

**CITY OF BURLINGTON  
BURLINGTON, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2019**

## TABLE OF CONTENTS

	Page
<b>Introduction Section</b>	
Title Page	
Table of Contents	
<b>Financial Section</b>	
Managements' Discussion and Analysis (Unaudited)	M1 – M10
Independent Auditors' Report	1 - 3
Basic Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet – Governmental Funds	6
Reconciliation of Governmental Funds Balance to Governmental Activities Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	8
Reconciliation of Governmental Funds Change in Fund Balance to Governmental Activities Change in Net Position	9
Statement of Net Position – Proprietary Fund	10
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	11
Statement of Cash Flows – Proprietary Funds	12
Notes to the Financial Statements	13 – 28
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule for the General Fund	29 – 31
Budgetary Comparison Schedule for the Tourism Promotion Fund	32
Budgetary Comparison Schedule for the Conservation Trust Fund	33

TABLE OF CONTENTS  
(Continued)

	Page
<b>Other Supplementary Information</b>	
<b>Enterprise Funds</b>	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Electric Fund	34
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Water and Sewer Fund	35
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Solid Waste Fund	36
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Airport Fund	37
<b>State Compliance</b>	
Local Highway Finance Report	38 - 39

**CITY OF BURLINGTON, COLORADO**  
Management Discussion and Analysis  
For the Year Ended December 31, 2019

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, 2019. Please read it in conjunction with the financial statements.

**Financial Highlights**

- The City's Net Position increased by \$1,165,297 (4.9%) during 2019.
- The City's assets exceeded its liabilities and deferred inflows of financial resources at December 31, 2019 by \$25,003,895 (Net Position).
- At December 31, 2019, the City's governmental funds reported combined ending fund balances of \$478,869. This marked an increase of \$67,153 (16.3%) over the prior year.
- The \$67,153 increase in the governmental funds' combined ending fund balances was enabled by transfers of \$220,000 from the City's business-type funds.
- The aggregate Net Position of the City's business-type funds increased by \$1,165,796 (6.3%) during 2019 despite a decrease of -\$148,802 in the Airport Fund.
- The City completed its electric voltage conversion project during 2019.
- During 2019, the City completed its airport Master Plan and began engineering for a Runway Turnaround project.

**Using This Annual Report**

This Discussion and Analysis report 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, administration, 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*.

*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 \$25,003,895 at the close of 2019.

### CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 1,003,791	\$ 961,473	\$ 7,599,197	\$ 6,370,756	\$ 8,602,988	\$ 7,332,229
Capital assets, net	4,710,890	4,821,172	18,436,294	19,011,628	23,147,184	23,832,800
Total assets	\$ 5,714,681	\$ 5,782,645	\$ 26,035,491	\$ 25,382,384	\$ 31,750,172	\$ 31,165,029
Deferred outflow s of resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	\$ 131,711	\$ 107,198	\$ 513,923	\$ 793,095	\$ 645,634	\$ 900,293
Noncurrent Liabilities	-	42,630	5,691,182	5,923,970	5,691,182	5,966,600
Total liabilities	\$ 131,711	\$ 149,828	\$ 6,205,105	\$ 6,717,065	\$ 6,336,816	\$ 6,866,893
Deferred inflow s of resources	\$ 393,211	\$ 442,559	\$ 16,250	\$ 16,979	\$ 409,461	\$ 459,538
Net position:						
Net investment in capital assets	\$ 4,710,890	\$ 4,778,542	\$ 12,692,428	\$ 13,025,905	\$ 17,403,318	\$ 17,804,447
Restricted	393,801	360,150	869,024	1,168,050	1,262,825	1,528,200
Unrestricted	85,068	51,566	6,252,684	4,454,385	6,337,752	4,505,951
Total net position	\$ 5,189,759	\$ 5,190,258	\$ 19,814,136	\$ 18,648,340	\$ 25,003,895	\$ 23,838,598

Over two-thirds (69.6%) of the City’s total net position at December 31, 2019 was represented by its investment in capital assets (e.g. land, buildings, infrastructure, & equipment). The city uses these capital assets to provide services; consequently, these assets are not available for future spending.

Approximately 5.1% (\$1,262,825) of the City’s total net position at the end of 2019 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 \$6,337,752 of the City’s total net position at the end of 2019 represents 25.3% 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

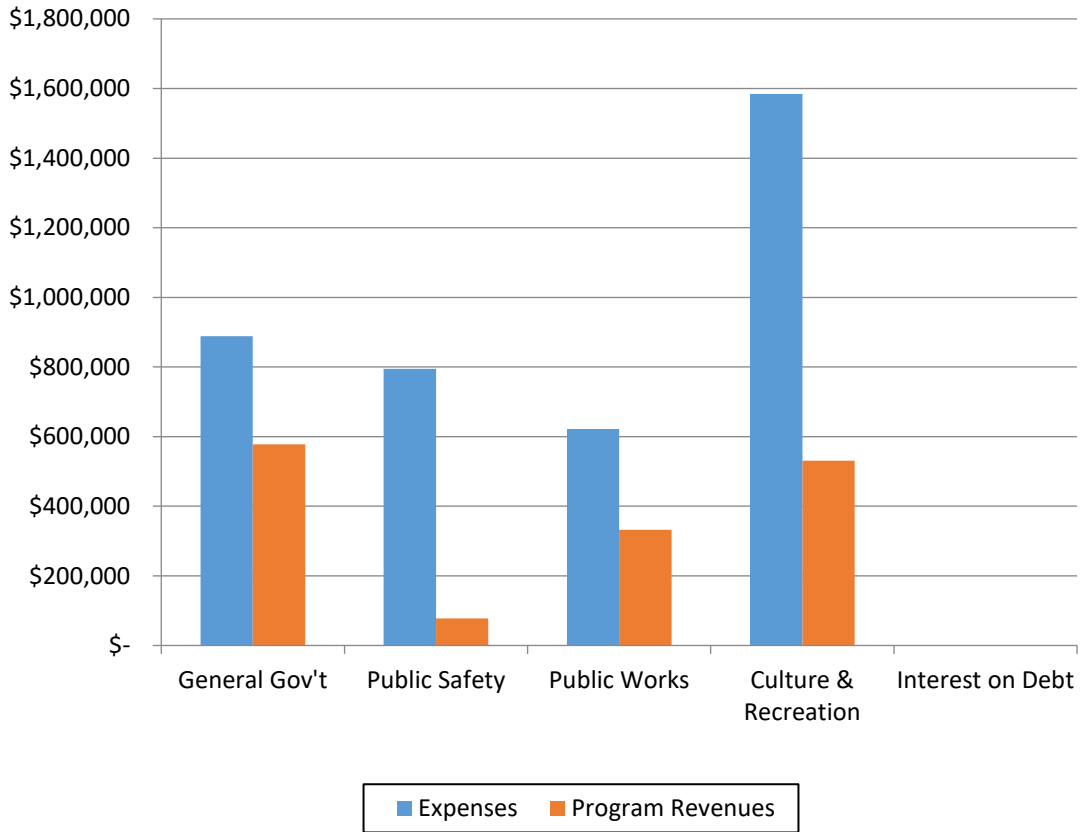
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 986,435	\$ 808,187	\$ 7,005,511	\$ 6,762,028	\$ 7,991,946	\$ 7,570,215
Operating grants & contributions	482,508	451,331	-	-	482,508	451,331
Capital grants & contributions	50,000	-	179,263	768,192	229,263	768,192
General revenues:						
Property taxes	365,905	359,385	-	-	365,905	359,385
Sales & use taxes	1,380,342	1,213,261	-	-	1,380,342	1,213,261
Other taxes	375,497	356,914	-	-	375,497	356,914
Gain (loss) on sale of capital assets	-	23,995	-	-	-	23,995
Other general revenues	27,515	50,446	35,771	50,656	63,286	101,102
Total revenues	<u>\$ 3,668,202</u>	<u>\$ 3,263,519</u>	<u>\$ 7,220,545</u>	<u>\$ 7,580,876</u>	<u>\$10,888,747</u>	<u>\$ 10,844,395</u>
Program expenses:						
General government	\$ 888,176	\$ 955,818	\$ -	\$ -	\$ 888,176	\$ 955,818
Public safety	794,464	787,233	-	-	794,464	787,233
Public works	621,654	685,545	-	-	621,654	685,545
Parks and Recreation	1,584,407	1,668,933	-	-	1,584,407	1,668,933
Electric utility	-	-	3,321,578	3,248,438	3,321,578	3,248,438
Water and Sewer utility	-	-	1,276,652	1,214,798	1,276,652	1,214,798
Solid waste utility	-	-	478,212	505,591	478,212	505,591
Airport	-	-	758,307	712,432	758,307	712,432
Noncapitalized capital outlay	-	-	-	-	-	-
Interest on long-term debt	-	4,161	-	-	-	4,161
Total expenses	<u>\$ 3,888,701</u>	<u>\$ 4,101,690</u>	<u>\$ 5,834,749</u>	<u>\$ 5,681,259</u>	<u>\$ 9,723,450</u>	<u>\$ 9,782,949</u>
Transfers In/(Out)	\$ 220,000	\$ 714,263	\$ (220,000)	\$ (714,263)	\$ -	\$ -
Increase/(decrease) in net position	\$ (499)	\$ (123,908)	\$ 1,165,796	\$ 1,185,354	\$ 1,165,297	\$ 1,061,446
Net Position, Beginning	5,190,258	5,314,166	18,648,340	17,462,986	23,838,598	22,777,152
Net Position, Ending	<u>\$ 5,189,759</u>	<u>\$ 5,190,258</u>	<u>\$19,814,136</u>	<u>\$18,648,340</u>	<u>\$25,003,895</u>	<u>\$23,838,598</u>

The Governmental Activities' expenses outpaced revenues by \$220,499 (6.0%) in 2019. After receiving \$220,000 in transfers from the enterprise funds, the Governmental Activities' decreased net position was \$-499 in 2019. Some elements of the shortfall in revenues compared to expenses are as follows:

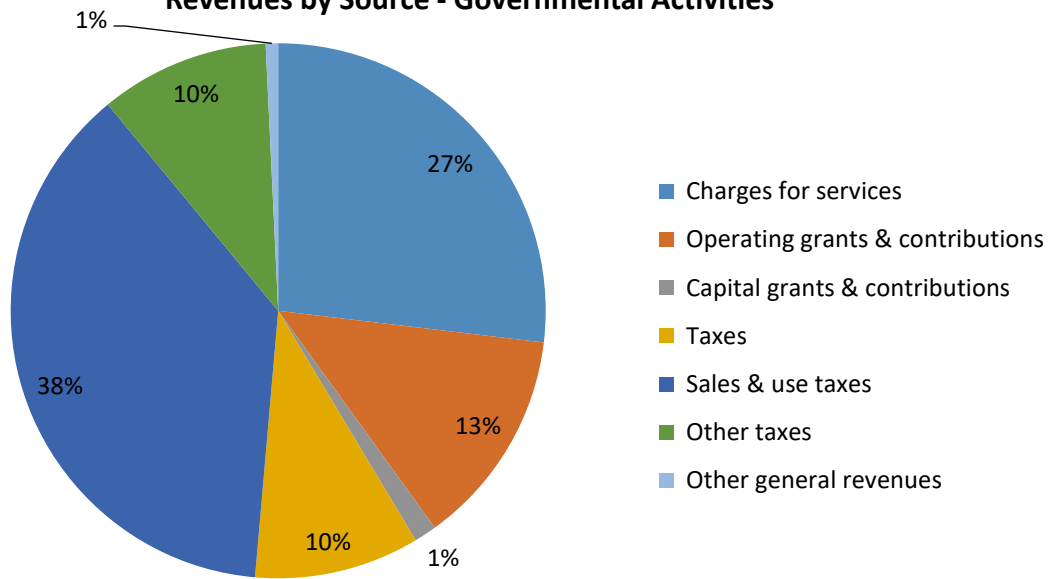
- Old Town operating expenses of \$436,268 exceeded operating revenues and donations of \$175,509 by \$260,759 (149%).
- Old Town capital improvements of \$107,105 exceeded capital grants of \$50,000 by \$57,105 (114%).
- The Electric Fund transferred \$220,000 to the Tourism Promotion Fund.
- Chip seal street improvements totaling \$193,774 were completed during 2019.
- Lease purchase payments of \$42,630 (final payments) were made on three police vehicles acquired in 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

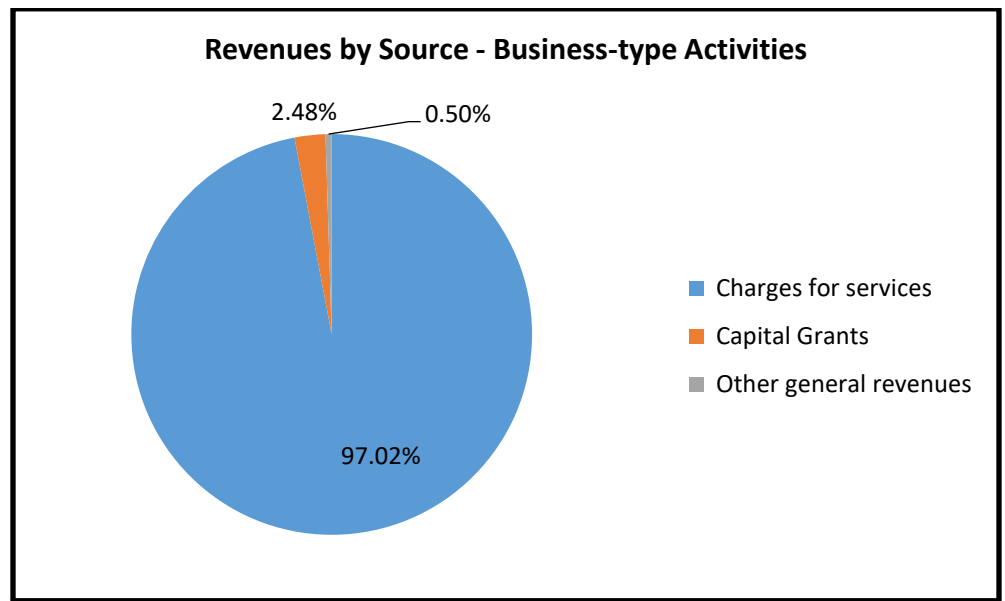
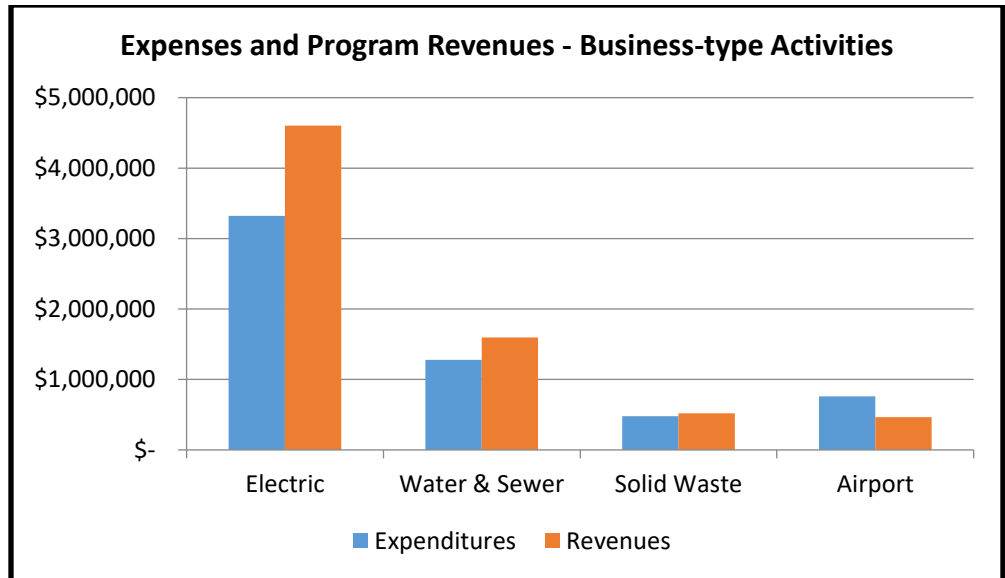


### Revenues by Source - Governmental Activities



Business-type activities increased the City’s total net position by \$1,165,796 (4.9%) during 2019. The City’s Electric utility and its Water & Sewer utility increased their net positions by \$1,085,194 (14.2%) and \$185,701 (2.6%) respectively, while the Solid Waste utility posted an increase in net position of \$43,703 (164.6%). The Airport Fund experienced a decrease in net position of \$-148,802 (-3.9%) after a transfer of \$144,000 was received from the Water & Sewer Fund. The decrease in the net position of the Airport Fund was primarily due to depreciation of facilities of \$274,812, although Airport operating expenses net of depreciation exceeded operating revenues by \$179,187 (58.9%).

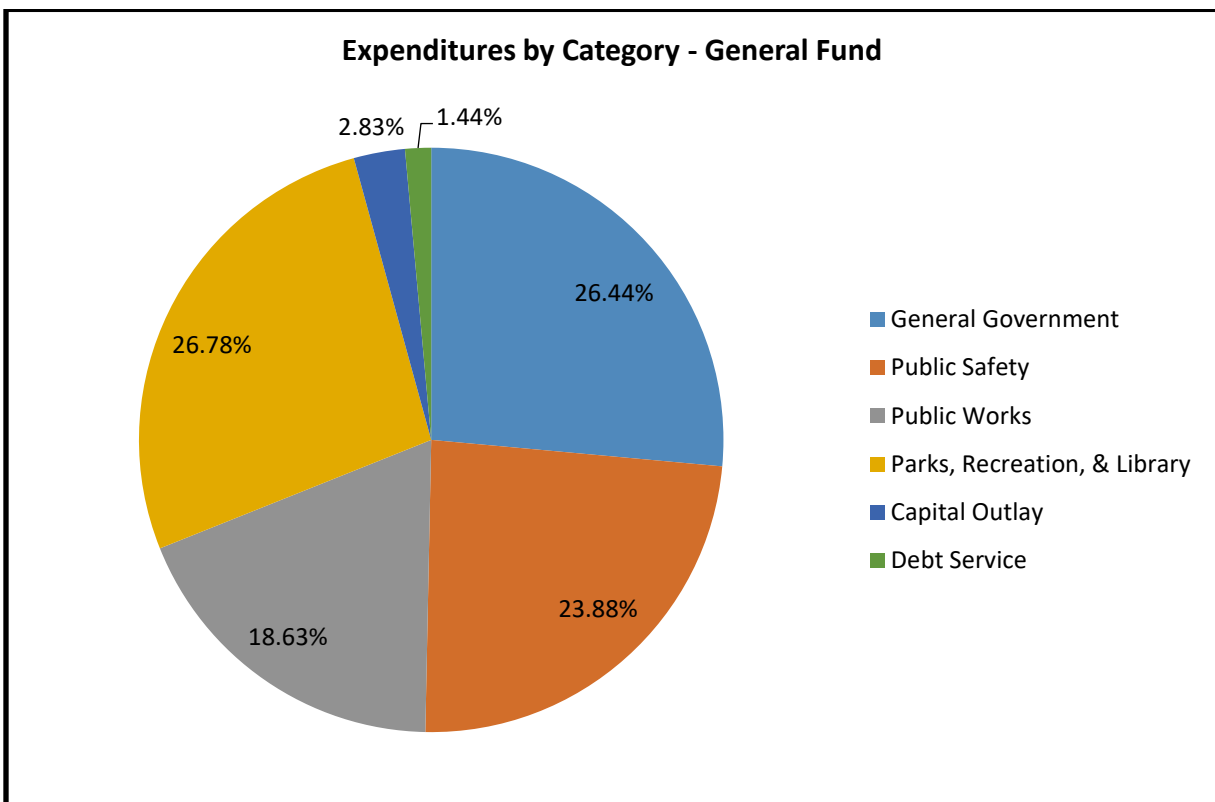
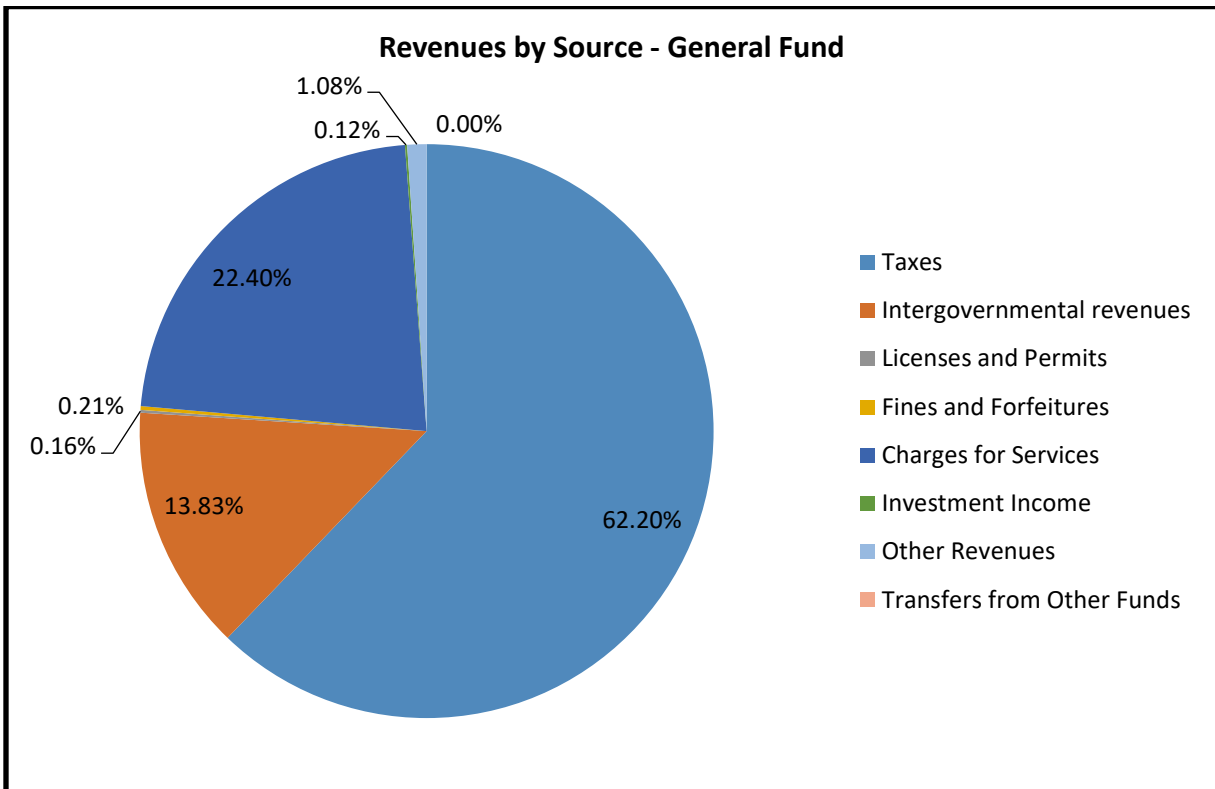
The following two charts illustrate the Business-type Activities revenues and expenses for 2019.



