

City of Burkburnett, Texas
Financial Statements
September 30, 2009

City of Burkburnett, Texas
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Steve Gary, C.P.A., PC
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Independent Auditor's Report

The Board of Commissioners
City of Burkburnett, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Burkburnett, Texas, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Burkburnett, Texas' management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Burkburnett, Texas, as of September 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2010, on our consideration of the City of Burkburnett, Texas' 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit

performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on Pages 3-10 and 35-49, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burkburnett, Texas' basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Gary, Bowers & Miller

Gary, Bowers & Miller
January 10, 2010

CITY OF BURKBURNETT, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Burkburnett's discussion and analysis is designed to provide an objective and easy-to-read analysis of the City's financial activities for the year ended September 30, 2009. It is intended to provide a broad overview on short-term and long-term analysis of the City's activities based on information presented in the financial report and the City's adopted fiscal policies.

As with other sections of this financial report, the information contained within this narrative should be considered only a part of a greater whole. The reader should take time to read and evaluate all sections of this report, including the financial statements, footnotes and other Required Supplemental Information.

Financial Highlights

The following are the highlights of financial activity for the fiscal year ending September 30, 2009:

- The City's total net assets exceeded its liabilities at September 30, 2009, by \$14.014 million (net assets). Of this amount, \$10.579 million was from governmental funds and \$3.44 million was from business-type activities.
- The City's revenues for governmental activities totaled \$5.96 million. The expenditures for governmental activities were \$5.13 million providing an excess of revenue over expenses of \$823 thousand before capital expenses are included. Capital outlays totaled \$1.99M decreasing the general fund balance \$1.67M for the fiscal year.
- The business-type activities revenues totaled \$2.663 million. Expenditures were \$2.834 million. In addition, business-type activities gained \$45 thousand in non-operating revenue and expenses decreasing the business-type activities fund balance by \$126 thousand.
- The total fair market value of the City's investments at September 30, 2009, was \$5.6 million. Interest rates have continued to decline.
- Capital improvement projects that began and/or completed this fiscal year include the reconstruction of College Street, Cropper/Kramer Streets, and the replacement of three (3) blocks of water line in the downtown area.

Overview of Financial Statements

The basic financial statements are comprised of government-wide statements that offer a summary of financial activity and more specific fund statements that present more detailed information.

Government Wide and Fund Financial Statement

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines, and forfeitures, and other charges to users of the City's services, (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements - Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds, if any.

Component Units - The City includes two other entities in its report, The Burkburnett Development Corporation and the Burkburnett Housing Finance Corporation, which issue their own financial statements. These two entities were created as instrumentalities of the city for specific purposes. The Burkburnett Development Corporation is charged with the responsibility of all facets of economic development in Burkburnett. This organization is funded with 4(B) sales tax dollars and specifically focuses on the creation, expansion, and retention of jobs and improving the quality of life for citizens of Burkburnett. The Burkburnett Housing Finance Corporation was created to facilitate the development of affordable housing and multi-family housing in the city. The Burkburnett City Council appoints both organizations' Boards of Directors

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The city's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements and financial statements of City component units also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: sales and use taxes, hotel/motel taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expense and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

General Fund - reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Special Revenue Fund - established to account for the City's grant programs not reported in proprietary funds. Major grants include Community Development Block Grants.

Proprietary Funds

The City reports the following major enterprise funds:

Water and Sewer Utilities Fund - accounts for the operating activities of the City's water and sewer utilities services.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time to be a useful indicator of a governmental entity's financial position. The tables below summarize Burkburnett's net assets for fiscal year 2009 and the change in net assets for fiscal year 2009.

City of Burkburnett, Texas
Net Assets
September 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
Assets				
Cash and Investments	\$ 1,811,374	\$ 778,633	\$ 2,590,007	\$ 605,209
Receivables	1,176,733	(601,326)	575,407	-
Restricted Assets	3,035,606	-	3,035,606	-
Fixed Assets	11,768,883	6,843,820	18,612,703	728,648
Other Assets	1,155	24,000	25,155	-
Total Assets	<u>\$ 17,793,751</u>	<u>\$ 7,045,127</u>	<u>\$ 24,838,878</u>	<u>\$ 1,333,857</u>
Liabilities				
Due Withinin One Year	\$ 1,102,118	\$ 445,634	\$ 1,547,752	\$ 32,658
Due in More Than One Year	6,112,333	3,165,000	9,277,333	367,123
Total Liabilities	<u>\$ 7,214,451</u>	<u>\$ 3,610,634</u>	<u>\$ 10,825,085</u>	<u>\$ 399,781</u>
Net Assets				
Invested in Capital Assets	\$ 4,901,405	\$ 3,552,820	\$ 8,454,225	\$ 330,537
Restricted For:				
Future Development	3,035,606	-	3,035,606	-
Unrestricted	2,642,289	(118,327)	2,523,962	603,539
Total Net Assets	<u>\$ 10,579,300</u>	<u>\$ 3,434,493</u>	<u>\$ 14,013,793</u>	<u>\$ 934,076</u>

City of Burkburnett, Texas
Net Assets
September 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
Assets				
Cash and Investments	\$ 2,154,584	\$ 633,105	\$ 2,787,689	\$ 473,077
Receivables	949,893	(482,578)	467,315	-
Restricted Assets	4,515,543	-	4,515,543	-
Fixed Assets	10,697,317	7,138,594	17,835,911	746,630
Other Assets	-	26,667	26,667	-
Total Assets	<u>\$ 18,317,337</u>	<u>\$ 7,315,788</u>	<u>\$ 25,633,125</u>	<u>\$ 1,219,707</u>
Liabilities				
Due Withinin One Year	\$ 1,043,164	\$ 439,873	\$ 1,483,037	\$ 29,786
Due in More Than One Year	6,355,000	3,315,000	9,670,000	400,509
Total Liabilities	<u>\$ 7,398,164</u>	<u>\$ 3,754,873</u>	<u>\$ 11,153,037</u>	<u>\$ 430,295</u>
Net Assets				
Invested in Capital Assets	\$ 3,584,815	\$ 3,705,261	\$ 7,290,076	\$ 316,335
Restricted For:				
Future Development	4,515,543	-	4,515,543	-
Unrestricted	2,818,815	(144,346)	2,674,469	473,077
Total Net Assets	<u>\$ 10,919,173</u>	<u>\$ 3,560,915</u>	<u>\$ 14,480,088</u>	<u>\$ 789,412</u>

City of Burkburnett, Texas
Changes in Net Assets
For the Year Ended September 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
Revenues				
Program Revenues				
Charges for Services	\$ 1,651,402	\$ 2,663,000	\$ 4,314,402	\$ -
Operating Grants and Contributions	34,125	-	34,125	-
Capital Grants and Contributions	74,857	-	74,857	-
General Revenues				
Property Taxes	2,406,703	-	2,406,703	-
Franchise Taxes	726,737	-	726,737	-
Sales Tax	881,613	-	881,613	293,748
Other Taxes	72,164	-	72,164	-
Investment Earnings	42,128	7,198	49,326	3,902
Advertising and Promotional Income	-	-	-	22,877
Miscellaneous	119,759	215,687	335,446	12,755
Total Revenue	\$ 6,009,488	\$ 2,885,885	\$ 8,895,373	\$ 333,282
Expenses				
General Government	\$ 169,966	\$ -	\$ 169,966	\$ -
Administration	236,443	-	236,443	-
Tax Assessing/Collecting	34,156	-	34,156	-
City Hall	194,464	-	194,464	-
Police Department	1,420,294	-	1,420,294	-
Municipal Court	67,492	-	67,492	-
Fire Department	99,601	-	99,601	-
Library	150,426	-	150,426	-
Streets and Public Works	1,690,686	-	1,690,686	-
Parks and Recreation	491,164	-	491,164	-
Community Center	61,095	-	61,095	-
Garbage Collection	1,157,966	-	1,157,966	-
E.M.T.	353,221	-	353,221	-
Community Planning	122,250	-	122,250	-
Drainage Improvement	6,719	-	6,719	-
Grant Outlay	108,618	-	108,618	-
Water Supply, Distribution and Wells	-	2,141,241	2,141,241	-
Waste Water Treatment	-	855,866	855,866	-
Burkburnett Development Corporation	-	-	-	188,618
Total Expenses	\$ 6,364,561	\$ 2,997,107	\$ 9,361,668	\$ 188,618
Increase (Decrease) in Net Assets Before Special Items and Transfers	\$ (355,073)	\$ (111,222)	\$ (466,295)	\$ 144,664
Special Items and Transfers				
Grant Matching Transfer	\$ 15,200	\$ (15,200)	\$ -	\$ -
Total Special Items and Transfers	\$ 15,200	\$ (15,200)	\$ -	\$ -
Increase (Decrease) in Net Assets After Special Items and Transfers	\$ (339,873)	\$ (126,422)	\$ (466,295)	\$ 144,664
Net Assets - Beginning of Year	\$ 10,919,173	\$ 3,560,915	\$ 14,480,088	\$ 789,412
Net Assets - End of Year	\$ 10,579,300	\$ 3,434,493	\$ 14,013,793	\$ 934,076

City of Burkburnett, Texas
Comparative Summary Totals
For the Year Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues		
Program Revenues		
Charges for Services - Governmental Activities	\$ 1,651,402	\$ 1,622,817
Charges for Services - Business-type Activities	2,663,000	2,647,356
Operating Grants and Contributions	34,125	34,125
Capital Grants and Contributions	74,857	62,110
General Revenues		
Property Taxes	2,406,703	2,083,746
Franchise Taxes	726,737	902,292
Sales Tax	881,613	906,371
Other Taxes	72,164	89,171
Investment Earnings	49,326	143,337
Miscellaneous	335,446	169,370
Total Revenue	<u>\$ 8,895,373</u>	<u>\$ 8,660,695</u>
Expenses		
General Government	\$ 169,966	\$ 158,296
Administration	236,443	251,837
Tax Assessing/Collecting	34,156	29,945
City Hall	194,464	250,952
Police Department	1,420,294	1,467,271
Municipal Court	67,492	66,138
Fire Department	99,601	127,022
Library	150,426	141,487
Streets and Public Works	1,690,686	1,467,200
Parks and Recreation	491,164	464,956
Community Center	61,095	83,974
Garbage Collection	1,157,966	1,273,438
E.M.T.	353,221	374,938
Community Planning	122,250	111,492
Drainage Improvement	6,719	50,374
Grant Outlay	108,618	30,524
Water Supply, Distribution and Wells	2,141,241	2,118,716
Waste Water Treatment	855,866	908,084
Total Expenses	<u>\$ 9,361,668</u>	<u>\$ 9,376,644</u>
Increase (Decrease) in Net Assets	\$ (466,295)	\$ (715,949)
Net Assets - Beginning of Year	<u>\$ 14,480,088</u>	<u>\$ 15,196,037</u>
Net Assets - End of Year	<u>\$ 14,013,793</u>	<u>\$ 14,480,088</u>

Analysis of the Government's Funds

The City of Burkburnett uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements for *governmental funds* provide information on the near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the City of Burkburnett's financing requirements. In particular, unreserved fund balance may be useful as an indicator of a government's net resources available for spending at the end of the fiscal year.

The General Fund balance at September 30, 2009, was \$5.620 million with \$2.584 million unreserved but available for use in the fiscal year 2010 operating budget. The Water and Sewer Fund had a fund balance of \$3.434 million. Overall, total governmental funds ended with \$9.054 million in fund balance including \$2.466 million unreserved.

