

**CITY OF BURLINGTON
BURLINGTON, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

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Office of the State Auditor

September 26, 2018

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FINANCIAL SECTION

CITY OF BURLINGTON, COLORADO

Management Discussion and Analysis

For the Year Ended December 31, 2017

This discussion and analysis of the financial performance of the City of Burlington, Colorado (City) provides an overview of the City's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the financial statements.

Financial Highlights

- The City's Net Position increased by \$3,428,511 (17.7%) during 2017.
- The City's assets exceeded its liabilities and deferred inflows of financial resources at December 31, 2017 by \$22,777,152 (Net Position).
- At December 31, 2017, the City's governmental funds reported combined ending fund balances of \$300,180. This marked a loss of -\$434,349 (-59.1%) from the prior year.
- The aggregate Net Position of the City's business-type funds increased by \$4,055,952 (30.2%) during 2017 despite a decrease of -\$288,546 in the Airport Fund.
- The City received a \$2,594,505 in state grants loan from the Colorado Department of Local Affairs and the Colorado Department of Public Health and Environment (CDPH&E) to assist in compliance with regulations pertaining to nitrates in the City's water. The City began its project to construct a water blending station during 2016.
- During 2017, the CDPH&E forgave \$330,900 of a \$2,500,000 loan made to the City in 2016 for the above-described water improvement project.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves..

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee leave).

Both of the government-wide financial statements distinguish functions of the City of Burlington that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges

(business-type activities). The governmental activities of the City include police, public works, library, economic development, parks, activities and recreation. Sales and property taxes finance the majority of these services. The business-type activities of the City include electric, water and sewer, solid waste, and airport operations.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Burlington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds -- Most of the City's basic services are reported in governmental funds that focus on how money flows into and out of those funds. The unrestricted balances left at year-end are available for spending in future years. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide detailed short-term views of cash, operations, and basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balance--Governmental Funds* are followed by reconciliations to facilitate this comparison between governmental funds and governmental activities.

The City maintains three individual governmental funds. Information for these funds is presented by fund name in the governmental funds' *Balance Sheet* and *Statement of Revenues, Expenditures, and Changes in Fund Balance* for two of the three governmental funds that meet the criteria to be designated as major funds (General Fund and Tourism Promotion Fund). The other governmental fund (Conservation Trust Fund) is shown in a column titled "Nonmajor--Other Funds." Individual fund data for this nonmajor governmental fund is provided in the back of this report following the "Notes to Financial Statements."

Proprietary Funds -- The City's utility services and airport are reported in proprietary funds; they focus on overall economic position rather than year-end fund balances. Enterprise funds are the type of proprietary funds used to account for the City's Electric Fund, Water & Sewer Fund, Solid Waste Fund, and Airport Fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, only in a bit more detail.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

Budgetary comparison statements or schedules for all funds with budgeted expenditures/expenses are included following the “Notes to Financial Statements” to demonstrate each fund’s compliance with adopted budgets and appropriations.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Burlington, assets exceeded liabilities by \$22,777,152 at the close of 2017.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 808,143	\$ 2,313,691	\$ 7,520,501	\$ 7,615,641	\$ 8,328,644	\$ 9,929,332
Capital assets, net	5,097,215	5,207,078	17,515,887	13,254,088	22,613,102	18,461,166
Total assets	\$ 5,905,358	\$ 7,520,769	\$25,036,388	\$20,869,729	\$ 30,941,746	\$ 28,390,498
Deferred outflow s of resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	104,571	1,191,002	1,401,649	485,367	1,506,220	1,676,369
Noncurrent Liabilities	83,229	-	6,154,059	6,977,328	6,237,288	6,977,328
Total liabilities	\$ 187,800	\$ 1,191,002	\$ 7,555,708	\$ 7,462,695	\$ 7,743,508	\$ 8,653,697
Deferred inflow s of resources	\$ 403,392	\$ 388,160	\$ 17,694	\$ -	\$ 421,086	\$ 388,160
Net position:						
Net investment in capital assets	\$ 5,013,986	\$ 5,207,078	\$11,722,991	\$ 8,329,667	\$16,736,977	\$13,536,745
Restricted	286,811	429,736	1,114,220	651,528	1,401,031	1,081,264
Unrestricted	13,369	304,793	4,625,775	4,425,839	4,639,144	4,730,632
Total net position	\$ 5,314,166	\$ 5,941,607	\$17,462,986	\$13,407,034	\$ 22,777,152	\$19,348,641

Almost three-quarters (73.5%) of the City’s total net position at December 31, 2017 was represented by its investment in capital assets (e.g. land, buildings, & equipment). The city uses these capital assets to provide services; consequently, these assets are not available for future spending.

Approximately 6.1% (\$1,401,031) of the City’s total net position at the end of 2017 represented resources that are subject to external restrictions on how they may be used. They are primarily fund balance reserves for future parks, recreation, and library purposes, for water bond debt service reserves, and for emergencies. The remaining \$4,639,144 of the City’s total net position at the end of 2017 represents 20.4% of total net position and may be used to meet the City’s other ongoing obligations to residents, businesses, and creditors.

The following chart displays the changes in net position experienced by the City over the last two fiscal years. An analysis of these changes follows for both its Governmental and Business-type Activities.

CONDENSED STATEMENT OF ACTIVITIES

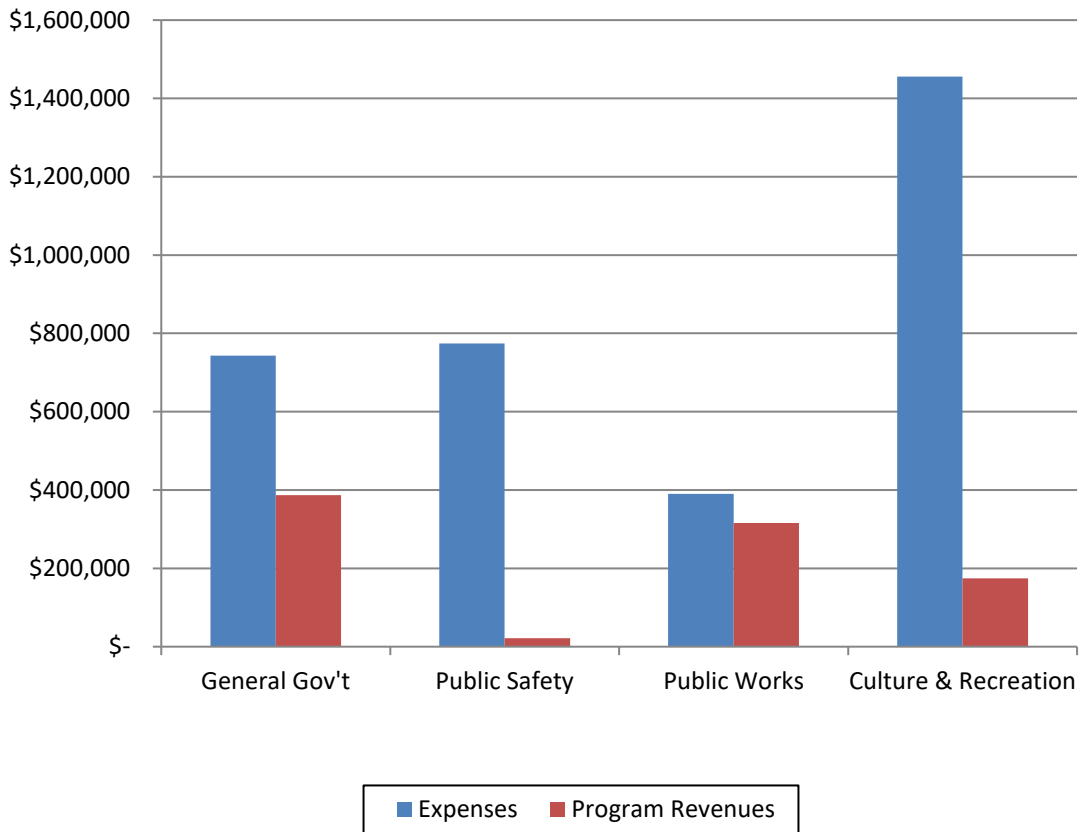
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	\$ 465,907	\$ 323,261	\$ 6,679,043	\$ 6,801,777	\$ 7,144,950	\$ 7,125,038
Operating grants & contributions	433,681	376,438	-	-	433,681	376,438
Capital grants & contributions	-	-	2,617,299	401,907	2,617,299	401,907
General revenues:						
Property taxes	360,905	341,642	-	-	360,905	341,642
Sales & use taxes	1,132,549	1,200,482	-	-	1,132,549	1,200,482
Other taxes	298,461	370,382	-	-	298,461	370,382
Gain (loss) on sale of capital assets	26,574	26,529	14,257	-	40,831	26,529
Other general revenues	18,213	261,612	31,581	8,652	49,794	270,264
Total revenues	\$ 2,736,290	\$ 2,900,346	\$ 9,342,180	\$ 7,212,336	\$12,078,470	\$10,112,682
Program expenses:						
General government	\$ 742,972	\$ 985,849	\$ -	\$ -	\$ 742,972	\$ 985,849
Public safety	774,427	733,137	-	-	774,427	733,137
Public works	390,577	445,756	-	-	390,577	445,756
Parks and Recreation	1,455,755	1,460,369	-	-	1,455,755	1,460,369
Electric utility	-	-	3,269,727	3,298,732	3,269,727	3,298,732
Water and Sewer utility	-	-	969,283	1,010,321	969,283	1,010,321
Solid waste utility	-	-	448,120	451,808	448,120	451,808
Airport	-	-	599,098	511,911	599,098	511,911
Noncapitalized capital outlay	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Total expenses	\$ 3,363,731	\$ 3,625,111	\$ 5,286,228	\$ 5,272,772	\$ 8,649,959	\$ 8,897,883
Transfers In/(Out)	\$ -	\$ 295,210	\$ -	\$ (295,210)	\$ -	\$ -
Increase/(decrease) in net position	\$ (627,441)	\$ (429,555)	\$ 4,055,952	\$ 1,644,354	\$ 3,428,511	\$ 1,214,799
Net Position, Beginning	5,941,607	6,371,162	13,407,034	11,762,680	19,348,641	18,133,842
Net Position, Ending	\$ 5,314,166	\$ 5,941,607	\$17,462,986	\$13,407,034	\$22,777,152	\$19,348,641

The Governmental Activities' expenses outpaced revenues by \$627,441 (22.9%) in 2017. This decreased net position by \$627,441 (10.6%) in 2017. Some elements of the shortfall in revenues compared to expenses are as follows:

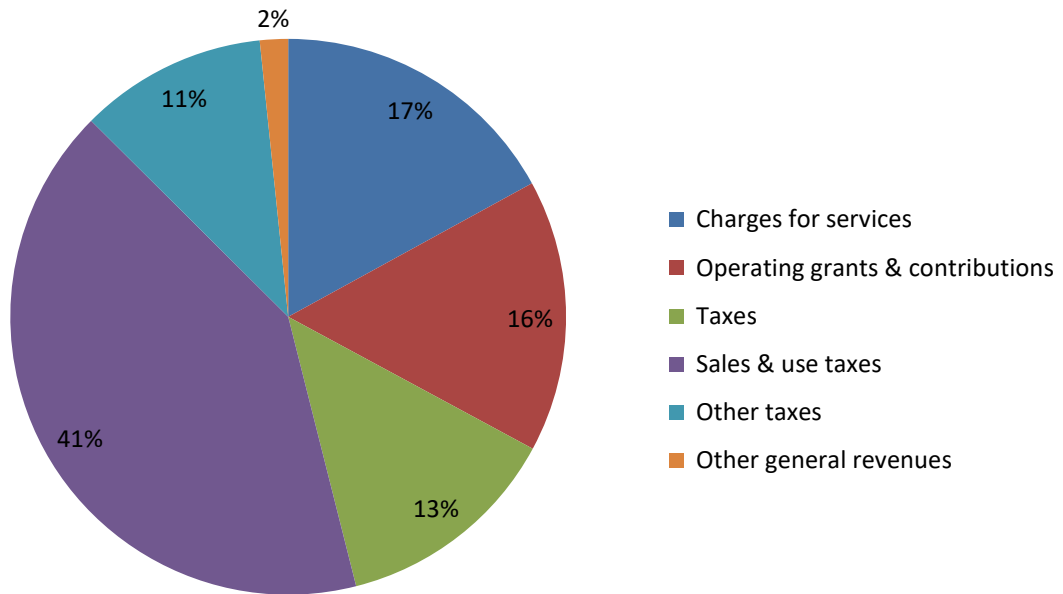
- Sales and use taxes declined by \$108,804 (5.7%) during 2017.
- Transfers from other funds decreased by \$295,201 during 2017.
- Other taxes and other general revenues declined by \$315,320 (50.0%) during 2017.