**Financial Analysis of the City’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, 2019 the City’s Governmental funds reported combined unrestricted fund balances of \$478,869. 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 2019, the fund balance of the General Fund totaled \$212,308, which roughly equates to 7.1% of fund revenues for the year. This was a \$116,937 (35.5%) decrease from 2018. 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 2019.



*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 other 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 2019, total fund expenditures exceeded fund revenues by \$69,561 (11.0%). A transfer of \$220,000 from the Water & Sewer Fund was made to cover current and prior year losses and bring the fund balance to \$7,260. 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 \$19,814,136 of which \$12,692,428 was invested in capital assets and \$6,252,684 were unrestricted. The total net position of the proprietary funds increased by \$1,165,796 during 2019. Other significant factors concerning the finances of the proprietary funds can be found in the discussion of the City's business-type activities above.

## Capital Asset and Debt Administration

### Capital Assets

As shown in Note 4 of the financial statements, at December 31, 2019 the City had invested in a range of capital assets totaling \$23,071,836 (net of accumulated depreciation) including land, buildings and improvements, vehicles, office equipment, utility systems, park equipment, and a general aviation airport. During 2019, the City made additions to its vehicles, equipment, parks, Old Town museum, electric system, and storm drainage system totaling \$318,674. It also placed \$2,019,951 of system improvements into service after completing the electric conversion project. Depreciation expenses of \$1,000,906 on total assets were recorded.

### Governmental Activities Capital Asset Summary

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
<b>Capital assets not being depreciated</b>				
Land	\$ 337,017	\$ -	\$ -	\$ 337,017
Old Town Donations	101,406	-	-	101,406
Construction in Progress	8,409	107,105	-	115,514
<b>Total capital assets not being depreciated</b>	<b>\$ 446,832</b>	<b>\$ 107,105</b>	<b>\$ -</b>	<b>\$ 553,937</b>
<b>Capital assets being depreciated</b>				
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	1,793,501	64,291	-	1,857,792
Vehicles	685,831	-	-	685,831
<b>Total capital assets being depreciated</b>	<b>\$ 9,568,605</b>	<b>\$ 64,291</b>	<b>\$ -</b>	<b>\$ 9,632,896</b>
<b>Accumulated depreciation</b>				
Infrastructure	(468,851)	(32,951)	-	(501,802)
Buildings	(1,882,727)	(88,805)	-	(1,971,532)
Improvements other than buildings	(1,053,201)	(43,887)	-	(1,097,088)
Equipment	(1,346,911)	(66,436)	-	(1,413,347)
Vehicles	(442,575)	(49,599)	-	(492,174)
<b>Total accumulated depreciation</b>	<b>\$ (5,194,265)</b>	<b>\$ (281,678)</b>	<b>\$ -</b>	<b>\$ (5,475,943)</b>
<b>Net capital assets</b>	<b>\$ 4,821,172</b>	<b>\$ (110,282)</b>	<b>\$ -</b>	<b>\$ 4,710,890</b>

## Business-type Capital Asset Summary

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
<b>Capital assets not being depreciated</b>				
Land	\$ 584,615	\$ 25,300	\$ -	\$ 609,915
Water rights	2,918,032	-	-	2,918,032
Construction in progress	2,011,702	69,940	(2,019,951)	61,691
<b>Total capital assets not being depreciated</b>	<b>\$ 5,514,349</b>	<b>\$ 95,240</b>	<b>\$ (2,019,951)</b>	<b>\$ 3,589,638</b>
<b>Capital assets being depreciated</b>				
System	15,581,050	2,067,206	-	17,648,256
Buildings	1,074,756	4,783	-	1,079,539
Improvements other than buildings	5,134,046	-	-	5,134,046
Equipment	1,042,805	-	-	1,042,805
Vehicles	513,273	-	-	513,273
<b>Total capital assets being depreciated</b>	<b>\$ 23,345,930</b>	<b>\$ 2,071,989</b>	<b>\$ -</b>	<b>\$ 25,417,919</b>
<b>Accumulated depreciation</b>				
System	(5,725,328)	(405,523)	-	(6,130,851)
Buildings	(395,654)	(25,793)	-	(421,447)
Improvements other than buildings	(2,595,173)	(215,051)	-	(2,810,224)
Equipment	(752,489)	(59,638)	-	(812,127)
Vehicles	(458,739)	(13,223)	-	(471,962)
<b>Total accumulated depreciation</b>	<b>\$ (9,927,383)</b>	<b>\$ (719,228)</b>	<b>\$ -</b>	<b>\$ (10,646,611)</b>
<b>Net capital assets</b>	<b>\$ 18,932,896</b>	<b>\$ 1,448,001</b>	<b>\$ (2,019,951)</b>	<b>\$ 18,360,946</b>

### Debt Administration

The following changes in long-term debt occurred during 2019. Note 5 of the financial statements provides additional information regarding the City's long-term debt.

	Balance 12/31/2018	Advances	Repayments	Balance 12/31/2019	Current Portion
<b>Governmental Activities</b>					
<u>2017 Capital Lease Obligations</u>	\$ 42,630	\$ -	\$ 42,630	\$ -	\$ -
Total Noncurrent Liabilities	\$ 42,630	\$ -	\$ 42,630	\$ -	\$ -
<b>Business-type Activities</b>					
<u>2014 Series A Revenues Bonds Payable</u>					
Bonds Payable - Water	\$ 2,945,000	\$ -	\$ 125,000	\$ 2,820,000	\$ 135,000
Bond Premiums - Water	11,840	-	502	11,338	543
<u>2014 Series B Revenues Bonds Payable</u>					
Bonds Payable - Water	587,895	-	(12,676)	600,571	(13,555)
Bond Premiums - Water	5,139	-	227	4,912	227
Bonds Payable - Sewer	1,112,105	-	87,676	1,024,429	88,555
<u>2016 CWRPDA Note Payable</u>	1,019,898	-	31,095	988,803	31,406
<u>2017 CWRPDA Note Payable</u>	242,095	-	7,380	234,715	7,455
Total Noncurrent Liabilities	\$ 5,923,972	\$ -	\$ 239,204	\$ 5,684,768	\$ 249,631
<b>2014 Bond Insurance Payable</b>					
Series A Bond Insurance	\$ 49,704	\$ -	\$ 2,102	\$ 47,602	\$ 2,271
Series B Bond Insurance	29,026	-	1,280	27,746	1,281
Total Bond Insurance Asset	\$ 78,730	\$ -	\$ 3,382	\$ 75,348	\$ 3,552

## **Economic Factors and Next Year's Budget**

Management intends that its continued emphasis on 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 and Solid Waste funds. It is anticipated that the other enterprise funds will continue to operate profitably with adequate reserves for improvements as needed.

Beginning in March 2020, the State of Colorado imposed lengthy restrictions on businesses, recreation, and places of worship with the stated purpose of slowing the spread of the Coronavirus so that hospital facilities would not be overwhelmed with patients. The City has been economically impacted by these restrictions, and the full economic impact has yet to be determined.

## **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 Treasurer at 415 15<sup>th</sup> St., Burlington, CO 80807 or call City Hall at (719) 346-8652.

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## FINANCIAL SECTION

# Mayberry & Company, LLC

## Certified Public Accountants

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

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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, 2019, 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, 2019, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 5, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 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.

*Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 29-31 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. In addition, the budgetary comparison schedules on pages 32-37 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 by us and other auditors.

In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***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 38-39 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.

*Mayberry + Company, LLC*

Englewood, Colorado  
July 21, 2020

## **BASIC FINANCIAL STATEMENTS**

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CITY OF BURLINGTON

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ (94,341)	\$ 4,670,692	\$ 4,576,351
Restricted Cash and Investments	319,026	1,209,779	1,528,805
Receivables			
Property Tax Receivable	362,490	-	362,490
Utility Receivable	-	1,132,706	1,132,706
Cash with Fiscal Agent	29,819	-	29,819
Accounts Receivable	62,785	-	62,785
Other Receivables	269,977	10,942	280,919
Inventory	54,035	575,078	629,113
Total Current Assets	<u>1,003,791</u>	<u>7,599,197</u>	<u>8,602,988</u>
<b>Noncurrent Assets</b>			
Capital Assets not being Depreciated	553,937	3,589,638	4,143,575
Capital Assets being Depreciated	9,632,896	25,417,919	35,050,815
Accumulated Depreciation	(5,475,943)	(10,646,611)	(16,122,554)
Other Noncurrent Assets	-	75,348	75,348
Total Noncurrent Assets	<u>4,710,890</u>	<u>18,436,294</u>	<u>23,147,184</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 5,714,681</u>	<u>\$ 26,035,491</u>	<u>\$ 31,750,172</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 82,136	\$ 345,970	\$ 428,106
Accrued Liabilities	4,159	-	4,159
Accrued Salaries and Benefits	43,046	16,182	59,228
Deposits and Escrow	2,370	119,614	121,984
Accrued Interest Payable	-	32,157	32,157
Total Current Liabilities	<u>131,711</u>	<u>513,923</u>	<u>645,634</u>
<b>Noncurrent Liabilities</b>			
Due within one year	-	251,127	251,127
Due in more than one year	-	5,440,055	5,440,055
Total Noncurrent Liabilities	<u>-</u>	<u>5,691,182</u>	<u>5,691,182</u>
TOTAL LIABILITIES	<u>131,711</u>	<u>6,205,105</u>	<u>6,336,816</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Property Taxes	362,490	-	362,490
Other Deferred Inflows	30,721	16,250	46,971
TOTAL DEFERRED INFLOWS	<u>393,211</u>	<u>16,250</u>	<u>409,461</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,710,890	12,692,428	17,403,318
Restricted Net Position	393,801	869,024	1,262,825
Unrestricted Net Position	85,068	6,252,684	6,337,752
TOTAL NET POSITION	<u>5,189,759</u>	<u>19,814,136</u>	<u>25,003,895</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 5,714,681</u>	<u>\$ 26,035,491</u>	<u>\$ 31,750,172</u>