The City's *proprietary funds* are presented in more detail in the fund statements but represent the same activities reflected in the business-type activities. In fiscal year 2009, the Water and Sewer Fund had an operating income of \$2.663 million. Total debt for this fund is \$3.165 million. This debt is serviced by water utility revenue – primarily water and sewer sales.

General Fund Budgetary Highlights

General Fund revenues were \$97 thousand less than budget projections. Generally, taxes and fees were down slightly. In addition, General Fund operating expenses were \$347 thousand less than originally budgeted. A concerted effort during the year to reduce the approved budget expenses in both the General Fund and Proprietary Fund was the major thrust of this budgetary discrepancy.

Economic Factors and Next Year's Budgets and Rates

The State of Texas, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes, fees and fines related to judicial courts. Local governments (cities, counties, and school boards) primarily rely on property tax and sales tax, and fees (franchise, occupational license/permits) for their governmental activities. For the business-type and certain governmental activities (water and sewer utilities and recreational programs), the user pays a related fee or charge associated with the service.

The adopted operating budget for the General Fund budget for fiscal year 2010 is \$5.576 million. The Ad Valorem property tax rate is .453225 per \$100 of assessed value. Sewer and water rates as well as garbage rates have increased. With voter approval of \$6.8 million street maintenance bonds, the Interest & Sinking component to this year's ad valorem rate totaled \$.120726 bringing the total ad valorem tax rate to \$.573951. The city will be continuing to look for ways to improve the quality of life for our citizens through the use of state and federal grants. The continued overhaul of the water and sewer utility system will remain a capital improvement priority.

Requests for Information

This financial report is designed to provide a general overview of the City of Burkburnett's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration, City of Burkburnett, 501 Sheppard Road, Burkburnett, Texas 76354.

City of Burkburnett, Texas
Statement of Net Assets
September 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and Investments				
Cash	\$ -	\$ -	\$ -	\$ 605,209
Certificates of Deposits and Money Market Funds	1,810,239	689,628	2,499,867	-
Petty Cash	547	1,000	1,547	-
Inventory	588	88,005	88,593	-
Receivables				
Taxes (Net of Allowance)	82,167	-	82,167	-
Curb and Gutter Assessments	1,656	-	1,656	-
Charges Receivable (Net of Allowance)	107,038	-	107,038	-
Water and Sewer Charges (Net of Allowance)	-	326,743	326,743	-
Municipal Court Receivables (Net of Allowance)	57,803	-	57,803	-
Internal Balances Due to/from Other Funds	928,069	(928,069)	-	-
Restricted Assets				
Cash	270,422	-	270,422	-
Certificates of Deposit and Money Market Funds	2,765,184	-	2,765,184	-
Fixed Assets				
Buildings and Improvements	1,740,829	150,560	1,891,389	-
Library Books	539,611	-	539,611	-
Streets and Curbs	15,338,767	-	15,338,767	-
Streets Construction in Progress	568,158	-	568,158	-
Golf Course	644,030	-	644,030	-
Golf Course Land	64,000	-	64,000	-
Equipment and Vehicles	2,726,311	1,201,928	3,928,239	-
Water System	-	8,131,864	8,131,864	-
Sewer System	-	4,313,451	4,313,451	-
Land	8,469	-	8,469	284,472
Land Improvements	-	-	-	539,474
Furniture and Equipment	-	-	-	35,242
Accumulated Depreciation	(9,861,292)	(6,953,983)	(16,815,275)	(130,540)
Other Assets				
Prepaid Expenses	1,155	-	1,155	-
Certificates of Obligation Issuance Cost	-	40,000	40,000	-
Accumulated Amortization	-	(16,000)	(16,000)	-
Total Assets	<u>\$ 17,793,751</u>	<u>\$ 7,045,127</u>	<u>\$ 24,838,878</u>	<u>\$ 1,333,857</u>
Liabilities				
Accounts Payable	\$ 125,935	\$ 81,902	\$ 207,837	\$ 1,670
Accrued Compensated Absences	108,330	26,468	134,798	-
Payable to Other Governments	27,686	-	27,686	-
Interest Payable	85,022	8,119	93,141	-
Customer Deposits	-	179,145	179,145	-
Notes Payable and Certificates of Obligation				
Due Within One Year	755,145	150,000	905,145	30,988
Due in More Than One Year	6,112,333	3,165,000	9,277,333	367,123
Total Liabilities	<u>\$ 7,214,451</u>	<u>\$ 3,610,634</u>	<u>\$ 10,825,085</u>	<u>\$ 399,781</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	\$ 4,901,405	\$ 3,552,820	\$ 8,454,225	\$ 330,537
Restricted For:				
Future Development	3,035,606	-	3,035,606	-
Unrestricted	2,642,289	(118,327)	2,523,962	603,539
Total Net Assets	<u>\$ 10,579,300</u>	<u>\$ 3,434,493</u>	<u>\$ 14,013,793</u>	<u>\$ 934,076</u>
Total Liabilities and Net Assets	<u>\$ 17,793,751</u>	<u>\$ 7,045,127</u>	<u>\$ 24,838,878</u>	<u>\$ 1,333,857</u>

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Statement of Activities
For the Year Ended September 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Component Units
Primary Government							
Governmental Activities:							
General Government	\$ 169,966	\$ -	\$ -	\$ (161,139)	\$ -	\$ (161,139)	\$ -
Administration	236,443	-	-	(236,443)	-	(236,443)	-
Tax Assessing/Collecting	34,156	-	-	(34,156)	-	(34,156)	-
City Hall	194,464	-	-	(194,464)	-	(194,464)	-
Police Department	1,420,294	-	-	(1,277,184)	-	(1,277,184)	-
Municipal Court	67,492	-	-	(58,651)	-	(58,651)	-
Fire Department	99,601	-	-	(65,476)	-	(65,476)	-
Library	150,426	34,125	-	(145,886)	-	(145,886)	-
Streets and Public Works	1,690,686	-	-	(1,690,686)	-	(1,690,686)	-
Parks and Recreation	491,164	-	-	(343,955)	-	(343,955)	-
Community Center	61,095	-	-	(49,745)	-	(49,745)	-
Garbage Collection	1,157,966	-	-	47,508	-	47,508	-
E.M.T.	353,221	-	-	(353,221)	-	(353,221)	-
Community Planning	122,250	-	-	(94,179)	-	(94,179)	-
Drainage Improvement	6,719	-	-	87,261	-	87,261	-
Grant Outlay	108,618	-	74,857	(33,761)	-	(33,761)	-
Total Governmental Activities	6,364,561	34,125	74,857	(4,604,177)	-	(4,604,177)	-
Business-Type Activities							
Water Supply, Distribution and Wells	2,141,241	-	-	-	(256,019)	(256,019)	-
Waste Water Treatment	855,866	-	-	-	(78,088)	(78,088)	-
Total Business-Type Activities	2,997,107	-	-	-	(334,107)	(334,107)	-
Total Primary Government	\$ 9,361,668	\$ 34,125	\$ 74,857	\$ (4,604,177)	\$ (334,107)	\$ (4,938,284)	\$ -
Component Units							
Burkburnett Development Corp	\$ 188,618	-	-	-	-	-	\$ (188,618)
Burkburnett Housing Finance Corporation	-	-	-	-	-	-	-
Total Component Units	\$ 188,618	-	-	-	-	-	\$ (188,618)
General Revenues:							
Taxes:							
Property Taxes, levied for general purposes				2,406,703	-	2,406,703	-
Franchise Taxes				726,737	-	726,737	-
Sales Tax				881,613	-	881,613	293,748
Other Tax				72,164	-	72,164	-
Unrestricted Investment Earnings				42,128	7,198	49,326	3,902
Advertising and Promotional Income				-	-	-	22,877
Miscellaneous				119,759	215,687	335,446	12,755
Intergovernmental Transfer				15,200	(15,200)	-	-
Total General Revenues, Special Items, and Transfers				4,264,304	207,685	4,471,989	333,282
Change in Net Assets				(339,873)	(126,422)	(466,295)	144,664
Net Assets - Beginning				10,919,173	3,560,915	14,480,088	789,412
Net Assets - Ending				\$ 10,579,300	\$ 3,434,493	\$ 14,013,793	\$ 934,076

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Balance Sheet
Governmental Funds
September 30, 2009

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Investments			
Certificates of Deposit and Money Market	\$ 1,810,239	\$ -	\$ 1,810,239
Petty Cash	547	-	547
Inventory	588	-	588
Receivables			
Taxes (Net of Allowance)	82,167	-	82,167
Curb and Gutter Assessments	1,656	-	1,656
Charges Receivable (Net of Allowance)	107,038	-	107,038
Due From Other Funds	928,069	-	928,069
Restricted Assets			
Cash	267,745	2,677	270,422
Certificates of Deposit and Money Market	2,765,184	-	2,765,184
Current Assets			
Prepaid Expenses	1,155	-	1,155
Total Assets	<u>\$ 5,964,388</u>	<u>\$ 2,677</u>	<u>\$ 5,967,065</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 125,935	\$ -	\$ 125,935
Accrued Compensated Absences	108,330	-	108,330
Payable to Other Governments	27,686	-	27,686
Interest Payable	85,022	-	85,022
Total Liabilities	<u>\$ 346,973</u>	<u>\$ -</u>	<u>\$ 346,973</u>
Fund Balances			
Reserved For:			
Future Development	\$ 3,032,929	\$ 2,677	\$ 3,035,606
Unreserved	2,584,486	-	2,584,486
Total Fund Balances	<u>\$ 5,617,415</u>	<u>\$ 2,677</u>	<u>\$ 5,620,092</u>
Total Liabilities and Fund Balances	<u>\$ 5,964,388</u>	<u>\$ 2,677</u>	<u>\$ 5,967,065</u>

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
September 30, 2009

Governmental Funds - Fund Balance \$ 5,620,092

Amount reported for governmental activities in the statement
of net assets are different because:

Capital Assets used in governmental activities are not
financial resources and therefore are not reported in the funds. 11,768,883

Some receivables are not available to pay for current period
expenditures and therefore are deferred in the funds. 57,803

Notes Payable are not due and payable in the current period
and therefore are not reported in the funds. (6,867,478)

Net Assets of Governmental Activities \$ 10,579,300

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Statement of Revenues, Expenditures, and Changes in
Fund Balance
Governmental Funds
For the Year Ended September 30, 2009

