook for the City of Burleson continues to be very positive. Economic development activities in Burleson over the last year indicate that our community remains very dynamic:

- H-E-B's decision to open its first Metroplex store in Burleson was a big win for the City and resulted in significant regional media coverage, as well as a very significant boost to the tax rolls. The land H-E-B owns around the store has also resulted in two new stores (Chase Bank and Chick-Fil-A) with room for considerably more development.
- The Class A retail vacancy rate in Burleson is less than 7%. This rate is considerably lower than the double digit rates in Frisco, Allen, Addison, north Fort Worth, and most other retail submarkets in the Metroplex. This has been supported by leases of the spaces left empty by now bankrupt Borders, Linens-n-Things, and Circuit City. Each of these spaces has been leased during the year with new operations opening by TJMaxx, Party City, and Baskins Western Wear. This indicates the continuing strength within the City's retail market. The leasing of these spaces also supports continuing conversations about additional retail power centers in Burleson.
- During this year we also had several new restaurants open, adding to our sales tax revenue.
- Residential housing construction continued to slowdown in 2011, and the 196 homes that were built in calendar year 2010 is the lowest total since 1996. On a brighter note, the value of homes built in 2011 have a value greater than \$175,000.

(Continued)

2011 Highlights (continued...)

- The infrastructure of Shannon Creek Addition Phase 2B has been completed by the developer (59 lots), and predevelopment review is underway for Mountain Valley Lakes (56 lots) and Oak Valley Phase XIV (15 lots).
- Fiscal year 2011 also marked the development of two high-quality apartment complexes in Burleson. Each complex has 190+ units of Class A apartment space and is renting for more than \$1.00 per square foot. The permit value of the two complexes total more than \$25,000,000.
- Honda of Burleson opened its doors in June 2011. Employing more than 80 people, the dealership is a model for economic sustainability. The owners and others are also considering additional dealerships in the area, which would bring more jobs and create significant new property value to the tax roll as well as sales tax through their maintenance functions.
- There are ongoing public works infrastructure improvements visible throughout the community:
 - Pending FAA approval, this coming spring the construction of Stone Road extension (north-south connector) between Alsbury and Renfro will begin, opening up a significant development opportunity in the areas to the east of IH-35W.
 - The Quil Miller wastewater service main to the City's HighPoint Business Park has been completed and the construction of streets in the Business Park is underway.With conversations continuing for large development projects along IH-35W, near Hidden Creek and IH-35W, as well as the Business Park, we can anticipate significant growth opportunities to occur in up coming years.

In conclusion, thanks in part to the development of the Barnett Shale gas drilling in the area and to a healthy population growth in prior years, the City of Burleson has been insulated from the more harsh impacts of the economic downturn the rest of the nation has experienced. The City's ability to provide quality services is not inextricably linked to rapid expansion. Consequently, revenue projections are conducted in a manner that guards against an over-reliance upon growth. The City as a whole, anticipates a year of minimally expanded revenues and other sources of operating capital. These totals are anticipated to increase about 2 percent over 2010-2011 budgeted figures and will be less than the 2010-2011 projected actual collections.

The "Game Plan"

On September 20, 2010, the City Council approved Minute Order MO-10-112, creating the Council Working Committee on Governance and Stewardship. That minute order stated:
"... (the) mission of the Committee would be to work with management staff to institutionalize an organizational value and culture that emphasizes efficiency as well as effectiveness, to improve customer service, and to enhance openness and transparency between staff, Council, and the citizens."

On September 6, 2011, a Resolution R-1203-11 was approved by council adopting a "Game Plan" that includes vision and mission statements, goals, and core values for the municipal organization.

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The “Game Plan”

OUR VISION

The City of Burleson will be a premier municipal organization in the North Texas Region through outstanding performance, timely problem identification and resolution, unequal service delivery, and customer satisfaction.

OUR MISSION

The City of Burleson exists to create an environment which provides municipal services that are highly valued by its citizens, delivered using the best practices available utilizing a workforce that is well trained, equipped, and committed to innovation, productivity and teamwork.

Our Goals

- E** Efficiency: Doing things right; measured by a comparison of production with cost (as in energy, time and money)
- T** Transparency: Citizens can see how public business is conducted and participate in it.
- H** Honesty: The quality of being honest; upright and fair; truthful, sincere; absence of deceit or fraud.
- I** Innovation: The process by which a new idea or invention adds value to the services we provide to our citizens.
- CS** Customer Service: Providing courteous, helpful service that exceeds what the customer would reasonably define as normal or expected.

