



## Annual Financial Report

YEAR ENDED SEPTEMBER 30, 2008

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City of Borger  
Borger, Texas  
Year Ended September 30, 2008  
(With Auditor's Report Thereon)



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CITY OF BORGER  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

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**INDEPENDENT AUDITOR'S REPORT**

To the City Council  
City of Borger, 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 City of Borger, Texas, as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Borger, 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. 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 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 Borger, Texas, as of September 30, 2008, 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.

The management's discussion and analysis and budgetary comparison information on pages 1 through 16 and 26 through 27, 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 Borger, Texas' basic financial statements. The introductory section, 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.

*Charles Gary Murrow, CPA, PLLC*

Charles Gary Murrow, CPA, PLLC

March 25, 2009

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**FY 2007 – 2008 Audit  
Management’s Discussion and Analysis**

City of Borger, Texas  
Form of Government - Council/Manager  
September 30, 2008



Jeff Brain  
Mayor



Charles Gillingham  
Council Member



Leon DeWeese  
Council Member



Marvin “Bubba” Dickson  
Council Member



Robert Vinyard  
Council Member

This section of the City of Borger’s annual financial report presents discussion and analysis from City management regarding the City’s financial performance, the independent auditor’s report, and the City’s basic financial statements during the fiscal year that ended on September 30, 2008 with comparative information for the fiscal year ended September 30, 2007.

## **FINANCIAL HIGHLIGHTS**

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- Total Net Assets of the City of Borger equal \$22.6 million, up from \$21.6 million from FY 2006-2007. This is a result of \$43.9 million in assets and \$21.3 million in liabilities (\$43.2 million in assets less \$21.6 million in liabilities for FY 2006-2007).
- Overall, City expenditures of governmental funds increased 17.6% from \$9.8 million in FY 2006-2007 to \$11.5 million in FY 2007-2008. A significant reason for this increase was the construction and renovation of infrastructure at the Johnson Park Youth Center. A \$3.2 million dollar project funded from Series 2006 Certificates of Obligation. As of the close of FY 2007-2008 this project is approximately 50% complete.
- The State of Texas does not provide for a statutory debt limit for cities. The truth-in-taxation criterion specifies that debt (Interest & Sinking) requirements must be met first, then operations. The property tax rate to meet these needs cannot exceed \$2.50 per \$100 valuation. The City has bonded debt in the amount of \$9.5 million secured by the levy and collection of a direct and continuing ad valorem tax on all taxable property within the City. Based on a population of 14,302 (2000 Census) the per capita debt for the City is \$664.24 and the ratio of bonded debt to assessed value is 2.15% .
- The City of Borger is compliant with the GASB 34 reporting model, which requires accounting for depreciation of fixed assets within governmental activities. Shown within the Statement of Net Assets, the FY 2007-2008 fixed asset year-end balance is \$33.7 million (net of depreciation). This is comprised of \$9.0 million for governmental activities and \$24.7 million for business-type activities.
- Financially, FY 2007-2008 was a great year. In the General Fund the City collected \$837,832 more in revenues than the budgeted amount. This was primarily attributed to strong retail sales as a result of a robust economy. Area petroleum and petrochemical plants continue with large expansion projects that have attracted a significant number of construction workers into the area. Another contributing factor was higher than anticipated revenues from franchise taxes due to a spike in natural gas prices during the fall and winter months.

## **USING THIS ANNUAL REPORT**

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This annual report consists of a series of financial statements.

- The Statement of Net Assets and the Statement of Activities (sometimes referred to as government-wide financial statements) provide information about the activities of the City as a whole and represent a longer-term view of the City’s finances. They reflect the flow of total economic resources in a manner similar to the financial reports of a business.
- Fund financial statements report the City’s operations in more detail than the governmental wide statements by providing information about the City’s most significant funds. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.
- The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of government.
- The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide and fund financial statements.
- Finally, the combining statements for non-major funds contain even more information about the City’s individual funds.

### **Reporting the City as a Whole**

One of the most important questions asked about the City’s finances is “Is the City as a whole better off or worse off as a result of the year’s activities?” The *Statement of Net Assets* and the *Statement of Activities* report information about the City as a whole and about activities in a way that helps answer this question. The Statement of Net Assets includes *all* assets and liabilities at the end of the year; and, the Statement of Activities include all the revenues and expenses generated by the City’s operations during the year. These statements apply the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report changes in the City’s net assets. The City’s net assets (the difference between assets and liabilities) provide one measure of the City’s financial health, or financial position. Over time, increases or decreases in the City’s net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider non-financial factors as well, such as changes in the City’s property tax base, strength of the local economy and the condition of the City’s facilities.

## Reporting the City’s Most Significant Funds

Some funds are required to be established by State laws and bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The City uses different accounting approaches for different types of funds:

*Governmental funds* – Most of the City’s basic services are included in governmental funds which use modified accrual accounting method, and focus on (1) how cash and other financial assets that can readily be converted to cash flow into and out of these funds, and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliation schedules following each of the fund financial statements.

*Enterprise funds* – Services for which the City charges customers (whether outside customers or other units of the city) for the full cost of the services it provides are generally reported in enterprise funds. These business-type activities, like the government-wide statements, provide both long- and short-term financial information. Business type activities are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities.

*Fiduciary funds* – The City has fiduciary responsibility for other assets that – because of trust arrangements – can be used only for the trust beneficiaries. The City is responsible for ensuring the assets reported in those funds are used for their intended purposes. All of the City’s fiduciary activities are reported in a separate statement of Fiduciary Net Assets and a statement of Changes in Fiduciary Net Assets. We exclude these activities from the City’s government-wide financial statements because the City cannot use these assets to finance its operations.

*Component Unit* – Component unit information for the Borger Economic Development Corporation (BEDC) is presented in the Statement of Net Assets and the Statement of Activities. The BEDC is a component unit of the City of Borger and is specifically governed by the Texas Development Corporation Act of 1979, as amended. The purpose

of the BEDC is to promote and develop industrial and manufacturing enterprises in order to promote and encourage employment and the public welfare of the City.

In the supplemental information section, the City has provided detailed schedules of revenues, expenditures, and changes in fund balances. In addition, detailed historical data can be found regarding comparative balance sheets, budget verse actual comparisons, tax receivables, tax levies, property values, detailed information on debt and proprietary fund balances, water/sewer statistical information and insurance coverage. The reports are intended to provide the user with information beyond the realm of the traditional auditing requirements.

## **FINANCIAL ANALYSIS**

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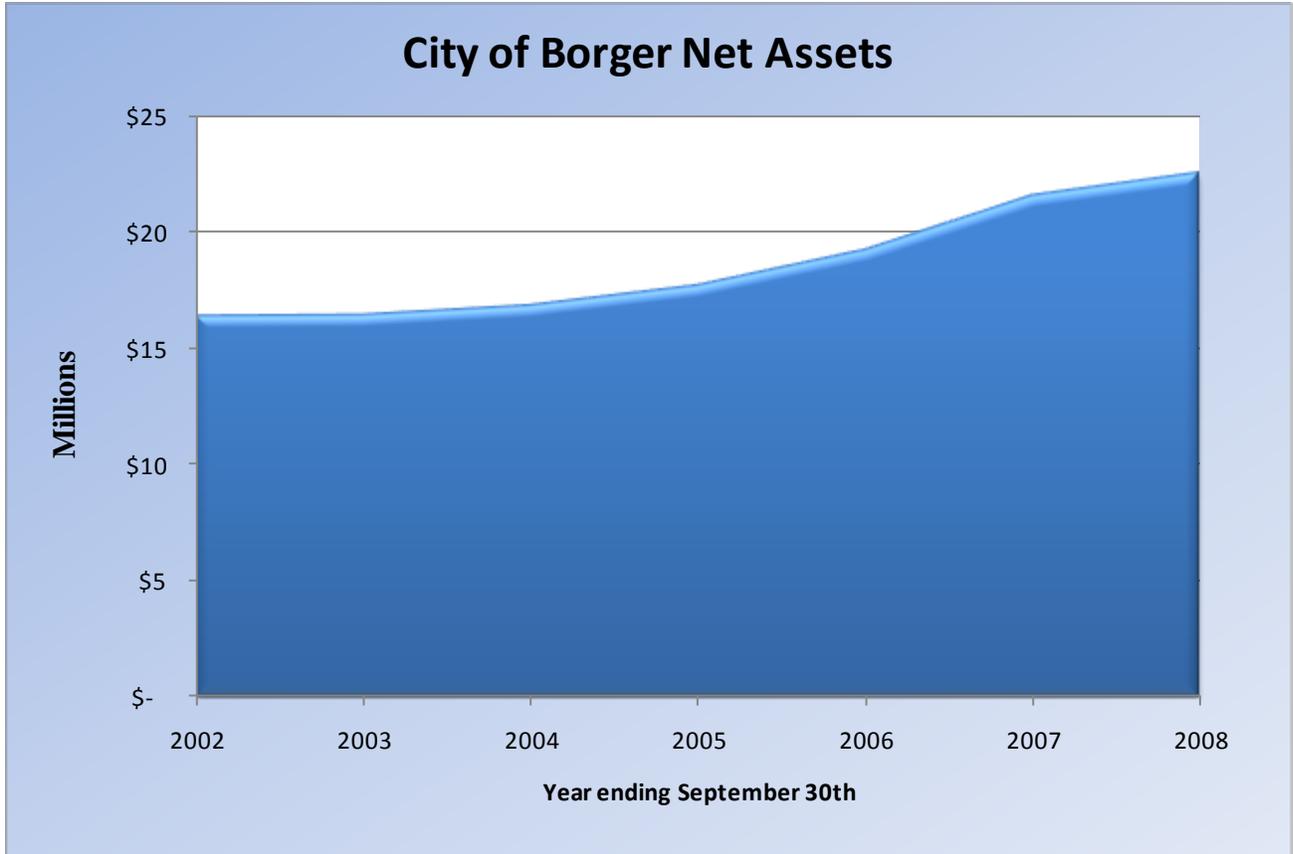
### **The City as a Whole**

The following table provides a comparison between the activities for FY 2007-2008 and FY 2006 -2007 under the GASB 34 model.

#### **Changes in the City of Borger's Net Assets**

	<b>Governmental</b>		<b>Business-type</b>		<b>Totals</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>Fiscal Year</b>		<b>Fiscal Year</b>		<b>Fiscal Year</b>	
	<b>2006-2007</b>	<b>2007-2008</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Assets:</b>						
Current and other Assets	\$ 7,137,248	\$ 6,102,065	\$ 3,687,626	\$ 4,040,566	\$ 10,824,874	\$ 10,142,631
Capital Assets	\$ 6,961,874	\$ 9,001,302	\$ 25,440,085	\$ 24,718,497	\$ 32,401,959	\$ 33,719,799
<b>Total Assets</b>	<b>\$ 14,099,122</b>	<b>\$ 15,103,367</b>	<b>\$ 29,127,711</b>	<b>\$ 28,759,063</b>	<b>\$ 43,226,833</b>	<b>\$ 43,862,430</b>
<b>Liabilities:</b>						
Long-term Liabilities	\$ 5,437,965	\$ 5,722,326	\$ 14,103,695	\$ 13,039,447	\$ 19,541,660	\$ 18,761,773
Short-term/ other Liabilities	\$ 495,977	\$ 887,874	\$ 1,569,531	\$ 1,612,372	\$ 2,065,508	\$ 2,500,246
<b>Total Liabilities</b>	<b>\$ 5,933,942</b>	<b>\$ 6,610,200</b>	<b>\$ 15,673,226</b>	<b>\$ 14,651,819</b>	<b>\$ 21,607,168</b>	<b>\$ 21,262,019</b>
<b>Net Assets:</b>						
Invested in Capital Assets	\$ 5,478,114	\$ 2,977,572	\$ 10,200,948	\$ 10,705,009	\$ 15,679,062	\$ 13,682,581
Restricted	\$ 1,232,388	\$ 3,535,495	\$ 96,164	\$ 61,008	\$ 1,328,552	\$ 3,596,503
Unrestricted	\$ 1,454,678	\$ 1,980,100	\$ 3,157,373	\$ 3,341,227	\$ 4,612,051	\$ 5,321,327
<b>Total Net Assets</b>	<b>\$ 8,165,180</b>	<b>\$ 8,493,167</b>	<b>\$ 13,454,485</b>	<b>\$ 14,107,244</b>	<b>\$ 21,619,665</b>	<b>\$ 22,600,411</b>

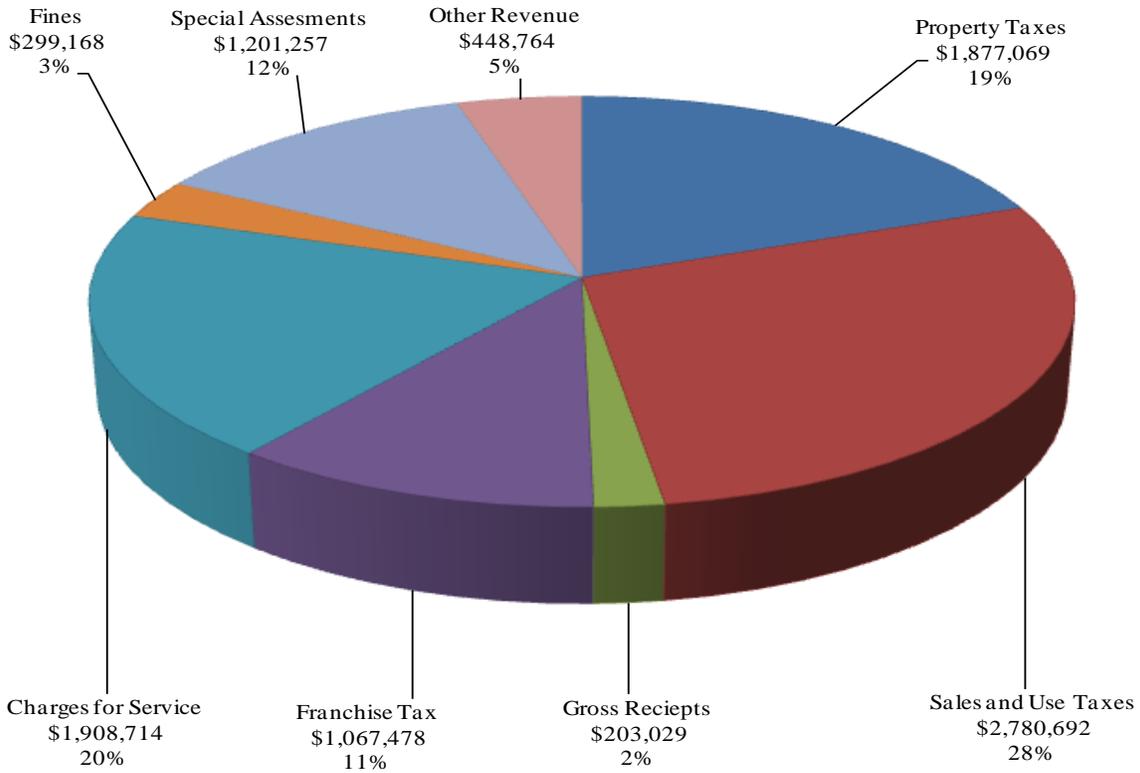
The following chart represents graphically, how the City’s Net Assets have changed since the implementation of GASB Statement 34 in 2002.



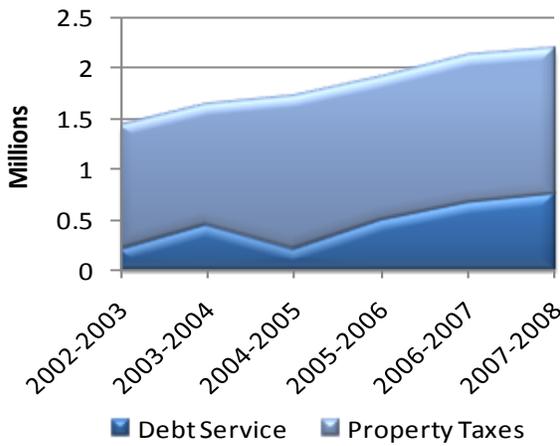
### The City’s Governmental Activities

Governmental activities include all funds except business-type activities and the component unit of the BEDC. Examples include the General Fund (Administration, Animal Control, Fire, Code Enforcement, Legal, Parks/Recreation, Planning & Zoning, Police, Public Works, Refuse Collection Municipal Court, Emergency Management and various other departments), Tourism Fund, Special Projects Funds, Grant Funds, Debt Service Funds, Capital Improvement and Capital Equipment Funds and various other funds. The following charts graphically represent the City’s revenues for FY 2007-2008 as well as a historical view of the property, debt service, and sales taxes for the last several years.

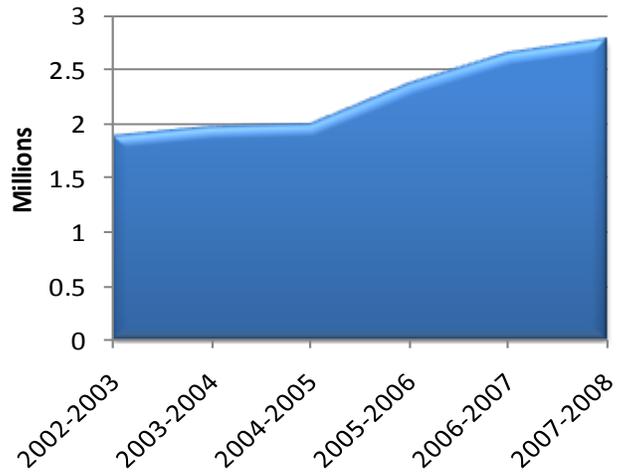
### FY 2007-2008 Revenue by Source - Governmental Activities



### Historical Property Taxes

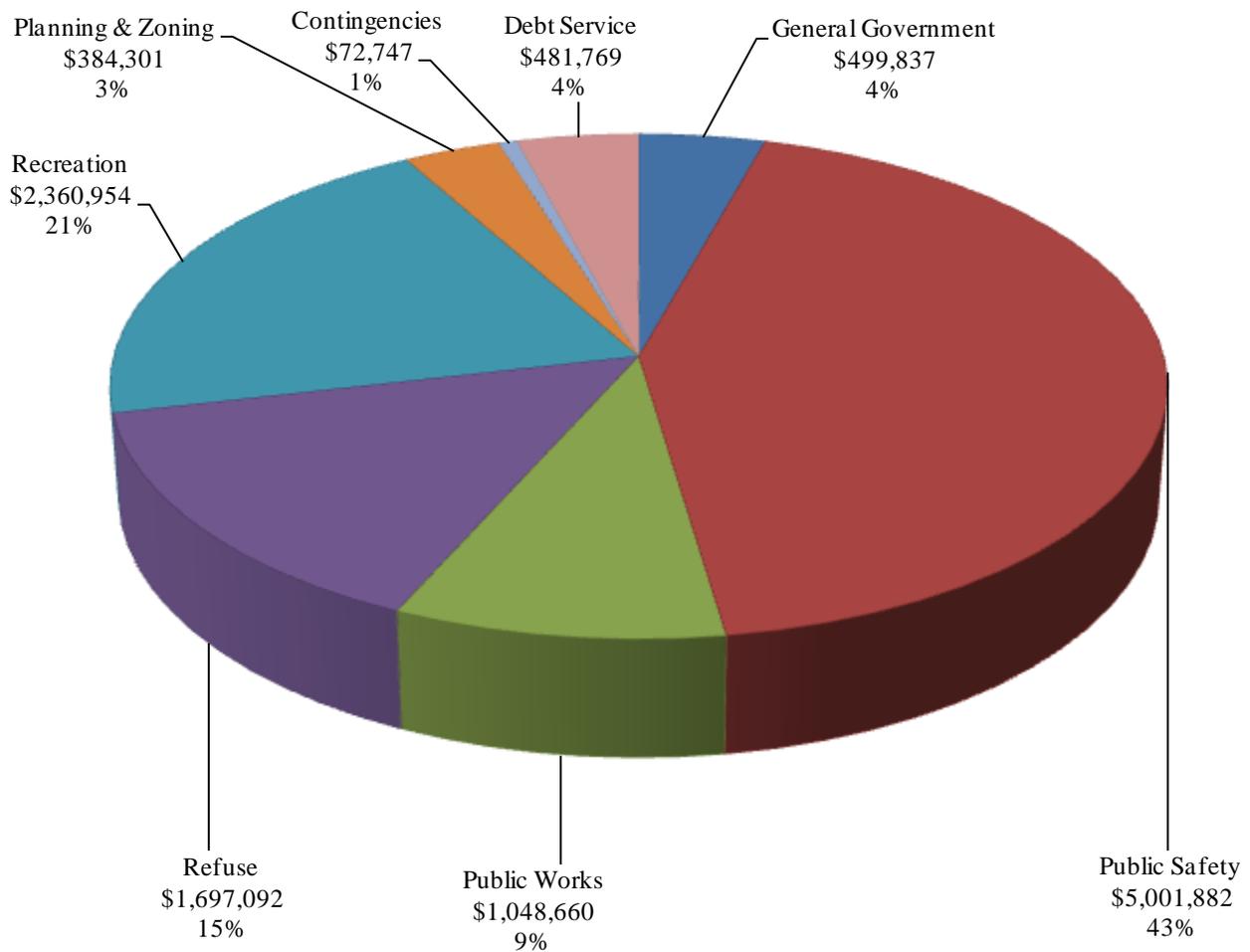


### Historical Sales Taxes



The cost of all governmental activities this year was \$11.5 million compared to \$9.8 million for FY 2006-2007. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately funded through property taxes was only \$2.2 million. The balance of \$9.3 million was funded by those who directly benefited from the programs or services, sales tax, industrial district contracts, previously authorized bond proceeds, and other sources of revenue. Capital expenditures within governmental activities are depreciated over their useful life as a result of the GASB 34 model. The following chart graphically represents the City's expenditures on governmental activities for FY 2007-2008.

### FY 2007-2008 Expenditures - Governmental Activities

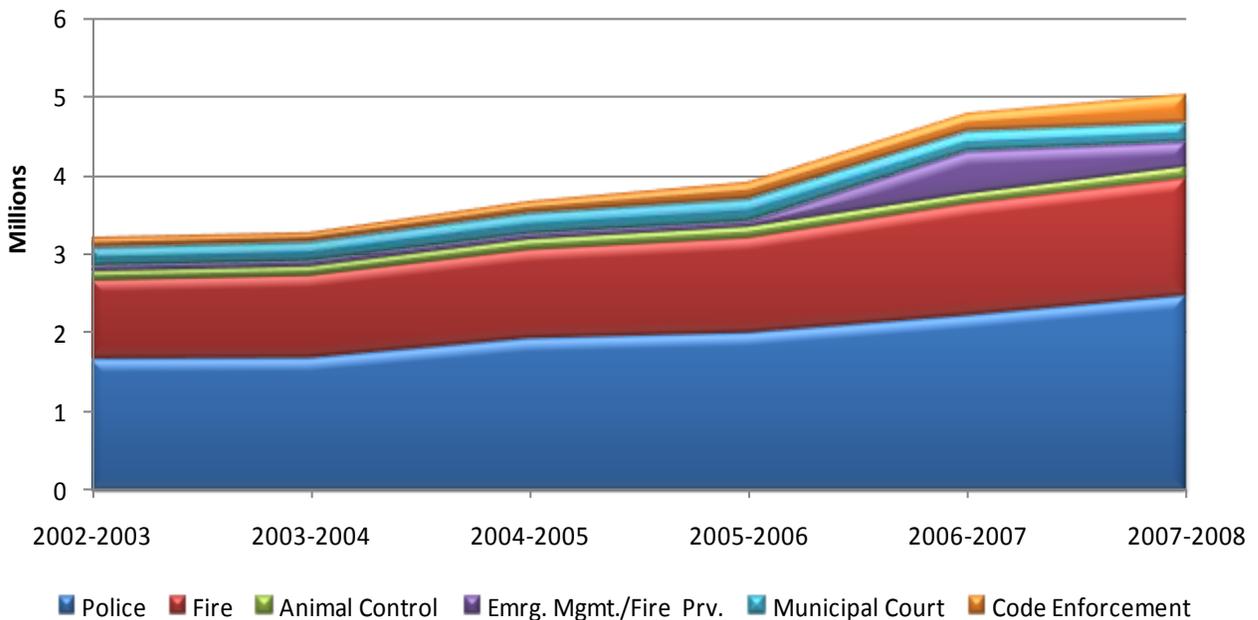


Expenditures of governmental activities are spread among a wide variety of functions. Recreation expenditures during this year accounted for 21% of all governmental activity. The majority of that was improvements to the aforementioned Johnson Park Youth Center Project.

The project scope includes a new gymnasium, restroom and shower facilities, new entry and commons area, remodel of the existing youth center and new parking and landscape areas. The construction phase began in the first quarter of 2008 and should continue through the first quarter of 2009.

However, public safety, which includes the Police, Fire, Animal Control, Emergency Management, Municipal Court, and Code Enforcement still comprises close to half of all expenditures for governmental activities. The following chart represents a historical view of the cost to provide those basic services for the last several years.

### Historical Public Safety Expenditures



### Business-type Activities

The 2007 - 2008 Budget also included Business-type activities (often referred to as Enterprise Funds) from the operation of our water, and sewer systems. During FY 2007-2008 the operating income from the City’s business-type activities was \$0.9 million.