The following two charts illustrate the Governmental Activities revenues and expenses. As in most municipalities, the expenses of governmental activities are not fully supported through program revenues but are largely financed through taxes.

Expenses and Program Revenues - Governmental Activities

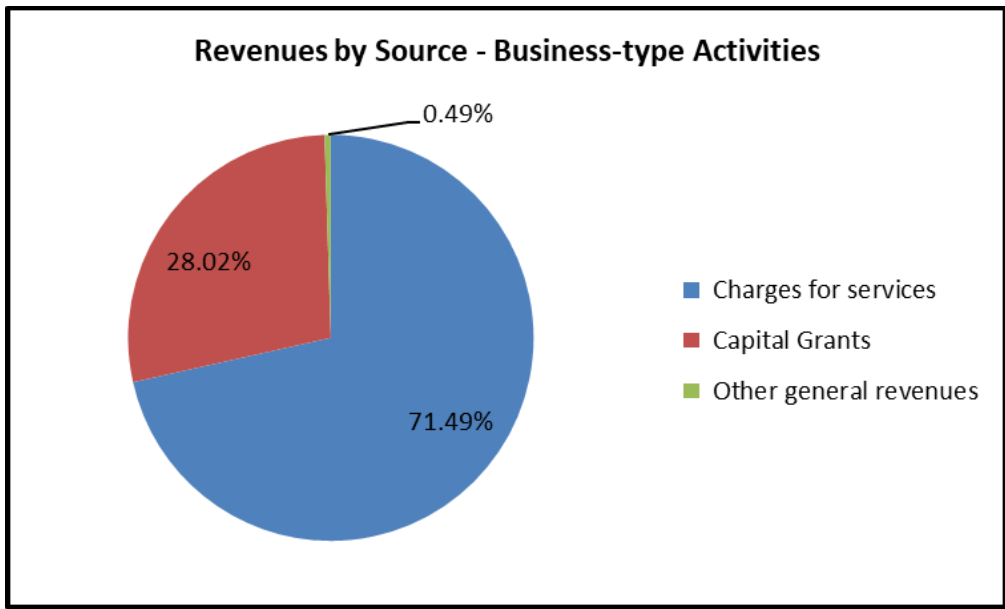
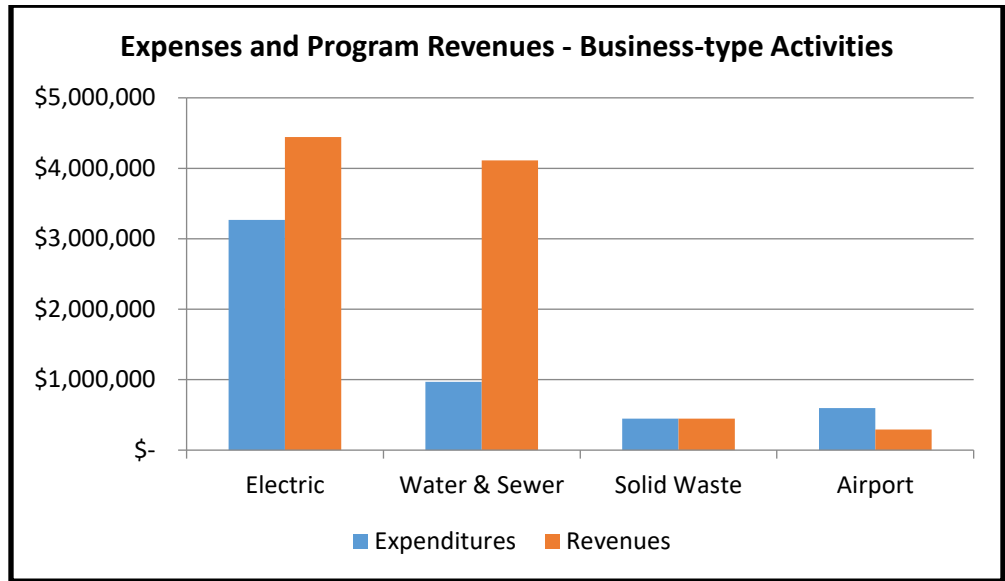


Revenues by Source - Governmental Activities



Business-type activities increased the City’s net position by \$4,055,952 (30.2%) during 2017. The City’s electric utility and its water and sewer utility increased their net positions by \$1,195,147 (20.9%) and \$3,150,054 (100.2%) respectively, while the Solid Waste utility posted a modest decline in net position of -\$703 (-1.0%). The Airport Fund experienced a decrease in net position of -\$288,546 (-6.5%). The water and sewer utility’s increase was primarily due to capital grants received from the State of Colorado.

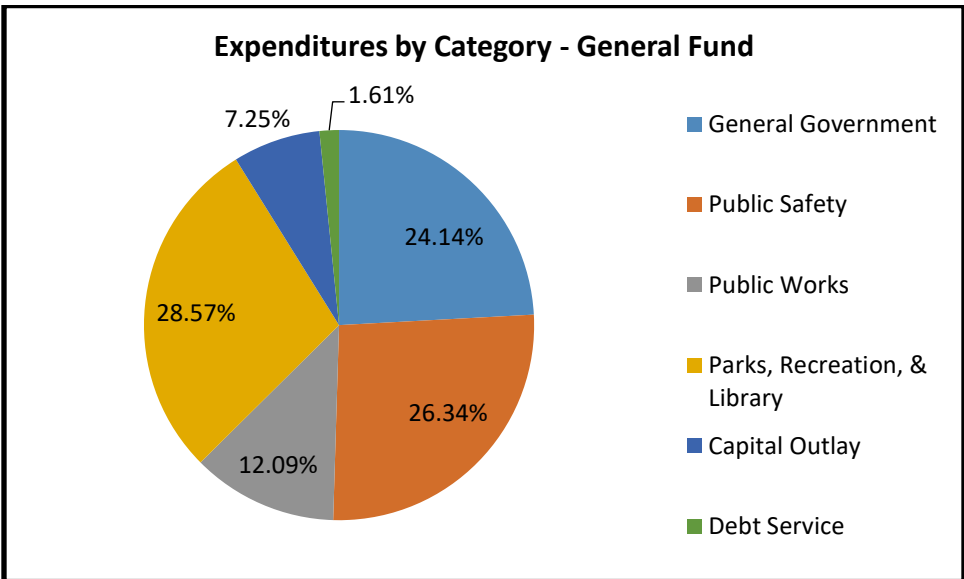
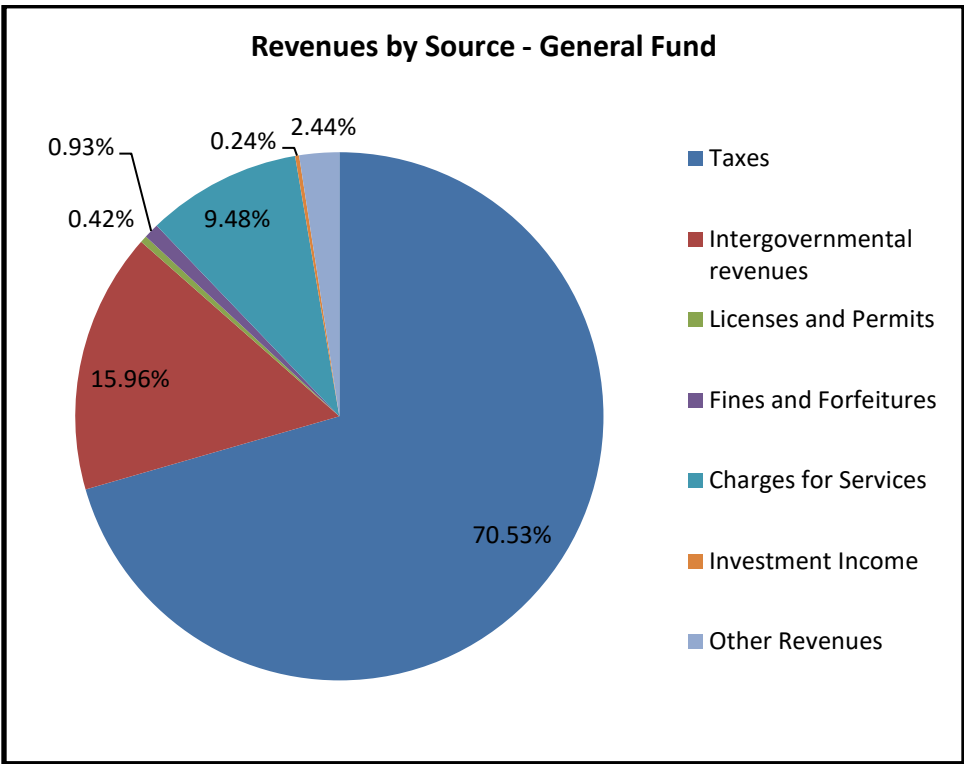
The following two charts illustrate the Business-type Activities revenues and expenses for 2017.



Financial Analysis of the Government’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. At December 31, 2017 the City’s two major Governmental funds reported combined unrestricted fund balances of \$13,369. These funds are discussed below.

General Fund. The General Fund is the chief operating fund of the City of Burlington. It accounts for all of the general services provided by the City. At the end of 2017, the fund balance of the General Fund totaled \$199,170, which roughly equates to 8.8% of fund revenues for the year. This was a -\$387,623 (-66.1%) decrease from 2016. Management will continue to evaluate the revenues and expenditures of the General Fund during the annual budget process. The following two tables illustrate General Fund revenues and expenditures during 2017.



Tourism Promotion Fund. This fund is utilized to account for the costs and revenues associated with promoting tourism, advertising the community, and attracting tourist and visitor business to the City. A lodger's tax and various user charges and fees associated with tourism are collected in this fund. The City operates various tourist attractions and events including an Old Town museum with seasonal western shows. During 2017, fund expenditures exceeded revenues by \$88,274 (20.6%). Management will continue to evaluate the revenues and expenditures of the Tourism Promotion Fund during the annual budget process.