Our Values

- The organization’s greatest asset is its employees, and we will invest in them to achieve their highest potential.
- Services should be delivered at the lowest cost with the highest value.
- Burleson’s leadership has a future focus and a commitment to success through measurable results.
- The organization is the vehicle to get us to the future and it must recognize adaptability, innovation, perseverance and creativity will be required along the way.
- Technology is the “right tool for the job” in solving problems and improving productivity in the future.
- Mistakes provide opportunities to learn so as not to repeat them in the future.
- The City Manager is the Chief Executive Officer responsible for daily operations and implementation of the Game Plan.
- Employees are committed to honesty, respect, fairness, equality, teamwork and doing what is right for the citizens and the workplace.
- The organization belongs to the people and they require their government to be open, accessible and transparent.

What Your Government Does

City government must ensure that adequate services are being provided to City residents and businesses in order to maintain its economy. A large portion of the City's budget provide for police and fire protection as well as public works projects such as resurfacing streets, maintaining roads and collecting garbage.



2011 POPULAR ANNUAL FINANCIAL REPORT—CITY OF BURLESON

Financial Overview

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 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., or online at www.burlesontx.com.

Governmental Funds

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. The City of Burleson maintains 17 individual governmental funds. Included in this report is the general fund, the largest of all governmental funds, statement of revenues, expenditures and changes in fund balance with comparative data from fiscal year 2010.

When assessing the financial result of the City, it is important to focus on the City's general fund. The general fund accounts for the majority of City services, including library, police, fire, street maintenance and administrative services.

CITY OF BURLESON, TEXAS		
GENERAL FUND		
Statement of Revenues, Expenditures and Changes in Fund Balance for the Year Ended September 30, 2011		
	FY 2010	FY 2011
REVENUES		
Property tax	\$11,838,884	\$11,752,582
Sales tax	5,855,414	6,425,339
Franchise tax	2,527,140	2,842,740
Licenses and permits	1,150,796	1,017,237
Intergovernmental revenue	219,713	255,213
Fines and forfeitures	962,387	824,916
Charges for service	1,280,456	1,096,751
Interest income	70,334	30,953
Miscellaneous	634,377	1,710,717
Total Revenues	24,539,501	25,956,448
EXPENDITURES		
Current operations:		
General government	4,442,561	5,688,395
Public safety	12,397,853	11,649,492
Public works	5,233,887	5,020,761
Community development	678,012	681,969
Culture and recreation	2,212,085	2,078,820
Debt service:		
Principal retirement	-	122,250
Interest and fiscal agent charges	-	35,995
Total Expenditures	24,964,398	25,277,682
Excess (deficiency) of revenues over expenditures	(424,897)	678,766
OTHER FINANCING SOURCES (USES)		
Transfers in	615,862	892,647
Transfers out	(247,592)	(314,503)
Capital lease proceeds	511,555	1,673
Total Other Financing Sources (Uses)	879,825	579,817
Net change in fund balances	454,928	1,258,583
Fund balance - beginning	6,733,267	7,188,195
Fund balance - ending	\$ 7,188,195	\$ 8,446,778

2011 POPULAR ANNUAL FINANCIAL REPORT—CITY OF BURLESON

Financial Overview

City Water Customers

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
2011	12,693

Proprietary Funds

The City maintains two types of proprietary funds: enterprise funds and internal service funds. 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. The water and wastewater and solid waste statement of revenues, expenditures and changes in net assets is presented in this report with comparative data from fiscal year 2010.

CITY OF BURLESON, TEXAS		
Water and Wastewater Fund		
Statement of Revenues, Expenditures and Changes in Fund Balance for the Year Ended September 30, 2011		
	FY 2010	FY 2011
Operating revenues		
Charges for services	\$13,703,256	\$15,756,577
Penalties and interest	387,586	402,951
Impact fee revenue	414,260	64,671
Miscellaneous	71,537	359,271
Total Operating Revenues	14,576,639	16,583,470
Operating expenses		
Water and wastewater services	9,508,174	8,777,253
Cost of collecting revenues and other		
Administrative expenses	794,415	1,377,031
Depreciation	1,734,856	1,788,279
Total Operating Expenses	12,037,445	11,942,563
Net operating income (loss)	2,539,194	4,640,907
Non-operating revenues (expenses)		
Gain (loss) on disposition of fixed assets	(5,743)	-
Investment income	46,904	33,376
Interest expense	(1,792,607)	(1,858,315)
Total non-operating revenue (expenses)	(1,751,446)	(1,824,939)
Income (loss) before capital contributions	787,748	2,815,968
Transfers to other funds	(441,631)	(450,000)
Capital contributions	1,044,954	920,504
Net Income	1,391,071	3,286,472
Net assets (liabilities) at beginning of year	48,903,216	50,294,287
Net assets at end of year	\$50,294,287	\$53,580,759

While this presentation does not conform to Generally Accepted Accounting Principles (GAAP), the purpose of these statements is to provide the citizens 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 online at www.burlesontx.com.