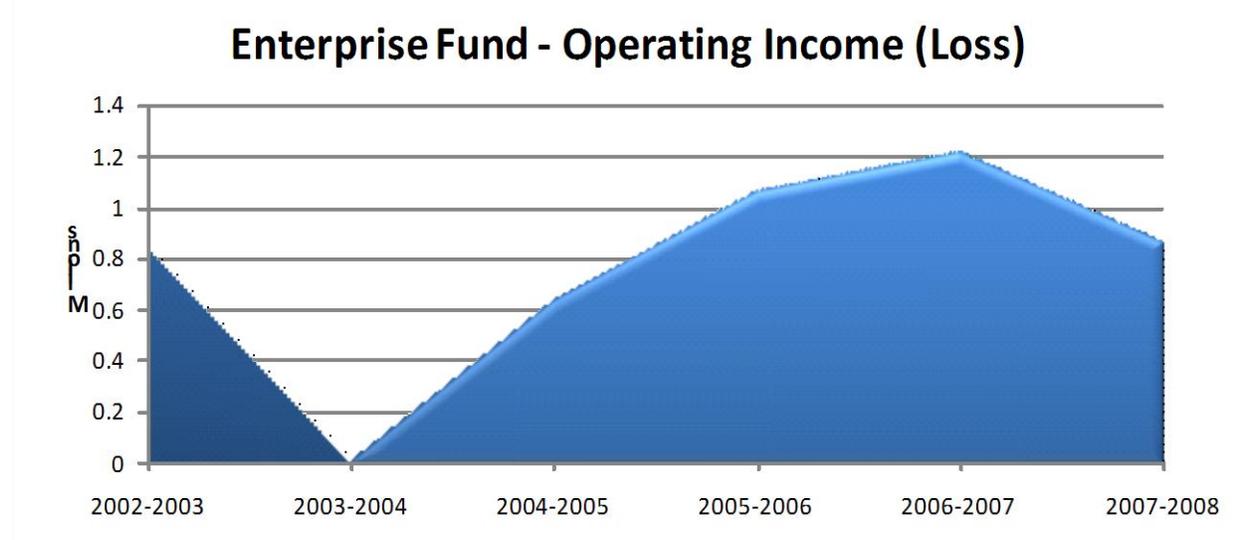
Over the last several years the City has greatly expanded industrial water sales and invested in major capital improvements including two new water wells currently in the construction phase with completion expected in the second quarter of 2009; and, the acquisition of approximately 1200 acres of water rights located in Carson County and within the Panhandle Ground Water Conservation District; three water wells; booster pump station and storage tank; seven (7) to eight

(8) miles of pipeline and associated rights-of-way; and a two million gallon ground storage tank on approximately 4 acres of land. As a result of this acquisition Degussa Engineered Carbons now purchases approximately 275 to 300 million gallons of water exclusively from the City of Borger on an annual basis. The sale of water to this industrial customer has increased water revenue by approximately \$350,000 to \$375,000 annually. This acquisition was completed with no increase in personnel.

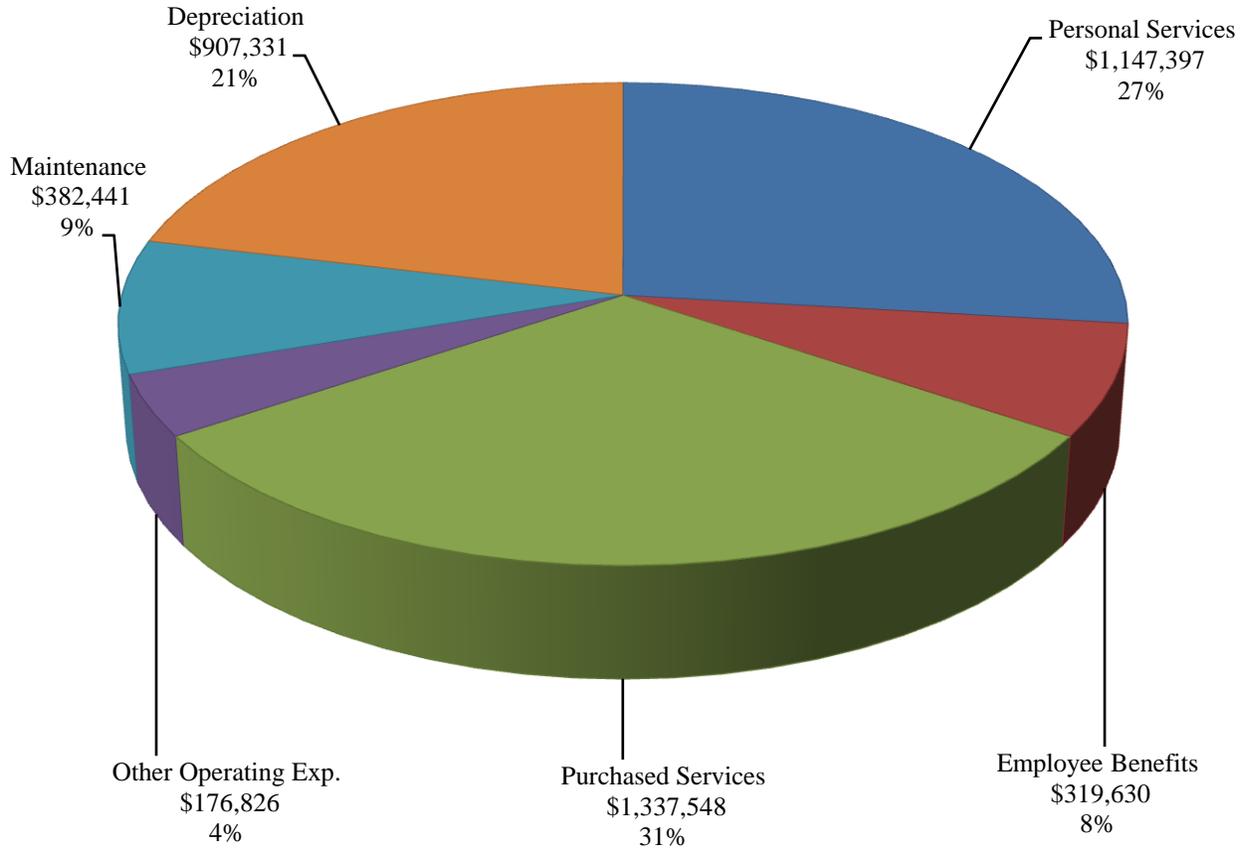
For over fifty years, the Canadian River Municipal Water Authority (CRMWA) has worked to serve its member cities and all citizens of the Texas Panhandle and South Plains by providing a dependable and safe source of municipal and industrial water. The City is an original member of the CRMWA. Since its beginning, CRMWA has incurred debt for projects to secure, develop, and deliver water to the eleven member cities. Currently, the City is obligated to the CRMWA for bonded indebtedness of approximately \$9.4 million. This obligation is paid on a monthly basis out of the Enterprise Fund operating revenues and will be retired in 2026.

With Lake Meredith (one of the City’s major sources of water) at historically low levels, the acquisition of additional long-term water supplies will continue to be one of our high priority goals. We will facilitate this goal through continued partnership with the CRMWA in the expansion of the John C. Williams Well Field and through development of our own water resources.

Historically, some excess revenue has been transferred from the Enterprise Fund to the General Fund for services rendered in order to supplement the City’s governmental activities. In recent years this need has been greatly reduced by a robust economy and greater than anticipated sales tax. The following chart dramatically shows the effect of very limited transfers out of the Enterprise Fund and increased sales of industrial water since FY 2003-2004.



## FY 2007-2008 Expenditures - Business-type Activities



### **LONG-TERM DEBT**

In recent years, the City has shifted a portion of its debt burden from the General Fund to the Interest & Sinking Fund. Currently, the City has \$9.5 million in outstanding long-term debt payable from the levy and collection of a direct and continuing ad valorem tax within the limit prescribed by law, on all taxable property within the city.

As described earlier, the City, under contractual agreements with the CRMWA, is obligated for long-term debt in the amount of \$9.4 million. By law, the debt service for these obligations cannot be funded from ad valorem taxes. The City funds this debt fully from operational revenues generated from business-type activities.

**City of Borger's Outstanding Debt  
 FY 2007-2008**

City Outstanding Debt	Remaining Principal	*2007-2008 Debt Service	Maturity Year
General Obligation Refunding Bonds Series 1995	\$ 545,000	\$ 202,810	2010
General Obligation Refunding Bonds Series 2002	\$ 3,075,000	\$ 500,677	2014
Tax and Water/Sewer Surplus Revenue Certificates of Obligation Series 2002	\$ 885,000	\$ 110,291	2015
Certificates of Obligation Revenue Bonds Series 2006	\$ 5,000,000	\$ 217,475	2019
<b>Total I&amp;S Debt</b>	<b>\$ 9,505,000</b>	<b>\$ 1,031,253</b>	
<b>CRMWA Outstanding Debt</b>			
U.S. Bureau of Reclamation Prepayment Series 1999	\$ 842,472	\$ 108,610	2019
Salinity Control Series 1999	\$ 33,674	\$ 26,608	2010
Conjunctive Use Ground Water Series 1999 and Revenue Refunding Series 2005	\$ 3,228,764	\$ 409,559	2020
Conjunctive Use Ground Water Series 2005	\$ 2,659,346	\$ 137,206	2025
Conjunctive Use Ground Water Series 2006	\$ 2,635,533	\$ 222,807	2027
<b>Total CRMWA Obligated Debt</b>	<b>\$ 9,399,789</b>	<b>\$ 904,790</b>	
<b>Total City and CRMWA Long-term Debt</b>	<b>\$ 18,904,789</b>	<b>\$ 1,936,043</b>	

\* Current requirements are estimated

Standard and Poor’s recently reviewed the City’s various Obligation Bonds and have *upgraded* the rating from “A-“ to “A+” while affirming a stable outlook. The rationale states, in part, that “Borger is the regional economic center for Hutchinson County. Over the past five years, assessed value has increased by 3% annually while overall debt levels are moderate at 5.2% of the market value.”

**STATUS OF CITY RESERVES**

The following is a listing of the City’s unaudited Governmental and Business-type reserves comparative information from last year. The City as a whole ended FY 2007-2008 with an unaudited balance of \$8.9 million compared to \$10.0 million for FY 2006-2007. While both of the unrestricted General Fund and Water/Sewer Fund reserve balances increased, the total reserves decreased due to expenditures related to the Johnson Park Youth Center Project. The following table lists each of the City’s funds (funds where the City acts solely as a fiduciary are not included) separately with comparative information from the previous year.

**City of Borger's Statement of Governmental Fund Balances  
 FY 2007-2008**

Governmental Activities Group	Fiscal Year 2006-2007	Fiscal Year 2007-2008	Percent Change
General Fund	\$ 1,350,927	\$ 1,636,215	21%
City Tourism Fund	\$ 110,157	\$ 89,558	-19%
Tub Grinder Operations Fund	\$ 62,545	\$ 78,228	25%
Park Recreation & Special Projects Fund	\$ 99,343	\$ 85,876	-14%
Police Club 100 Fund	\$ 12,538	\$ 14,664	17%
Fire Equipment Fund	\$ 3,047	\$ (1,640)	-154%
Police Grants Fund	\$ 85,010	\$ 92,034	8%
Municipal Court Security Fund	\$ 17,260	\$ 10,964	-36%
Municipal Court Technology Fund	\$ 2,565	\$ 1,642	-36%
Youth Facility Fund	\$ 386,824	\$ 5,057	-99%
Capital Equipment Fund	\$ 343,292	\$ 152,880	-55%
Special Crime Fund	\$ 2,747	\$ 4,839	76%
Fire Apparatus Fund	\$ -	\$ 4,227	
General Obligation Refunding Bonds Series 1995	\$ 89,083	\$ 30,807	-65%
Certificates of Obligation Revenue Bonds Series 2006	\$ 4,244,260	\$ 3,048,548	-28%
<b>Total Government Activities Group Fund Balance</b>	<b>\$ 6,809,598</b>	<b>\$ 5,253,900</b>	<b>-23%</b>
<b>Business-type Activities Group</b>			
Water/Sewer Fund	\$ 2,828,540	\$ 3,188,323	13%
Meter Deposits	\$ 310,811	\$ 310,811	0%
General Obligation Refunding Bonds Series 2002	\$ 37,564	\$ 39,721	6%
Tax and Water/Sewer Surplus Revenue Certificates of Obligation Series 2002	\$ 58,304	\$ 21,309	-63%
<b>Total Business-type Activities Group Fund Balance</b>	<b>\$ 3,235,219</b>	<b>\$ 3,560,163</b>	<b>10%</b>
<b>City as a Whole Total Fund Balance</b>	<b>\$ 10,044,817</b>	<b>\$ 8,814,063</b>	<b>-12%</b>

\* All fund balances are unaudited

**CURRENT EVENTS, THE BUDGET, UPCOMING CHALLENGES**

**Current Events**

The City’s elected and appointed officials considered many factors when setting the FY 2007–2008 Budget and tax rates. One of those factors was the economy. Borger’s economy has been based on and intertwined with oil and the petro chemical industry since its inception; during

the current year very high crude oil prices and the completion of a major expansion project at the Conoco\Phillips Refinery, and the continued construction of Chevron/Phillips’s polyphenylene sulfide (PPS) plant, re-energized the local economy.

Construction of two new hotels continued throughout the year. The yet to be scheduled opening of the Hampton Inn and the April 2009 scheduled opening of the Holiday Inn Express will expand hotel/motel and tourism industries.

The Borger Economic Development Corporation which shows up as a non-major component in many of the tables contained within this audit continues to be active and successful in the recruitment and retention of businesses and companies. Their primary focus is on the creation of primary jobs, however, efforts are continuing in four other areas identified as critical to Borger and the surrounding area. These areas include availability of housing, acute and long term healthcare, construction of an events/multi-purpose community center, and participating with Hutchinson County in the construction of a new terminal building at the Hutchinson County Airport. To that end, two of those goals are well underway. Construction for Sunny-Brook Assisted Living Facility should begin by mid 2009 and through a joint effort with Hutchinson County and a grant from the State of Texas a new Airport Terminal building is currently in the design stages with construction proposed for late 2009 or early 2010. Also, a third goal, the possibility of a new hospital is frequently discussed and land negotiations for several sites have occurred.

## **Budget**

These factors were conservatively taken into account when adopting the FY 2007-2008 Budget. The City will use its revenues to finance programs we currently offer and expand spending in maintenance of streets and rights of ways. For several years, no funding has been available for the street seal coating program. In order to protect and preserve vital road infrastructure this program was resurrected with funding allocated in the FY 2007-2008 Budget. Funding for this important program was significantly increased in the FY 2008-2009 Budget. Other programs that an increased emphasis has been placed on include, clean up and maintenance of rights-of-ways and highly visible areas of the City, removal of junk and/or abandoned vehicles, and eliminating unsightly nuisances through compliance and/or enforcement of ordinances.

## **Upcoming Challenges**

As we move forward, the downturn in the national economy will present new challenges. During FY 2007-2008 the Municipal Cost Index increased by 8.3%; however, as of this report, the index has decreased by 5.2% since the end of FY 2007-2008 indicating a drastic change in the national economy as it relates to the cost of goods and services for municipal governments.

Retention of long-term and/or highly qualified employees in the modern market place will continue to present significant challenges. Active succession planning requires a major investment

in both time and financial resources. However, with the City’s aging administrative staff, it is an investment that the City must continue to make.

## **CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact City Management, at the City of Borger, 600 N. Main, PO Box 5250 Borger, Texas, 806-273-0900.



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**CITY OF BORGER**  
**STATEMENT OF NET ASSETS**  
September 30, 2008

	Primary Government			Non-major Component Unit
	Governmental Activities	Business Type Activities	Total	
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 464,736	\$ 1,146,684	\$ 1,611,420	\$ 281,857
Investments-Restricted	\$ 3,055,978	\$ -	\$ 3,055,978	\$ -
Investments - Current	\$ 2,340,037	\$ 2,134,210	\$ 4,474,247	\$ 800,636
Receivables (net of allowance for uncollectibles)	\$ 299,426	\$ 526,374	\$ 825,800	\$ 304,714
Internal Balances	\$ (95,556)	\$ 95,556	\$ -	\$ -
Inventories	\$ 37,444	\$ -	\$ 37,444	\$ -
Prepaid Items	\$ -	\$ -	\$ -	\$ 6,720
Capitalized Debt Issuance Costs	\$ -	\$ 137,742	\$ 137,742	\$ -
<b>Capital Assets:</b>				
Land	\$ 1,059,595	\$ 255,754	\$ 1,315,349	\$ 14,612
Infrastructure, net	\$ 914,775	\$ -	\$ 914,775	\$ -
Buildings, net	\$ 3,057,685	\$ 19,615	\$ 3,077,300	\$ 1,895,683
Machinery and Equipment, net	\$ 3,969,247	\$ 328,829	\$ 4,298,076	\$ 26,522
Plant Assets and Equipment, net	\$ -	\$ 24,114,299	\$ 24,114,299	\$ -
<b>Total Assets</b>	<b>\$15,103,367</b>	<b>\$ 28,759,063</b>	<b>\$ 43,862,430</b>	<b>\$ 3,330,744</b>
<b>Liabilities:</b>				
Accounts payable and other current liabilities	\$ 523,853	\$ 487,560	\$ 1,011,413	\$ 1,241
Intergovernmental Payable	\$ 26,371	\$ -	\$ 26,371	\$ -
Accrued Interest Payable	\$ 36,246	\$ 19,428	\$ 55,674	\$ -
Deferred Revenues	\$ -	\$ 131,343	\$ 131,343	\$ -
<b>Non-current Liabilities:</b>				
Due Within One Year	\$ 301,404	\$ 974,041	\$ 1,275,445	\$ -
Due in More Than One Year	\$ 5,722,326	\$ 13,039,447	\$ 18,761,773	\$ -
<b>Total Liabilities</b>	<b>\$ 6,610,200</b>	<b>\$ 14,651,819</b>	<b>\$ 21,262,019</b>	<b>\$ 1,241</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 2,977,572	\$ 10,705,009	\$ 13,682,581	\$ 1,936,817
<b>Restricted for:</b>				
Restricted for Capital Projects	\$ 2,776,742	\$ -	\$ 2,776,742	\$ -
Restricted for Debt Service	\$ 455,369	\$ 61,008	\$ 516,377	\$ -
Restricted for Youth Facilities and Park	\$ 90,879	\$ -	\$ 90,879	\$ -
Restricted for Police	\$ 107,952	\$ -	\$ 107,952	\$ -
Restricted for Tourism	\$ 89,441	\$ -	\$ 89,441	\$ -
Restricted for EOC	\$ 12,202	\$ -	\$ 12,202	\$ -
Restricted for Other Purposes	\$ 2,910	\$ -	\$ 2,910	\$ -
Unrestricted Net Assets	\$ 1,980,100	\$ 3,341,227	\$ 5,321,327	\$ 1,389,353
<b>Total Net Assets</b>	<b>\$ 8,493,167</b>	<b>\$ 14,107,244</b>	<b>\$ 22,600,411</b>	<b>\$ 3,326,170</b>

**CITY OF BORGER**  
**STATEMENT OF ACTIVITIES**  
September 30, 2008

Primary Government:	Primary Government Program Revenues						Non-major Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total	
<b>Governmental Activities:</b>							
General Data Processing	\$ 29,813	\$ -	\$ -	\$ (29,813)	\$ -	\$ (29,813)	\$ -
Administration	\$ 254,265	\$ (110,066)	\$ -	\$ (144,199)	\$ -	\$ (144,199)	\$ -
Legal	\$ 18,264	\$ -	\$ -	\$ (18,264)	\$ -	\$ (18,264)	\$ -
Vehicle Service Center	\$ 196,073	\$ -	\$ -	\$ (196,073)	\$ -	\$ (196,073)	\$ -
City Hall Building Maint.	\$ 8,920	\$ -	\$ -	\$ (8,920)	\$ -	\$ (8,920)	\$ -
General Contingencies	\$ 60,909	\$ -	\$ -	\$ (60,909)	\$ -	\$ (60,909)	\$ -
Police	\$ 1,999,392	\$ (3,746)	\$ (54,386)	\$ (1,941,260)	\$ -	\$ (1,941,260)	\$ -
Fire	\$ 1,560,493	\$ (30,000)	\$ (1,290)	\$ (1,529,203)	\$ -	\$ (1,529,203)	\$ -
Fire Prevention	\$ 72,349	\$ -	\$ -	\$ (72,349)	\$ -	\$ (72,349)	\$ -
Animal Control	\$ 168,028	\$ (16,480)	\$ -	\$ (151,548)	\$ -	\$ (151,548)	\$ -
Central Dispatching	\$ 294,152	\$ (95,000)	\$ -	\$ (199,152)	\$ -	\$ (199,152)	\$ -
Code Enforcement	\$ 201,884	\$ -	\$ -	\$ (201,884)	\$ -	\$ (201,884)	\$ -
Municipal Court	\$ 235,610	\$ (294,167)	\$ -	\$ 58,557	\$ -	\$ 58,557	\$ -
Emergency Management	\$ 104,543	\$ -	\$ (19,850)	\$ (84,693)	\$ -	\$ (84,693)	\$ -
Building Standards	\$ 98,711	\$ -	\$ -	\$ (98,711)	\$ -	\$ (98,711)	\$ -
Street & Alley Maint.	\$ 712,419	\$ -	\$ -	\$ (712,419)	\$ -	\$ (712,419)	\$ -
Refuse Collection	\$ 618,382	\$ (1,630,674)	\$ -	\$ 1,012,292	\$ -	\$ 1,012,292	\$ -
Recycling Center	\$ 41,001	\$ -	\$ -	\$ (41,001)	\$ -	\$ (41,001)	\$ -
Transfer Station	\$ 864,306	\$ (152,890)	\$ -	\$ (711,416)	\$ -	\$ (711,416)	\$ -
Public Works Director	\$ 219,405	\$ -	\$ -	\$ (219,405)	\$ -	\$ (219,405)	\$ -
Traffic Engineering Maint.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and Recreation	\$ 16,529	\$ -	\$ -	\$ (16,529)	\$ -	\$ (16,529)	\$ -
Parks	\$ 1,160,606	\$ -	\$ (92,013)	\$ (1,068,593)	\$ -	\$ (1,068,593)	\$ -
Swimming Pools	\$ 9,841	\$ -	\$ -	\$ (9,841)	\$ -	\$ (9,841)	\$ -
Planning & Zoning	\$ 375,365	\$ (30,435)	\$ -	\$ (344,930)	\$ -	\$ (344,930)	\$ -
Environmental Mgmt.	\$ 52,813	\$ -	\$ -	\$ (52,813)	\$ -	\$ (52,813)	\$ -
Economic Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Interest	\$ 295,607	\$ -	\$ -	\$ (295,607)	\$ -	\$ (295,607)	\$ -
Fiscal Agent's Fees	\$ 318	\$ -	\$ -	\$ (318)	\$ -	\$ (318)	\$ -
<b>Total:</b>	\$ 9,669,998	\$ (2,363,458)	\$ (167,539)	\$ (7,139,001)	\$ -	\$ (7,139,001)	\$ -
<b>Business-type Activities</b>							
<b>Total:</b>	\$ 5,063,145	\$ (5,433,354)	\$ -	\$ -	\$ 370,209	\$ 370,209	\$ -
<b>Total Primary Government:</b>	\$ 14,733,143	\$ (7,796,812)	\$ (167,539)	\$ (7,139,001)	\$ 370,209	\$ (6,768,792)	\$ -
<b>Component Unit:</b>							
Non-major Component Unit	\$ 815,192	\$ (14,300)	\$ -	\$ -	\$ -	\$ -	\$ (800,892)
<b>Total Component Unit:</b>	\$ 815,192	\$ (14,300)	\$ -	\$ -	\$ -	\$ -	\$ (800,892)

CITY OF BORGER  
STATEMENT OF ACTIVITIES  
September 30, 2008

	<u>Primary Government Program Revenues</u>			Non-major Component Unit
	Governmental Activities	Business Type Activities	Total	
General Revenues:				
Taxes:				
Property Taxes:				
Property Taxes, Levied for General Purposes	\$ 1,407,343	\$ -	\$ 1,407,343	\$ -
Property Taxes, Levied for Debt Service	\$ 431,469	\$ 318,551	\$ 750,020	\$ -
Penalty and Interest	\$ 33,241	\$ -	\$ 33,241	\$ -
FHA in Lieu of Taxes	\$ 6,575	\$ -	\$ 6,575	
Sales Tax	\$ 2,780,692	\$ -	\$ 2,780,692	\$ 938,460
Motel Tax	\$ 203,029	\$ -	\$ 203,029	\$ -
Gross Receipts Tax	\$ 1,067,478	\$ -	\$ 1,067,478	\$ -
Grants and Contributions Not Restricted	\$ 1,072,433	\$ -	\$ 1,072,433	\$ -
Gain(Loss) on Sale of Assets	\$ 1,500	\$ -	\$ 1,500	\$ (41,022)
Insurance Claims	\$ 106,033	\$ -	\$ 106,033	\$ -
Miscellaneous Revenue	\$ 1,809	\$ -	\$ 1,809	\$ 483
Investment Earnings	\$ 227,109	\$ 92,276	\$ 319,385	\$ 33,287
Transfers In/(Out)	\$ 128,277	\$ (128,277)	\$ -	\$ -
<b>Total General Revenues, Special Items, and Transfers</b>	<b>\$ 7,466,988</b>	<b>\$ 282,550</b>	<b>\$ 7,749,538</b>	<b>\$ 931,208</b>
Change in Net Assets	\$ 327,987	\$ 652,759	\$ 980,746	\$ 130,316
Net Assets-Beginning	\$ 8,165,180	\$ 13,454,485	\$ 21,619,665	\$ 3,166,354
Prior Year Adjustments	\$ -	\$ -	\$ -	\$ 29,500
<b>Net Assets-Ending</b>	<b>\$ 8,493,167</b>	<b>\$ 14,107,244</b>	<b>\$ 22,600,411</b>	<b>\$ 3,326,170</b>