Proprietary funds The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the proprietary funds was \$17,462,986 of which \$11,722,991 was invested in capital assets and \$4,625,775 were unrestricted. The total net position of the proprietary funds increased by \$4,055,952 during 2017. Other significant factors concerning the finances of the proprietary funds can be found in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital Assets

At December 31, 2017 the City had invested in a range of capital assets totaling \$22,531,242 (net of accumulated depreciation) including land, buildings and improvements, vehicles, office equipment, utility systems, park equipment, and a general aviation airport. Note 4 of the financial statements provides a summary of changes in capital assets during the year. During 2017, the City made additions to its vehicles, equipment, electric, and water system totaling \$5,021,855. Disposals of vehicles and equipment totaling \$209,083 also occurred during the year. Depreciation expenses of \$851,319 on total assets were recorded.

Governmental Activities Capital Asset Summary

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
Capital assets not being depreciated				
Land	\$ 337,017	\$ -	\$ -	\$ 337,017
Old Town Donations	101,406	-	-	101,406
Total capital assets not being depreciated	\$ 438,423	\$ -	\$ -	\$ 438,423
Capital assets being depreciated				
Infrastructure	1,229,057	-	-	1,229,057
Buildings	4,327,428	-	-	4,327,428
Improvements other than buildings	1,532,788	-	-	1,532,788
Equipment	1,750,031	42,748	-	1,792,779
Vehicles	697,305	139,491	(110,985)	725,811
Total capital assets being depreciated	\$ 9,536,609	\$ 182,239	\$ (110,985)	\$ 9,607,863
Accumulated depreciation				
Infrastructure	(402,949)	(32,951)	-	(435,900)
Buildings	(1,702,245)	(90,241)	-	(1,792,486)
Improvements other than buildings	(963,082)	(45,782)	-	(1,008,864)
Equipment	(1,204,059)	(78,974)	-	(1,283,033)
Vehicles	(495,619)	(44,154)	110,985	(428,788)
Total accumulated depreciation	\$ (4,767,954)	\$ (292,102)	\$ 110,985	\$ (4,949,071)
Net capital assets	\$ 5,207,078	\$ (109,863)	\$ -	\$ 5,097,215

Business-type Capital Asset Summary

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
Capital assets not being depreciated				
Land	\$ 584,615	\$ -	\$ -	\$ 584,615
Construction in progress	\$ 433,820	\$ 4,804,616	-	5,238,436
Water rights	2,918,032	-	-	2,918,032
Total capital assets not being depreciated	\$ 3,936,467	\$ 4,804,616	\$ -	\$ 8,741,083
Capital assets being depreciated				
System	10,263,839	-	-	10,263,839
Buildings	1,074,756	-	-	1,074,756
Improvements other than buildings	5,134,045	-	-	5,134,045
Equipment	1,087,674	35,000	(79,869)	1,042,805
Vehicles	511,502	-	(18,229)	493,273
Total capital assets being depreciated	\$ 18,071,816	\$ 35,000	\$ (98,098)	\$ 18,008,718
Accumulated depreciation				
System	(5,194,051)	(232,471)	-	(5,426,522)
Buildings	(344,260)	(25,697)	-	(369,957)
Improvements other than buildings	(2,165,071)	(215,051)	-	(2,380,122)
Equipment	(707,963)	(61,591)	77,323	(692,231)
Vehicles	(440,766)	(24,407)	18,229	(446,944)
Total accumulated depreciation	\$ (8,852,111)	\$ (559,217)	\$ 95,552	\$ (9,315,776)
Net capital assets	\$ 13,156,172	\$ 4,280,399	\$ (2,546)	\$ 17,434,025

Debt Administration

The following changes in long-term debt occurred during 2017. Note 5 of the financial statements provides additional information regarding the City's long-term debt.

	Balance 12/31/2016	Advances	Repayments/ Forgiveness	Balance 12/31/2017	Current Portion
Governmental Activities					
<u>2017 Capital Lease Obligations</u>	\$ -	\$ 127,990	\$ 44,761	\$ 83,229	\$ 40,599
Total Noncurrent Liabilities	\$ -	\$ 127,990	\$ 44,761	\$ 83,229	\$ 40,599
Business-type Activities					
<u>2014 Series A Revenues Bonds Payable</u>					
Bonds Payable - Water	\$ 3,185,000	\$ -	\$ 115,000	\$ 3,070,000	\$ 125,000
Bond Premiums - Water	12,805	-	462	12,343	503
<u>2014 Series B Revenues Bonds Payable</u>					
Bonds Payable - Water	555,146	-	(15,944)	571,090	(16,806)
Bond Premiums - Water	5,562	-	212	5,350	212
Bonds Payable - Sewer	1,284,854	-	85,944	1,198,910	86,806
<u>2016 CWRPDA Note Payable</u>	1,919,100	-	868,416	1,050,684	30,786
<u>2017 CWRPDA Note Payable</u>	-	250,000	597	249,403	7,308
Total Noncurrent Liabilities	\$ 6,962,467	\$ 250,000	\$ 1,054,687	\$ 6,157,780	\$ 233,809
2014 Bond Insurance Payable					
Series A Bond Insurance	\$ 53,573	\$ -	\$ 1,934	\$ 51,639	\$ 1,934
Series B Bond Insurance	31,417	-	1,195	30,222	1,195
Total Bond Insurance Asset	\$ 84,990	\$ -	\$ 3,129	\$ 81,861	\$ 3,129

Economic Factors and Next Year's Budget

Management intends that its new direction emphasizing improved budget development and tracking processes will move the City toward improved fund balances for the governmental funds and enhanced net income for the Airport. It is anticipated that the other enterprise funds will continue to operate profitably with adequate reserves for improvements as needed.

Requests for Information

This financial report is designed to provide the City of Burlington's residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the funds it receives and assets it maintains. If you have questions about this report, or should you desire additional financial information, contact the City Clerk/Treasurer at 415 15th St., Burlington, CO 80807 or call City Hall at (719) 346-8652.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

City Council
City of Burlington
Burlington, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, each major fund, and the aggregate remaining fund information of the City of Burlington, Colorado, as of December 31, 2017, 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.

Report on Summarized Comparative Information

We have previously audited the City of Burlington's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining and budgetary comparison statements and schedules listed as other supplementary information pages 29-32 are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 6, 2018 on our consideration of the City of Burlington's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Burlington's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* pages 40-41 are presented for purposes of legal and debt compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayberry + Company, LLC

Englewood, Colorado
August 6, 2018

BASIC FINANCIAL STATEMENTS

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CITY OF BURLINGTON

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 1,033	\$ 3,964,829	\$ 3,965,862
Restricted Cash and Investments	300,060	1,016,220	1,316,280
Receivables			
Property Tax Receivable	360,561	-	360,561
Intergovernmental Receivables	-	653,984	653,984
Utility Receivable	-	973,685	973,685
Cash with Fiscal Agent	10,531	429,051	439,582
Accounts Receivable	52,525	40,528	93,053
Other Receivables	208,614	-	208,614
Internal Balances	(160,790)	160,790	-
Inventory	34,378	277,897	312,275
Prepaid Expenses	1,231	3,517	4,748
Total Current Assets	<u>808,143</u>	<u>7,520,501</u>	<u>8,328,644</u>
Noncurrent Assets			
Capital Assets not being Depreciated	438,423	8,741,084	9,179,507
Capital Assets being Depreciated	9,607,863	18,008,719	27,616,582
Accumulated Depreciation	(4,949,071)	(9,315,776)	(14,264,847)
Other Noncurrent Assets	-	81,860	81,860
Total Noncurrent Assets	<u>5,097,215</u>	<u>17,515,887</u>	<u>22,613,102</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 5,905,358</u>	<u>\$ 25,036,388</u>	<u>\$ 30,941,746</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 68,309	\$ 927,161	\$ 995,470
Accrued Liabilities	(727)	-	(727)
Accrued Salaries and Benefits	28,633	11,516	40,149
Retainage Payable	-	335,657	335,657
Deposits and Escrow	8,356	93,055	101,411
Accrued Interest Payable	-	34,260	34,260
Total Current Liabilities	<u>104,571</u>	<u>1,401,649</u>	<u>1,506,220</u>
Noncurrent Liabilities			
Due within one year	40,599	233,809	274,408
Due in more than one year	42,630	5,920,250	5,962,880
Total Noncurrent Liabilities	<u>83,229</u>	<u>6,154,059</u>	<u>6,237,288</u>
TOTAL LIABILITIES	<u>187,800</u>	<u>7,555,708</u>	<u>7,743,508</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	360,561	-	360,561
Other Deferred Inflows	42,831	17,694	60,525
TOTAL DEFERRED INFLOWS	<u>403,392</u>	<u>17,694</u>	<u>421,086</u>
NET POSITION			
Net Investment in Capital Assets	5,013,986	11,722,991	16,736,977
Restricted Net Position	286,811	1,114,220	1,401,031
Unrestricted Net Position	13,369	4,625,775	4,639,144
TOTAL NET POSITION	<u>5,314,166</u>	<u>17,462,986</u>	<u>22,777,152</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 5,905,358</u>	<u>\$ 25,036,388</u>	<u>\$ 30,941,746</u>

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

CITY OF BURLINGTON

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 742,972	\$ 310,382	\$ 76,747	\$ -
Public Safety	774,427	21,708	-	-
Public Works	390,577	600	315,431	-
Culture and Recreation	1,455,755	133,217	41,503	-
TOTAL GOVERNMENT ACTIVITIES	<u>3,363,731</u>	<u>465,907</u>	<u>433,681</u>	<u>-</u>
Business-type Activities				
Current:				
Electric	3,269,727	4,439,514	-	3,300
Water & Sewer	969,283	1,499,360	-	2,613,999
Solid Waste	448,120	447,365	-	-
Airport	599,098	292,804	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>5,286,228</u>	<u>6,679,043</u>	<u>-</u>	<u>2,617,299</u>
TOTAL GOVERNMENT	<u>\$ 8,649,959</u>	<u>\$ 7,144,950</u>	<u>\$ 433,681</u>	<u>\$ 2,617,299</u>
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
Insurance Proceeds				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
\$ (355,843)	\$ -	\$ (355,843)
(752,719)	-	(752,719)
(74,546)	-	(74,546)
<u>(1,281,035)</u>	<u>-</u>	<u>(1,281,035)</u>
<u>(2,464,143)</u>	<u>-</u>	<u>(2,464,143)</u>
-	1,173,087	1,173,087
-	3,144,076	3,144,076
-	(755)	(755)
<u>-</u>	<u>(306,294)</u>	<u>(306,294)</u>
<u>-</u>	<u>4,010,114</u>	<u>4,010,114</u>
<u>(2,464,143)</u>	<u>4,010,114</u>	<u>1,545,971</u>
360,905	-	360,905
43,570	-	43,570
1,132,549	-	1,132,549
55,225	-	55,225
199,666	-	199,666
5,602	14,257	19,859
26,574	17,628	44,202
-	13,953	13,953
<u>12,611</u>	<u>-</u>	<u>12,611</u>
<u>1,836,702</u>	<u>45,838</u>	<u>1,882,540</u>
<u>(627,441)</u>	<u>4,055,952</u>	<u>3,428,511</u>
<u>5,941,607</u>	<u>13,407,034</u>	<u>19,348,641</u>
<u>\$ 5,314,166</u>	<u>\$ 17,462,986</u>	<u>\$ 22,777,152</u>