Financial Overview

SALES TAX COLLECTIONS UP IN 2011

In 2011, sale tax collections were \$13,453,923, up from \$12,121,386 in 2010. Sales tax revenue represented approximately 21% and 20% of the City's total revenue in 2011 and 2010, respectively. The top five industries generating sales tax for the City of Burleson 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 one percentage points since last year. The Information industry, on the other hand has increased by two percentage points and moved up to the third position, bumping Utilities down one.

CITY'S SHARE IS 2%

In the City of Burleson, the sales tax rate is 8.25% of eligible sales. Of that, the City's portion is 2% — 1% general and 1/2% each of Type A and Type B economic development sales tax. The general portion of the sales tax is used to support basic City operations like public safety, public works, community development and culture and recreation. The economic development sales taxes are administered by separate entities — economic development corporations or EDC's — that are reported as component units of the City.

The Burleson 4A Economic Development Corporation, Burleson's Type A EDC, is primarily intended for manufacturing and industrial development. Burleson's Type A corporation is responsible for such projects as Hidden Creek Parkway and High Point Business Park.

The Burleson Community Services Development Corporation (BCSDC) is Burleson's Type B EDC. Type B EDC's can fund all projects eligible for Type A, as well as parks, museums, sports facilities and affordable housing. The BCSDC is responsible for such projects as the Burleson Public Library, and the BRiCk.

CITY OF BURLESON, TEXAS
Solid Waste Fund
 Statement of Revenues, Expenditures and
 Changes in Fund Balance
 for Year Ended September 30, 2011

	FY 2010	FY 2011
Operating revenues		
Charges for services	\$2,311,221	\$2,347,667
Operating expenses		
Solid waste operations	2,353,430	2,384,334
Depreciation	545	545
Total operating expenses	2,353,975	2,384,879
Net operating income (loss)	(42,754)	(37,212)
Non-operating revenues (expenses)		
Investment income	2,151	496
Total non-operating revenue (expense)	2,151	496
Income (loss) before capital contributions and transfers	(40,603)	(36,716)
Transfers in	-	487,626
Transfers out	(230,862)	(236,269)
Net Income	(271,465)	214,641
Net assets (liabilities) at beginning of year	642,025	370,560
Net assets at end of year	\$370,560	\$585,201

On June 1, 2009, the City entered into an agreement with I.E.S.I. Corporation for solid waste collections. As a result of this agreement, the residents of Burleson saw a decrease in the monthly solid waste collection rate of about 15%.

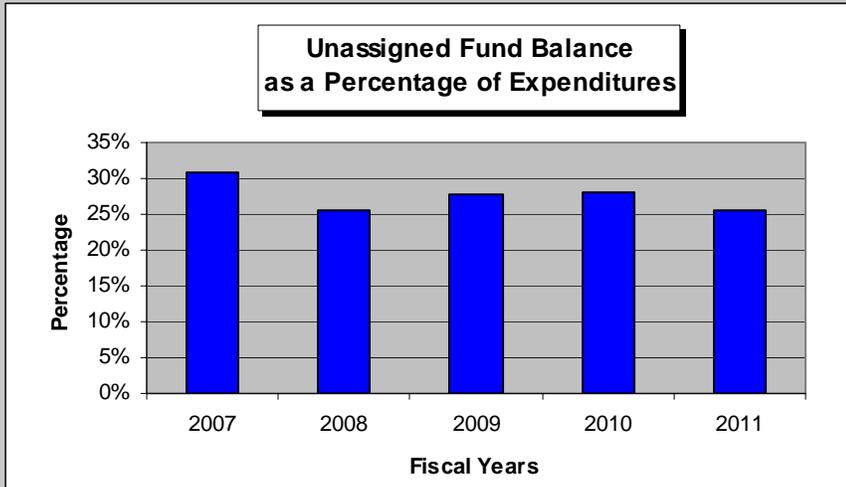


Financial Overview

Fund balance

Fund balance is the amount by which a fund's assets exceed its liabilities. It is basically the accumulated excess of inflows over outflows. Fund balance increases when revenues exceed expenditures, and decreases when expenditures exceed revenues. Fund balance demonstrates financial stability. Unassigned fund balance provides working capital for the City and is used as a hedge against future uncertainties.

Bond agencies regard the level of fund balance in the general fund as an indicator of the quality of the City's financial management. It is the City's policy that the general fund unreserved fund balance be at least 16.67 percent of the general fund annual expenditures. This percentage is the equivalent of 60 days operating expenditures. The unassigned fund balance for fiscal year 2010-2011 was 25.5% of general fund expenditures.