CITY OF BORGER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2008

	General Fund	Capital Equipment Fund	Other Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 582,802	\$ (314,911)	\$ 49,127	\$ 317,018
Investments - Current	\$ 1,124,960	\$ 3,836,345	\$ 133,210	\$ 5,094,515
Interest Receivable - Investments	\$ 2,827	\$ 7,599	\$ 265	\$ 10,691
Taxes Receivable	\$ 241,611	\$ -	\$ -	\$ 241,611
Allowance for Uncollectible Taxes (credit)	\$ (84,290)	\$ -	\$ -	\$ (84,290)
Due from Other Funds	\$ 214,254	\$ -	\$ -	\$ 214,254
Receivables (net of allowance for uncollectibles)	\$ 129,691	\$ -	\$ -	\$ 129,691
<b>Total Assets</b>	<b>\$ 2,211,855</b>	<b>\$ 3,529,033</b>	<b>\$ 182,602</b>	<b>\$ 5,923,490</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 141,842	\$ 331,707	\$ 10,006	\$ 483,555
Wages and Salaries Payable	\$ 33,047	\$ -	\$ -	\$ 33,047
Intergovernmental Payable	\$ 26,371	\$ -	\$ -	\$ 26,371
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	\$ 105,065	\$ -	\$ -	\$ 105,065
<b>Total Liabilities</b>	<b>\$ 306,325</b>	<b>\$ 331,707</b>	<b>\$ 10,006</b>	<b>\$ 648,038</b>
<b>Fund Balances:</b>				
<b>Unreserved and Undesignated:</b>				
Reported in the General Fund	\$ 1,905,530	\$ -	\$ -	\$ 1,905,530
Reported in the Capital Equipment Fund	\$ -	\$ 3,197,326	\$ -	\$ 3,197,326
Reported in the Special Revenue Fund	\$ -	\$ -	\$ 137,811	\$ 137,811
Reported in the Debt Service Fund	\$ -	\$ -	\$ 34,785	\$ 34,785
<b>Total Fund Balances</b>	<b>\$ 1,905,530</b>	<b>\$ 3,197,326</b>	<b>\$ 172,596</b>	<b>\$ 5,275,452</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,211,855</b>	<b>\$ 3,529,033</b>	<b>\$ 182,602</b>	<b>\$ 5,923,490</b>

CITY OF BORGER  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET ASSETS  
 September 30, 2008

<b>Total Fund Balances - Governmental Funds</b>	\$ 5,275,452
The City uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase (decrease) net assets.	\$ 161,724
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$16,256,302 and the accumulated depreciation was \$9,294,428 in addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net assets.	\$ 1,198,705
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2008 capital outlays and debt principal payments is to increase (decrease) net assets.	\$ 2,399,409
The 2008 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	\$ (477,295)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets	\$ (64,828)
<b>Net Assets of Governmental Activities</b>	\$ 8,493,167

**CITY OF BORGER**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**September 30, 2008**

	General Fund	Capital Equipment Fund	Other Funds	Total Governmental Funds
<b>Revenues:</b>				
<b>Taxes:</b>				
Property Taxes	\$ 1,403,817	\$ 234,744	\$ 205,267	\$ 1,843,828
General Sales and Use Taxes	\$ 2,780,692	\$ -	\$ -	\$ 2,780,692
Gross Receipts Business Tax	\$ -	\$ -	\$ 203,029	\$ 203,029
Franchise Tax	\$ 1,067,478	\$ -	\$ -	\$ 1,067,478
Penalty and Interest on Taxes	\$ 33,241	\$ -	\$ -	\$ 33,241
Licenses and Permits	\$ 46,915	\$ -	\$ -	\$ 46,915
Intergovernmental Revenue and Grants	\$ 59,190	\$ -	\$ 56,250	\$ 115,440
Charges for Services	\$ 1,908,714	\$ -	\$ -	\$ 1,908,714
Fines	\$ 293,136	\$ -	\$ 6,032	\$ 299,168
Special Assessments	\$ 1,201,257	\$ -	\$ -	\$ 1,201,257
Investment Earnings	\$ 77,732	\$ 140,179	\$ 9,198	\$ 227,109
Contributions & Donations from Private Sources	\$ 58,674	\$ -	\$ -	\$ 58,674
Other Revenue	\$ -	\$ 626	\$ -	\$ 626
<b>Total Revenues</b>	<b>\$ 8,930,846</b>	<b>\$ 375,549</b>	<b>\$ 479,776</b>	<b>\$ 9,786,171</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
General Data Processing	\$ 22,725	\$ -	\$ -	\$ 22,725
Administration	\$ 241,793	\$ -	\$ -	\$ 241,793
Legal	\$ 18,264	\$ -	\$ -	\$ 18,264
Vehicle Service Center	\$ 193,063	\$ 15,072	\$ -	\$ 208,135
City Hall Building Maintenance	\$ 8,920	\$ -	\$ -	\$ 8,920
General Contingencies	\$ 72,747	\$ -	\$ -	\$ 72,747
<b>Public Safety:</b>				
Police	\$ 2,064,040	\$ 96,077	\$ -	\$ 2,160,117
Fire	\$ 1,450,380	\$ 27,500	\$ -	\$ 1,477,880
Fire Prevention	\$ 71,371	\$ -	\$ -	\$ 71,371
Animal Control	\$ 163,856	\$ -	\$ -	\$ 163,856
Central Dispatching	\$ 294,152	\$ -	\$ -	\$ 294,152
Code Enforcement	\$ 188,860	\$ 14,883	\$ -	\$ 203,743
Municipal Court	\$ 228,463	\$ -	\$ 7,147	\$ 235,610
Building Standards & Facelift	\$ 98,225	\$ -	\$ -	\$ 98,225
Environmental Management	\$ -	\$ -	\$ 52,813	\$ 52,813
Emergency Management	\$ 88,430	\$ 155,685	\$ -	\$ 244,115
Street & Alley Maintenance	\$ 684,569	\$ 148,429	\$ -	\$ 832,998
Refuse Collection	\$ 607,607	\$ 225,622	\$ -	\$ 833,229
Recycling Center	\$ 38,973	\$ -	\$ -	\$ 38,973
Transfer Station	\$ 824,890	\$ -	\$ -	\$ 824,890
Public Works Director	\$ 215,662	\$ -	\$ -	\$ 215,662
Traffic Engineering Maintenance	\$ -	\$ -	\$ -	\$ -
Culture & Recreation	\$ 441,202	\$ -	\$ 286,231	\$ 727,433
Parks	\$ 515,319	\$ 1,112,125	\$ -	\$ 1,627,444
Swimming Pools	\$ 6,077	\$ -	\$ -	\$ 6,077
<b>Conservation and Development:</b>				
Planning & Zoning	\$ 384,301	\$ -	\$ -	\$ 384,301
<b>Debt Service:</b>				
Capital Lease Payments	\$ -	\$ -	\$ 61,166	\$ 61,166
Bond Principal	\$ -	\$ -	\$ 175,000	\$ 175,000
Bond Interest	\$ -	\$ 217,475	\$ 27,810	\$ 245,285
Fiscal Agent's Fees	\$ -	\$ -	\$ 318	\$ 318
<b>Total Expenditures</b>	<b>\$ 8,923,889</b>	<b>\$ 2,012,868</b>	<b>\$ 610,485</b>	<b>\$ 11,547,242</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 6,957</b>	<b>\$ (1,637,319)</b>	<b>\$ (130,709)</b>	<b>\$ (1,761,071)</b>

CITY OF BORGER  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
September 30, 2008

	General Fund	Capital Equipment Fund	Other Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES):				
Non-Current Loans	\$ 126,853	\$ -	\$ -	\$ 126,853
Transfers In	\$ 200,000	\$ 333,420	\$ 6,562	\$ 539,982
Other Resources	\$ 107,533	\$ -	\$ -	\$ 107,533
Transfers Out (Use)	\$ (309,306)	\$ (105,437)	\$ -	\$ (414,743)
Total Other Financing Sources (Uses)	\$ 125,080	\$ 227,983	\$ 6,562	\$ 359,625
Net Change in fund Balances	\$ 132,037	\$ (1,409,336)	\$ (124,147)	\$ (1,401,446)
Fund Balance - October 1 (Beginning)	\$ 1,773,493	\$ 4,606,662	\$ 296,743	\$ 6,676,898
Fund Balance - September 30 (Ending)	\$ 1,905,530	\$ 3,197,326	\$ 172,596	\$ 5,275,452

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CITY OF BORGER  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 TO THE STATEMENT OF ACTIVITIES  
 September 30, 2008

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$ (1,401,446)</b>
The city uses some internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income (loss) of these internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) net assets.	\$ 1,208
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2008 capital outlays and debt principal payments is to increase (decrease) net assets.	\$ 2,399,409
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.	\$ (477,295)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.	<u>\$ (174,909)</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><u>\$ 346,967</u></u>

**CITY OF BORGER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**September 30, 2008**

	Budget Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Property Taxes	\$ 1,347,495	\$ 1,347,495	\$ 1,403,817	\$ 56,322
General Sales and Use Taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,780,692	\$ 380,692
Franchise Tax	\$ 690,500	\$ 690,500	\$ 1,067,478	\$ 376,978
Penalty and Interest on Taxes	\$ 33,005	\$ 33,005	\$ 33,241	\$ 236
Licenses and Permits	\$ 36,825	\$ 36,825	\$ 46,915	\$ 10,090
Intergovernmental Revenue and Grants	\$ 28,000	\$ 28,000	\$ 59,190	\$ 31,190
Charges for Services	\$ 1,883,799	\$ 1,883,799	\$ 1,908,714	\$ 24,915
Fines	\$ 375,650	\$ 375,650	\$ 293,136	\$ (82,514)
Special Assessments	\$ 1,185,750	\$ 1,185,750	\$ 1,201,257	\$ 15,507
Investment Earnings	\$ 74,490	\$ 74,490	\$ 77,732	\$ 3,242
Contributions & Donations from Private Sources	\$ 37,500	\$ 37,500	\$ 58,674	\$ 21,174
Other Revenue	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 8,093,014</b>	<b>\$ 8,093,014</b>	<b>\$ 8,930,846</b>	<b>\$ 837,832</b>
<b>Expenditures:</b>				
General Government:				
General Data Processing	\$ 31,860	\$ 31,860	\$ 22,725	\$ 9,135
Administration	\$ 233,341	\$ 233,341	\$ 241,793	\$ (8,452)
Legal	\$ 25,500	\$ 25,500	\$ 18,264	\$ 7,236
Vehicle Service Center	\$ 198,459	\$ 198,459	\$ 193,063	\$ 5,396
City Hall Building Maintenance	\$ 25,000	\$ 25,000	\$ 8,920	\$ 16,080
General Contingencies	\$ 118,010	\$ 118,010	\$ 72,747	\$ 45,263
Public Safety:				
Police	\$ 2,041,121	\$ 2,041,121	\$ 2,064,040	\$ (22,919)
Fire	\$ 1,344,571	\$ 1,344,571	\$ 1,450,380	\$ (105,809)
Fire Prevention	\$ 69,705	\$ 69,705	\$ 71,371	\$ (1,666)
Animal Control	\$ 162,899	\$ 162,899	\$ 163,856	\$ (957)
Central Dispatching	\$ 302,951	\$ 302,951	\$ 294,152	\$ 8,799
Code Enforcement	\$ 169,004	\$ 169,004	\$ 188,860	\$ (19,856)
Municipal Court	\$ 275,781	\$ 275,781	\$ 228,463	\$ 47,318
Emergency Management	\$ 83,095	\$ 83,095	\$ 88,430	\$ (5,335)
Building Standards & Facelift	\$ 89,217	\$ 89,217	\$ 98,225	\$ (9,008)
Street & Alley Maintenance	\$ 719,904	\$ 719,904	\$ 684,569	\$ 35,335
Refuse Collection	\$ 602,247	\$ 602,247	\$ 607,607	\$ (5,360)
Recycling Center	\$ 60,543	\$ 60,543	\$ 38,973	\$ 21,570
Transfer Station	\$ 803,974	\$ 803,974	\$ 824,890	\$ (20,916)
Public Works Director	\$ 197,704	\$ 197,704	\$ 215,662	\$ (17,958)
Traffic Engineering Maintenance	\$ -	\$ -	\$ -	\$ -
Culture and Recreation	\$ 442,457	\$ 442,457	\$ 441,202	\$ 1,255
Parks	\$ 587,312	\$ 587,312	\$ 515,319	\$ 71,993
Swimming Pools	\$ 46,224	\$ 46,224	\$ 6,077	\$ 40,147
Conservation and Development:				
Planning & Zoning	\$ 350,045	\$ 350,045	\$ 384,301	\$ (34,256)
<b>Total Expenditures</b>	<b>\$ 8,980,924</b>	<b>\$ 8,980,924</b>	<b>\$ 8,923,889</b>	<b>\$ 57,035</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>\$ (887,910)</b>	<b>\$ (887,910)</b>	<b>\$ 6,957</b>	<b>\$ 894,867</b>

CITY OF BORGER  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 September 30, 2008

	Budget Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Non-Current Loans	\$ -	\$ -	\$ 126,853	\$ 126,853
Other Resources	\$ -	\$ -	\$ 107,533	\$ 107,533
Transfers In	\$ 400,000	\$ 400,000	\$ 200,000	\$ (200,000)
Transfers Out (Use)	\$ -	\$ -	\$ (309,306)	\$ (309,306)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 125,080</b>	<b>\$ (274,920)</b>
 Net Change in Fund Balances	 \$ (487,910)	 \$ (487,910)	 \$ 132,037	 \$ 619,947
 Fund Balance - October 1 (Beginning)	 \$ 1,773,493	 \$ 1,773,493	 \$ 1,773,493	 \$ -
 Fund Balance - September 30 (Ending)	 \$ 1,285,583	 \$ 1,285,583	 \$ 1,905,530	 \$ 619,947

CITY OF BORGER  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2008

	Business-Type Activities - Water and Sewer Operations	Governmental Activities -  Internal Service Fund
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 1,146,684	\$ 137,739
Investments - Current	\$ 2,134,210	\$ 301,500
Interest Receivable - Investments	\$ 4,228	\$ -
Accounts Receivable - Net of Uncollectible Allowance	\$ 522,146	\$ -
Due from Other Funds	\$ 95,556	\$ -
Inventories	\$ -	\$ 37,444
Capitalized Debt Issuance Costs	\$ 137,742	\$ -
<b>Total Current Assets</b>	<b>\$ 4,040,566</b>	<b>\$ 476,683</b>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b>		
Land	\$ 255,754	\$ -
Buildings	\$ 294,489	\$ -
Accumulated Depreciation - Buildings	\$ (274,874)	\$ -
Machinery and Equipment	\$ 1,090,791	\$ -
Accumulated Depreciation - Machinery & Equipment	\$ (761,962)	\$ -
Water & Sewer Plant and System	\$ 43,278,225	\$ -
Accumulated Depreciation - W & S Plant & System	\$ (19,163,926)	\$ -
<b>Total Noncurrent Assets</b>	<b>\$ 24,718,497</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 28,759,063</b>	<b>\$ 476,683</b>

CITY OF BORGER  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2008

	Business-Type Activities - Water and Sewer Operations	Governmental Activities - Internal Service Fund
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 148,912	\$ -
Accrued Salaries Payable	\$ 9,462	\$ -
Due to Others	\$ 329,186	\$ -
Due to Other Funds	\$ -	\$ 314,959
Accrued Interest Payable	\$ 19,428	\$ -
Notes Payable - Current	\$ 17,203	\$ -
<b>Bonds Payable - Current:</b>		
Revenue Bonds Payable	\$ 495,000	\$ -
CRMWA Bonds Payable	\$ 461,838	\$ -
<b>Total Current Liabilities</b>	<b>\$ 1,481,029</b>	<b>\$ 314,959</b>
<b>Non-Current Liabilities:</b>		
Deferred Revenue	\$ 131,343	\$ -
<b>Bonds Payable - Non-Current:</b>		
Revenue Bonds Payable	\$ 2,985,000	\$ -
CRMWA Bonds Payable	\$ 8,937,951	\$ -
Unamortized Charge - Refunding Bonds	\$ 1,112,105	\$ -
Notes Payable - Non-Current	\$ 4,391	\$ -
<b>Total Non-Current Liabilities</b>	<b>\$ 13,170,790</b>	<b>\$ -</b>
<b>Total Liabilities</b>	<b>\$ 14,651,819</b>	<b>\$ 314,959</b>
<b>NET ASSETS</b>		
Investments in Capital Assets, Net of Debt	\$ 10,705,009	\$ -
Restricted for Debt Retirement	\$ 61,008	\$ -
Restricted for EOC	\$ -	\$ -
Reserved for Main Street Paving	\$ -	\$ -
Unrestricted Net Assets	\$ 3,341,227	\$ 161,724
<b>Total Net Assets</b>	<b>\$ 14,107,244</b>	<b>\$ 161,724</b>

CITY OF BORGER  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 September 30, 2008

	Business-Type Activities -	Governmental Activities
	Water and Sewer Operations	Internal Service Fund
Operating Revenues:		
Charges for Water Services	\$ 3,924,006	\$ -
Charge for Sewage Service	\$ 1,352,783	\$ -
Other Revenue	\$ 156,565	\$ 1,208
<b>Total Operating Revenues</b>	<b>\$ 5,433,354</b>	<b>\$ 1,208</b>
Operating Expenditures:		
Personal Services - Salaries and Wages		
Water/Sewer Customer Service	\$ 235,223	\$ -
Water Maintenance	\$ 298,251	\$ -
Sewer Maintenance	\$ 262,978	\$ -
Water Production & Treatment	\$ 147,447	\$ -
Wastewater Collection & Treatment	\$ 180,532	\$ -
Utility Director	\$ 79,079	\$ -
Data Processing	\$ 23,871	\$ -
<b>Total Personal Services-Salaries and Wages</b>	<b>\$ 1,227,381</b>	<b>\$ -</b>
Personal Services - Employee Benefits		
Water/Sewer Customer Service	\$ 63,837	\$ -
Water Maintenance	\$ 114,237	\$ -
Sewer Maintenance	\$ 87,143	\$ -
Water Production & Treatment	\$ 51,608	\$ -
Wastewater Collection & Treatment	\$ 63,375	\$ -
Utility Director	\$ 25,258	\$ -
Data Processing	\$ 8,869	\$ -
<b>Total Personal Services-Employee Benefits</b>	<b>\$ 414,327</b>	<b>\$ -</b>
Purchased Services		
Water/Sewer Customer Service	\$ 203,534	\$ -
Water Maintenance	\$ 18,278	\$ -
Sewer Maintenance	\$ 48,158	\$ -
Water Production & Treatment	\$ 488,427	\$ -
Wastewater Collection & Treatment	\$ 151,045	\$ -
Utility Director	\$ 5,350	\$ -
Data Processing	\$ 20,904	\$ -
Reserve Account	\$ 525,204	\$ -
<b>Total Purchased Services</b>	<b>\$ 1,460,900</b>	<b>\$ -</b>

**CITY OF BORGER**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2008**

	Business-Type Activities -	Governmental Activities
	Water and Sewer Operations	Internal Service Fund
Other Operating Expenses		
Water/Sewer Customer Service	\$ 9,113	\$ -
Water Maintenance	\$ 41,108	\$ -
Sewer Maintenance	\$ 51,894	\$ -
Water Production & Treatment	\$ 32,280	\$ -
Wastewater Collection & Treatment	\$ 40,645	\$ -
Utility Director	\$ 8,718	\$ -
Data Processing	\$ 1,558	\$ -
Reserve Account	\$ 1,162	\$ -
<b>Total Other Operating Expenses</b>	<b>\$ 186,478</b>	<b>\$ -</b>
Maintenance		
Water/Sewer Customer Service	\$ 26,149	\$ -
Water Maintenance	\$ 76,094	\$ -
Sewer Maintenance	\$ 47,465	\$ -
Water Production & Treatment	\$ 54,936	\$ -
Wastewater Collection & Treatment	\$ 110,275	\$ -
Utility Director	\$ 3,136	\$ -
Data Processing	\$ 16,439	\$ -
Reserve Account	\$ 27,122	\$ -
<b>Total Maintenance</b>	<b>\$ 361,616</b>	<b>\$ -</b>
Depreciation	\$ 919,995	\$ -
<b>Total Operating Expenses</b>	<b>\$ 4,570,697</b>	<b>\$ -</b>
Operating Income (Loss)	\$ 862,657	\$ 1,208
Non-Operating Revenues (Expenses):		
Investment Earnings	\$ 92,276	\$ -
Property Taxes	\$ 318,551	\$ -
Gain from Sale of Equipment	\$ -	\$ -
Interest Expense - Non Operating	\$ (492,448)	\$ -
<b>Total Non-Operating Revenue (Expenses)</b>	<b>\$ (81,621)</b>	<b>\$ -</b>
Income (Loss) Before Transfers	\$ 781,036	\$ 1,208
Transfer In	\$ 105,437	\$ -
Transfers Out	\$ (233,714)	\$ (40,908)
<b>Change in Net Assets</b>	<b>\$ 652,759</b>	<b>\$ (39,700)</b>
Total Net Assets - October 1 (Beginning)	\$ 13,454,485	\$ 201,424
Total Net Assets - September 30 (Ending)	\$ 14,107,244	\$ 161,724

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**CITY OF BORGER**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**September 30, 2008**

	Business-Type Activities -	Governmental Activities
	Water and Sewer Operations	Internal Service Fund
<b>Cash Flows from Operating Activities:</b>		
Cash received from User Charges	\$ 5,543,689	\$ 24,314
Cash Payments to Employees for Services	\$ (1,635,274)	\$ -
Cash Payments for Insurance Claims	\$ -	\$ -
Cash Payments for Suppliers	\$ (1,940,129)	\$ (23,108)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,968,286</b>	<b>\$ 1,206</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Temporary Cash Advance to Other Funds	\$ (87,404)	\$ 314,959
Operating Transfer Out	\$ (233,714)	\$ (40,908)
Transfers In	\$ 105,437	\$ -
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b>\$ (215,681)</b>	<b>\$ 274,051</b>
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>		
Acquisition of Capital Assets	\$ (142,427)	\$ -
Proceeds from Sale of Assets	\$ -	\$ -
Interest Paid on Debts	\$ (604,676)	\$ -
Proceeds from Property Taxes	\$ 318,551	\$ -
Proceeds from Debt	\$ -	\$ -
Principal Payments on Debt	\$ (916,489)	\$ -
<b>Net Cash Provided by (Used for) Capital &amp; Related Financing Activities</b>	<b>\$ (1,345,041)</b>	<b>\$ -</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Investment Securities	\$ (244,063)	\$ (165,500)
Proceeds from Sale & Maturities of Securities	\$ -	\$ -
Interest on Investments	\$ 96,134	\$ -
<b>Net Cash Provided by (Used for ) Investing Activities</b>	<b>\$ (147,929)</b>	<b>\$ (165,500)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>\$ 259,635</b>	<b>\$ 109,757</b>
<b>Cash and Cash Equivalents at Beginning of the Year:</b>	<b>\$ 887,049</b>	<b>\$ 27,982</b>
<b>Cash and Cash Equivalents at Ending of the Year:</b>	<b>\$ 1,146,684</b>	<b>\$ 137,739</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided by Operating Activities:</b>		
Operating Income (Loss):	\$ 862,657	\$ 1,208
Adj. to Reconcile Operating Inc. to Net Cash provided by Operating Activities:		
Depreciation & Amortization	\$ 919,995	\$ -
Gain on disposal of assests	\$ -	\$ -
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	\$ 176,007	\$ -
Decrease (increase) in Inventories	\$ -	\$ (2)
Unearned Revenue	\$ (65,672)	\$ -
Increase (decrease) in Accounts Payable	\$ 62,505	\$ -
Increase (decrease) in Accrued Salaries	\$ 6,434	\$ -
Increase (decrease) in Customer Meter Deposits	\$ 6,360	\$ -
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,968,286</b>	<b>\$ 1,206</b>

CITY OF BORGER  
 STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 September 30, 2008

		Agency Fund
<hr/>		
Assets:		
Cash and Cash Equivalents	\$	-
Accounts Receivable	\$	-
Investments	\$	241,772
<hr/>		
Total Assets	\$	241,772
<hr/> <hr/>		
Liabilities:		
Hospitalization Payable	\$	-
Deferred Compensation	\$	241,772
<hr/>		
Total Liabilities	\$	241,772
<hr/> <hr/>		

CITY OF BORGER  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL FIDUCIARY FUNDS  
 September 30, 2008

	BALANCE OCTOBER 1 2007			ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2008	
Deferred Compensation:							
Assets:							
Investments	\$	273,471	\$	-	\$	31,699	\$ 241,772
Liabilities:							
Deferred Compensation	\$	273,471	\$	31,699	\$	-	\$ 241,772
Total Agency Funds:							
Assets:							
Cash and Cash Equivalents	\$	-	\$	-	\$	-	\$ -
Accounts Receivable	\$	-	\$	-	\$	-	\$ -
Investments	\$	273,471	\$	-	\$	31,699	\$ 241,772
Total Assets	\$	273,471	\$	-	\$	31,699	\$ 241,772
Liabilities:							
Accounts Payable	\$	-	\$	-	\$	-	\$ -
Deferred Compensation	\$	273,471	\$	31,699	\$	-	\$ 241,772
Total Liabilities	\$	273,471	\$	31,699	\$	-	\$ 241,772

**CITY OF BORGER**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2008**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

City of Borger (the “City”) was incorporated October 28, 1926, under the provision of Article II Section 4 of the Texas Constitution. It is governed by a five member City Council (the “Council”) elected by registered voters of the City. The City prepares its basic statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants.

**A. REPORTING ENTITY**

The City Council (the “Council”) is elected by the public and it has the authority to make decision, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, “The Financial Reporting Entity”. Management in determining what potential component entities should be included for financial reporting purposes, considered accountability for fiscal matters, other manifestations of oversight responsibility, scope of public service, and special financing relationships. Fiscal accountability, the most significant of all the criteria, refers to conditions of financial interdependency between two entities including budgetary adoption, taxing authority, responsibility for debt, control over the ability to select governing authority, designate management or significantly influence operations. The scope of public service evaluates the benefits derived in terms of the citizenry service or the geographic boundaries included. These are based upon and consistent with those set forth in National Council on Governmental Accounting Statement No 3: “Defining the Governmental Reporting Entity,” and Interpretation No. 7, there of. As required by generally accepted accounting principles, the financial reporting entity discreetly reports those of the City of Borger (the primary government).