CITY OF BURLINGTON

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	<u>SPEC REV FD</u>		
	<u>General Fund</u>	<u>Tourism Promotion Fund</u>	<u>Other Funds</u>
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 1,000	\$ 33	\$ -
Restricted Cash and Investments	71,234	-	228,826
Receivables			
Property Tax Receivable	360,561	-	-
Intergovernmental Receivables	-	-	-
Cash with Fiscal Agent	10,531	-	-
Accounts Receivable	-	52,525	-
Other Receivables	208,614	-	-
Inventory	34,378	-	-
Prepaid Expenses	1,231	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 687,549</u>	<u>\$ 52,558</u>	<u>\$ 228,826</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 41,225	\$ 27,084	\$ -
Accrued Liabilities	(727)	-	-
Accrued Salaries and Benefits	25,854	2,779	-
Internal Balances	10,279	110,496	40,015
Deposits and Escrow	8,356	-	-
TOTAL LIABILITIES	<u>84,987</u>	<u>140,359</u>	<u>40,015</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	360,561	-	-
Other Deferred Inflows	42,831	-	-
TOTAL DEFERRED INFLOWS	<u>403,392</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable Fund Balance	35,609	-	-
Restricted Fund Balance	98,000	-	188,811
Committed Fund Balance	56,234	-	-
Unassigned Fund Balance	9,327	(87,801)	-
TOTAL FUND BALANCE	<u>199,170</u>	<u>(87,801)</u>	<u>188,811</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 687,549</u>	<u>\$ 52,558</u>	<u>\$ 228,826</u>

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

Total

<u>2017</u>	<u>2016</u>
\$ 1,033	\$ 1,136,584
300,060	485,663
360,561	378,456
-	234,983
10,531	11,885
52,525	-
208,614	45,082
34,378	10,410
<u>1,231</u>	<u>10,628</u>
<u>\$ 968,933</u>	<u>\$ 2,313,691</u>

\$ 68,309	\$ 1,130,989
(727)	22,952
28,633	34,302
160,790	-
<u>8,356</u>	<u>2,759</u>
<u>265,361</u>	<u>1,191,002</u>
360,561	378,456
<u>42,831</u>	<u>9,704</u>
<u>403,392</u>	<u>388,160</u>
35,609	21,038
286,811	429,736
56,234	56,400
<u>(78,474)</u>	<u>227,355</u>
<u>300,180</u>	<u>734,529</u>
<u>\$ 968,933</u>	<u>\$ 2,313,691</u>

CITY OF BURLINGTON

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2017**

Fund Balance - Governmental Funds		\$	300,180
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	438,423	
Capital assets, being depreciated		9,607,863	
Accumulated depreciation		<u>(4,949,071)</u>	5,097,215
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Capital leases payable			<u>(83,229)</u>
Total Net Position - Governmental Activities		\$	<u>5,314,166</u>

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

CITY OF BURLINGTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	SPEC REV FUNDS			TOTAL	
	General	Tourism	Other		
		Promotion		Funds	2017
	Fund	Fund	Funds	2017	2016
REVENUES					
Taxes	\$ 1,598,027	\$ 193,886	\$ -	\$ 1,791,913	\$ 1,912,506
Intergovernmental Revenues	361,539	-	41,503	403,042	370,949
Licenses and Permits	9,574	-	-	9,574	9,883
Fines and Forfeits	21,008	-	-	21,008	21,350
Charges for Services	214,715	220,610	-	435,325	292,029
Investment Earnings	5,519	22	60	5,601	7,512
Other Revenues	55,264	14,563	-	69,827	286,118
TOTAL REVENUES	2,265,646	429,081	41,563	2,736,290	2,900,347
EXPENDITURES					
Current:					
General Government	671,494	33,010	-	704,504	953,801
Public Safety	732,467	-	-	732,467	702,130
Public Works	336,278	-	-	336,278	391,795
Parks, Recreation and Other	794,564	484,345	15	1,278,924	1,277,566
Capital Outlay	201,695	-	-	201,695	91,458
Debt Service	44,761	-	-	44,761	-
TOTAL EXPENDITURES	2,781,259	517,355	15	3,298,629	3,416,750
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(515,613)	(88,274)	41,548	(562,339)	(516,403)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	127,990	-	-	127,990	-
Transfers (In)	-	-	-	-	335,210
Transfers (Out)	-	-	-	-	(40,000)
TOTAL OTHER FINANCING SOURCES (USES)	127,990	-	-	127,990	295,210
CHANGE IN FUND BALANCE	(387,623)	(88,274)	41,548	(434,349)	(221,193)
FUND BALANCE, BEGINNING	586,793	473	147,263	734,529	955,722
FUND BALANCE, ENDING	\$ 199,170	\$ (87,801)	\$ 188,811	\$ 300,180	\$ 734,529

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

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CITY OF BURLINGTON

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Change in Fund Balance - Governmental Funds			\$ (434,349)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases		182,239	
Depreciation Expense		<u>(292,102)</u>	<u>(109,863)</u>
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Proceeds from debt issuances		(127,990)	
Principal payments on capital leases		<u>44,761</u>	<u>(83,229)</u>
Change in Net Position - Governmental Activities			<u>\$ (627,441)</u>

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

CITY OF BURLINGTON

STATEMENT OF NET POSITION**PROPRIETARY FUNDS**

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	Business-type Activities			
	Electric	Water & Sewer	Solid Waste	Airport
	Fund	Fund	Fund	Fund
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 3,367,640	\$ 572,263	\$ 24,926	\$ -
Restricted Cash and Investments	-	703,260	-	312,960
Receivables				
Intergovernmental Receivables	-	653,984	-	-
Utility Receivable	716,898	219,545	37,242	-
Cash with Fiscal Agent	-	429,051	-	-
Accounts Receivable	-	-	40,528	-
Other Receivables	-	-	-	-
Internal Balances	512,760	-	-	-
Inventory	89,200	174,729	-	13,968
Prepaid Expenses	1,406	-	-	2,111
Total Current Assets	<u>4,687,904</u>	<u>2,752,832</u>	<u>102,696</u>	<u>329,039</u>
Noncurrent Assets				
Capital Assets not being depreciated	582,503	7,591,077	-	567,504
Capital Assets being depreciated	5,543,178	5,769,600	-	6,695,941
Accumulated Depreciation	(3,436,032)	(2,819,228)	-	(3,060,516)
Other Noncurrent Assets	-	81,860	-	-
Total Noncurrent Assets	<u>2,689,649</u>	<u>10,623,309</u>	<u>-</u>	<u>4,202,929</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 7,377,553</u>	<u>\$ 13,376,141</u>	<u>\$ 102,696</u>	<u>\$ 4,531,968</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 368,153	\$ 522,338	\$ 36,695	\$ (25)
Accrued Liabilities	-	-	-	-
Accrued Salaries and Benefits	6,867	3,610	-	1,039
Retainage Payable	-	335,657	-	-
Deposits and Escrow	73,205	19,850	-	-
Internal Balances	-	-	-	351,970
Accrued Interest Payable	-	34,260	-	-
Total Current Liabilities	<u>448,225</u>	<u>915,715</u>	<u>36,695</u>	<u>352,984</u>
Noncurrent Liabilities				
Due within one year	-	233,809	-	-
Due in more than one year	5,139	5,914,445	-	666
Total Noncurrent Liabilities	<u>5,139</u>	<u>6,148,254</u>	<u>-</u>	<u>666</u>
TOTAL LIABILITIES	<u>453,364</u>	<u>7,063,969</u>	<u>36,695</u>	<u>353,650</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Other Deferred Inflows	-	17,694	-	-
NET POSITION				
Net Investment in Capital Assets	2,689,649	4,830,413	-	4,202,929
Restricted Net Position	-	801,260	-	312,960
Unrestricted Net Position	4,234,540	662,805	66,001	(337,571)
TOTAL NET POSITION	<u>6,924,189</u>	<u>6,294,478</u>	<u>66,001</u>	<u>4,178,318</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 7,377,553</u>	<u>\$ 13,376,141</u>	<u>\$ 102,696</u>	<u>\$ 4,531,968</u>

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

Total	
2017	2016
\$ 3,964,829	\$ 3,079,591
1,016,220	918,432
653,984	-
973,685	1,082,437
429,051	2,124,061
40,528	-
-	1,000
512,760	-
277,897	410,120
3,517	-
<u>7,872,471</u>	<u>7,615,641</u>
8,741,084	3,936,467
18,008,719	18,071,818
(9,315,776)	(8,840,211)
<u>81,860</u>	<u>86,014</u>
<u>17,515,887</u>	<u>13,254,088</u>
<u>\$ 25,388,358</u>	<u>\$ 20,869,729</u>

\$ 927,161	\$ 328,080
-	26,124
11,516	12,891
335,657	-
93,055	85,254
351,970	-
34,260	33,018
<u>1,753,619</u>	<u>485,367</u>
233,809	151,236
<u>5,920,250</u>	<u>6,807,724</u>
<u>6,154,059</u>	<u>6,958,960</u>
<u>7,907,678</u>	<u>7,444,327</u>
<u>17,694</u>	<u>18,368</u>
11,722,991	6,204,174
1,114,220	651,528
<u>4,625,775</u>	<u>6,551,332</u>
<u>17,462,986</u>	<u>13,407,034</u>
<u>\$ 25,388,358</u>	<u>\$ 20,869,729</u>

CITY OF BURLINGTON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Business-type Activities			
	Electric	Water & Sewer	Solid Waste	Airport
	Fund	Fund	Fund	Fund
Operating Revenues				
Utility Charges	\$ 4,347,968	\$ 1,489,804	\$ 341,536	\$ -
Airport Charges	-	-	-	235,833
Other Charges for Services	91,546	9,556	105,829	56,971
Total Revenues	<u>4,439,514</u>	<u>1,499,360</u>	<u>447,365</u>	<u>292,804</u>
Operating Expenses				
Airport	-	-	-	316,301
Solid Waste Collection	-	-	448,120	-
Electric Production	2,468,381	-	-	-
Electric Distribution	308,902	-	-	-
Water Treatment and Distribution	-	491,546	-	-
Sewer Collection and Treatment	-	114,975	-	-
Administration	152,591	16,032	-	-
Depreciation Expense	157,431	140,889	-	272,797
Other Capital Outlay	182,422	1,926	-	10,000
Total Expenditures	<u>3,269,727</u>	<u>765,368</u>	<u>448,120</u>	<u>599,098</u>
Operating Income (Loss)	<u>1,169,787</u>	<u>733,992</u>	<u>(755)</u>	<u>(306,294)</u>
Other Income (Expense)				
Investment Earnings	8,107	5,978	52	120
Other Revenue	13,953	-	-	-
Interest Expense	-	(203,915)	-	-
Gain (Loss) on Sale of Assets	-	-	-	17,628
Other Expense	-	-	-	-
Total Other Income (Expense)	<u>22,060</u>	<u>(197,937)</u>	<u>52</u>	<u>17,748</u>
Net Income (Loss) before Transfers	<u>1,191,847</u>	<u>536,055</u>	<u>(703)</u>	<u>(288,546)</u>
Transfers				
Transfers In/(Out)	-	-	-	-
Net Income (Loss)	<u>1,191,847</u>	<u>536,055</u>	<u>(703)</u>	<u>(288,546)</u>
Contributed Capital				
Plant Investment Fees	3,300	19,494	-	-
Intergovernmental Revenue	-	2,594,505	-	-
Total Contributed Capital	<u>3,300</u>	<u>2,613,999</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>1,195,147</u>	<u>3,150,054</u>	<u>(703)</u>	<u>(288,546)</u>
Net Position, Beginning	<u>5,729,042</u>	<u>3,144,424</u>	<u>66,704</u>	<u>4,466,864</u>
Net Position, Ending	<u>\$ 6,924,189</u>	<u>\$ 6,294,478</u>	<u>\$ 66,001</u>	<u>\$ 4,178,318</u>