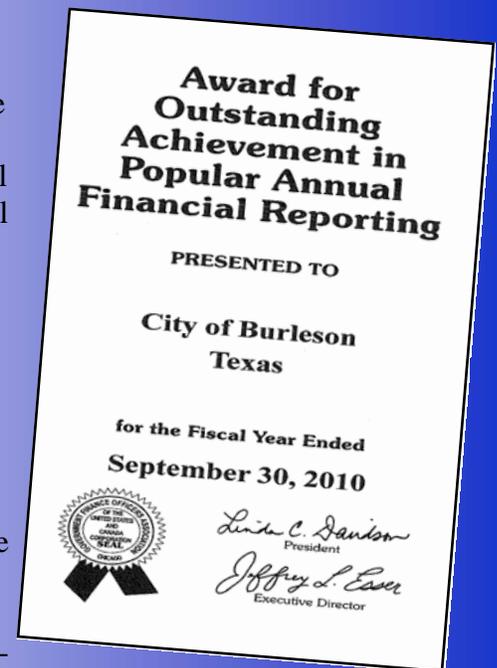
WE WOULD LIKE TO ACKNOWLEDGE ...

The presentation and development of this report would not have been possible without the special efforts of the City Council's 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 (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Burleson for its Popular Annual Financial Report for the fiscal year ended September 30, 2010. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to achieve an Award of Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose content conform to program standards of creativity, presentation, understandability and reader appeal.

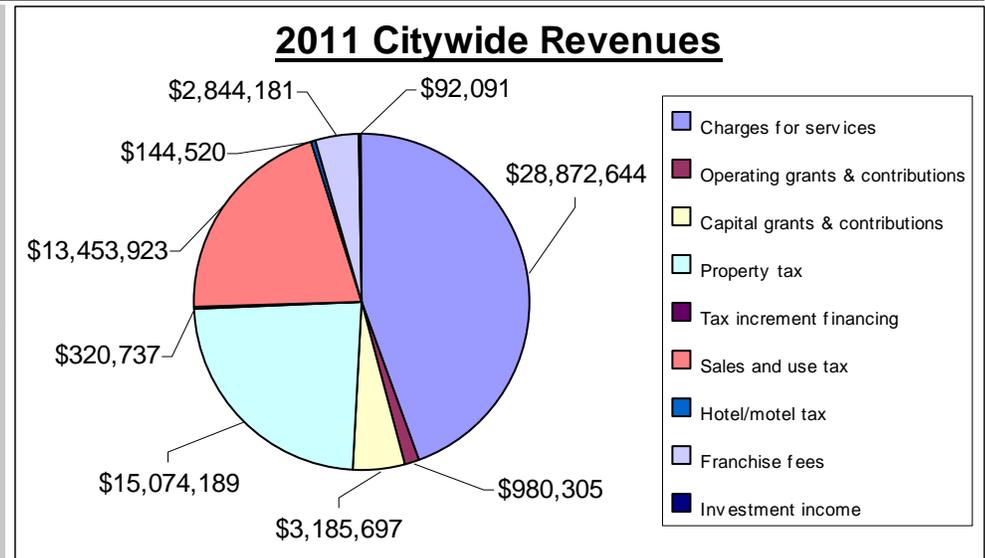
An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Burleson has received this award for the last 14 consecutive fiscal years. We believe our current report continues to conform to the Popular Annual Financial Report requirements, and we are submitting it to GFOA.



Where the Money Comes From

Like all governments, the City must raise funds to pay for the services that it provides to its citizens and businesses. These sources of funds, referred to as revenue, are raised through taxes, charges for services and grants.

For fiscal year ended September 30, 2011, the citywide revenue totaled \$64,968,287 million. The three largest sources of revenue are property tax, sales tax, and charges for services.