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

CITY OF BURLINGTON

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
<b>FUNCTIONS/PROGRAMS</b>				
Government Activities				
Current:				
General Government	\$ 888,176	\$ 562,820	\$ 14,626	\$ -
Public Safety	794,464	14,537	63,332	-
Public Works	621,654	914	331,517	-
Culture and Recreation	1,584,407	403,894	77,303	50,000
TOTAL GOVERNMENT ACTIVITIES	<u>3,888,701</u>	<u>982,165</u>	<u>486,778</u>	<u>50,000</u>
Business-type Activities				
Current:				
Electric	3,321,578	4,598,856	-	4,000
Water & Sewer	1,276,652	1,580,470	-	14,200
Solid Waste	478,212	521,877	-	-
Airport	758,307	304,308	-	161,063
TOTAL BUSINESS-TYPE ACTIVITIES	<u>5,834,749</u>	<u>7,005,511</u>	<u>-</u>	<u>179,263</u>
TOTAL GOVERNMENT	<u>\$ 9,723,450</u>	<u>\$ 7,987,676</u>	<u>\$ 486,778</u>	<u>\$ 229,263</u>
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Insurance Proceeds				
Other Revenues				
TRANSFERS				
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
\$ (310,730)	\$ -	\$ (310,730)
(716,595)	-	(716,595)
(289,223)	-	(289,223)
<u>(1,053,210)</u>	<u>-</u>	<u>(1,053,210)</u>
<u>(2,369,758)</u>	<u>-</u>	<u>(2,369,758)</u>
-	1,281,278	1,281,278
-	318,018	318,018
-	43,665	43,665
-	<u>(292,936)</u>	<u>(292,936)</u>
-	<u>1,350,025</u>	<u>1,350,025</u>
<u>(2,369,758)</u>	<u>1,350,025</u>	<u>(1,019,733)</u>
365,905	-	365,905
48,107	-	48,107
1,380,342	-	1,380,342
65,870	-	65,870
261,520	-	261,520
3,753	22,285	26,038
-	13,486	13,486
23,762	-	23,762
<u>220,000</u>	<u>(220,000)</u>	<u>-</u>
<u>2,369,259</u>	<u>(184,229)</u>	<u>2,185,030</u>
(499)	1,165,796	1,165,297
<u>5,190,258</u>	<u>18,648,340</u>	<u>23,838,598</u>
<u>\$ 5,189,759</u>	<u>\$ 19,814,136</u>	<u>\$ 25,003,895</u>

CITY OF BURLINGTON

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

DECEMBER 31, 2019

With Comparative Totals for December 31, 2018

	SPEC REV FD		
	General Fund	Conservation Trust Fund	Tourism Promotion Fund
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ (68,583)	\$ -	\$ (25,758)
Restricted Cash and Investments	59,725	259,301	-
Receivables			
Property Tax Receivable	362,490	-	-
Intergovernmental Receivables	-	-	-
Cash with Fiscal Agent	29,819	-	-
Accounts Receivable	-	-	62,785
Other Receivables	269,977	-	-
Inventory	54,035	-	-
Prepaid Expenses	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 707,463</u>	<u>\$ 259,301</u>	<u>\$ 37,027</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 57,609	\$ -	\$ 24,527
Accrued Liabilities	4,159	-	-
Accrued Salaries and Benefits	37,806	-	5,240
Internal Balances	-	-	-
Deposits and Escrow	2,370	-	-
TOTAL LIABILITIES	<u>101,944</u>	<u>-</u>	<u>29,767</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Property Taxes	362,490	-	-
Deferred Grants	-	-	-
Other Deferred Inflows	30,721	-	-
TOTAL DEFERRED INFLOWS	<u>393,211</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
Nonspendable Fund Balance	54,035	-	-
Restricted Fund Balance	134,500	259,301	-
Committed Fund Balance	44,724	-	7,260
Unassigned Fund Balance	(20,951)	-	-
TOTAL FUND BALANCE	<u>212,308</u>	<u>259,301</u>	<u>7,260</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 707,463</u>	<u>\$ 259,301</u>	<u>\$ 37,027</u>

The accompanying notes are an integral part of these financial statements

**Total**

<u>2019</u>	<u>2018</u>
\$ (94,341)	\$ (22,743)
319,026	291,132
362,490	361,301
-	50,000
29,819	25,229
62,785	11,698
269,977	323,886
54,035	39,491
-	3,756
<u>\$ 1,003,791</u>	<u>\$ 1,083,750</u>

\$ 82,136	\$ 60,172
4,159	3,091
43,046	40,015
-	122,277
<u>2,370</u>	<u>3,920</u>
<u>131,711</u>	<u>229,475</u>

362,490	361,301
-	50,000
<u>30,721</u>	<u>31,258</u>
<u>393,211</u>	<u>442,559</u>

54,035	43,247
393,801	360,150
51,984	50,482
<u>(20,951)</u>	<u>(42,163)</u>
<u>478,869</u>	<u>411,716</u>
<u>\$ 1,003,791</u>	<u>\$ 1,083,750</u>

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**CITY OF BURLINGTON**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
DECEMBER 31, 2019**

<b>Fund Balance - Governmental Funds</b>			\$ 478,869
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$ 553,937		
Capital assets, being depreciated	9,632,896		
Accumulated depreciation	<u>(5,475,943)</u>	<u>4,710,890</u>	
<b>Total Net Position - Governmental Activities</b>			<u>\$ 5,189,759</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, 2019

With Comparative Totals for the Year Ended December 31, 2018

	SPEC REV FUNDS			TOTAL	
	General	Conservation	Tourism		
	Fund	Trust	Promotion	2019	2018
<b>REVENUES</b>					
Taxes	\$ 1,866,734	\$ -	\$ 255,011	\$ 2,121,745	\$ 1,929,560
Intergovernmental Revenues	414,952	36,510	50,012	501,474	407,428
Licenses and Permits	4,663	-	-	4,663	5,481
Fines and Forfeits	12,967	-	-	12,967	19,879
Charges for Services	665,728	-	298,807	964,535	782,828
Investment Earnings	3,655	98	-	3,753	1,461
Other Revenues	32,529	-	26,536	59,065	118,911
<b>TOTAL REVENUES</b>	<b>3,001,228</b>	<b>36,608</b>	<b>630,366</b>	<b>3,668,202</b>	<b>3,265,548</b>
<b>EXPENDITURES</b>					
Current:					
General Government	824,569	-	26,386	850,955	914,903
Public Safety	744,549	-	-	744,549	718,642
Public Works	580,765	-	-	580,765	358,783
Parks, Recreation and Other	835,151	2,957	566,436	1,404,544	1,477,142
Capital Outlay	88,370	-	107,105	195,475	354,045
Debt Service	44,761	-	-	44,761	44,760
<b>TOTAL EXPENDITURES</b>	<b>3,118,165</b>	<b>2,957</b>	<b>699,927</b>	<b>3,821,049</b>	<b>3,868,275</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(116,937)</b>	<b>33,651</b>	<b>(69,561)</b>	<b>(152,847)</b>	<b>(602,727)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (In)	-	-	220,000	220,000	714,263
<b>CHANGE IN FUND BALANCE</b>	<b>(116,937)</b>	<b>33,651</b>	<b>150,439</b>	<b>67,153</b>	<b>111,536</b>
<b>FUND BALANCE, BEGINNING</b>	<b>329,245</b>	<b>225,650</b>	<b>(143,179)</b>	<b>411,716</b>	<b>300,180</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 212,308</b>	<b>\$ 259,301</b>	<b>\$ 7,260</b>	<b>\$ 478,869</b>	<b>\$ 411,716</b>

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

CITY OF BURLINGTON

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Change in Fund Balance - Governmental Funds</b>			\$ 67,153
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases		\$ 171,396	
Depreciation Expense		<u>(281,678)</u>	(110,282)
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			
Principal payments on capital leases			<u>42,630</u>
<b>Change in Net Position - Governmental Activities</b>			<u>\$ (499)</u>

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

## CITY OF BURLINGTON

**STATEMENT OF NET POSITION****PROPRIETARY FUNDS**

DECEMBER 31, 2019

With Comparative Totals for December 31, 2018

	Business-type Activities			
	Electric Fund	Water & Sewer Fund	Solid Waste Fund	Airport Fund
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments				
Cash	\$ 3,995,739	\$ 935,594	\$ 18,818	\$ (279,459)
Restricted Cash and Investments	-	869,024	-	340,755
Receivables				
Utility Receivable	796,986	240,473	95,247	-
Accounts Receivable	-	-	-	-
Other Receivables	-	-	-	10,942
Internal Balances	-	-	-	-
Inventory	392,560	168,627	-	13,891
Total Current Assets	<u>5,185,285</u>	<u>2,213,718</u>	<u>114,065</u>	<u>86,129</u>
<b>Noncurrent Assets</b>				
Capital Assets not being depreciated	36,398	2,933,144	-	620,096
Capital Assets being depreciated	7,567,912	11,134,066	-	6,715,941
Accumulated Depreciation	(3,758,322)	(3,279,555)	-	(3,608,734)
Other Noncurrent Assets	-	75,348	-	-
Total Noncurrent Assets	<u>3,845,988</u>	<u>10,863,003</u>	<u>-</u>	<u>3,727,303</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 9,031,273</u>	<u>\$ 13,076,721</u>	<u>\$ 114,065</u>	<u>\$ 3,813,432</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 211,128	\$ 25,631	\$ 43,810	\$ 65,401
Accrued Salaries and Benefits	8,893	5,496	-	1,793
Deposits and Escrow	82,704	1,000	-	35,910
Internal Balances	-	-	-	-
Accrued Interest Payable	-	32,157	-	-
Total Current Liabilities	<u>302,725</u>	<u>64,284</u>	<u>43,810</u>	<u>103,104</u>
<b>Noncurrent Liabilities</b>				
Due within one year	708	249,996	-	423
Due in more than one year	6,369	5,429,877	-	3,809
Total Noncurrent Liabilities	<u>7,077</u>	<u>5,679,873</u>	<u>-</u>	<u>4,232</u>
<b>TOTAL LIABILITIES</b>	<u>309,802</u>	<u>5,744,157</u>	<u>43,810</u>	<u>107,336</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>				
Other Deferred Inflows	-	16,250	-	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,845,988	5,119,137	-	3,727,303
Restricted Net Position	-	869,024	-	-
Unrestricted Net Position	4,875,483	1,328,153	70,255	(21,207)
<b>TOTAL NET POSITION</b>	<u>8,721,471</u>	<u>7,316,314</u>	<u>70,255</u>	<u>3,706,096</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 9,031,273</u>	<u>\$ 13,076,721</u>	<u>\$ 114,065</u>	<u>\$ 3,813,432</u>