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

Total	
2017	2016
\$ 6,179,308	\$ 6,364,459
235,833	204,536
263,902	232,782
<u>6,679,043</u>	<u>6,801,777</u>
316,301	219,761
448,120	417,693
2,468,381	2,714,989
308,902	265,136
491,546	566,842
114,975	97,851
168,623	202,751
571,117	560,408
194,348	14,739
<u>5,082,313</u>	<u>5,060,170</u>
<u>1,596,730</u>	<u>1,741,607</u>
14,257	3,675
13,953	4,977
(203,915)	(202,602)
17,628	-
<u>-</u>	<u>(10,000)</u>
<u>(158,077)</u>	<u>(203,950)</u>
1,438,653	1,537,657
<u>-</u>	<u>(295,210)</u>
1,438,653	1,242,447
22,794	68,578
<u>2,594,505</u>	<u>333,329</u>
<u>2,617,299</u>	<u>401,907</u>
4,055,952	1,644,354
<u>13,407,034</u>	<u>11,762,680</u>
<u>\$ 17,462,986</u>	<u>\$ 13,407,034</u>

CITY OF BURLINGTON

STATEMENT OF CASH FLOWS -

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Business-type Activities			
	Electric Fund	Water & Sewer Fund	Solid Waste Fund	Airport Fund
Cash Flows From Operating Activities:				
Cash Received from Customers	\$ 4,511,444	\$ 1,503,706	\$ 446,441	\$ 293,804
Cash Paid to Suppliers	(2,531,348)	(392,265)	(445,349)	(312,706)
Cash Paid to Employees	(350,390)	(182,209)	-	(20,319)
Net Cash Provided by Operating Activities	<u>1,629,706</u>	<u>929,232</u>	<u>1,092</u>	<u>(39,221)</u>
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	3,300	19,494	-	-
Escrow Drawn	-	1,945,010	-	-
Debt Principal Payments	-	(1,054,013)	-	-
Grant Proceeds	-	1,940,521	-	-
Interest Payments	-	(202,673)	-	-
Proceeds of Capital Asset Sales	(9,150)	-	-	(68,774)
Acquisition of Capital Assets	(506,503)	(3,561,363)	-	88,948
Cash Flows Used by Capital and Related Financing Activities	<u>(512,353)</u>	<u>(913,024)</u>	<u>-</u>	<u>20,174</u>
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	(512,760)	-	-	351,970
Other Revenues (Expense)	13,953	-	-	-
Tax Revenue	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(498,807)</u>	<u>-</u>	<u>-</u>	<u>351,970</u>
Cash Flows (Uses) From Investing Activities:				
Interest Received	8,107	5,978	52	120
Net Increase (Decrease) in Cash	626,653	22,186	1,144	333,043
Cash - Beginning	2,740,987	1,253,337	23,782	(20,083)
Cash - Ending	<u>\$ 3,367,640</u>	<u>\$ 1,275,523</u>	<u>\$ 24,926</u>	<u>\$ 312,960</u>
Cash	\$ 3,367,640	\$ 572,263	\$ 24,926	\$ -
Restricted Cash and Investments	-	703,260	-	312,960
Total	<u>\$ 3,367,640</u>	<u>\$ 1,275,523</u>	<u>\$ 24,926</u>	<u>\$ 312,960</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ 1,169,787	\$ 733,992	\$ (755)	\$ (306,294)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	157,431	140,889	-	272,797
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	64,178	4,970	39,604	-
Accounts Receivable	-	-	(40,528)	-
Other Receivables	-	-	-	1,000
Inventory	146,035	(8,756)	-	(5,055)
Prepaid Expenses	(1,407)	4,154	-	(2,111)
(Increase) Decrease in:				
Accounts Payable	117,738	52,891	2,771	(1,263)
Accrued Liabilities	(26,124)	-	-	-
Accrued Salaries and Benefits	(930)	(1,484)	-	1,039
Deposits and Escrow	7,752	50	-	-
Accrued Compensated Absences	(4,754)	3,200	-	666
Other Deferred Inflows	-	(674)	-	-
Total Adjustments	<u>459,919</u>	<u>195,240</u>	<u>1,847</u>	<u>267,073</u>
Net Cash Used for Operating Activities	<u>\$ 1,629,706</u>	<u>\$ 929,232</u>	<u>\$ 1,092</u>	<u>\$ (39,221)</u>

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

Total	
2017	2016
\$ 6,755,395	\$ 6,868,257
(3,681,668)	(4,245,995)
<u>(552,918)</u>	<u>(577,149)</u>
<u>2,520,809</u>	<u>2,045,113</u>
22,794	68,578
1,945,010	2,250,000
(1,054,013)	(145,000)
1,940,521	2,429
(202,673)	(203,327)
(77,924)	(11,900)
<u>(3,978,918)</u>	<u>(475,781)</u>
<u>(1,405,203)</u>	<u>1,484,999</u>
(160,790)	(295,210)
13,953	(5,023)
-	<u>(2,124,061)</u>
<u>(146,837)</u>	<u>(2,424,294)</u>
14,257	3,675
983,026	1,109,493
<u>3,998,023</u>	<u>2,888,530</u>
<u>\$ 4,981,049</u>	<u>\$ 3,998,023</u>
\$ 3,964,829	\$ 3,079,591
<u>1,016,220</u>	<u>918,432</u>
<u>\$ 4,981,049</u>	<u>\$ 3,998,023</u>
\$ 1,596,730	\$ 1,741,607
571,117	560,408
108,752	(59,511)
(40,528)	-
1,000	98,245
132,224	(79,299)
636	1,422
172,137	(273,256)
(26,124)	-
(1,375)	12,891
7,802	28,299
(888)	14,860
<u>(674)</u>	<u>(553)</u>
<u>924,079</u>	<u>303,506</u>
<u>\$ 2,520,809</u>	<u>\$ 2,045,113</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The City of Burlington, Colorado was incorporated January 31, 1974, under the provisions of Chapter 139, Article 90 of the Colorado Revised Statutes as a Home Rule City.

The City is a political subdivision of the State of Colorado which is governed by an elected mayor and elected six-member City Council. The accounting policies of the City of Burlington, Colorado conform to generally accepted accounting principles (GAAP) as applicable to governments. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant principles.

REPORTING ENTITY

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consist of (a) the primary government, (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no additional agencies or entities which should be included in the financial statements of the City.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include:

- 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and related items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

In the fund financial statements, the City reports the following major governmental funds:

General Fund

The General Fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and City administration.

Tourism Promotion Fund

The Tourism Promotion Fund accounts for funds the activities of the City's "Old City" attraction and accounts for the City's lodging taxes.

The City also reports the following Nonmajor fund:

Special Revenue Funds:

This fund account for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The City's special revenue fund is as follows:

Conservation Trust Fund

The Conservation Trust Fund accounts for funds received through the State of Colorado Lottery/ Conservation Trust Fund program. This fund is required through state statute to be spent on parks and recreation.

Proprietary Funds

The City also reports the following major proprietary funds:

Electric, Water and Sewer, and Airport Funds

The Electric and Water & Sewer account for activities of the City's distribution and collection operations. The Airport Fund accounts for the sale of fuel and expenses of operating the airport.

PROPERTY TAXES

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY TAXES (Continued)

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding unavailable revenue are recorded at December 31. As the tax is collected in the succeeding year, the unavailable revenue is recognized as revenue and the receivable is reduced.

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)

Employees are allowed 10-15 vacation days each year depending on years of employment. There is no accumulation of vacation. In case of emergency, City Council may authorize payment of up to 1/2 of vacation. Sick leave is accrued at the rate of 10 days per year with accumulation of up to 90 days. No payment is made for unused sick leave.

ACCOUNTS RECEIVABLE

Based upon a review of the existing accounts receivable, no allowance for doubtful accounts is needed for any fund.

INVENTORY

All inventories are valued at cost using the first-in/first-out (FIFO) method in the proprietary funds. Inventories of governmental funds are recorded as expenditures when purchased.

PREPAID ITEMS

Payments to vendors for services that will benefit periods beyond the year-end are recorded as prepaid items.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets, which include property, plant, 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 \$2,000 and an estimated useful life in excess of one year. 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.

Property and equipment of the City is depreciated using the straight line method over the following estimated useful lives.

Infrastructure	40 years
Improvements	10 - 50 years
Buildings	10 - 50 years
Equipment	5 - 50 years
Vehicles	7 - 20 years

The City has elected to not retroactively report infrastructure.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to taxes levied in 2017 to be collected in 2018.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The City currently has no assigned fund balances.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NET POSITION/FUND EQUITY FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH FLOW STATEMENT

For purposes of the statement of cash flows, cash equivalents are defined as all bank account balances and investments with maturities of ninety days or less.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

All funds must have budgets to be allowed expenditures. Budgets for all funds except proprietary funds are adopted on a basis consistent with generally accepted accounting principles. The proprietary funds are prepared on the accrual basis of accounting excluding depreciation expense. All annual appropriations lapse at year end.

By August 25 the County Assessor forwards certification of assessed valuation to the City. On or before October 1, departments must submit to the budget officer an estimate of their expenditure requirements and their estimated revenue for the ensuing budget year. The budget officer shall prepare and submit to the City Council a proposed budget by October 15. Upon receipt of the proposed budget, the City Council shall publish a notice showing the proposed budget is open for inspection by the public and the date the City will consider adoption of such proposed budget.

By December 15, the City Council certifies to County Commissioners the mill levy against the assessed valuation.

Final adoption and an ordinance or resolution making appropriations is due by December 31 and submitted to division of local government within 30 days.

Expenditures may not legally exceed budgeted appropriations at the fund level.

Expenditures exceeded appropriations in the Tourism and Promotion, Solid Waste and Airport Funds, which may be a violation of Colorado statutes.

The City does not utilize encumbrance accounting and all appropriations lapse at year end.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: CASH AND INVESTMENTS

DEPOSITS

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2017, all of the City's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Deposits at December 31, 2017 were as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 910,238	\$ 819,439
Collateralized under PDPA (Not in Entity's Name)	4,997,668	4,461,670
Petty Cash	<u>-</u>	<u>1,033</u>
Total Cash and Investments	<u>\$ 5,907,906</u>	<u>\$ 5,282,142</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: CASH AND INVESTMENTS (Continued)

INVESTMENTS

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The City does not have an investment policy that would further limit its investment choices.

For the year ended December 31, 2017, the City did not hold any investments as described above

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes. The City's investment portfolio contains no investments that exceed that limitation.