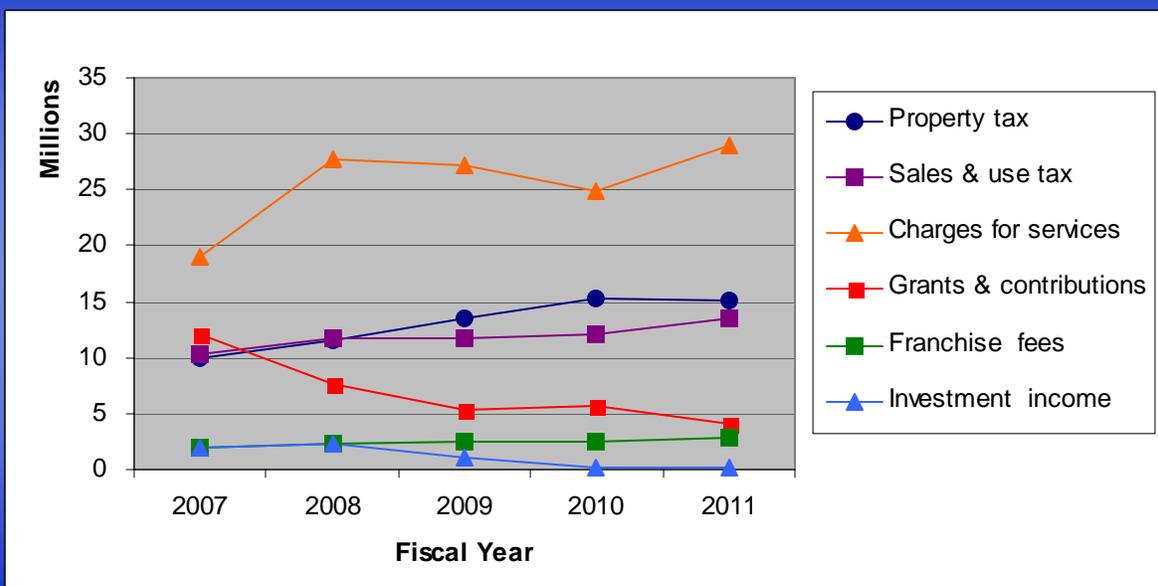


Charges for services represent fees paid by individuals, businesses, or other governments who purchase, use or directly benefit from the goods and services the City provides. For 2011, the largest items in this category include \$16 million for water and wastewater charges, \$4 million in culture and recreation fees and \$2 million in solid waste charges.

Property tax is an ad valorem levy on the value of property that the owner is required to pay. The ad valorem tax rate for 2011 was \$.71/\$100 valuation. Of the total tax rate, \$.5478 was designated for operation and maintenance, including the Library, and \$.1622 was allocated to debt service.

Sales tax represent a tax imposed on consumers for the purchase of certain goods and services. The current sales tax rate for general merchandise in the city is 8.25%; state= 6.25%, city's portion = 2%.

CITYWIDE REVENUES FIVE YEAR TREND



Where the Money Goes

Once the City collects taxes and other revenues, the monies must be spent efficiently to provide services to the citizens and businesses of the City. Expenditures represent the cost of delivering adopted service levels. The city's main categories of expenditures are:

General government expenditures are related to the administration of the City's affairs. These expenses include the cost of the City's elected officials, city management, and finance department, among others.

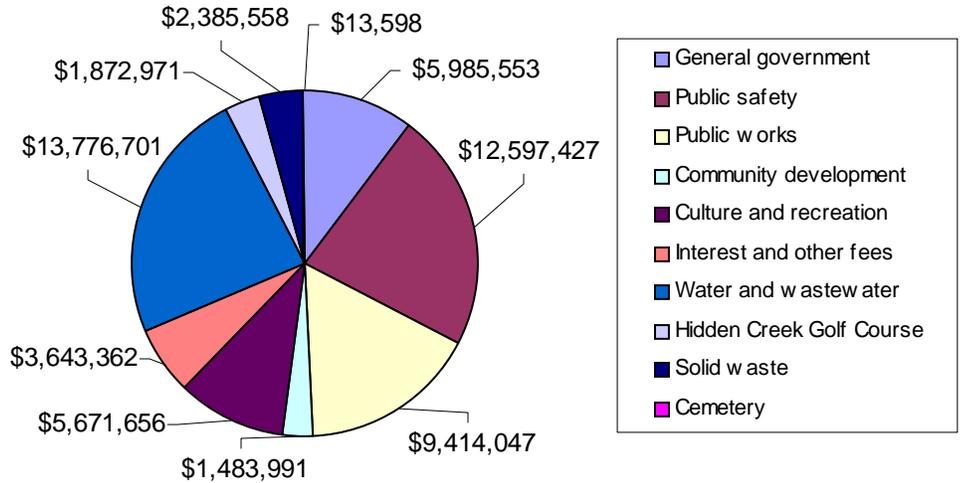
Public safety expenditures represent the police, fire, fire prevention, emergency services, code enforcement and animal services departments.

Public works expenditures include administration, facilities maintenance, pavement, drainage, street traffic maintenance, and engineering departments.