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

<b>Total</b>	
<b>2019</b>	<b>2018</b>
\$ 4,670,692	\$ 3,574,832
1,209,779	1,118,050
1,132,706	1,044,940
-	30
10,942	56,527
-	209,191
575,078	454,100
<u>7,599,197</u>	<u>6,457,670</u>
3,589,638	5,514,349
25,417,919	23,345,930
(10,646,611)	(9,927,383)
<u>75,348</u>	<u>78,732</u>
<u>18,436,294</u>	<u>19,011,628</u>
<u>\$ 26,035,491</u>	<u>\$ 25,469,298</u>

\$ 345,970	\$ 670,017
16,182	11,353
119,614	78,504
-	86,914
32,157	33,221
<u>513,923</u>	<u>880,009</u>
251,127	233,809
<u>5,440,055</u>	<u>5,690,161</u>
<u>5,691,182</u>	<u>5,923,970</u>
<u>6,205,105</u>	<u>6,803,979</u>
<u>16,250</u>	<u>16,979</u>
12,692,428	13,025,902
869,024	785,183
<u>6,252,684</u>	<u>4,837,255</u>
<u>19,814,136</u>	<u>18,648,340</u>
<u>\$ 26,035,491</u>	<u>\$ 25,469,298</u>

## CITY OF BURLINGTON

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

FOR THE YEAR ENDED DECEMBER 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	Business-type Activities			
	Electric Fund	Water & Sewer Fund	Solid Waste Fund	Airport Fund
<b>Operating Revenues</b>				
Utility Charges	\$ 4,533,246	\$ 1,573,726	\$ 385,292	\$ -
Airport Charges	-	-	-	290,123
Other Charges for Services	65,610	6,744	136,585	14,185
Total Revenues	<u>4,598,856</u>	<u>1,580,470</u>	<u>521,877</u>	<u>304,308</u>
<b>Operating Expenses</b>				
Airport	-	-	-	347,587
Solid Waste Collection	-	-	478,212	-
Electric Production	2,533,068	-	-	-
Electric Distribution	191,290	-	-	-
Water Treatment and Distribution	-	463,146	-	-
Sewer Collection and Treatment	-	221,137	-	-
Administration	359,992	128,347	-	59
Depreciation Expense	181,216	263,200	-	274,812
Other Capital Outlay	56,012	-	-	135,849
Total Expenditures	<u>3,321,578</u>	<u>1,075,830</u>	<u>478,212</u>	<u>758,307</u>
Operating Income (Loss)	<u>1,277,278</u>	<u>504,640</u>	<u>43,665</u>	<u>(453,999)</u>
<b>Other Income (Expense)</b>				
Investment Earnings	11,349	10,764	38	134
Other Revenue	12,567	919	-	-
Interest Expense	-	(200,822)	-	-
Total Other Income (Expense)	<u>23,916</u>	<u>(189,139)</u>	<u>38</u>	<u>134</u>
Net Income (Loss) before Transfers	1,301,194	315,501	43,703	(453,865)
<b>Transfers</b>				
Transfers In/(Out)	(220,000)	(144,000)	-	144,000
Net Income (Loss)	<u>1,081,194</u>	<u>171,501</u>	<u>43,703</u>	<u>(309,865)</u>
<b>Contributed Capital</b>				
Plant Investment Fees	4,000	14,200	-	-
Intergovernmental Revenue	-	-	-	161,063
Total Contributed Capital	<u>4,000</u>	<u>14,200</u>	<u>-</u>	<u>161,063</u>
<b>Change in Net Position</b>	1,085,194	185,701	43,703	(148,802)
<b>Net Position, Beginning</b>	<u>7,636,277</u>	<u>7,130,613</u>	<u>26,552</u>	<u>3,854,898</u>
<b>Net Position, Ending</b>	<u>\$ 8,721,471</u>	<u>\$ 7,316,314</u>	<u>\$ 70,255</u>	<u>\$ 3,706,096</u>

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

<b>Total</b>	
<b>2019</b>	<b>2018</b>
\$ 6,492,264	\$ 6,269,990
290,123	245,597
223,124	246,441
<u>7,005,511</u>	<u>6,762,028</u>
347,587	286,575
478,212	505,591
2,533,068	2,632,339
191,290	185,630
463,146	482,902
221,137	218,194
488,398	317,948
719,228	611,607
191,861	233,634
<u>5,633,927</u>	<u>5,474,420</u>
<u>1,371,584</u>	<u>1,287,608</u>
22,285	22,955
13,486	27,701
<u>(200,822)</u>	<u>(206,839)</u>
<u>(165,051)</u>	<u>(156,183)</u>
1,206,533	1,131,425
<u>(220,000)</u>	<u>(714,263)</u>
<u>986,533</u>	<u>417,162</u>
18,200	16,000
<u>161,063</u>	<u>752,192</u>
<u>179,263</u>	<u>768,192</u>
1,165,796	1,185,354
<u>18,648,340</u>	<u>17,462,986</u>
<u>\$ 19,814,136</u>	<u>\$ 18,648,340</u>

CITY OF BURLINGTON

**STATEMENT OF CASH FLOWS -**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	<b>Business-type Activities</b>			
	<b>Electric</b>	<b>Water &amp; Sewer</b>	<b>Solid Waste</b>	<b>Airport</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 4,538,479	\$ 1,566,208	\$ 513,949	\$ 385,833
Cash Paid to Suppliers	(3,352,132)	(627,751)	(517,518)	(435,567)
Cash Paid to Employees	(174,184)	(184,009)	-	(54,660)
Net Cash Provided by Operating Activities	<u>1,012,163</u>	<u>754,448</u>	<u>(3,569)</u>	<u>(104,394)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Tap Fees Received	4,000	14,200	-	-
Escrow Drawn	-	-	-	-
Debt Principal Payments	-	(238,477)	-	-
Grant Proceeds	-	-	-	161,063
Interest Payments	-	(202,614)	-	-
Acquisition of Capital Assets	(47,431)	(47,255)	-	(52,593)
Cash Flows Used by Capital and Related Financing Activities	<u>(43,431)</u>	<u>(474,146)</u>	<u>-</u>	<u>108,470</u>
<b>Cash Flows (Uses) From Noncapital Financing Activities:</b>				
Cash from Other Funds	(10,809)	(144,000)	-	57,086
Other Revenues (Expense)	12,567	919	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,758</u>	<u>(143,081)</u>	<u>-</u>	<u>57,086</u>
<b>Cash Flows (Uses) From Investing Activities:</b>				
Interest Received	11,349	10,764	38	134
Net Increase (Decrease) in Cash	981,839	147,985	(3,531)	61,296
Cash - Beginning	3,013,900	1,656,633	22,349	-
Cash - Ending	<u>\$ 3,995,739</u>	<u>\$ 1,804,618</u>	<u>\$ 18,818</u>	<u>\$ 61,296</u>
Cash	\$ 3,995,739	\$ 935,594	\$ 18,818	\$ (279,459)
Restricted Cash and Investments	-	869,024	-	340,755
Total	<u>\$ 3,995,739</u>	<u>\$ 1,804,618</u>	<u>\$ 18,818</u>	<u>\$ 61,296</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</b>				
Operating Income (Loss)	\$ 1,277,278	\$ 504,640	\$ 43,665	\$ (453,999)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	181,216	263,200	-	274,812
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(64,577)	(15,262)	(7,928)	-
Accounts Receivable	-	-	-	30
Other Receivables	-	-	-	45,585
Inventory	(124,028)	(12,218)	-	15,268
Prepaid Expenses	-	3,383	-	-
(Increase) Decrease in:				
Accounts Payable	(268,012)	7,500	(39,306)	(24,228)
Accrued Salaries and Benefits	3,736	728	-	366
Deposits and Escrow	4,200	1,000	-	35,910
Accrued Compensated Absences	2,350	1,477	-	1,862
Other Deferred Inflows	-	-	-	-
Total Adjustments	<u>(265,115)</u>	<u>249,808</u>	<u>(47,234)</u>	<u>349,605</u>
Net Cash Used for Operating Activities	<u>\$ 1,012,163</u>	<u>\$ 754,448</u>	<u>\$ (3,569)</u>	<u>\$ (104,394)</u>

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

<b>Total</b>	
<b>2019</b>	<b>2018</b>
\$ 7,004,469	\$ 6,659,477
(4,932,968)	(4,857,688)
(412,853)	(428,986)
<u>1,658,648</u>	<u>1,372,803</u>
18,200	16,000
-	679,051
(238,477)	(483,093)
161,063	1,406,175
(202,614)	(207,877)
(147,279)	(2,446,132)
<u>(409,107)</u>	<u>(1,035,876)</u>
(97,723)	(675,750)
13,486	27,701
<u>(84,237)</u>	<u>(648,049)</u>
22,285	22,955
1,187,589	(288,167)
4,692,882	4,981,049
<u>\$ 5,880,471</u>	<u>\$ 4,692,882</u>
\$ 4,670,692	\$ 3,574,832
1,209,779	1,118,050
<u>\$ 5,880,471</u>	<u>\$ 4,692,882</u>
<u>\$ 1,371,584</u>	<u>\$ 1,287,608</u>
719,228	611,607
(87,767)	(30,727)
30	(30)
45,585	(56,527)
(120,978)	(176,204)
3,383	6,647
(324,046)	(257,143)
4,830	(164)
41,110	(14,552)
5,689	3,003
-	(715)
<u>287,064</u>	<u>85,195</u>
<u>\$ 1,658,648</u>	<u>\$ 1,372,803</u>

**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.

**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.

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.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Special Revenue Funds:**

These funds 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 funds are as follows:

**Tourism Promotion Fund**

The Tourism Promotion Fund accounts for all activities intended to promote local tourism, including the City's "Old Town" attraction and accounts for the City's lodging taxes.

**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, Solid Waste and Airport Funds**

The Electric and Water & Sewer account for activities of the City's distribution and collection operations. The Solid Waste fund accounts for activities of the City's trash collection and 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.

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.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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 2019 to be collected in 2019.

**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, 2019**

**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, 2019**

**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, 2019, 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, 2019 were as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 900,578	\$ 900,578
Collateralized under PDPA (Not in Entity's Name)	5,248,591	5,203,546
Petty Cash	-	1,033
Total Cash and Investments	<u>\$ 6,149,169</u>	<u>\$ 6,105,157</u>

**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

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 3: CASH AND INVESTMENTS (Continued)**

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

For the year ended December 31, 2019, 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, 2019, the City's did not hold any investments exposed to Custodial Credit Risk.

**RESTRICTED CASH**

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

<b><u>Restricted Cash</u></b>		
Restricted for Library	\$ 15,000	
Restricted for Parks	<u>259,301</u>	
Included in Restricted Fund Balance		274,301
Restricted for Parmer Park	803	
Restricted for Library	<u>43,921</u>	
Included in Committed Fund Balance		44,724
Restricted O & M and Debt Service Reserve (Restricted Net Position)		869,024
Restricted for Airport Runway Replacement (Unrestricted Net Position)		<u>340,755</u>
Total Restricted Cash		<u>\$ 1,528,804</u>

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 4: CAPITAL ASSETS**

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

	<b>Balance 1/1/2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2019</b>
<b>Capital assets not being depreciated</b>				
Land	\$ 337,017	\$ -	\$ -	\$ 337,017
"Old Town" donations	101,406	-	-	101,406
Construction in progress	8,409	107,105	-	115,514
<b>Total capital assets not being depreciated</b>	<u>446,832</u>	<u>107,105</u>	<u>-</u>	<u>553,937</u>
<b>Capital assets being depreciated</b>				
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	1,793,501	64,291	-	1,857,792
Vehicles	685,831	-	-	685,831
<b>Total capital assets being depreciated</b>	<u>9,568,605</u>	<u>64,291</u>	<u>-</u>	<u>9,632,896</u>
<b>Accumulated depreciation</b>				
Infrastructure	(468,851)	(32,951)	-	(501,802)
Buildings	(1,882,727)	(88,805)	-	(1,971,532)
Improvements other than buildings	(1,053,201)	(43,887)	-	(1,097,088)
Equipment	(1,346,911)	(66,436)	-	(1,413,347)
Vehicles	(442,575)	(49,599)	-	(492,174)
<b>Total accumulated depreciation</b>	<u>(5,194,265)</u>	<u>(281,678)</u>	<u>-</u>	<u>(5,475,943)</u>
<b>Net Capital Assets</b>	<u>\$ 4,821,172</u>	<u>\$ (110,282)</u>	<u>\$ -</u>	<u>\$ 4,710,890</u>

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

General Government	\$ 31,925
Public Safety	47,784
Public Works	40,889
Culture and Recreation	161,080
<b>Total Depreciation</b>	<u>\$ 281,678</u>

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 4: CAPITAL ASSETS (Continued)**

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

	<b>Balance 1/1/2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2019</b>
<b>Capital assets not being depreciated</b>				
Land	\$ 584,615	\$ 25,300	\$ -	\$ 609,915
Water rights	2,918,032	-	-	2,918,032
Construction in progress	2,011,702	69,940	(2,019,951)	61,691
<b>Total capital assets not being depreciated</b>	<b>5,514,349</b>	<b>95,240</b>	<b>(2,019,951)</b>	<b>3,589,638</b>
<b>Capital assets being depreciated</b>				
System	15,581,050	2,067,206	-	17,648,256
Buildings	1,074,757	4,783	-	1,079,540
Other improvements	5,134,045	-	-	5,134,045
Equipment	1,042,805	-	-	1,042,805
Vehicles	513,273	-	-	513,273
<b>Total capital assets being depreciated</b>	<b>23,345,930</b>	<b>2,071,989</b>	<b>-</b>	<b>25,417,919</b>
<b>Accumulated depreciation</b>				
System	(5,725,328)	(405,523)	-	(6,130,851)
Buildings	(395,654)	(25,793)	-	(421,447)
Other improvements	(2,595,173)	(215,051)	-	(2,810,224)
Equipment	(752,489)	(59,638)	-	(812,127)
Vehicles	(458,739)	(13,223)	-	(471,962)
<b>Total accumulated depreciation</b>	<b>(9,927,383)</b>	<b>(719,228)</b>	<b>-</b>	<b>(10,646,611)</b>
<b>Net Capital Assets</b>	<b>\$ 18,932,896</b>	<b>\$ 1,448,001</b>	<b>\$ (2,019,951)</b>	<b>\$ 18,360,946</b>

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

Electric	\$ 181,216
Water	194,401
Sewer	68,799
Airport	274,812
<b>Total Depreciation</b>	<b>\$ 719,228</b>

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 5: LONG-TERM DEBT**

**BUSINESS-TYPE ACTIVITIES**

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

	<u>Balance</u> <u>12/31/2018</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Current</u> <u>Portion</u>	<u>Accrued</u> <u>Interest</u>	<u>Interest</u> <u>Expense</u>
<b><u>Business-type Activities</u></b>							
<b><u>2014 Series A Revenue Bonds Payable</u></b>							
Bonds Payable - Water	\$ 2,945,000	\$ -	\$ 125,000	\$ 2,820,000	\$ 135,000	\$ 19,100	\$ 117,728
<b><u>2014 Series B Revenue Bonds Payable</u></b>							
Bonds Payable - Water	587,895	-	(12,676)	600,571	(13,555)	9,310	57,224
Bonds Payable - Sewer	1,112,105	-	87,676	1,024,429	88,555	1,707	10,756
<b><u>Accrued Compensated Absences</u></b>	16,976	5,688	-	22,664	2,266	-	-
<b><u>2016 CWRPDA Note Payable</u></b>	1,019,898	-	31,095	988,803	31,406	1,648	10,070
<b><u>2017 CWRPDA Note Payable</u></b>	242,095	-	7,380	234,715	7,455	391	2,390
<b>Total Noncurrent Liabilities</b>	<b><u>\$ 5,923,969</u></b>	<b><u>\$ 5,688</u></b>	<b><u>\$ 238,475</u></b>	<b><u>\$ 5,691,182</u></b>	<b><u>\$ 251,127</u></b>	<b><u>\$ 32,156</u></b>	<b><u>\$ 198,168</u></b>
<b><u>2014 Bonds Payable</u></b>							
Bond Premiums - Water	\$ 5,139	\$ -	\$ 227	\$ 4,912	\$ 227	\$ -	\$ (227)
Bond Premiums - Sewer	11,840	-	502	11,338	543	-	(503)
	<u>\$ 16,979</u>	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 16,250</u>	<u>\$ 770</u>	<u>\$ -</u>	<u>\$ (730)</u>

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 \$869,024 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.

In June 2020, these bonds were refunded by the City.

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 5: LONG-TERM DEBT (Continued)**

**BUSINESS-TYPE ACTIVITIES (Continued)**

Scheduled payments on the bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 210,000	\$ 180,708	\$ 390,708
2021	210,000	173,883	383,883
2022	220,000	166,533	386,533
2023	230,000	158,558	388,558
2024	235,000	149,933	384,933
2025-2029	1,335,000	599,590	1,934,590
2030-2034	1,635,000	297,812	1,932,812
2035	370,000	16,095	386,095
Total	<u>\$ 4,445,000</u>	<u>\$ 1,743,112</u>	<u>\$ 6,188,112</u>

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 2017. The loan requires the maintenance of an operations and maintenance reserve account in the amount of three months of budgeted operations, or \$284,700 as of December 31, 2019. 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 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 31,406	\$ 9,810	\$ 41,216
2021	31,721	9,495	41,216
2022	32,039	9,177	41,216
2023	32,360	8,856	41,216
2024	32,685	8,531	41,216
2025-2029	168,404	37,676	206,080
2030-2034	177,018	29,062	206,080
2035-2039	186,069	20,011	206,080
2040-2044	195,585	10,495	206,080
2045-2047	101,516	1,531	103,047
Total	<u>\$ 988,803</u>	<u>\$ 144,644</u>	<u>\$ 1,133,447</u>

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

	<u>Balance</u> <u>12/31/2018</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Current</u> <u>Portion</u>	<u>Accrued</u> <u>Interest</u>	<u>Interest</u> <u>Expense</u>
<b><u>2014 Bonds Payable</u></b>							
Series A Bond Insurance	\$ 49,704	\$ -	\$ 2,102	\$ 47,602	\$ 2,271	\$ -	\$ 2,103
Series B Bond Insurance	29,026	-	1,280	27,746	1,281	-	1,281
Total Bond Insurance Asset	<u>\$ 78,730</u>	<u>\$ -</u>	<u>\$ 3,382</u>	<u>\$ 75,348</u>	<u>\$ 3,552</u>	<u>\$ -</u>	<u>\$ 3,384</u>

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 5: LONG-TERM DEBT (Continued)**

**BUSINESS-TYPE ACTIVITIES (Continued)**

In April 2017, the City entered into a \$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. The loan requires the maintenance of an operations and maintenance reserve account in the amount of three months of budgeted operations, or \$284,700 as of December 31, 2019. 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 2025 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 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 7,455	\$ 2,329	\$ 9,784
2021	7,530	2,254	9,784
2022	7,605	2,178	9,783
2023	7,681	2,102	9,783
2024	7,758	2,025	9,783
2025-2029	39,577	9,339	48,916
2030-2034	42,019	6,899	48,918
2035-2039	44,168	4,750	48,918
2040-2044	46,425	2,491	48,916
2045-2047	24,100	362	24,462
Total	<u>\$ 234,715</u>	<u>\$ 34,332</u>	<u>\$ 269,047</u>

**RATE MAINTENANCE COVERAGE**

The 2014 Revenue Bonds and 2016 Colorado Water Resources and Power Development Authority sewer loan agreement requires that Net Revenues shall represent a sum equal to 120% and 110%, respectively, of the amount necessary to pay when due the principal and interest on the loan and parity debt coming due. The computation of said rate maintenance is as follows:

Gross Charges for Services	\$ 1,580,470
Other Charges	11,683
Plant Investment Fees	14,200
Gross Revenue	<u>1,606,353</u>
Water Treatment and Distribution	463,146
Sewer Collection and Treatment	221,137
Administration	128,348
Transfers Out	144,000
Operations and Maintenance Expenses	<u>956,631</u>
Net Revenues	649,722
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>\$ 187,082</u>

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 5: LONG-TERM DEBT (Continued)**

**GOVERNMENTAL ACTIVITIES**

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

<u>Governmental Activities</u>	<u>Balance</u> <u>12/31/2018</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Current</u> <u>Portion</u>	<u>Accrued</u> <u>Interest</u>	<u>Interest</u> <u>Expense</u>
2017 Capital Lease Obligations	\$ 42,630	\$ -	\$ 42,630	\$ -	\$ -	\$ -	\$ 2,067
Accrued Compensated Absences	77,783	-	15,991	61,792	6,179	-	-
<b>Total Noncurrent Liabilities</b>	<b>\$ 120,413</b>	<b>\$ -</b>	<b>\$ 58,621</b>	<b>\$ 61,792</b>	<b>\$ 6,179</b>	<b>\$ -</b>	<b>\$ 2,067</b>

**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 \$89,676 related to the lease. The final lease payment was made in fiscal year 2019.

**NOTE 6: PENSION PLANS**

**INTERNAL REVENUE CODE SECTION 457 PLAN**

The City has established and 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, \$94,823, or 4% of employee payroll, in the 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, 2018 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

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

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

**TAX SPENDING AND DEBT LIMITATIONS (Continued)**

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.

The Article requires an emergency reserve be set aside for 2019 in the amount of 3% or more of its fiscal year spending. At December 31, 2019, the City has reserved/restricted the following for emergencies:

General Fund	<u>\$ 119,500</u>
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**OTHER COMMITMENTS AND RESTRICTIONS**

The City has committed or restricted other funds as summarized in Note 3. The following table represents fund balance that was been committed for expenditures through adoption of the 2020 budget:

Committed for Subsequent Year's Expenditures:		
General Fund (not included as no available carryover)	\$	84,236
Conservation Trust (included in Restricted)		6,971

In the case of the General Fund, the City did not have remaining unrestricted equity to commit the amount included as usage of fund balance in the 2020 budget so the amount is not reported in the financial statements. For the Conservation Trust Fund, as all amounts are restricted by statute, the amount shown above represents that amount of restricted equity anticipated to be used during 2020.

**DEFICIT NET POSITION/FUND BALANCE**

The City has an unrestricted net position deficit in the Airport Fund in the amount of \$(21,207). The City has a deficit unassigned fund balance in the General Fund of \$(20,951).

**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, 2019.

**CITY OF BURLINGTON, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**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, 2019.

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**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF BURLINGTON

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		Variance With Final Budget	2018 Actual
	Original & Final Budget	Actual		
<b>REVENUES</b>				
<b>Taxes</b>				
Property Taxes	\$ 361,801	\$ 365,905	\$ 4,104	\$ 359,385
Specific Ownership Taxes	40,000	48,107	8,107	39,785
Sales and Use Taxes	1,254,325	1,380,342	126,017	1,213,261
Franchise Taxes	75,000	65,870	(9,130)	91,658
Other Taxes	7,200	6,510	(690)	6,727
Total Tax Revenue	<u>1,738,326</u>	<u>1,866,734</u>	<u>128,408</u>	<u>1,710,816</u>
<b>Intergovernmental Revenues</b>				
Cigarette Taxes	8,200	6,819	(1,381)	7,207
Cons Trust Fund Revenue	22,500	-	(22,500)	-
Highway Users	121,109	159,297	38,188	156,121
Road and Bridge	185,000	172,220	(12,780)	177,865
Clerk/Motor Vehicle Fees	13,200	4,271	(8,929)	13,398
Severance Tax	1,990	3,537	1,547	1,964
State Grants	79,500	68,808	(10,692)	14,087
Other Intergovernmental	77,200	-	(77,200)	-
Total Intergovernmental Revenue	<u>508,699</u>	<u>414,952</u>	<u>(93,747)</u>	<u>370,642</u>
<b>Licenses and Permits</b>				
Liquor Licenses	3,300	1,929	(1,371)	3,251
Building Permits	5,000	914	(4,086)	895
Animal Licenses	850	1,570	720	825
Business Licenses	15,000	-	(15,000)	-
Other Licenses	500	250	(250)	510
Total Licenses and Permits	<u>24,650</u>	<u>4,663</u>	<u>(19,987)</u>	<u>5,481</u>
<b>Fines and Forfeits</b>				
	<u>19,500</u>	<u>12,967</u>	<u>(6,533)</u>	<u>19,879</u>
<b>Charges for Services</b>				
Recreation/Comm Ctr/Library Charges	122,300	124,170	1,870	125,336
Rents	23,700	17,675	(6,025)	22,286
Other Charges for Services	528,411	523,883	(4,528)	352,287
Total Charges for Services	<u>674,411</u>	<u>665,728</u>	<u>(8,683)</u>	<u>499,909</u>
<b>Investment Earnings</b>				
	<u>10,200</u>	<u>3,655</u>	<u>(6,545)</u>	<u>1,372</u>
<b>Other Revenues</b>				
Reimbursements and Refunds	16,876	21,271	4,395	18,949
Donations	2,300	8,768	6,468	17,139
Sale of Capital Assets	-	-	-	25,988
Other Miscellaneous Revenue	2,800	2,490	(310)	30,071
Total Other Revenue	<u>21,976</u>	<u>32,529</u>	<u>10,553</u>	<u>92,147</u>
<b>TOTAL REVENUES</b>	<u>2,997,762</u>	<u>3,001,228</u>	<u>3,466</u>	<u>2,700,246</u>

See accompanying Independent Auditors' Report.

(Continued)

CITY OF BURLINGTON

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		Variance With Final Budget	2018 Actual
	Original & Final Budget	Actual		
(Continued)				
<b>EXPENDITURES</b>				
<b>General Government</b>				
Personnel Services	461,340	442,477	18,863	455,777
Contract labor	25,848	29,375	(3,527)	20,567
Fuel and Automotive	200	131	69	196
Insurance	130,824	136,674	(5,850)	143,324
Professional Fees	80,000	82,209	(2,209)	95,593
Repairs and Maintenance	3,200	3,023	177	2,462
Supplies	24,600	21,735	2,865	22,457
Telephone and Utilities	17,100	16,999	101	17,681
Travel and Training	6,650	2,329	4,321	3,076
Other Expenses	81,650	89,617	(7,967)	70,174
Total General Government	831,412	824,569	6,843	831,307
<b>Public Safety</b>				
Personnel Services	550,993	522,457	28,536	535,125
Fuel and Automotive	12,850	11,587	1,263	12,322
Insurance	-	1,000	(1,000)	-
Professional Fees	104,300	101,480	2,820	86,037
Repairs and Maintenance	15,600	23,533	(7,933)	8,153
Supplies	18,900	17,891	1,009	20,699
Telephone and Utilities	24,800	26,058	(1,258)	26,111
Travel and Training	4,500	2,552	1,948	1,364
Other Expenses	39,800	37,991	1,809	28,831
Total Public Safety	771,743	744,549	27,194	718,642
<b>Public Works</b>				
Personnel Services	264,760	259,904	4,856	270,736
Fuel and Automotive	10,000	4,040	5,960	8,309
Professional Fees	20,900	10,752	10,148	19,712
Repairs and Maintenance	58,000	301,459	(243,459)	50,616
Supplies	2,600	(3,386)	5,986	1,751
Telephone and Utilities	5,500	5,087	413	5,786
Travel and Training	250	-	250	26
Other Expenses	2,526	2,909	(383)	1,847
Total Public Works/Comm Devel	364,536	580,765	(216,229)	358,783
<b>Parks, Recreation and Other</b>				
Personnel Services	578,154	586,572	(8,418)	617,476
Fuel and Automotive	5,200	4,250	950	4,975
Professional Fees	96,430	5,231	91,199	8,228
Repairs and Maintenance	35,000	35,239	(239)	24,765
Supplies	58,850	44,336	14,514	49,246
Telephone and Utilities	56,500	68,653	(12,153)	67,517
Travel and Training	1,750	2,193	(443)	1,364
Other Expenses	91,628	88,677	2,951	89,471
Total Parks, Recreation & Other	923,512	835,151	88,361	863,042

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		Variance With Final Budget	2018 Actual
	Original & Final Budget	Actual		
(Continued)				
<b>Capital Outlay</b>				
General Government Capital Outlay	3,500	5,296	(1,796)	7,554
Public Safety Capital Outlay	96,272	59,752	36,520	19,727
Public Works Capital Outlay	225,000	-	225,000	279,752
Parks, Recreation and Other Capital Outlay	15,050	23,322	(8,272)	38,603
Total Capital Outlay	<u>339,822</u>	<u>88,370</u>	<u>251,452</u>	<u>345,636</u>
<b>Debt Service</b>				
Principal	-	42,630	(42,630)	40,599
Interest	-	2,131	(2,131)	4,161
Total Debt Service	-	44,761	(44,761)	44,760
TOTAL EXPENDITURES	<u>3,231,025</u>	<u>3,118,165</u>	<u>112,860</u>	<u>3,162,170</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(233,263)	(116,937)	116,326	(461,924)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	592,000
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ (233,263)</u>	<u>(116,937)</u>	<u>\$ 116,326</u>	<u>130,076</u>
<b>FUND BALANCE, BEGINNING</b>		329,246		199,170
<b>FUND BALANCE, ENDING</b>		<u>\$ 212,308</u>		<u>\$ 329,246</u>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

**BUDGETARY COMPARISON SCHEDULE**

**Tourism Promotion Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance With Final Budget	
<b>REVENUES</b>					
<b>Taxes</b>					
Other Taxes	\$ 220,200	\$ 220,200	\$ 255,011	\$ 34,811	218,744
<b>Intergovernmental Revenues</b>					
State Grants	-	-	50,000	50,000	-
Other Intergovernmental	25,000	25,000	12	(24,988)	-
Total Intergovernmental Revenue	25,000	25,000	50,012	25,012	-
<b>Charges for Services</b>					
Recreation/Comm Ctr/Library Charges	284,400	284,400	278,889	(5,511)	266,059
Sales of Goods	-	-	835	835	-
Rents	18,700	18,700	19,083	383	16,859
Total Charges for Services	303,100	303,100	298,807	(4,293)	282,918
<b>Other Revenues</b>					
Donations	3,000	3,000	26,536	23,536	26,765
<b>TOTAL REVENUES</b>	<b>551,300</b>	<b>551,300</b>	<b>630,366</b>	<b>79,066</b>	<b>528,427</b>
<b>EXPENDITURES</b>					
<b>General Government</b>					
Contract labor	1,500	1,500	978	522	1,040
Professional Fees	9,600	9,600	9,600	-	9,180
Repairs and Maintenance	8,000	9,197	9,976	(779)	67,337
Supplies	500	500	-	500	-
Telephone and Utilities	5,100	5,100	5,832	(732)	6,038
Total General Government	24,700	25,897	26,386	(489)	83,595
<b>Public Works</b>					
<b>Parks, Recreation and Other</b>					
Personnel Services	214,901	233,158	231,295	1,863	248,770
Fuel and Automotive	550	550	810	(260)	855
Professional Fees	82,750	82,750	92,478	(9,728)	108,046
Repairs and Maintenance	28,550	38,359	37,023	1,336	29,509
Supplies	56,200	61,009	64,213	(3,204)	86,916
Telephone and Utilities	48,000	48,000	47,278	722	48,798
Travel and Training	3,375	3,375	3,770	(395)	4,807
Other Expenses	92,350	162,146	89,569	72,577	86,363
Total Parks, Recreation & Other	526,676	629,347	566,436	62,911	614,064
<b>Capital Outlay</b>					
Parks, Recreation and Other Capital Outlay	-	-	107,105	(107,105)	8,409
<b>Contingency Reserve</b>					
	-	220,000	-	220,000	-
<b>TOTAL EXPENDITURES</b>	<b>551,376</b>	<b>875,244</b>	<b>699,927</b>	<b>175,317</b>	<b>706,068</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(76)</b>	<b>(323,944)</b>	<b>(69,561)</b>	<b>254,383</b>	<b>(177,641)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	220,000	220,000	-	122,263
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<b>\$ (76)</b>	<b>\$ (103,944)</b>	<b>150,439</b>	<b>\$ 254,383</b>	<b>(55,378)</b>
<b>FUND BALANCE, BEGINNING</b>			<b>(143,179)</b>		<b>(87,801)</b>
<b>FUND BALANCE, ENDING</b>			<b>\$ 7,260</b>		<b>\$ (143,179)</b>

See accompanying Independent Auditors' Report.

CITY OF BURLINGTON

**BUDGETARY COMPARISON SCHEDULE**

**Conservation Trust Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		2018	
	Original & Final Budget	Actual		Variance With Final Budget
<b>REVENUES</b>				
<b>Intergovernmental Revenues</b>				
Cons Trust Fund Revenue	\$ 40,000	\$ 36,510	\$ (3,490)	\$ 36,786
<b>Investment Earnings</b>	60	98	38	89
TOTAL REVENUES	<u>40,060</u>	<u>36,608</u>	<u>(3,452)</u>	<u>36,875</u>
<b>EXPENDITURES</b>				
<b>Parks, Recreation and Other</b>				
Repairs and Maintenance	22,500	2,957	19,543	36
<b>Capital Outlay</b>				
Parks, Recreation and Other Capital Outlay	13,376	-	13,376	-
TOTAL EXPENDITURES	<u>35,876</u>	<u>2,957</u>	<u>32,919</u>	<u>36</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ 4,184</u>	33,651	<u>\$ 29,467</u>	36,839
<b>FUND BALANCE, BEGINNING</b>		225,650		188,811
<b>FUND BALANCE, ENDING</b>		<u>\$ 259,301</u>		<u>\$ 225,650</u>

See accompanying Independent Auditors' Report.

**OTHER SUPPLEMENTARY INFORMATION**

CITY OF BURLINGTON

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

**BUDGET AND ACTUAL**

**Electric Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		Variance with Final Budget	2018 Actual
	Final Budget	Actual		
<b>Operating Revenues</b>				
Utility Charges	\$ 4,400,000	\$ 4,533,246	\$ 133,246	\$ 4,420,298
Other Charges for Services	125,600	65,610	(59,990)	114,194
Total Revenues	<u>4,525,600</u>	<u>4,598,856</u>	<u>73,256</u>	<u>4,534,492</u>
<b>Operating Expenses</b>				
Electric Production	2,514,777	2,533,068	(18,291)	2,632,339
Electric Distribution	189,374	191,290	(1,916)	185,630
Administration	383,767	359,992	23,775	239,940
Other Capital Outlay	524,188	103,443	420,745	1,480,655
Total Expenditures	<u>3,612,106</u>	<u>3,187,793</u>	<u>424,313</u>	<u>4,538,564</u>
Operating Income (Loss)	913,494	1,411,063	497,569	(4,072)
<b>Other Income (Expense)</b>				
Investment Earnings	4,000	11,349	7,349	12,893
Other Revenue	600	12,567	11,967	27,702
Total Other Income (Expense)	<u>4,600</u>	<u>23,916</u>	<u>19,316</u>	<u>40,595</u>
Net Income (Loss) before Transfers	918,094	1,434,979	516,885	36,523
<b>Transfers</b>				
Transfers In/(Out)	<u>(220,000)</u>	<u>(220,000)</u>	<u>-</u>	<u>(615,560)</u>
Net Income (Loss), Budget Basis	698,094	1,214,979	516,885	(579,037)
<b>Contributed Capital</b>				
Plant Investment Fees	<u>2,500</u>	<u>4,000</u>	<u>1,500</u>	<u>1,000</u>
Change in Net Position (Budget Basis)	<u>\$ 700,594</u>	<u>1,218,979</u>	<u>\$ 518,385</u>	<u>(578,037)</u>
<b>Budget to GAAP Reconciliation</b>				
Depreciation Expense		(181,216)		(141,074)
Capital Outlay		<u>47,431</u>		<u>1,431,199</u>
Change in Net Position - GAAP Basis		1,085,194		712,088
Net Position, Beginning		<u>7,636,277</u>		<u>6,924,189</u>
Net Position, Ending		<u>\$ 8,721,471</u>		<u>\$ 7,636,277</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, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		Variance with Final Budget	2018 Actual
	Final Budget	Actual		
<b>Operating Revenues</b>				
Utility Charges	\$ 1,597,500	\$ 1,573,726	\$ (23,774)	\$ 1,501,735
Other Charges for Services	1,000	6,744	5,744	1,641
Total Revenues	<u>1,598,500</u>	<u>1,580,470</u>	<u>(18,030)</u>	<u>1,503,376</u>
<b>Operating Expenses</b>				
Water Treatment and Distribution	452,553	463,146	(10,593)	482,902
Sewer Collection and Treatment	253,783	221,137	32,646	218,194
Administration	122,578	128,347	(5,769)	77,936
Other Capital Outlay	206,688	47,256	159,432	691,077
Total Expenditures	<u>1,035,602</u>	<u>859,886</u>	<u>175,716</u>	<u>1,470,109</u>
Operating Income (Loss)	<u>562,898</u>	<u>720,584</u>	<u>157,686</u>	<u>33,267</u>
<b>Other Income (Expense)</b>				
Investment Earnings	6,300	10,764	4,464	9,865
Other Revenue	-	919	919	-
Debt Service	<u>(427,924)</u>	<u>(439,298)</u>	<u>(11,374)</u>	<u>(439,932)</u>
Total Other Income (Expense)	<u>(421,624)</u>	<u>(427,615)</u>	<u>(5,991)</u>	<u>(430,067)</u>
Net Income (Loss) before Transfers	141,274	292,969	151,695	(396,800)
<b>Transfers</b>				
Transfers In/(Out)	<u>(144,000)</u>	<u>(144,000)</u>	<u>-</u>	<u>(98,703)</u>
Net Income (Loss), Budget Basis	(2,726)	148,969	151,695	(495,503)
<b>Contributed Capital</b>				
Plant Investment Fees	-	14,200	14,200	15,000
Intergovernmental Revenue	-	-	-	621,395
Total Contributed Capital	<u>-</u>	<u>14,200</u>	<u>14,200</u>	<u>636,395</u>
Change in Net Position (Budget Basis)	<u>\$ (2,726)</u>	<u>163,169</u>	<u>\$ 165,895</u>	<u>140,892</u>
<b>Budget to GAAP Reconciliation</b>				
Principal Paid		238,476		233,093
Depreciation Expense		(263,200)		(197,127)
Capital Outlay		47,256		659,277
Change in Net Position - GAAP Basis		185,701		836,135
Net Position, Beginning		<u>7,130,613</u>		<u>6,294,478</u>
Net Position, Ending		<u>\$ 7,316,314</u>		<u>\$ 7,130,613</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, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		Variance with Final Budget	2018
	Final Budget	Actual		Actual
<b>Operating Revenues</b>				
Utility Charges	\$ 362,898	\$ 385,292	\$ 22,394	\$ 347,957
Other Charges for Services	<u>138,180</u>	<u>136,585</u>	<u>(1,595)</u>	<u>118,115</u>
Total Revenues	501,078	521,877	20,799	466,072
<b>Operating Expenses</b>				
Solid Waste Collection	<u>496,467</u>	<u>478,212</u>	<u>18,255</u>	<u>505,591</u>
Operating Income (Loss)	4,611	43,665	39,054	(39,519)
<b>Other Income (Expense)</b>				
Investment Earnings	<u>-</u>	<u>38</u>	<u>38</u>	<u>70</u>
Change in Net Position (Budget Basis)	<u>\$ 4,611</u>	<u>43,703</u>	<u>\$ 39,092</u>	<u>(39,449)</u>
<b>Net Position, Beginning</b>		<u>26,552</u>		<u>66,001</u>
<b>Net Position, Ending</b>		<u>\$ 70,255</u>		<u>\$ 26,552</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, 2019**

**With Comparative Totals for the Year Ended December 31, 2018**

	2019		Variance with Final Budget	2018 Actual
	Final Budget	Actual		
<b>Operating Revenues</b>				
Airport Charges	\$ 272,330	\$ 290,123	\$ 17,793	\$ 245,597
Other Charges for Services	40,200	14,185	(26,015)	12,491
Total Revenues	<u>312,530</u>	<u>304,308</u>	<u>(8,222)</u>	<u>258,088</u>
<b>Operating Expenses</b>				
Airport	333,461	347,587	(14,126)	286,575
Administration	100	59	41	73
Other Capital Outlay	120,000	188,442	(68,442)	172,378
Contingency Reserve	144,000	-	144,000	-
Total Expenditures	<u>597,561</u>	<u>536,088</u>	<u>61,473</u>	<u>459,026</u>
Operating Income (Loss)	(285,031)	(231,780)	53,251	(200,938)
<b>Other Income (Expense)</b>				
Investment Earnings	100	134	34	127
Net Income (Loss) before Transfers	(284,931)	(231,646)	53,285	(200,811)
<b>Transfers</b>				
Transfers In/(Out)	144,000	144,000	-	-
<b>Contributed Capital</b>				
Intergovernmental Revenue	-	161,063	161,063	130,797
Change in Net Position (Budget Basis)	<u>\$ (140,931)</u>	<u>73,417</u>	<u>\$ 214,348</u>	<u>(70,014)</u>
<b>Budget to GAAP Reconciliation</b>				
Depreciation Expense		(274,812)		(273,406)
Capital Outlay		52,593		20,000
Change in Net Position - GAAP Basis		(148,802)		(323,420)
Net Position, Beginning		3,854,898		4,178,318
Net Position, Ending		<u>\$ 3,706,096</u>		<u>\$ 3,854,898</u>

See accompanying Independent Auditors' Report.

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## **STATE COMPLIANCE**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Burlington
		YEAR ENDING : December 2019
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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	472,124
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	5,087
2. General fund appropriations	389,312	b. Snow and ice removal	69,037
3. Other local imposts (from page 2)	48,107	c. Other	
4. Miscellaneous local receipts (from page 2)	177,929	d. Total (a. through c.)	74,124
5. Transfers from toll facilities		4. General administration & miscellaneous	34,519
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	198,149
a. Bonds - Original Issues		6. Total (1 through 5)	778,916
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest & Costs of Issuance	
7. Total (1 through 6)	615,348	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	163,568	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	778,916	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	778,916

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	778,916	778,916	(0)	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2019

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	5,709
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	48,107	g. Other Misc. Receipts	
6. Total (1. through 5.)	48,107	h. Other County Road & Bridge Tax	172,220
c. Total (a. + b.)	48,107	i. Total (a. through h.)	177,929
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	159,297	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	4,271	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	4,271	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	163,568	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)
<b>A.1. Capital outlay:</b>			
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:**