Custodial Credit Risk – Investments

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 investments or collateral securities that are in the possession of an outside party. As of December 31, 2017, the City's did not hold any investments exposed to Custodial Credit Risk.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: CASH AND INVESTMENTS (Continued)

RESTRICTED CASH

The City has restricted cash and set aside equity as follows:

<u>Restricted Cash</u>		
Restricted for Library	\$ 15,000	
Restricted for Parks	<u>228,826</u>	
Included in Restricted Fund Balance		243,826
Restricted for Parmer Park	866	
Restricted for Library	<u>55,368</u>	
Included in Committed Fund Balance		56,234
Restricted O & M and Debt Service Reserve (Restricted Net Position)		703,260
Restricted for Airport Runway Replacement (Unrestricted Net Position)		<u>312,960</u>
Total Restricted Cash		<u>\$ 1,316,280</u>

NOTE 4: CAPITAL ASSETS

A summary of the City's governmental capital asset transactions for the year are as follows:

	<u>Balance</u> <u>1/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2017</u>
Capital assets not being depreciated				
Land	\$ 337,017	\$ -	\$ -	\$ 337,017
Old Town Donations	<u>101,406</u>	-	-	<u>101,406</u>
Total capital assets not being depreciated	<u>438,423</u>	-	-	<u>438,423</u>
Capital assets being depreciated				
Infrastructure	1,229,057	-	-	1,229,057
Buildings	4,327,428	-	-	4,327,428
Improvements other than buildings	1,532,788	-	-	1,532,788
Equipment	1,750,031	42,748	-	1,792,779
Vehicles	<u>697,305</u>	<u>139,491</u>	<u>(110,985)</u>	<u>725,811</u>
Total capital assets being depreciated	<u>9,536,609</u>	<u>182,239</u>	<u>(110,985)</u>	<u>9,607,863</u>
Accumulated depreciation				
Infrastructure	(402,949)	(32,951)	-	(435,900)
Buildings	(1,702,245)	(90,241)	-	(1,792,486)
Improvements other than buildings	(963,082)	(45,782)	-	(1,008,864)
Equipment	(1,204,059)	(78,974)	-	(1,283,033)
Vehicles	<u>(495,619)</u>	<u>(44,154)</u>	<u>110,985</u>	<u>(428,788)</u>
Total accumulated depreciation	<u>(4,767,954)</u>	<u>(292,102)</u>	<u>110,985</u>	<u>(4,949,071)</u>
Net Capital Assets	<u>\$ 5,207,078</u>	<u>\$ (109,863)</u>	<u>\$ -</u>	<u>\$ 5,097,215</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation has been allocated to the various governmental functions as follows:

General Government	\$	32,586
Public Safety		39,341
Public Works		52,299
Culture and Recreation		167,876
Total Depreciation	\$	<u>292,102</u>

A summary of the City's business-type capital asset transactions for the year are as follows:

	<u>Balance</u> <u>1/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2017</u>
Capital assets not being depreciated				
Land	\$ 584,615	\$ -	\$ -	\$ 584,615
Construction in Progress	433,820	4,804,616	-	5,238,436
Water rights	<u>2,918,032</u>	-	-	<u>2,918,032</u>
Total capital assets not being depreciated	<u>3,936,467</u>	<u>4,804,616</u>	-	<u>8,741,083</u>
Capital assets being depreciated				
System	10,263,839	-	-	10,263,839
Buildings	1,074,756	-	-	1,074,756
Other improvements	5,134,045	-	-	5,134,045
Equipment	1,087,674	35,000	(79,869)	1,042,805
Vehicles	<u>511,502</u>	-	(18,229)	<u>493,273</u>
Total capital assets being depreciated	<u>18,071,816</u>	<u>35,000</u>	<u>(98,098)</u>	<u>18,008,718</u>
Accumulated depreciation				
System	(5,194,051)	(232,471)	-	(5,426,522)
Buildings	(344,260)	(25,697)	-	(369,957)
Other improvements	(2,165,071)	(215,051)	-	(2,380,122)
Equipment	(707,963)	(61,591)	77,323	(692,231)
Vehicles	<u>(440,766)</u>	<u>(24,407)</u>	<u>18,229</u>	<u>(446,944)</u>
Total accumulated depreciation	<u>(8,852,111)</u>	<u>(559,217)</u>	<u>95,552</u>	<u>(9,315,776)</u>
Net Capital Assets	<u>\$ 13,156,172</u>	<u>\$ 4,280,399</u>	<u>\$ (2,546)</u>	<u>\$ 17,434,025</u>

Depreciation has been allocated to the various business-type activities as follows:

Electric	\$	151,863
Water		64,876
Sewer		69,681
Airport		272,797
Total Depreciation	\$	<u>559,217</u>

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5: LONG-TERM DEBT

BUSINESS-TYPE ACTIVITIES

Changes in business-type activity long-term debt are as follows:

	Balance 12/31/2016	Advances	Repayments/ Forgiveness	Balance 12/31/2017	Current Portion	Accrued Interest	Interest Expense
<u>Business-type Activities</u>							
<u>2014 Series A Revenue Bonds Payable</u>							
Bonds Payable - Water	\$ 3,185,000	\$ -	\$ 115,000	\$ 3,070,000	\$ 125,000	\$ 20,350	\$ 128,428
Bond Premiums - Water	12,805	-	462	12,343	503	-	(462)
<u>2014 Series B Revenue Bonds Payable</u>							
Bonds Payable - Water	555,145	-	(15,944)	571,089	(16,806)	9,744	59,714
Bond Premiums - Water	5,562	-	212	5,350	212	-	(212)
Bonds Payable - Sewer	1,284,855	-	85,944	1,198,911	86,806	1,998	13,344
<u>2016 CWRPDA Note Payable</u>	1,919,100	-	868,416	1,050,684	30,786	1,751	2,629
<u>2017 CWRPDA Note Payable</u>	-	250,000	597	249,403	7,308	416	624
Total Noncurrent Liabilities	\$ 6,962,467	\$ 250,000	\$ 1,054,687	\$ 6,157,780	\$ 233,809	\$ 34,259	\$ 204,065

In May 2014, the City issued \$5,250,000 of revenue bonds in the Water & Sewer Fund at rates varying from 2.00%-4.35% (4.21% yield) for a term of 21 years for water rights and facilities of the system as well as a mandatory refinancing of the City's existing 2010 Colorado Water and Resource and Power Development Authority loan utilized by the sewer operation. Interest payments are due on May 1 and November 1 of each year and principal payments are due on November 1 of each year. Following is a payment schedule. Bonds maturing on and after November 1, 2020 are beginning November 1, 2019. The bond requires the maintenance of a reserve account in the amount of \$385,533 and contains a revenue pledge. The bonds also contain a requirement that net revenues as defined exceed 120% of the maximum annual debt service of the outstanding and parity bonds which occurs in the 2020 fiscal year in the amount of \$464,597, or a required net revenue of \$557,516. The City has set aside \$651,528 to meet the reserve requirement and the CWRPDA reserve requirement described below as well as for future rate stabilization.

As the 2014 bonds carry an average interest rate greater than the requirements of the 2010 CWRPDA loan, it was determined that the sewer operation would be charged principal and interest based on the 2010 amortization schedule with the Water operation charged for any remaining amount and all adjustments run through the Series B scheduled payments.

Scheduled payments on the bonds are as follows:

Year	Principal	Interest	Total
2018	\$ 195,000	\$ 192,558	\$ 387,558
2019	200,000	186,708	386,708
2020	210,000	180,708	390,708
2021	210,000	173,883	383,883
2022	220,000	166,533	386,533
2023-2027	1,235,000	699,890	1,936,090
2028-2032	1,505,000	428,137	1,933,330
2033-2035	1,065,000	93,961	1,544,101
Total	\$ 4,840,000	\$ 2,122,378	\$ 6,962,378

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

In November 2016, the City entered into a \$2,250,000 loan agreement through the Colorado Water Resource and Power Development Authority (“CWRPDA”) in the Water & Sewer Fund at a rate of 1% for a term of 30 years for facilities of the water system. Principal and interest payments are due on May 1 and November 1 of each year. CWRPDA forgave \$330,900 of principal during the fiscal year. The loan requires the maintenance of an operations and maintenance reserve account in the amount of three months of budgeted operations, or \$222,626 as of December 31, 2016. The loan also contains a requirement that net revenues as defined exceed 110% of the maximum annual debt service of the outstanding and parity loans bonds which occurs in the 2020 fiscal year. The City has set aside funds to meet the debt service and operations and maintenance reserve requirements as described above.

Scheduled payments on the loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 30,786	\$ 10,430	\$ 41,216
2019	31,095	10,121	41,216
2020	31,406	9,810	41,216
2021	31,721	9,495	41,216
2022	32,039	9,177	41,216
2023-2027	163,439	42,641	206,080
2028-2032	171,799	34,281	206,080
2033-2037	180,584	25,496	206,080
2038-2042	189,819	16,261	206,080
2043-2047	199,525	6,555	206,080
Total	<u>\$ 1,050,681</u>	<u>\$ 165,195</u>	<u>\$ 783,104</u>

In addition, the City has recorded the following non-current assets related to the above debt issuances:

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>	<u>Accrued</u>	<u>Interest</u>
	<u>12/31/2016</u>	<u>Advances</u>	<u>Repayments</u>	<u>12/31/2017</u>	<u>Portion</u>	<u>Interest</u>	<u>Expense</u>
<u>2014 Bonds Payable</u>							
Series A Bond Insurance	\$ 53,573	\$ -	\$ 1,934	\$ 51,639	\$ 1,934	\$ -	\$ 1,934
Series B Bond Insurance	31,417	-	1,195	30,222	1,195	-	1,195
Total Bond Insurance Asset	<u>\$ 84,990</u>	<u>\$ -</u>	<u>\$ 3,129</u>	<u>\$ 81,861</u>	<u>\$ 3,129</u>	<u>\$ -</u>	<u>\$ 3,129</u>

**CITY OF BURLINGTON, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017**

NOTE 5: LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

Coverage for the rate maintenance agreement is as follows:

Gross Charges for Services	\$ 1,329,972
Other Charges	58,226
Plant Investment Fees	<u>212,196</u>
Gross Revenue	1,600,394
Water Treatment and Distribution	782,861
Sewer Collection and Treatment	127,451
Administration	2,854
Transfers Out	<u>79,635</u>
Operations and Maintenance Expenses	<u>992,801</u>
Net Revenues	607,593
Maximum Annual Debt Service - FY2025	385,533
Rate Maintenance Coverage	<u>120%</u>
Required Rate Maintenance Net Revenue	<u>462,640</u>
Excess Coverage (Deficiency)	<u>\$ 144,953</u>

The City also entered into an additional \$250,000 loan agreement with CWRPDA in April of 2017.

GOVERNMENTAL ACTIVITIES

The following is a summary of governmental activity long term debt.

<u>Governmental Activities</u>	<u>Balance</u>			<u>Balance</u>			<u>Current</u>	<u>Accrued</u>	<u>Interest</u>
	<u>12/31/2016</u>	<u>Advances</u>	<u>Repayments</u>	<u>12/31/2017</u>	<u>Portion</u>	<u>Interest</u>	<u>Expense</u>		
2017 Capital Lease Obligations	\$ -	\$ 127,990	\$ 44,761	\$ 83,229	\$ 40,599	\$ 125	\$ 125		

Capital Leases Payable

In 2017, the City entered into a capital lease agreement for the purchase of three police vehicles. The lease was for \$127,990 and requires three annual payments of \$44,761. The lease bears interest at 5.0%. All payments related to this lease will be made by the General Fund and are included along with monthly maintenance charges in equipment rentals in the financial statements. The City has capitalized assets with a remaining basis of \$127,445 related to the lease.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5: LONG-TERM DEBT (Continued)

GOVERNMENTAL ACTIVITIES (Continued)

The following is a schedule of the future minimum lease payments required under the capital lease for the vehicle purchase, and the present value of the remaining payments as of December 31, 2017:

<u>Year</u>	<u>Minimum Annual Payment</u>
2018	\$ 44,761
2019	44,761
Future Min. Lease Payment	89,522
Imputed Interest	(6,293)
Present Value FMLP	<u>\$ 83,229</u>

NOTE 6: PENSION PLANS

INTERNAL REVENUE CODE SECTION 457 PLAN

The City has established an Internal Revenue Code Section 457 Plan for the benefit of employees. A 457 plan allows an employee to contribute pretax dollars towards retirement. All amounts contributed are fully vested. The City has contributed, \$75,324, or 4% of employee payroll, in form of an employee match for the current fiscal year.