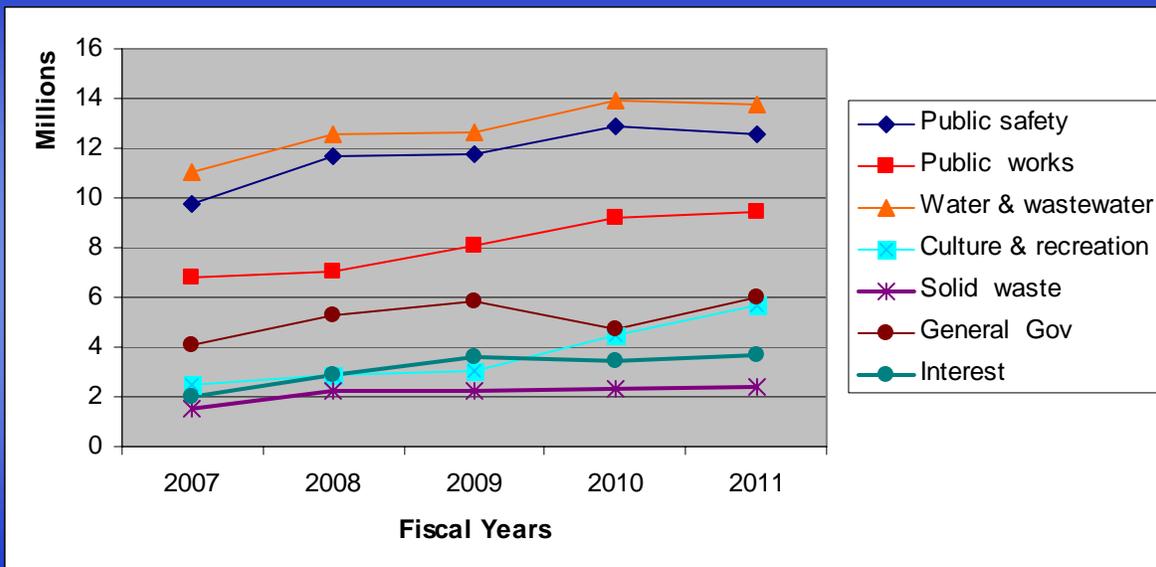
Community development costs are related to preservation and enhancement of the economic base and community development within the city and it includes the community and economic development departments.

Culture & recreation include costs related to the library, parks maintenance, senior center, and the recreation department.

2011 Citywide Expenses



CITYWIDE EXPENDITURES FIVE YEAR TREND



Citywide Net Assets

So far, we have focused on where the City's money comes from and where the City's money goes. This focus is beneficial in understanding the flow of current financial resources.

When we look at the overall financial condition of the City, it is better to use the full accrual basis of accounting, which is similar to the basis of accounting used in the private sector. This allows us to consider all assets, liabilities, revenues and expenses of the City.

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.

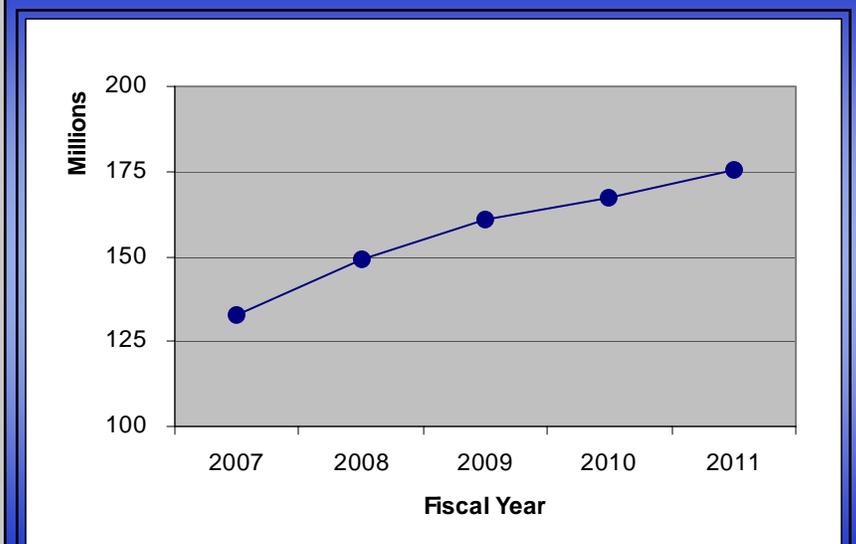
The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing related to cash flows. Thus, revenues and expenses are reported in this statement for items that may 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 \$8,161,188.

Citywide Net Assets

	FY 2010	FY 2011
Current & other assets	\$ 68,592,544	\$ 76,464,658
Capital & other assets	240,223,818	240,150,691
Total assets	308,816,362	316,615,349
Debt & other noncurrent liabilities	127,523,585	127,019,508
Other liabilities	14,295,208	14,437,084
Total liabilities	141,818,793	141,456,592
Net Assets:		
Invested in capital assets, net of related debt	132,433,150	136,336,531
Restricted	9,217,450	10,117,665
Unrestricted	25,346,969	28,704,561
Total net assets	\$166,997,569	\$175,158,757

The statement of net assets presents information on all 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 NET ASSETS—FIVE YEAR TREND



Outstanding Debt

Municipal bonds help your community's public works projects and city developers plan new improvements for your town. By issuing debt, your community acquires the funds to create a new green space or park, upgrade the sewer system, or fix the roads, with minimal use of tax or utility rate monies. This helps the City use funds more efficiently and spreads the cost of the asset over its useful life.

The City issues general obligation, revenue and combination tax and revenue bonds to raise large amounts of cash to build and improve City services and infrastructure. Unlike debt issued by an individual, which can be secured by a house or other physical assets, the City's bonds are secured by the City's ability to raise taxes as needed. As described in the City's Financial Policy, any debt issued must be used to fund significant capital and infrastructure improvements and cannot be used to fund operating or routine maintenance

costs. This means the City cannot borrow funds to pay for items such as employee salaries and electricity bills. Each year the City pays both principal and interest on all outstanding debt.



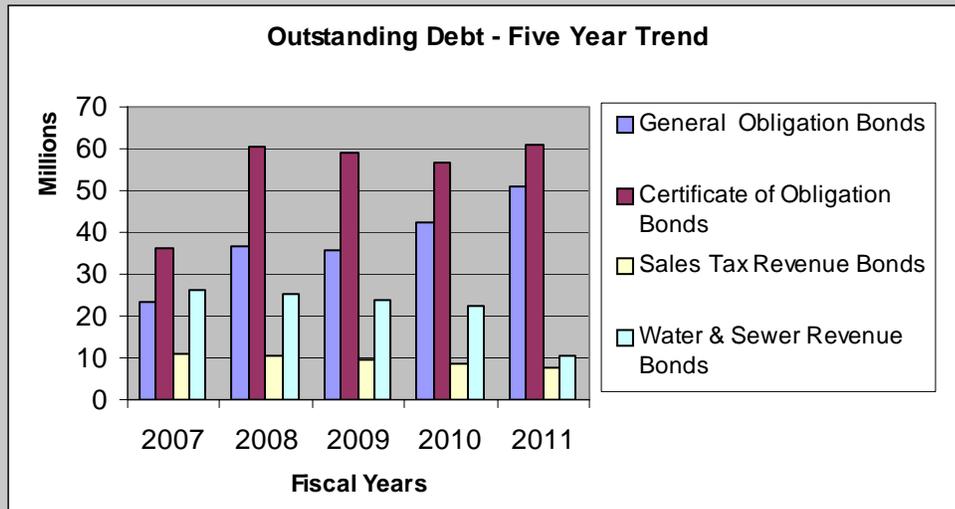
Internally, bonds are divided into two groups. Bonds used to support projects funded through Capital Project funds, such as new recreation centers, are paid using general tax revenues. On the other hand, bonds used to support enterprise funds are paid by each individual enterprise fund through utility rates and charges. In FY 2011 the City issued \$7.07 million in new bonds to fund Water Fund CIP projects, which

included the City's major initiative to improve the City's water and wastewater infrastructure over the next 20 years. During the year, the City also issued \$10.77 million for the purpose of refunding the 2001 and 2002 water and sewer series thereby lowering the overall debt service requirements of the City.