	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Type</u>
Operating Revenues			
Property Taxes (Including Penalty and Interest)	\$ 2,406,703	\$ -	\$ 2,406,703
Non-Property Taxes	1,680,514	-	1,680,514
Fines and Forfeits	120,727	-	120,727
Licenses and Permits	30,918	-	30,918
Fees and Services	1,503,146	-	1,503,146
Miscellaneous	106,535	-	106,535
Intergovernmental Revenue	34,125	74,857	108,982
Total Operating Revenues	\$ 5,882,668	\$ 74,857	\$ 5,957,525
Operating Expenditures			
General Government	\$ 169,966	\$ -	\$ 169,966
Administration	240,868	-	240,868
Tax Assessing/Collecting	33,753	-	33,753
City Hall	193,429	-	193,429
Police Department	1,398,960	-	1,398,960
Municipal Court	67,492	-	67,492
Fire Department	79,343	-	79,343
Library	135,887	-	135,887
Streets and Public Works	666,671	-	666,671
Parks and Recreation	344,577	-	344,577
Community Center	56,711	-	56,711
Garbage Collection	1,157,966	-	1,157,966
E.M.T.	350,380	-	350,380
Community Planning	122,250	-	122,250
Drainage Improvement	6,719	-	6,719
Grant Outlay	-	108,618	108,618
Total Operating Expenditures	\$ 5,024,972	\$ 108,618	\$ 5,133,590
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	\$ 857,696	\$ (33,761)	\$ 823,935
Capital Expenditures			
Capital Outlay	\$ 3,299	\$ -	\$ 3,299
Capital Outlay - Capital Improvement Fund	1,989,599	-	1,989,599
Total Capital Expenditures	\$ 1,992,898	\$ -	\$ 1,992,898
Other Financing Sources (Uses)			
Due from Water Fund	\$ -	\$ 15,200	\$ 15,200
Note Proceeds	50,000	-	50,000
Interest Income	42,128	-	42,128
Interest Expense	(309,637)	-	(309,637)
Bond Payments	(210,000)	-	(210,000)
Note Payments	(85,024)	-	(85,024)
Total Other Financing Sources (Uses)	\$ (512,533)	\$ 15,200	\$ (497,333)
Excess of Operating Revenues and Other Sources Over (Under) Operating Expenditures, Capital Expenditures and Other Uses	\$ (1,647,735)	\$ (18,561)	\$ (1,666,296)
Fund Balance, Beginning	\$ 7,265,150	\$ 21,238	\$ 7,286,388
Fund Balance, Ending	\$ 5,617,415	\$ 2,677	\$ 5,620,092

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance - Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2009

Net Change in Fund Balance - Total Governmental Funds \$ (1,666,296)

Amounts reported for governmental activities in the statement of activities are different because:

Note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of the note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds. 245,024

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 outlays (\$2,017,173)* exceeded depreciation (\$945,607) in the current period and the amount of capital outlays removed due to asset disposition of (\$45,400) and the amount of accumulated depreciation due to asset disposition of (\$45,400). 1,071,566

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 9,833

Change in Net Assets of Governmental Activities \$ (339,873)

*	Capital Outlay from Page 15	\$ 1,992,898
	Portion Included in Library Expenditures	19,632
	Portion Included in Administration Expenditures	4,643
	Total Capital Outlays	<u><u>\$ 2,017,173</u></u>

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Statement of Net Assets
Proprietary Funds
Water and Sewer Fund
September 30, 2009

Assets	
Current Assets	
Cash and Investments	
Certificates of Deposit and Money Market	\$ 689,628
Petty Cash	1,000
Inventory	88,005
Receivables	
Water and Sewer Charges (Net of Allowance)	326,743
Total Current Assets	<u>\$ 1,105,376</u>
Fixed Assets	
Buildings and Improvements	\$ 150,560
Equipment and Vehicles	1,201,928
Water System	8,131,864
Sewer System	4,313,451
Accumulated Depreciation	(6,953,983)
Net Fixed Assets	<u>\$ 6,843,820</u>
Other Assets	
Certificates of Obligation Issuance Cost	\$ 40,000
Accumulated Amortization	(16,000)
Net Other Assets	<u>\$ 24,000</u>
Total Assets	<u><u>\$ 7,973,196</u></u>
Liabilities and Fund Equity	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 81,902
Accrued Compensated Absences	26,468
Interest Payable	8,119
Customer Deposits	179,145
Due to Other Funds	928,069
Current Portion of Long-Term Liabilities	150,000
Total Current Liabilities	<u>\$ 1,373,703</u>
Long-Term Liabilities	
Certificates of Obligation	\$ 2,545,000
Certificates of Obligation Water Projects Payable	770,000
Less: Current Portion of Long-Term Liabilities	(150,000)
Total Long-Term Liabilities	<u>\$ 3,165,000</u>
Total Liabilities	<u>\$ 4,538,703</u>
Fund Equity	
Invested in Capital Assets, Net of Related Debt	\$ 3,552,820
Unreserved	(118,327)
Total Fund Equity	<u>\$ 3,434,493</u>
Total Liabilities and Fund Equity	<u><u>\$ 7,973,196</u></u>

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Statement of Revenues, Expenses, and
Changes in Fund Net Assets - Proprietary Funds - Water and Sewer Fund
For the Year Ended September 30, 2009

Operating Revenue	
Water Revenue	\$ 1,885,222
Sewer Service	777,315
Industrial Charges	463
Total Operating Revenue	<u>\$ 2,663,000</u>
Operating Expenses	
Water Supply and Distribution	\$ 719,994
Billing and Collections	379,719
Waste Water Treatment	855,866
Water Wells	878,534
Total Operating Expenses	<u>\$ 2,834,113</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	\$ (171,113)
Non-Operating Revenue (Expenses)	
Interest Income	\$ 7,198
Miscellaneous Revenue	215,687
Interest Expense	(162,994)
Grant Fund Matching	(15,200)
Total Non-Operating Revenue (Expenses)	<u>\$ 44,691</u>
Excess (Deficiency) of Revenues	
and Non-Operating Revenue Over (Under)	
Expenditures and Non-Operating Expenses	\$ (126,422)
Net Assets, Beginning	<u>\$ 3,560,915</u>
Net Assets, Ending	<u><u>\$ 3,434,493</u></u>

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Statement of Cash Flows
Proprietary Funds
Water and Sewer Fund
For the Year Ended September 30, 2009

Cash Flow from Operating Activities	
Receipts from Customers	\$ 2,568,484
Payments to Suppliers	(1,890,221)
Payments to Employees	(485,633)
Net Cash Provided by Operating Activities	<u>\$ 192,630</u>
 Cash Flow from Capital and Related Financing Activities	
Purchases of Capital Assets	\$ (131,249)
Principal Paid on Capital Debt	(145,000)
Interest Paid on Capital Debt	(163,336)
Grant Matching Funds	(15,200)
Other Receipts	215,688
Internal Activity Payments from Other Funds	195,478
Net Cash Used In Capital and Related Financing Activities	<u>\$ (43,619)</u>
 Cash Flow from Investing Activities	
Interest and Dividends	\$ 7,198
Net Cash Flow Provided By Investing Activities	<u>\$ 7,198</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	\$ 156,209
 Cash Balances - Beginning of Year	<u>\$ 534,419</u>
 Cash Balances - End of Year	<u><u>\$ 690,628</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (171,113)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	428,690
Change in Assets and Liabilities	
Receivables	(76,730)
Inventories	10,681
Accounts and Others Payable	1,102
Net Cash Provided by Operating Activities	<u><u>\$ 192,630</u></u>
 Cash Balances - End of Year - Detail	
Certificates of Deposit and Money Market	\$ 689,628
Petty Cash	1,000
Total Cash Balances - End of Year - Detail	<u><u>\$ 690,628</u></u>

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Notes to the Financial Statements
September 30, 2009

Note 1 – Summary of Significant Accounting Policies

The City of Burkburnett, Texas, (the “City”) operates under a charter adopted in an election on May 8, 1923. The City operates under a council-manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, general administrative services, and water and sewer services.

The accounting and reporting framework and the more significant accounting principles and practices of the City are discussed in this note. The remainder of the notes are organized to provide explanations, including required disclosures of the City’s financial activities for the fiscal year ended September 30, 2009.

Component Units

The accompanying financial statements present the City’s primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). Component units of the City issue separately audited financial statements. The City’s financial statements include the accounts of two discretely presented component units as follows (copies of audits of the component units can be obtained through the City Secretary’s Office):

Burkburnett Development Corporation – Burkburnett Development Corporation accomplishes the public purposes of the City by the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and the public welfare as provided by section 4B of the Development Corporation Act. The Board of Directors consists of seven members appointed by the City’s Board of Commissioners.

Burkburnett Housing Finance Corporation – On March 29, 2001, the Burkburnett Housing Finance Corporation was chartered. The Board of Directors consists of five directors, each of whom is appointed by the City’s Board of Commissioners. The purpose of the Corporation is to carry out the purpose of the Texas Housing Finance Corporations Act Chapter 394, as amended.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements – The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar

activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines, and forfeitures, and other charges to users of the City's services, (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements – Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds, if any.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City are prepared in accordance with accounting principals generally accepted in the United States of America. The city's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements and financial statements of City component units also report using this same focus and basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: sales and use taxes, hotel/motel taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative

expense and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

General Fund – reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Special Revenue Fund – established to account for the City’s grant programs not reported in proprietary funds. Major grants include Community Development Block Grants.

Proprietary Funds

The City reports the following major enterprise funds:

Water and Sewer Utilities Fund – accounts for the operating activities of the City’s water and sewer utilities services.

Other Accounting Policies

Cash and Investments

The City considers highly liquid investments with an original maturity of six months or less when purchased to be cash equivalents. The City’s monetary assets can only be invested with the city depository bank as per the depository agreement and only in cash, money market accounts, or certificates of deposit.

Inventories

Inventories in governmental funds consist of expendable supplies held for consumption and stated at cost. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used. Proprietary fund and similar component unit inventories are recorded at cost.

Capital Assets, Depreciation, and Amortization

The City’s property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and combining component unit’s financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$2,500 or more as purchase and construction outlays occur. Exceptions are stand alone office equipment, communications equipment, real property and firearms. These items are capitalized regardless of cost. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets

are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	5-40
Improvements, Other than Buildings	5-40
Mobile Equipment	3-10
Furniture, Machinery, and Equipment	3-10

Long-Term Debt and Bond Discounts/Premiums

In the governmental-wide, proprietary, and component unit financial statements, outstanding debts are reported as liabilities. Bond issuance costs, bond discounts/premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Fund Equity

The governmental fund financial statements report reserved fund balances for amounts not available for appropriation or amounts legally restricted for specified purposes. The general fund reserve for restricted purposes includes funds set aside for future capital projects.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which they are imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year. The assessed value of the certified roll, upon which the levy for the 2009 fiscal year was based upon, was \$411,350,087.

Taxes are due on October 1 and become delinquent by February 1 following the October 1 levy date. Current tax collections for the year ended September 30, 2009, were 99.34% of the tax levy.

The combined tax rate assessed for the year ended September 30, 2009, was .573951 per \$100 valuation.

Liability for Compensated Absences

Full time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Vacations must be used as vacation or is paid

annually upon reaching maximums. Compensated absences are reported in the government wide and proprietary financial statements.

Sick leave accrues to employees in varying amounts to specified maximums, but under city policy, does not vest. Accordingly, employees can only utilize sick leave when sick. Since the employees accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget

Budgets and Budgetary Accounting

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with the City Charter, prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. The City Charter requires that the budget be submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the departmental level.
- 2) Public hearings are conducted to obtain taxpayer comment.
- 3) Prior to September 30, the budget is legally enacted through passage of an ordinance.
- 4) The City Manager submits a monthly report to the City Council explaining any variance from the approved budget.
- 5) Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- 6) Budgets for the General and Special Revenue Funds are adopted on a basis consistent with the cash basis of accounting.
- 7) The City Charter requires the adoption of a summary budget for proprietary funds.
- 8) Appropriations lapse at the end of each fiscal year.
- 9) The City Council may authorize supplemental appropriations during the year.