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the City of Borger and its component units, non-fiduciary activities, activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, charges for services and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support. The

*primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Activities demonstrates how other people or entities that participate in programs the City operates have shared in the payment of the direct costs. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the City. Examples include refuse charges, water and sewer charges, etc. The “grants and contributions” column includes amounts paid by organizations outside the City to help meet the operational or capital requirements of a given function. If revenue is not program revenue, it is general revenue used to support all of the City’s functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Assets as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for City operations, they are not included in the government-wide statements. The City considers some governmental and enterprise funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund’s principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as material and labor and direct overhead. Other expenses are non-operating.

### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash

flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated when expendable available financial resources. The City considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues are recognized under the “susceptible to accrual” concept, that is, when they are both measurable and available. The City considers them “available” if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provision of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors some times require the City to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

## D. FUND ACCOUNTING

The City reports the following major governmental funds:

1. **The General Fund-** the General Fund is the City's primary operating fund. It accounts for all financial resources except those required to be accounted for in other funds.

The City reports the following major enterprise fund(s):

1. **The Water and Sewer Fund-** the Water and Sewer Fund is the City's Enterprise Fund. It accounts for all the operations of the water and sewer activities.

Additionally, the City reports the following fund type(s):

Governmental Funds:

1. **Special Revenue Funds-** the City accounts for resources restricted to, or designated for, specific purposes by the City or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a special revenue fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
2. **Debt Service Funds-** the City accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
3. **Capital Projects Funds-** the City accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

Proprietary Funds:

4. **Enterprise Funds-** the City's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The City had one non-major enterprise fund, an internal service fund.

Fiduciary Funds:

5. **Private Purpose Trust Funds-** the City accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the City. The City has no private purpose trust funds.

6. **Pension (and Other Employee Benefit) Trust Funds-** these funds are used to account for local pension and other employee benefit funds that are provided by the City in lieu of or in addition to the Texas Municipal Retirement System. The City has one deferred compensation fund for employees electing to be covered under this plan.
7. **Investment Trust Fund-** this fund is one in which the City holds assets in trust for other entities participating in an investment program managed by the City. The City has no investment trust funds.
8. **Agency Funds-** the City accounts for resources held for others in a custodial capacity in agency funds. The City has no agency funds.

#### **E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows for proprietary funds, the City considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The City reports inventories of supplies at cost on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types and expenses in the proprietary fund types when used.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

4. It is the City's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any

amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Capital assets, which include land, buildings, furniture and equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
<i>Buildings</i>	20-50
<i>Infrastructure</i>	5-50
<i>Vehicles</i>	5-10
<i>Equipment</i>	2-15
<i>Computer Equipment</i>	5

6. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available to appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.
7. When the City incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<i>Capital Assets at the beginning of the year</i>	<i>Historical Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Value at the Beginning of the Year</i>	<i>Change in Net Assets</i>
<i>Land</i>	\$1,056,095	\$0	\$1,056,095	
<i>Buildings</i>	\$3,306,546	\$1,298,198	\$2,018,348	
<i>Furniture &amp; Equipment</i>	\$6,899,375	\$3,971,746	\$2,927,629	
<i>Infrastructure</i>	\$4,984,286	\$4,024,484	\$959,802	
<i>Change in Net Assets</i>				\$6,961,874

<i>Long-Term Liabilities at the Beginning of the Year</i>	<i>Payable at the Beginning of the Year</i>
<i>Bonds Payable</i>	\$545,000
<i>Loans Payable</i>	\$179,605
<i>Certificates of Obligation</i>	\$5,000,000
<i>Interest Payable</i>	\$38,564
<i>Change in Net Assets</i>	(\$5,763,169)
<i>Net Adjustments to Net Assets</i>	\$1,198,605

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that

current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net assets. The details of this adjustment are as follows:

<i>Current Year Capital Outlay</i>	<i>Amount</i>	<i>Adjustment to Changes in Net Assets</i>	<i>Adjustments to Net Assets</i>
<i>Buildings</i>	\$1,124,940		
<i>Land</i>	\$3,500		
<i>Furniture &amp; Equipment</i>	\$918,283		
<b><i>Total Capital Outlay</i></b>	<b>\$2,046,723</b>	<b>\$2,046,723</b>	<b>\$2,046,723</b>
<i>Debt Principal Payments</i>			
<i>Bond Principal</i>	\$175,000		
<i>Loan Principal</i>	\$177,686		
<i>Certificates of Obligation Principal</i>	\$0		
<b><i>Total Principal Payments</i></b>	<b>\$352,686</b>	<b>\$352,686</b>	<b>\$352,686</b>
<b><i>Total Adjustments to Net Assets</i></b>		<b>\$2,399,409</b>	<b>\$2,399,409</b>

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

<i>Adjustments to Revenue and Deferred Revenue</i>	<i>Amount</i>	<i>Adjustments to Changes in Net Assets</i>
<i>Proceeds from Notes Payable</i>	(\$117,369)	(\$117,369)
<i>Other Items</i>	(\$57,540)	(\$57,540)
<b><i>Total</i></b>	<b>(\$174,909)</b>	<b>(\$174,909)</b>

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. BUDGETARY DATA**

The City Council adopts an “appropriated budget” for the General Fund, Debt Service Fund and the Special Revenue Funds. The City is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The City compares the final amended budget to actual revenues and expenditures. The General

Fund Budget report appears in Exhibit C-5 and the other two reports are in Exhibit J1 and J2.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to September 15, the City prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Council is then called for the purpose of adopting the proposed Budget. At least ten days' public notice of the meeting must be given.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance by the Council.
4. All budget appropriations lapse at year end.

#### **IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

##### **A. 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 within the City's agent bank 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.

On September 30, 2008, the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,601,441 and the bank balance was \$1,978,713. The City's cash deposits at September 30, 2008 and during the year ended September 30, 2008 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Depository: Amarillo National Bank

2. The market value of securities pledged as of the date of the highest combined balance on deposit was \$2,670,392.
3. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the City to have independent auditors test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 - Cash or Investments that are insured, registered, or held by the City or by its agent in the City's name.
- Category 2 - Cash or Investments that are uninsured and unregistered held by the counter-party's trust department or agent in the City's name.
- Category 3 - Uninsured and unregistered investment held by the counter-party, its trust department, or its agent, but not in the City's name.

Based on these three levels of risk, all of the City's investments are classified as Category 1.

The City's investments at September 30, 2008, are shown below:

<i>Name</i>	<i>Carrying Amount</i>	<i>Market Value</i>	<i>Category</i>
<i>Texpool</i>	\$7,530,225	\$7,530,225	1

- Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment (or related collateral securities that are held by an outside party). The City has no custodial credit risk for its investments at September 30, 2008.
- Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy minimizes the risk by investing in the State of Texas investment pool.
- Credit risk - Credit risk is defined as the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The City's investment policy minimizes credit risk by limiting investments to Texpool is managed by the State of Texas.
- Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy places no limit on the amount the City may invest in any one issuer. As of September 30, 2008, the City's investments in any single issuer do not exceed five percent of its total investment. Investments issued or explicitly guaranteed by the U. S. government and investments in external investment pools are excluded from this requirement.

## **B. 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 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 City's fiscal year.

### C. DELINQUENT TAXES RECIEVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds as based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

### D. INTERFUND BALANCES AND TRANSFERS

Interfund balances consist of the following at September 30, 2008:

<b><i>Due to General Funds from:</i></b>		
<b><i>Internal Service Fund</i></b>	\$212,759	Provide funds for major purchases
<b><i>Payroll Fund</i></b>	\$1,495	Temporary balance from corrections
<b><i>Total Due to General Fund</i></b>	\$214,254	

<b><i>Due to Enterprise Funds from:</i></b>		
<b><i>Internal Service Fund</i></b>	\$92,600	Provide funds for major purchases
<b><i>Payroll Fund</i></b>	\$2,956	Temporary balance from corrections
<b><i>Total Due to General Fund</i></b>	\$95,556	

Interfund transfers for the year ended September 30, 2008, consisted of the following:

<b><i>Transfers to General Fund from:</i></b>		
<b><i>Enterprise Funds</i></b>	\$200,000	Share of operating expense
<b><i>Total Transferred to General Fund</i></b>	\$200,000	

<b><i>Transfers to Capital Equipment Fund from:</i></b>		
<b><i>Enterprise Funds</i></b>	\$33,714	Provide for purchase of equipment
<b><i>General Funds</i></b>	\$299,706	Provide for purchase of equipment
<b><i>Total Transferred to Capital Equipment Fund</i></b>	\$333,420	

<b>Transfers to Debt Service Fund from:</b>		
<b>General Fund</b>	\$395,000	Pay on Long-Term Debts
<b>Total Transferred to General Fund</b>	\$395,000	

**E. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivable at September 30, 2008, were as follows:

	<i>Property Taxes</i>	<i>Other Governments</i>	<i>Due from other Funds</i>	<i>Other</i>	<i>Total Receivables</i>
<b>Governmental Activities:</b>					
<i>General Fund</i>	\$241,611	\$0	\$0	\$129,691	\$371,302
<b>Total-Governmental Activities</b>	\$241,611	\$0	\$0	\$129,691	\$371,302
<b>Amounts not Scheduled for Collection During the Subsequent Year</b>					
	\$84,290				\$84,290
<b>Business-type Activities:</b>					
<i>Enterprise Fund</i>	\$0	\$0	\$0	\$526,374	\$526,374

The Primary Government had \$516,602 in accounts payable and accrued liabilities at year-end. This was principally made up of vouchers expensed but not yet disbursed and payroll liability not yet disbursed, both due to the normal lag in processing such transactions.

The Borger Economic Development Corporation Component Unit had \$4,574 accrued salaries at year-end which had not yet been disbursed.

## F. CAPITAL ASSET ACTIVITY

Capital asset activity for the City ended September 30, 2008, was as follows:

	Beginning Balance	<i>Primary Government</i> Additions      Retirements		Ending Balance
<b><i>Governmental Activities:</i></b>				
Land	\$1,056,095	\$3,500	( \$0)	\$1,059,595
Buildings & Improvements	\$3,316,546	\$1,124,940	( \$0)	\$4,441,486
Furniture & Equipment	\$6,899,375	\$1,424,626	( \$0)	\$8,324,001
Infrastructure	\$4,984,286	\$0	( \$0)	\$4,984,286
Totals at Historic Cost	\$16,256,302	\$2,553,066	( \$0)	\$18,809,368
<b><i>Less Accumulated Depreciation for:</i></b>				
Buildings & Improvements	(\$1,298,198)	(\$85,603)	\$0	(\$1,383,801)
Furniture & Equipment	(\$3,971,746)	(\$383,008)	\$0	(\$4,354,754)
Infrastructure	(\$4,024,484)	(\$45,027)	\$0	(\$4,069,511)
Total Accumulated Depreciation	(\$9,294,428)	(\$513,638)	\$0	(\$9,808,066)
<b><i>Governmental Activities Capital Assets, Net</i></b>	<b>\$6,961,874</b>	<b>\$2,039,428</b>	<b>( \$0)</b>	<b>\$9,001,302</b>
<b><i>Business-type Activities:</i></b>				
Land	\$252,254	\$3,500	( \$0)	\$255,754
Buildings & Improvements	\$294,489	\$0	( \$0)	\$294,489
Furniture & Equipment	\$1,243,995	\$138,927	(\$292,131)	\$1,090,791
Improvements/Infrastructure	\$43,297,496	\$0	(19,271)	\$43,278,225
Totals at Historic Cost	\$45,088,234	\$142,427	(\$311,402)	\$44,919,259
<b><i>Less Accumulated Depreciation for:</i></b>				
Buildings & Improvements	(\$269,261)	(\$5,613)	\$0	(\$274,874)
Furniture & Equipment	(\$1,027,725)	(\$26,368)	\$291,131	(\$761,962)
Improvements/Infrastructure	(\$18,351,163)	(\$832,034)	\$19,271	(\$19,163,926)
Total Accumulated Depreciation	(\$19,648,149)	(\$864,015)	\$311,402	(\$20,200,762)
<b><i>Business-type Activities Capital Assets, Net</i></b>	<b>\$25,440,085</b>	<b>(\$721,588)</b>	<b>( \$0)</b>	<b>\$24,718,497</b>

***Depreciation expense was charged to governmental functions as follows:***

<i>Administration</i>	\$14,868
<i>Vehicle Service Center</i>	\$3,010
<i>Police</i>	\$80,255
<i>Fire</i>	\$122,175
<i>Fire Prevention</i>	\$978
<i>Animal Control</i>	\$4,172
<i>Central Dispatching</i>	\$1,119
<i>Code Enforcement</i>	\$3,741
<i>Building Standards</i>	\$486
<i>Street &amp; Alley Maintenance</i>	\$57,029
<i>Refuse Collection</i>	\$42,287
<i>Transfer Station</i>	\$39,416
<i>Public Works Director</i>	\$3,743
<i>Data Processing</i>	\$10,950
<i>Emergency Management</i>	\$10,460
<i>Recycling Center</i>	\$2,028
<i>Recreation</i>	\$5,942
<i>Parks</i>	\$64,925
<i>Swimming Pool</i>	\$3,764
<i>Planning &amp; Zoning</i>	\$5,947
	<u>\$477,295</u>

**G. CERTIFICATES OF OBLIGATION AND LONG-TERM NOTES PAYABLE**

Certificates of Obligation indebtedness of the City is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in general long-term debt for the year ended September 30, 2008 is as follows:

<i>Description:</i>	<i>Interest Rate Payable</i>	<i>Amounts Originally Issued</i>	<i>Interest Current Year</i>	<i>Payable Amounts Outstanding</i>			<i>Outstanding September 30, 2008</i>
				<i>Oct. 1, 2007</i>	<i>Issued</i>	<i>Retired</i>	
<i>Refunding Series 1995</i>	4.0% - 5.2%	\$2,110,000	\$27,810	\$545,000	\$0	\$175,000	\$370,000
<i>Series 2006 C/O's</i>	4.25% - 5.0%	\$5,000,000	\$199,352	\$5,000,000	\$0	\$0	\$5,000,000
<i>Notes Payable</i>	Various	\$1,403,494	\$68,405	\$179,605	\$596,853	\$122,728	\$653,730
<b><i>Total</i></b>			\$295,607	\$5,724,605	\$126,853	\$317,030	\$6,023,730

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's General Long-Term Debt Account Group.

There are a number of limitations and restrictions contained in the general bond indenture. Management has indicated that the City is in compliance with all significant limitations and restrictions at September 30, 2008.

## H. COMMITMENTS UNDER OPERATING LEASES

Commitments under operating (non-capitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of September 30, 2008 are as follows:

<b><i>Year Ending September 2008</i></b>	<b>\$40,768</b>
<b><i>Total Minimum Rentals</i></b>	<b>\$40,768</b>
<b><i>Rental Expenditures in Fiscal Year 2008</i></b>	<b>\$12,149</b>

## I. DEBT SERVICE REQUIREMENTS-LONG-TERM DEBTS

The annual requirements to amortize all debt outstanding as of September 30, 2007, including interest payments is \$7,882,372 for General Long-Term Debt and \$4,593,371 for Enterprise Fund Long-Term Debt, are as follows:

<b><i>Fiscal Year Ended September 30, 2008</i></b>	<b><i>General Long-term Debt</i></b>			<b><i>Enterprise Fund</i></b>			<b>Total</b>
	<b><i>Capital Leases</i></b>	<b><i>Notes Payable</i></b>	<b><i>Bonds</i></b>	<b><i>Bonds</i></b>	<b><i>Certificates of Obligation</i></b>	<b><i>Notes Payable</i></b>	
<b><i>2008</i></b>	\$0	\$121,404	\$416,535	\$498,678	\$112,891	\$17,671	\$1,167,179
<b><i>2009</i></b>	\$0	\$113,262	\$417,535	\$501,377	\$115,341	\$4,418	\$1,151,934
<b><i>2010</i></b>	\$0	\$90,487	\$417,475	\$502,990	\$112,506	\$0	\$1,123,458
<b><i>2011</i></b>	\$0	\$90,487	\$408,975	\$498,690	\$114,536	\$0	\$1,112,688
<b><i>2012</i></b>	\$0	\$90,487	\$405,475	\$498,503	\$116,306	\$0	\$1,110,771
<b><i>2013 – 2017</i></b>	\$0	\$183,498	\$4,169,600	\$502,460	\$366,806	\$0	\$5,222,364
<b><i>2018 – 2021</i></b>	\$0	\$0	\$,972,400	\$0	\$0	\$0	\$972,400
<b><i>Totals</i></b>	\$0	\$689,626	\$7,207,995	\$3,002,698	\$938,386	\$22,089	\$11,860,794

## **J. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS**

All full time employees of the City are entitled to annual vacation and sick leave with pay. The employees are generally allowed vacation leave of up to 25 days depending on length of service and can carryover up to 40 hours into future years. Sick leave may be accumulated at 12 days per year with a 3 month maximum; however, upon termination, the employee is not paid for any unused sick leave. Since vacation leave has up to 40 hours carried over to future years and sick leave is not paid upon termination, no reporting for commitments is required as the liability would be an insignificant amount.

## **K. EMPLOYEES' RETIREMENT PLANS**

### **Plan Description.**

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 827 administered by TMRS, an agent multiple-employer public employee retirement system.

### **Benefits.**

Benefits depend upon the sum of 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 100 percent 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 credit 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.

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 for the City were as follows as of September 30, 2008:

<b><i>TMRS Plan Provisions</i></b>	
<b><i>Deposit Rate</i></b>	7%
<b><i>Matching Ratio (City to Employee)</i></b>	2 to 1
<b><i>A member is vested after</i></b>	10 Years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City, expressed as Age/Years if Service are: 10 years at age 60 or 20 years at any age.

**Contributions.**

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not all the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25 year amortization period. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis of the rate and the calendar year goes into effect. (i.e. December 31, 2007 valuation is effective for rates beginning January 2009.

<b><i>Schedule of Actuarial Liabilities and Funding Progress</i></b>	
<b><i>Actuarial Valuation Date:</i></b>	December 31, 2007
<b><i>Actuarial Value of Assets</i></b>	\$11,763,780
<b><i>Actuarial Accrued Liability</i></b>	\$20,944,198
<b><i>Percentage Funded</i></b>	56.2%
<b><i>Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)</i></b>	\$9,180,418
<b><i>Annual Covered Payroll</i></b>	\$4,734,263
<b><i>UAAL as a Percentage of Covered Payroll</i></b>	193.9%
<b><i>Net Pension Obligation (NPO) at the Beginning of Period</i></b>	\$0
<b><i>Annual Pension Cost:</i></b>	
<b><i>Annual Required Contribution (ARC)</i></b>	\$695,461
<b><i>Percentage of APC contributed</i></b>	100%
<b><i>NPO at the End of the Period</i></b>	\$0

### *Actuarial Assumptions*

<i>Actuarial Cost Method</i>	Projected Unit Credit
<i>Amortization Method</i>	Level Percent of Payroll
<i>Remaining Amortization Period</i>	25 Years-Open Period
<i>Asset Valuation Method</i>	Amortized Cost
<i>Investment Rate of Return</i>	4.25%
<i>Projected Salary Increases</i>	None
<i>Includes Inflation at</i>	3.00%
<i>Cost of Living Adjustments</i>	None

The City of Borger is one of 827 municipalities having the benefit plan administered by TMRS. Each of the 827 municipalities has an annual, individual actuarial valuation performed. All assumptions for the December 31, 2007 valuations are contained in the 2007 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, TX. 78714-9153.

**Other.**

At its December 8, 2007 meeting, the TMRS Board of Trustees adopted actuarial assumptions to be used in the actuarial valuation for the year ended December 31, 2007. A summary of actuarial assumptions and definitions can be found in the December 31, 2007 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. 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 25 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 full 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 \$18,328,199 and the funded ratio would have been 64.2%.

In addition, TMRS is currently working on its legislative package for 2009. There is a possibility that the investment rate of return (IRR) assumption of 7% IRR assumption is contingent in part on the continued diversification of the TMRS portfolio, from an almost exclusive bond portfolio to a portfolio that includes equities as well. If state legislation needed to facilitate the continued diversification is not enacted, TMRS may have to revisit the continued diversification of the portfolio and consider reducing the assumed IRR. A reduction in the IRR would result in increased actuarial accrued liabilities, thus causing further increases in city contribution rates, following the December 31, 2009 actuarial valuation.

#### L. HEALTH CARE COVERAGE

During the year ended September 30, 2008 employees of the City of Borger were covered by a health insurance plan. The City paid premiums of \$332.19 per month per employee to the plan and employees, at their option authorized payroll withholdings to pay contributions or premiums for dependents. The City pays 50% of health insurance for the employee's family and dependent coverage. All premiums were paid to the Texas Municipal League Intergovernmental Employee Benefits Pool. The City purchases commercial insurance for claims in excess of coverage provided by the fund. Settled claims have not exceeded the commercial coverage in fiscal year 2008.

#### M. CHANGES IN LONG-TERM LIABILITIES

Long-Term activity for the year ended September 30, 2008, was as follows:

<i>Governmental Activities:</i>	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<i>Bonds and Notes Payable:</i>					
<i>General Obligation Bonds</i>	\$5,545,000	\$0	(\$175,000)	\$5,370,000	\$180,000
<i>Equipment Note</i>	\$179,605	\$596,853	(\$122,728)	\$653,730	\$121,404
<i>Total Bonds &amp; Notes Payable</i>	\$5,724,605	\$596,853	(\$297,728)	\$6,023,730	\$301,404
<i>Total Government Activities Long-term Liabilities</i>	\$5,724,605	\$596,853	(\$297,728)	\$6,023,730	\$301,404

<i>Business-type Activities:</i>	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<b><i>Bonds and Notes Payable:</i></b>					
<i>G/O Refunding Bonds Ser. 2002</i>	\$3,075,000	\$0	(\$400,000)	\$2,675,000	\$410,000
<i>Cert. of Obligation Series 2002</i>	\$885,000		(\$80,000)	\$805,000	\$85,000
<i>Notes Payable</i>	\$38,230	\$0	(\$16,636)	\$21,594	\$17,203
<b><i>Total Bonds &amp; Notes Payable</i></b>	<b>\$3,998,230</b>	<b>\$0</b>	<b>(\$496,636)</b>	<b>\$3,501,594</b>	<b>\$512,203</b>
<b><i>Total Business-type Activities Long-term Liabilities</i></b>	<b>\$3,998,230</b>	<b>\$0</b>	<b>(\$496,636)</b>	<b>\$3,501,594</b>	<b>\$512,203</b>

## N. LONG-TERM DEBT-ENTERPRISE FUND

The ordinance authorizing the issuance of Tax and Waterworks and Sewer System Surplus Revenue Refunding Bonds Series 1992 and Certificates of Obligations Series 1992 which are to provide for (i) to refund all of the City's outstanding revenue bond debt, (ii) to renovate and expand the water treatment plant, (iii) to construct improvements to the system, and (vi) to pay the costs related to the issuance of the Series 1992 obligation. It empowered the issuance of \$6,875,000 special obligation bonds and \$2,000,000 certificates of obligation to mature no later than seventeen years from their date. The refunding was accomplished to eliminate cumbersome, expensive and unnecessary restriction governing the disbursements and management of the funds of the system and the orderly and economical financing of capital improvements for said system and to accomplish such changes and modifications, regarding were financed with Series 2002 Bonds and Certificates of Obligation.

The ordinance authorizing the issuance of Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation Series 2002 and General Obligation Refunding Bonds Series 2002 which are to provide (i) to refund the City's 1992 revenue bond debt to achieve debt service savings, (ii) to pay costs related to the issuance of the bonds, (iii) to construct improvements and extensions to the water and sewer system and (iv) to pay professional services rendered in relation to the construction and financing of such projects.

## O. NOTES PAYABLE

During the Fiscal Year ended September 30, 2008, the City entered into notes payable to purchase equipment for the general fund and enterprise fund. The transactions were reflected in the proper funds.

## P. COMMITMENT OF CANADIAN RIVER MUNICIPAL WATER AUTHORITY

The City is a member of the CRMWA which began regular delivery of surface water on April 1, 1968, to a number of area cities. The City is obligated to pay its share of the cost of constructing the dam and aqueduct over a 50 year period, which began

September 1, 1969. The total cost to the City will be \$8,453,684, including interest of \$3,791,482. The Canadian River Municipal Authority issued Contract Revenue Refunding Bonds, Series 1999 for financing of the Bureau of Reclamation prepayment Project. The bond proceeds were used to retire the Bureau of Reclamation debt for construction of Sanford Dam, Lake Meredith and the Canadian River Aqueduct System. Under the "Canadian River project Prepayment Act, HR 3687, the outstanding debt was retired with the issuance of the new bonds. The City of Borger had a profit on refunding bonds in the amount of \$2,164,133 to be amortized over the maturity date of the 1999 Bond issue. The City is also obligated to pay its share to certain fixed and variable expenses of operation each year. The balance owed at September 30, 2008 is \$842,472 plus interest. The surface water supply contract is stated at cost. Amortization is provided for using the straight line method on an estimated life of 85 years.

The City is a member of CRMWA which purchased the conjunctive use ground water supply in Roberts County, Texas. The water from the project will be blended with water from Lake Meredith to improve the quality of water available to the City, and to increase the water supply available to the City. The City is obligated to pay its share of the cost of acquiring the water rights and construction of the water system. Total cost incurred as of September 30- 2008 is \$5,223,419. The City owes \$3,228,764 at September 30, 2008, plus interest. The project is stated at cost and will be amortized over an estimated useful life.

The City is a member of CRMWA, participates in the Lake Meredith Salinity Control Project. The project, designed to reduce the amount of sodium-chloride brine seeping into Lake Meredith, will improve the quality of its water supplies to meet the secondary standards for drinking water. The City is obligated to pay its share of the cost of construction. The total cost of the project is \$291,324. The bonds issued for this project are to mature on March 15, 2010. The monthly requirement to amortize the debt outstanding is estimated at \$2,200. Payments will fluctuate and be recalculated in February of each year. The City will be obligated to pay its share of certain fixed and variable expenses of operation each year. The balance owed at September 30, 2008 is \$33,674 plus interest. The project is stated at cost and is amortized over an estimated useful life of 53 years.

The City is a member of CRMWA which participates in the Series 2005, Conjunctive Use Groundwater Supply Project. The City is obligated to pay its share of the project. Total cost of the project is estimated at \$2,659,346 for the City of Borger's share. Revenue Bonds were issued to fund the project at 3.00% to 5.25% interest to be paid semiannually on February 15 and August 15 and the principal is due annually on February 15. The balance owed at September 30, 2008 is \$2,659,346. The project is stated at cost and is amortized over an estimated useful life.

The City is a member of CRMWA which participates in the Series 2006, Conjunctive Use Groundwater Supply Project. The City is obligated to pay its share of the project. Total cost of the project is estimated at \$2,723,844 for the City of Borger's share. Revenue Bonds were issued to fund the project at 5.00% interest to be paid

semiannually on February 15 and August 15 and the principal is due annually on February 15. The balance owed at September 30, 2008 is \$2,635,533. The project is stated at cost and is amortized over an estimated useful life.

## **Q. LITIGATION**

The City is a defendant in several claims and lawsuits. In the opinion of the City Attorney and Management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

## **R. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The City funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed and variable rate annuity contracts underwritten by International City Manager Association (ICMA) Retirement Corporation, The Hartford and Nationwide.

All amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property and rights of the City subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

The deferred compensation plans are reported in the Agency Fund. The plans are presented at fair market value and captioned as "investments" with corresponding liabilities captioned "deferred compensation benefits".

The investments for deferred compensation plans are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes plans that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name. All investments in deferred compensation plans are Category 1 and held in the City's account and recorded at market value.

	<i>Category</i>			<i>Market Value</i>
	<i>1</i>	<i>2</i>	<i>3</i>	
<i>Nationwide</i>	\$206,567	\$0	\$0	\$206,567
<i>The Hartford</i>	\$13,675	\$0	\$0	\$13,675
<i>ICMA Plan</i>	\$21,530	\$0	\$0	\$21,530
	\$241,772	\$0	\$0	\$241,772

**S. GRANT PROGRAMS**

The City participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2008 may be impaired. In the opinion of the City, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**T. CONTRACTS WITH CHAMBER OF COMMERCE**

The City entered into one contract with the Borger Chamber of Commerce to promote tourism in Borger. The tourism contract comes from hotel and motel occupancy tax which amounts to \$89,539 for the fiscal year ended September 30, 2008. The Chamber of Commerce complied with the contract regarding the records being made available to the City’s independent auditor for inspection.

**U. TRANSFER STATION COMPLIANCE STATEMENT**

The City of Borger meets the Local Government Financial Test and Government Guarantee as specified in Texas Administrative Code Chapter 37. The City of Borger is the owner of the MSW #40015, Transfer Station for which financial assurance for closure, post-closure care, and/or corrective action is demonstrated through the financial tests specified in Texas Administrative Code, Paragraph 37.271.

**V. CONTINGENCIES**

Effective January 1, 1978, The City of Borger became a covered employer for Texas and Federal Unemployment, and the City has elected to become a reimbursing employer thereby reimbursing the Texas State Fund for actual benefits paid to their former employees. As of the present time, the liability for reimbursements is an insignificant amount.

**W. DISCRETELY PRESENTED MAJOR COMPONENT UNIT**

Component unit information for the City's major component unit, Borger Economic Development Corporation, is provided in the following condensed financial statements for the fiscal year ended September 30, 2008:

<b>Condensed Statement of Net Assets</b>	
<b>Assets:</b>	
Cash, Investments, and Other Assets	\$1,164,852
Notes Receivable	\$229,075
Capital Assets-Net	\$1,936,817
<b>Total Assets</b>	<b>\$3,330,744</b>
<b>Liabilities:</b>	
Accounts Payable and Other Current Liabilities	\$4,574
Long-term Debt	\$0
<b>Total Liabilities</b>	<b>\$4,574</b>
<b>Net Assets:</b>	
Invested in Capital, Net of Related Debt	\$1,936,817
Restricted	\$0
Unrestricted	\$1,389,353
<b>Total Net Assets</b>	<b>\$3,326,170</b>

<b>Condensed Statement of Activities</b>				
	Expenses	Charges for Services	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets
<b>Economic Development</b>	\$815,192	\$14,300	\$0	(\$800,892)
<b>General Revenues:</b>				
Sales Tax				\$938,460
Loss of Assets				(\$41,022)
Other				\$33,770
<b>Change in Net Assets</b>				<b>\$130,316</b>
<b>Net Assets, October 1, 2007</b>				<b>\$3,166,354</b>
<b>Prior Year Adjustment</b>				<b>\$29,500</b>
<b>Net Assets, September 30, 2008</b>				<b>\$3,326,170</b>

Memo: Prior year adjustment is due to a note receivable being charged to expenses as a grant in error. Therefore, the assets were understated by \$29,500 and the expenditures were overstated by \$29,500.

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CITY OF BORGER  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2008

	COURT TECH. FUND	TEXAS PLAINS TRAILS	CITY TOURISM FUND	SUPPLEMENTAL ENVIRONMENTAL PROJECT	HOTEL/MOTEL OCCUPANCY TAX	TOTAL			NON-MAJOR SPECIAL REVENUE FUNDS	DEBT SERVICE	NON-MAJOR GOVERNMENTAL FUNDS
<b>Assets:</b>											
Cash and Cash Equivalents	\$ 1,295	\$ 10,989	\$ 27,804	\$ -	\$ -	\$ -	\$ 40,088	\$ 9,039	\$ 49,127		
Investments - Current	\$ 6,000	\$ 40,000	\$ 61,515	\$ -	\$ -	\$ -	\$ 107,515	\$ 25,695	\$ 133,210		
Interest Receivable - Investments	\$ 12	\$ 80	\$ 122	\$ -	\$ -	\$ -	\$ 214	\$ 51	\$ 265		
<b>Total Assets</b>	<b>\$ 7,307</b>	<b>\$ 51,069</b>	<b>\$ 89,441</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 147,817</b>	<b>\$ 34,785</b>	<b>\$ 182,602</b>		
<b>Liabilities and Fund Balances:</b>											
Accounts Payable	\$ 5,573	\$ 4,433	\$ -	\$ -	\$ -	\$ -	\$ 10,006	\$ -	\$ 10,006		
Wages and Salaries Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Total Liabilities</b>	<b>\$ 5,573</b>	<b>\$ 4,433</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,006</b>	<b>\$ -</b>	<b>\$ 10,006</b>		
<b>Fund Balances:</b>											
<b>Unreserved and Undesignated:</b>											
Reported in the Special Revenue Fund	\$ 1,734	\$ 46,636	\$ 89,441	\$ -	\$ -	\$ -	\$ 137,811	\$ -	\$ 137,811		
Reported in the Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,785	\$ 34,785		
<b>Total Fund Balances</b>	<b>\$ 1,734</b>	<b>\$ 46,636</b>	<b>\$ 89,441</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,811</b>	<b>\$ 34,785</b>	<b>\$ 172,596</b>		
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,307</b>	<b>\$ 51,069</b>	<b>\$ 89,441</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 147,817</b>	<b>\$ 34,785</b>	<b>\$ 182,602</b>		

CITY OF BORGER  
 COMBINING REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2008

	COURT TECH. FUND	TEXAS PLAINS TRAILS	CITY TOURISM FUND	SUPPLEMENTAL ENVIRONMENTAL PROJECT	HOTEL/MOTEL OCCUPANCY TAX	TOTAL		DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
						NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR GOVERNMENTAL FUNDS		
Revenues:									
Taxes:									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,267	\$ 205,267
General Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Receipts Business Tax	\$ -	\$ -	\$ -	\$ -	\$ 203,029	\$ -	\$ 203,029	\$ -	\$ 203,029
Penalty and Interest on Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	\$ -	\$ 56,250	\$ -	\$ -	\$ -	\$ -	\$ 56,250	\$ -	\$ 56,250
Fines	\$ 6,032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,032	\$ -	\$ 6,032
Investment Earnings	\$ 172	\$ 1,074	\$ 2,720	\$ 559	\$ -	\$ -	\$ 4,525	\$ 4,673	\$ 9,198
City's Share of Expense	\$ -	\$ 3,062	\$ -	\$ -	\$ -	\$ -	\$ 3,062	\$ -	\$ 3,062
Contributions & Donations-Private Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 6,204	\$ 60,386	\$ 2,720	\$ 559	\$ 203,029	\$ -	\$ 272,898	\$ 209,940	\$ 482,838
Expenditures:									
Current:									
General Government:									
General Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety:									
Municipal Court	\$ 7,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,147	\$ -	\$ 7,147
Environmental Management	\$ -	\$ -	\$ -	\$ 52,813	\$ -	\$ -	\$ 52,813	\$ -	\$ 52,813
Recreation	\$ -	\$ 59,538	\$ 113,203	\$ -	\$ 113,490	\$ -	\$ 286,231	\$ -	\$ 286,231
Debt Service:									
Capital Lease Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,166	\$ 61,166
Bond Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ 175,000
Bond Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,810	\$ 27,810
Fiscal Agent's Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318	\$ 318
Total Expenditures	\$ 7,147	\$ 59,538	\$ 113,203	\$ 52,813	\$ 113,490	\$ -	\$ 346,191	\$ 264,294	\$ 610,485
Revenues Over (Under) Expenditures	\$ (943)	\$ 848	\$ (110,483)	\$ (52,254)	\$ 89,539	\$ -	\$ (73,293)	\$ (54,354)	\$ (127,647)
Other Financing Sources (Uses):									
Transfers In (Use)	\$ -	\$ -	\$ 89,539	\$ 3,500	\$ (89,539)	\$ -	\$ 3,500	\$ -	\$ 3,500
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 89,539	\$ 3,500	\$ (89,539)	\$ -	\$ 3,500	\$ -	\$ 3,500
Net Change in Fund Balance	\$ (943)	\$ 848	\$ (20,944)	\$ (48,754)	\$ -	\$ -	\$ (69,793)	\$ (54,354)	\$ (124,147)
Fund Balance - October 1 (Beginning)	\$ 2,677	\$ 45,788	\$ 110,385	\$ 48,754	\$ -	\$ -	\$ 207,604	\$ 89,139	\$ 296,743
Fund Balance - September 30 (Ending)	\$ 1,734	\$ 46,636	\$ 89,441	\$ -	\$ -	\$ -	\$ 137,811	\$ 34,785	\$ 172,596

CITY OF BORGER  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - DEBT SERVICE FUND  
 September 30, 2008

	Budget Amounts		Actual Amounts (GAAP BASIS)	Variance With
	Original	Final		Final Budget Positive or (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 196,701	\$ 196,701	\$ 205,267	\$ 8,566
Investment Earnings	\$ 6,000	\$ 6,000	\$ 4,673	\$ (1,327)
<b>Total Revenues</b>	<b>\$ 202,701</b>	<b>\$ 202,701</b>	<b>\$ 209,940</b>	<b>\$ 7,239</b>
<b>Expenditures:</b>				
Capital Leases Payments	\$ 61,166	\$ 61,166	\$ 61,166	\$ -
Bond Principal	\$ 175,000	\$ 175,000	\$ 175,000	\$ -
Bond Interest	\$ 27,810	\$ 27,810	\$ 27,810	\$ -
Bond Fees	\$ 600	\$ 600	\$ 318	\$ 282
<b>Total Expenditures</b>	<b>\$ 264,576</b>	<b>\$ 264,576</b>	<b>\$ 264,294</b>	<b>\$ 282</b>
<b>Net Change in Fund Balances</b>	<b>\$ (61,875)</b>	<b>\$ (61,875)</b>	<b>\$ (54,354)</b>	<b>\$ 7,521</b>
Fund Balance - October 1 (Beginning)	\$ 89,139	\$ 89,139	\$ 89,139	\$ -
<b>Fund Balance - September 30 (Ending)</b>	<b>\$ 27,264</b>	<b>\$ 27,264</b>	<b>\$ 34,785</b>	<b>\$ 7,521</b>

**CITY OF BORGER**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - SPECIAL REVENUE FUND**  
**September 30, 2008**

	Budget Amounts		Actual Amounts (GAAP BASIS)	Variance With
	Original	Final		Final Budget Positive or (Negative)
<b>Revenues:</b>				
Gross Receipts Business Tax	\$ 110,000	\$ 110,000	\$ 113,490	\$ 3,490
Intergovernmental Revenue and Grants	\$ 53,986	\$ 53,986	\$ 59,312	\$ 5,326
Fines	\$ 5,250	\$ 5,250	\$ 6,032	\$ 782
Investment Earnings	\$ 7,000	\$ 7,000	\$ 4,525	\$ (2,475)
<b>Total Revenues</b>	<b>\$ 176,236</b>	<b>\$ 176,236</b>	<b>\$ 183,359</b>	<b>\$ 7,123</b>
<b>Expenditures:</b>				
Public Safety:				
Municipal Court	\$ 13,000	\$ 13,000	\$ 7,147	\$ 5,853
Environmental Management	\$ 20,000	\$ 20,000	\$ 52,813	\$ (32,813)
Recreation	\$ 143,236	\$ 143,236	\$ 196,692	\$ (53,456)
<b>Total Expenditures</b>	<b>\$ 176,236</b>	<b>\$ 176,236</b>	<b>\$ 256,652</b>	<b>\$ (80,416)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (73,293)	\$ (73,293)
<b>Other Financial Sources (Uses):</b>				
Transfers In	\$ -	\$ -	\$ 3,500	\$ 3,500
Net Change in Fund Balance	\$ -	\$ -	\$ (69,793)	\$ 91,039
Fund Balance - October 1 (Beginning Balance)	\$ 207,604	\$ 207,604	\$ 207,604	\$ -
Fund Balance - September 30 (Ending)	\$ 207,604	\$ 207,604	\$ 137,811	\$ 91,039

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CITY OF BORGER, TEXAS  
 COMBINED GENERAL FUND  
 COMPARATIVE BALANCE SHEET  
 September 30, 2008

	2008	2007
<b>Assets:</b>		
Cash On Hand	\$ 455	\$ 455
Cash In Bank	\$ 82,347	\$ 641,869
Investments	\$ 1,624,960	\$ 1,140,275
Ad Valorem Taxes Receivable	\$ 241,611	\$ 220,147
Less Estimated Uncollectible-Ad Valorem Taxes	\$ (84,290)	\$ (103,467)
Accounts Receivable	\$ 152,545	\$ 171,925
Less Estimated Uncollectible-Refuse & Vector Control	\$ (22,854)	\$ (51,240)
Sundry Receivables	\$ -	\$ -
Interest Receivable	\$ 2,827	\$ 5,460
Due From Other Funds	\$ 214,254	\$ 1,471
<b>Total Assets</b>	<b>\$ 2,211,855</b>	<b>\$ 2,026,895</b>
 <b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 127,617	\$ 122,968
Accrued Salaries Payable	\$ 33,047	\$ 11,011
Sales Tax Payable	\$ 26,371	\$ 22,708
Due to Other Funds	\$ -	\$ 62
Escrow Deposits	\$ 14,225	\$ 8,500
Deferred Revenue	\$ 105,065	\$ 88,153
<b>Total Liabilities</b>	<b>\$ 306,325</b>	<b>\$ 253,402</b>
 <b>Fund Balance</b>		
Unreserved	\$ 1,204,536	\$ 1,182,342
Reserved	\$ 700,994	\$ 591,151
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,211,855</b>	<b>\$ 2,026,895</b>

CITY OF BORGER, TEXAS  
COMBINED GENERAL FUND  
BALANCE SHEET  
September 30, 2008

	COMBINED GENERAL FUND	GENERAL FUND	POLICE/ 100 CLUB	PARK IMPMT. FUND	YOUTH FACILITIES FUND	SPECIAL CRIME FUND	POLICE GRANTS FUND	FIRE EQUIP. FUND	TUB GRINDER OPER.	MUNICIPAL COURT SECURITY	COFIELD COMM. CENTER	EOC FUND
<b>Assets:</b>												
<b>Cash &amp; Investments:</b>												
Cash on Hand	\$ 455	\$ 455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash in Bank	\$ 82,347	\$ 180,330	\$ 445	\$ 9,440	\$ (127,139)	\$ 249	\$ 17,480	\$ 104	\$ 4	\$ 1,423	\$ 11	\$ -
Investments	\$ 1,624,960	\$ 1,225,000	\$ 11,600	\$ 74,500	\$ 131,175	\$ 4,500	\$ 73,500	\$ 2,800	\$ 77,000	\$ 24,150	\$ 735	\$ -
<b>Total Cash &amp; Investments</b>	<b>\$ 1,707,762</b>	<b>\$ 1,405,785</b>	<b>\$ 12,045</b>	<b>\$ 83,940</b>	<b>\$ 4,036</b>	<b>\$ 4,749</b>	<b>\$ 90,980</b>	<b>\$ 2,904</b>	<b>\$ 77,004</b>	<b>\$ 25,573</b>	<b>\$ 746</b>	<b>\$ -</b>
<b>Receivables:</b>												
Sundry Receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Receivable	\$ 2,827	\$ 2,034	\$ 23	\$ 148	\$ 259	\$ 9	\$ 146	\$ 6	\$ 153	\$ 48	\$ 1	\$ -
Ad Valorem Taxes	\$ 241,611	\$ 241,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Allowance For Uncol.	\$ (84,290)	\$ (84,290)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	\$ 152,545	\$ 147,812	\$ -	\$ 4,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Allowance for Uncol.	\$ (22,854)	\$ (19,870)	\$ -	\$ (2,984)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Receivables</b>	<b>\$ 289,839</b>	<b>\$ 287,297</b>	<b>\$ 23</b>	<b>\$ 1,897</b>	<b>\$ 259</b>	<b>\$ 9</b>	<b>\$ 146</b>	<b>\$ 6</b>	<b>\$ 153</b>	<b>\$ 48</b>	<b>\$ 1</b>	<b>\$ -</b>
<b>Other Assets:</b>												
Due from Stores Fund	\$ 212,759	\$ 200,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,202
Due from Payroll Fund	\$ 1,495	\$ 1,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Assets</b>	<b>\$ 214,254</b>	<b>\$ 202,052</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,202</b>
<b>Total Assets</b>	<b>\$ 2,211,855</b>	<b>\$ 1,895,134</b>	<b>\$ 12,068</b>	<b>\$ 85,837</b>	<b>\$ 4,295</b>	<b>\$ 4,758</b>	<b>\$ 91,126</b>	<b>\$ 2,910</b>	<b>\$ 77,157</b>	<b>\$ 25,621</b>	<b>\$ 747</b>	<b>\$ 12,202</b>
<b>Liabilities and Fund Balance</b>												
<b>Liabilities:</b>												
Accounts Payable	\$ 127,617	\$ 127,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Salaries Payable	\$ 33,047	\$ 33,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax Payable	\$ 26,371	\$ 26,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Payroll Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue-Paving	\$ 14,225	\$ 14,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue-Taxes	\$ 105,065	\$ 105,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ 306,325</b>	<b>\$ 306,325</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Fund Balance-Unreserved	\$ 1,204,536	\$ 1,088,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,157	\$ 25,621	\$ 747	\$ 12,202
Reserved	\$ 700,994	\$ 500,000	\$ 12,068	\$ 85,837	\$ 4,295	\$ 4,758	\$ 91,126	\$ 2,910	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities and Fund Bal.</b>	<b>\$ 2,211,855</b>	<b>\$ 1,895,134</b>	<b>\$ 12,068</b>	<b>\$ 85,837</b>	<b>\$ 4,295</b>	<b>\$ 4,758</b>	<b>\$ 91,126</b>	<b>\$ 2,910</b>	<b>\$ 77,157</b>	<b>\$ 25,621</b>	<b>\$ 747</b>	<b>\$ 12,202</b>

CITY OF BORGER, TEXAS  
 STATEMENT IN CHANGE OF FUND BALANCE  
 COMBINED GENERAL FUND  
 September 30, 2008

	COMBINED GENERAL FUND	GENERAL FUND	100 CLUB	PARK IMPMT. FUND	YOUTH FACILITIES FUND	SPECIAL CRIME FUND	POLICE GRANTS FUND	FIRE EQUIP. FUND	TUB GRINDER OPER. FUND	MUNICIPAL COURT SECURITY FUND	COFIELD COMM. CENTER FUND	EOC FUND
Fund Balance October 1, 2007	\$ 1,773,493	\$ 1,088,535	\$ 9,956	\$ 99,264	\$ 387,445	\$ 2,680	\$ 84,184	\$ 7,622	\$ 61,569	\$ 32,002	\$ 236	\$ -
Revenue Over (Under) Expenditures	\$ 441,343	\$ 809,580	\$ 2,112	\$ (13,427)	\$ (383,150)	\$ 2,078	\$ 6,942	\$ (4,712)	\$ 15,588	\$ (6,381)	\$ 511	\$ 12,202
Operating Transfers	\$ (309,306)	\$ (309,306)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance September 30, 2008	\$ 1,905,530	\$ 1,588,809	\$ 12,068	\$ 85,837	\$ 4,295	\$ 4,758	\$ 91,126	\$ 2,910	\$ 77,157	\$ 25,621	\$ 747	\$ 12,202

CITY OF BORGER, TEXAS  
 COMBINED GENERAL FUND  
 STATEMENT OF REVENUE, EXPENDITURES, AND TRANSFERS  
 September 30, 2008

	COMBINED GENERAL FUND	GENERAL FUND	100 CLUB FUND	PARK IMPRO. FUND	YOUTH FACILITIES FUND	SPECIAL CRIME FUND	POLICE GRANTS FUND	FIRE EQUIP. FUND	TUB GRINDER OPER.	MUN. COURT SECURITY	COFIELD COMM. CENTER	EOC FUND
Revenue:												
Ad Valorem, Sales & Use Taxes	\$ 4,217,750	\$ 4,217,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Receipts Tax	\$ 1,067,478	\$ 1,067,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	\$ 46,915	\$ 46,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and Forfeits	\$ 288,136	\$ 283,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,524	\$ -	\$ -
Refuse Collections	\$ 1,515,248	\$ 1,515,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Solidwaste Tipping Fees	\$ 149,067	\$ 120,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,214	\$ -	\$ -	\$ -
Vector Control	\$ 130,582	\$ 130,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Swimming Pool And Concessions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 77,732	\$ 57,647	\$ 341	\$ 2,802	\$ 11,150	\$ 95	\$ 2,298	\$ 143	\$ 2,246	\$ 999	\$ 11	\$ -
W/S Fund-Services Rendered	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Service Charges & Misc.	\$ 118,817	\$ 110,561	\$ -	\$ -	\$ -	\$ 8,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grant	\$ 52,615	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 34,615	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	\$ 6,575	\$ 6,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	\$ 58,674	\$ -	\$ 1,771	\$ 34,563	\$ 700	\$ -	\$ -	\$ 1,290	\$ -	\$ -	\$ 500	\$ 19,850
Sources of Financing	\$ 126,853	\$ 126,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of City Assets	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance Claims	\$ 106,033	\$ 106,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Received on Contracts	\$ 1,201,257	\$ 1,201,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue and Transfers</b>	<b>\$ 9,365,232</b>	<b>\$ 9,210,864</b>	<b>\$ 2,112</b>	<b>\$ 37,365</b>	<b>\$ 11,850</b>	<b>\$ 8,351</b>	<b>\$ 36,913</b>	<b>\$ 1,433</b>	<b>\$ 30,460</b>	<b>\$ 5,523</b>	<b>\$ 511</b>	<b>\$ 19,850</b>

	COMBINED GENERAL FUND	GENERAL FUND	POLICE/ 100 CLUB	PARK IMPRO. FUND	YOUTH FACILITIES FUND	SPECIAL CRIME FUND	POLICE GRANTS FUND	FIRE EQUIP. FUND	TUB GRINDER OPER.	MUN. COURT SECURITY	COFIELD COMM. CENTER	EOC FUND
Expenditures:												
Data Processing	\$ 22,725	\$ 22,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$ 241,793	\$ 241,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Animal Control	\$ 163,856	\$ 163,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire	\$ 1,450,380	\$ 1,444,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,145	\$ -	\$ -	\$ -	\$ -
Fire Prevention	\$ 71,371	\$ 71,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Code Enforcement	\$ 188,860	\$ 188,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 18,264	\$ 18,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Park	\$ 515,319	\$ 464,527	\$ -	\$ 50,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning and Zoning	\$ 384,301	\$ 384,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police	\$ 2,064,040	\$ 2,027,796	\$ -	\$ -	\$ -	\$ 6,273	\$ 29,971	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works Director	\$ 215,662	\$ 215,662	\$ -	\$ -	\$ 395,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation	\$ 441,202	\$ 46,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refuse Collection	\$ 607,607	\$ 592,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,872	\$ -	\$ -	\$ -
Street and Alley Maintenance	\$ 684,569	\$ 684,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Swimming Pool	\$ 6,077	\$ 6,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recycling Center	\$ 38,973	\$ 38,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Traffic Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Court	\$ 228,463	\$ 216,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,904	\$ -	\$ -
Vehicle Service Center	\$ 193,063	\$ 193,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer Station	\$ 824,890	\$ 824,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Section and Other	\$ 78,167	\$ 78,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Standards & Facelift	\$ 98,225	\$ 98,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Management	\$ 88,430	\$ 80,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,648
Central Dispatching	\$ 294,152	\$ 294,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	\$ 3,500	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures & Transfers	\$ 8,923,889	\$ 8,401,284	\$ -	\$ 50,792	\$ 395,000	\$ 6,273	\$ 29,971	\$ 6,145	\$ 14,872	\$ 11,904	\$ -	\$ 7,648
Excess Revenues Over (Under)	\$ 441,343	\$ 809,580	\$ 2,112	\$ (13,427)	\$ (383,150)	\$ 2,078	\$ 6,942	\$ (4,712)	\$ 15,588	\$ (6,381)	\$ 511	\$ 12,202
Expenditures												

City of Borger, Texas  
General Fund  
Comparison of Revenue With Budget  
September 30, 2008

Revenue	Budget	Revenue	Variance (Unfavorable)	Prior Year
<b>Taxes:</b>				
Ad Valorem Taxes	\$ 1,348,500	\$ 1,396,909	\$ 48,409	\$ 1,386,777
Pentalty and Interest	\$ 32,000	\$ 33,241	\$ 1,241	\$ 42,222
Property Sold for Delinquent Taxes	\$ -	\$ 6,908	\$ 6,908	\$ -
Sales and Use Tax	\$ 2,400,000	\$ 2,780,692	\$ 380,692	\$ 2,649,905
<b>Total Taxes</b>	<b>\$ 3,780,500</b>	<b>\$ 4,217,750</b>	<b>\$ 437,250</b>	<b>\$ 4,078,904</b>
<b>Gross Receipts Tax:</b>				
Telecommunications	\$ 107,000	\$ 94,809	\$ (12,191)	\$ 101,580
Xcel Energy	\$ 300,000	\$ 637,692	\$ 337,692	\$ 347,320
Texas Gas Service	\$ 193,000	\$ 213,817	\$ 20,817	\$ 218,725
Borger Cable Vision	\$ 90,500	\$ 121,160	\$ 30,660	\$ 106,975
<b>Total Gross Receipts Tax</b>	<b>\$ 690,500</b>	<b>\$ 1,067,478</b>	<b>\$ 376,978</b>	<b>\$ 774,600</b>
<b>Licenses and Permits:</b>				
Zoning and Plat Fees	\$ 750	\$ 866	\$ 116	\$ 1,092
Mechanical Permits	\$ 700	\$ 1,112	\$ 412	\$ 1,033
Pound Fees	\$ 7,500	\$ 16,480	\$ 8,980	\$ 14,564
Alcoholic Beverages	\$ 6,000	\$ 9,491	\$ 3,491	\$ 8,887
Building Permits	\$ 14,000	\$ 12,469	\$ (1,531)	\$ 26,095
Electrical Permits	\$ 4,000	\$ 6,422	\$ 2,422	\$ 3,975
Lease Agreements	\$ 3,800	\$ 3,823	\$ 23	\$ -
Moving Permits	\$ 75	\$ 75	\$ -	\$ 75
<b>Total Licenses and Permits</b>	<b>\$ 36,825</b>	<b>\$ 50,738</b>	<b>\$ 13,913</b>	<b>\$ 55,721</b>
<b>Fines and Forfeits-Municipal Court</b>	<b>\$ 375,650</b>	<b>\$ 288,136</b>	<b>\$ (87,514)</b>	<b>\$ 316,084</b>
<b>Service Charge:</b>				
Vital Statistics	\$ 18,799	\$ 27,335	\$ 8,536	\$ 25,441
Birth Certificate Surcharges	\$ 1,250	\$ 1,517	\$ 267	\$ 1,417
Swimming Pool Admissions	\$ 10,500	\$ -	\$ (10,500)	\$ 8,188
Refuse Collections	\$ 1,526,500	\$ 1,515,248	\$ (11,252)	\$ 1,389,800
Vector Control	\$ 130,000	\$ 130,582	\$ 582	\$ 131,727
Solidwaste Tipping Fees	\$ 138,500	\$ 149,067	\$ 10,567	\$ 147,861
Paving Assessments	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	\$ 35,000	\$ 84,546	\$ 49,546	\$ 56,605
Interest from Investment	\$ 74,490	\$ 77,732	\$ 3,242	\$ 110,354
W/S Fund-Services Rendered	\$ 400,000	\$ 200,000	\$ (200,000)	\$ -
Housing Authority in Lieu of Taxes	\$ 5,000	\$ 6,575	\$ 1,575	\$ 5,724
<b>Total Service Charges</b>	<b>\$ 2,340,039</b>	<b>\$ 2,192,602</b>	<b>\$ (147,437)</b>	<b>\$ 1,877,117</b>
<b>Other Sources:</b>				
BISD Dare Reimbursement	\$ 18,000	\$ 18,000	\$ -	\$ 13,178
Sale of Assets	\$ -	\$ 1,500	\$ 1,500	\$ 54,927
Hutchinson County Fire Contract	\$ 30,000	\$ 30,000	\$ -	\$ 37,500
Donations	\$ 37,500	\$ 58,674	\$ 21,174	\$ 35,713
Fire Alarm Fees	\$ 250	\$ 420	\$ 170	\$ 385
Insurance Claims	\$ -	\$ 106,033	\$ 106,033	\$ -
Loan Proceeds	\$ -	\$ 126,853	\$ 126,853	\$ -
Radio Dispatching Contract	\$ 90,000	\$ 95,000	\$ 5,000	\$ 82,000
State Grant	\$ 28,000	\$ 34,615	\$ 6,615	\$ 61,435
Transfers In	\$ -	\$ -	\$ -	\$ -
Received on Contract	\$ 1,065,750	\$ 1,072,433	\$ 6,683	\$ 985,781
Transfers In	\$ -	\$ -	\$ -	\$ 595,441
<b>Total Other Sources</b>	<b>\$ 1,269,500</b>	<b>\$ 1,543,528</b>	<b>\$ 274,028</b>	<b>\$ 1,270,919</b>
<b>Total Revenue</b>	<b>\$ 8,493,014</b>	<b>\$ 9,360,232</b>	<b>\$ 867,218</b>	<b>\$ 8,373,345</b>

City of Borger, Texas  
General Fund  
Comparison of Expenditures With Budget  
September 30, 2008

Expenditures	Budget	Expenditures	Variance Favorable (Unfavorable)	Prior Year
<b>Data Processing:</b>				
Personal Services	\$ 9,515	\$ 11,144	\$ (1,629)	\$ 8,201
Contractual & Misc. Services	\$ 7,800	\$ 1,537	\$ 6,263	\$ 6,968
General Services	\$ 685	\$ 583	\$ 102	\$ 453
Machinery & Equipment Maintenance	\$ 9,050	\$ 5,013	\$ 4,037	\$ 8,331
Capital Lease Payments	\$ 4,810	\$ 4,448	\$ 362	\$ 3,764
<b>Total Data Processing</b>	<b>\$ 31,860</b>	<b>\$ 22,725</b>	<b>\$ 9,135</b>	<b>\$ 27,717</b>
<b>Administration:</b>				
Personal Services	\$ 80,775	\$ 83,161	\$ (2,386)	\$ 71,221
Contractual & Misc. Services	\$ 101,100	\$ 108,694	\$ (7,594)	\$ 86,285
General Services	\$ 30,600	\$ 35,881	\$ (5,281)	\$ 32,398
Machinery & Equipment Maintenance	\$ 18,400	\$ 12,690	\$ 5,710	\$ 6,369
Capital Outlay	\$ 2,466	\$ 1,367	\$ 1,099	\$ 1,157
<b>Total Administration &amp; Purchasing</b>	<b>\$ 233,341</b>	<b>\$ 241,793</b>	<b>\$ (8,452)</b>	<b>\$ 197,430</b>
<b>Animal Control:</b>				
Personal Services	\$ 126,734	\$ 123,859	\$ 2,875	\$ 104,910
Contractual & Misc. Services	\$ 15,465	\$ 19,644	\$ (4,179)	\$ 16,140
General Services	\$ 15,750	\$ 14,793	\$ 957	\$ 16,394
Machinery & Equipment Maintenance	\$ 4,950	\$ 5,560	\$ (610)	\$ 7,008
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Animal Control</b>	<b>\$ 162,899</b>	<b>\$ 163,856</b>	<b>\$ (957)</b>	<b>\$ 144,452</b>
<b>Building Standards &amp; Facelift:</b>				
Personal Services	\$ 45,742	\$ 42,981	\$ 2,761	\$ 39,702
Contractual & Misc. Services	\$ 26,175	\$ 34,244	\$ (8,069)	\$ 19,738
General Services	\$ 10,300	\$ 15,544	\$ (5,244)	\$ 9,255
Machinery & Equip. Maintenance	\$ 7,000	\$ 5,456	\$ 1,544	\$ 1,776
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Bldg. Standards &amp; Facelift</b>	<b>\$ 89,217</b>	<b>\$ 98,225</b>	<b>\$ (9,008)</b>	<b>\$ 70,471</b>
<b>Fire:</b>				
Personal Services	\$ 1,130,692	\$ 1,197,007	\$ (66,315)	\$ 1,158,044
Contractual & Misc. Services	\$ 55,540	\$ 61,943	\$ (6,403)	\$ 33,072
General Services	\$ 39,475	\$ 56,216	\$ (16,741)	\$ 49,689
Machinery & Equipment Maint.	\$ 59,657	\$ 101,218	\$ (41,561)	\$ 43,351
Capital Outlay	\$ 57,207	\$ 33,996	\$ 23,211	\$ 93,384
<b>Total Fire</b>	<b>\$ 1,342,571</b>	<b>\$ 1,450,380</b>	<b>\$ (107,809)</b>	<b>\$ 1,377,540</b>

-Continued-

City of Borger, Texas  
General Fund  
Comparison of Expenditures With Budget  
September 30, 2008

Expenditures	Budget	Expenditures	Variance Favorable (Unfavorable)	Prior Year
<b>Fire Prevention:</b>				
Personal Services	\$ 63,005	\$ 62,930	\$ 75	\$ 59,035
Contractual & Misc. Services	\$ 2,800	\$ 3,823	\$ (1,023)	\$ 1,224
General Services	\$ 2,500	\$ 2,543	\$ (43)	\$ 1,330
Machinery & Equipment Maintenance	\$ 1,400	\$ 2,075	\$ (675)	\$ 1,500
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Fire Prevention</b>	<b>\$ 69,705</b>	<b>\$ 71,371</b>	<b>\$ (1,666)</b>	<b>\$ 63,089</b>
<b>Code Enforcement:</b>				
Personal Services	\$ 46,752	\$ 90,859	\$ (44,107)	\$ 43,529
Contractual & Misc. Services	\$ 94,650	\$ 74,253	\$ 20,397	\$ 85,495
General Services	\$ 10,150	\$ 13,280	\$ (3,130)	\$ 9,360
Machinery & Equipment Maintenance	\$ 4,900	\$ 10,468	\$ (5,568)	\$ 9,671
Capital Outlay	\$ 12,552	\$ -	\$ 12,552	\$ 4,498
<b>Total Health</b>	<b>\$ 169,004</b>	<b>\$ 188,860</b>	<b>\$ (19,856)</b>	<b>\$ 152,553</b>
<b>Legal:</b>				
Contractual & Misc. Services	\$ 25,500	\$ 18,264	\$ 7,236	\$ 20,272
General Services	\$ -	\$ -	\$ -	\$ -
<b>Total Legal</b>	<b>\$ 25,500</b>	<b>\$ 18,264</b>	<b>\$ 7,236</b>	<b>\$ 20,272</b>
<b>Park:</b>				
Personal Services	\$ 317,463	\$ 292,005	\$ 25,458	\$ 288,392
Contractual & Misc. Services	\$ 46,800	\$ 48,832	\$ (2,032)	\$ 39,217
General Services	\$ 48,925	\$ 68,061	\$ (19,136)	\$ 53,776
Machinery & Equipment Maintenance	\$ 40,800	\$ 47,870	\$ (7,070)	\$ 57,569
Capital Outlay/Capital Lease	\$ 18,324	\$ 58,551	\$ (40,227)	\$ 56,018
<b>Total Park</b>	<b>\$ 472,312</b>	<b>\$ 515,319</b>	<b>\$ (43,007)</b>	<b>\$ 494,972</b>
<b>Planning &amp; Zoning:</b>				
Personal Services	\$ 119,905	\$ 120,597	\$ (692)	\$ 111,530
Contractual & Misc. Services	\$ 223,000	\$ 256,731	\$ (33,731)	\$ 181,110
General Services	\$ 4,490	\$ 5,217	\$ (727)	\$ 5,250
Machinery & Equip. Maintenance	\$ 2,650	\$ 1,756	\$ 894	\$ 2,030
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Planning &amp; Zoning</b>	<b>\$ 350,045</b>	<b>\$ 384,301</b>	<b>\$ (34,256)</b>	<b>\$ 299,920</b>

-Continued-

City of Borger, Texas  
General Fund  
Comparison of Expenditures With Budget  
September 30, 2008

Expenditures	Budget	Expenditures	Variance Favorable (Unfavorable)	Prior Year
<b>Police:</b>				
Personal Services	\$ 1,617,727	\$ 1,598,000	\$ 19,727	\$ 1,420,758
Contractual & Misc. Services	\$ 88,400	\$ 84,966	\$ 3,434	\$ 86,622
General Services	\$ 95,450	\$ 118,255	\$ (22,805)	\$ 100,096
Machinery & Equipment Maint.	\$ 68,600	\$ 75,453	\$ (6,853)	\$ 69,460
Capital Lease Payments/Capital Outlay	\$ 109,944	\$ 187,366	\$ (77,422)	\$ 103,921
<b>Total Police</b>	<b>\$ 1,980,121</b>	<b>\$ 2,064,040</b>	<b>\$ (83,919)</b>	<b>\$ 1,780,857</b>
<b>Public Works Director:</b>				
Personal Services	\$ 182,554	\$ 192,537	\$ (9,983)	\$ 157,639
Contractual & Misc. Services	\$ 6,100	\$ 7,699	\$ (1,599)	\$ 4,556
General Services	\$ 6,800	\$ 11,655	\$ (4,855)	\$ 7,879
Machinery & Equipment Maintenance	\$ 2,250	\$ 3,771	\$ (1,521)	\$ 1,583
Capital Outlay	\$ -	\$ -	\$ -	\$ 3,655
<b>Total Public Works Director</b>	<b>\$ 197,704</b>	<b>\$ 215,662</b>	<b>\$ (17,958)</b>	<b>\$ 175,312</b>
<b>Recreation:</b>				
Personal Services	\$ 23,117	\$ 27,464	\$ (4,347)	\$ 31,944
Contractual & Misc. Services	\$ 20,715	\$ 16,640	\$ 4,075	\$ 19,838
General Services	\$ 2,025	\$ 2,098	\$ (73)	\$ 1,816
Machinery & Equipment Maintenance	\$ 1,600	\$ -	\$ 1,600	\$ 1,839
Capital Outlay	\$ -	\$ 395,000	\$ (395,000)	\$ -
<b>Total Recreation</b>	<b>\$ 47,457</b>	<b>\$ 441,202</b>	<b>\$ (393,745)</b>	<b>\$ 55,437</b>
<b>Refuse Collection:</b>				
Personal Services	\$ 328,305	\$ 334,664	\$ (6,359)	\$ 340,532
Contractual & Misc. Services	\$ 13,340	\$ 13,490	\$ (150)	\$ 11,701
General Services	\$ 74,650	\$ 132,408	\$ (57,758)	\$ 52,140
Machinery & Equipment Maintenance	\$ 35,000	\$ 73,939	\$ (38,939)	\$ 34,612
Capital Lease	\$ 146,052	\$ 53,106	\$ 92,946	\$ 52,167
<b>Total Refuse Collection</b>	<b>\$ 597,347</b>	<b>\$ 607,607</b>	<b>\$ (10,260)</b>	<b>\$ 491,152</b>
<b>Street &amp; Alley Maintenance:</b>				
Personal Services	\$ 342,568	\$ 336,276	\$ 6,292	\$ 237,149
Contractual & Misc. Services	\$ 12,370	\$ 25,711	\$ (13,341)	\$ 11,179
General Services	\$ 48,950	\$ 62,917	\$ (13,967)	\$ 41,617
Machinery & Equipment Maintenance	\$ 220,400	\$ 227,146	\$ (6,746)	\$ 102,739
Capital Outlay/Capital Lease	\$ 95,616	\$ 32,519	\$ 63,097	\$ 114,926
<b>Total Street &amp; Alley Maintenance</b>	<b>\$ 719,904</b>	<b>\$ 684,569</b>	<b>\$ 35,335</b>	<b>\$ 507,610</b>

-Continued-

City of Borger, Texas  
General Fund  
Comparison of Expenditures With Budget  
September 30, 2008

Expenditures	Budget	Expenditures	Variance Favorable (Unfavorable)	Prior Year
<b>Swimming Pool:</b>				
Personal Services	\$ 29,174	\$ 5,090	\$ 24,084	\$ 36,325
Contractual & Misc. Services	\$ 3,300	\$ 411	\$ 2,889	\$ 1,832
General Services	\$ 5,850	\$ 88	\$ 5,762	\$ 6,011
Machinery & Equip. Maintenance	\$ 7,900	\$ 488	\$ 7,412	\$ 5,730
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Swimming Pool</b>	<b>\$ 46,224</b>	<b>\$ 6,077</b>	<b>\$ 40,147</b>	<b>\$ 49,898</b>
<b>Recycling Center:</b>				
Personal Services	\$ 42,843	\$ 22,593	\$ 20,250	\$ 37,158
Contractual & Misc. Services	\$ 17,700	\$ 16,373	\$ 1,327	\$ 17,067
General Services	\$ -	\$ 7	\$ (7)	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Recycling Center</b>	<b>\$ 60,543</b>	<b>\$ 38,973</b>	<b>\$ 21,570</b>	<b>\$ 54,225</b>
<b>Traffic Engineering:</b>				
Personal Services	\$ -	\$ -	\$ -	\$ 50,271
Contractual & Misc. Services	\$ -	\$ -	\$ -	\$ 1,025
General Services	\$ -	\$ -	\$ -	\$ 8,917
Machinery & Equipment Maint.	\$ -	\$ -	\$ -	\$ 6,699
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Traffic Eng. &amp; Bldg. Maint.</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,912</b>
<b>Municipal Court:</b>				
Personal Services	\$ 68,256	\$ 68,492	\$ (236)	\$ 62,869
Contractual & Miscellaneous Services	\$ 195,875	\$ 157,398	\$ 38,477	\$ 165,538
General Services	\$ 3,400	\$ 2,379	\$ 1,021	\$ 3,539
Machinery & Equipment Maintenance	\$ 250	\$ 194	\$ 56	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ 97
<b>Total Capital Outlay</b>	<b>\$ 267,781</b>	<b>\$ 228,463</b>	<b>\$ 39,318</b>	<b>\$ 232,043</b>
<b>Transfer Station:</b>				
Personal Services	\$ 224,716	\$ 211,650	\$ 13,066	\$ 178,795
Contractual & Misc. Services	\$ 442,400	\$ 470,407	\$ (28,007)	\$ 510,245
General Services	\$ 64,950	\$ 80,269	\$ (15,319)	\$ 56,169
Machinery & Equipment Maintenance	\$ 40,900	\$ 62,564	\$ (21,664)	\$ 35,935
Capital Outlay	\$ 31,008	\$ -	\$ 31,008	\$ -
<b>Total Transfer Station</b>	<b>\$ 803,974</b>	<b>\$ 824,890</b>	<b>\$ (20,916)</b>	<b>\$ 781,144</b>

-Continued-

City of Borger, Texas  
General Fund  
Comparison of Expenditures With Budget  
September 30, 2008

Expenditures	Budget	Expenditures	Variance Favorable (Unfavorable)	Prior Year
Vehicle Service Center:				
Personal Services	\$ 138,669	\$ 132,197	\$ 6,472	\$ 119,698
Contractual & Misc. Services	\$ 19,116	\$ 25,360	\$ (6,244)	\$ 14,628
General Services	\$ 20,350	\$ 21,191	\$ (841)	\$ 17,569
Machinery & Equipment Maintenance	\$ 14,300	\$ 14,315	\$ (15)	\$ 11,693
Capital Outlay	\$ 6,024	\$ -	\$ 6,024	\$ -
<b>Total Vehicle Service Center</b>	<b>\$ 198,459</b>	<b>\$ 193,063</b>	<b>\$ 5,396</b>	<b>\$ 163,588</b>
Central Dispatching:				
Personal Services	\$ 302,951	\$ 294,152	\$ 8,799	\$ 263,893
<b>Total Central Dispatch</b>	<b>\$ 302,951</b>	<b>\$ 294,152</b>	<b>\$ 8,799</b>	<b>\$ 263,893</b>
Emergency Management				
Personal Services	\$ 70,470	\$ 70,015	\$ 455	\$ 57,415
Contractual Misc. Services	\$ 2,900	\$ 5,459	\$ (2,559)	\$ 1,103
General Services	\$ 2,175	\$ 7,849	\$ (5,674)	\$ 59
Machinery & Equipment Maintenance	\$ 7,550	\$ 5,107	\$ 2,443	\$ 2,554
<b>Total Emergency Management</b>	<b>\$ 83,095</b>	<b>\$ 88,430</b>	<b>\$ (5,335)</b>	<b>\$ 61,131</b>
Reserve Section:				
Borger Youth Center	\$ 9,135	\$ 9,135	\$ -	\$ 9,135
Washington Youth Center	\$ 1,000	\$ -	\$ 1,000	\$ -
Opportunities, Inc.	\$ 7,875	\$ 7,875	\$ -	\$ 7,875
Group Insurance Contingencies	\$ 15,000	\$ 2,913	\$ 12,087	\$ 7,339
General Contingencies	\$ 85,000	\$ 49,324	\$ 35,676	\$ 28,701
City Hall Maintenance	\$ 25,000	\$ 8,920	\$ 16,080	\$ 22,356
Capital Equipment	\$ -	\$ -	\$ -	\$ -
Note Payments	\$ -	\$ -	\$ -	\$ 2,214
<b>Total Reserve Section</b>	<b>\$ 143,010</b>	<b>\$ 78,167</b>	<b>\$ 64,843</b>	<b>\$ 77,620</b>
<b>Total Expenditures</b>	<b>\$ 8,395,024</b>	<b>\$ 8,920,389</b>	<b>\$ (525,365)</b>	<b>\$ 7,609,238</b>

CITY OF BORGER, TEXAS  
SCHEDULE OF TAXES RECEIVABLE  
September 30, 2008

TAX ROLL	BALANCE			BALANCE
	10-1-07 PLUS CURRENT YEAR	COLLECTIONS	ADJUSTMENTS	
1996 & Prior	\$ 60,864	\$ (56)	\$ (2,001)	\$ 58,807
1996	\$ 3,673	\$ (134)	\$ (174)	\$ 3,365
1997	\$ 3,605	\$ (20)	\$ (184)	\$ 3,401
1998	\$ 4,856	\$ (118)	\$ (234)	\$ 4,504
1999	\$ 5,080	\$ (255)	\$ (276)	\$ 4,549
2000	\$ 13,444	\$ (485)	\$ (426)	\$ 12,533
2001	\$ 8,129	\$ (943)	\$ (456)	\$ 6,730
2002	\$ 12,940	\$ (2,143)	\$ (734)	\$ 10,063
2003	\$ 19,053	\$ (4,390)	\$ (865)	\$ 13,798
2004	\$ 29,493	\$ (9,112)	\$ (806)	\$ 19,575
2005	\$ 59,009	\$ (23,449)	\$ (1,019)	\$ 34,541
	\$ 220,146	\$ (41,105)	\$ (7,175)	\$ 171,866
2006 Taxes Assessed	\$ 2,192,796	\$ (2,119,449)	\$ (3,602)	\$ 69,745
Totals	\$ 2,412,942	\$ (2,160,554)	\$ (10,777)	\$ 241,611

	Totals	General Fund	INTEREST &
			SINKING FUNDS
Current Year	\$ 2,119,449	\$ 1,417,629	\$ 701,820
Prior Years	\$ 41,105	\$ 32,563	\$ 8,542
Total Collections	\$ 2,160,554	\$ 1,450,192	\$ 710,362
Penalty And Interest	\$ 39,542	\$ 27,579	\$ 11,963
Discounts	\$ (39,466)	\$ (39,466)	\$ -
Net Collections	\$ 2,160,630	\$ 1,438,305	\$ 722,325

CITY OF BORGER, TEXAS  
 GENERAL FUND  
 SCHEDULE OF ASSET VALUATION, TAX RATE, LEVY, AND  
 COLLECTIONS FOR THE PAST TEN FISCAL YEARS

FISCAL YEAR	ASSESSED VALUATION	TAX RATE	TAX LEVY	CURRENT TAXES COLLECTED	PERCENT COLLECTED
September 30, 1999	\$ 319,718,174	0.360000	\$ 1,150,937	\$ 1,112,472	96.66%
September 30, 2000	\$ 341,186,164	0.360000	\$ 1,228,168	\$ 1,175,834	95.74%
September 30, 2001	\$ 342,306,350	0.360000	\$ 1,232,274	\$ 1,176,516	95.48%
September 30, 2002	\$ 345,250,089	0.418830	\$ 1,449,963	\$ 1,381,566	95.28%
September 30, 2003	\$ 346,891,818	0.418830	\$ 1,452,887	\$ 1,391,318	95.76%
September 30, 2004	\$ 339,074,740	0.494000	\$ 1,675,376	\$ 1,604,239	95.75%
September 30, 2005	\$ 343,740,430	0.502540	\$ 1,727,260	\$ 1,651,926	95.64%
September 30, 2006	\$ 344,857,520	0.517740	\$ 1,785,310	\$ 1,709,609	95.76%
September 30, 2007	\$ 345,231,030	0.580390	\$ 2,067,415	\$ 2,005,867	97.02%
September 30, 2008	\$ 377,942,790	0.579970	\$ 2,192,796	\$ 2,119,449	96.66%

CITY OF BORGER, TEXAS  
 COMBINED SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEET  
 September 30, 2008

	2008	2007
<hr/>		
Assets:		
Cash in Bank	\$ 40,088	\$ 47,968
Investments	\$ 107,515	\$ 164,265
Interest Receivable	\$ 214	\$ 702
Total Assets	\$ 147,817	\$ 212,935
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$ 10,006	\$ 5,331
Due to Other Funds	\$ -	\$ -
Total Liabilities	\$ 10,006	\$ 5,331
Fund Balance-Restricted	\$ 137,811	\$ 207,604
Total Liabilities and Fund Balance	\$ 147,817	\$ 212,935

CITY OF BORGER, TEXAS  
 COMBINED SPECIAL REVENUE FUND  
 BALANCE SHEET  
 September 30, 2008

	COMBINED SPECIAL REVENUE FUND	CITY TOUR.	THE TEXAS PLAINS TRAILS	SUP. ENVIR. PROJECT	HOTEL MOTEL OCCP. TAX	POLICE COMP. FUND	COURT TECH. FUND
<b>Assets:</b>							
Cash in Bank	\$ 40,088	\$ 27,804	\$ 10,989	\$ -	\$ -	\$ -	\$ 1,295
Interest Receivable	\$ 214	\$ 122	\$ 80	\$ -	\$ -	\$ -	\$ 12
Investments	\$ 107,515	\$ 61,515	\$ 40,000	\$ -	\$ -	\$ -	\$ 6,000
<b>Total Assets</b>	<b>\$ 147,817</b>	<b>\$ 89,441</b>	<b>\$ 51,069</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,307</b>
<b>Liabilities and Fund Balance</b>							
<b>Balances:</b>							
Accounts Payable	\$ 10,006	\$ -	\$ 4,433	\$ -	\$ -	\$ -	\$ 5,573
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ 10,006</b>	<b>\$ -</b>	<b>\$ 4,433</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,573</b>
Fund Balance-Restricted	\$ 137,811	\$ 89,441	\$ 46,636	\$ -	\$ -	\$ -	\$ 1,734
Fund Balance-Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities and Fund Balance</b>	<b>\$ 147,817</b>	<b>\$ 89,441</b>	<b>\$ 51,069</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,307</b>

CITY OF BORGER, TEXAS  
 COMBINED SPECIAL REVENUE FUND  
 STATEMENT OF CHANGES IN FUND BALANCE  
 September 30, 2008

	COMBINED SPECIAL REVENUE FUND	CITY TOUR.	THE TEXAS PLAINS TRAILS	SUP. ENVIR. PROJECT	HOTEL MOTEL OCCP. TAX	POLICE COMP. FUND	COURT TECH. FUND
Fund Balance, October 1, 2007	\$ 207,604	\$ 110,385	\$ 45,788	\$ 48,754	\$ -	\$ -	\$ 2,677
Excess Revenues Over (Under) Expenditures	\$ (69,793)	\$ (20,944)	\$ 848	\$ (48,754)	\$ -	\$ -	\$ (943)
Fund Balance September 30, 2008	\$ 137,811	\$ 89,441	\$ 46,636	\$ -	\$ -	\$ -	\$ 1,734

CITY OF BORGER, TEXAS  
 COMBINED SPECIAL REVENUE FUND  
 STATEMENT OF CHANGES IN FUND BALANCE  
 September 30, 2008

	COMBINED SPECIAL REVENUE FUND	CITY TOUR.	THE TEXAS PLAINS TRAILS	SUP. ENVIR. PROJECT	HOTEL MOTEL OCCP. TAX	POLICE COMP. FUND	COURT TECH. FUND
Revenue:							
State Grant	\$ 56,250	\$ -	\$ 56,250	\$ -	\$ -	\$ -	\$ -
Investments Interest	\$ 4,525	\$ 2,720	\$ 1,074	\$ 559	\$ -	\$ -	\$ 172
Court Fees	\$ 6,032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,032
Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Share of Expense	\$ 3,062	\$ -	\$ 3,062	\$ -	\$ -	\$ -	\$ -
Hotel/Motel Occupancy Tax	\$ 203,029	\$ -	\$ -	\$ -	\$ 203,029	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 272,898</b>	<b>\$ 2,720</b>	<b>\$ 60,386</b>	<b>\$ 559</b>	<b>\$ 203,029</b>	<b>\$ -</b>	<b>\$ 6,204</b>
Transfers & Other:							
Interfund Transfers	\$ 93,039	\$ 89,539	\$ -	\$ 3,500	\$ -	\$ -	\$ -
<b>Total Revenues &amp; Transfers</b>	<b>\$ 365,937</b>	<b>\$ 92,259</b>	<b>\$ 60,386</b>	<b>\$ 4,059</b>	<b>\$ 203,029</b>	<b>\$ -</b>	<b>\$ 6,204</b>
Expenditures:							
City Tourism	\$ 113,203	\$ 113,203	\$ -	\$ -	\$ -	\$ -	\$ -
Texas Plains Trails	\$ 59,538	\$ -	\$ 59,538	\$ -	\$ -	\$ -	\$ -
Police	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Court	\$ 7,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,147
Environmental Expenditures	\$ 52,813	\$ -	\$ -	\$ 52,813	\$ -	\$ -	\$ -
Hutchinson County Friends of the Museum	\$ 10,607	\$ -	\$ -	\$ -	\$ 10,607	\$ -	\$ -
Chamber of Commerce	\$ 97,454	\$ -	\$ -	\$ -	\$ 97,454	\$ -	\$ -
Tri-City Community Concert Association	\$ 5,429	\$ -	\$ -	\$ -	\$ 5,429	\$ -	\$ -
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 346,191</b>	<b>\$ 113,203</b>	<b>\$ 59,538</b>	<b>\$ 52,813</b>	<b>\$ 113,490</b>	<b>\$ -</b>	<b>\$ 7,147</b>
Transfers & Other:							
Transfers-General Fund	\$ 89,539	\$ -	\$ -	\$ -	\$ 89,539	\$ -	\$ -
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 435,730</b>	<b>\$ 113,203</b>	<b>\$ 59,538</b>	<b>\$ 52,813</b>	<b>\$ 203,029</b>	<b>\$ -</b>	<b>\$ 7,147</b>
Excess Revenues							
Over (Under) Expenditures	\$ (69,793)	\$ (20,944)	\$ 848	\$ (48,754)	\$ -	\$ -	\$ (943)

CITY OF BORGER, TEXAS  
 COMBINED DEBT SERVICE FUND  
 COMPARATIVE BALANCE SHEET  
 September 30, 2008

	2008	2007
Assets:		
Cash In Bank	\$ 9,039	\$ 13,859
Accrued Interest	\$ 51	\$ 357
Investments	\$ 25,695	\$ 83,377
Total Assets	\$ 34,785	\$ 97,593
Liabilities and Fund Balance:		
Liabilities:		
Due To Other Funds	\$ -	\$ 8,454
Fund Balance-Restricted	\$ 34,785	\$ 89,139
Total Liabilities and Fund Balance	\$ 34,785	\$ 97,593

CITY OF BORGER, TEXAS  
 COMBINED DEBT SERVICE FUND  
 BALANCE SHEET  
 September 30, 2008

	COMBINED DEBT SERVICE FUND	BONDS 1995 SERIES	FIRE APPARATUS I & S
<hr/>			
Assets:			
Cash & Investments:			
Cash in Bank	\$ 9,039	\$ 7,912	\$ 1,127
Accrued Interest	\$ 51	\$ 45	\$ 6
Investments	\$ 25,695	\$ 22,595	\$ 3,100
<hr/> Total Assets	<hr/> \$ 34,785	<hr/> \$ 30,552	<hr/> \$ 4,233
Liabilities and Fund Balances			
Liabilities:			
Due to Other Funds	\$ -	\$ -	\$ -
Fund Balance:			
Unappropriated	\$ -	\$ -	\$ -
Restricted	\$ 34,785	\$ 30,552	\$ 4,233
<hr/> Total Liabilities and Fund Balance	<hr/> \$ 34,785	<hr/> \$ 30,552	<hr/> \$ 4,233

CITY OF BORGER, TEXAS  
 COMBINED DEBT SERVICE FUND  
 STATEMENT OF CHANGES IN FUND BALANCE  
 September 30, 2008

	COMBINED DEBT SERVICE FUND	BONDS 1995 SERIES	FIRE APPARATUS I & S
Fund Balance October 1, 2007	\$ 89,139	\$ 89,139	\$ -
Excess of Revenue Over (Under) Expenditures	\$ (54,354)	\$ (58,587)	\$ 4,233
Fund Balance September 30, 2008	\$ 34,785	\$ 30,552	\$ 4,233

CITY OF BORGER, TEXAS  
 COMBINED DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND TRANSFERS  
 September 30, 2008

	COMBINED DEBT SERVICE FUND	BONDS 1995 SERIES	FIRE APPARATUS I & S
Revenues:			
Investment Interest	\$ 4,673	\$ 4,472	\$ 201
Property Taxes	\$ 205,267	\$ 140,069	\$ 65,198
<b>Total Revenue and Transfers</b>	<b>\$ 209,940</b>	<b>\$ 144,541</b>	<b>\$ 65,399</b>
Expenditures:			
Capital Lease Payments	\$ 61,166	\$ -	\$ 61,166
Bond Principal	\$ 175,000	\$ 175,000	\$ -
Bond Interest	\$ 27,810	\$ 27,810	\$ -
Bond Fees	\$ 318	\$ 318	\$ -
<b>Total Expenditures and Transfers</b>	<b>\$ 264,294</b>	<b>\$ 203,128</b>	<b>\$ 61,166</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>\$ (54,354)</b>	<b>\$ (58,587)</b>	<b>\$ 4,233</b>

CITY OF BORGER, TEXAS  
 COMBINED TRUST AND AGENCY FUND  
 COMPARATIVE BALANCE SHEET  
 September 30, 2008

	2008	2007
<b>Assets:</b>		
Cash in Bank	\$ 7,251	\$ (5,599)
Accounts Receivable-Group Hospitalization	\$ -	\$ 5,599
Investments	\$ 241,772	\$ 273,471
Due from Other Funds	\$ -	\$ -
<b>Total Assets</b>	<b>\$ 249,023</b>	<b>\$ 273,471</b>
 <b>Liabilities and Fund Balance:</b>		
<b>Liabilities</b>		
Group Hospitalization	\$ 7,251	\$ -
Deferred Compensation	\$ 241,772	\$ 273,471
Due to Other Funds	\$ -	\$ -
<b>Total Liabilities and Fund Balance</b>	<b>\$ 249,023</b>	<b>\$ 273,471</b>

CITY OF BORGER, TEXAS  
 COMBINED TRUST AND AGENCY FUND  
 BALANCE SHEET  
 September 30, 2008

	COMBINED TRUST & AGENCY FUND	GROUP HOSPITALIZATION FUND	DEFERRED COMPENSATION FUND
<b>Assets:</b>			
Cash in Bank	\$ 7,251	\$ 7,251	\$ -
Accounts Receivable Group Hospitalization	\$ -	\$ -	\$ -
Investments	\$ 241,772	\$ -	\$ 241,772
<b>Total Assets</b>	<b>\$ 249,023</b>	<b>\$ 7,251</b>	<b>\$ 241,772</b>
<b>Liabilities and Fund Balance:</b>			
<b>Liabilities:</b>			
Group Hospitalization	\$ 7,251	\$ 7,251	\$ -
Deferred Compensation	\$ 241,772	\$ -	\$ 241,772
Due to Other Funds	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ 249,023</b>	<b>\$ 7,251</b>	<b>\$ 241,772</b>

CITY OF BORGER, TEXAS  
 COMBINED PROPRIETARY FUND  
 COMPARATIVE BALANCE SHEET  
 September 30, 2008

	2008	2007
<b>Assets:</b>		
Cash on Hand	\$ 800	\$ 800
Cash in Bank	\$ 1,145,884	\$ 886,249
Investments	\$ 2,134,210	\$ 1,890,147
Accounts Receivable	\$ 569,312	\$ 700,295
Less Estimated Uncollectible	\$ (47,166)	\$ (2,142)
Due from Other Funds	\$ 95,556	\$ 8,152
Interest Receivable	\$ 4,228	\$ 8,086
Cost of Issuance of Debt-Net of Amortization	\$ 137,742	\$ 196,039
Land	\$ 255,754	\$ 252,254
Canadian River Water Supply Contract	\$ 19,344,859	\$ 19,344,859
Plant Assets and Equipment	\$ 25,318,646	\$ 25,491,121
Less Accumulated Depreciation & Amortization	\$ (20,200,762)	\$ (19,648,149)
<b>Total Assets</b>	<b>\$ 28,759,063</b>	<b>\$ 29,127,711</b>
<b>Liabilities and Retained Earnings</b>		
Accounts Payable	\$ 148,912	\$ 86,407
Accrued Salaries Payable	\$ 9,462	\$ 3,028
Customer Meter Deposits	\$ 329,186	\$ 322,826
Due to Other Funds	\$ -	\$ -
Accrued Interest Payable	\$ 19,428	\$ 21,828
Deferred Revenue-Agrium Contract	\$ 131,343	\$ 197,015
Deferred Gain on Debt Retirement	\$ 1,112,105	\$ 1,224,250
Notes Payable-Lasalle Bank	\$ 21,594	\$ 38,230
Bonds Payable	\$ 2,675,000	\$ 3,075,000
Certificate of Obligation Payable - Series 2002	\$ 805,000	\$ 885,000
Roberts County Water Contract	\$ 3,228,764	\$ 3,469,903
Surface Water Supply Contract	\$ 842,472	\$ 908,624
Salinity Control Project Contract	\$ 33,674	\$ 57,925
Groundwater Project-2005	\$ 2,659,346	\$ 2,659,346
Groundwater Project-2006	\$ 2,635,533	\$ 2,723,844
<b>Total Liabilities</b>	<b>\$ 14,651,819</b>	<b>\$ 15,673,226</b>
<b>Retained Earnings</b>	<b>\$ 14,107,244</b>	<b>\$ 13,454,485</b>
<b>Total Liabilities and Retained Earnings</b>	<b>\$ 28,759,063</b>	<b>\$ 29,127,711</b>

Note: Intrafund loans were eliminated from the above balance sheet.

CITY OF BORGER, TEXAS  
COMBINED PROPRIETARY FUND  
BALANCE SHEET  
September 30, 2008

	Combined Proprietary Fund	Water And Sewer Fund	2002 Refunding Bonds I&S	2002 Certificates of Oblig. I&S
<b>Assets:</b>				
Cash and Investments:				
Cash on Hand	\$ 800	\$ 800	\$ -	\$ -
Cash in Bank	\$ 1,145,884	\$ 1,119,154	\$ 25,522	\$ 1,208
Investments	\$ 2,134,210	\$ 2,100,000	\$ 14,175	\$ 20,035
<b>Total Cash and Investments</b>	<b>\$ 3,280,894</b>	<b>\$ 3,219,954</b>	<b>\$ 39,697</b>	<b>\$ 21,243</b>
Receivables:				
Interest Receivable	\$ 4,228	\$ 4,160	\$ 28	\$ 40
Water & Sewer Billings	\$ 569,312	\$ 569,312	\$ -	\$ -
Less Estimated Uncollectible	\$ (47,166)	\$ (47,166)	\$ -	\$ -
<b>Total Receivables</b>	<b>\$ 526,374</b>	<b>\$ 526,306</b>	<b>\$ 28</b>	<b>\$ 40</b>
Other Assets:				
Cost of Issuance of Debt- Net of Amortization	\$ 137,742	\$ 137,742	\$ -	\$ -
Due from Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due from Stores Fund	\$ 92,600	\$ 92,600	\$ -	\$ -
Due from Payroll Fund	\$ 2,956	\$ 2,956	\$ -	\$ -
Due from Debt Service	\$ -	\$ -	\$ -	\$ -
<b>Total Other Assets</b>	<b>\$ 233,298</b>	<b>\$ 233,298</b>	<b>\$ -</b>	<b>\$ -</b>
Plant and Equipment:				
Land	\$ 255,754	\$ 255,754	\$ -	\$ -
Fixed Assets	\$ 44,663,505	\$ 44,663,505	\$ -	\$ -
Less Accumulated Depreciation	\$ (20,200,762)	\$ (20,200,762)	\$ -	\$ -
<b>Total Plant &amp; Equipment</b>	<b>\$ 24,718,497</b>	<b>\$ 24,718,497</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 28,759,063</b>	<b>\$ 28,698,055</b>	<b>\$ 39,725</b>	<b>\$ 21,283</b>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts Payable	\$ 148,912	\$ 148,912	\$ -	\$ -
Accrued Salaries Payable	\$ 9,462	\$ 9,462	\$ -	\$ -
Customer Meter Deposits	\$ 329,186	\$ 329,186	\$ -	\$ -
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Note Payable	\$ 21,594	\$ 21,594	\$ -	\$ -
Bonds Payable-2002 Series Certificates of Obligation	\$ 2,675,000	\$ 2,675,000	\$ -	\$ -
Payable - 2002 Series	\$ 805,000	\$ 805,000	\$ -	\$ -
Accrued Interest Payable	\$ 19,428	\$ 19,428	\$ -	\$ -
Roberts County Water Contract	\$ 3,228,764	\$ 3,228,764	\$ -	\$ -
Salinity Control Project Contract	\$ 33,674	\$ 33,674	\$ -	\$ -
Groundwater Project	\$ 2,659,346	\$ 2,659,346	\$ -	\$ -
Surface Water Supply Contract	\$ 842,472	\$ 842,472	\$ -	\$ -
CRMWA Groundwater Project-2006	\$ 2,635,533	\$ 2,635,533	\$ -	\$ -
Deferred Revenue-Agrium Contract	\$ 131,343	\$ 131,343	\$ -	\$ -
Deferred Gain on Debt Retirement	\$ 1,112,105	\$ 1,112,105	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ 14,651,819</b>	<b>\$ 14,651,819</b>	<b>\$ -</b>	<b>\$ -</b>
Fund Balance:				
Reserve	\$ 61,008	\$ -	\$ 39,725	\$ 21,283
Unreserved	\$ 14,046,236	\$ 14,046,236	\$ -	\$ -
<b>Total Fund Balance</b>	<b>\$ 14,107,244</b>	<b>\$ 14,046,236</b>	<b>\$ 39,725</b>	<b>\$ 21,283</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 28,759,063</b>	<b>\$ 28,698,055</b>	<b>\$ 39,725</b>	<b>\$ 21,283</b>

CITY OF BORGER, TEXAS  
 COMBINED PROPRIETARY FUND  
 STATEMENT OF CHANGES IN FUND BALANCE  
 September 30, 2008

	Combined Proprietary Fund	Water And Sewer Fund	2002 Refunding Bonds I&S	2002 Certificates of Oblig. I&S
Fund Balance October 1, 2007	\$ 13,454,485	\$ 13,358,321	\$ 37,688	\$ 58,476
Prior Year Adjustments	\$ -	\$ -	\$ -	\$ -
	\$ 13,454,485	\$ 13,358,321	\$ 37,688	\$ 58,476
Add:				
Excess of Revenue Over (Under) Expenditures	\$ 652,759	\$ 687,915	\$ 2,037	\$ (37,193)
Fund Balance September 30, 2008	\$ 14,107,244	\$ 14,046,236	\$ 39,725	\$ 21,283

CITY OF BORGER, TEXAS  
 COMBINED PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND TRANSFERS  
 September 30, 2008

	COMBINED PROPRIETARY FUND	WATER AND SEWER FUND	2002 Refunding Bonds I&S	2002 Certificate of Oblig. I&S
<b>Revenue:</b>				
Water Sales	\$ 3,924,006	\$ 3,924,006	\$ -	\$ -
Sewer Sales	\$ 1,352,783	\$ 1,352,783	\$ -	\$ -
Utility Penalty and Interest	\$ 76,161	\$ 76,161	\$ -	\$ -
Plumbing Permits & Taps	\$ 13,040	\$ 13,040	\$ -	\$ -
Ad Valorem Taxes	\$ 318,551	\$ -	\$ 247,165	\$ 71,386
Miscellaneous Revenue	\$ 67,364	\$ 67,364	\$ -	\$ -
Interest on Investments	\$ 92,276	\$ 83,514	\$ 6,149	\$ 2,613
<b>Total Revenue</b>	<b>\$ 5,844,181</b>	<b>\$ 5,516,868</b>	<b>\$ 253,314</b>	<b>\$ 73,999</b>
<b>Transfers and Other:</b>				
Gain on Sale of Assets	\$ -	\$ -	\$ -	\$ -
Debt Retired from Int. & Sink	\$ 480,000	\$ 480,000	\$ -	\$ -
Assets Acquired/Construction Fund	\$ 105,437	\$ 105,437	\$ -	\$ -
Transfer from General Fund	\$ -	\$ -	\$ -	\$ -
Transfer from General Fixed Assets	\$ -	\$ -	\$ -	\$ -
Interfund Transfers	\$ 250,000	\$ -	\$ 250,000	\$ -
<b>Total Revenue &amp; Transfers</b>	<b>\$ 6,679,618</b>	<b>\$ 6,102,305</b>	<b>\$ 503,314</b>	<b>\$ 73,999</b>
<b>Expenditures:</b>				
Customer Service	\$ 537,856	\$ 537,856	\$ -	\$ -
Water Maintenance	\$ 547,967	\$ 547,967	\$ -	\$ -
Sewer Maintenance	\$ 497,639	\$ 497,639	\$ -	\$ -
Water Production & Treatment	\$ 774,698	\$ 774,698	\$ -	\$ -
Wastewater Collection & Treatment	\$ 545,871	\$ 545,871	\$ -	\$ -
Utility Director Section	\$ 121,541	\$ 121,541	\$ -	\$ -
Water Purchased for Resale	\$ 525,204	\$ 525,204	\$ -	\$ -
Data Processing	\$ 71,641	\$ 71,641	\$ -	\$ -
Purchased Services-General Fund	\$ 200,000	\$ 200,000	\$ -	\$ -
Contingencies	\$ 27,123	\$ 25,623	\$ 600	\$ 900
Interest CRMWA	\$ 361,479	\$ 361,479	\$ -	\$ -
Bonds Retired	\$ 400,000	\$ -	\$ 400,000	\$ -
Coupons Retired	\$ 100,677	\$ -	\$ 100,677	\$ -
Certificates of Obligation-Retired	\$ 80,000	\$ -	\$ -	\$ 80,000
Interest-Certificates of Obligation	\$ 30,292	\$ -	\$ -	\$ 30,292
Civil Defense	\$ 1,162	\$ 1,162	\$ -	\$ -
Depreciation & Amortization	\$ 919,995	\$ 919,995	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 5,743,145</b>	<b>\$ 5,130,676</b>	<b>\$ 501,277</b>	<b>\$ 111,192</b>
<b>Transfers and Other:</b>				
Interfund Transfers	\$ 250,000	\$ 250,000	\$ -	\$ -
Transfer to Capital Equipment Fund	\$ 33,714	\$ 33,714	\$ -	\$ -
Loss on Sale of Assets	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 6,026,859</b>	<b>\$ 5,414,390</b>	<b>\$ 501,277</b>	<b>\$ 111,192</b>
<b>Excess Revenue Over Expenditures</b>	<b>\$ 652,759</b>	<b>\$ 687,915</b>	<b>\$ 2,037</b>	<b>\$ (37,193)</b>

CITY OF BORGER, TEXAS  
WATER AND SEWER FUND  
COMPARISON OF REVENUE WITH BUDGET  
September 30, 2008

	BUDGET	REVENUE	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL PRIOR YEAR
Revenue:				
Water Sales	\$ 3,838,000	\$ 3,924,006	\$ 86,006	\$ 3,727,667
Sewer Charges	\$ 1,510,000	\$ 1,352,783	\$ (157,217)	\$ 1,578,142
Utility Penalty and Interest	\$ 65,000	\$ 76,161	\$ 11,161	\$ 66,041
Plumbing Permits & Taps	\$ 6,000	\$ 13,040	\$ 7,040	\$ 14,813
Miscellaneous	\$ 53,150	\$ 67,364	\$ 14,214	\$ 97,612
Interest On Investments	\$ 80,000	\$ 92,276	\$ 12,276	\$ 116,521
Sale of Assets	\$ -	\$ -	\$ -	\$ 25,908
<b>Total Water and Sewer Revenue</b>	<b>\$ 5,552,150</b>	<b>\$ 5,525,630</b>	<b>\$ (26,520)</b>	<b>\$ 5,626,704</b>

CITY OF BORGER, TEXAS  
WATER AND SEWER FUND  
COMPARISON OF EXPENDITURES WITH BUDGET  
September 30, 2008

Expenditures:	BUDGET	EXPENDITURES	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL PRIOR YEAR
<b>Customer Service:</b>				
Personal Services	\$ 287,180	\$ 299,060	\$ (11,880)	\$ 269,749
Contractual Services & Misc.	\$ 230,750	\$ 203,534	\$ 27,216	\$ 211,958
General Services	\$ 10,600	\$ 9,113	\$ 1,487	\$ 7,428
Machinery & Equipment Maintenance	\$ 32,950	\$ 26,044	\$ 6,906	\$ 16,384
Capital Outlay	\$ 2,460	\$ 105	\$ 2,355	\$ -
<b>Total Customer Service</b>	<b>\$ 563,940</b>	<b>\$ 537,856</b>	<b>\$ 26,084</b>	<b>\$ 505,519</b>
<b>Water Maintenance Section:</b>				
Personal Services	\$ 377,062	\$ 412,488	\$ (35,426)	\$ 363,750
Contractual Services & Misc.	\$ 16,850	\$ 18,278	\$ (1,428)	\$ 14,185
General Services	\$ 46,400	\$ 41,108	\$ 5,292	\$ 49,084
Machinery & Equipment Maintenance	\$ 75,600	\$ 76,094	\$ (494)	\$ 78,382
Capital Outlay	\$ 17,718	\$ -	\$ 17,718	\$ 517
<b>Total Water Maintenance Section</b>	<b>\$ 533,630</b>	<b>\$ 547,968</b>	<b>\$ (14,338)</b>	<b>\$ 505,918</b>
<b>Sewer Maintenance Section:</b>				
Personal Services	\$ 336,756	\$ 350,121	\$ (13,365)	\$ 315,420
Contractual Services & Misc.	\$ 54,100	\$ 48,158	\$ 5,942	\$ 45,990
General Services	\$ 41,000	\$ 51,894	\$ (10,894)	\$ 34,297
Machinery & Equipment Maintenance	\$ 70,700	\$ 47,465	\$ 23,235	\$ 77,557
Capital Lease Payments	\$ 86,220	\$ -	\$ 86,220	\$ 2,540
<b>Total Sewer Maint. Section</b>	<b>\$ 588,776</b>	<b>\$ 497,638</b>	<b>\$ 91,138</b>	<b>\$ 475,804</b>
<b>Water Production &amp; Treatment:</b>				
Personal Services	\$ 219,749	\$ 199,055	\$ 20,694	\$ 200,265
Contractual Services & Misc.	\$ 436,300	\$ 488,427	\$ (52,127)	\$ 375,841
General Services	\$ 54,750	\$ 32,280	\$ 22,470	\$ 47,128
Machinery & Equipment Maintenance	\$ 58,300	\$ 54,936	\$ 3,364	\$ 93,850
Capital Outlay	\$ 10,800	\$ -	\$ -	\$ -
<b>Total Water Production &amp; Water Treatment</b>	<b>\$ 779,899</b>	<b>\$ 774,698</b>	<b>\$ 5,201</b>	<b>\$ 717,084</b>

-continued-

CITY OF BORGER, TEXAS  
WATER AND SEWER FUND  
COMPARISON OF EXPENDITURES WITH BUDGET  
September 30, 2008

Expenditures:	BUDGET	EXPENDITURES	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL PRIOR YEAR
<b>Wastewater Collection &amp; Treatment:</b>				
Personal Services	\$ 241,339	\$ 243,907	\$ (2,568)	\$ 216,014
Contractual Services & Misc.	\$ 189,321	\$ 151,045	\$ 38,276	\$ 152,767
General Services	\$ 37,000	\$ 40,645	\$ (3,645)	\$ 30,886
Machinery & Equipment Maintenance	\$ 30,750	\$ 110,275	\$ (79,525)	\$ 56,040
Capital Outlay	\$ 11,000	\$ -	\$ 11,000	\$ -
<b>Total Wastewater Collection &amp; Treatment</b>	<b>\$ 509,410</b>	<b>\$ 545,872</b>	<b>\$ (36,462)</b>	<b>\$ 455,707</b>
<b>Utility Director Section:</b>				
Personal Services	\$ 80,822	\$ 104,337	\$ (23,515)	\$ 74,631
Contractual Services & Misc.	\$ 6,337	\$ 5,350	\$ 987	\$ 4,387
General Services	\$ 6,900	\$ 8,718	\$ (1,818)	\$ 5,078
Machinery & Equipment Maintenance	\$ 3,100	\$ 2,795	\$ 305	\$ 2,290
Capital Outlay/Lease Payments	\$ 4,092	\$ 341	\$ 3,751	\$ -
<b>Total Utility Director Sect.</b>	<b>\$ 101,251</b>	<b>\$ 121,541</b>	<b>\$ (20,290)</b>	<b>\$ 86,386</b>
<b>Data Processing Center:</b>				
Personal Services	\$ 28,543	\$ 32,740	\$ (4,197)	\$ 27,198
Contractual Services & Misc.	\$ 24,150	\$ 20,904	\$ 3,246	\$ 20,784
General Services	\$ 2,025	\$ 1,558	\$ 467	\$ 1,272
Machinery & Equipment Maintenance	\$ 28,975	\$ 15,412	\$ 13,563	\$ 24,992
Capital Lease Payments	\$ 13,518	\$ 1,026	\$ 12,492	\$ -
<b>Total Data Processing Center</b>	<b>\$ 97,211</b>	<b>\$ 71,640</b>	<b>\$ 25,571</b>	<b>\$ 74,246</b>
<b>Reserve Section:</b>				
Contingencies	\$ 85,000	\$ 16,832	\$ 68,168	\$ 6,638
G/O Refunding 2002 Bond Payment	\$ 250,000	\$ 250,000	\$ -	\$ 378,169
Purchased Services-General Fund	\$ 400,000	\$ 200,000	\$ 200,000	\$ -
Water Operation & Maintenance	\$ 596,611	\$ 525,204	\$ 71,407	\$ 511,636
Civil Defense	\$ -	\$ 1,162	\$ (1,162)	\$ 1,654
CRMWA Bond Payment	\$ 108,527	\$ 99,513	\$ 9,014	\$ -
CRMWA Salinity Control	\$ 26,771	\$ 26,760	\$ 11	\$ -
Roberts Co. Bond Payment	\$ 408,436	\$ 408,446	\$ (10)	\$ -
CRMWA Bonds 2005	\$ 137,206	\$ 137,206	\$ -	\$ 148,639
CRMWA 2006 Roberts County Bond	\$ 222,912	\$ 222,918	\$ (6)	\$ 92,837
Capital Infrastructure	\$ 117,570	\$ -	\$ 117,570	\$ -
City Hall Building Maint.	\$ 25,000	\$ 10,291	\$ 14,709	\$ 22,651
<b>Total Reserve Section</b>	<b>\$ 2,378,033</b>	<b>\$ 1,898,332</b>	<b>\$ 479,701</b>	<b>\$ 1,162,224</b>
<b>Total Expenditures-Budgeted</b>	<b>\$ 5,552,150</b>	<b>\$ 4,995,545</b>	<b>\$ 556,605</b>	<b>\$ 3,982,888</b>

CITY OF BORGER, TEXAS  
WATER AND SEWER FUND  
STATEMENT OF INCOME  
September 30, 2008

## Income:

Water Sales	\$	3,924,006
Sewer Charges	\$	1,352,783
Penalty and Interest	\$	76,161
Plumbing Permits and Taps	\$	13,040
Miscellaneous	\$	67,364
<b>Total Income</b>	<b>\$</b>	<b>5,433,354</b>

## Operating Expenses:

Customer Service	\$	537,856
Water Maintenance	\$	547,967
Sewer Maintenance	\$	497,639
Water Production & Treatment	\$	774,698
Wastewater Collection & Treatment	\$	545,871
Utility Director Section	\$	121,541
Water Purchased for Resale	\$	525,204
Data Processing	\$	71,641
Contingencies	\$	27,123
Civil Defense	\$	1,162
Services Purchased-General Fund	\$	200,000
Depreciation and Amoritzation	\$	919,995
<b>Total Operating Expenses</b>	<b>\$</b>	<b>4,770,697</b>

<b>Net Income from Operations:</b>	<b>\$</b>	<b>662,657</b>
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## Other Income (Expense)

Ad Valorem Taxes	\$	318,551
Interest Income	\$	92,276
Gain from Sale of Equipment	\$	-
Interest Expense	\$	(492,448)
<b>Total Other Income (Expense)</b>	<b>\$</b>	<b>(81,621)</b>

<b>Net Income (Loss)</b>	<b>\$</b>	<b>581,036</b>
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CITY OF BORGER, TEXAS  
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2002  
 September 30, 2008

Fiscal Year	Principal	Intrest	Total Requirments	Interest Rate
September 30, 2009	\$ 410,000	\$ 88,678	\$ 498,678	3.000%
September 30, 2010	\$ 425,000	\$ 76,377	\$ 501,377	3.150%
September 30, 2011	\$ 440,000	\$ 62,990	\$ 502,990	3.250%
September 30, 2012	\$ 450,000	\$ 48,690	\$ 498,690	3.375%
September 30, 2013	\$ 465,000	\$ 33,503	\$ 498,503	3.450%
September 30, 2014	\$ 485,000	\$ 17,460	\$ 502,460	3.600%
	\$ 2,675,000	\$ 327,698	\$ 3,002,698	

Note: The bonds were issued on November 19, 2002. The bonds are scheduled to mature on August 1, with the interest payable semiannually on February 1, and August 1. The series was authorized for \$4,905,000 with an original issue of \$4,905,000.

On the bond maturity date of August 1, 2012, or any date thereafter, the rights are reserved to redeem bonds in the principal amount of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the fixed date of redemption.

The bonds are refunding water and sewer obligations and are to be paid from an ad valorem tax levied against all taxable property in the City, within the limits prescribed by law.

CITY OF BORGER, TEXAS  
TAX AND WATERWORKS AND SEWER SYSTEM SURPLUS  
REVENUE CERTIFICATES OF OBLIGATION, SERIES 2002  
September 30, 2008

Fiscal Year	Principal	Interest	Total Requirments	Interest Rate
September 30, 2009	\$ 85,000	\$ 27,891	\$ 112,891	3.000%
September 30, 2010	\$ 90,000	\$ 25,341	\$ 115,341	3.150%
September 30, 2011	\$ 90,000	\$ 22,506	\$ 112,506	3.300%
September 30, 2012	\$ 95,000	\$ 19,536	\$ 114,536	3.400%
September 30, 2013	\$ 100,000	\$ 16,306	\$ 116,306	3.500%
September 30, 2014	\$ 105,000	\$ 12,806	\$ 117,806	3.620%
September 30, 2015	\$ 240,000	\$ 9,000	\$ 249,000	3.750%
	\$ 805,000	\$ 133,386	\$ 938,386	

Note: The certificates of obligation were issued on November 19, 2002. The obligations are scheduled to mature on August 1, with the interest payable semiannually on February 1, and August 1. The series was authorized for \$1,250,000 with an original issue of \$1,250,000.

On the certificates maturity date of August 1, 2012, or any date thereafter, the rights are reserved to redeem bonds in the principal amount of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the fixed date of redemption.

The certificates constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, levied within the limit prescribed by law, on all taxable property within the city. Additionally, the certificates are payable from and equally and ratably secured by a lien on and pledge of the Net Revenues of the Water and Sewer System.

CITY OF BORGER, TEXAS  
 COMBINED INTRAGOVERNMENTAL SERVICE FUND  
 COMPARATIVE BALANCE SHEET  
 September 30, 2008

	2008	2007
<b>Assets:</b>		
Cash on Hand	\$ 10	\$ 10
Cash in Bank	\$ 137,729	\$ 27,972
Investments	\$ 301,500	\$ 136,000
Inventory	\$ 37,444	\$ 37,442
<b>Total Assets</b>	<b>\$ 476,683</b>	<b>\$ 201,424</b>
<b>Liabilities and Fund Balance:</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ -	\$ -
Due to Other Funds	\$ 314,959	\$ 40,908
<b>Total Liabilities</b>	<b>\$ 314,959</b>	<b>\$ 40,908</b>
<b>Fund Balance-Unappropriated</b>	<b>\$ 161,724</b>	<b>\$ 160,516</b>
<b>Total Fund Balance</b>	<b>\$ 161,724</b>	<b>\$ 160,516</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 476,683</b>	<b>\$ 201,424</b>

CITY OF BORGER, TEXAS  
 COMBINED INTRAGOVERNMENTAL SERVICE FUND  
 BALANCE SHEET  
 September 30, 2008

	COMBINED INTRAGOVERNMENTAL SERVICE FUND		STORES FUND	
<b>Assets:</b>				
Cash & Investments:				
Cash on Hand	\$	10	\$	10
Cash in Bank	\$	137,729	\$	137,729
Investments	\$	301,500	\$	301,500
<b>Total Cash &amp; Investments</b>	<b>\$</b>	<b>439,239</b>	<b>\$</b>	<b>439,239</b>
Receivables:				
Sundry	\$	-	\$	-
<b>Total Receivables</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
Other Assets:				
Due from Other Funds	\$	-	\$	-
Inventory	\$	37,444	\$	37,444
<b>Total Other Assets</b>	<b>\$</b>	<b>37,444</b>	<b>\$</b>	<b>37,444</b>
<b>Total Assets</b>	<b>\$</b>	<b>476,683</b>	<b>\$</b>	<b>476,683</b>
<b>Liabilities and Fund Balance</b>				
Liabilities:				
Accounts Payable	\$	-	\$	-
Due to Other Funds	\$	314,959	\$	314,959
<b>Total Liabilities</b>	<b>\$</b>	<b>314,959</b>	<b>\$</b>	<b>314,959</b>
Fund Balance-Unappropriated	\$	161,724	\$	161,724
<b>Total Fund Balance</b>	<b>\$</b>	<b>161,724</b>	<b>\$</b>	<b>161,724</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$</b>	<b>476,683</b>	<b>\$</b>	<b>476,683</b>

CITY OF BORGER, TEXAS  
 COMBINED INTRAGOVERNMENTAL SERVICE FUND  
 STATEMENT OF CHANGES IN FUND BALANCE  
 September 30, 2008

		COMBINED INTRAGOVERNMENTAL SERVICE FUND		STORES FUND
Fund Balance October 1, 2007	\$	160,516	\$	160,516
Excess of Revenues Over (Under) Expenses	\$	1,208	\$	1,208
Fund Balance September 30, 2008	\$	161,724	\$	161,724

CITY OF BORGER, TEXAS  
 COMBINED INTRAGOVERNMENTAL SERVICE FUND  
 STATEMENT OF REVENUES AND EXPENDITURES  
 September 30, 2008

	COMBINED INTRAGOVERNMENTAL SERVICE FUND		STORES FUND
<b>Revenues:</b>			
Stores Billings	\$	24,314	\$ 24,314
Total Revenue	\$	24,314	\$ 24,314
<b>Expenditures:</b>			
Store Purchases	\$	23,106	\$ 23,106
Total Expenditures	\$	23,106	\$ 23,106
<b>Transfers</b>			
Transfer to General Fund	\$	-	\$ -
Total Expenditures & Transfers	\$	23,106	\$ 23,106
Excess of Revenues Over (Under) Expenditures	\$	1,208	\$ 1,208

CITY OF BORGER, TEXAS  
 COMBINED CAPITAL PROJECTS FUND  
 COMPARATIVE BALANCE SHEET  
 September 30, 2008

	2008	2007
<b>Assets:</b>		
Cash in Bank	\$ (314,911)	\$ 118,205
Investments	\$ 3,836,345	\$ 4,466,345
Due to Debt Service	\$ -	\$ 3,257
Interest Receivable	\$ 7,599	\$ 19,110
<b>Total Assets</b>	<b>\$ 3,529,033</b>	<b>\$ 4,606,917</b>
 <b>Liabilities and Fund Balances</b>		
Accounts Payable	\$ 331,707	\$ 255
<b>Total Liabilities</b>	<b>\$ 331,707</b>	<b>\$ 255</b>
Fund Balance-Reserved	\$ 3,197,326	\$ 4,606,662
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,529,033</b>	<b>\$ 4,606,917</b>

Note: Intrafund loans were eliminated from the above balance sheet.

CITY OF BORGER, TEXAS  
 COMBINED CAPITAL PROJECT FUND  
 BALANCE SHEET  
 September 30, 2008

	Combined Capital Project Fund	2006 Certificates of Oblig I & S	Capital Equipment Fund
<b>Assets:</b>			
Cash and Investments:			
Cash on Hand	\$ -	\$ -	\$ -
Cash in Bank	\$ (314,911)	\$ (370,590)	\$ 55,679
Investments	\$ 3,836,345	\$ 3,750,845	\$ 85,500
<b>Total Cash and Investments</b>	<b>\$ 3,521,434</b>	<b>\$ 3,380,255</b>	<b>\$ 141,179</b>
Receivables:			
Interest Receivable	\$ 7,599	\$ 7,430	\$ 169
<b>Total Receivables</b>	<b>\$ 7,599</b>	<b>\$ 7,430</b>	<b>\$ 169</b>
Other Assets:			
Due from Debt Service	\$ -	\$ -	\$ -
<b>Total Other Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 3,529,033</b>	<b>\$ 3,387,685</b>	<b>\$ 141,348</b>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts Payable	\$ 331,707	\$ 331,707	\$ -
Due to Other Funds	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ 331,707</b>	<b>\$ 331,707</b>	<b>\$ -</b>
Fund Balance:			
Reserve for Capital Projects	\$ 2,776,742	\$ 2,635,394	\$ 141,348
Reserve for Debt Retirement	\$ 420,584	\$ 420,584	\$ -
Unreserved	\$ -	\$ -	\$ -
<b>Total Fund Balance</b>	<b>\$ 3,197,326</b>	<b>\$ 3,055,978</b>	<b>\$ 141,348</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,529,033</b>	<b>\$ 3,387,685</b>	<b>\$ 141,348</b>

CITY OF BORGER, TEXAS  
 COMBINED CAPITAL PROJECTS FUND  
 STATEMENT OF CHANGES IN FUND BALANCE  
 September 30, 2008

	Combined Capital Project Fund	2006 Certificates of Oblig I & S	Capital Equipment Fund
Fund Balance October 1, 2007	\$ 4,606,662	\$ 4,262,404	\$ 344,258
Prior Year Adjustments	\$ -	\$ -	\$ -
	\$ 4,606,662	\$ 4,262,404	\$ 344,258
Add:			
Excess of Revenue Over (Under) Expenditures	\$ (1,409,336)	\$ (1,206,426)	\$ (202,910)
Fund Balance September 30, 2008	\$ 3,197,326	\$ 3,055,978	\$ 141,348

CITY OF BORGER, TEXAS  
 COMBINED CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND TRANSFERS  
 September 30, 2008

	Combined Capital Project Fund	2006 Certificates of Oblig I & S	Capital Equipment Fund
<b>Revenue:</b>			
Ad Valorem Taxes	\$ 234,744	\$ 234,744	\$ -
Miscellaneous Revenues	\$ 626	\$ -	\$ 626
Interest on Investments	\$ 140,179	\$ 134,459	\$ 5,720
<b>Total Revenue</b>	<b>\$ 375,549</b>	<b>\$ 369,203</b>	<b>\$ 6,346</b>
<b>Transfers and Other:</b>			
Insurance Claims	\$ -	\$ -	\$ -
Transfer from General Fund	\$ 299,706	\$ -	\$ 299,706
Transfer from Water & Sewer Fund	\$ 33,714	\$ -	\$ 33,714
Interfund Transfers	\$ -	\$ -	\$ -
<b>Total Revenue &amp; Transfers</b>	<b>\$ 708,969</b>	<b>\$ 369,203</b>	<b>\$ 339,766</b>
<b>Expenditures:</b>			
Interest on Bonds	\$ 217,475	\$ 217,475	\$ -
Bond Principal Paid	\$ -	\$ -	\$ -
Capital Equipment	\$ 542,676	\$ -	\$ 542,676
Emergency Service Radios	\$ 75,230	\$ 75,230	\$ -
Huber Park Restrooms	\$ 279	\$ 279	\$ -
EOC Radar	\$ 240	\$ 240	\$ -
Johnson Park Youth Center	\$ 935,554	\$ 935,554	\$ -
Drill Water Wells #12 and #13	\$ 40,315	\$ 40,315	\$ -
Motorola Mesh System	\$ 130,244	\$ 130,244	\$ -
Cofield Community Building	\$ 176,292	\$ 176,292	\$ -
<b>Total Expenditures</b>	<b>\$ 2,118,305</b>	<b>\$ 1,575,629</b>	<b>\$ 542,676</b>
<b>Transfers and Other:</b>			
Interfund Transfers	\$ -	\$ -	\$ -
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 2,118,305</b>	<b>\$ 1,575,629</b>	<b>\$ 542,676</b>
<b>Excess of Revenue of Expenditures</b>	<b>\$ (1,409,336)</b>	<b>\$ (1,206,426)</b>	<b>\$ (202,910)</b>

CITY OF BORGER, TEXAS  
GENERAL LONG-TERM DEBT ACCOUNT GROUPS  
COMPARATIVE BALANCE SHEET  
September 30, 2008

AMOUNT AVAILABLE AND TO BE PROVIDED  
FOR THE RETIREMENT OF GENERAL LONG-TERM  
DEBTS AND INTEREST

	2008	2007
Amount Available in Debt Service Fund	\$ 30,552	\$ 89,139
Principal Amount to be Provided in Future Years:		
General Obligation Refunding Bonds-Series 1995	\$ 339,448	\$ 455,861
Certificates of Obligations-Series 2006	\$ 5,000,000	\$ 5,000,000
Notes Payable Obligations	\$ 676,187	\$ 237,637
<b>Total Principal Available and to be Provided for</b>	<b>\$ 6,046,187</b>	<b>\$ 5,782,637</b>
Interest to be Provided in Future Years	\$ 1,974,465	\$ 2,099,735
<b>Total Available and to be Provided for</b>	<b>\$ 8,020,652</b>	<b>\$ 7,882,372</b>

GENERAL LONG-TERM DEBTS AND INTEREST  
PAYABLE IN FUTURE YEARS

Notes Payable Obligations	\$ 676,187	\$ 237,637
Certificate of Obligations-Series 2006	\$ 5,000,000	\$ 5,000,000
General Obligation Refunding Bonds-Series 1995	\$ 370,000	\$ 545,000
Interest Payable-General Obligation Debt	\$ 28,940	\$ 56,750
Interest Payable-Certificate of Obligations	\$ 1,808,875	\$ 2,026,350
Interest Payable-Note Payable Obligations	\$ 136,650	\$ 16,635
<b>Total Payable</b>	<b>\$ 8,020,652</b>	<b>\$ 7,882,372</b>

CITY OF BORGER, TEXAS  
 GENERAL LONG-TERM DEBT ACCOUNT GROUPS  
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 1995  
 September 30, 2008

Fiscal Year	Principal	Interest	Total Requirements	Interest Rate
September 30, 2009	\$ 180,000	\$ 19,060	\$ 199,060	5.10%
September 30, 2010	\$ 190,000	\$ 9,880	\$ 199,880	5.20%
	\$ 370,000	\$ 28,940	\$ 398,940	

Note: The bonds were issued on December 20, 1995. The obligations are scheduled to mature on August 1, with the interest payable semiannually on February 1, and August 1. The series was authorized for \$2,110,000 with an original issue of \$2,110,000.

On the note maturity date of August 1, 2005, or on any date thereafter, the rights are reserved to redeem principal amounts of \$5,000 or any integral multiple thereof on notes maturing in the years on or after August 1, 2006 at a price of par plus accrued interest.

CITY OF BORGER, TEXAS  
 GENERAL LONG-TERM DEBT ACCOUNT GROUPS  
 CERTIFICATE OF OBLIGATION REVENUE BONDS-SERIES 2006  
 September 30, 2008

Fiscal Year	Principal	Interest	Total Requirments	Interest Rate
September 30, 2009	0	217,475	217,475	
September 30, 2010	0	217,475	217,475	
September 30, 2011	200,000	217,475	417,475	4.25%
September 30, 2012	200,000	208,975	408,975	4.25%
September 30, 2013	205,000	200,475	405,475	4.50%
September 30, 2014	210,000	191,250	401,250	4.50%
September 30, 2015	585,000	181,800	766,800	5.00%
September 30, 2016	855,000	152,550	1,007,550	5.00%
September 30, 2017	890,000	109,800	999,800	4.00%
September 30, 2018	920,000	74,200	994,200	4.00%
September 30, 2019	935,000	37,400	972,400	4.00%
	5,000,000	1,808,875	6,808,875	

Note: The certificates were issued on September 14, 2006. The obligations are scheduled to mature on August 1, with the interest payable semiannually on February 1, and August 1. The series was authorized for \$5,000,000 with an original issue of \$5,000,000.

On the certificates maturity date of August 1, 2016, or on any date thereafter, the rights are reserved to redeem principal amounts of \$5,000 or any integral multiple thereof on certiicates maturing in the years on or after August 1, 2016 at a price of par plus accrued interest.

CITY OF BORGER, TEXAS  
WATER AND SEWER UTILITIES SYSTEM  
CUSTOMER STATISTICS

NUMBER OF CUSTOMERS AS OF:	WATER	SEWER
September 30, 1999	5,917	5,625
September 30, 2000	5,995	5,621
September 30, 2001	5,739	5,547
September 30, 2002	5,816	5,549
September 30, 2003	5,830	5,445
September 30, 2004	5,705	5,386
September 30, 2005	5,621	5,395
September 30, 2006	5,769	5,410
September 30, 2007	5,731	5,355
September 30, 2008	5,778	5,393

City of Borger  
Schedule of Insurance Coverages  
September 30, 2008

Texas Municipal League Joint Self-Insurance Fund:  
Policy Number - 420-TML-1001400-02

Property Description / Address	Limits	
	Coverage	Contents
Animal Shelter-W. 3rd. Street 5/10 Mi W of Cedar	\$ 214,700	\$ 7,500
Recreation Hall & Bath House-1704 Hwy (Bulldog Boulevard)	\$ 630,000	\$ 10,000
Booster Pump Station 1800 S Florida	\$ 114,000	\$ 10,000
Camex Mixing Basin-1350 Ft WE of Int Carbon Rd/Hwy 136	\$ 29,400	
City Hall-600 N Main	\$ 1,362,400	\$ 465,000
Elevated Water Tank-1800 South Florida	\$ 465,600	
Elevated Water Tank-FM 1551	\$ 1,320,100	
Elevated Water Tank-521 East 10th	\$ 1,167,800	
F/SL3 Refuse Containers Various Locations	\$ 234,630	
New Fire Station-200/204 N Cedar	\$ 1,034,400	\$ 110,000
Golf Course Booster Station-1600 Sterling	\$ 39,100	
Pavillion 200 Pine Street (Huber Park)	\$ 66,500	
Police Station-613 N Weatherly	\$ 801,100	\$ 150,000
Radio Control Building & Tower-206 West Sixth	\$ 5,500	\$ 15,000
Recreation Building-1228 S Main	\$ 145,000	
Sludge Press Building-1302 West Third	\$ 198,114	
Vehicle Service Center-801 N Florida	\$ 503,900	\$ 90,000
Warehouse-901 Whittenburg	\$ 225,900	\$ 165,000
Wastewater Treatment Plant-1302 West Third Street	\$ 47,500	\$ 25,000
Wastewater Plant Equipment-1302 W 3rd Street	\$ 1,573,160	
Water Treatment Plant-1800 S Florida	\$ 1,612,530	\$ 25,000
Colfield Community Center	\$ 247,000	
Transfer Station-920 N Florida	\$ 930,700	\$ 200,000
Scale House-920 N Florida	\$ 65,400	\$ 1,500
Recycle Office-920 N Florida	\$ 7,800	\$ 500
Ground Water Store Tank-1600 Sterling	\$ 252,800	
10666 McCall RD-Radar System	\$ 260,000	
901 N Florida-Police Storage	\$ 15,000	\$ 16,000
901 N Florida-Public Works Storage	\$ 15,000	\$ 50,000
Mobile Equipment	\$ 1,135,276	
Vehicles-Per Schedule	\$ 2,263,208	
-Continued-	\$ 16,983,518	\$ 1,340,500