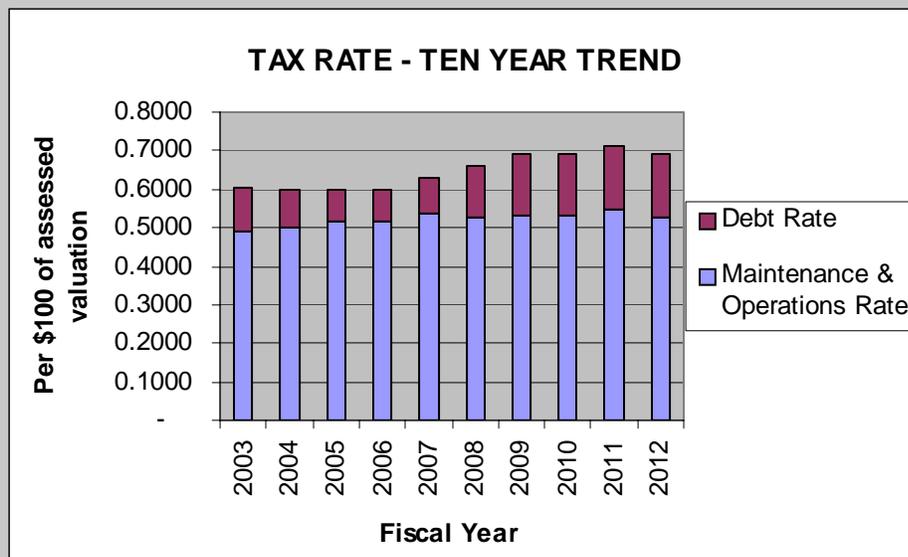


Outstanding Debt

At the end of fiscal year 2011, the City had total bonded debt issues of \$130,280,000. Of this amount, \$50,855,000 comprises bonded debt backed solely by the full faith and credit of the government, \$61,190,000 represents bonds secured by a combination of property taxes and a limited pledge of other revenues, \$7,645,000 represents bonds secured solely by sales tax revenues, and \$10,480,000 secured by revenues generated from the City’s water and wastewater utility. Of the total general obligation outstanding debt of \$50,855,000, \$10,770,000 is to be repaid with revenue generated from the City’s water and wastewater utility, \$4,175,000 is to be repaid with revenue generated from sales tax and the remaining balance of \$35,910,000 is to be repaid with property tax revenue — this is the amount approved directly by citizens in various bond elections.



The adopted tax rate for fiscal year 2012 of \$0.6900 reflects a decrease from the fiscal year 2011 adopted rate of \$0.7100. All of the decrease occurs in the maintenance and operations portion of the tax rate, which was reduced from \$0.5478 to \$0.5278. The debt service rate remains at \$0.1622, which is the same rate in effect since fiscal year 2009. The debt rate is 23.5% of the total tax rate, slightly below the average of 26.3% for Tarrant County cities (based on FY 2011 tax rates). Note that absent the utilization of \$1,193,000 from mineral gas royalties and bonuses, the debt rate would be \$0.2218.



CITY COUNCIL

Ken Shetter
Mayor
mayor@burlesontx.com

Stuart Gillaspie
Mayor Pro Tem
CouncilPlace1@burlesontx.com

Rick D. Green
Place 2
CouncilPlace2@burlesontx.com

Jerry Allen
Place 3
CouncilPlace3@burlesontx.com

Matt Aiken
Place 4
CouncilPlace4@burlesontx.com

Dan McClendon
Place 5
CouncilPlace5@burlesontx.com

Larry Pool
Place 6
CouncilPlace6@burlesontx.com

CONTACT (CITY COUNCIL)
817-426-9690

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 and Minutes page at www.burlesontx.com

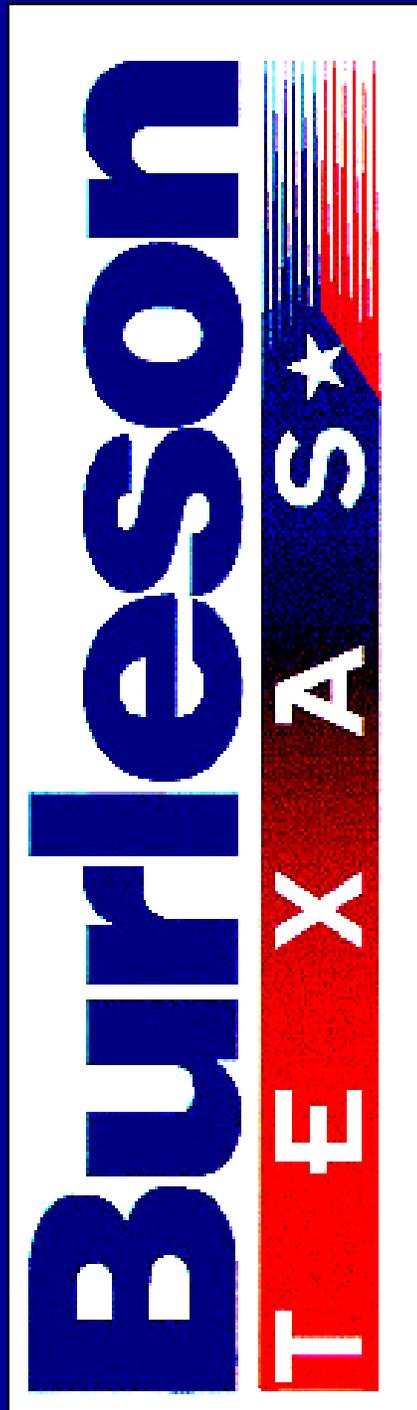
CITY MANAGEMENT

Dale Cheatham
City Manager

CONTACT:
citymanager@burlesontx.com
817-426-9680

FINANCE
Rhett Clark
Director of Finance

CONTACT:
finance@burlesontx.com
817-426-9659



The City of Burleson's Popular Annual Financial Report is published in March by the City of Burleson's Finance department. The Popular Annual Financial Report is available at City Hall, 141 W. Renfro St and on the City's website at www.burlesontx.com. This is an official publication of the City of Burleson.