NOTE 7: FUND BALANCE/NET POSITION RESERVES/RESTRICTIONS

TAX SPENDING AND DEBT LIMITATIONS

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The City's financial activity for the year ended December 31, 2016 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the City's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

At a November 1997 election, the electors of the City authorized the City to collect, retain and expend the full amount of the revenues from all sources. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The City's management believes it is in compliance with the TABOR amendment.

CITY OF BURLINGTON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 7: FUND BALANCE/NET POSITION RESERVES/RESTRICTIONS (Continued)

The Article requires an emergency reserve be set aside for 2017 in the amount of 3% or more of its fiscal year spending. At December 31, 2017, the City has reserved/restricted the following for emergencies:

General Fund	<u>\$ 83,000</u>
Water and Sewer Fund	<u>\$ 98,000</u>

OTHER COMMITMENTS AND RESTRICTIONS

The City has committed or restricted other funds as summarized in Note 3. The amount restricted for parks has been reduced by the amount of the interfund payable.

DEFICIT NET POSITION/FUND BALANCE

The City has an unrestricted net position deficit in the Airport Fund in the amount of \$(337,571). The City has a deficit unassigned fund balance in the Tourism Promotion Funds of \$(87,801).

NOTE 8: COMMITMENTS AND CONTINGENCIES

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the City, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2017.

NOTE 9: RISK MANAGEMENT

The City of Burlington, Colorado carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions.

The City of Burlington, Colorado carries property, liability and bond coverage through Colorado Intergovernmental Risk Sharing Agency (CIRSA). Premiums are based on prior claims, as adjusted through various worker classifications. Risk of loss is transferred to CIRSA.

The City workers' compensation insurance through Pinnacol Assurance. Risk of loss is transferred to Pinnacol.

The City has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the City has not recorded any liability for unpaid claims at December 31, 2017.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
REVENUES					
Taxes					
Property Taxes	\$ 379,457	\$ 379,457	\$ 360,905	\$ (18,552)	\$ 341,642
Specific Ownership Taxes	45,000	45,000	43,569	(1,431)	40,917
Sales and Use Taxes	1,185,000	1,185,000	1,132,549	(52,451)	1,200,482
Franchise Taxes	101,000	101,000	55,225	(45,775)	89,598
Other Taxes	330,500	270,500	5,779	(264,721)	51,373
Total Tax Revenue	<u>2,040,957</u>	<u>1,980,957</u>	<u>1,598,027</u>	<u>(382,930)</u>	<u>1,724,012</u>
Intergovernmental Revenues					
Cigarette Taxes	9,000	9,000	8,183	(817)	11,224
Highway Users	135,000	135,000	128,746	(6,254)	126,962
Road and Bridge	190,000	190,000	186,684	(3,316)	169,594
Clerk/Motor Vehicle Fees	15,000	15,000	13,571	(1,429)	13,863
Mineral Lease	-	-	-	-	2,037
Severance Tax	-	-	829	829	1,493
State Grants	-	-	18,526	18,526	4,000
Other Intergovernmental	-	-	5,000	5,000	-
Total Intergovernmental Revenue	<u>349,000</u>	<u>349,000</u>	<u>361,539</u>	<u>12,539</u>	<u>329,173</u>
Licenses and Permits					
Liquor Licenses	4,800	4,800	5,188	388	6,008
Building Permits	1,000	1,000	600	(400)	2,580
Animal Licenses	500	500	700	200	295
Business Licenses	-	-	2,586	2,586	-
Other Licenses	1,000	1,000	500	(500)	1,000
Total Licenses and Permits	<u>7,300</u>	<u>7,300</u>	<u>9,574</u>	<u>2,274</u>	<u>9,883</u>
Fines and Forfeits					
	<u>15,000</u>	<u>15,000</u>	<u>21,008</u>	<u>6,008</u>	<u>21,350</u>
Internal Charges					
Charges for Services					
Recreation/Comm Ctr/Library Charges	272,100	222,400	39,881	(182,519)	93,813
Sales of Goods	-	35,000	-	(35,000)	-
Rents	73,000	73,000	46,403	(26,597)	33,584
Internal Charges	-	-	-	-	34,125
Other Charges for Services	10,000	98,900	128,431	29,531	8,805
Total Charges for Services	<u>355,100</u>	<u>429,300</u>	<u>214,715</u>	<u>(214,585)</u>	<u>170,327</u>
Investment Earnings					
	<u>3,400</u>	<u>3,400</u>	<u>5,519</u>	<u>2,119</u>	<u>7,451</u>
Other Revenues					
Reimbursements and Refunds	-	18,100	4,663	(13,437)	-
Donations	2,100	10,100	16,940	6,840	4,044
Insurance Proceeds/Recoveries	-	-	-	-	146,732
Sale of Capital Assets	-	-	26,574	26,574	26,529
Other Miscellaneous Revenue	20,000	22,000	7,087	(14,913)	23,888
Total Other Revenue	<u>22,100</u>	<u>50,200</u>	<u>55,264</u>	<u>5,064</u>	<u>201,193</u>
TOTAL REVENUES	<u>2,792,857</u>	<u>2,835,157</u>	<u>2,265,646</u>	<u>(569,511)</u>	<u>2,463,389</u>

See accompanying Independent Auditors' Report.

(Continued)

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			Variance With Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	419,775	339,025	301,008	38,017	425,776
Contract labor	75,000	10,000	-	10,000	12,635
Fuel and Automotive	9,200	-	-	-	8,370
Insurance	140,000	140,000	105,184	34,816	148,780
Professional Fees	41,500	52,000	125,659	(73,659)	128,013
Repairs and Maintenance	17,000	7,500	17,033	(9,533)	2,498
Supplies	37,700	28,700	22,262	6,438	49,507
Telephone and Utilities	44,200	29,200	23,532	5,668	39,863
Travel and Training	22,500	15,500	2,113	13,387	15,963
Other Expenses	91,450	92,550	74,703	17,847	103,915
Total General Government	898,325	714,475	671,494	42,981	935,320
Public Safety					
Personnel Services	649,353	649,353	541,068	108,285	547,578
Equipment Rentals	-	-	1,554	(1,554)	-
Fuel and Automotive	10,000	20,000	13,564	6,436	6,036
Professional Fees	82,000	85,500	86,760	(1,260)	72,711
Repairs and Maintenance	7,500	17,500	7,295	10,205	3,360
Supplies	23,100	16,100	3,317	12,783	22,474
Telephone and Utilities	17,600	17,600	31,705	(14,105)	17,697
Travel and Training	36,000	16,000	11,324	4,676	16,707
Other Expenses	23,700	20,200	35,880	(15,680)	15,569
Total Public Safety	849,253	842,253	732,467	109,786	702,132
Public Works					
Personnel Services	268,872	268,872	305,383	(36,511)	293,519
Fuel and Automotive	29,000	14,000	3,535	10,465	20,639
Professional Fees	-	55,500	3,553	51,947	-
Repairs and Maintenance	150,000	165,000	15,984	149,016	70,328
Supplies	10,200	10,200	457	9,743	135
Telephone and Utilities	7,500	7,500	6,794	706	6,880
Travel and Training	200	200	11	189	35
Other Expenses	500	-	561	(561)	259
Total Public Works/Comm Devel	466,272	521,272	336,278	184,994	391,795
Parks, Recreation and Other					
Personnel Services	738,347	819,097	557,736	261,361	600,694
Contract labor	9,600	-	-	-	2,400
Fuel and Automotive	18,000	7,500	4,234	3,266	9,494
Professional Fees	80,000	9,600	678	8,922	16,052
Repairs and Maintenance	84,000	111,500	41,395	70,105	30,884
Supplies	171,575	98,225	43,364	54,861	77,764
Telephone and Utilities	93,000	108,000	81,993	26,007	80,228
Travel and Training	2,400	4,400	1,596	2,804	552
Other Expenses	19,925	169,375	63,568	105,807	8,294
Total Parks, Recreation & Other	1,216,847	1,327,697	794,564	533,133	826,362

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			Variance With Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
Capital Outlay					
General Government Capital Outlay	-	37,890	13,630	24,260	9,630
Public Safety Capital Outlay	83,890	62,000	142,110	(80,110)	63,081
Public Works Capital Outlay	196,667	196,667	2,000	194,667	3,755
Parks, Recreation and Other Capital Outlay	89,000	98,000	43,955	54,045	14,992
Total Capital Outlay	<u>369,557</u>	<u>394,557</u>	<u>201,695</u>	<u>192,862</u>	<u>91,458</u>
Debt Service					
Principal	-	-	44,761	(44,761)	-
Contingency Reserve					
TOTAL EXPENDITURES	<u>3,800,254</u>	<u>3,800,254</u>	<u>2,781,259</u>	<u>1,018,995</u>	<u>2,947,067</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,007,397)	(965,097)	(515,613)	449,484	(483,678)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	185,000	127,990	(57,010)	-
Transfers In	(381,451)	(388,453)	-	388,453	260,210
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (1,388,848)</u>	<u>\$ (1,168,550)</u>	<u>(387,623)</u>	<u>\$ 780,927</u>	<u>(223,468)</u>
Budget to GAAP Basis Reconciliation					
FUND BALANCE, BEGINNING			586,793		810,261
FUND BALANCE, ENDING			<u>\$ 199,170</u>		<u>\$ 586,793</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE

Tourism Promotion Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016 Actual
	Final Budget	Actual		
REVENUES				
Taxes				
Other Taxes	\$ 195,000	\$ 193,886	\$ (1,114)	188,493
Charges for Services				
Recreation/Comm Ctr/Library Charges	75,600	93,337	17,737	88,981
Rents	36,922	35,518	(1,404)	32,721
Other Charges for Services	90,480	91,756	1,276	-
Total Charges for Services	203,002	220,611	17,609	121,702
Investment Earnings	-	22	22	-
Other Revenues				
Reimbursements and Refunds	-	853	853	-
Donations	13,000	13,699	699	1,445
Other Miscellaneous Revenue	-	10	10	83,480
Total Other Revenue	13,000	14,562	1,562	84,925
TOTAL REVENUES	411,002	429,081	18,079	395,120
EXPENDITURES				
Personnel Services	-	(2,569)	2,569	-
Professional Fees	9,600	15,477	(5,877)	-
Repairs and Maintenance	4,200	3,951	249	11,742
Telephone and Utilities	2,000	9,541	(7,541)	-
Other Expenses	2,342	6,610	(4,268)	6,737
Total General Government	18,142	33,010	(14,868)	18,479
Parks, Recreation and Other				
Personnel Services	210,524	209,001	1,523	186,606
Fuel and Automotive	500	526	(26)	1,170
Professional Fees	30,171	30,422	(251)	-
Repairs and Maintenance	31,573	42,616	(11,043)	60,369
Supplies	9,398	11,255	(1,857)	72,181
Telephone and Utilities	49,000	42,732	6,268	53,559
Travel and Training	5,500	4,425	1,075	379
Other Expenses	149,940	143,368	6,572	76,904
Total Parks, Recreation & Other	486,606	484,345	2,261	451,168
TOTAL EXPENDITURES	504,748	517,355	(12,607)	469,647
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(93,746)	(88,274)	5,472	(74,527)
Transfers In	-	-	-	75,000
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ (93,746)	(88,274)	\$ 5,472	473
FUND BALANCE, BEGINNING		473		-
FUND BALANCE, ENDING		\$ (87,801)		\$ 473