Basis of Budgeting

The Budgetary Comparison Schedules include comparisons of the legally adopted budget (more fully described in Note 1) with actual data on a budgetary basis for the general fund and business-type funds that have a budgetary basis that differs from GAAP. Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with GAAP. The difference in expenditures between GAAP and budgetary basis is reconciled in the table on the following page.

City of Burkburnett, Texas Reconciliation of Expenditures to Non-GAAP Budgetary Basis

	General Fund Expenditures				Budgetary Cash Basis
	Actual on Reporting Basis	Capital Outlay, Depreciation and Debt Service	Change in Compensated Absences Liability	Conversion to Modified Accrual Basis	
General Government	\$ 169,966	\$ -	\$ -	\$ 287,998	\$ 457,964
Administration	236,443	4,425	(3,432)	-	237,436
Tax Assessing/Collecting	34,156	(403)	-	-	33,753
City Hall	194,464	2,264	(2,078)	868	195,518
Police Department	1,420,294	(20,561)	(10,320)	19,446	1,408,859
Municipal Court	67,492	-	-	-	67,492
Fire Department	99,601	(20,257)	-	21,213	100,557
Library	150,426	(14,540)	(415)	872	136,343
Streets and Public Works	1,690,686	(734,854)	-	(283,765)	672,067
Parks and Recreation	491,164	(126,884)	(1,846)	(14,095)	348,339
Community Center	61,095	(4,384)	-	(26,000)	30,711
Garbage Collection	1,157,966	-	-	(12,761)	1,145,205
EMT	353,221	(2,841)	(653)	-	349,727
Community Planning	122,250	-	-	-	122,250
Drainage Improvement	6,719	-	-	-	6,719
Grant Outlay	108,618	-	-	(108,618)	-
Capital Outlay - Capital Improvement Fund	-	1,989,599	-	(1,989,599)	-
Total	\$6,364,561	\$ 1,071,564	\$ (18,744)	\$(2,104,441)	\$ 5,312,940

Proprietary Fund Expenditures

	Actual on Reporting Basis	Conversion to Modified Accrual Basis	Change in Compensated Absences Liability	Budgetary Cash Basis
Water Supply, Distribution and Wells	\$2,141,241	\$ (273,887)	\$ (3,974)	\$ 1,863,380
Waste Water Treatment	855,866	(93,214)	(317)	762,335
Total	\$2,997,107	\$ (367,101)	\$ (4,291)	\$ 2,625,715

Note 2 – Deposits and Investments

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's bank's agent in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

The carrying amount of deposits is separately displayed on the statement of net assets as "Cash in Bank", "Cash", or "Certificates of Deposit" and "Money Market". At September 30, 2009, the following deposits are carried:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized	5,293,303	5,414,210
Total Deposits	\$ 5,543,303	\$ 5,664,210

It is the City's policy for deposits to be 100 percent secured by collateral valued at market or par, whichever is lower, plus the amount of FDIC insurance. The City's deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

- Category 1 Deposits which are insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Deposits which are not collateralized or insured.

Based on these levels of risk, all of the City's cash deposits are classified as Category 2.

Collateral for deposits consists of \$7,360,000 in various municipal bonds (with ratings ranging from A to AAA) in the name of the First Bank - Burkburnett and marked as pledged to the City of Burkburnett, Texas. The securities are held by the Federal Home Loan Bank of Dallas that specifies the collateralizing of deposits in excess of FDIC coverage.

Note 3 – Accounts Receivable

Accounts Receivable are shown at net of an allowance for estimated uncollectable charges. The allowances are as follows:

Property Taxes	\$ 10,000
Municipal Court	\$ 25,000
Garbage Charges Receivable	\$ 32,011
Water and Sewer Charges	\$ 32,883

Note 4 - Capital Asset Activity

Capital Asset Activity for the City for the year ended September 30, 2009, was as follows:

	Primary Government		
	Beginning Balance	Changes	Ending Balance
Governmental Activities:			
Buildings and Improvements	\$ 1,740,829	\$ -	\$ 1,740,829
Library Books	565,383	(25,772)	539,611
Streets and Curbs	14,082,335	1,256,432	15,338,767
Streets Construction in Progress	-	568,158	568,158
Golf Course	644,030	-	644,030
Golf Course Land	64,000	-	64,000
Equipment and Vehicles	2,553,356	172,955	2,726,311
Land	8,469	-	8,469
Total at Historical Cost	\$ 19,658,402	\$ 1,971,773	\$ 21,630,175
Less Accumulated Depreciation for:			
Buildings and Improvements	\$ 810,968	\$ 116,142	\$ 927,110
Library Books	475,384	(15,630)	459,754
Streets and Curbs	5,399,517	591,992	5,991,509
Golf Course	263,962	13,394	277,356
Equipment and Vehicles	2,011,254	194,309	2,205,563
Total Accumulated Depreciation	\$ 8,961,085	\$ 900,207	\$ 9,861,292
Governmental Activities Capital Assets, Net	\$ 10,697,317	\$ 1,071,566	\$ 11,768,883

	Proprietary Funds		
	<u>Beginning Balance</u>	<u>Changes</u>	<u>Ending Balance</u>
Business-Type Activities			
Buildings and Improvements	\$ 150,560	\$ -	\$ 150,560
Equipment and Vehicles	1,155,836	46,092	1,201,928
Water System	8,046,707	85,157	8,131,864
Sewer System	4,313,451	-	4,313,451
Total at Historical Cost	<u>\$ 13,666,554</u>	<u>\$ 131,249</u>	<u>\$ 13,797,803</u>
Less Accumulated Depreciation for:			
Buildings and Improvements	\$ 264,676	\$ 9,886	\$ 274,562
Equipment and Vehicles	773,955	47,510	821,465
Water System	2,710,544	262,055	2,972,599
Sewer System	2,778,785	106,572	2,885,357
Total Accumulated Depreciation	<u>\$ 6,527,960</u>	<u>\$ 426,023</u>	<u>\$ 6,953,983</u>
Business-Type Activities Capital Assets - Net	<u>\$ 7,138,594</u>	<u>\$ (294,774)</u>	<u>\$ 6,843,820</u>

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 624
City Hall	1,035
Police Department	20,561
Fire Department	20,257
Library	34,169
Street and Public Works	734,853
Parks and Recreation	126,884
Community Center	4,384
EMT	2,840
	<hr/>
Total Depreciation Expense	<u>\$ 945,607</u>

Note 5 – Certificates of Obligation and Notes Payable

General Government:

During the fiscal year ending September 30, 2004, the City purchased police vehicles, which were financed with a note in the amount of \$80,000, bearing interest at the rate of 4.5% with fixed annual payments of \$18,223.33.

During the fiscal year ending September 30, 2009, the City executed a line of credit in the amount of \$498,476 for certain golf course improvements. The note bears interest at 2% and matures September 30, 2010.

During the fiscal year ending September 30, 2009, the City purchased police vehicles, which were financed with a note in the amount of \$50,000, bearing interest at the rate of 4.5% with fixed annual payments of \$18,102.

To finance certain street improvements, the City issued \$3,400,000 of Certificates of Obligation on August 22, 2006, and another \$3,375,000 on June 25, 2008. The Certificates are payable from ad valorem taxes of the City. The Certificates of Obligation bear interest at and average rate of 5.15%

Proprietary Funds:

To finance certain water and sewer improvements, the City issued \$3,055,000 of Certificates of Obligation on January 15, 2001. The Certificates are payable from ad valorem taxes of the City and are additionally payable from a lien on and pledge of the net revenues of the City's combined Water Works and Sewer System. The Certificates of Obligation bear interest at 4.875% to 5.125%.

To finance certain water improvements, including new meters, the City issued \$1,040,000 of Certificates of Obligation on December 3, 2003. The Certificates are payable from ad valorem taxes of the City and are additionally payable from a lien on and pledge of the net revenue of the City's combined Water Works and Sewer System. The Certificates of Obligation bear interest at 3.15% to 5%.

Component Units:

During the fiscal year ending September 30, 2004, the Burkburnett Development Corporation executed a line of credit, the proceeds of which are to be used to improve land and infrastructures at the Industrial Park. The note bears interest at 4.25% through March 18, 2008, at which time the note is to be amortized at \$3,991 per month not to exceed 180 months. The note is secured by real estate. The balance as of September 30, 2009, was \$398,111.

The annual debt service requirements to maturity for debt as of September 30, 2009, are as follows:

Year Ending September 30,	General Government Notes Payable		Water and Sewer Certificates of Obligation		Component Unit Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 755,145	\$ 275,592	\$ 150,000	\$ 154,710	\$ 30,988	\$ 16,321
2011	266,667	253,483	160,000	147,124	32,331	14,978
2012	276,666	240,854	175,000	139,506	33,732	13,576
2013	270,000	226,297	180,000	131,775	35,194	12,115
2014	285,000	212,536	190,000	123,676	36,719	10,590
2015-2019	1,620,000	862,379	1,115,000	476,720	229,147	27,877
2020-2024	2,015,000	495,132	905,000	233,359		
2025-2028	1,379,000	93,827	440,000	22,807		
Total	\$ 6,867,478	\$ 2,660,100	\$ 3,315,000	\$ 1,429,677	\$ 398,111	\$ 95,457

The following is a summary of long-term debt for the year ended September 30, 2009:

Description and Purpose	Balance September 30, 2008	Issued	Retired	Balance September 30, 2009
Primary Government				
Governmental Activity				
Note Payable-Fire Truck	\$ 20,309	\$ -	\$ 20,309	\$ -
Note Payable-Golf Course Improvements	545,775	-	47,297	498,478
Note Payable-Police Vehicles	17,418	50,000	17,418	50,000
Street Bonds	3,190,000	-	120,000	3,070,000
Street Bonds	3,339,000	-	90,000	3,249,000
Total Governmental Activity	\$ 7,112,502	\$ 50,000	\$ 295,024	\$6,867,478
Business-Type Activity				
Certificates of Obligation	\$ 2,630,000	\$ -	\$ 85,000	\$ 2,545,000
Certificates of Obligation	830,000	-	60,000	770,000
Total Business Type Activity	\$ 3,460,000	\$ -	\$ 145,000	\$ 3,315,000
Component Units				
Note Payable-Industrial Park Improvements	\$ 430,295	\$ -	\$ 32,184	\$ 398,111

Note 6 – Retirement Funds

a. General

The City participates in funding two retirement plans. The Texas Municipal Retirement System Plan is a modified contribution plan; the Fireman’s Relief and Retirement Plan is a contributing, defined contribution plan. The City’s total retirement plan contributions for the year ended September 30, 2009, was \$358,513.

b. Texas Municipal Retirement System (“TMRS”)

Plan Description

The City provides hybrid benefits for all of its full-time employees through a non-traditional, joint contributory, defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 833 administered by TMRS, an agent multiple-employer public employee retirement system.

Benefits depend upon the sum of the employee’s contributions to the plan, with interest, and the City financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent

(100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and city matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Contributions

At its December 2007, meeting, the TMRS Board of Trustees adopted actuarial assumptions to be used in the actuarial valuation for the year ended December 31, 2008. A summary of actuarial assumptions and definitions can be found in the December 31, 2008, TMRS Comprehensive Annual Financial Report (CAFR).

Since its inception, TMRS has used the Unit Credit actuarial funding method. This method accounts for liability accrued as of the valuation date, but does not project the potential future liability of provisions adopted by a city. Two-thirds of the cities participating in TMRS have adopted the Updated Service Credit and Annuity Increases provisions on an annually repeating basis. For the December 31, 2007, valuation, the TMRS Board determined that the Projected Unit Credit (PUC) funding method should be used, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. In addition, the Board also adopted a change in the amortization period from a 25-year "open" to a 25-year "closed" period. For the year ended December 31, 2008, the amortization period was changed to a 24-year closed period. TMRS Board of Trustee rules provide that, whenever a change in actuarial assumptions or methods results in a contribution rate increase in an amount greater than 0.5%, the amortization period will be increased to 30 years, unless a city requests that the period remain at 24 years. For cities with repeating features, these changes would likely result initially in higher required contributions and lower funded ratios; however, the funded ratio should show steady improvement over time. To assist in this transition to higher rates, the Board also approved an eight-year phase-in period, which will allow cities the opportunity to increase their contributions gradually (approx. 12.5% each year) to their fill rate (or their required contribution rate).

If the changes in actuarial funding method and assumptions had not been adopted for the 2007 valuation, the city's unfunded actuarial accrued liability would have been \$2,868,525 and the funded ratio would have been 57.8%.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan Provisions

	2006	2007	2008
Total # of Participating Entities	821	827	833
<u>City Specific</u>			
Employee Deposit Rate	7.0%	7.0%	7.0%
Matching Ratio (City to Employee)	2 to 1	2 to 1	2 to 1
Years Required for Vesting	10	10	10
Service Retirement Eligibility (Expressed as Age/Years of Service)	60/10, 0/20	60/10, 0/20	60/10, 0/20
Updated Service Credit	100%	100%	100%
Annually Repeating (Y/N)	Y	Y	Y
Annuity Increase to Retirees	0%	0%	0%
Annually Repeating (Y/N)	N	N	N
Supplemental Death Benefit			
For Active Employees (Y/N)	Y	Y	Y
For Retirees (Y/N)	Y	Y	Y

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
2007	\$ 304,772	\$ 304,772	100	-
2008	\$ 351,555	\$ 351,555	100	-
2009	\$ 358,513	\$ 358,513	100	-

Funding Policy

Cities are required to contribute at an actuarially determined rate; these rates are provided to the city on an annual basis, following the completion of the actuarial valuation. Note that there is a time delay in the valuation and when the rate becomes effective – for example, the January 1, 2009, contribution rate is based on the 12/31/2007 valuation results; if a change in plan provisions is elected by the city, this rate can change. The actuary determines contribution rates on a calendar-year basis; the city discloses the annual pension costs (which equal the required contributions) based on the calculated rate(s) for the city's fiscal year.

Actuarial Information

	2006	2007	2008
Actuarial Cost Method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization Period	25 Years – Open Period	25 Years – Closed Period	24 Years – Closed Period
Asset Valuation Method	Amortized Cost	Amortized Cost	Amortized Cost

Assumptions			
Investment Return	7.0%	7.0%	7.5%
Projected Salary Increases	None	Varies by Age and Service	Varies by Age and Service
Inflation	3.5%	3.0%	3.0%
Cost-of-Living	None	0.0%	None
Adjustments			
City-Specific Assumptions			
Payroll	Growth	4.0%	3.0%
Assumption			
Withdrawal Rates for Male/Female	Mid/Low	Mid/Mid	Mid/Mid

Schedule of Funding Information

Actuarial Valuation Date	12/31/06	12/31/07	12/31/08
Actuarial Value of Assets	\$ 4,024,848	\$ 3,925,863	\$ 3,925,574
Actuarial Accrued Liability (AAL)	\$ 6,053,718	\$ 6,611,514	\$ 6,464,814
Underfunded (Overfunded) Actuarial Accrued Liability (UAAL or OAAL)	\$ 2,028,870	\$ 2,685,651	\$ 2,539,240
Funded Ratio	66.5%	59.4%	60.7%
Annual Coverage Payroll	\$ 2,135,275	\$ 2,255,767	\$ 2,244,869
UAAL or OAAL as a Percentage of Covered Payroll	95.0%	119.1%	113.1%

Note 7 – Risk Management

The City is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; and national disasters for which the City carries insurance through the Texas Municipal League.

Note 8 - Contract to Operate Wastewater Treatment Facility

The City has entered into a contract with US Filter to manage and operate the City's Wastewater Treatment Facility. The annual fees paid for September 30, 2009, were \$398,695. In addition, PSG is responsible for each separate major maintenance, repair, and/or replacement of capital equipment up to a maximum of \$5,000 for each individual item with a cap per contract year of \$25,000. The City is responsible for any increases in average electrical plant costs. The annual fees are renegotiated annually.

Note 9 - Contract for Garbage Collection Services

The City has entered into a contract with IESI, Inc. to provide garbage collection and disposal services. IESI, Inc. charges the City a fixed fee per month per residential unit, and various fees apply to commercial units depending upon size and needs. The City provides billing and collecting services for which it retains a five percent (5%) fee.

Note 10 - Municipal Solid Waste Landfill

The City has substantially closed its municipal solid waste landfill. As indicated in Note 9, garbage collection and disposal services have been contracted out. Since the City qualifies as a "small" landfill and has completed this process prior to October 8, 1995, the City will not be required to determine and record any post-closure care cost until such time as the expenses, if any, are incurred.

Note 11 – Federal and State Grant Projects

During the fiscal year ending September 30, 2009, the City expended \$22,513 for fire fighting improvements. The City expended \$64,644 in solid waste management grant funds and other infrastructure planning activities. The City also expended \$21,461 from the Texas Infrastructure Fund and Lone Star Grant for library equipment and materials. Because federal funding did not exceed \$500,000, the City was not subject to OMB Circular A-133 Single Audit requirements.

Note 12 - Interfund Borrowing

During the year, the City Water Fund used pooled cash belonging to the General Fund to finance certain capital improvements pending receipt of funds from other investments and receivables.

Note 13 – Operating Leases on Equipment

The City leases three copiers under operating leases which began October, 2008. The leases require a monthly base lease totaling \$328 for 36 months with an additional charge for excess copies. The total base lease expense for the year ending September 30, 2009, was \$3,936. The minimum future lease payments for these leases are as follows:

Years ending September 30,	2010	\$3,936
	2011	<u>3,936</u>
		<u>\$7,872</u>

Note 14 – Unasserted Claims and Assessments

Since the close of the fiscal year ending September 30, 2009, certain claims have arisen. These claims are asserted against the City of Burkburnett growing out of dealings which the claimants had with the Burkburnett Police Department. The claims are for unliquidated amounts. These claims have been turned to the Texas Municipal League Intergovernmental Risk Pool which provides liability coverage for the City. The City and its insurance carrier are defending against these claims. Management and legal counsel believe the City has adequate coverage through the City's insurance policy to pay any amounts that would be owed if any of these claims are established.

Required Supplementary Information
City of Burkburnett, Texas
Budgetary Comparison Schedule - General Fund
Non-GAAP Basis
For the Year Ended September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Operating Revenues				
Property Taxes (Including Penalty and Interest)	\$ 1,857,529	\$ 1,857,529	\$ 1,819,368	\$ (38,161)
Non-Property Taxes	1,937,262	1,937,262	1,900,614	(36,648)
Fines and Forfeits	118,300	118,300	120,727	2,427
Licenses and Permits	40,000	40,000	30,918	(9,082)
Fees and Services	1,527,569	1,527,569	1,497,107	(30,462)
Miscellaneous	116,350	116,350	130,963	14,613
Intergovernmental Revenue	34,125	34,125	34,125	-
Total Operating Revenues	<u>\$ 5,631,135</u>	<u>\$ 5,631,135</u>	<u>\$ 5,533,822</u>	<u>\$ (97,313)</u>
Operating Expenditures				
General Government	\$ 440,764	\$ 440,764	\$ 457,964	\$ (17,200)
Administration	252,986	252,986	237,436	15,550
Tax Assessing/Collecting	34,045	34,045	33,753	292
City Hall	207,208	207,208	195,518	11,690
Police Department	1,451,121	1,451,121	1,408,859	42,262
Municipal Court	71,593	71,593	67,492	4,101
Fire Department	113,497	118,497	100,557	17,940
Library	145,093	145,093	136,343	8,750
Streets and Public Works	800,008	800,008	672,067	127,941
Parks and Recreation	375,201	375,201	348,339	26,862
Community Center	38,220	38,220	30,711	7,509
Garbage Collection	1,170,967	1,170,967	1,145,205	25,762
E.M.T.	371,945	371,945	349,727	22,218
Community Planning	132,923	132,923	122,250	10,673
Drainage Improvement	50,000	50,000	6,719	43,281
Total Operating Expenditures	<u>\$ 5,655,571</u>	<u>\$ 5,660,571</u>	<u>\$ 5,312,940</u>	<u>\$ 347,631</u>
Excess of Operating Revenues Over (Under) Operating Expenditures	<u>\$ (24,436)</u>	<u>\$ (29,436)</u>	<u>\$ 220,882</u>	<u>\$ 250,318</u>
Capital Improvement Fund Expenditures	<u>\$ 691,600</u>	<u>\$ 691,600</u>	<u>\$ 2,120,848</u>	<u>\$ (1,429,248)</u>
Excess of Operating Revenues and Other Sources Over (Under) Operating Expenditures, Capital Expenditures and Other Uses			<u>\$ (1,899,966)</u>	

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Ad Valorem Taxes	\$ 1,835,529	\$ 1,835,529	\$ 1,799,405	\$ (36,124)
Penalties and Interest	22,000	22,000	19,963	(2,037)
Sales Taxes	1,170,000	1,170,000	1,175,361	5,361
Alcohol Permit Fee	250	250	518	268
Alcoholic Beverage Tax	1,000	1,000	1,041	41
Building Permits Fees	15,000	15,000	13,674	(1,326)
Rentals and Leases	15,300	15,300	17,635	2,335
Court Fines	111,800	111,800	112,110	310
Sales of Cemetery Lots	30,000	30,000	33,950	3,950
Plumbing Permits	7,000	7,000	4,509	(2,491)
Electric Permits and License Fees	6,000	6,000	3,897	(2,103)
Mechanical Permits	4,000	4,000	4,296	296
Pavilion Rental Fees	1,000	1,000	1,115	115
Community Center Use Fees	16,000	16,000	11,350	(4,650)
Amphitheater Rental	500	500	100	(400)
Interest on Time Deposits	45,100	45,100	20,099	(25,001)
Resale of Trash Bags	5,500	5,500	5,474	(26)
Miscellaneous	32,050	32,050	74,979	42,929
Lien Revenues	2,000	2,000	4,077	2,077
City Library Fines, Lost Books, Copies	4,500	4,500	4,540	40
Garbage Collection Service Charges	1,206,469	1,206,469	1,180,864	(25,605)
Landfill Fees	-	-	21,301	21,301
Citizen Collection Station Fees	22,000	22,000	-	(22,000)
Dog Tags and Fees	7,500	7,500	3,744	(3,756)
Franchise Taxes	766,262	766,262	724,212	(42,050)
Peddler Permits	100	100	205	105
Court Costs Service Fees	6,000	6,000	7,410	1,410
Pool Revenue	29,250	29,250	23,524	(5,726)
Birth and Death Certificate Fees	1,750	1,750	2,232	482
Curbing Permits	150	150	75	(75)
Golf Course Improvement Fees	72,000	72,000	72,000	-
Arrest Fees	7,000	7,000	6,525	(475)
Administrative Court Fees	3,500	3,500	4,539	1,039
TFC Traffic	3,000	3,000	2,693	(307)
Child Safety	700	700	-	(700)
Wichita Co. Contributions	34,125	34,125	34,125	-
ZBA Variance Request	500	500	300	(200)
Bad Debt Fee	9,000	9,000	9,442	442
Zoning Change	950	950	-	(950)
ETJ Calls	500	500	-	(500)
Sale of Fixed Assets	10,000	10,000	15,342	5,342
Recreational Programs	-	-	450	450
Chamber Street Light Payback	5,800	5,800	5,800	-
BDC Administration Services	2,000	2,000	2,000	-
Festival Sponsorship Revenue	15,000	15,000	5,032	(9,968)
TXU Court Settlement	7,900	7,900	9,261	1,361
Judicial Fees	500	500	673	173
Storm Drainage Fees	94,650	94,650	93,980	(670)
Total Cash Receipts From Current Operations	\$ 5,631,135	\$ 5,631,135	\$ 5,533,822	\$ (97,313)

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
General Government				
Salaries and Wages	\$ 840	\$ 840	\$ 830	\$ 10
Social Security	64	64	165	(101)
Health and Wellness Program	-	-	1,111	(1,111)
Temp. Insurance Expense	-	-	1,656	(1,656)
M.H.M.R. Allowance	5,012	5,012	5,012	-
County Health Unit Allocation	1,200	1,200	1,200	-
Pro-Rata Ambulance Contract	2,500	2,500	2,500	-
Property and Fleet Insurance	34,145	34,145	33,279	866
Liability Insurance Deductible	5,000	5,000	12,513	(7,513)
Election Expense	3,000	3,000	2,472	528
Special Services	25,000	25,000	26,065	(1,065)
Contract Legal Services	15,000	15,000	19,117	(4,117)
Travel & Membership Fees	10,000	10,000	10,402	(402)
BDC Transfer Out (Sales Tax)	292,500	292,500	293,748	(1,248)
Workman Compensation	3	3	3	-
Training	2,000	2,000	1,680	320
Legal Notices	6,000	6,000	6,395	(395)
Miscellaneous	25,000	25,000	25,936	(936)
Code Red System	7,500	7,500	7,500	-
Professional Services	5,000	5,000	5,553	(553)
SAFB Area Relations	1,000	1,000	827	173
Total General Government	\$ 440,764	\$ 440,764	\$ 457,964	\$ (17,200)
Administration				
Salaries and Wages	\$ 142,852	\$ 142,852	\$ 143,637	\$ (785)
Group Insurance Expense	11,783	11,783	11,784	(1)
Social Security Expense	11,663	11,663	11,613	50
Car and Telephone Allowance	9,600	9,600	10,050	(450)
Retirement Benefits Expense	24,145	24,145	24,064	81
Office Supplies	1,000	1,000	207	793
Workman Compensation	493	493	492	1
Travel and Membership Fees	10,000	10,000	9,098	902
Training	2,500	2,500	2,304	196
Telephone Expense	300	300	360	(60)
Cell Phone Expense	950	950	575	375
City Manager Discretionary	37,700	37,700	23,252	14,448
Total Administration	\$ 252,986	\$ 252,986	\$ 237,436	\$ 15,550

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Tax Assessing/Collecting				
County Tax Appraisal Fees	\$ 27,195	\$ 27,195	\$ 27,708	\$ (513)
County Tax Collection Fee	6,000	6,000	5,983	17
Refund Delinquent Property Taxes	250	250	-	250
Refund Current Property Taxes	500	500	-	500
Rendition Penalty Administrative Fees	100	100	62	38
Total Tax Assessing/Collecting	<u>\$ 34,045</u>	<u>\$ 34,045</u>	<u>\$ 33,753</u>	<u>\$ 292</u>
 City Hall				
Salaries and Wages	\$ 114,803	\$ 114,803	\$ 110,862	\$ 3,941
Group Insurance	17,674	17,674	17,676	(2)
Social Security Expense	8,966	8,966	8,714	252
Car and Telephone Allowance	2,400	2,400	2,500	(100)
Retirement Expense	18,562	18,562	17,866	696
Workman Compensation	573	573	297	276
Travel and Membership Fees	2,000	2,000	1,012	988
Training	500	500	420	80
Janitorial Supplies	3,600	3,600	2,111	1,489
Maintenance of Building	5,000	5,000	2,367	2,633
Miscellaneous	-	-	136	(136)
Utilities	12,500	12,500	9,692	2,808
Telephone Expense	300	300	-	300
Cell Phone Expense	480	480	288	192
Internet Expense	1,000	1,000	819	181
Minor Equipment Purchase	2,000	2,000	1,392	608
Programming/IT Support	10,000	10,000	14,221	(4,221)
Leased Equipment - Copier	1,850	1,850	1,846	4
Acquisition of New Equipment	5,000	5,000	3,299	1,701
Total City Hall	<u>\$ 207,208</u>	<u>\$ 207,208</u>	<u>\$ 195,518</u>	<u>\$ 11,690</u>

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Police Department				
Salaries and Wages	\$ 859,703	\$ 859,703	\$ 868,167	\$ (8,464)
Group Insurance	147,279	147,279	136,992	10,287
Social Security Expense	65,767	65,767	65,830	(63)
Retirement Expense	130,872	130,872	128,440	2,432
Unemployment Tax	-	-	2,011	(2,011)
Car and Telephone Allowance	-	-	1,525	(1,525)
Office Supplies	15,200	15,200	8,127	7,073
Oil and Gas	73,247	73,247	36,006	37,241
Maintenance of Vehicles and Equipment	30,000	30,000	31,121	(1,121)
Maintenance Agreement	500	500	1,793	(1,293)
Maintenance of Jail and Police Station	7,500	7,500	7,082	418
Maintenance of Animal Shelter	2,500	2,500	4,927	(2,427)
Maintenance of Signal System and Radio	3,000	3,000	2,786	214
Maintenance of Office Equipment	1,500	1,500	9	1,491
Utilities	15,000	15,000	20,311	(5,311)
Workman Compensation	23,128	23,128	22,349	779
Lab Services	2,500	2,500	456	2,044
Travel and Membership Fees	4,000	4,000	4,706	(706)
School Expense (Training)	4,000	4,000	3,433	567
Physical Exams	1,000	1,000	885	115
Telephone Expense	5,000	5,000	7,166	(2,166)
Internet Expense	1,000	1,000	1,080	(80)
Cell Phone Expense	9,600	9,600	5,898	3,702
Uniforms and Wearing Apparel	6,000	6,000	5,421	579
Support of Prisoners	250	250	16	234
Drug Dog Expense	2,000	2,000	1,742	258
Animal Food	750	750	226	524
Minor Equipment Purchase	10,000	10,000	9,113	887
Programming/IT Support	5,000	5,000	7,421	(2,421)
Vehicle Lease to CIF	18,225	18,225	18,190	35
Emergency Management	3,000	3,000	2,998	2
TCLEOSE Training	1,500	1,500	580	920
Leased Equipment - Copier	2,100	2,100	2,052	48
Total Police Department	<u>\$ 1,451,121</u>	<u>\$ 1,451,121</u>	<u>\$ 1,408,859</u>	<u>\$ 42,262</u>

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Municipal Court				
Salaries and Wages	\$ 29,185	\$ 29,185	\$ 29,331	\$ (146)
Group Insurance	5,892	5,892	5,892	-
Social Security Expense	2,233	2,233	2,223	10
Retirement Expenses	4,480	4,480	4,582	(102)
Utilities	600	600	-	600
Office Supplies	1,500	1,500	626	874
Maint. Agree and Maint. of Office Equip.	3,300	3,300	2,858	442
Workman Compensation	53	53	53	-
Training	500	500	50	450
Travel Expenses and Membership Fees	500	500	334	166
Programming/IT Support	500	500	198	302
Contract Services	20,000	20,000	19,136	864
Telephone Expense	750	750	845	(95)
FTA Vendor Expense	500	500	468	32
Jury Fees	500	500	-	500
Credit Card Payment Fees	600	600	658	(58)
Minor Equipment Purchase	500	500	238	262
Total Municipal Court	\$ 71,593	\$ 71,593	\$ 67,492	\$ 4,101
Fire Department				
Supplies	\$ 14,075	\$ 14,075	\$ 16,572	\$ (2,497)
Relief and Retirement Fund	11,600	11,600	8,972	2,628
Partial Reimbursement	3,500	3,500	3,497	3
Gas and Oil	13,184	13,184	6,409	6,775
Maintenance of Fire Trucks	6,000	6,000	8,640	(2,640)
Maintenance of Equipment	5,000	5,000	1,876	3,124
Maintenance of Building	5,000	5,000	4,917	83
Maintenance of Signal System and Telephone	3,000	3,000	2,541	459
Utilities	12,000	12,000	11,829	171
Travel Expense and Membership Fees	4,000	4,000	3,665	335
Fireman Activity Allowance	1,200	1,200	1,200	-
School Expense	4,000	4,000	862	3,138
Physical Exams	600	600	-	600
Workman Compensation	472	472	472	-
Cell Phone Expense	480	480	317	163
Programming/IT Support	750	750	555	195
Fire Department Uniform Allowance	2,000	2,000	1,723	277
Fire Truck Lease Payment	21,636	21,636	21,253	383
Minor Equipment Purchases	5,000	10,000	5,257	4,743
Total Fire Department	\$ 113,497	\$ 118,497	\$ 100,557	\$ 17,940

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Library				
Salaries and Wages	\$ 66,390	\$ 66,390	\$ 66,318	\$ 72
Group Insurance Expense	11,783	11,783	11,784	(1)
Social Security Expense	5,079	5,079	5,067	12
Retirement Expense	7,965	7,965	7,601	364
Unemployment Tax	-	-	949	(949)
Office Supplies	7,550	7,550	7,449	101
Books & Periodicals	20,000	20,000	17,300	2,700
Maintenance of Building	3,000	3,000	981	2,019
Utilities	6,500	6,500	7,828	(1,328)
Workman Compensation	216	216	216	-
Travel and Membership Fees	1,000	1,000	623	377
Training	500	500	-	500
Programs	2,000	2,000	1,683	317
Physical Exams	200	200	-	200
Telephone Expense	1,500	1,500	1,456	44
Internet Expense	900	900	949	(49)
Audio-Visual	3,500	3,500	2,330	1,170
Programming/IT Support	500	500	792	(292)
Maintenance of Equipment	500	500	115	385
Maintenance Agreement	1,160	1,160	805	355
Leased Equipment - Copier	1,850	1,850	1,812	38
Minor Equipment Purchase	3,000	3,000	-	3,000
Professional Service	-	-	285	(285)
Total Library	<u>\$ 145,093</u>	<u>\$ 145,093</u>	<u>\$ 136,343</u>	<u>\$ 8,750</u>

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	Proposed Budget	Final Budget	Actual	Variable Favorable (Unfavorable)
Street and Public Works				
Salaries and Wages	\$ 302,450	\$ 302,450	\$ 272,499	\$ 29,951
Group Insurance Expense	58,912	58,912	50,083	8,829
Social Security Expense	22,163	22,163	20,130	2,033
Retirement Expense	44,689	44,689	38,145	6,544
Car and Telephone Allowance	-	-	315	(315)
James V. Allred Unit Supplies	6,000	6,000	4,905	1,095
Street Supplies	20,000	20,000	16,319	3,681
Gas and Oil	58,600	58,600	28,485	30,115
Used Oil Filters	2,000	2,000	-	2,000
Street Maintenance (Note A - Budgets)	130,000	130,000	93,001	36,999
Maintenance of Building	3,000	3,000	2,888	112
Maintenance of Vehicles and Equipment	30,000	30,000	33,755	(3,755)
Workman Compensation	21,584	21,584	21,584	-
Travel and Membership Fees	1,000	1,000	14	986
Training	500	500	200	300
Physical Examinations	400	400	224	176
Uniforms	4,000	4,000	5,172	(1,172)
Internal Use of Garbage Bags	150	150	13	137
Street Lights	75,000	75,000	74,767	233
Telephone Expense	1,600	1,600	875	725
Cell Phone Expense	960	960	287	673
Drainage Improvement	-	-	14	(14)
Minor Equipment Purchases	10,000	10,000	6,579	3,421
Utilities	-	-	36	(36)
Street Construction & Resurfacing	-	-	43	(43)
Chemicals	7,000	7,000	1,734	5,266
Total Street and Public Works	\$ 800,008	\$ 800,008	\$ 672,067	\$ 127,941

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Parks and Cemetery				
Salaries	\$ 155,800	\$ 155,800	\$ 140,628	\$ 15,172
Group Insurance Expense	23,565	23,565	22,586	979
Social Security Expense	10,390	10,390	10,719	(329)
Retirement Expense	18,498	18,498	17,366	1,132
Car and Telephone Allowance	-	-	525	(525)
Recreational Supplies	3,500	3,500	1,908	1,592
Gas and Oil	8,100	8,100	3,991	4,109
Pool Chlorine/Chemicals	3,500	3,500	3,038	462
Maintenance of Vehicle and Equipment	7,500	7,500	4,988	2,512
Maintenance of Building	2,500	2,500	1,054	1,446
Maintenance of Parks	20,000	20,000	20,009	(9)
Maintenance of Cemetery	4,000	4,000	4,536	(536)
Maintenance of Swimming Pool	13,000	13,000	3,726	9,274
Workman Compensation	4,038	4,038	4,038	-
Travel and Membership Fees	1,000	1,000	648	352
Training	500	500	205	295
Physical Examination	400	400	-	400
Telephone Expense	1,100	1,100	1,190	(90)
Internet Services	600	600	1,189	(589)
Cell Phone Expense	960	960	862	98
Uniform Expense	1,600	1,600	1,835	(235)
Utilities	50,000	50,000	55,604	(5,604)
Internal Use of Garbage Bags	150	150	26	124
Recreational Programs	20,000	20,000	29,548	(9,548)
Pool Operations	7,500	7,500	9,801	(2,301)
Park Improvements	2,000	2,000	-	2,000
Minor Equipment Purchases	10,000	10,000	3,836	6,164
Golf Course Improvement	5,000	5,000	4,483	517
Total Park and Cemetery	\$ 375,201	\$ 375,201	\$ 348,339	\$ 26,862
Community Center				
Supplies	\$ 1,500	\$ 1,500	\$ 1,479	\$ 21
Maintenance of Building	5,000	5,000	1,528	3,472
Maintenance of Equipment	1,000	1,000	103	897
Maintenance of Senior Citizen Building	14,000	14,000	14,000	-
Utilities	15,600	15,600	13,463	2,137
Training	-	-	40	(40)
Internal Use of Garbage Bags	120	120	32	88
Minor Equipment Purchase	1,000	1,000	66	934
Total Community Center	\$ 38,220	\$ 38,220	\$ 30,711	\$ 7,509

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Garbage Collection				
Landfill Overtime	\$ 10,000	\$ 10,000	\$ 9,019	\$ 981
Social Security Expense	-	-	683	(683)
Retirement Expense	-	-	1,428	(1,428)
Maintenance of Landfill	5,000	5,000	2,553	2,447
Maintenance of Vehicles & Equipment	3,000	3,000	-	3,000
Utilities	500	500	308	192
Garbage Processing Contract	915,061	915,061	944,177	(29,116)
Garbage	9,400	9,400	6,836	2,564
Franchise Fee	177,300	177,300	162,345	14,955
Purchase of Garbage Bags	6,500	6,500	-	6,500
Rolloff Expense	18,000	18,000	20,551	(2,551)
Fuel Surcharge Expense	25,956	25,956	(3,878)	29,834
Telephone Expense	250	250	409	(159)
Supplies	-	-	525	(525)
Minor Equipment Purchases	-	-	249	(249)
Total Garbage Collection	\$ 1,170,967	\$ 1,170,967	\$ 1,145,205	\$ 25,762
E.M.T.				
Salaries and Wages	\$ 234,387	\$ 234,387	\$ 228,514	\$ 5,873
Group Insurance Expense	35,347	35,347	35,353	(6)
Social Security Expense	17,381	17,381	16,656	725
Retirement Expense	37,121	37,121	35,815	1,306
Physical Exams	-	-	56	(56)
Medical Director Fees	3,600	3,600	3,600	-
Supplies	4,500	4,500	4,554	(54)
Gas and Oil	15,350	15,350	7,464	7,886
Maintenance of Van Equipment	6,000	6,000	3,267	2,733
Workman Compensation	6,299	6,299	6,299	-
Travel and Membership Fees	500	500	-	500
Training	3,500	3,500	786	2,714
Telephone Expense	500	500	1,041	(541)
Cell Phone Expense	960	960	644	316
Uniforms	1,500	1,500	1,014	486
Minor Equipment Purchase	5,000	5,000	4,664	336
Total E.M.T.	\$ 371,945	\$ 371,945	\$ 349,727	\$ 22,218

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
General Fund
Budgetary Comparison Schedule
9/30/20089

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Community Planning				
Salaries and Wages	\$ 67,831	\$ 67,831	\$ 66,784	\$ 1,047
Group Insurance Expense	11,783	11,783	11,784	(1)
Social Security Expense	6,090	6,090	5,117	973
Retirement Expense	10,743	10,743	10,505	238
Car and Telephone Allowance	-	-	350	(350)
Supplies	1,000	1,000	1,444	(444)
Gas and Oil	8,000	8,000	3,893	4,107
Maintenance of Vehicles and Equipment	2,000	2,000	585	1,415
Workman Compensation	566	566	566	-
Miscellaneous/Int. Use of Garbage Bags	50	50	1	49
Travel and Membership Fees	3,000	3,000	1,508	1,492
Training	1,500	1,500	406	1,094
Physical Exams	200	200	-	200
Demolition of Buildings	15,000	15,000	15,649	(649)
Telephone Expense	700	700	-	700
Cell Phone Expense	960	960	575	385
Cleaning Lots Ordinance # 432	3,000	3,000	2,950	50
Maintenance of Buildings	-	-	-	-
Minor Equipment Purchase	500	500	133	367
Total Community Planning	<u>\$ 132,923</u>	<u>\$ 132,923</u>	<u>\$ 122,250</u>	<u>\$ 10,673</u>
Drainage Improvement				
Drainage Bad Debt Expense	\$ -	\$ -	\$ 558	\$ (558)
Drainage Improvement	50,000	50,000	6,161	43,839
Total Drainage Improvement	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 6,719</u>	<u>\$ 43,281</u>
Capital Improvement Fund				
Capital Expenditures	\$ 691,600	\$ 691,600	\$ 2,120,848	\$ (1,429,248)
Total Capital Improvements	<u>\$ 691,600</u>	<u>\$ 691,600</u>	<u>\$ 2,120,848</u>	<u>\$ (1,429,248)</u>

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
Water and Sewer Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Water Supply Distribution				
Salaries and Wages	\$ 243,713	\$ 243,713	\$ 228,294	\$ 15,419
Group Insurance Expense	47,130	47,130	44,191	2,939
Social Security Expense	18,977	18,977	17,481	1,496
Retirement Expense	39,287	39,287	35,719	3,568
Unemployment Tax	-	-	721	(721)
Car & Telephone Allowance	4,350	4,350	4,625	(275)
Supplies	10,000	10,000	9,206	794
Chlorine and Chemicals	1,000	1,000	417	583
Meters and Settings	35,000	35,000	30,254	4,746
Meter Repair	750	750	-	750
Gas and Oil	15,350	15,350	7,464	7,886
Maintenance of Vehicles and Equipment	10,000	10,000	12,468	(2,468)
Maintenance of Water Mains	25,000	25,000	23,924	1,076
Maintenance of Buildings	2,500	2,500	3,166	(666)
Miscellaneous/ Int. Use of Garbage Bags	-	-	6	(6)
Workman Compensation	7,391	7,391	6,332	1,059
Travel and Membership Fees	5,000	5,000	2,792	2,208
Training	3,000	3,000	447	2,553
Physical Exams	200	200	56	144
Telephone Expense	3,000	3,000	2,927	73
Internet	480	480	-	480
Cell Phone Expense	960	960	575	385
Uniforms	2,800	2,800	3,696	(896)
Utilities	14,400	14,400	14,201	199
Special Services	1,000	1,000	350	650
State Gas Tax Permit	50	50	50	-
Bad Debt Expense	10,000	10,000	12,064	(2,064)
Water Testing Charge	-	-	32	(32)
Acquisition of New Equipment	10,000	10,000	11,811	(1,811)
Total Water Supply Distribution	\$ 511,338	\$ 511,338	\$ 473,269	\$ 38,069

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
Water and Sewer Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Water Billing and Collection				
Salaries and Wages	\$ 111,122	\$ 111,122	\$ 110,984	\$ 138
Group Insurance Expense	23,566	23,566	17,676	5,890
Social Security Expense	8,512	8,512	8,175	337
Retirement Expense	17,623	17,623	16,733	890
Car and Telephone Allowance	150	150	263	(113)
Office Supplies and Postage	28,000	28,000	35,601	(7,601)
Minor Tools	500	500	-	500
Meter Reading Supplies	500	500	-	500
Gas & Oil	4,000	4,000	1,941	2,059
Maintenance Agreement	17,960	17,960	15,948	2,012
Maintenance of Office Equipment	548	548	410	138
Maintenance Vehicles and Equipment	1,000	1,000	328	672
Workman Compensation	1,612	1,612	1,561	51
Travel and Membership Fees	1,000	1,000	50	950
Training	500	500	302	198
Physical Exams	200	200	-	200
Telephone Expense	4,750	4,750	5,724	(974)
Cell Phone Expense	480	480	287	193
Uniform Expense	400	400	433	(33)
Special Services (Audit)	-	-	19,242	(19,242)
Franchise Fee	25,000	25,000	20,833	4,167
Acquisition of New Equipment	1,500	1,500	1,877	(377)
Printing	7,500	7,500	8,608	(1,108)
City Manager Discretionary	34,000	34,000	-	34,000
Property Fleet Insurance	32,072	32,072	31,207	865
Credit Card Fee	600	600	659	(59)
Programming/IT Support	5,000	5,000	4,907	93
Professional Service	25,000	25,000	-	25,000
Chemicals & Supplies	-	-	23	(23)
Bond Payment Transfer	215,747	215,747	216,458	(711)
Total Water Billing and Collection	<u>\$ 568,842</u>	<u>\$ 568,842</u>	<u>\$ 520,230</u>	<u>\$ 48,612</u>

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
Water and Sewer Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Waste Water Treatment				
Salaries and Wages	\$ 53,610	\$ 53,610	\$ 47,459	\$ 6,151
Group Insurance Expense	11,783	11,783	10,802	981
Social Security Expense	4,124	4,124	3,642	482
Retirement Expense	8,348	8,348	7,022	1,326
Telephone Allowance	300	300	150	150
Maintenance of Equipment	5,000	14,000	-	14,000
Maintenance of Building	1,000	1,000	1,627	(627)
Maintenance of Sewer Lines	25,000	16,000	11,489	4,511
Maintenance over 25,000	64,400	64,400	64,398	2
Workman Compensation	1,866	1,866	1,866	-
Uniform Expense	800	800	1,195	(395)
Contract Services	397,807	397,807	398,695	(888)
Professional Services	-	-	14,971	(14,971)
Training	2,000	2,000	281	1,719
Travel Expenses and Membership Fees	1,000	1,000	189	811
Franchise Fee	-	-	2,083	(2,083)
Sludge Removal	12,000	12,000	5,558	6,442
State Fees	13,867	13,867	14,029	(162)
Acquisition of New Equipment	5,000	5,000	1,064	3,936
Property and Fleet Insurance	2,072	2,072	2,072	-
Chemicals and Supplies	14,000	14,000	15,843	(1,843)
Sewer Bad Debt	5,000	5,000	5,722	(722)
WWTP Utilities	102,000	102,000	129,771	(27,771)
Lift Station Utilities	23,000	23,000	18,755	4,245
Supplies	2,000	2,000	927	1,073
Gas & Oil	5,600	5,600	2,725	2,875
Total Waste Water Treatment	\$ 761,577	\$ 761,577	\$ 762,335	\$ (758)

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information
City of Burkburnett, Texas
Water and Sewer Fund
Budgetary Comparison Schedule
September 30, 2009

	<u>Proposed Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Water Wells				
Salaries and Wages	\$ 88,618	\$ 88,618	\$ 93,358	\$ (4,740)
Group Insurance Expense	17,674	17,674	17,670	4
Social Security Expense	6,488	6,488	7,102	(614)
Retirement Expense	13,421	13,421	13,227	194
Telephone Allowance	300	300	500	(200)
Supplies	9,000	9,000	8,698	302
Chlorine and Chemicals	75,000	75,000	97,077	(22,077)
Meters and Settings	5,000	5,000	3,251	1,749
Gas and Oil	8,500	8,500	4,132	4,368
Maintenance of Water Wells	22,000	22,000	18,449	3,551
Maintenance of Towers	10,000	10,000	13,185	(3,185)
Maintenance of Water Mains	5,000	5,000	4,925	75
Maintenance of Vehicles and Equipment	7,500	7,500	5,925	1,575
Maintenance of Buildings	5,000	5,000	5,002	(2)
Maintenance of Pump Station	20,000	20,000	35,591	(15,591)
Maintenance of Signal System	1,000	1,000	242	758
Water Meter Calibration	1,000	1,000	1,000	-
Workman Compensation	3,676	3,676	3,676	-
Travel and Membership Fees	1,000	1,000	327	673
Training	1,000	1,000	767	233
Physical Exams	200	200	-	200
Uniform Expense	1,200	1,200	1,305	(105)
State Permit Fees	800	800	1,115	(315)
Telephone Expense	1,200	1,200	1,492	(292)
Cell Phone Expense	960	960	575	385
Utilities	8,500	8,500	6,563	1,937
Internal Garbage Bag Use	25	25	13	12
Water Rights	32,750	32,750	34,731	(1,981)
Water Testing	7,500	7,500	4,952	2,548
Purchase of Water	125,000	125,000	315,842	(190,842)
Pumping (Electricity)	170,000	170,000	168,087	1,913
Acquisition of New Equipment	3,000	3,000	1,102	1,898
Total Water Wells	<u>\$ 652,312</u>	<u>\$ 652,312</u>	<u>\$ 869,881</u>	<u>\$ (217,569)</u>

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Notes to Required Supplementary Information
September 30, 2009

Note 1 – Budgetary Basis of Accounting

The City prepares its budget on a Non-GAAP basis of accounting, the modified cash basis. The information captioned “Budgetary Comparison Schedule” has been prepared on the basis which is more fully described below.

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified cash basis of accounting. Their revenues are recognized when they are received.

Expenditures are generally recognized under the cash basis of accounting when the related fund expenditure is paid.

All proprietary funds are accounted for using the modified cash basis of accounting. Their revenues are recognized when they are received, and their expenses are recognized when they are paid. Water Works and Sewer System Fund utility service receivables are recorded at year-end as a change in fund balances only and not as current revenue.

City of Burkburnett, Texas
Combining Statement of Net Assets
Component Units
September 30, 2009

	Burkburnett Development Corporation	Burkburnett Housing Finance Corporation	Total
ASSETS			
Cash and Investments	\$ 597,788	\$ 7,421	\$ 605,209
Capital Assets			
Land	284,472	-	284,472
Land Improvements	539,474	-	539,474
Furniture and Office Equipment	35,242	-	35,242
Accumulated Depreciation	(130,540)	-	(130,540)
Total Capital Assets	\$ 728,648	\$ -	\$ 728,648
TOTAL ASSETS	\$ 1,326,436	\$ 7,421	\$ 1,333,857
LIABILITIES			
Accounts Payable	\$ 1,670	\$ -	\$ 1,670
Long-term Liabilities:			
Due Within One Year	30,988	-	30,988
Due in More Than One Year	367,123	-	367,123
TOTAL LIABILITIES	\$ 399,781	\$ -	\$ 399,781
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$ 330,537	\$ -	\$ 330,537
Unreserved	596,118	7,421	603,539
TOTAL NET ASSETS	\$ 926,655	\$ 7,421	\$ 934,076
TOTAL LIABILITIES AND NET ASSETS	\$ 1,326,436	\$ 7,421	\$ 1,333,857

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Combining Statement of Activities
Component Units
For the Year Ended September 30, 2009

ACTIVITIES	<u>Burkburnett Development Corporation</u>	<u>Burkburnett Housing Finance Corporation</u>	<u>Total</u>
GOVERNMENTAL			
Salaries	\$ 37,205	\$ -	\$ 37,205
Employment Taxes and Benefits	10,849	-	10,849
Professional Fees	5,129	-	5,129
Security	375	-	375
Office Supplies and Postage	1,084	-	1,084
Dues & Subscriptions	820	-	820
Friendship Park Festival	14,328	-	14,328
Friendship Park Festival Concert	7,375	-	7,375
Expansion/Retention/Attraction	14,701	-	14,701
Utilities and Telephone	5,912	-	5,912
Equipment Rental	273	-	273
Equipment Maintenance	873	-	873
Travel	4,244	-	4,244
Training	225	-	225
Advertising	30,315	-	30,315
Depreciation	17,982	-	17,982
Miscellaneous	1,668	-	1,668
Meals and Entertainment	70	-	70
Meeting Expense	4,980	-	4,980
Sheppard Military Affairs Dues	15,000	-	15,000
Interest Expense	15,210	-	15,210
TOTAL EXPENSES	<u>\$ 188,618</u>	<u>\$ -</u>	<u>\$ 188,618</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ (188,618)</u>	<u>\$ -</u>	<u>\$ (188,618)</u>
GENERAL REVENUES			
Taxes			
Sales Tax	\$ 293,748	\$ -	\$ 293,748
Earnings on Investments	3,902	-	3,902
Advertising and Promotional Income	22,877	-	22,877
Miscellaneous	12,755	-	12,755
TOTAL REVENUE	<u>\$ 333,282</u>	<u>\$ -</u>	<u>\$ 333,282</u>
CHANGE IN NET ASSETS	\$ 144,664	\$ -	\$ 144,664
NET ASSETS - BEGINNING	<u>\$ 781,991</u>	<u>\$ 7,421</u>	<u>\$ 789,412</u>
NET ASSETS - ENDING	<u>\$ 926,655</u>	<u>\$ 7,421</u>	<u>\$ 934,076</u>

The accompanying notes are an integral part of these financial statements.

City of Burkburnett, Texas
Combining Statement of Revenues, Expenses, and Changes in
Fund Net Assets
Special Revenue Funds
September 30, 2009

	<u>TIF Library Grant</u>	<u>Solid Waste Grant</u>	<u>State Grants</u>	<u>Homeland Security Grant</u>	<u>Special Revenue Funds Total</u>
Revenues					
Grant Entitlements	\$14,669	\$ 35,000	\$ 25,188	\$ -	\$ 74,857
Total Revenues	<u>\$14,669</u>	<u>\$ 35,000</u>	<u>\$ 25,188</u>	<u>\$ -</u>	<u>\$ 74,857</u>
Expenses					
Fire Department Expenditures	\$ -	\$ -	\$ 37,713	\$ -	\$ 37,713
Library Equipment	21,461	-	-	-	21,461
Solid Waste Expenditures	-	49,444	-	-	49,444
Total Expenses	<u>\$21,461</u>	<u>\$ 49,444</u>	<u>\$ 37,713</u>	<u>\$ -</u>	<u>\$ 108,618</u>
Operating Income	\$(6,792)	\$(14,444)	\$(12,525)	\$ -	\$ (33,761)
Non-Operating Revenues (Expenses)					
City of Burkburnett - Matching	\$ -	\$ -	\$ 15,200	\$ -	\$ 15,200
Total Non-Operating Revenues (Expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,200</u>	<u>\$ -</u>	<u>\$ 15,200</u>
Change in Net Assets	\$(6,792)	\$(14,444)	\$ 2,675	\$ -	\$ (18,561)
Net Assets - Beginning of Year	<u>\$ 7,926</u>	<u>\$ 7,372</u>	<u>\$ 2,501</u>	<u>\$ 3,439</u>	<u>\$ 21,238</u>
Net Assets - End of Year	<u>\$ 1,134</u>	<u>\$ (7,072)</u>	<u>\$ 5,176</u>	<u>\$ 3,439</u>	<u>\$ 2,677</u>

The accompanying notes are an integral part of these financial statements.

Steve Gary, C.P.A., PC
James Bowers, C.P.A., PC
Eric Miller, C.P.A., PC
Melvin Eaker, C.P.A., PC



A Partnership of
Professional Corporations

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
The City of Burkburnett, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Burkburnett, Texas, as of and for the year ended September 30, 2009, which collectively comprise the City of Burkburnett, Texas' basic financial statements and have issued our report thereon dated January 10, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Burkburnett, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Burkburnett, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Burkburnett, Texas' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Burkburnett, Texas' ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the

City of Burkburnett, Texas' financial statements that is more than inconsequential will not be prevented or detected by the City of Burkburnett, Texas' internal control. We consider the deficiency described below to be a significant deficiency in internal control over financial reporting.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America is a responsibility of the government's management. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including the related footnotes (i.e., external financial reporting.)

As is the case with many smaller and medium-sized entities, the City has relied on its independent external auditors to assist in the preparation of the financial statements. Accordingly, the government's ability to prepare financial statements in accordance with accounting principles generally accepted in the United States of America is based, in part, on its reliance on its external auditors, who cannot by definition be considered a part of the government's internal controls.

This condition was caused by the City's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the government to perform this task internally.

As a result of this condition, the government lacks internal controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and instead relies, in part, on its external auditors for assistance with this task.

The City has evaluated the cost versus the benefit of establishing internal controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and determined that it is in the best interest of the government to outsource this task to its external auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Burkburnett, Texas' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Burkburnett, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, City Council, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gary, Bowers & Miller
Gary, Bowers & Miller
January 10, 2010