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

CITY OF BURLINGTON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017
 With Comparative Totals for December 31, 2016

	<u>SPEC REV FUND</u>		
	<u>Conservation Trust</u>	<u>Total</u>	
	<u>Fund</u>	<u>2017</u>	<u>2016</u>
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Restricted Cash and Investments	\$ 228,826	\$ 228,826	\$ 147,263
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Internal Balances	\$ 40,015	\$ 40,015	\$ -
FUND BALANCE			
Restricted Fund Balance	188,811	188,811	147,263
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 228,826	\$ 228,826	\$ 147,263

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	<u>SPEC REV FUND</u>		
	<u>Conservation Trust</u>	<u>Total</u>	
	<u>Fund</u>	<u>2017</u>	<u>2016</u>
REVENUES			
Intergovernmental Revenues	\$ 41,503	41,503	41,777
Investment Earnings	60	60	61
TOTAL REVENUES	<u>41,563</u>	<u>41,563</u>	<u>41,838</u>
EXPENDITURES			
Current:			
Parks, Recreation and Other	15	15	36
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>41,548</u>	<u>41,548</u>	<u>41,802</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	(40,000)
NET CHANGE IN FUND BALANCE - GAAP BASIS	41,548	41,548	1,802
FUND BALANCE, BEGINNING	<u>147,263</u>	<u>147,263</u>	<u>145,461</u>
FUND BALANCE, ENDING	<u>\$ 188,811</u>	<u>\$ 188,811</u>	<u>\$ 147,263</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Original & Final Budget	Actual	Variance With Final Budget	
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	\$ 40,000	\$ 41,503	\$ 1,503	\$ 41,777
Investment Earnings	100	60	(40)	61
TOTAL REVENUES	<u>40,100</u>	<u>41,563</u>	<u>1,463</u>	<u>41,838</u>
EXPENDITURES				
Parks, Recreation and Other				
Other Expenses	100	15	85	36
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	40,000	41,548	1,548	41,802
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(40,000)	-	40,000	(40,000)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	<u>41,548</u>	<u>\$ 41,548</u>	<u>1,802</u>
Budget to GAAP Basis Reconciliation				
FUND BALANCE, BEGINNING		147,263		145,461
FUND BALANCE, ENDING		<u>\$ 188,811</u>		<u>\$ 147,263</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

Electric Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance with Final Budget	2016	
	Final Budget	Actual		Budget	Actual
Operating Revenues					
Utility Charges	\$ 4,700,000	\$ 4,347,968	\$ (352,032)	\$ 4,517,352	
Other Charges for Services	169,000	91,546	(77,454)	213,333	
Total Revenues	<u>4,869,000</u>	<u>4,439,514</u>	<u>(429,486)</u>	<u>4,730,685</u>	
Operating Expenses					
Electric Production	3,078,000	2,468,381	609,619	2,714,989	
Electric Distribution	410,872	308,902	101,970	265,136	
Administration	237,850	152,591	85,259	168,636	
Other Capital Outlay	<u>1,200,000</u>	<u>688,924</u>	<u>511,076</u>	<u>65,882</u>	
Total Expenditures	<u>4,926,722</u>	<u>3,618,798</u>	<u>1,307,924</u>	<u>3,214,643</u>	
Operating Income (Loss)	(57,722)	820,716	878,438	1,516,042	
Other Income (Expense)					
Investment Earnings	800	8,107	7,307	1,309	
Other Revenue	<u>6,000</u>	<u>13,953</u>	<u>7,953</u>	<u>-</u>	
Net Income (Loss) before Transfers	(50,922)	842,776	893,698	1,517,351	
Transfers					
Transfers In/(Out)	<u>(278,994)</u>	<u>-</u>	<u>278,994</u>	<u>(282,315)</u>	
Net Income (Loss), Budget Basis	(329,916)	842,776	1,172,692	1,235,036	
Contributed Capital					
Plant Investment Fees	<u>15,000</u>	<u>3,300</u>	<u>(11,700)</u>	<u>60,378</u>	
Change in Net Position (Budget Basis)	<u>\$ (314,916)</u>	<u>846,076</u>	<u>\$ 1,160,992</u>	<u>1,295,414</u>	
Budget to GAAP Reconciliation					
Depreciation Expense		(157,431)		(149,971)	
Capital Outlay		<u>506,502</u>		<u>65,882</u>	
Change in Net Position - GAAP Basis		1,195,147		1,211,325	
Net Position, Beginning		<u>5,729,042</u>		<u>4,517,717</u>	
Net Position, Ending		<u>\$ 6,924,189</u>		<u>\$ 5,729,042</u>	

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Water & Sewer Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance with Final Budget	2016 Actual
	Final Budget	Actual		
Operating Revenues				
Utility Charges	\$ 1,435,200	\$ 1,489,804	\$ 54,604	\$ 1,397,596
Other Charges for Services	2,000	9,556	7,556	6,449
Total Revenues	<u>1,437,200</u>	<u>1,499,360</u>	<u>62,160</u>	<u>1,404,045</u>
Operating Expenses				
Water Treatment and Distribution	747,802	491,546	256,256	566,842
Sewer Collection and Treatment	142,700	114,975	27,725	97,851
Administration	-	16,032	(16,032)	-
Other Capital Outlay	4,550,000	4,325,889	224,111	362,638
Total Expenditures	<u>5,440,502</u>	<u>4,948,442</u>	<u>492,060</u>	<u>1,027,331</u>
Operating Income (Loss)	<u>(4,003,302)</u>	<u>(3,449,082)</u>	<u>554,220</u>	<u>376,714</u>
Other Income (Expense)				
Investment Earnings	500	5,978	5,478	2,266
Debt Service	(474,581)	(392,028)	82,553	(2,201,743)
Other Expense	-	-	-	(10,000)
Total Other Income (Expense)	<u>(474,081)</u>	<u>(386,050)</u>	<u>88,031</u>	<u>(2,209,477)</u>
Net Income (Loss) before Transfers	<u>(4,477,383)</u>	<u>(3,835,132)</u>	<u>642,251</u>	<u>(1,832,763)</u>
Transfers				
Transfers In/(Out)	<u>(79,459)</u>	<u>-</u>	<u>79,459</u>	<u>(70,154)</u>
Net Income (Loss), Budget Basis	<u>(4,556,842)</u>	<u>(3,835,132)</u>	<u>721,710</u>	<u>(1,902,917)</u>
Contributed Capital				
Plant Investment Fees	7,000	19,494	12,494	8,200
Intergovernmental Revenue	<u>4,750,000</u>	<u>2,594,505</u>	<u>(2,155,495)</u>	<u>330,900</u>
Total Contributed Capital	<u>4,757,000</u>	<u>2,613,999</u>	<u>(2,143,001)</u>	<u>339,100</u>
Change in Net Position (Budget Basis)	<u>\$ 200,158</u>	<u>(1,221,133)</u>	<u>\$ (1,421,291)</u>	<u>(1,563,817)</u>
Budget to GAAP Reconciliation				
Principal Paid		188,113		1,999,141
Depreciation Expense		(140,889)		(133,026)
Capital Outlay		<u>4,323,963</u>		<u>362,638</u>
Change in Net Position - GAAP Basis		3,150,054		664,936
Net Position, Beginning		<u>3,144,424</u>		<u>2,479,488</u>
Net Position, Ending		<u>\$ 6,294,478</u>		<u>\$ 3,144,424</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL**

Solid Waste Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance with Final Budget	2016 Actual
	Final Budget	Actual		
Operating Revenues				
Utility Charges	\$ 320,000	\$ 341,536	\$ 21,536	\$ 449,511
Other Charges for Services	100,000	105,829	5,829	-
Total Revenues	<u>420,000</u>	<u>447,365</u>	<u>27,365</u>	<u>449,511</u>
Operating Expenses				
Solid Waste Collection	444,400	448,120	(3,720)	417,693
Administration	-	-	-	34,115
Total Expenditures	<u>444,400</u>	<u>448,120</u>	<u>(3,720)</u>	<u>451,808</u>
Operating Income (Loss)	(24,400)	(755)	23,645	(2,297)
Investment Earnings	-	52	52	-
Change in Net Position (Budget Basis)	<u>\$ (24,400)</u>	<u>(703)</u>	<u>\$ 23,697</u>	<u>(2,297)</u>
Net Position, Beginning		66,704		69,001
Net Position, Ending		<u>\$ 66,001</u>		<u>\$ 66,704</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL**

Airport Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance with Final Budget	2016
	Final Budget	Actual		Actual
Operating Revenues				
Airport Charges	\$ 226,250	\$ 235,833	\$ 9,583	\$ 204,536
Other Charges for Services	12,000	56,971	44,971	13,000
Total Revenues	238,250	292,804	54,554	217,536
Operating Expenses				
Airport	251,000	316,301	(65,301)	219,761
Other Capital Outlay	-	10,000	(10,000)	61,998
Total Expenditures	251,000	326,301	(75,301)	281,759
Operating Income (Loss)	(12,750)	(33,497)	(20,747)	(64,223)
Other Income (Expense)				
Investment Earnings	20	120	100	100
Other Revenue	-	-	-	4,977
Gain (Loss) on Sale of Assets	-	17,628	17,628	-
Total Other Income (Expense)	20	17,748	17,728	5,077
Net Income (Loss) before Transfers	(12,730)	(15,749)	(3,019)	(59,146)
Transfers				
Transfers In/(Out)	10,000	-	(10,000)	57,259
Net Income (Loss), Budget Basis	(2,730)	(15,749)	(13,019)	(1,887)
Contributed Capital				
Intergovernmental Revenue	-	-	-	2,429
Change in Net Position (Budget Basis)	\$ (2,730)	(15,749)	\$ (13,019)	542
Budget to GAAP Reconciliation				
Depreciation Expense		(272,797)		(277,411)
Capital Outlay		-		47,259
Change in Net Position - GAAP Basis		(288,546)		(229,610)
Net Position, Beginning		4,466,864		4,696,474
Net Position, Ending		\$ 4,178,318		\$ 4,466,864

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Burlington
		YEAR ENDING : December 2017
This Information From The Records Of City of Burlington, Colorado	Prepared By: Phone:	Lorraine Trotter, Prof'l Mgmt Solutions 303-910-9197

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	234,846
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	6,794
2. General fund appropriations	398,104	b. Snow and ice removal	64,425
3. Other local imposts (from page 2)	0	c. Other	
4. Miscellaneous local receipts (from page 2)	18,907	d. Total (a. through c.)	71,219
5. Transfers from toll facilities		4. General administration & miscellaneous	32,213
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	221,051
a. Bonds - Original Issues		6. Total (1 through 5)	559,328
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest & Costs of Issuance	
7. Total (1 through 6)	417,011	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	142,317	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	559,328	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			559,328

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	559,328	559,328	(0)	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	18,907
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	18,907
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	128,746	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	13,571	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	13,571	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	142,317	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: